



Company Registration No. 199806046G)
(Incorporated in the Republic of Singapore)

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ENTRY INTO SHARE SUBSCRIPTION AGREEMENT IN RELATION TO PROPOSED INVESTMENT IN GREEN ENERGY INVESTMENT HOLDING PRIVATE LIMITED

1. INTRODUCTION

The Board of Directors ("**Board**") of H2G Green Limited (the "**Company**", and together with its subsidiaries, the "**Group**") wishes to announce that the Company and its wholly-owned subsidiary, Green Energy Investment Holding Private Limited ("**GEIH**"), have on 14 December 2022 entered into a share subscription agreement (the "**SSA**") with RD Property Holdings Pte. Ltd. (the "**Investor**") and Mr Lim Shao-Lin ("**Mr Lim**") (collectively with the Company and GEIH, the "**Parties**").

Under the SSA, the Investor will subscribe for up to an aggregate of 998 Class A convertible preference shares in the capital of GEIH ("**Class A Preference Shares**") (the "**Subscription Shares**") via four investment tranches of an aggregate amount of S\$20,000,000 ("**Proposed Investment**"). The Subscription Shares represent an aggregate of 49.9% of the total enlarged number of issued shares in the capital of GEIH on a fully diluted and as-converted basis immediately following the completion of the Proposed Investment (the "**Enlarged Share Capital**").

Upon the completion of the Proposed Investment and based on the Enlarged Share Capital, GEIH will become a 50.1%-owned subsidiary of the Company.

Pursuant to the SSA, the Company, the Investor and GEIH have also on 14 December 2022 entered into a shareholders' agreement ("**SHA**") to regulate the affairs of GEIH and the respective rights of the Company and the Investor as shareholders of GEIH on the terms and conditions of the SHA.

2. INFORMATION ON GEIH, THE INVESTOR AND MR SYDNEY KWAN

*Shareholders should note that the information relating to each of the Investor and Mr Sydney Kwan ("**Mr Kwan**") in this paragraph and elsewhere in this announcement was provided by the Investor and Mr Kwan respectively.*

2.1 GEIH

GEIH is a private company incorporated in Singapore, and is principally engaged in the development of processing plants for the conversion of non-food cellulosic biomass waste into high-value fuels and other useful products. As at the date of the SSA, GEIH has an issued and paid-up share capital of US\$1,000 divided into 1,000 ordinary shares in the capital of GEIH ("**Ordinary Shares**"), which are 100%-owned by the Company.



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Pursuant to the milestone conditions for the first investment tranche under the SSA, GEIH will capitalise its existing loans from the Company amounting to S\$5,000,000 into 2 Ordinary Shares to be allotted and issued to the Company (the “**Loan Capitalisation**”). Immediately following the Loan Capitalisation, GEIH will have a total number of issued and paid-up shares of 1,002 Ordinary Shares.

As at the date of the SSA, GEIH holds two subsidiaries:

- (i) Green Waste Recycling Company Private Limited (“**GWRC**”), a Singapore-incorporated private company wholly-owned by GEIH, which is principally engaged in the recycling of non-metal waste and the wholesale trade of a variety of goods; and
- (ii) PT. Gold Fifty One (“**PTG51**”), a company incorporated in Indonesia, of which GEIH holds 99% shareholding interest and GWRC holds 1% shareholding interest. PTG51 is principally engaged in the business of the sale of advanced biodiesel and activated carbon.

2.2 The Investor

The Investor is a private company incorporated in Singapore, and is principally engaged in investment holding.

As at the date of the SSA, the Investor is a wholly-owned subsidiary of OUE Limited (“**OUE**”), a Singapore-incorporated company listed on the Main Board of the Singapore Exchange Securities Trading Limited (“**SGX-ST**”). OUE is principally engaged in the business of real estate development, investment and management across various sectors including the commercial, hospitality, retail, residential and healthcare sectors. OUE is a 73.05%-owned subsidiary of a joint venture of Hongkong Chinese Limited (“**HKC**”), a Bermuda-incorporated company listed on the HK Stock Exchange which in turn is a 73.95%-owned subsidiary of Lippo Limited (“**Lippo**”), a Hong Kong-incorporated company listed on The Stock Exchange of Hong Kong Limited. Accordingly, Lippo is regarded to be a substantial shareholder of OUE.

Direct Union Limited, which is an indirect wholly-owned subsidiary of Lippo China Resources Limited (“**LCR**”), is an 8.16%-shareholder of Gashubunited Utility Private Limited, a 51%-owned subsidiary of the Company. Lippo North Asia Limited, another indirect wholly-owned subsidiary of LCR, is a 6.3%-shareholder of Gashubunited Holding Private Limited (“**GHPL**”), being a substantial shareholder of the Company holding approximately 37.27% of the existing total issued shares of the Company. LCR is a 74.99%-owned subsidiary of Lippo.

As set out in the Company’s separate announcement dated 14 December 2022, the Company has on 14 December 2022 entered into a subscription agreement with Hongkong China Treasury Limited (“**HKCTL**”) in relation to the issue and allotment of 142,180,095 new ordinary shares in the capital of the Company to HKCTL at an issue price of S\$0.0211 per share, amounting to an aggregate consideration of approximately S\$3,000,000. HKCTL is an indirect wholly-owned subsidiary of LCR, a Hong Kong-incorporated company listed on The Stock Exchange of Hong Kong Limited. Further details relating to the aforementioned proposed placement are set out in the Company’s separate announcement dated 14 December 2022.

HKC holds approximately 36.32% of the total issued shares of GoTwo Power Inc. (“**GTP**”). GHPL also holds approximately 6.05% of the total issued shares of GTP. As at the date of this announcement, GTP is a supplier of the Group.

Save as disclosed herein, the Company and its Directors and controlling shareholders and their associates are not related to the Investor, its associates, controlling shareholders and ultimate beneficial owners.



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2.3 Mr Sydney Kwan

Under the SHA, GEIH's board will comprise 5 directors, of which 1 director will be the chief executive officer of GEIH who will be jointly appointed by the Company and the Investor. It is intended that such chief executive officer and director will be Mr Sydney Kwan ("**Mr Kwan**") as at the date of the completion of the first investment tranche.

Mr Kwan has expertise in the areas of systems engineering, design, and sales. His track record has provided the foundational knowledge and experience necessary for the appointment.

Mr Kwan is currently employed in the position of general manager in GEIH. Mr Kwan is also a 2.8%-shareholder of GHPL, which is a substantial shareholder of the Company. As of the date of the SSA, save as disclosed herein, Mr Kwan is an independent third party, who is not related to GEIH, the Company, its directors, controlling shareholders and their associates, as well as the Investor, its associates, controlling shareholders and ultimate beneficial owners.

Save as disclosed herein, the Company and its Directors and controlling shareholders are not related to Mr Kwan.

2.4 No Introducer Arrangement

There is no introducer fee payable by the Company in connection with the Proposed Investment.



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3. SALIENT TERMS OF THE SSA

3.1 Investment via Four Tranches

Pursuant to the SSA, the Investor will subscribe for an aggregate of up to 998 Class A Preference Shares, representing 49.9% of the total Enlarged Share Capital, up to an aggregate investment amount of S\$20,000,000, via four investment tranches as follows, subject to, *inter alia*, the fulfilment of certain milestone conditions for each respective investment tranche:

Tranche	Investment Amount to be disbursed to GEIH (S\$)	Number of Subscription Shares	Milestone Conditions	Cut-off Date for satisfaction (or waiver by the Investor) of milestone conditions
1	5,000,000	995 Class A Preference Shares	(i) The passing of a resolution at a general meeting of the Company to approve the transactions contemplated under the SSA and related transactional documents, on terms to the Investor's reasonable satisfaction; (ii) the valuation on 100% of the issued shares in GEIH, on a post-money basis, to be disclosed in the circular to be despatched to shareholders of the Company in connection with the extraordinary general meeting (as referred to in paragraph (a) above), being no less than S\$40 million; (iii) GEIH's obtainment of all regulatory permits and/or approvals required to build and operate a manufacturing plant in Batam, Indonesia for the purposes of the manufacture and production of bio-fuel from non-food cellulosic biomass waste ("Batam Plant"), to the Investor's reasonable satisfaction; (iv) GEIH's provision of a breakdown and evidence of the use of proceeds (including but not limited to, purchase orders, invoices and payment receipts) for the build-up of the Batam Plant to the Investor to its reasonable satisfaction; (v) the Loan Capitalisation; and	The date falling three months after the date of SSA (or such other date as Parties may agree)



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			(vi) the entry by GEIH into an intercompany services agreement with the Company in relation to the provision of general corporate support services on certain terms and conditions, to the Investor's reasonable satisfaction.	
2	6,000,000	1 Class A Preference Share	(i) The occurrence of the completion of the first investment tranche in accordance with the SSA; (ii) GEIH's exercise of an option to purchase a property or the procurement of a long-term lease at such premises in Singapore to the reasonable satisfaction of the Investor from the Jurong Town Corporation or other party, on terms satisfactory to the Investor in its reasonable discretion; (iii) GEIH's obtainment of all regulatory permits and/or approvals required to build and operate a manufacturing plant in Singapore for the purposes of the manufacture and production of bio-fuel from non-food cellulos biomass waste ("Singapore Plant"), to the Investor's reasonable satisfaction; (iv) there being no breach by any of GEIH, the Company and Mr Lim (each a "Warrantor") of any representation and warranty set out in the SSA, or a material breach by any Warrantor of any term of the SHA (as defined below), which has not been cured within 30 calendar days of the Investor notifying such Warrantor of such breach; and (v) the completion of certain matters relating to PTG51, including the updating of its business identification number in accordance with the Indonesia's latest Online Single Submission system, obtainment of an industrial business license, submission of reports to certain Indonesia governmental agencies, amendment of articles of association to adhere to the Indonesia Standard Business Classification.	The date falling six months after the date of completion of the first investment tranche (or such other date as Parties may agree).



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3	5,000,000	1 Class A Preference Share	(i) The occurrence of the completion of the second investment tranche in accordance with the SSA; (ii) the entry by GEIH or any of its subsidiaries from time to time (collectively, the “GEIH Group”) into firm and binding sale contracts for the bio-fuel to be produced by the Batam Plant, each on commercially reasonable terms and conditions (“Bio-fuel Contracts”); (iii) GEIH’s commencement of the first phase build-up (i.e., order of primary equipment) of the Singapore Plant subject to GEIH providing a breakdown and evidence of the use of proceeds, including but not limited to, purchase orders, invoices and payment receipts, to the Investor’s reasonable satisfaction; and (iv) there being no breach by any Warrantor of any representation and warranty set out in the SSA, or a material breach by any Warrantor of any term of the SHA (as defined below), which has not been cured within 30 calendar days of the Investor notifying such Warrantor of such breach.	The date falling six months after the date of completion of the second investment tranche (or such other date as Parties may agree).
4	4,000,000	1 Class A Preference Share	(i) The occurrence of the completion of the third investment tranche in accordance with the SSA; (ii) the Bio-fuel Contracts remaining in full force and effect; (iii) GEIH’s commencement of the second and final phase build-up of the Singapore Plant subject to GEIH providing a breakdown and evidence of the use of proceeds, including but not limited to, purchase orders, invoices and payment receipts, to the Investor’s reasonable satisfaction; (iv) there being no breach by any Warrantor of any representation and warranty set out in the SSA, or a material breach by any Warrantor of any term of the SHA (as defined below), which has not been cured	The date falling six months after the date of completion of the third investment tranche (or such other date as Parties may agree).



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			within 30 calendar days of the Investor notifying such Warrantor of such breach.	
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3.2 Terms and Conditions of Class A Preference Shares

The Class A Preference Shares will be entitled to certain rights and be subject to certain conditions including, *inter alia*, the following:

(i) Dividends

Where GEIH declares (out of funds legally available for distribution in any financial year) dividends payable to the holders of Class A Preference Shares and Ordinary Shares, the holders of Class A Preference Shares (save for any holders of Class A Preference Shares that are not the Investor or an affiliate of the Investor) will receive 80% of any such dividend payable ("**Class A Preferential Dividend**") and the holders of Ordinary Shares will receive 20% of any such dividend payable, until the cumulative distributions received by the holders of Class A Preference Shares (save for any holders of Class A Preference Shares that are not the Investor or an affiliate of the Investor) is equal to the aggregate amount which has been disbursed by the Investor to GEIH pursuant to the SSA ("**Class A Investment Amount**") (calculated as at such date of declaration of dividend).

(ii) Liquidation Preference

Upon the occurrence of any liquidity event (including any GEIH Group company's liquidation or winding up, reorganisation resulting in its holding company owning minority voting power, or sale or lease of all or substantially all assets):

- a. GEIH shall (out of its assets and funds available for distribution) pay to the holders of Class A Preference Shares (save for any holders of Class A Preference Shares that are not the Investor or an affiliate of the Investor) any accrued and unpaid Class A Preferential Dividend, prior to and in preference of any payments to the holders of Ordinary Shares; and
- b. If there are any remaining assets and funds available for distribution after the abovementioned payments, all holders of Class A Preference Shares and Ordinary Shares shall be entitled to participate *pro rata* in the residual assets and funds of GEIH.

However, if the available assets and funds are insufficient to make the payments under paragraph (a) in full, such available assets and funds shall be shared among the holders of Class A Preference Shares (save for any holders of Class A Preference Shares that are not the Investor or an affiliate of the Investor) *pro rata* on an as-converted basis.

(iii) Votes

The holders of Class A Preference Shares may vote on shareholders' resolutions of GEIH in the same manner as holders of Ordinary Shares on an as-converted basis, and not as a separate class, unless otherwise required in GEIH's constitution or by law. Each Class A Preference Share will be entitled to such number of votes as represented by the number of Ordinary Shares into which it is convertible (as at the relevant record date).



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(iv) Conversion

The Investor (together with any affiliate of the Investor, if applicable) will have the right, at its option, to convert (a) all (and not part of) the Class A Preference Shares held by the Investor (and any affiliate of the Investor, if applicable), and (b) all (and not part of) the Class A Preference Shares (if any) which may be transferred from the Investor to Mr Kwan pursuant to any call option which may be granted by the Investor to Mr Kwan on terms agreed between OUE and Mr Kwan ("**Mr Kwan Call Option**"), in aggregate, into Ordinary Shares at any time.

In addition, all Class A Preference Shares will be automatically converted into Ordinary Shares upon the occurrence of certain events, including, *inter alia*, (a) when the holders of Class A Preference Shares (save for any holders of Class A Preference Shares that are not the Investor or an affiliate of the Investor) have received Class A Preferential Dividend(s) in an amount equal to the Class A Investment Amount; or (b) an initial public offering of the shares or the business of any GEIH Group company on a stock exchange.

Each Class A Preference Share will be converted into such number of Ordinary Shares, determined by dividing the relevant issue price of such Subscription Share (as adjusted for any subsequent subdivisions, consolidations or share dividends) by the applicable conversion price per Class A Preference Share at such time. No additional consideration will be payable upon such conversion, unless required by law.

The initial conversion price per Class A Preference Share shall be equal to the initial subscription price per Subscription Share, and shall thereafter be subject to adjustment from time to time in accordance with customary adjustment events (including any subdivisions or consolidations of Ordinary Shares, reclassification or alteration of share capital, or scrip dividends to holders of Ordinary Shares but not holders of Class A Preference Shares).

Under the SSA, in conjunction with the issue and allotment of the Class A Preference Shares to the Investor pursuant to the completion of the first investment tranche, GEIH will effect the adoption of the necessary revisions to GEIH's constitution to incorporate the terms and conditions of the Class A Preference Shares.

3.3 Termination

The SSA may be terminated upon the occurrence of certain events, including:

- (i) Where any obligations of GEIH or the Investor in relation to the completion of the respective investment tranches are not fulfilled (or otherwise waived) by the other party, the Investor and/or GEIH (as applicable) will be entitled to elect to terminate the SSA and/or elect not to proceed with such completion;
- (ii) Where, on or prior to the completion of each investment tranche, any representations, warranties or undertakings in the SSA on the part of the Company or the Investor (as applicable) have not been complied with or are untrue, inaccurate or misleading in any material respect, the other party will be entitled to terminate the SSA.

3.4 Obligations of the Company and Mr Lim under the SSA

The SSA provides for Mr Lim's obligation to procure that GEIH shall use its reasonable endeavours to ensure the satisfaction of the milestone conditions for the respective investment tranches as soon as reasonably practicable. Under the SSA, the Company and Mr Lim have also, jointly and severally with GEIH, provided representations and warranties relating to the GEIH Group, as well as Mr Lim's compliance with laws.



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4. SHAREHOLDERS' AGREEMENT

Pursuant to the SSA, the Company, the Investor and GEIH have also on 14 December 2022 entered into the SHA to regulate the affairs of GEIH and the respective rights of the Company and the Investor as shareholders of GEIH on the terms and conditions of the SHA.

The salient terms of the SHA include, *inter alia*:

- (i) The SHA will take effect from the date of completion of the first investment tranche (save for certain clauses which become effective as of the date of SHA). The SHA will cease to have effect as regards any shareholder who ceases to hold any shares, save for any provisions expressed to continue in force after termination.
- (ii) GEIH's board will comprise 5 directors, unless its shareholders unanimously agree otherwise, of which each of the Company and the Investor may appoint 2 directors, for so long as each of them and their affiliates have an aggregate shareholding interest of 10% in GEIH. The remaining director will be the chief executive officer of GEIH, who is jointly appointed by the Company and the Investor, being Mr Kwan as at the date of the completion of the first investment tranche.
- (iii) The chairman of GEIH's board will be appointed by the Company, and will have a casting vote at any board or general meeting in the event of an equality of votes.
- (iv) Certain reserved matters prescribed in the SHA will not be undertaken unless approved by the Investor, such as, in relation to any GEIH Group company, any increase in share capital or issue of options, borrowings in excess of a certain amount, any acquisition, disposal or investment in excess of a certain amount and the approval of annual budget.
- (v) All new shares to be issued by GEIH will first be offered to all shareholders on a *pari passu* and *pro rata* basis to the number of shares held by such shareholders. Where any shareholder declines, GEIH may then issue such shares to the other shareholders who have applied for their full *pro rata* share of the new shares to be issued by GEIH, or if such other shareholders decline, to any other person at the same price and terms as that offered to the shareholders.
- (vi) Restrictions on transfer of shares, including the right of first offer for purchase of any sale shares and tag-along right, save for:
 - a. any transfer of shares to any affiliate of a shareholder; or
 - b. a transfer of up to 198 Class A Preference Shares held by the Investor to Mr Kwan pursuant to the Mr Kwan Call Option, on terms agreed between OUE and Mr Kwan.
- (vii) Non-competition and non-solicitation undertakings by shareholders for so long as it, directly or indirectly, holds any shares and for a period of 2 years from such date that it ceases to do so.



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Assuming no issuance of new shares or other changes in the capital of GEIH, the resultant shareholding interest of the shareholders in GEIH (on a fully diluted and as-converted basis) will be as follows, assuming the scenarios where (i) the completion of the Proposed Investment and no grant or exercise of the Mr Kwan Call Option, and (ii) the completion of the Proposed Investment and the grant and exercise of the Mr Kwan Call Option:

Shareholder	(i) Post-completion of Proposed Investment		(ii) Post-completion of Proposed Investment and the grant and exercise of Mr Kwan Call Option	
	Number of Shares ⁽¹⁾	Shareholding Percentage ⁽²⁾	Number of Shares ⁽¹⁾	Shareholding Percentage ⁽²⁾
H2G Green Limited	1,002 Ordinary Shares	50.10%	1,002 Ordinary Shares	50.10%
The Investor	998 Class A Preference Shares	49.90%	800 Class A Preference Shares	40.00%
Mr Kwan	-	-	198 Class A Preference Shares	9.90%
Total	-	100.00%	-	100.00%

Notes:

- (1) Including Ordinary Shares and Class A Preference Shares.
(2) Based on the total number of issued shares (including Ordinary Shares and Class A Preference Shares) in the capital of GEIH, on a fully diluted and as-converted basis.

5. RATIONALE OF THE PROPOSED INVESTMENT

The rationale for and benefits of the Proposed Investment are, *inter alia*, as follows:

- (i) The Proposed Investment presents an opportunity for the Company to expand its sustainability focus and spearhead the energy transition.
- (ii) The Proposed Investment will increase resources available to accelerate growth at GEIH at a critical juncture as regulatory and end-user interest in biofuels gathers momentum.
- (iii) The Proposed Investment will potentially allow GEIH to establish a first-mover advantage with its differentiated approach in using non-food cellulosic biomass waste, which has been proven to be more cost-effective and more environmentally friendly than food-based biofuels.
- (iv) The Proposed Investment will likely unlock a path to profitability and cash flow for GEIH, thereby allowing the Company to enhance Shareholder value.

As such, the Company is of the view that the Proposed Investment will enhance shareholders' value for the Company.

6. USE OF PROCEEDS

Assuming the completion of all investment tranches of the Proposed Investment, the estimated net proceeds from the Proposed Investment (after deducting professional fees and related estimated expenses pertaining to the Proposed Investment of approximately S\$200,000 to be borne by the Company) will be approximately S\$19,800,000 (the "**Net Proceeds**").



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The Company intends to allocate the Net Proceeds as follows:

Use of Net Proceeds	Amount (\$'000)	Percentage Allocation (%)
Property, plant and equipment	13,000	66
General working capital (including meeting general overheads and other operating expenses of GEIH)	6,800	34
Total	19,800	100

Pending the deployment of the Net Proceeds, the Company intends to place the Net Proceeds from the Proposed Investment with banks and/or financial institutions or use the Net Proceeds for any other purposes on a short-term basis, as the Directors may deem fit in the interests of the Group.

7. VALUE OF THE SUBSCRIPTION SHARES

Based on the audited consolidated financial statements of the Group for the financial year ended 31 March 2022:

- (i) Net tangible liabilities ("**NTL**") of the GEIH Group amounted to approximately S\$1,622,061 as at 31 March 2022;
- (ii) the net loss of the GEIH Group amounted to approximately S\$527,592 as at 31 March 2022.

The open market value of the Subscription Shares is not available as the shares of GEIH are not publicly traded. The terms of the SSA (including the aggregate subscription price for the Subscription Shares) are arrived at after arms' length negotiations between GEIH, the Company and the Investor on a 'willing buyer-willing seller' basis, taking into consideration, amongst other factors, the working capital requirements of GEIH and the prospects of the GEIH Group. The Company has appointed an independent valuer, Chay Corporate Advisory Pte. Ltd., to determine the market value for 100% of the issued shares in GEIH for the purpose of the Proposed Investment. Details of the independent valuation report will be set out in the circular ("**Circular**") to be despatched to shareholders of the Company ("**Shareholders**") in connection with the extraordinary general meeting ("**EGM**") to seek Shareholders' approval in connection with the Proposed Investment.

Assuming the completion of all investment tranches of the Proposed Investment, the Proposed Investment will represent an increase in the Group's equity attributable to owners of approximately S\$7,891,040 (after deducting estimated transaction-related expenses of approximately S\$200,000).



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8. FINANCIAL EFFECTS OF THE PROPOSED INVESTMENT

The tables illustrating the financial effects of the Proposed Investment on (i) the net tangible assets (“NTA”) per share of the Group (assuming the Proposed Investment had been completed at the end of that financial year); and (ii) the loss per share (“LPS”) of the Group (assuming that the Proposed Investment had been completed at the beginning of that financial year), based on the latest audited consolidated financial statements of the Group for the financial year ended 31 March 2022 (“FY2022”) are set out below.

For the avoidance of doubt, the financial effects of the Proposed Investment on the Group are for illustrative purposes only and are, therefore, not indicative of the actual financial performance or position of the Group after the completion of the Proposed Investment. These financial effects do not take into account (i) any other corporate actions announced and undertaken by the Group; and (ii) any issuance of new shares in the capital of the Company (“H2G Shares”), on or after 1 April 2022. The financial effects also do not take into account any fees and expenses to be incurred in relation to the Proposed Investment.

8.1 NTA per Share of the Group

Assuming that the Proposed Investment had been completed on 31 March 2022, the financial effect on the NTA per share of the Group as at 31 March 2022 is as follows:

	Before the Proposed Investment	After the Proposed Investment
NTA attributable to equity holders of the Company (S\$'000)	10,059	18,150
Number of H2G Shares	689,524,443	689,524,443
NTA per share (S\$ cents) ⁽¹⁾	1.46	2.63

Note:

(1) NTA refers to net assets value of the Group less intangible assets and goodwill.

8.2 Loss per Share of the Group

Assuming the Proposed Investment had been completed on 1 April 2021, the financial effect on the LPS of the Group for FY2022 is as follows:

	Before the Proposed Investment	After the Proposed Investment
Net loss attributable to equity holders of the Company (S\$'000)	2,765	2,765
Weighted average number of H2G Shares	689,524,443	689,524,443
LPS (S\$ cents)	0.40	0.40



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9. RELATIVE FIGURES COMPUTED BASED ON RULE 1006 OF THE CATALIST RULES

Based on the latest announced unaudited consolidated financial statements of the Group for the half year ended 30 September 2022 (“HY2023”), the relative figures of the Proposed Investment as computed on the relevant bases set out in Rule 1006 of the Listing Manual Section B: Rules of Catalist of the SGX-ST (the “**Catalist Rules**”) are as follows:

Rule	Bases	Relative Figures (%)
1006 (a)	Net asset value of the assets to be disposed of, compared with the group’s net asset value	8 ⁽¹⁾
1006 (b)	Net loss attributable to the assets acquired or disposed of, compared with the group’s net loss	4.36 ⁽²⁾
1006 (c)	Aggregate value of the consideration given or received, compared with the issuer’s market capitalisation based on the total number of issued shares excluding treasury shares	78 ⁽³⁾
1006 (d)	The number of equity securities issued by the issuer as consideration for an acquisition, compared with the number of equity securities previously in issue	Not applicable
1006 (e)	The 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.	Not applicable

Notes:

- (1) Based on the net asset value of the assets to be disposed of, being 49.9%, which amounted to approximately S\$1,819,634 (assuming the completion of the Loan Capitalisation), and the net asset value of the Group which amounted to approximately S\$21,719,000, as at 30 September 2022.
- (2) Based on the unaudited loss before income tax and non-controlling interests of the assets to be disposed of, being 49.9%, which amounted to approximately S\$48,752, and the Group’s unaudited loss before income tax and non-controlling interests of S\$1,117,000, for HY2023.
- (3) Based on the aggregate investment amount of S\$20,000,000, and the Company’s market capitalisation of S\$25,721,200 (based on the Company’s issued ordinary share capital (excluding treasury shares and subsidiary holdings) of 1,099,196,574 H2G Shares and weighted average price of the H2G Shares of S\$0.0234 on 9 December 2022, being the last full market day on which the H2G Shares were traded prior to the date of the SSA.

As the relative figure calculated under Rule 1006(c) of the Catalist Rules exceeds 50%, the Proposed Investment constitutes a “major transaction” within the meaning of Chapter 10 of the Catalist Rules, and is subject to the approval of the shareholders of the Company (“**Shareholders**”) at a general meeting.



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In addition, the components of the relative figure computed on the bases set out in Rule 1006(b) of the Catalist Rules is negative, and the Proposed Investment does not fall within the relevant scenarios provided for in paragraphs 4.3 and 4.4 of Practice Note 10A of the Catalist Rules. Accordingly, pursuant to paragraph 4.6 of Practice Note 10A of the Catalist Rules, the Company will be seeking the approval of Shareholders for the Proposed Investment as a “major transaction” under Chapter 10 of the Catalist Rules.

10. CHAPTER 8 OF THE CATALIST RULES

Under Rule 805(2) of the Catalist Rules, an issuer must obtain the prior approval of shareholders at general meeting if a principal subsidiary of such issuer issues shares or convertible securities that will or may result in (i) the principal subsidiary ceasing to be a subsidiary of the issuer, or (ii) a percentage reduction of 20% or more of the issuer's equity interest in such principal subsidiary. Under the Catalist Rules, a “principal subsidiary” refers to a subsidiary whose latest audited consolidated pre-tax profits as compared with the latest audited consolidated pre-tax profits of the group accounts for 20% or more of such pre-tax profits of the group

Notwithstanding that GEIH is in a net tangible liabilities position amounting to approximately S\$1,622,061 as at 31 March 2022, the Board is of the view that GEIH is a principal subsidiary of the Company taking into consideration the following:

- (a) The Company had obtained the approval of its shareholders at an EGM held on 29 September 2020 regarding the diversification of the core business of the Group to include the energy business, comprising (but not limited to) the energy, energy-related renewable energy and renewable energy-related business.
- (b) The aforementioned diversification, coupled with the Group's strategy to enhance business performance and Shareholders' value by unlocking additional streams of income, demonstrates the Group's intention to further grow its sustainable energy footprint.

Pursuant to the terms of the SSA, the Investor will subscribe for up to an aggregate of 998 Class A Preference Shares, representing 49.9% of the Enlarged Share Capital immediately following the completion of the Proposed Investment. Upon the completion of the Proposed Investment, the Company's shareholding interest in GEIH will diluted by more than 20% from its current shareholding interest of 100% to 50.1%, on a fully diluted and as-converted basis.

Accordingly, the Company will be seeking the approval of Shareholders for the proposed dilution of shareholding interest in principal subsidiary arising from the Proposed Investment, pursuant to Rule 805(2) of the Catalist Rules.

11. EXTRAORDINARY GENERAL MEETING

The Company will be convening an EGM to seek the approval of the Shareholders for, *inter alia*, the Proposed Investment as a major transaction. The Circular containing, amongst others, the notice of EGM and details of the Proposed Investment and the abovementioned resolution will be made available to the Shareholders in due course.

12. SERVICE CONTRACT

No person is proposed to be appointed as a director of the Company in connection with the Proposed Investment. Accordingly, no service contract is proposed to be entered into with the Company in connection with the Proposed Investment.



Company Registration No. 199806046G)
(Incorporated in the Republic of Singapore)

13. INTERESTS OF DIRECTORS AND CONTROLLING SHAREHOLDERS

None of the Directors or controlling shareholders of the Company and their respective associates has any interest, direct or indirect, in the Proposed Investment, the Investor and its associates, controlling shareholders and ultimate beneficial owners, other than through their respective shareholdings (if any), employment and/or directorship (as applicable) in the Company.

14. DOCUMENT FOR INSPECTION

Copies of the SSA and SHA are available for inspection during normal office hours at the registered office of the Company at 39 Kaki Bukit Place Eunos Techpark Singapore 416217 for a period of three (3) months from the date of this announcement.

By Order of the Board

Lim Shao-Lin
Executive Director and Chief Executive Officer
14 December 2022