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

PROPOSED PLACEMENT OF SHARES AND GRANT OF OPTION

1. INTRODUCTION

1.1 The board of directors ("**Directors**") of Yamada Green Resources Limited ("**Company**", and together with its subsidiaries, the "**Group**") wishes to announce that the Company had on 23 April 2019 entered into a subscription agreement ("**Subscription Agreement**") with Tennensozai Co., Ltd ("**Subscriber**"), pursuant to which:

(a) The Company has agreed to allot and issue 8,500,000 new ordinary shares ("**Shares**") in the capital of the Company ("**Subscription Shares**") to the Subscriber, and the Subscriber has agreed to subscribe and pay for the Subscription Shares, at S$0.3135 per Subscription Share ("**Subscription Price**"), for an aggregate amount of S$2,664,750 (together the "**Proposed Placement**"); and

(b) Subject to and in consideration of the completion of the Proposed Placement, the Company shall grant (the "**Grant of Option**") the Subscriber an option (the "**Option'**) to subscribe up to 8,500,000 new Shares (each an "**Option Share**" and together the "**Option Shares**") at the exercise price, which is the higher of the following:

i. S$0.297 per Option Share being 10% discount to the weighted average price for trades done on the Singapore Exchange Securities Trading Limited ("**SGX-ST**") for the full market day on which the Shares were traded before trading was suspended on 30 August 2017; or

ii. 5% discount to the weighted average price for trades done on SGX-ST for the Shares for the 30 trading days before date the notice in writing by the Subscriber to the Company informing the Company of its intention to exercise the Option.

(the "**Option Exercise Price**")

1.2 The Subscription Price represents a 5% discount to the weighted average price for trades done on the Singapore Exchange Securities Trading Limited ("SGX-ST") for the full market day on which the Shares were traded before trading was suspended on 30 August 2017. The Subscription Price and Option Exercise Price was agreed upon based on arm's length negotiations between the Subscriber and the Company.

1.3 The Subscription Shares and Option Shares shall be issued free from all claims, charges, liens and other encumbrances whatsoever and shall rank, *pari passu*, in all respects with the existing Shares save that they will not rank for any dividend, rights, allotments or other distributions, the Record Date of which falls on or before the date of completion of the Proposed Placement or as at the date of allotment of the Option Shares accordingly. For purposes of this announcement, "**Record Date**" means the date fixed by the Company for the purposes of determining entitlements to dividends or other distributions to or rights of holders of Shares.

2. CONDITIONS

2.1 Completion shall take place on a date, upon 5 business days prior notice in writing by the Subscriber, within the period commencing seven 7 business days after such date that all (a) to (d) of the Conditions (defined below) have been fulfilled, or waived, and ending 6 months after such date that all (a) to (d) of the Conditions have been fulfilled, or waived (or, if that day is not a business day, on the next business day), or such other date as the parties may agree in writing.

2.2 The conditions precedent ("**Conditions**") to the Proposed Subscription, among others, include:-

(a) the approval-in-principle for the listing and quotation of the Subscription Shares and Option Shares on the Mainboard of the SGX-ST, subject to the the lifting of the suspension of and the resumption of trading of the Company's Shares on the SGX-ST, on conditions (if any) acceptable to the Subscriber ("**SGX Approval**") having been obtained and not being revoked or amended;

(b) any conditions attached to the SGX Approval which is required to be fulfilled on or before the Completion Date having been fulfilled on or before that date to the satisfaction of the SGX-ST or waived by the SGX-ST;

(c) approval by the shareholders of the Company (if required) having been obtained for the Subscription;

(d) all material approvals, consents, licenses, permits, waivers and exemptions (collectively, "**Approvals**") for the Subscription and all Approvals which are material for the carrying on of the business of the Company immediately after the Completion, having been granted by all third parties including all Governmental Bodies, whether in Singapore, PRC or elsewhere, to the Company and/or the Subscriber (as the case may be) and where any such Approval is subject to conditions, such conditions being reasonably acceptable to the Company and/or the Subscriber, as the case may be, and if such conditions are required to be fulfilled on or before the Completion Date, such conditions having been fulfilled on or before the Completion Date, and such Approvals remaining in full force and effect; and

(e) there having been, as at the Completion Date, no occurrence of any event nor the discovery of any fact rendering untrue or incorrect in any material respect any of the warranties contained in Clause 5 if they were repeated on and as of the Completion Date.

2.3 If any of the Conditions is not satisfied on or before 31 December 2019 (or such later date as the Parties may agree), the Company or the Subscriber shall, subject as mentioned in the Subscription Agreement, be entitled to terminate the Subscription Agreement and thereafter the parties shall be released and discharged from their respective obligations provided that the Subscriber may at his discretion (and subject to such conditions as it may impose) waive compliance with Condition (e) above.

3. DETAILS OF THE SUBSCRIBER

The Subscriber was founded in 1996 and is a well-established food manufacturer from Japan, with a customer base covering the whole of Japan. The Subscriber processes, imports and sells domestic shiitake mushrooms, raw food materials, and processed food. The Subscriber is currently the Group's largest overseas customer and the Group's preferred partner for expansion into the Japan market in the future.

The Subscriber is known to our CEO Mr Chen as it is a customer of the Group. There is no placement agent appointed for the Proposed Placement and/or the Grant of the Option. No commission or other payment is to be made to Mr Chen and/or other parties for introducing the Subscriber to subscribe for the Subscription Shares and/or the Option Shares.

4. MANDATE FOR THE ISSUE OF THE SUBSCRIPTION SHARES AND GRANT OF OPTION

4.1 The Subscription Shares and Option Shares will be issued pursuant to the general mandate given by the shareholders of the Company at the annual general meeting of the Company held on 27 February 2019 for the Directors of the Company to issue Shares, make or grant offers, agreements or options ("**Instruments**") whereby the aggregate number of Shares and Instruments to be issued shall not exceed 50% of the total number of issued Shares (excluding treasury shares), of which the aggregate number of Shares and Instruments to be issued other than on a pro rata basis to existing shareholders of the Company shall not exceed 20% of the total number of issued Shares (excluding treasury shares) as at 27 February 2019 ("**General Mandate**") after adjusting for, amongst other, new Shares arising from the conversion or exercise of the Instruments or any convertible securities.

4.2 The total number of issued Shares (excluding treasury shares) as at the date of the General Mandate and as at the date of this announcement is 176,798,164 Shares.

4.3 The Subscription Shares, when allotted and issued in full, will represent:

(a) approximately 4.81% of the current total number of issued shares in the capital of the Company;

(b) approximately 4.59% of the enlarged total number of issued shares in the capital of the Company upon completion of the Proposed Placement (assuming no further Shares are issued between the date of this announcement and the completion of the Proposed Placement).

4.4 The Option Shares, when allotted and issued in full after the completion of the Proposed Placement, will represent:

(a) approximately 4.59% of the total number of issued shares in the capital of the Company upon completion of the Proposed Placement;

(b) approximately 4.39% of the enlarged total number of issued shares in the capital of the Company upon allotment of all Option Shares (assuming no further Shares are issued between the completion of the Proposed Placement and the date of allotment of the Option Shares).

4.5 The Subscription Shares and Option Shares, when allotted and issued in full, will represent:

(a) approximately 9.62% of the current total number of issued shares in the capital of the Company;

(b) approximately 8.77% of the enlarged total number of issued shares in the capital of the Company upon completion of the Proposed Placement and upon allotment of all Option Shares (assuming no further Shares are issued between the date of this announcement and the allotment of all Option Shares).

4.3 The offer of the Subscription Shares is made pursuant to the exemption under Section 272B of the Securities and Futures Act, Chapter 289 of Singapore. As such, no prospectus or offer information statement will be issued by the Company in connection with the Proposed Placement.

5. FINANCIAL EFFECTS

5.1 The financial effects of the Proposed Placement and Grant of Option on the Group are prepared based on the unaudited financial statements of the Group for the 6 months financial period ended 31 December 2018 ("**HY2018**"). The financial effects are based on the following assumptions:

(i) the Company allots and issues the Subscriptions Shares, and Options are exercised in full and the Company allots and issues the entire 8,500,000 Option Shares pursuant to the exercise of the Option;

(ii) the exercise price of the Option Shares is S$0.297 per Option Share;

(iii) the financial effect on the consolidated net tangible asset ("NTA") per Share is computed based on the assumption that the Subscription Shares and Option Shares were paid and allotted on 31 December 2018;

(iv) the financial effect on the loss per Share ("LPS") is computed based on the assumption that the Subscription Shares and Option Shares were paid and allotted on 1 July 2018; and

(v) the expenses incurred in connection with the Proposed Placement and the Grant of Option amounted to approximately S$25,000.

It should be noted that the financial effects set out below are for illustrative purposes only and do not purport to be indicative or a projection of the results and financial position of the Company and the Group after completion of the Proposed Placement and allotment of the Option Shares.

5.2 *Share Capital*

	As at date of this announcement	**After issuance of Subscription Shares but before issuance of the Option Shares**	**After issuance of Subscription Shares and Option Shares**
Issued and paid-up share capital (RMB '000)	322,210	335,266	347,752
Total number of issued and paid-up Shares ('000)	176,798	185,298	193,798

5.3 *EPS*

	HY2018	After issuance of Subscription Shares but before issuance of the Option Shares	After issuance of the Subscription Shares and Option Shares
Net loss for HY2018 (RMB '000)	(8,224)	(8,224)	(8,224)
Weighted average number of Shares ('000)	176,798	185,298	193,798
EPS (RMB cents)	(4.7)	(4.4)	(4.2)

5.4 *NTA per Share*

	As at 31 December 2018	After issuance of Subscription Shares but before issuance of the Option Shares	After issuance of the Subscription Shares and Option Shares
NTA (RMB '000)	284,409	297,465	309,951
Number of Shares ('000)	176,798	185,298	193,798
NTA per Share (RMB cents)	160.9	160.5	159.9

Note:

(1) Based on the exchange rate of S$1: RMB4.946 as at 22 April 2019.

6. RATIONALE AND USE OF PROCEEDS

6.1 The Company is proposing to undertake the Proposed Placement to raise funds to strengthen its financial position and capital base thus enhancing its flexibility to capitalize on potential growth opportunities. Based on the Subscription Price, the estimated amount of proceeds from the Proposed Placement Shares (net of the estimated expenses of approximately S$25,000 is approximately S$2.64 million ("**Placement Proceeds**"). The Company intends to utilize the Placement Proceeds for general working capital purposes including business expansion, acquisitions, investments, joint ventures and/or other collaborations as and when good business opportunities arise.

6.2 As and when the Option is exercised, the proceeds arising therefrom ("**Option Proceeds**") may, at the discretion of the Directors, be utlize for general working capital purposes including business expansion, acquisitions, investments, joint ventures and/or other collaborations as and when good business opportunities arise and/or such other purposes as the Directors may deem fit.

6.3 The Company will make periodic announcement(s) on the usage of the Placement Proceeds and Option Proceeds as and when such proceeds are materially disbursed and whether the

disbursements are in accordance with use of proceeds as stated in this announcement. Where there is any material deviation from the stated use of proceeds, the Company will announce the reasons for such deviation.

6.3 Pending the deployment of the Placement Proceeds and Option Proceeds, such proceeds may be placed as deposits with financial institutions or invested in short term money markets or debt instruments or for any other purposes on a short-term basis as the Directors may deem fit, from time to time.

7. CONFIRMATION BY DIRECTORS

7.1 The Directors are of the opinion that, after taking into consideration the present bank balance and operating cashflow of the Group, the working capital available to the Group is sufficient to meet its present requirements.

7.2 The Directors are of the opinion that, after taking into consideration the Net Proceeds, the present bank balance and operating cashflow of the Group, the working capital available to the Group is sufficient to meet its present requirements.

8. GENERAL

8.1 None of the Subscription Shares and Option Shares will be placed to any person or groups of persons disallowed by the SGX-ST as set out under Rule 812(1) of the Listing Manual of the SGX-ST. Pursuant to the Subscription Agreement, the Subscriber has represented that it does not fall within the class of persons as set out under Rule 812(1) of the Listing Manual of the SGX-ST.

8.2 None of the Directors of the Company have any interest, direct or indirect, in the Proposed Placement and Grant of Option. The Directors are not aware of any substantial shareholder of the Company having any interest, direct or indirect, in the Proposed Placement or Grant of Option and has not received any notification of any interest in this transaction from any substantial shareholder.

8.3 The Proposed Placement and Grant of Option would not result in any transfer of controlling interest in the Company to the Subscriber.

9. 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.

10. DIRECTORS' RESPONSIBILITY STATEMENT

The Directors collectively and individually accept full responsibility for the accuracy of the information given in this announcement and confirm after making all reasonable enquiries, that to the best of their knowledge and belief, this announcement constitutes full and true disclosure of all material facts about the Proposed Placement and Grant of Option, and the Company and its subsidiaries, and the Directors are not aware of any facts the omission of which would make any statement in this announcement misleading. Where information in this announcement has been extracted from published or otherwise publicly available sources or obtained from a named source, the sole responsibility of the Directors has been to ensure that such information has been accurately and correctly extracted from those sources and/or reproduced in this announcement in its proper form and context.

11. TRADING CAUTION

Shareholders are advised to exercise caution in trading their Shares. The Proposed Placement is subject to certain conditions. There is no certainty or assurance as at the date of this announcement that the Proposed Placement and Grant of Option will be completed or that no changes will be made to the terms thereof. The Company will make the necessary announcements when there are further developments. Shareholders are advised to read this announcement and any further announcements by the Company carefully. Shareholders should consult their stock brokers, bank managers, solicitors or other professional advisors if they have any doubt about the actions they should take.

By order of the Board

Chen Qiuhai
Executive Chairman and Chief Executive Officer
23 April 2019