



GREEN BUILD TECHNOLOGY

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

ENTRY INTO ASSET PURCHASE AGREEMENT

1. INTRODUCTION

The Board of Directors (the “**Board**”) of Green Build Technology Limited (the “**Company**”) wishes to announce that the Company has on 28 August 2018 entered into an asset purchase agreement (the “**Asset Purchase Agreement**”), with Yea Eun Columbarium Co. Ltd. (the “**Vendor**”) for the acquisition of specific assets of the Vendor, namely niches in Yea Eun Columbarium in Seoul, Republic of Korea, with a ballpark indicative value of S\$5.6 million (the “**Assets**”). The amount is subject to valuation.

2. BUSINESS

2.1. Information on the Vendor

The Vendor is a private company incorporated in South Korea and the sole shareholder and director is Mr. Shin Jin Dae. The Vendor is in the business of managing the Yea Eun Columbarium which is located at 166-1 Yonggye-ri Geumwang-eup Eumseong-gun Chungcheongbuk-do, Seoul, Republic of Korea.

2.2. The Assets

The Assets are niches located at 166-1 Yonggye-ri Geumwang-eup Eumseong-gun Chungcheongbuk-do, Seoul, Republic of Korea, and is currently managed by the Vendor.

3. ASSET PURCHASE AGREEMENT

3.1. Consideration

The Company shall issue to the Vendor 27,778,000, new ordinary shares in the Company (the “**Consideration Shares**”) amounting to S\$5,000,000.00, at 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 Asset Purchase Agreement, which is S\$0.18.

3.2. Conditions Precedent

The Completion pursuant to the Asset Purchase Agreement is subject to the following conditions having been satisfied:

- (a) the Vendor being the legal and beneficial owner of the Assets;
- (b) the Company being satisfied with the outcome of due diligence carried out by the

Company into the Assets, including disclosure by the Vendor of all documents relating to the financial and legal status of the Assets;

- (c) the board of directors of the Company and the Vendor respectively obtaining the resolution for the entry into, and completion of the Sale of Assets;
- (d) the approval of shareholders, if applicable, of the Company and the Vendor having been obtained for the entry into and completion of the Sale of Assets;
- (e) all necessary consents, approvals and waivers of any government bodies, stock exchange and any other regulatory authority for all transactions in connection with the acquisition of Assets, including without limitation, the approval in-principle of the SGX-ST being obtained by the Company for the listing and quotation of the Consideration Shares on the Official List;
- (f) the allotment and issuance of the Consideration Shares not being prohibited by any statute, order, rule or regulation promulgated or issued hereafter by any legislative, executive, or regulatory body or authority of Singapore;
- (g) the Assets being free from any and all encumbrances whatsoever;
- (h) there being no suspension of trading of the Company's shares on the SGX-ST other than pursuant to a trading halt called by the Company for the purposes of making announcements, if any;
- (i) the issue and allotment of the Consideration Shares to the Vendor will not result in a change in control of the Company;
- (j) the Company entering into a convertible bond subscription agreement with Kim Kwang Seun (the "**CB Subscriber**") for the principal amount of S\$2,500,000 and obtaining the said principal amount by the date of Completion.

3.3. The long stop date of the proposed transaction is 6 months from the date of the Asset Purchase Agreement, or any other date that the Vendor may subsequently agree with the Company in writing.

3.4. Moratorium

The Vendor and/or its nominee shall open moratorium account(s) with the SGX Central Depository account and shall place the Consideration Shares in the moratorium account(s) and shall not:

- (i) for the first 6 months commencing from the date of Completion (the "**Initial Moratorium Period**"), sell the Consideration Shares; and
- (ii) after the Initial Moratorium Period, sell 50% or more of the Consideration Shares for a period of 18 months.

3.5. Option

Subject to compliance with the listing rules of the SGX-ST, the Company has the option to require the Vendor to purchase up to 50% of the Assets by way of cash payment at the consideration for which it was acquired for (the "**Put Option**"). The Put Option shall be exercisable from the day falling on the second-year anniversary of the Completion.

3.6. Upon Completion, the Vendor shall hold the Assets for the Company as an agent of the Company and assist in selling the Assets on the instructions of the Company.

4. RATIONALE AND USE OF ASSETS

- 4.1. The Company is of the view that the acquisition of such Assets is beneficial as it provides an additional revenue stream for the Company.
- 4.2. The Company has been exploring different additional revenue streams to increase the Company's revenue for a period of time. The Company was approached by the Vendor with a proposal to invest in the Assets. The Company notes that the Vendor is offering a 10% discount on the sale price relative to the valuation of the Assets.
- 4.3. The Board has commissioned the Investment Committee to study the feasibility of such an investment and understands that the Korean government has been advocating cremation as an alternative to burials. There is also an increase in the need for cremation facilities due to the ageing population in the Republic of Korea.
- 4.4. The Board further notes that the Assets is situated in close proximity to Seoul and five other major cities, and is open to the public with no restrictions as to religion or community.
- 4.5. The sale prices for the niches have been consistent since 2014.
- 4.6. The Board intends to appoint the current management as agent for and on behalf of the Company to assist in the sale of the Assets. For more details, please refer to paragraph 5 below.
- 4.7. In doing so, the Company believes that it has identified an additional revenue stream.
- 4.8. In addition, the Board notes that in connection with item 3.2(j) above, the Assets have also been accepted by the CB Subscriber as security for the proposed convertible bond issue.
- 4.9. Taking into consideration the findings from the feasibility study, market overview, the Company's ability to use the Assets as security, and the Put Option contained in the Asset Purchase Agreement, the Board is of the view that entering into the Asset Purchase Agreement is in the best interest of the Company.

5. AFTER SALES SERVICE

The Company will enter into a management agreement with the Vendor whereby the Vendor shall act as agent of the Company and sell the Assets on the Company's behalf. The Vendor shall report to the Company on a monthly basis.

6. VALUE OF THE ASSETS

The Company shall commission Crowe Horwath First Trust Appraisal Pte. Ltd to conduct the valuation on the Assets prior to Completion.

7. RELATIVE FIGURES UNDER CHAPTER 10 OF THE LISTING MANUAL

The relative figures for the Acquisition computed on the bases set out in Rule 1006 of the Listing Manual and based on the latest announced unaudited consolidated of the Company for the six months' period ended 30 June 2018 ("**6MFY2018**") are as follows:

Rule	Relative Figure
1006	
(a)	<i>The net asset value of the assets to be disposed of, compared with the company's</i> Not applicable, as this is an acquisition.

net asset value. This basis is not applicable to an acquisition of assets.

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| (b) | <i>The net profits attributable to the assets acquired or disposed of, compared with the company's net profit.</i> | Not meaningful |
| (c) | <i>The aggregate value of the consideration given or received, compared with the issuer's market capitalisation¹) based on the total number of issued shares excluding treasury shares.</i> | 11.3% |
| (d) | <i>The number of equity securities issued by the issuer as consideration for an acquisition, compared with the number of equity securities previously in issue.</i> | 11.3% |
| (e) | <i>The aggregate volume or amount of proved and probable reserves to be disposed of, compared with the aggregate of the company'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 asset.</i> | Not applicable, as this does not relate to mineral, oil and gas asset. |

Note:

- (1) "market capitalisation" is calculated by the number of shares of the Company (excluding treasury shares) multiplied by the volume weighted average price of the Company's shares as at 28 August 2018, being the day on which the Asset Purchase Agreement was signed (after trading hours).

As the aggregate value of the consideration given is less than 20% of the Company's market capitalisation, this announcement of the Asset Purchase Agreement constitutes a "discloseable transaction" under Chapter 10 of the Listing Manual of Singapore Exchange Securities Trading Limited (the "SGX-ST").

8. FINANCIAL EFFECTS

8.1. The proforma financial effects of Company after completion as set out below are for illustrative purposes only and should not be taken as an indication of the actual future financial performance or position of the Company following completion, nor a projection of the future financial performance or position of the Company after completion.

8.2. The proforma financial effects on completion are based on the Company's audited financial statements for the financial year ended 31 December 2017 and the following assumptions:

- (a) completion having taken place on 31 December 2017 for purposes of the financial effect on the net tangible asset value ("NTA") per share; and
- (b) completion having taken place on 1 January 2017 for purposes of the financial effect on the loss per share.

NTA per Share	Before Completion	After Completion
NTA (RMB '000)	56,528	80,785
Number of issued shares (excluding treasury shares)	246,677,796	274,455,796

NTA per share (RMB cents)	22.9	29.4

Losses per Share	Before Completion	After Completion
Loss attributable to the shareholders (RMB'000)	(7,360)	(7,493)
Weighted average number of Shares (Excluding treasury Shares)('000)	246,677,796	274,455,796
Losses per Share (RMB cents)	(2.98)	(2.73)

9. INTERESTS OF DIRECTORS AND CONTROLLING SHAREHOLDERS

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

10. DOCUMENTS AVAILABLE FOR INSPECTION

A copy of the Asset Purchase 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. A copy of the valuation conducted on the Assets, once available, will be made available for inspection at the registered office of the Company for a period of three months.

By Order of the Board

Wu Xueying

Chief Executive Officer and Executive Director
28 August 2018