



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

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- (I) UPDATE ON PHASE 1 WORKS – SUSPENSION NOTICE ISSUED TO 立信会计师事务所 (BDO CHINA SHU LUN PAN CERTIFIED PUBLIC ACCOUNTANTS LLP) (“BDO CHINA”) BY THE MINISTRY OF FINANCE OF THE PEOPLE’S REPUBLIC OF CHINA (“PRC”) AND CHINA SECURITIES REGULATORY COMMISSION**
- (II) REPORT MADE BY BDO LLP (“BDO SINGAPORE”) TO THE MINISTER OF FINANCE OF SINGAPORE (“MOF”) UNDER SECTION 207(9A) OF THE COMPANIES ACT (CAP. 50) OF SINGAPORE**
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Unless otherwise specified, all capitalised terms used herein shall have the meanings ascribed to them in the announcements dated 25 August 2017, 31 August 2017, 4 September 2017 and 5 September 2017 (the “Announcements”).

(I) UPDATE ON PHASE 1 WORKS – SUSPENSION NOTICE ISSUED TO BDO CHINA

The Board of Directors (the “**Board**”) of Yamada Green Resources Limited (the “**Company**”, and together with its subsidiaries, the “**Group**”) wishes to update that, further to the earlier Announcements, members of the Audit Committee had attended at the Group’s premises in Fujian, the PRC, to obtain further information on the Fire Incident. Reconstruction/reproduction efforts are underway and the Board has adopted oversight procedures proposed by the Audit Committee in relation to cash balances in the bank accounts of the Group.

In relation to the Phase 1 Works – this was initially envisaged to be carried out by the Company’s external auditors, namely BDO Singapore in collaboration with its PRC affiliate, BDO China.

The progress was, however, temporarily halted, as the Board’s attention was drawn to a formal suspension notice (the “**Suspension Notice**”) issued by the Ministry of Finance of the PRC and the China Securities Regulatory Commission, which may be accessed online from the website of the China Securities Regulatory Commission¹. The notice states, *inter alia*, that BDO China is suspended from taking on “securities-related engagements” as of 23 May 2017 pending the implementation of certain rectification works. The Company’s PRC legal advisers have advised that “securities-related engagements” include the provision of audit services for listed companies and also internal audit engagements. The suspension was lifted on 10 August 2017², with the period of suspension being from 23 May 2017 to 10 August 2017 (the “**Suspension Period**”).

The Board takes a serious view on this matter as audit work had been performed by BDO China for the Group’s PRC subsidiaries during the Suspension Period, and this may have potentially serious implications for the Group. The Board is presently seeking advice, and awaiting clarification from BDO Singapore, as to, *inter alia*, whether it would be appropriate for BDO Singapore and/or BDO China to perform the Phase 1 Works in light of the Suspension Notice, and the extent of the implications, if any, on the Group in relation to the audit work performed by BDO China.

¹ http://www.csrc.gov.cn/pub/zjhpublic/G00306213/201706/t20170619_318817.htm (last accessed 27 September 2017)

² http://www.csrc.gov.cn/pub/zjhpublic/G00306213/201708/t20170811_322030.htm (last accessed 27 September 2017)

The Board intends to consider the clarification from BDO Singapore and obtain legal advice on the same before deciding on such further steps as are necessary in the interests of the Group.

(II) REPORT MADE BY BDO SINGAPORE TO MOF

The Board wishes to separately inform that BDO Singapore had, on 25 September 2017, informed that it had made a confidential report (the “**Report**”) to the Minister of Finance (of Singapore) under Section 207(9A) of the Companies Act (Cap. 50) of Singapore (“**Companies Act**”) on 21 September 2017.

Section 207(9A) of the Companies Act provides that, where an auditor of a public company or a subsidiary corporation of a public company, in the course of the performance of his duties as auditor, has reason to believe that a serious offence involving fraud or dishonesty is being or has been committed against the company by officers or employees of the company, he shall immediately report the matter to the Minister of Finance.

The Company is not privy to the actual contents of the Report as the Report was not made available to the Company. Nonetheless, BDO Singapore has confirmed that the Report relates to certain inconsistencies in the Group’s financial records and other audit queries which were raised by BDO Singapore in the course of their audit for the Group’s financial statements for FY2017, as announced on 5 September 2017.

In light of the Suspension Notice referred to above, the Board intends to also obtain legal advice on this matter before deciding on its next steps. Timely further announcements will be made by the Company to update shareholders on the above matters.

By order of the Board

Chen Qiu Hai
Executive Chairman and Chief Executive Officer
27 September 2017