



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

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## ENTRY INTO A CONVERTIBLE LOAN AGREEMENT

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### 1. INTRODUCTION

The Board of Directors ("**Board**") of H2G Green Limited ("**H2G**" or the "**Company**", together with its subsidiaries, collectively the "**Group**") wishes to announce that the Company has on 21 August 2025 entered into a convertible loan agreement ("**Convertible Loan Agreement**") with RD Property Holdings Pte. Ltd. ("**RD**") and Green Energy Investment Holding Private Limited ("**GEIH**"), a 50.10%-owned subsidiary of the Company, pursuant to which the Company and RD (each of the Company and RD shall be referred to as a "**Lender**" and collectively, the "**Lenders**") have agreed to grant a convertible loan of an aggregate principal of S\$4,000,000 ("**Convertible Loan**") to GEIH in the respective proportions based on their shareholding percentages in GEIH and in accordance with the terms and conditions of the Convertible Loan Agreement.

As at the date of this announcement, GEIH is currently held by the Company and RD in the following proportions:

- (i) 50.10% of the total number of shares in GEIH is held by the Company; and
- (ii) 49.90% of the total number of shares in GEIH is held by RD.

GEIH is an innovator in sustainable hydrogen with proprietary technologies that repurposes and transforms waste biomass into green hydrogen, as well as biochar and other high-value, sustainable materials.

The Company and GEIH (then a wholly-owned subsidiary of the Company) had on 14 December 2022 entered into a share subscription agreement with RD and Mr Lim Shao-Lin (then the Executive Director and Chief Executive Officer, and currently a controlling shareholder of the Company), under which RD subscribed an aggregate of 998 Class A Preference Shares *via* four investment tranches of an aggregate amount of S\$20,000,000. Upon the completion of the abovementioned investment by RD on 6 June 2024, GEIH became a 50.10% subsidiary of the Company whilst RD held 998 Class A Preference Shares in GEIH, representing an aggregate of 49.90% of the enlarged GEIH share capital. Please refer to the Company's announcements dated 14 December 2022, 30 December 2022, 16 January 2023, 6 February 2023, 23 February 2023, 14 August 2023, 17 August 2023, 15 September 2023 and 6 June 2024, and the Company's circular dated 30 December 2022, for further information relating to the abovementioned investment by RD in GEIH.

## 2. SALIENT TERMS OF THE CONVERTIBLE LOAN AGREEMENT

### 2.1 Convertible Loan

Pursuant to the Convertible Loan Agreement, the Lenders have agreed to grant the Convertible Loan of S\$4,000,000 to GEIH and shall be drawn down by GEIH subject to fulfilment of the conditions precedent in accordance with the terms and conditions of the Convertible Loan Agreement. Based on the respective shareholding percentages of the Company and RD in GEIH, their respective proportions of the Convertible Loan are as follows:

| S/N   | Lenders | Respective shareholding in GEIH | Respective Proportions of Convertible Loan |
|-------|---------|---------------------------------|--------------------------------------------|
| 1.    | H2G     | 50.10%                          | S\$2,004,000                               |
| 2.    | RD      | 49.90%                          | S\$1,996,000                               |
| Total |         |                                 | S\$4,000,000                               |

### 2.2 Conditions Precedent for Drawdown

The drawdown of the Convertible Loan is conditional upon the satisfaction (or otherwise waiver in writing by the Lenders) of certain conditions precedent set out in the Convertible Loan Agreement ("**Conditions Precedent**"), including, *inter alia*:

- (a) There shall not exist at or prior to the drawdown, an event of default or any condition, event or act which, with the giving of notice or lapse of time, or both, would constitute such an event of default;
- (b) All representations, warranties and statements contained in the Convertible Loan Agreement or otherwise made in writing in connection to the Convertible Loan Agreement or in any other written document or in any certificate or statement furnished pursuant to any provisions to the Convertible Loan Agreement or in any other written document or in any document or instrument referred to in the Convertible Loan Agreement or in any other written document shall be true and correct with the same effect as though made on the drawdown date;
- (c) The resolution of the board of directors of GEIH authorising the acceptance of the Convertible Loan and the approval of the shareholders of GEIH for the transactions contemplated in the Convertible Loan Agreement, including but not limited to the issuance of the ordinary shares in GEIH (if both Lenders convert simultaneously) or preference shares in GEIH (if any one (1) Lender converts first) ("**Conversion Shares**") upon conversion of the Convertible Loan having been obtained;
- (d) If required, the approval of the board of directors and/or shareholders of the Company; and
- (e) If required, the necessary approvals or consents from banks, financial institutions or third parties for the allotment and issuance of the Conversion Shares upon conversion of the Convertible Loan pursuant to Clause 7 of the Convertible Loan Agreement.

The Lenders may, at the request of GEIH, waive compliance with any of the aforesaid conditions on such terms as the Lenders may deem fit.

If the Conditions Precedent are not satisfied or waived on or before sixty (60) days from the date of the Convertible Loan Agreement or such later agreed date, GEIH and the Lenders shall have the option to be released and discharged from their respective obligations under the Convertible Loan

Agreement. If the Company requires an extension of time beyond 31 December 2025 to fund its portion of the Convertible Loan, the Lenders and GEIH shall mutually discuss in good faith for such extension of time.

### 2.3 Drawdown of Convertible Loan

Subject to the Conditions Precedent of the Convertible Loan Agreement being satisfied or waived, the Convertible Loan will be drawn down by GEIH as follows:

- (a) in respect of such portion of the Convertible Loan attributable to RD, within seven (7) business days of signing of the Convertible Loan Agreement; and
- (b) in respect of such portion of the Convertible Loan attributable to H2G, on such date to be decided by the board of directors of the GEIH, on the basis that the date shall not be later than 31 December 2025 (or such later date as may be mutually agreed amongst GEIH and the Lenders).

### 2.4 Interest

The Convertible Loan shall bear simple interest at the rate of four percent (4%) per annum based on the principal amount outstanding on the Convertible Loan, commencing from the relevant drawdown date until the date of actual repayment (or conversion) of the Convertible Loan by GEIH to the Lenders. The accrued interest shall be payable in arrears in cash to the Lenders every three (3) months with the first interest payment payable on the date falling three (3) months of the drawdown date.

### 2.5 Conversion of Convertible Loan

Subject to Clause 7.5 of the Convertible Loan Agreement, any Lender shall be entitled (but not obliged), at its sole and absolute discretion, to convert the full outstanding principal amount of the Convertible Loan ("**Conversion Amount**") (in whole and not in part) into such number of Conversion Shares calculated as:

$$\text{Conversion Shares} = \text{Conversion Amount} \div \text{S\$20,000}$$

Any Lender wishing to convert ("**Converting Lender**") shall issue a conversion notice to GEIH specifying the Conversion Amount and number of Conversion Shares to be issued. Upon receipt, GEIH shall immediately inform the other Lender, who may elect to convert its portion simultaneously.

If any one (1) of the Lenders elect to convert, the Convertible Loan shall be converted into Class B non-voting preference shares ("**Class B Shares**") whereupon the Lenders agree to take all steps necessary to enable GEIH to issue the Conversion Shares, including approving board and shareholder resolutions for any constitutional amendments to provide for the rights of Class B Shares, and to procure GEIH to allot and issue the Conversion Shares at the issue price of S\$20,000 per share and pay accrued interest in cash up to the date of issuance. The Class B Shares issued shall be non-voting with no right to vote at any shareholders' meeting, but otherwise shall rank *pari passu* with all ordinary shares in respect of rights, benefits and interests (including dividends, bonus, and other distributions) from the date of issuance.

If both Lenders elect to convert simultaneously, the Conversion Shares issued to both Lenders shall be ordinary shares ranking *pari passu* with all other ordinary shares of GEIH.

The Lenders further agree and undertake that the Lenders shall do all acts necessary or desirable to procure that GEIH remains a subsidiary of H2G within the meaning of Section 5 of the Companies Act 1967 of Singapore ("**Companies Act**"), including but not limited to ensuring that the Company controls the composition of the board of directors of GEIH and controls more than half of the voting power of GEIH. Notwithstanding, the Company will obtain shareholders' approval, under Rule 805(2)

of the Catalist Rules, if (a) GEIH ceases to be a subsidiary of the Company, or (b) there is a percentage reduction of 20% or more of the Company's equity interest in GEIH.

## **2.7 Repayment of Convertible Loan**

In the event that the Convertible Loan is not converted into Conversion Shares, GEIH shall repay to the Lenders the outstanding amount of the Convertible Loan and interest accrued thereon, on such date falling three (3) years from the last drawdown date ("**Maturity Date**").

## **2.8 Events of Default**

If any one or more of the following events of default ("**Events of Default**") occur:

- (a) GEIH's default in the due performance of its material obligations under the Convertible Loan Agreement and such default in the opinion of the Lenders remains not satisfactorily remedied for 30 days after written notice thereof has been given;
- (b) if any warranty made by GEIH in the Convertible Loan Agreement is inaccurate, misleading or untrue in any material respect;
- (c) if GEIH is in default in the due performance of any of its material obligations in the Convertible Loan Agreement in any material respect;
- (d) if GEIH takes any action or other steps are taken or legal proceedings are started (under any applicable law) for its winding up, administration, judicial management, or reorganisation;
- (e) a distress, execution or other legal process is levied, enforced or sued upon or against a material part of the property or assets of GEIH and is not discharged or stayed within sixty (60) days of having been so levied, enforced or sued upon;
- (f) if GEIH fails to comply with or pay any material sum due from it under any final judgment or any final order made or given by any court of competent jurisdiction or arbitration tribunal;
- (g) if it becomes unlawful for GEIH to comply with any or all of its obligations under the Convertible Loan Agreement;
- (h) the occurrence of any event which would in any Lender's reasonable opinion, render GEIH unable to repay its indebtedness to any Lender or perform its obligations;
- (i) GEIH declares, makes or pay any dividend, charge, fee or other distribution (or interest on any unpaid dividend, charge, fee or other distribution) (whether in cash or in kind) on or in respect of its capital (or any class of its capital); and
- (j) if any event occurs which under the laws of any relevant jurisdiction has an analogous effect to any of the events referred to in any of the foregoing paragraphs.

then any of the Lenders may by notice in writing to GEIH declare that an Event of Default has occurred and such declaration shall be deemed to take effect from the date of such an Event of Default, or, if more than one Event of Default shall have occurred, the date of occurrence of the first Event of Default. Upon such declaration, the Convertible Loan (together with all accrued interest) shall become immediately due and payable.

### 3. RATIONALE, BENEFITS AND USE OF PROCEEDS OF THE CONVERTIBLE LOAN

The Convertible Loan will allow GEIH to raise net proceeds of approximately S\$3,980,000 (after deducting professional fees and related estimated expenses pertaining to the Convertible Loan).

The entire amount of the net proceeds from the Convertible Loan shall be used by GEIH for the purposes of building and operating the manufacturing plant in Singapore for the manufacture and production of green hydrogen and other sustainable products from non-food cellulosic biomass waste and related working capital requirements.

The Directors are of the view that the Convertible Loan is beneficial to GEIH as it will (i) strengthen GEIH's financial position and (ii) improve GEIH's cash flow to meet anticipated capital expenditures and general working capital requirements (including general overheads and other operating expenses).

In addition, the Directors are of the view that the Convertible Loan is in the interest of and beneficial to the Company, as the net proceeds from the Convertible Loan will enable GEIH (being a subsidiary of the Company) to move towards full commercialisation of its production facility to repurpose and transform waste biomass into green hydrogen, as well as biochar and other high-value, sustainable materials, and to commence generating revenue from the sale of these sustainable products. This would in turn benefit the Company as GEIH's shareholder and enable the Group to move towards its vision of empowering Asia's energy transition toward cleaner, sustainable energy solutions.

### 4. INTERESTED PERSON TRANSACTION

Hongkong China Treasury Limited ("**HKCT**") is a controlling shareholder of the Company holding approximately 18.07% shareholding interest in the Company. HKCT is an indirect wholly-owned subsidiary of Lippo China Resources Limited ("**LCR**") (a Hong Kong-incorporated company listed on The Stock Exchange of Hong Kong Limited ("**HKSE**")), which is in turn a 74.99%-owned subsidiary of Lippo Limited ("**Lippo**"), a Hong Kong-incorporated company listed on the HKSE. Accordingly, Lippo is deemed to be interested in all the shares in the capital of the Company ("**Shares**") held by HKCT under Section 7 of the Companies Act and Section 4 of the Securities and Futures Act 2001 of Singapore ("**SFA**"). As such, Lippo is also regarded as a controlling shareholder of the Company.

RD 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 a 73.15% owned subsidiary of a joint venture of Hongkong Chinese Limited ("**HKC**"), a Bermuda-incorporated company listed on the HKSE, which in turn is a 59.01% owned subsidiary of Lippo Capital Limited ("**Lippo Capital**"). Lippo Capital is deemed to be interested in all the shares in the capital of GEIH held by RD under Section 7 of the Companies Act and Section 4 of the SFA, being 49.9% of GEIH share capital. Lippo is a 74.98%-owned subsidiary of Lippo Capital. Accordingly, GEIH is deemed to be an associate of Lippo.

For the purposes of Chapter 9 of the Listing Manual Section B: Rules of Catalyst of the SGX-ST ("**Catalist Rules**"), Lippo, being a controlling shareholder of the Company, is an "interested person" while GEIH, being an associate of Lippo, is also an "interested person" *vis-à-vis* the Company, notwithstanding that GEIH is also a 50.10%-owned subsidiary of the Company. The entry into of the Convertible Loan Agreement and the provision of Convertible Loan by the Company and RD to GEIH is thus an interested person transaction under Chapter 9 of the Catalyst Rules.

Based on the Company's portion of the Convertible Loan of S\$2,004,000 and the Group's latest audited net tangible assets ("**NTA**") as at 31 March 2025 of S\$24.05 million, the value of the interested person transaction represents approximately 8.3% of the Group's latest audited NTA. Taking into account the value of interested person transactions between the Group and GEIH for the same financial year which amounted to S\$317,267 including transactions below S\$100,000, the aggregate value of interested person transactions with the same interested person, including the

Convertible Loan, will amount to S\$2,321,267, which represents approximately 9.6% of the Group's latest audited NTA.

Pursuant to Rule 905 of the Catalist Rules, an issuer must make an immediate announcement of any interested person transaction of a value equal to, or more than, 3% of the group's latest audited net tangible assets. Pursuant to Rule 906 of the Catalist Rules, an issuer must obtain shareholders' approval for any interested person transaction of a value equal to, or more than, 5% of the group's latest audited net tangible assets.

Notwithstanding the above, Rule 916(3) of the Catalist Rules provides an exemption for the requirement under Rule 906 of the Catalist Rules to seek shareholders' approval for the provision of a loan to a joint venture with an interested person if certain conditions are met. As the Convertible Loan Agreement falls within the exemption under Rule 916(3) of the Catalist Rules as further elaborated below, no shareholders' approval is required in respect of the Convertible Loan Agreement.

#### **Exemption from shareholders' approval in respect of the Convertible Loan**

The Board is of the view that GEIH can be regarded as a joint venture for the purposes of Rule 916(3) of the Catalist Rules for the following reasons:

- (a) The term "joint venture" is not specifically defined under the Catalist Rules, and there is therefore no prescriptive legal form or structure required for such classification;
- (b) The guidance under Rule 104(1) also refers to compliance of the Catalist Rules in accordance with the spirit, intention and purpose, and by looking beyond form to substance;
- (c) From a commercial perspective, a joint venture is generally understood to refer to an arrangement where two or more parties collaborate and pool their resources to pursue a common business interest or objective, with sharing of risks and rewards in certain agreed allocations and apportionments; and
- (d) In the case of GEIH, the risks and rewards are in proportion to the equity of each joint venture partner (being RD and the Company), and the rights and obligations of its shareholders and their decision-making process over the affairs of GEIH are clearly set out in a shareholders' agreement entered into upon RD's investment in GEIH as announced on 14 December 2022, which functions in substance and intent similarly to a joint venture agreement.

Further, the Convertible Loan falls within the exemption under Rule 916(3) of the Catalist Rules as:

- (a) the loan is extended by both joint venture partners, the Company and RD, in proportion to their equity in GEIH and on the same terms;
- (b) RD, being the interested person, does not have an existing equity interest in GEIH prior to the Company's participation; and
- (c) the Audit Committee of the Company, having considered the terms and conditions of the Convertible Loan Agreement, is of the view that:
  - (i) the provision of the Convertible Loan is not prejudicial to the interests of the Company and its minority shareholders; and
  - (ii) the risks and rewards of the joint venture are in proportion to the equity of each joint venture partner and the terms of the joint venture are not prejudicial to the interests of the Company and its minority shareholders.

## **5. AUDIT COMMITTEE STATEMENT**

The Audit Committee of the Company, having considered the terms and conditions of the Convertible Loan Agreement and the rationale for the Convertible Loan, is of the view that:

- (a) the Convertible Loan Agreement is on normal commercial terms and is not prejudicial to the interests of the Company and its minority shareholders; and
- (b) the risks and rewards of the Convertible Loan Agreement are in proportion to the equity of the Company and RD as Lenders and are not prejudicial to the interests of the Company and its minority shareholders.

## **6. INTERESTS OF DIRECTORS AND CONTROLLING SHAREHOLDERS**

Lippo, being a controlling shareholder of the Company, is an “interested person” within the meaning defined in Chapter 9 of the Catalyst Rules. Accordingly, GEIH, being an associate of Lippo, is an “interested person” *vis-à-vis* the Company within the meaning defined in Chapter 9 of the Catalyst Rules, notwithstanding that GEIH is also a 50.10%-owned subsidiary of the Company. Please refer to Section 4 of this announcement for further details in relation to GEIH and the interested person transaction.

For completeness of disclosure, Mr Kwan Yau-Shing Sydney, the Executive Director of the Company, is also a director of GEIH and holds a call option to exercise up to 198 Class A Preference shares in GEIH.

Save as disclosed in this announcement, none of the Directors or controlling shareholders of the Company and their respective associates has any interest, direct or indirect, in the Convertible Loan, other than through their respective shareholdings (if any) in the Company.

## **7. DOCUMENT AVAILABLE FOR INSPECTION**

A copy of the Convertible Loan Agreement is 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.

## **8. 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 Convertible Loan, 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 this 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.

### **By Order of the Board**

Mak Yen-Chen Andrew  
Non-Executive Chairman, Independent Director  
21 August 2025