

**CIRCULAR DATED 15 OCTOBER 2019**

**THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION.**

**If you are in any doubt as to the course of action you should take, you should consult your stockbroker, bank manager, solicitor, accountant or other professional adviser immediately.**

This Circular is issued by Yamada Green Resources Limited (the “**Company**”). If you are in any doubt as to the contents of this Circular or the action you should take, you should consult your stockbroker, bank manager, solicitor, accountant, financial, tax or other professional adviser immediately.

If you have sold or transferred all your shares in the capital of the Company, you should forward this Circular with the Notice of Extraordinary General Meeting and the attached Proxy Form immediately to the purchaser, transferee or to the bank, stockbroker or agent through whom the sale or transfer was effected for onward transmission to the purchaser or transferee.

The Singapore Exchange Securities Trading Limited (“**SGX-ST**”) assumes no responsibility for the correctness of any of the statements made, opinions expressed or reports contained in this Circular.



**YAMADA GREEN RESOURCES LIMITED**

(Company Registration No. 201002962E)  
(Incorporated in the Republic of Singapore)

**CIRCULAR TO SHAREHOLDERS**

**in relation to**

**THE PROPOSED DISPOSAL OF 45% OF THE REGISTERED CAPITAL OF FUJIAN  
TIANWANG FOODS CO., LTD**

**IMPORTANT DATES AND TIMES**

Last date and time for lodgement of Proxy Form : 28 October 2019 at 10:15 a.m.

Date and time of Extraordinary General Meeting : 30 October 2019 at 10:15 a.m. (or immediately after the conclusion or adjournment of the Annual General Meeting of the Company to be held at 9:15 a.m. on the same day and at the same place)

Place of Extraordinary General Meeting : Diamond Room, Level 3, Quality Hotel Marlow, 201 Balestier Road, Singapore 329926

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## DEFINITIONS

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For the purposes of this Circular, the following definitions apply throughout where the context admits:

“Act”	:	The Companies Act, Chapter 50 of Singapore, as may be amended or modified from time to time
“AGM”	:	The annual general meeting of the Company
“Bamboo Industry”	:	The bamboo trees and bamboo shoots industry
“Board”	:	The board of Directors of the Company as at the date of the Circular
“Circular”	:	This circular to Shareholders dated 15 October 2019 in relation to the Proposed Disposal
“CDP”	:	The Central Depository (Pte) Limited
“Companies Act”	:	The Companies Act, Chapter 50 of Singapore, as may be amended or modified from time to time
“Company”	:	Yamada Green Resources Limited
“Consideration”	:	RMB39,933,000, equivalent to approximately S\$8,166,257.66 (based on an exchange rate of \$1:RMB4.890), being the total consideration for the Proposed Disposal
“Constitution”	:	The memorandum of association and articles of association of the Company, as may be amended or modified from time to time
“Controlling Shareholder”	:	A person who:  (a) holds directly or indirectly 15% or more of the issued share capital of the Company; or  (b) in fact exercises Control over the Company
“Directors”	:	The directors of the Company as at the date of this Circular
“Due Date”	:	3 years from the Effective Date
“Effective Date”	:	The date the Company obtains shareholders’ approval for the Proposed Disposal
“EGM”	:	The extraordinary general meeting of the Company to be held on 30 October 2019 at 10:15 a.m., notice of which is set out in pages N-1 and N-2 of this Circular
“FY”	:	Financial year ended or ending on 30 June
“Group”	:	The Company and its subsidiaries
“Latest Practicable Date”	:	7 October 2019, being the latest practicable date prior to the printing of this Circular
“Listing Manual”	:	The Listing Manual of the SGX-ST, as the same may be amended, varied or supplemented from time to time
“LPS”	:	Loss per Share

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## DEFINITIONS

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<i>“Notice of EGM”</i>	:	Has the meaning ascribed to it in Section 8 of this Circular
<i>“NTA”</i>	:	Net tangible assets
<i>“PRC”</i>	:	Republic of China
<i>“Proposed Disposal”</i>	:	Wangsheng’s sale of its entire 45% equity interest in the registered capital of Tianwang to the Purchaser
<i>“Purchaser”</i>	:	Golden Sea International Holdings Limited
<i>“Revised Agreement”</i>	:	The revised sale and purchase agreement dated 4 September 2019 entered into by Wangsheng and the Purchaser
<i>“Securities Account”</i>	:	The securities accounts maintained by a Depositor with CDP, but does not include a securities sub-account maintained with a Depository Agent
<i>“SFA”</i>	:	Securities and Futures Act, Chapter 289 of Singapore, as may be amended, modified or supplemented from time to time
<i>“SGX-ST”</i>	:	Singapore Exchange Securities Trading Limited
<i>“Share(s)”</i>	:	Ordinary share(s) in the capital of the Company
<i>“Shareholders”</i>	:	Registered holders of Shares except that where the registered holder of CDP, the term <b>“Shareholders”</b> shall, in relation to such Shares and where the context admits, mean the persons named as Depositors in the Depository Register and whose Securities Accounts maintained with CDP are credited with the Shares
<i>“Share Registrar”</i>	:	RHT Corporate Advisory Pte. Ltd.
<i>“subsidiaries”</i>	:	Has the meaning ascribed to it in section 5 of the Companies Act
<i>“Substantial Shareholder”</i>	:	A person who has an interest or interests in one or more voting Shares in the Company, and the total votes attached to that Share, or those Shares, is not less than 5% of the total votes attached to all the voting Shares in the Company
<i>“Tianwang”</i>	:	Fujian Tianwang Foods Co., Ltd (福建省天旺食品有限公司)
<i>“Wangsheng”</i>	:	Fujian Wangsheng Industrial Co., Ltd (福建望盛实业有限公司)

### **Currencies, Units and Others**

<i>“RMB”</i>	:	Chinese Yuan
<i>“S\$”</i>	:	Singapore dollars
<i>“%”</i>	:	percentage or per centum

The terms **“Depositor”**, **“Depository Agent”** and **“Depository Register”** shall have the meanings ascribed to them respectively in Section 81SF of the SFA. The term **“Subsidiary”** shall have the same meaning ascribed to it in Section 5 of the Act.

The headings in this Circular are inserted for convenience only and shall be ignored in construing this Circular.

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## DEFINITIONS

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Words importing the singular shall, where applicable, include the plural and *vice versa*. Words importing the masculine gender shall, where applicable, include the feminine and neuter genders and *vice versa*. References to persons, where applicable, shall include corporations.

Any reference in this Circular to any statute or enactment or the Listing Manual is a reference to that statute or enactment or the Listing Manual as for the time being amended or re-enacted. Any word defined under the Act, the SFA or the Listing Manual or any statutory modification thereof and used in this Circular shall have the meaning assigned to it under the Act, the SFA or the Listing Manual or any modification thereof, as the case may be, unless otherwise provided.

Any discrepancies in the tables included in this Circular between the listed amounts and the totals thereof are due to rounding. Accordingly, figures shown as totals in certain tables in this Circular may not be an arithmetic aggregation of the figures that precede them.

Any reference to a time of day and date in this Circular shall be a reference to Singapore time and date respectively, unless otherwise stated.

Unless otherwise indicated, the exchange rate between RMB and S\$ is RMB4.890 to S\$1.00. This exchange rate should not be construed as a representation that the RMB amount could have been, or could be, converted into S\$ at the rate stated, or at all, and *vice versa*.

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## LETTER TO SHAREHOLDERS

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### YAMADA GREEN RESOURCES LIMITED

(Company Registration No. 201002962E)  
(Incorporated in the Republic of Singapore)

**Directors:**

Mr. Chang Feng-chang (*Independent Non-Executive Chairman*)  
Mr. Chen Qiu Hai (*Executive Director and Chief Executive Officer*)  
Mr. Xie Yimin (*Executive Director*)  
Mr. Chua Ser Miang (*Lead Independent Director*)  
Ms. Goi Lang Ling (*Non-Executive Director*)

**Registered Office:**

7 Temasek Boulevard  
#43-03 Suntec Tower One  
Singapore 038987

15 October 2019

To: The Shareholders of  
YAMADA GREEN RESOURCES LIMITED

Dear Sir/Madam

#### THE PROPOSED DISPOSAL OF THE ENTIRE 45% OF THE REGISTERED CAPITAL OF FUJIAN TIANWANG FOODS CO., LTD

#### 1. INTRODUCTION

##### 1.1 Announcement

Further to the Company's announcements dated 23 and 29 April 2019, and 21 June 2019, the Company announced on 4 September 2019, announced that Wangsheng, a wholly-owned subsidiary of the Company, had entered into the Revised Agreement after further discussions. Pursuant to the Revised Agreement, Wangsheng shall sell and the Purchaser shall acquire Wangsheng's entire 45% equity interest in the registered capital of Tianwang.

##### 1.2 Major Transaction

The Proposed Disposal constitutes a major transaction under Chapter 10 of the Listing Manual and is subject to the approval of Shareholders at the EGM. Accordingly, the Proposed Disposal is conditional upon the receipt of approval from the Shareholders. For further details on the relative figures in respect of the Proposed Disposal computed on the bases set out in Rule 1006 of the Listing Manual, please refer to Section 3 of this Circular.

The purpose of this Circular is to provide Shareholders with information relating to, and to seek their approval for the Proposed Disposal at the EGM.

The SGX-ST assumes no responsibility for the contents of this Circular, including the correctness of any of the statements or opinions made or reports contained in this Circular.

#### 2. THE PROPOSED DISPOSAL

##### 2.1 Information on the Purchaser

The Purchaser originally owned 100% of the equity interest in the registered capital of Tianwang. As announced by the Company on 23 December 2015, Wangsheng (then known as Fuzhou Wangcheng Foods Development Co., Ltd. (福州旺成食品开发有限公司)) had acquired the 45% equity interest in the registered capital of Tianwang from the Purchaser. The Purchaser remained and is currently the owner of the remaining 55% equity interest in the registered capital of Tianwang.

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## LETTER TO SHAREHOLDERS

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The sole director and shareholder of the Purchaser is Mr. You Jinyang, who has long been engaged in the areas of food processing, trade, and investment.

Mr You's experience is as follows:

- (i) Aug 1988 – Jun 2006: Longyan Foreign Trade General Company – Division Manager;
- (ii) Jul 2006 – Oct 2008: Longyan Sino-Ocean Trading Co., Ltd – Manager;
- (iii) Nov 2011 – Jul 2017: Longyan Trans-Ocean Trading Co., Ltd – Shareholder, General Manager;
- (iv) Since 2011- General Manager the Purchaser, and was in charge of the acquisition by the Purchaser of 100% of equity interest in Tianwang. He was responsible for the daily operation and management of the Purchaser and Tianwang; and
- (v) February 2014 – He became the director and sole shareholder of the Purchaser. Other than the sale of the 45% equity interest to Wangsheng in December 2015, he remained the sole shareholder of the remaining 55% equity interest in the registered capital of Tianwang since December 2015.

Save as aforesaid, the Purchaser is an independent third party and is not related to the Directors or substantial shareholders of the Company.

### 2.2 Information on Tianwang

Tianwang is incorporated in Jiangle County, Fujian Province, the PRC. Its activities include the manufacturing and supplying of processed food products, such as processed bamboo shoots, cultivation and sales of vegetables, and forestry management in the PRC. A substantial portion of its revenue is derived from the processing and sale of bamboo shoots.

As stated in the Company's announcement on 23 December 2015:

*"The Company believed that the acquisition of the 45% equity interest in the registered capital of Tianwang in December 2015 was in the best interests of the Company, in view of the many potential synergies between the Group's business and the business of Tianwang. These included economies of scale, strengthening of the supply chain and scope in the Group's product offerings in the Bamboo Industry. In addition, the acquisition potentially enabled the Group to achieve higher earnings as a result of increasing market share in the Bamboo Industry and greater cost savings from integration and streamlining the supply chain of the bamboo shoots and bamboo trees."*

Before the acquisition of the 45% equity interest in the registered capital of Tianwang in December 2015, all the bamboo shoots harvested from the Group's moso bamboo plantation under Shansheng Forestry Co., Ltd. (三明山盛林业有限公司) ("SS") were sold as raw materials without any processing. The bamboo shoots have to undergo first stage processing and canned into large containers within one month from harvesting before it is sold to final food processing companies. First stage processing essentially involves washing the freshly dug bamboo shoots and peeling of its skin, before further processing. Wangsheng used to purchase all its post first stage processed bamboo shoots from other suppliers.

After the acquisition of the 45% equity interest in the registered capital of Tianwang, the Group was able to have a portion of the bamboo shoots harvested from its moso bamboo plantation under SS undergo first stage processing at Tianwang before final processing by Wangsheng. All the bamboo shoots from our moso bamboo plantation under SS which was processed by Tianwang was then onward delivered to Wangsheng for final processing. Final processing involves further washing and cleaning of the bamboo shoots, and cutting them into smaller pieces according to specifications of

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## LETTER TO SHAREHOLDERS

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its customers. This allowed the Group to have better control over its production quantity and quality, supply logistics and overall production cost. The aforesaid in turn allowed the Group to be more competitive in both pricing and quality, to increase its market share being the main rationale for the acquisition in December 2015.

Besides the above, our management also initially considered engaging Tianwang to manage the moso bamboo plantation under SS. However after further deliberations, SS eventually engaged another contractor for the management through the local village considering factors such as familiarity, manpower and expertise. However, with the disposal of the Group's bamboo plantations in August 2017 as announced on 21 August 2018, the Group no longer has any business in the Bamboo Industry and as such the synergy between SS, Tianwang and Wangsheng no longer exists and Tianwang reverts to its original role as one of the suppliers of first stage processed bamboo shoots to Wangsheng. As such Tianwang no longer adds value to the Group, especially considering that it continues to incur losses for the Group as described in Section 2.3 below.

Accordingly, the Company is of the view that the Proposed Disposal will be in the best interests of the Company for reasons stated in Section 2.6 of this Circular

The Purchaser is acquiring 45% equity interest in the registered capital of Tianwang which is legally and beneficially owned by Wangsheng.

### 2.3 Key financial Information on Tianwang

The profit after tax of Tianwang for the financial period from 1 January to 30 June 2016 was RMB 11,185,000.

The key financial information on Tianwang for each of the past 3 years and the 6 months ended 30 June 2019 is as follows:

	1 Jul 2016 to 30 Jun 2017	1 Jul 2017 to 30 Jun 2018	1 Jul 2018 to 30 Jun 2019	1 Jan 2019 to 30 Jun 2019
Revenue (RMB)	5,720,343.09	4,462,878.20	7,679,648.22	4,047,098.47
Gross Profit (RMB)	(1,129,710.13)	281,665.90	470,448.18	68,403.18
Other Income (RMB)	—	12,207.20	—	15,514.54
Sales and Administrative Expenses (RMB)	944,841.58	1,275,977.85	1,154,743.47	525,392.45
Finance costs (RMB)	96,651.87	162,298.46	1,482.03	518.83
Profit after tax (RMB)	(2,171,208.58)	(1,259,404.13)	(685,977.32)	(442,193.56)

The following factors have contributed to Tianwang losses since FY2017:

- (a) China's economic downturn in recent years;
- (b) reduction in selling price due to increased competition in the domestic market;
- (c) the widespread pest infestation in parts of Fujian Province, PRC including Jiangle County in 2016 and 2017 resulted in the shortage of bamboo shoots, increased price of bamboo shoots and poorer quality of bamboo shoots. This further translated to increased cost of sale, reduced production output and the poorer quality affecting sales and price of sale;
- (d) rising costs of raw materials and labour; and
- (e) increasing compliance costs as a result of the PRC government's environmental protection policies.



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## LETTER TO SHAREHOLDERS

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The above have caused difficulties in the business development of Tianwang, the loss of customers, and the difficulty to improve its turnover and profit margin. As such, Tianwang's business is relatively stagnant and faces difficulties in its growth.

Although the losses have decreased from FY2017 to FY2019, it continues to be loss making and is substantially below the profits and financial performance before FY2017. In view of the above prevailing factors, the Board is not confident of the future performance of Tianwang.

### 2.4 Consideration

The total consideration for the Proposed Disposal is RMB39,933,000, equivalent to approximately S\$8,166,257.66 (based on an exchange rate of \$1:RMB4.890) and is equivalent to the price at which the Company acquired its 45% equity interest in the registered capital of Tianwang in December 2015. The Company and its subsidiaries (including Wangsheng) has not extended any shareholder loan to or inject any additional capital into Tianwang since its acquisition in December 2015.

### 2.5 Material Conditions

The Revised Agreement is conditional upon the Company obtaining shareholders' approval for the Proposed Disposal.

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 at least RMB13,311,000 within 1 year from the Effective Date;
- (b) The Purchaser shall pay Wangsheng the Consideration by the Due Date;
- (c) If the Purchaser is unable to pay Wangsheng the Consideration by the Due Date, the Purchaser shall be allowed an extension for a further 1 year from the Due Date;
- (d) Notwithstanding the above extension, the Purchaser shall pay Wangsheng at least RMB31,059,000 by the Due Date;
- (e) The Purchaser may pay the Consideration in full at any time before the Due Date; and
- (f) At the end of each physical year from the Effective Date, Wangsheng shall transfer such amount of equity interest in the registered capital of Tianwang to the Purchaser corresponding to the amount of consideration paid by the Purchaser during that year. The Company will make the relevant announcements on SGXNet on the amount received and number of shares transferred to the Purchaser.

It was only after much arms-length discussion and negotiation that the Purchaser agreed to the Consideration on condition that it is paid via instalments as provided in the Revised Agreement.

As stated in the Company's announcements on 29 July and 2 September 2019:

- (a) the Purchaser was obliged to pay Wangsheng a 10% penalty, based on RMB50 million, should Tianwang fail to achieve total earnings of at least RMB 50 million within the first three years of the date of the acquisition of the 45% equity interest in the registered capital of Tianwang by Wangsheng from the Purchaser in December 2015;
- (b) Based on the audited financial statements of Tianwang for the financial years ending 31 December for 2016, 2017 and 2018, the total earnings amounted to approximately RMB 7.5 million;

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## LETTER TO SHAREHOLDERS

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- (c) Accordingly, the Purchaser shall pay the penalty of RMB5 million to Wangsheng; and
- (d) The Purchaser had paid the penalty of RMB5 million in full.

### 2.6 Rationale for the Proposed Disposal and Use of Sale Proceeds

Despite the loss from the Proposed Disposal referred to in Section 3.3 of this Circular and the payment of the Consideration via instalments, the Company is of the view that the Proposed 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 as elaborated in Section 2.2;
- (ii) Further losses would be avoided by exiting from unprofitable investment projects as elaborated in Section 2.3; and
- (iii) Providing the working capital for the Company to embark on subsequent projects.

The sale proceeds would be used for general working capital.

## 3. FINANCIAL EFFECTS OF THE PROPOSED DISPOSAL

### 3.1 Book value of Tianwang

The book value of the assets being disposed of was RMB43,114,000 as of 30 June 2019. The book value of the asset of RMB43,326,000 as of 31 December 2018 (as previously announced) was reduced by RMB212,000 to RMB43,114,000 as at 30 June 2019 being the share of the results of the associate Tianwang, for the period from 1 January 2019 to 30 June 2019.

### 3.2 Deficit of proceeds over book value

There would be a deficit of RMB3,181,000 of the proceeds over book value. This was arrived at by deducting the total consideration from the disposal of RMB39,933,000 from the book value of the investment in associate classified as held for sale of RMB43,114,000.

### 3.3 Net loss attributable to Tianwang

The unaudited net share of the loss of Tianwang for the full year ended 30 June 2019 was approximately RMB0.3 million. The total book loss from disposal is RMB3,181,000. This was taken in as an impairment loss.

### 3.4 Calculations of book value and impairment losses

Book value before impairment loss

	RMB
Original cost of investment	39,933,000
<b><u>Share of retained profit/(accumulated losses)</u></b>	
Share of net profit/(loss) during FY2016	5,033,466
Share of net profit/(loss) during FY2017	(977,044)
Share of net profit/(loss) during FY2018	(566,732)
Share of net profit/(loss) during FY2019	(308,690)
	<b>3,181,000</b>
<b><u>Carrying amount at 30 June 2019*</u></b>	<b>43,114,000</b>

## LETTER TO SHAREHOLDERS

### Impairment loss

Assets held for sale are measured at the lower of carrying amount and fair value less costs of disposal. The Group has recognised an impairment loss of RMB3,181,000 (2018:Nil) on the investment in associate in respect of the Disposal Group when it was reclassified as assets held for sale as the expected fair value less costs of disposal which is represented by the sale proceeds was lower than the carrying amount.

### 3.5 Effect on NTA per share

The net tangible assets per share of the Company and the Group as at 30 June 2019 is as follows:

	← Company →		← Group →	
	FY2019 <sup>(i)</sup>	After the Proposed Disposal <sup>(ii)</sup>	FY2019 <sup>(iii)</sup>	After the Proposed Disposal <sup>(iv)</sup>
NTA per share (RMB)	167	167	163.7	163.7

#### NOTES:

- i) Based on NTA of RMB295,314,000
- ii) Based on NTA of RMB295,314,000
- iii) Based on NTA of RMB289,333,000
- iv) Based on NTA of RMB289,333,000
- v) NTA per share is computed based on 176798000 shares being the weighted average number of shares of the Company in issue.
- vi) The above impacts are computed under the assumption that the Proposed Disposal was done in the end of FY2019.
- vii) NTA is computed based on audited financial statement of Tianwang.

### 3.6 Effect on LPS

The financial effect of the Proposed Disposal on the loss per share of the Company and the Group for FY2019 is as follows:

	← Company →		← Group →	
	FY2019 <sup>(i)</sup>	After the Proposed Disposal <sup>(ii)</sup>	FY2019 <sup>(iii)</sup>	After the Proposed Disposal <sup>(iv)</sup>
Loss per share (RMB)	3.0	3.0	19.8	19.8

#### NOTES:

- i) Based on Loss of RMB5,217,000
- ii) Based on Loss of RMB5,217,000
- iii) Based on Loss of RMB35,004,000
- iv) Based on Loss of RMB35,004,000
- v) Loss per share is computed based on 176798000 shares being the weighted average number of shares of the Company in issue.
- vi) The above impacts are computed under the assumption that the Proposed Disposal was done in the beginning of FY2019.

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## LETTER TO SHAREHOLDERS

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### 3.7 Relative Percentages under Chapter 10 of the Listing Manual

Based on the Group's audited financial statements for FY2019, the relative figures computed on the bases set out in Rule 1006 of the Listing Manual in respect of the Proposed Disposal are as follows (the figures exclude government approval fees):

(a)	net asset value of the assets to be disposed of compared to the Group's net asset value	13.8% <sup>(1)</sup>
(b)	net loss <sup>(2)</sup> attributable to the assets acquired or disposed of, compared with the Group's net loss <sup>(2)</sup>	(0.9)% <sup>(3)</sup>
(c)	aggregate value of the consideration given or received, compared with the issuer's market capitalisation	14.0% <sup>(4)</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

#### NOTES:

- (1) After deducting impairment loss of RMB3,181,000
- (2) Under Rule 1002(3)(b), "net profits" means profit or loss before income tax, minority interests and extraordinary items.
- (3) Determined by dividing the unaudited net loss of Tianwang for the full year ended 30 June 2019 of approximately RMB0.3 million by the Group's latest announced consolidated net loss for the full year ended 30 June 2019 of RMB35.0 million.
- (4) 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 Revised 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.

As announced on 21 June 2019, the Company had consulted SGX on the Proposed Disposal pursuant to Rule 1007(1) of the Listing Manual of SGX-ST on the applicability of Chapter 10 on the Proposed Disposal as the numbers used to derive the relative figure in Rule 1006(b) are both negative figures as both Tianwang and the Group are loss making and that SGX had replied that the Company is required to seek shareholders' approval for the Proposed Disposal pursuant to Rules 1014 read with 1007(1) of the Listing Manual of SGX-ST. As such the Proposed Disposal is conditional upon approval by shareholders in a general meeting.

### 4. INTERESTS OF DIRECTORS, SUBSTANTIAL SHAREHOLDERS AND CONTROLLING SHAREHOLDERS

The interests of the Directors and Substantial Shareholders in the Company on the Register of Directors' Shareholdings and the Register of Substantial Shareholders as at the Latest Practicable Date are as follows:

## LETTER TO SHAREHOLDERS

	As at the Latest Practicable Date		
	Direct Interest (No. of Shares)	Deemed Interest (No. of Shares)	Total Interest (%)( <sup>1</sup> )
<b>Directors</b>			
Chang Feng-chang	—	270,000	0.15
Chen Qiu Hai <sup>(2)</sup>	—	62,931,015	35.59
Xie Yimin	—	—	—
Chua Ser Miang	—	—	—
Goi Lang Ling	—	—	—
<b>Substantial Shareholders (other than Directors)</b>			
Sanwang International Holdings Limited <sup>(2)</sup>	—	62,931,015	35.59
Hydrex International Pte. Ltd.	12,600,000	—	7.13
Goi Seng Hui <sup>(3)</sup>	21,626,661	12,600,000	19.36
Envictus International Holdings Limited	18,535,320	—	10.48

**NOTES:**

- (1) As a percentage of the total number of issued Shares as at the Latest Practicable Date comprising 176,798,164 Shares.
- (2) Sanwang International Holdings Limited ("Sanwang") is a company incorporated in British Virgin Island and wholly-owned by Mr Chen Qiu Hai. Accordingly, Mr Chen Qiu Hai is deemed to be interested in 62,931,015 ordinary shares held by Sanwang by virtue of Section 4 of the Securities and Future Act. Sanwang is deemed to be interested in 62,931,015 ordinary shares held under the nominee account, UOB Kay Hian Private Limited.
- (3) Mr Goi Seng Hui is deemed to be interested in 12,600,000 ordinary shares held by Hydrex International Pte. Ltd..

Save for their shareholdings in the Company as disclosed in this Circular, none of the Directors, Substantial Shareholders or Controlling Shareholders of the Company have any interest, direct or indirect, in the Proposed Disposal.

### 5. DIRECTORS' SERVICE CONTRACTS

No person is proposed to be appointed as director of the Company in connection with the Proposed Disposal. Accordingly, no service contract is proposed to be entered into between the Company and any such person.

### 6. DIRECTORS' RECOMMENDATION

The Board, having considered the rationale and benefit of the Proposed Disposal, is of the opinion that the Proposed Disposal is in the best interests of the Company. Accordingly, the Board recommends that the Shareholders vote in favour of the resolution relating to the Proposed Disposal to be proposed at the EGM.

### 7. DIRECTORS' RESPONSIBILITY STATEMENT

The Directors collectively and individually accept full responsibility for the accuracy of the information given in this Circular and confirm after making all reasonable enquiries, that to the best of their knowledge and belief, this Circular constitutes full and true disclosure of all material facts about the Proposed Disposal, the Company and its subsidiaries, and the Directors are not aware of any facts the omission of which would make any statement in this Circular misleading.

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## LETTER TO SHAREHOLDERS

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Where information in the Circular 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 the Circular in its proper form and context.

### 8. EXTRAORDINARY GENERAL MEETING

The EGM, notice of which is set out in the notice of EGM ("**Notice of EGM**") on pages N-1 to N-2 of this Circular, will be held at Diamond Room, Level 3, Quality Hotel Marlow, 201 Balestier Road, Singapore 329926 on 30 October 2019 at 10:15 a.m. (or immediately after the conclusion or adjournment of the AGM to be held at 9:15 a.m. on the same day and at the same place), for the purpose of considering and, if thought fit, passing (with or without modifications) the resolution set out in the Notice of EGM.

### 9. ACTIONS TO BE TAKEN BY SHAREHOLDERS

Shareholders who are unable to attend the EGM and wish to appoint a proxy to attend and vote at the EGM on their behalf, may complete, sign and return the proxy form attached to the Notice of EGM in accordance with the instructions printed thereon as soon as possible and in any event so as to reach the office of the Company's Share Registrar at 30 Cecil Street, #19-08 Prudential Tower Singapore 049712 not less than 48 hours before the time fixed for the EGM. The completion and return of the proxy form by a Shareholder will not prevent him from attending and voting at the EGM, if he wishes to do so, in place of his proxy.

A Depositor shall not be entitled to attend and vote at the EGM unless he is shown to have Shares of the Company entered against his name in the Depository Register as at 72 hours before the time fixed for holding the EGM, as certified by CDP to the Company.

### 10. DOCUMENTS FOR INSPECTION

Copies of the following documents are available for inspection at the office of the Company's registered office at 7 Temasek Boulevard, #43-03, Singapore 038987 during normal business hours from the date hereof up to and including the date of the EGM:

- (a) the Constitution of the Company;
- (b) the annual report of the Company for FY2019; and
- (c) the Revised Agreement.

Yours faithfully

For and on behalf of the Board of Directors of  
**YAMADA GREEN RESOURCES LIMITED**

Chen Qiuhai  
Executive Director and Chief Executive Officer

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## NOTICE OF EXTRAORDINARY GENERAL MEETING

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### **YAMADA GREEN RESOURCES LIMITED**

(Company Registration No. 201002962E)  
(Incorporated in the Republic of Singapore)

## NOTICE OF EXTRAORDINARY GENERAL MEETING

NOTICE IS HEREBY GIVEN that an extraordinary general meeting (“**EGM**”) of Yamada Green Resources Limited (the “**Company**”) will be held at Diamond Room, Level 3, Quality Hotel Marlow, 201 Balestier Road, Singapore 329926 on 30 October 2019 at 10:15 a.m. (or immediately after the conclusion or adjournment of the annual general meeting of the Company to be held at 9:15 a.m. on the same day and at the same place), for the purpose of considering and, if thought fit, passing (with or without any modifications) the following ordinary resolution:

#### **ORDINARY RESOLUTION**

#### **APPROVAL FOR THE PROPOSED DISPOSAL**

THAT:

- (a) approval be and is hereby given, for the purpose of Chapter 10 of the Listing Manual, to the Company’s wholly-owned subsidiary, Wangsheng, for the disposal of its entire 45% equity interest in the registered capital of Tianwang to the Purchaser for a cash consideration of RMB39,933,000, equivalent to approximately S\$8,166,257.66, on such terms and subject to the conditions of the Revised Agreement dated 4 September 2019 entered into between Wangsheng and the Purchaser; and
- (b) the Directors of the Company and each of them be and are hereby authorised to take such steps, approve all matters, implement, execute, perfect or give effect to complete and do all such acts and things (including executing all such documents as may be required) for the purposes of giving effect to or facilitating the Proposed Disposal with full power to assent to any condition, amendment, alteration, modification or variation (including to the Revised Agreement) as may be required or as they or he may in their/his absolute discretion consider necessary, desirable or expedient in the interests of the Company to complete the transactions contemplated in the Proposed Disposal and to give effect to this Resolution.

BY ORDER OF THE BOARD

Wong Chee Meng Lawrence  
Company Secretary  
15 October 2019

**IMPORTANT: PLEASE READ NOTES OVERLEAF**

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## NOTICE OF EXTRAORDINARY GENERAL MEETING

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### Notes:

- (1) Unless otherwise defined, all capitalized terms shall have the meanings ascribed to them in the Company's circular dated 15 October 2019.
- (2) A Member who is not a relevant intermediary, is entitled to appoint not more than 2 proxies to attend and vote in his/her stead at the Extraordinary General Meeting (the "**Meeting**").
- (3) A Member who is a relevant intermediary, is entitled to appoint more than two proxies to attend and vote at the Meeting, but each proxy must be appointed to exercise the rights attached to a different Share or Shares held by such Member.
- (4) A proxy need not be a member of the Company.
- (5) The instrument appointing the proxy that has been executed by a Shareholder must be lodged at the office of the Company's Share Registrar, RHT Corporate Advisory Pte. Ltd. at 30 Cecil Street, #19-08 Prudential Tower Singapore 049712 not less than forty-eight (48) hours before the time fixed for holding the Meeting.

### PERSONAL DATA PRIVACY

By submitting an instrument appointing a proxy(ies) and/or representative(s) to attend, speak and vote at the Meeting and/or any adjournment thereof, a member of the Company (i) consents to the collection, use and disclosure of the member's personal data by the Company (or its agents) for the purpose of the processing, administration by the Company (or its agents) of proxies and representatives appointed for the Meeting (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the Meeting (including any adjournment thereof), and in order for the Company (or its agents) to comply with any applicable laws, listing rules, regulations and/or guidelines (collectively, the "**Purposes**"), (ii) warrants that where the member discloses the personal data of the member's proxy(ies) and/or representative(s) to the Company (or its agents), the member has obtained the prior consent of such proxy(ies) and/or representative(s) for the collection, use and disclosure by the Company (or its agents) of the personal data of such proxy(ies) and/or representative(s) for the Purposes, and (iii) agrees that the member will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the member's breach of warranty.



# YAMADA GREEN RESOURCES LIMITED

(Company Registration No. 201002962E)  
(Incorporated in the Republic of Singapore)

## PROXY FORM EXTRAORDINARY MEETING

### IMPORTANT:

1. An investor who holds shares under the Central Provident Fund Investment Scheme ("CPF Scheme") and/or the Supplementary Retirement Scheme ("SRS Investors") (as may be applicable) may attend and cast his vote(s) at the meeting in person. CPF and SRS Investors who are unable to attend the Meeting but would like to vote, may inform their CPF and/or SRS Approved Nominees to appoint the Chairman of the Meeting to act as their proxy, in which case, the CPF and SRS Investors shall be precluded from attending the Meeting.
2. This Proxy Form is not valid for use by CPF and SRS Investors and shall be ineffective for all intents and purposes if used or purported to be used by them.

I/We\* \_\_\_\_\_ NRIC/Passport/Co. Registration No.\* \_\_\_\_\_

of \_\_\_\_\_ (address)

being a member/members\* of Yamada Green Resources Limited (the "Company") hereby appoint:

Name	NRIC/Passport No.	Proportion of Shareholdings	
		No. of Shares	%
Address			

and/or failing him/her (delete as appropriate)

Name	NRIC/Passport No.	Proportion of Shareholdings	
		No. of Shares	%
Address			

as \*my/our \*proxy/proxies to vote for \*me/us on \*my/our behalf at the Extraordinary General Meeting (the "Meeting") of the Company to be held at Diamond Room, Level 3, Quality Hotel Marlow, 201 Balestier Road, Singapore 329926 on Wednesday, 30 October 2019 at 10:15 a.m. (or immediately after the conclusion or adjournment of the annual general meeting of the Company to be held at 9:15 a.m. on the same day and at the same place) and at any adjournment thereof. \*I/We direct \*my/our \*proxy/proxies to vote for or against the Resolution proposed at the Meeting as indicated hereunder. If no specific direction as to voting is given or in the event of any other matter arising at the Meeting and at any adjournment thereof, the \*proxy/proxies will vote or abstain from voting at \*his/her/their discretion.

Ordinary Resolution	Number of votes for*	Number of votes against*
To approve the Proposed Disposal		

\* If you wish to exercise all your votes "For" or "Against". Please indicate with a tick [✓] within the box provided. Alternatively, please indicate the number of votes as appropriate.

Dated. this \_\_\_\_\_ day of \_\_\_\_\_ 2019

Total Number of Shares held in:	
CDP Register	
Register of Members	

\_\_\_\_\_  
Signature(s) of member(s) /  
and Common Seal of Corporate member(s)

**IMPORTANT:** PLEASE READ NOTES OVERLEAF



**Notes:**

1. Please insert the total number of shares held by you. If you have shares entered against your name in the Depository Register (as defined in Section 81SF of the Securities and Futures Act, Chapter 289 of Singapore), you should insert that number of shares. If you have shares registered in your name in the Register of Members of the Company, you should insert that number of shares. If you have shares entered against your name in the Depository Register and shares registered in your name in the Register of Members, you should insert the aggregate number of shares. If no number is inserted, this form of proxy will be deemed to relate to all the shares held by you.
2. A member of the Company (other than a Relevant Intermediary\*), entitled to attend and vote at a meeting of the Company is entitled to appoint up to two proxies to attend and vote in his stead. A proxy need not be a member of the Company.
3. The instrument appointing a proxy or proxies must be deposited at the office of the Company's Share Registrar at 30 Cecil Street, #19-08 Prudential Tower Singapore 049712 not less than 48 hours before the time set for holding the meeting.
4. Where a member (other than a Relevant Intermediary\*) appoints two proxies, the appointments shall be invalid unless he specifies the proportion of his shareholding (expressed as a percentage of the whole) to be represented by each proxy.
5. A Relevant Intermediary may appoint more than two proxies, but each proxy must be appointed to exercise the rights attached to a different share or shares held by him (which number or class of shares shall be specified).
6. Subject to note 9, completion and return of this instrument appointing a proxy shall not preclude a member from attending and voting at the Meeting. Any appointment of a proxy or proxies shall be deemed to be revoked if a member attends the meeting in person, and in such event, the Company reserves the right to refuse to admit any person or persons appointed under the instrument of proxy to the Meeting.
7. The instrument appointing a proxy or proxies must be under the hand of the appointor or of his attorney duly authorised in writing. Where the instrument appointing a proxy or proxies is executed by a corporation, it must be executed under its common seal or under the hand of its officer or attorney duly authorised. Where an instrument appointing a proxy or proxies is signed on behalf of the appointor by an attorney, the power of attorney (or other authority) or a duly certified copy thereof must (failing previous registration with the Company) be lodged with the instrument of proxy, failing which the instrument may be treated as invalid.
8. A corporation which is a member may authorise by resolution of its directors or other governing body such person as it thinks fit to act as its representative at the meeting, in accordance with Section 179 of the Companies Act, Cap. 50 and the person so authorised shall upon production of a copy of such resolution certified by a director of the corporation to be a true copy, be entitled to exercise the powers on behalf of the corporation so represented as the corporation could exercise in person if it were an individual.
9. An investor who holds shares under the Central Provident Fund Investment Scheme ("CPF Investor") and/or the Supplementary Retirement Scheme ("SRS Investors") (as may be applicable) may attend and cast his vote(s) at the Meeting in person. CPF and SRS Investors who are unable to attend the Meeting but would like to vote, may inform their CPF and/or SRS Approved Nominees to appoint the Chairman of the Meeting to act as their proxy, in which case, the CPF and SRS Investors shall be precluded from attending the Meeting.

\* A Relevant Intermediary is:

- (a) a banking corporation licensed under the Banking Act (Cap. 19) or a wholly-owned subsidiary of such a banking corporation, whose business includes the provision of nominee services and who holds shares in that capacity; or
- (b) a person holding a capital markets services licence to provide custodial services for securities under the Securities and Futures Act (Cap. 289) and who holds shares in that capacity; or
- (c) the Central Provident Fund Board established by the Central Provident Fund Act (Cap. 36), in respect of shares purchased under the subsidiary legislation made under that Act providing for the making of investments from the contributions and interest standing to the credit of members of the Central Provident Fund, if the Board holds those shares in the capacity of an intermediary pursuant to or in accordance with that subsidiary legislation.

**General:**

The Company shall be entitled to reject the instrument appointing a proxy or proxies if it is incomplete, improperly completed or illegible or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified in the instrument appointing a proxy or proxies. In addition, in the case of shares entered in the Depository Register, the Company may reject any instrument appointing a proxy or proxies lodged if the member, being the appointor, is not shown to have shares entered against his name in the Depository Register as at 72 hours before the time appointed for holding the Meeting, as certified by The Central Depository (Pte) Limited to the Company.

**Personal data privacy:**

By submitting an instrument appointing a proxy(ies) and/or representative(s), the member accepts and agrees to the personal data privacy terms set out in the Notice of Extraordinary General Meeting dated 15 October 2019.