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Issuer: Yamada Green Resources Limited

Stock code: BJV

Meeting details:

Date: 29 October 2021

Time: 9.00 a.m.

Due to the current COVID-19 pandemic, SIAS encourage shareholders to participate at AGMs via other means and not to attend any AGM physically. Where the AGM is webcast, they can stay on top of their investments by watching the webcast and submitting their question to the company in advance. Senior citizens should avoid attending AGMs altogether and stay home.

Q1. On 4 September 2017, the company announced that a fire incident involving a transport vehicle had taken place at approximately 2.30 p.m. in China on 30 August 2017.

In the company's announcement, it was disclosed that:

The incident vehicle was in the midst of transporting certain finance documents and IT/computer hardware from the group's R&D Centre situated in Houyu Food Industry Zone of Minhou County, Fuzhou City, PRC ("R&D Centre") to the group's office premises situated in the Tie Ling Economic and Technological Development Zone of Minhou County, Fuzhou City, PRC ("Office Premises"). The preliminary assessment of management is that a large part of the FY2017 and FY2018 finance documents for the company's subsidiaries, and part of the FY2010 to FY2016 finance documents of the company's subsidiaries, are likely to have been affected or destroyed by the fire. The affected finance documents include certain payment and receiving vouchers, invoices and banking-related advice and documents. Affected IT/computer hardware comprise office computers which contain records, back-ups and information on finance and related documents.

The company announcement can be read here:

<https://links.sgx.com/FileOpen/YMD%20-%20Announcement%20on%20Application%20for%20Extention%20of%20Time%20-%20Fire%20Incident.ashx?App=Announcement&FileID=469566>

The company's trading halt (effective 31 August 2017) was converted into a voluntary suspension of trading with effect from 6 September 2017. Trading in the company's shares has been suspended since.

Shareholders can get an update of the company's developments since the suspension from SGX's Report on long-suspended companies dated 21 May 2021 found here:

https://api2.sgx.com/sites/default/files/2021-05/Long%20Suspended%20Companies%20Report_0.pdf

Some of the major events included:

- On 27 September 2017, the company announced that BDO Singapore had made a confidential report to the Minister of Finance of Singapore
- In September 2018, the company announced the appointment of Foo Kon Tan LLP ("FKT") to conduct an independent review into the circumstances leading to the disposal of Moso Bamboo Plantations without authorisation from the board
- FKT issued a disclaimer of opinion on the group's audited financial statements for financial years 2017, 2018 and 2019

- (i) **What were the efforts by the board, especially the independent directors, in securing the resumption of trading of the company's shares on SGX in the past year?**

- (ii) **Are there any updates to the confidential report made to the Minister of Finance of Singapore?**
- (iii) **Has the board held management accountable for the unauthorised disposal of Moso Bamboo Plantations?**
- (iv) **What are the milestones to be achieved before the company can submit a trading resumption proposal to SGX? When does the board expect the company to be able to submit its proposal to SGX?**
- (v) **Who is leading the company's effort to restore the trading of the company's shares?**

Q2. On 2 August 2021, the company announced that it has received from the Accounting and Corporate Regulatory Authority (ACRA) a final letter of findings issued to the board of directors pursuant to ACRA's Financial Reporting Surveillance Programme.

ACRA has concluded that the company's FY2018 financial statements has not complied with Paragraph 22 of the Singapore Financial Reporting Standards ("SFRS") 8 Accounting Policies, Changes in Accounting Estimates and Errors, because the change in accounting policy for investment properties, from a cost model to fair value model, had not been applied retrospectively.

The company has agreed to revise the company's financial statements for the financial years ended 30 June 2018 and 30 June 2019 and have published the revised financial statements on 7 October 2021.

- (i) **Can the audit committee (AC) help shareholders better understand the circumstances surrounding the change in accounting policy for investment properties? What were the discussions the AC had with management and with the independent auditors regarding the change in accounting policy?**
- (ii) **Has the AC reviewed and evaluated the performance of the external auditors? If so, is the AC satisfied with the professionalism and the performance of the external auditors?**
- (iii) **Would the surviving member(s) of the AC from 2017-2018 help shareholders understand if he is suitably qualified and has the recent and relevant accounting expertise to discharge his duty as a member of the AC?**
- (iv) **How can shareholders get assurance from management that the financial statements are prepared in accordance with the relevant Act and financial reporting standards?**

- (v) **Has the AC evaluated if the internal financial reporting/finance team is sufficiently resourced with experienced and qualified staff to ensure the integrity of the financial statements?**
- (vi) **Can the independent auditor further justify, in layman's term, the basis for the unqualified audit opinion for the financial year ended 30 June 2020 given that the auditor had issued disclaimers of opinion on the audited financial statements for financial years 2017, 2018 and 2019?** The disclaimers of opinion stemmed mainly from the auditor's inability to determine the completeness and accuracy of the recording of transactions that occurred during the affected financial years (due to the fire incident in August 2017) and balances as of the relevant reporting dates. The issue remains unresolved.

Q3. Other than processed food products, the group has built up a portfolio of investment properties in China and in Singapore that generated rental income of RMB7.9 million in FY2021.

Total segment assets amount to RMB240.9 million as at 30 June 2021, after recognising fair value loss of RMB(26.5) million in the financial year. Details of the group's investment properties can be seen in Note 8 (pages 96 to 100 – Investment properties). The group recognised (gross) fair value loss on investment properties of RMB(26.9) million (page 96) in FY2021.

- (i) **Please provide a breakdown to show how the fair value loss of RMB(26.899) million was calculated.**
- (ii) **Can the company post the valuation reports on SGXNet?**
- (iii) **Who is responsible for managing the group's investment properties?**
- (iv) **Has the board considered it timely to sell the investment properties in an orderly manner and to return all the capital generated from the sale to shareholders?**

[^]On 1 October 2020, the Accounting and Corporate Regulatory Authority ("ACRA"), the Monetary Authority of Singapore ("MAS") and Singapore Exchange Regulation ("SGX RegCo") published an updated checklist to guide listed entities on the conduct of general meetings arising from the latest updates from the Multi-Ministry Taskforce.

[^] Guidance on the Conduct of General Meetings Amid Evolving COVID-19 Situation (<https://www.sgx.com/media-centre/20201001-guidance-conduct-general-meetings-amid-evolving-covid-19-situation>)

Issuers may continue to conduct their general meetings held on or before 30 June 2021 via electronic means, and are encouraged to do so. On 9 April 2021, it was announced that the alternate arrangements for meetings (“Meetings Order”) would be extend beyond 30 June 2021 until it is revoked or amended by the Ministry of Law. Accordingly, until such time, issuers may continue to utilise the Checklist issued by ACRA, MAS and SGX RegCo to guide entities on the conduct of their general meetings.

Issuers who, after due consideration of public health and other risks, wish to provide for physical attendance at their general meetings must ensure that they implement all relevant measures to comply with the safe management measures imposed by the Singapore Government.

Shareholders are welcome to use and/or adapt the questions prepared by SIAS and to forward them to the company.

Can't attend the AGM or view the webcast? Check out the latest questions on the annual reports of listed companies on [SIAS website](http://www.sias.org.sg)

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