



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

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## **PROPOSED DISPOSAL OF 45% OF THE REGISTERED CAPITAL OF FUJIAN TIANWANG FOODS CO., LTD (“DISPOSAL”)**

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### **Introduction**

The board of directors (the “**Board**”) of Yamada Green Resources Limited (the “**Company**”) and together with its subsidiaries, the “**Group**”) wishes to announce that Fujian Wangsheng Industrial Co., Ltd (福建望盛实业有限公司) (“**Wangsheng**”), a wholly-owned subsidiary of the Company, has on 23 April 2019 entered into a sale and purchase agreement (the “**Agreement**”) with Jinhai International Holdings Limited (金海国际控股有限公司) (the “**Purchaser**”). Pursuant to the Agreement, Wangsheng shall sell and the Purchaser shall acquire Wangsheng’s 45% equity interest in the registered capital of Fujian Tianwang Foods Co., Ltd (福建省天旺食品有限公司) (“**Tianwang**”) (the “**Disposal**”).

Upon completion of the Disposal, Tianwang would cease to be an associated company of the Company.

### **Rule 1006 of the SGX-ST Listing Manual**

The relative figures pursuant to Rule 1006, using the unaudited accounts of the Company and its subsidiaries (the “Group”) as at 31 December 2018, are:-

(a)	net asset value of the assets to be disposed of compared to the Group’s net asset value	15.2%.
(b)	net profits <sup>(1)</sup> attributable to the assets acquired or disposed of, compared with the Group’s net profits <sup>(1)</sup>	1.2% <sup>(2)</sup>
(c)	aggregate value of the consideration given or received, compared with the issuer’s market capitalisation	14.0% <sup>(3)</sup>
(d)	number of equity securities issued by the issuer as consideration for an acquisition, compared with the number of equity securities previously in issue	NA
(e)	aggregate volume or amount of proved and probable reserves to be disposed of, compared with the aggregate of the Group’s proved and probable reserves. This basis is applicable to a disposal of mineral, oil or gas assets by a mineral, oil and gas company, but not to an acquisition of such assets	NA

As the applicable relative figures computed under basis (a) and (c) exceed 5% but is below 20%, the Disposal is a “discloseable transaction” as defined in Chapter 10 of the SGX-ST Listing Manual.

### **NOTES:**

- (1) Under Rule 1002(3)(b), “net profits” means profit or loss before income tax, minority interests and extraordinary items.

- (2) Determined by dividing the unaudited net loss of Tianwang for the half year ended 31 December 2018 of approximately RMB0.1 million by the Group's latest announced consolidated net loss for the half year ended 31 December 2018 of RMB8.2 million.
- (3) Based on the aggregate value of the Consideration of approximately S\$8.17 million (RMB39.9 million based on an exchange rate of \$1:RMB4.890) and the market capitalisation of the Company as at 30 August 2017 (being the market day where the shares of the Company was traded preceding the date of the Agreement). Under Rule 1002(5), the market capitalisation of the Company is determined by multiplying the number of shares in issue and the closing market price of \$0.33 per share on 30 August 2017.

### **Information to be announced under Rule 1010**

(1) *Particulars of the assets disposed*

The Purchaser is acquiring 45% equity interest in the registered capital of Tianwang which is legally and beneficially owned by Wangcheng. The Purchaser is currently the legal and beneficial owner of the remaining 55% of the registered capital of Tianwang. Save as aforesaid, the Purchaser is an independent third party and is not related to the Directors or substantial shareholders of the Company.

(2) *A description of the trade carried on*

Tianwang is incorporated in Jiangle County, Fujian Province, the Republic of China (the "PRC"). Its principal activities are those of manufacturing and supplying of processed food products, such as processed bamboo shoots, cultivation and sales of vegetables, and forestry management in the PRC

(3) *The aggregate value of the consideration, including factors taken into consideration in arriving at the value of the consideration*

The total consideration for the Disposal is RMB39,933,000, equivalent to approximately S\$8,166,257.66 (based on an exchange rate of \$1:RMB4.890) (the "Consideration") and is equivalent to the price at which the Company acquired its 45% equity interest in the registered capital of Tianwang in December 2015.

(4) *Any material conditions, including put and call options*

The Purchaser agrees to purchase and Wangsheng agrees to sell 45% of the registered capital of Tianwang as follows:

(a) The Purchaser shall pay Wangsheng the sum of RMB26,622,000 within 2 years from the date of the Agreement;

(b) Upon the payment of 50% of the sum of RMB26,622,000, Wangsheng shall transfer 30% of the registered capital of Tianwang to the Purchaser;

(c) The Purchaser shall pay Wangsheng the balanced sum of RMB13,311,000 within 3 years from the date of the Agreement; and

(d) Upon the payment of 50% of the sum of RMB13,311,000, Wangsheng shall transfer 15% of the registered capital of Tianwang to the Purchaser.

(5) *The value (book value, net tangible asset value and the latest available open market value) of the assets being acquired or disposed of and in respect of the latest available valuation, the value placed on the assets, the party who commissioned the valuation and the basis and date of such valuation*

The book value of the assets being disposed of is RMB43,326,000 as of 31 December 2018.

- (6) *The excess or deficit of the proceeds over the book value and the intended use of the sale proceeds.*

There would be a deficit of RMB RMB3,393,000 of the proceeds over book value. The proceeds would be used for general working capital.

- (7) *The net profits or loss attributable to the assets being acquired or disposed and the amount of gain or loss from disposal*

The unaudited net loss of Tianwang for the half year ended 31 December 2018 was approximately RMB0.1 million. The total book loss from disposal is RMB3,393,000.

- (8) *The effect of the transaction on the net tangible assets per share of the issuer for the most recently completed financial year, assuming that the transaction had been effected at the end of that financial year*

The net tangible assets per share of the Company and the Group as at 30 June 2018 is as follows:

	<-----Company----->		←-----Group----->	
	FY2018	After the Disposal	FY2018	After the Disposal
NTA per share (RMB)	170	170	165.5	163.5

**NOTES:**

- i) NTA per share is computed based on the weighted average number of shares of the Company in issue.
- ii) The above impacts are computed under the assumption that the Disposal was done in the end of FY2018.
- iii) NTA is computed based on audited financial statement of Tianwang.

- (9) *The effect of the transaction on the earnings per share of the issuer for the most recently completed financial year, assuming that the transaction had been effected at the beginning of that financial year*

The financial effect of the Disposal on the earnings per share of the Company and the Group for FY2018 is as follows:

	<-----Company----->		←-----Group----->	
	FY2018	After the Disposal	FY2018	After the Disposal
Earnings per share (RMB)	-2.5	-2.5	16.5	14.5

**NOTES:**

- i) Earnings per share is computed based on the weighted average number of shares of the Company in issue.
- ii) The above impacts are computed under the assumption that the Disposal was done in the beginning of FY2018.

- (10) *The rationale for the transaction including the benefits which are expected to accrue to the issuer as a result of the transaction*

Despite the potential loss from the Disposal, the Company is of the view that the Disposal will be in the best interests of the Company for the following reasons:-

- (i) The Group no longer has any bamboo plantations and as such, Tianwang no longer adds value to the Group;
  - (ii) Further losses would be prevented by discontinuing unprofitable investment projects; and
  - (iii) Providing the working capital for the Company to embark on subsequent projects.
- (11) *Whether any director or controlling shareholder has any interest, direct or indirect, in the transaction and the nature of such interests*

None of the Directors or controlling shareholders has any interest, direct or indirect, in the transaction.

- (12) *Details of any service contracts of the directors proposed to be appointed to the issuer in connection with the transaction*

Nil.

#### **Documents for Inspection**

The Share Purchase Agreement dated 23 April 2019 is available for inspection during normal business hours at the Company's registered office at 7 Temasek Boulevard #43-03 Suntec Tower One Singapore 038987 for a period of three (3) months from the date of this Announcement.

By order of the Board

Chen Qiu Hai  
Executive Chairman and Chief Executive Officer  
23 April 2019