



## GREEN BUILD TECHNOLOGY

**GREEN BUILD TECHNOLOGY LIMITED**  
(Incorporated in the Republic of Singapore)  
(Company Registration No.: 200401338W)

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### ENTRY INTO CONVERTIBLE BOND AGREEMENT

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#### 1. INTRODUCTION

The Board of Directors of Green Build Technology Limited (the “**Company**”) wishes to announce that the Company has on 28 August 2018 entered into a subscription agreement (the “**Convertible Bond Agreement**”), with Kim Kwang Seun (the “**Investor**”) pursuant to which the Investor has agreed to subscribe for a convertible bond to be issued by the Company with a principal sum of S\$2,500,000.00 (the “**Convertible Bond**”).

#### 2. INFORMATION ON THE INVESTOR

- 2.1. The Investor is a citizen of the Republic of Korea and a willing investor introduced to the Company by a common business associate. The Investor is in the business of private equity investments.
- 2.2. No introducer fees were paid or are payable to any of the directors for introducing the Investor to the Company. No placement agent has been appointed for this exercise.
- 2.3. As at the date of this announcement, the Investor does not hold any shares in the Company. The Investor has no connections with the Company, its Directors and substantial shareholders, and is not a person to whom the Company is prohibited from issuing shares to, as provided by Rule 812 of the Listing Manual.

#### 3. MANDATE FOR THE ISSUE OF CONVERSION SHARES

- 3.1. The Conversion Shares will be allotted and issued pursuant to a resolution passed by the shareholders of the Company at the Annual General Meeting of the Company held on 30 April 2018 authorising the directors of the Company to allot and issue shares and convertible securities in the Company at any time and upon such terms and conditions and for such purposes and to such persons as the Directors may in their absolute discretion deem fit.
- 3.2. Assuming that the Convertible Shares are fully converted, the number of Conversion Shares will be 15,432,000, approximately 6.3% of the total number of current issued shares and approximately 5.9% of the enlarged issued share capital of the Company.

#### 4. CONVERTIBLE BOND AGREEMENT

- 4.1. The terms and conditions of the Convertible Bond were negotiated and agreed upon by the parties on an arm’s length basis.
- 4.2. The salient terms and conditions of the Convertible Bond are set out below:

Principal Amount	S\$2,500,000.00
Interest	<p>The interest payable shall be computed at the rate of 6% per annum on the outstanding Bonds on the anniversary of the issue date of the Bonds (the “<b>Issue Date</b>”). Interest shall be payable on each anniversary of the Issue Date (the “<b>Interest Payment Date</b>”) until the final redemption date, which is the date falling 2 years from the Issue Date (the “<b>Final Redemption Date</b>”).</p>
Conditions Precedent	<p>The obligations of the Investor under the Convertible Bond Agreement are conditional upon the satisfaction of the following conditions within 6 months or such other date as the Parties may agree:</p> <ul style="list-style-type: none"> <li>(a) the allotment, issue and subscription of the Bond not being prohibited by any statute, order, rule, regulation or directive promulgated or issued after the date of this Agreement by any legislative, executive or regulatory body or authority of Singapore which is applicable to the Issuer or any of the Investors;</li> <li>(b) on the Completion Date, the representations and warranties of the Issuer herein being true, accurate and correct in all material respects as if made on the Completion Date, with reference to the then existing circumstances and the Issuer having performed in all material respects all of its obligations hereunder to be performed on or before the Completion Date; and</li> <li>(c) the listing and quotation notice being obtained from the SGX-ST in relation to the Conversion Shares.</li> </ul> <p>The parties confirm and agree that a charge over security provided to the Investor, being niches in Yea Eun Columbarium in Seoul, Republic of Korea, in aggregate amounting to a value of approximately S\$5,000,000 or upon the sale of such niches or any part thereof, the cash value of the sold niches to be held by the Company in a manner agreed by the parties in writing (the “<b>Security</b>”) is a condition precedent to the Convertible Bond Agreement.</p>
Conversion Right	<p>The Investor shall have the right, at any time after 1 year from the date of the Bond, by giving at least 7 days’ notice (the “<b>Conversion Notice</b>”) to the Company, to convert 30% of the Bonds registered in his name into fully paid ordinary shares of the Company.</p> <p>The Investor shall have the right, at any time after 2 years from the date of the Bond, by giving the Conversion Notice to the Company, to convert up to 100% of the Bond registered in his name into fully paid ordinary shares of the Company.</p> <p>Upon conversion and/or redemption of the Bonds, whether in part or in full, the Security provided to the Investor shall be</p>

	discharged proportionately such that the bond principal to security ratio shall be at any point in time not less than 50%.
Conversion Shares	<p>The number of Conversion Shares to be issued and allotted to the Investor pursuant to the Convertible Bond Agreement is 15,432,000, which is based on the following formula:</p> $A = \frac{B}{C}$ <p>Where:</p> <p>A = the number of ordinary shares to be issued on the conversion of the Bonds</p> <p>B = the principal amount of the Bonds [(for the avoidance of doubt, the principal amount of the Bonds shall not include any interest computed pursuant to Condition 3(b))]</p> <p>C = the exercise price of S\$0.162, which is 90% of the volume weighted average price per share based on the shares trading on the Official List on the last full market day preceding the date of signing of the Convertible Bond Subscription Agreement (the "<b>Exercise Price</b>").</p>
Status of the Conversion Shares	The Conversion Shares shall on allotment, be issued credited as fully paid up upon conversion of the Bond in accordance to the terms of the Convertible Bond Agreement and the conditions as set out in Schedule 1 of the Convertible Bond Agreement, such ordinary shares to rank <i>pari passu</i> in all respects with all other existing ordinary shares in the capital of the Company.
Redemption of Bond	<p>The Company shall have the right by giving at least 7 days' notice (the "<b>Redemption Notice</b>") to the Investor, at any time prior to 1 year from the Issue Date, to redeem the Bonds. In that event, the Company shall pay to the Investor, a redemption fee equivalent to one-year interest from the date of the Redemption Notice to the Investor.</p> <p>The Company shall have the right, by giving the Redemption Notice to the Investor, at any time after 1 year from the Issue Date, to redeem the Bonds, whether in part or in full, at the Issue Price together with interest calculated in accordance with condition 3 of Schedule 1 of the Convertible Bond Agreement ("<b>Condition 3</b>"), the Interest Payment Date to the date payment is received by the holder of the Bonds. The Company shall have the right to redeem all or any part of the Bonds in multiple tranches it may deem necessary in its sole and absolute discretion.</p> <p>Unless previously redeemed as above, the Bonds will be redeemed by the Company at the Issue Price of the Bonds</p>

	together with any outstanding interest calculated in accordance with Condition 3 on the Final Redemption Date.
Security	The Convertible Bond shall be secured by a charge over security, being niches in Yea Eun Columbarium in Seoul, Republic of Korea, in aggregate amounting to a value of approximately S\$5,000,000 or upon the sale of such niches or any part thereof, the cash value of the sold niches to be held by the Company in a manner agreed by the parties in writing.
Adjustment to Conversion Price	The Conversion Price shall be subject to adjustments in the event of, <i>inter alia</i> , capital distribution, consolidation, subdivision, conversion or other capitalization issues.

## 5. RATIONALE AND USE OF ASSETS

- 5.1. The rationale for the entry into the Convertible Bond Agreement is to improve the Company's financial position.
- 5.2. The estimated net proceeds from the Convertible Bond Agreement (after deducting the estimated expenses, including but not limited to the professional fees in relation to the Convertible Bond Agreement) is approximately S\$2,400,000 (the "**Net Proceeds**"). The Company intends to use the Net Proceeds from the subscription of the Bonds for the working capital purposes of the Company, including but not limited to payment of trade payables, salaries and rental of premises.
- 5.3. Pending the deployment of the Net Proceeds from time to time for the abovementioned intended purpose, such proceeds may be placed as deposits with banks and/or financial institutions and/or invested in short-term money markets or debt instruments or for any other purposes on a short-term basis as the Board may deem fit in the interest of the Company.
- 5.4. The Company will make the necessary announcements and subsequently provide a status report on the use of such proceeds and any material deviations therefrom in its annual report. Where there is any material deviation from the stated use of proceeds, the Company will announce the reasons for such deviation.

## 6. FINANCIAL EFFECTS OF THE CONVERTIBLE BONDS AND CONVERSION SHARES

### Bases and Assumptions

- 6.1. For the purposes of illustration only, the *pro forma* financial effects of the Convertible Bond and the Conversion Shares taken as a whole are set out below. The *pro forma* financial effects have been prepared on the relevant assumptions set out below and based on the audited consolidated financial statements of the Company for the FY2017 and do not necessarily reflect the actual future financial position and performance of the Company in the event that the Convertible Bond is fully disbursed and fully converted.

### Financial Effects in the event of the Maximum Conversion Price Scenario

- 6.2. Assuming that the Convertible Bond is fully disbursed and fully converted on 31 December 2017 and based on the Company's audited consolidated financial statements for FY2017, the *pro forma* financial effects of the Convertible Bond on the net asset value and earnings per share of the Company for FY2017 are as follows:

	Before issuance of Bond and Conversion	After issuance of Bond and Conversion
Net Asset Value per Share (RMB cents)	23.4  (based on 246,677,796 ordinary shares as at 31 December 2017)	26.4  (based on 262,109,796 ordinary shares after the issuance of the 15,432,000 Conversion Shares)
Losses per share (RMB cents)	(2.98)	(3.09)

This announcement of the Convertible Bond Agreement therefore constitutes a “discloseable transaction” under Chapter 10 of the Listing Manual of Singapore Exchange Securities Trading Limited (the “**SGX-ST**”).

## 7. APPROVALS

The Company will make an application to the SGX-ST for the listing and quotation of the Conversion Shares. The Company will make the necessary announcements in relation to the application, among others, in due course.

## 8. INTERESTS OF DIRECTORS AND CONTROLLING SHAREHOLDERS

None of the directors or controlling shareholders of the Company has any interest, direct or indirect, in the Convertible Bond Agreement (other than their direct or indirect financial interest in the Company).

## 9. DOCUMENTS AVAILABLE FOR INSPECTION

A copy of the Convertible Bond Agreement will be made available for inspection during normal business hours at the registered office of the Company for a period of three months commencing from the date of this announcement.

By Order of the Board

**Wu Xueying**

Chief Executive Officer and Executive Director

28 August 2018