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

PROPOSED PLACEMENT OF 14,598,013 NEW ORDINARY SHARES IN THE CAPITAL OF YAMADA GREEN RESOURCES LIMITED (THE "PLACEMENT")

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1. INTRODUCTION

The Board of Directors of Yamada Green Resources Limited (the "**Company**") wishes to announce that the Company had on 8 July 2016 entered into a placement agreement (the "**Placement Agreement**") with Wang Haihua (the "**Placee**") pursuant to which the Company proposes to issue up to an aggregate of 14,598,013 new ordinary shares in the capital of the Company (the "**Placement Shares**") at a placement price of S$0.2928 per Placement Share (the "**Placement Price**").

The Placement Price is the volume weighted average price for the trades done on the Official List of the Singapore Exchange Securities Trading Limited ("**SGX-ST**") for the full market day on 7 July 2016, the market day immediately preceding the day on which the Placement Agreement was signed.

The Placement Shares when issued will rank in all respects *pari passu* with the existing issued shares and be free from all pre-emption rights, charges, liens and other encumbrances and with all rights and benefits attaching thereto save that they will not rank for any dividend, rights, allotments or other distributions, the Record Date of which falls on or before the completion of the Placement. For the 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.

No placement agent has been appointed in respect of the proposed Placement. Therefore, no commission or referral fees will be paid to any party.

2. CONDITIONS PRECEDENT TO THE PLACEMENT

Completion of the Placement is conditional upon:

(a) the in-principal approval (the "**AIP**") for the Placement having been obtained (on terms and conditions acceptable to the Company and the Placee, each acting reasonably) and not being revoked or amended as at the completion date;

(b) any conditions attached to the AIP 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 unless waived by the SGX-ST;

(c) the Company or the Placee not in breach of any of the undertakings and covenants given in the Placement Agreement as at the completion date, and if any of such undertakings and covenants are required to be fulfilled on or before the completion date, such undertakings and covenants shall have been fulfilled prior to completion date; and

(d) the Company having obtained SGX-ST's approval for the issuance and allotment, listing and quotation of the Placement Shares and the Placement.

In respect of the condition precedent set out in paragraph 2(a) above, the Company will be submitting an additional listing application to the SGX-ST for the AIP. The Company will make the necessary announcement once the AIP has been obtained from the SGX-ST.

3. RATIONALE FOR PLACEMENT

The Directors are of the opinion that after taking into consideration the present bank facilities and net proceeds of the Placement, the working capital available to the Company and its subsidiaries (the "**Group**") is sufficient to meet its present requirements.

The Company is proposing to undertake the Placement as it will result in an injection of funds into the Company and the Company will be able to increase and strengthen its general working capital in order to further expand existing business operations (in particular, e-commerce operations), undertake business development activities, including pursuing acquisition and joint venture opportunities as and when they arise.

4. MANDATE FOR THE ISSUE OF THE PLACEMENT SHARES

4.1 The Placement Shares will be issued pursuant to the share issuance mandate approved by the shareholders of the Company at the annual general meeting of the Company held on 29 October 2015 for the Company to issue shares and convertible securities.

4.2 As at the date of this Announcement, there are 162,200,151 issued shares in the capital of the Company (the "**Shares**").

4.3 The aggregate of 14,598,013 Placement Shares, when allotted and issued in full, will represent approximately 9.00% of the Company's existing and paid-up capital of 162,200,151 Shares as at the date of this announcement, and approximately 8.26% of the enlarged issued and paid-up share capital of 176,798,164 Shares upon completion of the Placement (assuming that no further Shares are issued on or prior to the completion of the Placement). Accordingly, the proposed issuance of the Placement Shares to be issued will fall within the limit of the general mandate.

5. FINANCIAL EFFECTS

5.1 As at the date of this announcement, the issued and paid up capital of the Company is RMB301,346,321 divided into 162,200,151[(2)] Shares. When allotted and issued in full, the Placement will increase the existing issued and paid-up share capital of the Company by approximately RMB20,968,014[(1)] to RMB322,314,335, divided into 176,798,164 Shares.

5.2 The financial effects of the Placement on the Group are prepared based on the audited accounts of the Group for the financial year ended 30 June 2015 and the following assumptions:

(i) for purposes of computing the effect of the Placement on the net tangible asset ("**NTA**") per Share of the Group, it is assumed that the Placement had been completed on 30 June 2015; and

(ii) for purposes of computing the effect of the Placement on the equity per Share ("**EPS**") of the Group, it is assumed that the Placement had been completed on 1 July 2014.

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

	Before the allotment and issue of the Placement Shares	**After allotment and issue of the Placement Shares**
Earnings attributable to Shareholders (RMB '000)	86,229	86,229
EPS (RMB cents)	80.6	71.0

	Before the allotment and issue of the Placement Shares	After allotment and issue of the Placement Shares
Weighted Average Number of Shares ('000)	106,912[3]	121,510[3]
NTA as at 30 June 2015 (RMB '000)	873,513	894,481[1]
NTA per Share (RMB cents)	807.8	728.8
Number of Shares for calculating NTA per Share ('000)	108,133[3]	122,731[3]

Note:

(1) Based on the exchanged rate of S$1 : RMB4.9578.

(2) The Company had undergone (i) a rights issue of shares where 270,337,587 new ordinary shares were issued on the basis of one rights share for every two existing ordinary shares held by the shareholders of the Company; and (ii) a share consolidation exercise where every five (5) existing Shares held by Shareholders as at 5.00 p.m. on 20 November 2015 were consolidated into one (1) consolidated Share during the financial year ended 30 June 2016.

(3) The weighted average number of shares and number of shares for calculating NTA were adjusted to be consolidated shares for comparison purpose.

6. USE OF PROCEEDS

When allotted and issued in full, the estimated net proceeds from the Placement after deducting expenses incurred in connection with the Placement is expected to amount to approximately S$4,229,298 and will be utilised by the Company in accordance with the rationale for the Placement as stated in paragraph 3 of this announcement.

The Company will make an announcement as to the use of the proceeds from the Placement as and when such proceeds are materially disbursed and whether such a use is in accordance with the stated use. Where there is any material deviation from the stated use of proceeds, the Company will announce the reasons for such deviation.

Pending the deployment of the proceeds from the Placement, 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. INFORMATION ON THE PLACEE

As at the date of this announcement, the Placee is a PRC national and has over 14 years of experience in, *inter alia*, trading, food and beverage, house leasing and e-commerce industries.

The Placee was introduced to the Company by Mr. Zhuo Peng, who is a director of Hong Kong Hengsheng Holding (Group) Co., Limited. and an acquaintance of the Company's Executive Chairman and CEO. Mr. Zhuo Peng is not related to any of the Directors of the Company and as at the date of this announcement, Mr. Zhuo Peng does not have any business dealings with the Company. No commission has been paid or is payable by the Company to anyone in relation to the Placement.

As at the date of this announcement, the Placee holds 22,000 shares, amounting to approximately 0.013% of the issued share capital of the Company.

As at the date of this announcement, the Placee does not have any connection (including business dealings) with the substantial shareholders of the Company or the Directors.

The Placee's subscription of the Placement Shares is for investment purposes only, and the Placee will not be holding the Placement Shares on trust or as a nominee. The Placee has no intention of influencing the management of or exercising control over the Company. Accordingly, the Placee does not intend to acquire additional shares in the Company such that his shareholding in the Company shall reach 15 per cent. or more of the enlarged issued and paid-up share capital of the Company.

8. GENERAL

None of the Placement Shares will be placed to any person or groups of as set out under Rule 812 of the Listing Manual of the SGX-ST.

None of the Placement Shares will be placed with the Directors or substantial shareholders of the Company or any of their respective related parties.

Save for their existing shareholding interests in the Company, none of the Directors of the Company have any interest, direct or indirect in the Placement.

The Placement would not result in any transfer of controlling interest in the Company.

9. 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 Placement, 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 the 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 the announcement in its proper form and context.

10. TRADING CAUTION

Shareholders are advised to exercise caution in trading their Shares. The Placement is subject to certain conditions. There is no certainty or assurance as at the date of this announcement that the Placement 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 CEO

Date: 8 July 2016