YAMADA GREEN RESOURCES LIMITED AND SUBSIDIARIES

(Company Registration Number 201002962E)
(Incorporated in the Republic of Singapore)

Yamada Green Resource Limited (the "Company", and together with its subsidiaries, the "Group") refers to the financial statements of the Group for the period ended 31 December 2022 released on SGXNet on 09 February 2023. The Company would like to provide the following information in response to the queries raised by the Singapore Exchange Securities Trading Limited on 16 February 2023.

Query 1

Please explain why interest income amounted to only RMB 17,000 during the financial period ended 31 December 2022 when the Company has significant cash and bank balance amounting to RMB 12,876,000.

Response to Query 1

The lower interest earned was primarily due to the fact that approximately 90% of the bank balance is held in current accounts for working capital and the bank offering a lower interest rate on a rolling basis.

Query 2

Please disclose a breakdown of trade and other payables amounting to RMB 12,168,000 as at 31 December 2022. For other payables, please disclose the aging and nature of these other payables and whether the counterparties are related parties.

Response to Query 2

	Total RMB'000
Trade payables	3,322
Government tax payables	3,929
Accruals	4,032
Advance received	60
Rental Deposits	825
Total	12,168

There are no related parties involved under other payables and the nature of these other payables are:

- Government tax payables relate to provision of tax liabilities; and
- Accruals relate to liabilities for employee benefit costs and professional fees.

Aging of the Group's trade payables is as follows:

			Past Due				
31 December 2022	Current	Within 30 days	31 to 60 days	61 to 90 days	More than 90 days	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Trade Payables						
- Gross	492	1,558	923	7	342	3,322

Query 3

It is disclosed on page 15 of the unaudited financial statements that:-

"The Group's investment properties (including land use rights) are stated at estimated fair value based on the valuation performed by independent professional valuers who are appointed annually to perform valuation as at each financial year end of the Group." and that "There is much uncertainty in which the COVID-19 pandemic will continue to persist with implications of higher levels of estimation uncertainty and judgement required due to the changes in market and economic conditions which could give rise to material valuation uncertainty."

Our Regulator's Column of 27 July 2020 titled "What SGX RegCo expects of financial reports amid COVID-19" dated 27 July 2020 provides amongst others that:- "Boards and management should carefully assess if asset values are appropriately reported in the interim financial statements. They should review whether the effects of COVID-19 present any indication that the asset values as at the previous financial yearend have changed significantly. The assessment of the impact and its associated uncertainties should be clearly explained. Disclosures are expected to be entity-specific, relevant and useful to investors. Issuers must eschew boilerplate disclosures, such as broad or generic statements that COVID19 have negatively impacted the valuation measurements, without elaborating on the effects on each business segment. Disclosures must also be balanced and fair and avoid omission of important unfavourable facts. Financial statements should provide comparable and relevant information that adequately reflects the impact of COVID-19 on the issuer. Timely disclosure of any changed circumstances will enable investors to make an informed investment decision."

(a) Given the significant change in the economic, operating and business conditions caused by the COVID-19 pandemic, please state whether and how the Company would have disclosed all material information relating to the assessment of the value of its investment properties to enable investors to make informed investment decisions;

(b) Please clarify if the Company has assessed the value of its investment properties for the financial period ended 30 June 2022, and its basis of assessment. Please explain how the Board has addressed its mind to the carrying value of its properties and decided if any material change is required, in view of the current Covid-19 situation.

(c) Taking into consideration the responses of the Company to the above queries (a) to (b), please clarify whether the Board of Directors have considered if the interim financial statements provide a balanced and fair view of any material factors that have affected the Company's business conditions and financial position, including the impact of COVID19.

Response to Query 3

(a) The Group conducts property valuations of each of its investment properties on an annual basis in June. As disclosed in our unaudited financial statements for second quarter and first half ended 31 December 2022 announced on 9 February 2023, the carrying values of the Group's investment properties were stated based on the independent valuation as at 30 June 2022.

With the considerable drop in the incidence of COVID-19, the China government had in December 2022 shifted away from a "zero-tolerance" policy to a more relaxing approach. The government had also emphasized that it would roll out various policies to stimulate economies, and it also encouraged domestic travels and consumption to stimulate economic recovery.

In December 2022 and January 2023, the Company conducted internal business review and assessment with regards to our investment properties on various indicators such as changes in tenants, rental rates, the use of available space, as well as the market conditions taking into consideration the development in the government stand on Covid-19. The Board and the management were of the view that there should not be material impairment to the value of the Group's investment properties for the financial period ended 31 December2022.

As the pandemic comes to an end and the economy begins to recover, the Group will focus on the future development of its investment properties segment and strengthening internal management and marketing efforts to take rental income to the next level.

As a responsible and transparent company, we will continue to provide updates to our investors and stakeholders as new information becomes available through announcement at the SGXNet portal, to ensure that they are kept informed of any material changes that may impact the carrying values of our investment properties. We remain committed to maintaining our high standards of financial reporting and disclosure, and to providing our stakeholders with timely and accurate information to make informed investment decisions.

(b) For the financial year ended 30 June 2022, the Company engaged independent professional valuers to carry out the assessment of our investment properties. The valuers had considered various valuation techniques including the depreciation replacement cost approach, direct comparable method and income capitalization approach in arriving at the open market value for the reporting period.

The Board and management conducted comprehensive review of the relevant factors that may impact the valuation, such as changes in market conditions, economic uncertainties and the COVID-19 situation. After considering all relevant information and analysis, the Board had fully endorsed and approved the valuers' professional judgement on the carrying value of the Group's investment properties as at 30 June 2022.

(c) Considering the development and facts mentioned above, the Board of Directors is of the view that it has provided, to the best of its knowledge, a balanced and fair view of the material factors that impact the Group's business conditions and financial position, including the impact of COVID-19 as of 31 December 2022.

The Board of Directors has made every effort to ensure that all relevant and material information has been disclosed to our investors and stakeholders, enabling them to make informed decisions based on the information disclosed.

BY ORDER OF THE BOARD

CHEN QIUHAI

Executive Director and Chief Executive Officer

3 March 2023