



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

TERMINATION OF LEASE AGREEMENTS IN RELATION TO EUCALYPTUS PLANTATIONS AND PROPOSED DISPOSAL OF EUCALYPTUS TREES

The board of directors (the “**Board**”) of Yamada Green Resources Limited (the “**Company**” and together with its subsidiaries, the “**Group**”) wishes to announce that Zhangping Fengwang Agricultural Products Co., Ltd (“**Fengwang**”), a wholly-owned subsidiary of the Company, has on 14 June 2016 entered into agreements with the following parties (“**Purchasers**”):

- (a) Villagers’ Committee of Changrong Village, Xi’nan Town, Zhangping City;
- (b) Villagers’ Committee of Xiahe Village, Xi’nan Town, Zhangping City;
- (c) Villagers’ Committee of Guankeng Village, Xi’nan Town, Zhangping City;

pursuant to which (i) Fengwang terminated lease of eucalyptus plantations (“**Plantations**”) measuring an aggregate of approximately 4,963 mu* (“**Termination**”), (ii) Fengwang agreed to sell, and the Purchasers have agreed to purchase the eucalyptus trees on the Plantations (“**Proposed Disposal**”).

Upon the Termination, the Company’s total eucalyptus plantations are expected to reduce from 38,334 mu* to 33,371 mu*, an aggregate amount of approximately RMB1,387,000 balance prepaid lease previously made to the respective Villagers’ Committees will be refunded to Fengwang.

Following the Proposed Disposal, an aggregate consideration of approximately RMB4,811,000 (“**Consideration**”) will be paid to Fengwang by the Purchasers. The Consideration was arrived at on a willing buyer willing seller basis and on arm’s length commercial terms.

The eucalyptus trees are mainly utilized to produce the Group’s synthetic logs for cultivation of shiitake mushroom. Subsequent to scaling back of shiitake mushroom cultivation bases since 2014, the Group hopes to reduce eucalyptus plantations in order to maintain the appropriate size of the plantations and amount of trees necessary for the current land size of shiitake mushroom cultivation bases.

All relative figures of the Proposed Disposal computed pursuant to Rule 1006 of the Listing Manual of the Singapore Exchange Securities Trading Limited (“SGX-ST”), based on the Company’s audited consolidated results for the financial year ended 30 June 2015, are less than 5% and accordingly the Proposed Disposal constitutes a non-discloseable transaction under Chapter 10 of the Listing Manual of the SGX-ST.

The Termination and Proposed Disposal are not expected to have any material impact on the net tangible assets of the Company for the current financial year ending 30 June 2016.

None of the directors or substantial shareholders of the Company have any interest, direct or indirect, in the above transaction, other than through their directorships or respective shareholdings in the Company (if any).

*1 mu is equivalent to approximately 667 square meters

By order of the Board

Chen Qiuhai

Executive Chairman and Chief Executive Officer

15 June 2016