YAMANDA GREEN RESOURCES LIMITED

(Incorporated in the Republic of Singapore)

(Company Registration No. 201002962E))

(the "**Company**")

GRANT OF WAIVER OF THE QUARTERLY REVIEW CONDITION PREVIOUSLY IMPOSED ON THE COMPANY'S APPLICATION FOR THE RESUMPTION OF TRADING STATUS

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1. BACKGROUND

1.1 On 12 October 2020, Yamada Green Resources Limited (the "**Company**", together with its subsidiaries, the "**Group**") submitted an application to the Singapore Exchange Regulation Pte. Ltd. ("**SGX RegCo**") for resumption of the Company's trading status ("**Trading Resumption Application**").

1.2 On 18 March 2022, SGX Regco approved the Trading Resumption Application ("**March Approval**") subject to the following conditions ("**Conditions**"):

(a) the Company appointing a Singapore-based Chief Financial Officer (to be approved by SGX RegCo), with strong experience in finance;

(b) audit review on the Company's financial statements for the half-year ended 31 December 2021 to be performed by the Company's current statutory auditor, Foo Kon Tan LLP ("**FKT**"); and

(c) the Company performing quarterly reporting and all financial statements released by the Company on a quarterly basis is to be reviewed by FKT ("**Quarterly Review Condition**").

1.3 Following receipt of the March Approval:

(a) the Company announced on 13 May 2022 the cessation of its then Chief Financial Officer, Mr Zhou Chen, and the appointment of its current Chief Financial Officer, Mr Oh Lip How. The Company's appointment of Mr Oh Hip Low as Chief Financial Officer was duly reviewed by the Audit Committee, Remuneration Committee, Nominating Committee and Board of Directors and had been approved by SGX Regco in accordance with the Conditions;

(b) the Company announced on 28 May 2022 that it had been informed by SGX Regco on 27 May 2022 that it may resume trading on 1 June 2022 (the "**Resumption of Trading Approval**"); and

(c) pursuant to the Resumption of Trading Approval, the Company had resumed trading on 1 June 2022.

1.4 On 7 February 2020, amendments to the SGX quarterly reporting framework came into effect pursuant to which the market capitalisation threshold for quarterly reporting was replaced with a risk-based approach. Specifically, pursuant to Rule 705(2) of the Listing Manual of the Singapore Exchange Securities Trading Limited (the "**Listing Manual**"), quarterly reporting is required for:

(a) companies whose auditors have issued an adverse opinion, a qualified opinion or a disclaimer of opinion on its latest financial statements; and

(b) companies which auditors have stated that a material uncertainty relating to going concern exists in its latest financial statements. Rule 705(3)(b) of the Listing Manual further provides that companies which are not required to perform quarterly reporting must report their financial statements either on a quarterly or half yearly basis.

1.5 On 7 February 2020, the Company announced that SGX Regco had, on 6 February 2020, notified the Company that it would be required to continue with quarterly reporting with effect from 7 February 2020 in view of the modified opinion issued by its auditor in its then latest annual report.

2. APPLICATION FOR WAIVER AND CONFIRMATION

2.1 The board of directors of the Company wishes to inform Shareholders that the Company had applied to SGX Regco for:

(a) a waiver of the Quarterly Review Condition; and

(b) a confirmation that the Company is no longer required to perform quarterly reporting, in accordance with Rule 705(2) of the Listing Manual,

(collectively, the "**Waivers**").

2.2 The Company's grounds for seeking the waiver of the Quaterly Review Condition were as follows:

(a) Review of the Company's Interim Financial Statements

The Company's interim financial statements from 1Q2022 to 3Q2023 (being the most recently concluded financial quarter) have been reviewed by the Company's independent auditor ("**Auditor**") who had concluded in each instance that nothing had come to its attention that caused it to believe that the interim financial statements had not been prepared in all material respects in accordance with the applicable accounting standards.

Such review and conclusion by the Company's Auditor reflect the standards to which the Company has been preparing its interim financial statements and supports the Company's application for a waiver of the Quarterly Review Condition.

(b) Unqualified Audit Opinions by the Company's Auditor

From FY2020 to FY2023, the Company's Auditor had issued unqualified audit opinions in its independent auditor's report (the "**Unqualified Opinions**"). Pursuant to the Unqualified Opinions, in the view of the Auditor, the relevant consolidated financial statements of the Group and the statement of financial position of the Company for the relevant financial year had been properly drawn up in accordance with the provisions of the Companies Act 1967 of Singapore and Singapore Financial Reporting Standards (International) so as to give a true and fair view of the consolidated financial position of the Group and the financial position of the Company as at the end of the relevant financial year and of the consolidated financial performance, consolidated changes in equity and consolidated cash flows of the Group for the year ended on that date.

The clean reports issued by the Company's Auditor for FY2020, FY2021, FY2022 and FY2023 reflect that the Company prepares its financial statements to provide a true and fair view in accordance with the relevant laws and accounting standards and support the Company's application for a waiver of the Quarterly Review Condition.

(c) Cost Implications

The Company has engaged FKT to carry out the quarterly review for the first quarter of FY2024. However, in view of the Company's relatively small scale of operations, the financial cost and manpower commitment of complying with the Quarterly Review Condition has been and will remain a material burden to the Company vis-à-vis the its financial position.

While there has been a gradual easing of COVID-19 restrictions in China (where the Company's operations are based), the situations remain fluid and unpredictable. Strict enforced lockdowns imposed by local governments at little to no notice remain a possibility in the event of any significant outbreak of existing or new variant of the COVID-19. Such circumstances have caused disruptions to the Company's operations and have adversely impacted the Company's financial position in FY2023 and may continue to have negative impact to the Group's operations.

For FY2023, group revenue for the food processing business segment aggregated RMB35.9 million as compared to the RMB56.5 million achieved in FY2022, representing a decrease of 36.5% or RMB20.6 million. The fall in revenue was mainly due to decline in sales in both domestic and overseas markets. The decrease in sales in the domestic market was largely from the impact of the COVID-19 pandemic in the first half of the financial period; while the significant weakening of the Japanese Yen against the USD had led to a decline in demand, and in turn, the decrease in sales to overseas markets. Along with the decrease in revenue, gross profit slipped 61.9% from RMB5.8 million in FY2022 to RMB2.2 million in FY2023.

Additionally, as a result of the ongoing geopolitical tensions and uncertain economic environment, the Group continues to face challenges from the global rising costs and continuing inflationary pressures, which in turn places downward pressure on its operations. The Company also anticipates that ongoing global supply disruptions are likely to persist well into the next financial year, while geopolitical tensions among major

global powers are expected to worsen supply chain disruptions, dampening consumer and business confidence, driving down international demand.

The costs of complying with the Quarterly Review Condition, relative to the scale of the Company's operations, against the backdrop of challenging and unpredictable economic conditions, support the Company's application for a waiver of the Quarterly Review Condition.

As illustrated by the Company's review of its interim financial statements since 1Q2022 and its clean audit reports since FY2020, the Company has sincerely endeavoured to and has conducted its financial reporting to the required legal and accounting standards. In this context, the costs of complying with the Quarterly Review Condition would be an undue financial burden on the Company, considering in particular the current challenging and unpredictable economic climate. In view of the above, the Company was of the view that a waiver of the Quarterly Review Condition is justified and sought SGX Regco's concurrence of the same.

2.3 Separately, the Company's grounds for seeking confirmation from SGX Regco that the Company is no longer required to perform quarterly reporting, in accordance with Rule 705(2) were as follows:

(a) No adverse opinion, qualified opinion or disclaimer of opinion

As set out above, from FY2020 to FY2023, being the most recently concluded financial year, the Company's Auditor had issued the Unqualified Opinions. There were no adverse opinions, qualified opinions or disclaimers of opinion on the Company's financial statements from FY2020 to FY2023, being the most recently concluded financial year. The Company is therefore currently not required to perform quarterly reporting under Rule 705(2)(d) of the Listing Manual.

(b) No material uncertainty relating to going concern

The Company's Auditor has not stated that a material uncertainty relating to going concern exists in its latest financial statements. The Company is therefore currently not required to perform quarterly reporting under Rule 705(2)(e) of the Listing Manual.

As the Company is not required to perform quarterly reporting pursuant to Rule 705(2) of the Listing Manual, the Company sought the confirmation of SGX Regco that it may instead perform half-yearly reporting pursuant to Rule 705(3)(b)(ii) of the Listing Manual.

3. GRANT OF WAIVER AND CONFIRMATION

3.1 On 10 November 2023, SGX Regco advised the Company that it is no longer required to perform quarterly reporting and therefore no longer required to have all financial statements released on a quarterly basis be reviewed by FKT as indicated in the March Approval, subject to the following:

(a) submission of a written confirmation from the Company that it is not aware of any information that will have a material bearing on investors' decision which has yet to be announced by the Company ("**Confirmation Letter**"); and

(b) the Company announcing SGX Regco's confirmation and its submissions and representations to SGX Regco.

As at the date of this announcement, the Company has submitted the Confirmation Letter to SGX Regco and complied with the condition set out in paragraph (a).

3.2 The Company is required to make an immediate disclosure via SGXNet if it is/ will be in contravention of any laws and regulations governing the Company and the constitution of the Company arising from the Waivers.

3.3 Further, SGX Regco reserves the right to amend and/or vary the above decision and such decision is subject to changes in SGX Regco's policies.

BY ORDER OF THE BOARD

Chen Qiuhai
Executive Director and Chief Executive Officer

13 November 2023