

YAMADA GREEN RESOURCES LIMITED

*(Company Registration No. 201002962E)
(Incorporated in the Republic of Singapore)*

SHARE CONSOLIDATION SUBSEQUENT TO RIGHTS ISSUE

I. Introduction

Shareholders would be aware that the Monetary Authority of Singapore and the Singapore Exchange Securities Trading Limited ("**SGX-ST**") have introduced a minimum trading price of S\$0.20 ("**MTP Requirement**") for Mainboard-listed issuers on 2 March 2015 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 SGX-ST Listing Manual.

The Company is subject to the MTP Requirement, and fully intends to comply with the MTP Requirement and will in due course undertake a share consolidation exercise to satisfy the same ("**Share Consolidation**").

II. Rights Issue

As announced by the Company on 8 June 2015, the Company is currently in the process of a renounceable underwritten rights issue ("**Rights Issue**"). The Company has submitted its shareholders' circular ("**Circular**") to convene an extraordinary general meeting for shareholders to vote on the sub-underwriting underlying the Rights Issue to the SGX-ST ("**Rights Issue EGM**"), and will in due course despatch the said shareholders' circular.

Based on the current envisaged timetable (which is still subject to change), the Company expects to convene the Rights Issue EGM on or about August 2015, and to complete the Rights Issue with the listing and quotation of the Rights Shares on or about October 2015.

A more detailed indicative timetable will be set out in the offer information statement for the Rights Issue for shareholders' reference.

III. Share Consolidation

The Company's share price closed at S\$0.109 on 16 July 2015, being the last trading day preceding the date of 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\$0.100 and S\$0.159.

As mentioned above, the Company will be undertaking its Share Consolidation to comply with the MTP Requirement.

In this regard, the Company recognizes that the ongoing Rights Issue exercise has an impact on the traded share price of the Company, and is conscientiously monitoring and observing the share price performance, with a view to assessing an appropriate Share Consolidation ratio to be applied in the Share Consolidation exercise.

As the Company's annual general meeting for the financial year ended 30 June 2015 ("**AGM**") is required to be held by end October, dependent on and taking into account the progress of the Rights Issue, the Company considers it may be appropriate to convene an extraordinary general meeting immediately after the AGM for shareholders to vote on the Share Consolidation ("**Share Consolidation EGM**"). Assuming shareholders' approval for the Share Consolidation is obtained at such Share Consolidation EGM, the Share Consolidation exercise is expected to be completed within one (1) month thereof.

Based on the above, the Share Consolidation is likely to take place only subsequent to 31 August 2015 and the six (6) months' VWAP of the Company's shares for the period from 1 September 2015 to 29 February 2016 ("**Relevant Review Period**") would likely be below S\$0.20 per share. The Company may adopt a sufficiently high Share Consolidation ratio so that taking into account the VWAP of the Company's shares preceding such Share Consolidation, the VWAP per share will exceed S\$0.20 for the Relevant Review Period.

The Company expects to determine the Share Consolidation ratio in due course, after assessment of the share price performance in the interim and obtaining advice from professional advisers. In any event, the Company intends to adopt a prudent Share Consolidation ratio, to enable the Company to comply with the MTP Requirement in a sustainable manner.

IV. Further Updates

The Company will release further announcements to update the shareholders on the progress of the Rights Issue and Share Consolidation, as and when appropriate.

In the meantime, shareholders are advised to exercise caution in trading their shares and should consult their stock brokers, bank managers, solicitors, accountants, tax advisers or other independent professional advisers if they have any doubt about the actions they should take.

BY ORDER OF THE BOARD

YAMADA GREEN RESOURCES LIMITED

Chen Qiuhai
Executive Chairman and Chief Executive Officer
20 July 2015