



YAMADA GREEN RESOURCES LIMITED
(Company Registration No. 201002962E)
(Incorporated in the Republic of Singapore)

PROPOSED ACQUISITION OF MOSO BAMBOO PLANTATION

1. Introduction

The board of directors (the “**Board**”) of Yamada Green Resources Limited (the “**Company**”) and together with its subsidiaries, the “**Group**”) wishes to announce that Sanming Shansheng Forestry Co., Ltd. (三明山盛林业有限公司) (the “**Lessee**”), a wholly-owned subsidiary of the Company, has on 9 September 2014 entered into a conditional agreement (the “**Agreement**”) with 将乐县山丰竹业有限公司 (Jiangle Shanfeng Bamboo Co., Ltd.) (the “**Lessor**”), pursuant to which the Lessee shall acquire from the Lessor a lease for the moso bamboo plantation (the “**Plantation**”) for a period of 10 years from the effective date of the Agreement for an aggregate consideration of RMB234,500,000 (the “**Aggregate Consideration**”) (the “**Proposed Acquisition**”).

The Proposed Acquisition is conditional upon the receipt of approval from the shareholders of the Company (“**Shareholders**”) and the Singapore Exchange Securities Trading Limited (“**SGX-ST**”).

2. The Plantation

The Plantation, which is situated at Jiangle County, Fujian Province, People’s Republic of China, has gross land area measuring approximately 67,000 mu¹.

The Plantation shall be used solely for the cultivation and harvest of moso bamboo, spring bamboo shoots and winter bamboo shoots.

Pursuant to Agreement, the Lessee shall be entitled to manage the Plantation and enjoy benefits generated from the Plantation. The Lessee shall also be entitled to sub-lease the Plantation to third parties, subject to the Lessor’s prior consent.

Pursuant to the Agreement, the Agreement is effective upon the Company obtaining the approval of the SGX-ST and the Shareholders for the Proposed Acquisition.

¹ Equivalent to approximately 44,689,000 square metres based on the measurement of 1 mu: 667 square metres.

3. Total Aggregate Consideration

The Aggregate Consideration for the Proposed Acquisition is RMB234,500,000², which is arrived on arms' length negotiation and willing buyer and willing seller basis after taking into account the valuation of the Plantation based on a valuation report dated 22 August 2014 ("**Valuation Report**"). Commissioned by the Lessee and prepared by an independent valuer, 福建建友资产评估土地房地产估价有限责任公司, the market value of the Plantation was estimated to be approximately RMB242,803,560³, using the discounted cash-flow model and based on a gross land area of approximately 67,000 mu⁴ as at 30 June 2014.

Pursuant to the Agreement, the Lessee shall pay to the Lessor 30% of the Aggregate Consideration within 30 days from the date on which approval of the Proposed Acquisition is obtained from the shareholders of the Company ("**Shareholders**") at an extraordinary general meeting of the Company ("**EGM**") to be convened, whereupon the Lessor shall deliver the Plantation to the Lessee. The balance Aggregate Consideration shall be payable in full to the Lessor no later than 31 May 2015.

4. Rationale

As announced by the Company previously, the Group has commenced harvesting of bamboo and bamboo shoots during the financial year ended 30 June 2014 ("**FY2014**") and yielded positive results for the year. The Proposed Acquisition presents valuable business opportunity for the Group to further expand into bamboo plantation business.

Bamboo trees are used in a variety of applications such as building and renovation materials and in furniture, textile, paper and pulp industries. Meanwhile, bamboo shoots are one of the popular vegetables in the PRC due to their favorable taste and health benefits.

The Group believes the bamboo plantation business will continue to generate a stable income stream in the future due to its higher resilience to fluctuating climate conditions experienced in recent years in the PRC. It will also enable the Group to diversify risks from largely reliant on its shiitake mushroom business.

The Proposed Acquisition will also further enhance the Group's upstream resource sustainability. For instance, the Group will secure a constant supply of spring bamboo shoots, which is one of the main ingredients for the Group's processed food products, from the Plantation.

² Equivalent to approximately S\$47,885,483 based on the exchange rate of RMB4.8971 : S\$1.00.

³ Equivalent to approximately S\$49,581,091 based on the exchange rate of RMB4.8971: S\$1.00.

⁴ Equivalent to approximately 44,689,000 square metres based on the measurement of 1 mu : 667 square metres.

The aggregate moso bamboo plantation of the Group will increase from 33,845 mu⁵ to 100,845 mu⁶ after the Proposed Acquisition.

5. Source of Funds

The Proposed Acquisition will be funded through the Group's internal resources.

6. Financial Effects

6.1 The financial effects of the Proposed Acquisition on the Group are prepared based on the Group's audited consolidated financial statements for the financial year ended 30 June 2013. For the purpose of computing the earnings per share ("**EPS**") of the Group after the Proposed Acquisition, it is assumed that the Proposed Acquisition was completed on 1 July 2012. For the purpose of computing the net tangible assets ("**NTA**") per share of the Group, it is assumed that the Proposed Acquisition was completed on 30 June 2013.

It should be noted that the financial effects set out below are for illustrative purposes only and do not purport to be indicative or a projection of the results and financial position of the Company and the Group after the completion of the Proposed Acquisition.

6.2 NTA per Share

	Before the Proposed Acquisition	After the Proposed Acquisition
NTA (RMB'000)	666,948	666,948
Numbers of shares ('000)	498,452	498,452
NTA per share (RMB cents)	133.8	133.8

6.3 EPS

	Before the Proposed Acquisition	After the Proposed Acquisition
Net profit for the year (RMB'000)	69,190	69,190
Weighted average number of shares ('000)	440,996	440,996
EPS (RMB cents)	15.7	15.7

⁵ Equivalent to approximately 22,574,615 square metres based on the measurement of 1 mu : 667 square metres.

⁶ Equivalent to approximately 67,263,615 square metres based on the measurement of 1 mu : 667 square metres.

7. Relative Figures computed based on Rule 1006 of Listing Manual of Singapore Exchange Securities Trading Limited

Rule	Relative Computation	Relative Figures
1006(a)	The net asset value of the assets to be disposed of, compared with the Group's net asset value. This basis is not applicable to an acquisition of assets	Not Applicable
1006(b)	The net profits attributable to the assets acquired or disposed of, compared to the Group's net profit.	Not Applicable
1006(c)	The aggregate value of the consideration given or received, compared with the Company's market capitalization based on the total number of issued shares excluding treasury shares.	54.02% ⁽¹⁾
1006(d)	The number of equity securities issued by the Company as consideration for an acquisition, compared with the number of equity securities previously in issue.	Not Applicable
1006(e)	The aggregate volume or amount of proved and probable reserves to be disposed of, compared with the aggregate of the Group's proved and probable reserves. This basis is not applicable to a disposal of mineral, oil or gas assets by a mineral, oil and gas company, but not to an acquisition of such assets.	Not Applicable

Note:

(1) Based on the Aggregate Consideration of RMB234,500,000 and the market capitalization of the Company of S\$88,638,359 (equivalent to approximately RMB434,070,908 based on the exchange rate of RMB4.8971 : S\$1.00), determined by multiplying the number of shares in issue of the Company (of 537,202,175 shares) by the weighted average price of S\$0.165 of such shares transacted on 8 September 2014, being the market day preceding the date of the Agreement.

As the applicable relative figure computed under Rule 1006(c) of Listing Manual of the SGX-ST exceeded 20%, the Proposed Acquisition constitutes a "Major Transaction" as defined in Chapter 10 of the Listing Manual of SGX-ST. In accordance with Rule 1014 of the Listing Manual of the SGX-ST, a major transaction must be made conditional upon approval by shareholders in a general meeting.

The Company will be seeking the approval of Shareholders at an EGM to be convened. A circular to Shareholders, together with notice of the EGM, to seek Shareholders' approval for the Proposed Acquisition will be despatched to Shareholders in due course.

8. Interest of Directors and Controlling Shareholders

None of the directors or controlling shareholders of the Company has any interest, direct or indirect, in the Proposed Acquisition, save for their shareholding interest in the Company.

9. Service Contracts

No directors will be appointed to the Company in connection with the Proposed Acquisition.

10. Documents for Inspection

Copies of the Agreement and the Valuation Report are available for inspection during normal business hours at the Company's registered office at 7 Temasek Boulevard #43-03 Suntec Tower One Singapore 038987 for a period of three (3) months from the date of this Announcement.

11. Caution in Trading

Shareholders are advised to exercise caution in trading shares in the capital of the Company. There is no certainty or assurance as at the date of this announcement that the Proposed Acquisition will be completed, or whether the Proposed Acquisition will occur, or that no changes will be made to the terms thereof. The Company will make the necessary announcements when there are further developments on the Proposed Acquisition and other matters contemplated by this announcement. Shareholders are advised to read this announcement and any announcements by the Company carefully. Shareholders should consult their stockbrokers, bank managers, solicitors or other professional advisors if they have any doubt about the actions they should take.

By order of the Board

Chen Qiu Hai
Executive Chairman and Chief Executive Officer
9 September 2014