



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

TERMINATION OF LEASE AGREEMENTS IN RELATION TO EUCALYPTUS PLANTATIONS AND PROPOSED DISPOSAL OF EUCALYPTUS TREES

The board of directors (the “**Board**”) of Yamada Green Resources Limited (the “**Company**” and together with its subsidiaries, the “**Group**”) wishes to announce that Zhangping Fengwang Agricultural Products Co., Ltd (“**Fengwang**”) and Zhangping Senwang Forestry Co., Ltd (“**Senwang**”), wholly-owned subsidiaries of the Company, have on 25 April 2017 entered into agreements with the following parties (“**Purchasers**”):

Fengwang:

- (a) Villagers’ Committee of Wulao Village, Xinan Town, Zhangping City;
- (b) Villagers’ Committee of Langche Village, Xinan Town, Zhangping City;

Senwang:

Villagers’ Committee of Qianban Village, Xinqiao Town, Zhangping City;

pursuant to which (i) Fengwang and Senwang terminated lease of eucalyptus plantations (“**Plantations**”) measuring an aggregate of approximately 7,500 mu* (“**Termination**”), (ii) Fengwang and Senwang agreed to sell, and the Purchasers have agreed to purchase the eucalyptus trees on the Plantations (“**Proposed Disposal**”).

Upon the Termination, the Group’s total eucalyptus plantations are expected to reduce from 31,782 mu* to 24,282 mu*, an aggregate amount of approximately RMB2.7 million of balance prepaid lease previously made to the respective Villagers’ Committees will be refunded to Fengwang and Senwang.

Following the Proposed Disposal, an aggregate consideration of approximately RMB8.1 million (“**Consideration**”) will be paid to Fengwang and Senwang by the Purchasers. The Consideration was arrived at on a willing buyer willing seller basis and on arm’s length commercial terms.

The eucalyptus trees are mainly utilized to produce the Group’s synthetic logs for cultivation of shiitake mushroom. Subsequent to scaling back of shiitake mushroom cultivation bases since 2014, the Group hopes to reduce eucalyptus plantations in order to maintain the appropriate size of the plantations and amount of trees necessary for the current land size of shiitake mushroom cultivation bases.

All relative figures of the Proposed Disposal computed pursuant to Rule 1006 of the Listing Manual of the Singapore Exchange Securities Trading Limited (“SGX-ST”), based on the Company’s audited consolidated results for the financial year ended 30 June 2016, are less than 5% and accordingly the

Proposed Disposal constitutes a non-discloseable transaction under Chapter 10 of the Listing Manual of the SGX-ST.

The Termination and Proposed Disposal are not expected to have any material impact on the net tangible assets of the Company for the current financial year ending 30 June 2017.

None of the directors or substantial shareholders of the Company have any interest, direct or indirect, in the above transaction, other than through their directorships or respective shareholdings in the Company (if any).

*1 mu is equivalent to approximately 667 square meters

By order of the Board

Chen Qiu Hai
Executive Chairman and Chief Executive Officer
25 April 2017