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

UPDATE ON PHASE 1 WORKS AND RECONSTRUCTION/REPRODUCTION EFFORTS

- **APPOINTMENT OF DELOITTE & TOUCHE FINANCIAL ADVISORY SERVICES FOR PHASE 1 WORKS**
- **INTENT TO RESIGN AS STATUTORY AUDITORS RECEIVED FROM BDO SINGAPORE**

*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, 5 September 2017, 27 September 2017 and 17 November 2017 (the "**Announcements**").*

The Board of Directors (the "**Board**") of Yamada Green Resources Limited (the "**Company**", and together with its subsidiaries, the "**Group**") wishes to provide shareholders with an update on the Phase 1 Works and the reconstruction/reproduction efforts to restore documentation affected by the Fire Incident.

The Company had, on the recommendation of the Audit Committee, appointed Deloitte & Touche Financial Advisory Services Pte Ltd ("**Deloitte FAS**") to perform the Phase 1 Works in place of BDO Singapore. Deloitte FAS had earlier in January 2018 conducted field trips in the PRC for the Phase 1 Works together with representatives of the Audit Committee, Singapore and PRC legal advisers, and Management in attendance. The Company understands that Deloitte FAS is in the process of the collating its preliminary findings and will thereafter present the same to the Audit Committee. The Audit Committee expects to receive a report on the preliminary findings within the next few weeks and a copy of the same would be made available to the SGX-ST. The key findings would be announced in due course.

The scope of work agreed between the Audit Committee and Deloitte FAS in respect of the Phase 1 Works involves the extraction of a list of all the bank accounts of the Company's subsidiaries based in the People's Republic of China ("**PRC**") from the People's Bank of China Management System, obtaining monthly physical and online bank statements (for the period of FY2017) for these bank accounts, perform a review and comparison of the said physical and online bank statements, as well as historical bank statements provided by the Company (to the extent unaffected by the Fire Incident), and thereafter the report of its findings to the Audit Committee. The scope of work would also serve to verify the Group's cash balances in its PRC bank accounts as at 30 June 2017 (being the end date of FY2017).

The commencement of the Phase 1 Works was delayed due to a number of developments. While the Phase 1 Works was initially scheduled for September 2017, its commencement was temporarily halted as the Board's attention was drawn to the Suspension Notice and the Report made to the Minister of Finance, as announced on 27 September 2017. The Board was subsequently informed in October 2017 that BDO Singapore intends to resign as statutory auditors, and had written to the Accounting and Corporate Regulatory Authority of Singapore ("**ACRA**") to seek consent for its resignation. Discussions were then had with BDO Singapore to consider the possibility of deferring their resignation pending the completion of the Phase 1 Works, to which the Company was informed in November 2017 that *inter alia* BDO Singapore would not be able to commence the Phase 1 Works as BDO China will not be taking up the said engagement. Significant time and effort was thereafter committed by the Audit Committee to interview and consider suitable audit firms to perform the Phase 1 Works, before the Audit Committee eventually shortlisted and recommended the appointment of Deloitte FAS to perform the Phase 1 Works.

The Company is presently in the midst of interviewing and considering suitable and appropriately qualified audit firms to replace BDO Singapore as the auditors of the Group and intends to update ACRA on the same soon.

The Management had separately updated the Board that reconstruction/reproduction efforts to restore documentation affected by the Fire Incident are in progress and the Board would be updated promptly once the same is completed.

Further announcements will be made by the Company to update shareholders on the above matters.

By Order of the Board

Chen Qiuhai
Executive Chairman and Chief Executive Officer
12 February 2018