

YAMADA GREEN RESOURCES LIMITED

(Company Registration No. 201002962E)

(Incorporated in the Republic of Singapore)

PROPOSED SHARE CONSOLIDATION OF EVERY FIVE (5) EXISTING ISSUED ORDINARY SHARES IN THE CAPITAL OF THE COMPANY INTO ONE (1) ORDINARY SHARE IN THE CAPITAL OF THE COMPANY, FRACTIONAL ENTITLEMENTS TO BE DISREGARDED

1. Introduction

The Board of Directors ("**Board**" or "**Directors**") of Yamada Green Resources Limited ("**Company**") refers to the Company's announcement dated 20 July 2015, and wishes to announce that the Company proposes to undertake a share consolidation of every five (5) existing issued ordinary shares in the capital of the Company ("**Shares**") into one (1) ordinary share ("**Consolidated Share**"), fractional entitlements to be disregarded and dealt with in such manner as the Directors may, in their absolute discretion deem fit in the interests of the Company ("**Proposed Share Consolidation**").

2. Details of the Proposed Share Consolidation

- 2.1 Under the Proposed Share Consolidation, every five (5) existing Shares registered in the name, or standing to the credit of the securities account (as the case may be), of each shareholder of the Company ("**Shareholder**") as at a books closure date to be determined by the Directors ("**Books Closure Date**") will be consolidated into one (1) Consolidated Share. Each Consolidated Share will rank *pari passu* in all respects with each other. The Consolidated Shares will be traded in board lots of 100 Consolidated Shares.
- 2.2 As at the date of this announcement, the renounceable underwritten rights issue of 270,333,587 new Shares ("**Rights Shares**") at an issue price of S\$0.07 for each Rights Share on the basis of one (1) Rights Share for every two (2) existing Shares held by entitled shareholders has completed and the Rights Shares have been allotted and issued. Taking into account the Rights Shares, the Company has an issued share capital of S\$301,226,000 comprising 811,000,762 Shares. Following the implementation of the Proposed Share Consolidation and on the assumption that there will be no new Shares issued by the Company from the date of this announcement up to the Books Closure Date, the Company will have an issued share capital of S\$301,226,000 comprising approximately 162,220,152 Consolidated Shares.
- 2.3 Shareholders should note that the number of Consolidated Shares which they will be entitled to pursuant to the Proposed Share Consolidation, based on their holdings of the Shares as at the Books Closure Date, will be rounded down to the nearest whole Consolidated Share and any fractions of a Consolidated Share arising from the Proposed Share Consolidation will be disregarded. All fractional entitlements arising from the implementation of the Proposed Share Consolidation will be dealt with in such manner as the Directors may, in their absolute discretion, deem fit in the interests of the Company, including (i) disregarding, or (ii) aggregating and selling the same and retaining the net proceeds for the benefit of the Company. Affected Shareholders will not be paid for any fractions of a Consolidated Share which are disregarded.

- 2.4 Shareholders who hold less than five (5) existing Shares as at the Books Closure Date will not be entitled to any Consolidated Shares and will no longer be Shareholders upon completion of the Proposed Share Consolidation. Such Shareholders who wish to remain as Shareholders upon completion of the Proposed Share Consolidation are advised to purchase additional existing Shares so as to increase the number of existing Shares held to a multiple of five (5) Shares prior to the Books Closure Date.
- 2.5 The Proposed Share Consolidation will have no impact on the issued and paid-up share capital of the Company. The Proposed Share Consolidation will not involve the diminution of any liability in respect of unpaid capital or the payment to any Shareholder of any paid-up capital of the Company, and has no effect on the shareholders' funds of the Company and its subsidiaries.
- 2.6 Shareholders are not required to make any payment to the Company in respect of the Proposed Share Consolidation. Shareholders who hold physical share certificates may wish to deposit the same with The Central Depository (Pte) Limited ("**CDP**") and have their Shares credited to their securities accounts with CDP before the announcement of the Books Closure Date, as CDP will only accept for deposit new share certificates of Consolidated Shares after the Books Closure Date.
- 2.7 Subject to Shareholders' approval being obtained for the Proposed Share Consolidation at an extraordinary general meeting ("**EGM**") to be convened by the Company, Shareholders' holdings of the Consolidated Shares arising from the Proposed Share Consolidation will be ascertained on the Books Closure Date. As the Company's annual general meeting for the financial year ended 30 June 2015 ("**AGM**") is required to be held by end October, the Company considers it may be appropriate to convene the EGM immediately after the AGM.
- 2.8 The Proposed Share Consolidation will not cause any changes to the percentage shareholding of each Shareholder in the Company, other than non-material changes due to rounding.

3. Rationale for the Proposed Share Consolidation

- 3.1 The SGX-ST had on 2 March 2015 introduced a minimum trading price of S\$0.20 ("**MTP**") for issuers listed on the Main Board of the Singapore Exchange Securities Trading Limited ("**SGX-ST**") as a continuing listing requirement to address risks associated with low-priced securities and to improve overall market quality. The MTP requirement will come into effect after a twelve (12) months transition period from 2 March 2015 (namely 1 March 2016, "**Review Date**"), and issuers that fail to fulfil the MTP requirement at the Review Date or any of the subsequent quarterly reviews will be placed on the SGX-ST watch-list. The assessment of whether the issuer has met the MTP requirement will be based on issuers' volume weighted average price ("**VWAP**") of their shares for the six (6) months preceding the Review Date. Issuers placed on the watch-list on or after 1 March 2016 will have a 36-month period to exit from the watch-list. Issuers who fail to exit from the watch-list will be subject to delisting in accordance with the listing manual of the SGX-ST.
- 3.2 The Company's share price closed at S\$0.08 on 17 September 2015, being the date preceding this announcement, and for the past six (6) months prior to the date of this announcement, the shares in the Company have been trading in a range of between S\$0.050 and S\$0.151.
- 3.3 The Directors believe that the Proposed Share Consolidation will generally be beneficial to the Company and its Shareholders, as it will facilitate the Company's ability to comply with the MTP, which is a continuing listing requirement for issuers listed on the Main Board of the SGX-ST.

Shareholders should note, however, that there can be no assurance that the Proposed Share Consolidation will achieve the desired results, nor is there assurance that such results (if achieved) can be sustainable in the longer term.

4. Approvals and Conditions

The Proposed Share Consolidation is subject to, *inter alia*:

- (a) the approval of the SGX-ST for the Proposed Share Consolidation and for the listing and quotation of the Consolidated Shares on the SGX-ST; and
- (b) the approval of Shareholders by ordinary resolution at an EGM to be convened by the Company.

An application will be made by the Company to the SGX-ST for permission for the listing and quotation of the Consolidated Shares on the SGX-ST. An appropriate announcement on the outcome of the application will be made in due course.

Subject to the receipt of the in-principle approval from the SGX-ST, a circular containing, *inter alia*, the notice of the EGM and further details of the Proposed Share Consolidation will be despatched to Shareholders in due course.

5. Caution in Trading

Shareholders and potential investors are advised to exercise caution when dealing in the Company's securities. Shareholders and potential investors should consult their stock brokers, bank managers, solicitors or other professional advisers if they have any doubts about the actions they should take.

BY ORDER OF THE BOARD

YAMADA GREEN RESOURCES LIMITED

Chen Qiuhai

Executive Chairman and Chief Executive Officer

18 September 2015