



## 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 4 June 2019 entered into a subscription agreement (the “**Convertible Bond Agreement**”), with Sky Associates Korea Co., Ltd (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 Korean Won (₩) 580,000,000 (the “**Convertible Bond**”).

### 2. INFORMATION ON THE INVESTOR

- 2.1. The Investor is a company incorporated in the Republic of Korea, of which the sole shareholder is Kim Kwang Seun (“**Mr Kim**”). The Investor is a management consultancy company.
- 2.2. Mr Kim, in his personal capacity, had entered into a subscription agreement with the Company dated 28 August 2018, pursuant to which Mr Kim had agreed to subscribe for a convertible bond to be issued by the Company with a principal sum of S\$2,500,000; this was subsequently varied by a supplemental agreement dated 4 February 2019 to extend the long-stop date to 30 June 2019. The transaction has yet to be completed to date. (the “**Earlier Subscription**”). The details of the Earlier Subscription by Mr Kim were announced by the Company on 28 August 2018 and 4 February 2019 (the “**Earlier Announcements**”). Accordingly, for further information about the Earlier Subscription, shareholders are advised to refer to the Earlier Announcements. Hence, no introducer fees were paid or are payable by the Company. In addition, 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. Save as disclosed in paragraph 2.2 of this announcement, the Investor has no connections with the Company, its Directors and substantial shareholders, and is not a company 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 (as defined below) 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 31 May 2019 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 Conversion Shares are fully converted, the number of Conversion Shares will be 6,121,636, fractional entitlements to be disregarded, approximately 2.48% of the total number of current issued shares and approximately 2.42% 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	<p><del>W</del>580,000,000 or S\$673,380, based on the currency exchange rate of <del>W</del>100.00 to S\$0.1161 as at 3 June 2019.</p> <p>The exchange rate set out above is taken from MAS's exchange rate which is provided on the MAS website.</p>
Interest	<p>The interest payable shall be computed at the rate of 6% per annum on the outstanding Convertible Bond on the anniversary of the issue date of the Convertible Bond (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 Convertible 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>
Conversion Right	<p>The Investor shall have the right, at any time from the day falling 5 days prior to the Final Redemption Date up to the Final Redemption Date, by giving at least 7 days' notice to the Company, to convert 100% of the Convertible Bond registered in its name into fully paid ordinary shares of the Company, provided always that the Investor shall not convert the Convertible Bond or any part thereof such that there is a change in control of the Company.</p>

Conversion Shares	<p>The number of Conversion Shares to be issued and allotted to the Investor pursuant to the Convertible Bond Agreement is 6,121,636 19, 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 Bond</p> <p>B = the principal amount of the Convertible Bond (for the avoidance of doubt, the principal amount of the Convertible Bond shall not include any interest computed pursuant to Condition 3(b) of Schedule 1 of the Convertible Bond Agreement)</p> <p>C = the exercise price of S\$0.11, which is the closing price of the shares trading on the Official List on the last full market day preceding the date of signing of the Convertible Bond Agreement (the “<b>Exercise Price</b>”).</p>
Status of the Conversion Shares	<p>The Conversion Shares shall on allotment, be issued and credited as fully paid up upon conversion of the Convertible 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.</p>
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 Convertible Bond. In that event, the Company shall pay to the Investor a redemption fee equivalent to the interest that is payable for the first year.</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 Convertible Bond, whether in part or in full, at the Issue Price (being 100% of the principal amount of the Convertible Bond) together with interest calculated in accordance with condition 3 of Schedule 1 of the Convertible Bond Agreement (“<b>Condition 3</b>”) from the Interest Payment Date to the date payment is received by the holder of the Convertible Bond. The Company shall have the right to redeem all or any part of the Convertible Bond in multiple tranches it may deem necessary in its sole and absolute discretion.</p> <p>Unless previously redeemed as above, the Convertible Bond will be redeemed by the Company at the Issue Price of the Convertible Bond together with any outstanding interest</p>

	calculated in accordance with Condition 3 on the Final Redemption Date.
Adjustment to Exercise Price	The Exercise Price shall be subject to adjustments in the event of, <i>inter alia</i> , capital distribution, consolidation, subdivision, conversion or other capitalization issues.
Notice of Final Redemption Date	The Company shall, not later than one month before the Final Redemption Date, give notice to the Investor in accordance with condition 13 of Schedule 1 of the Convertible Bond Agreement, of the Final Redemption Date. In addition, the Company shall announce the expiry of the Bond through a SGXNET announcement to be posted on the internet at the SGX-ST website.
Modification	Any material alteration to the terms of the Convertible Bond after the issue thereof to the advantage of the Investor and prejudicial to the Shareholders must be approved by the Shareholders in general meeting, except where the alterations are made pursuant to the terms of the Bond.

## 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 as the net proceeds will be used will be used for the purposes of the Company's working capital.
- 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 ~~¥~~571,390,000 or approximately S\$663,380 (the "**Net Proceeds**"). The Company intends to use the Net Proceeds from the subscription of the Convertible Bond 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 BOND 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 FY2018 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 are fully disbursed and fully converted on 31 December 2018 and based on the Company's audited consolidated financial statements for FY2018, the *pro forma* financial effects of the Convertible Bond on the net asset value and earnings per share of the Company for FY2018 are as follows:

	Before issuance of Bond and Conversion	After issuance of Bond and Conversion
Net Asset Value per Share (RMB cents)	28.33  (based on 246,677,796 ordinary shares as at 31 December 2018)	27.90  (based on 252,799,432 ordinary shares after the issuance of the 6,121,636 Conversion Shares)
Profits/Losses per share (RMB cents)	4.95	4.83

#### **7. APPROVALS**

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

The issuance of the Conversion Shares will be undertaken by way of a private placement in accordance with Section 272B of the Securities and Futures Act (Chapter 289 of Singapore). As such, no prospectus or offer information statement will be issued by the Company in connection therewith.

#### **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. DOCUMENT 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.

#### **10. CAUTIONARY STATEMENT**

Shareholders and potential investors should exercise caution when trading in the shares of the Company in relation to this announcement as there is no certainty that the issuance of the Convertible Bond will be completed as it is subjected to the fulfilment of terms and conditions set out in the Convertible Bond Agreement. When in doubt as to the action they should take, Shareholders and potential investors should consult their financial, tax or other advisors.

By Order of the Board

**Wu Xueying**

Chief Executive Officer and Executive Director  
4 June 2019