GREEN BUILD TECHNOLOGY LIMITED
(FORMERLY KNOWN AS YOUYUE INTERNATIONAL LIMITED)
(Incorporated in the Republic of Singapore)
(Company Registration No.: 200401338W)

PROPOSED DISPOSAL OF THE PACKAGING BUSINESS

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1. INTRODUCTION

1.1 The board of directors (the "**Board**") of Green Build Technology Limited (the "**Company**") refers to the announcements dated 2 November 2011, 6 May 2014 and 30 April 2015, as well as the letter to shareholders dated 13 March 2012 regarding, *inter alia*, the exercise of the put option (the "**Put Option**") to dispose of the packaging business of the Company and its subsidiaries (collectively, the "**Group**").

Unless otherwise defined, all capitalised terms used and not defined herein shall have the same meanings given to them in the aforementioned announcements.

1.2 Sale and Purchase Agreement

1.2.1 The Board wishes to announce that the Company had, on 16 October 2015 (after trading hours), entered into a conditional sale and purchase agreement (the "**SPA**") with Youcan Foods (Hangzhou) Co., Ltd. (the "**Purchaser**"), pursuant to which the Company has agreed to sell and the Purchaser has agreed to purchase the whole of the registered capital of Yourun Packaging Technology (Hangzhou) Co., Ltd. ("**Yourun**") together with Yourun's subsidiaries Yue Hai Colour Printing and Packaging Co., Ltd ("**Yue Hai**") and Jia Hua Packaging and Printing Co., Ltd. ("**Jia Hua**") collectively, the "**Packaging Business**") (the "**Proposed Disposal**").

Yourun, Yue Hai, and Jia Hua shall each be referred to as a "**Disposal Company**" and collectively the "**Disposal Companies**").

1.2.2 The SPA was entered into pursuant to the Company's exercise of the Put Option, which was announced on SGXNet on 30 April 2015.

1.3 Chapter 10 of the Listing Manual

The Proposed Disposal constitutes a "major transaction" under Chapter 10 of the Listing Manual (the "**Listing Manual**") of the Singapore Exchange Securities Trading Limited (the "**SGX-ST**") and is subject to the approval of the shareholders of the Company (the "**Shareholders**") being obtained at an extraordinary general meeting to be convened ("**EGM**"). For further details on the relative figures in respect of the Proposed Disposal computed on the bases set out in Rule 1006 of the Listing Manual, please refer to Section 4 of this Announcement.

1.4 Rule 703(16) of the Listing Manual

Upon the completion of the Proposed Disposal, Yourun, Yue Hai, and Jia Hua will cease to be a subsidiary of the Company.

2. INFORMATION ON THE PURCHASER AND EACH DISPOSAL COMPANY

2.1 Purchaser

The Purchaser was registered in the People's Republic of China (the "**PRC**") on 8 June 2004. The Purchaser and its subsidiaries and associated companies are principally engaged in the business of manufacturing and sale of frozen food and ice cream products. The Purchaser is beneficially owned by China Invest Trading Limited (twenty-five per cent (25%) and You Kang Foods Holdings Co., Ltd (seventy-five per cent (75%)), which are both in turn majority-held by Mr. Dai Tianrong.

2.2 Yourun

Yourun was registered in the PRC on 28 July 2011 and is a wholly-owned subsidiary of the Company, and as at the date of this Announcement has a registered capital of US Dollars One Million and Five Hundred Thousand (US$1,500,000). Yourun is engaged in the business of manufacturing and selling flexible packaging products since its registration. Yourun is also engaged in research and development on packaging technology, packaging design and packaging technology consultancy.

2.3 Yue Hai

Yue Hai was registered in the PRC on 29 December 1997, and as at the date of this Announcement has a registered capital of Renminbi Thirty One Million Sixty-One Thousand One Hundred and Eighty (RMB31,061,180). Yourun owns fifty-one per cent (51%) of the registered share capital of Yue Hai. Yue Hai is engaged in the business of manufacturing and sale of flexible packaging products.

2.4 Jia Hua

Jia Hua was registered in the PRC on 22 October 2004 and as at the date of this Announcement has a registered capital of Renminbi Twenty-Five Million (RMB 25,000,000). Yue Hai owns one hundred per cent (100%) of the registered share capital of Jia Hua and as such, Yourun indirectly owns fifty-one per cent (51%) of the registered share capital of Jia Hua. Jia Hua is also engaged in the business of manufacturing and sale of flexible packaging products.

3. PRINCIPAL TERMS OF THE PROPOSED DISPOSAL

3.1 Proposed Disposal

Pursuant to the terms and subject to the conditions of the SPA, the Company shall sell to the Purchaser and the Purchaser agrees to acquire from the Company all of the Company's rights, title and interest in the registered capital of Yourun (the "**Disposal Capital**").

3.2 Consideration

3.2.1 The aggregate consideration for the Proposed Disposal is an amount in cash equal to the sum of Renminbi Thirty-Eight Million Nine Hundred and Fifty Thousand only (RMB38,950,000) (the "**Consideration**"). The Consideration was arrived at pursuant to the exercise of the Put Option, and is based on the last audited net asset value (being 31 December 2014) of such equity interest of the Disposal Companies as at the date of exercise of the Put Option (i.e. 30 April 2015). For more information on the Put Option and its details, please refer to the letter to shareholders dated 13 March 2012 by Youcan Foods International Limited (as the Company was then known as).

3.2.2 The Consideration shall be satisfied in the following manner:

(i) the Purchaser shall release the Company from the agreed debt(s) owing by the Company to the Purchaser and/or its related parties and affiliates, including interest and all such other amounts and/or charges (the "**Outstanding Sum**") as stipulated in the deed of release to be executed by the Parties (the "**Deed of Release**"); and

(ii) cash consideration for the remainder sum of the Consideration after taking into account the Outstanding Sum,

provided always that:

(a) in the event that the Company and the Purchaser are unable to agree on the Outstanding Sum, the Purchaser shall be allowed to offset a principal sum (as determined from the Company's accounts as at 31 December 2014) against the Consideration; and

(b) any other alleged debts as owing by the Company to the Purchaser (including interest and all such other amounts and/or charges) shall be dealt with separately and independently of the SPA.

3.2.3 The Consideration is payable to the Company via:

(i) the duly executed Deed of Release by the Company and the Purchaser; and

(ii) a cashier's order, or such other form of payment as mutually agreed upon by both the Company and the Purchaser.

3.3 Effective Transfer Date

3.3.1 Upon completion of the Proposed Disposal, the Company and the Purchaser agree that the date on which the Proposed Disposal shall be effective, subject to the shareholders' approval of the Company being obtained, shall be 31 December 2014 (the "**Effective Transfer Date**"), or any other date which the Company and the Purchaser may agree upon in writing.

3.3.2 For the avoidance of doubt:

(i) the Company shall be entitled to all rights, title and interest in the Disposal Capital together with all rights, entitlements and benefits attaching thereto, and shall also be liable for all obligations accruing and/or arising that is payable by Yourun prior to the Effective Transfer Date; and

(ii) the Purchaser shall be entitled to all rights, title and interest in the Disposal Capital together with all rights, entitlements and benefits attaching thereto, and shall also be liable for all obligations accruing and/or arising that is payable by Yourun from the Effective Transfer Date (inclusive) and thereafter.

3.4 Conditions Precedent

The Proposed Disposal is subject to, *inter alia*, the condition precedent having been complied, satisfied or fulfilled (or waived by the Purchaser) on or prior to 31 December 2015 or such other date as the parties may agree in writing that the Company shall procure the approval of the Shareholders for the SPA at an EGM to be convened, as well as the relevant regulatory approval(s) (including but not limited to, SGX-ST and the Accounting and Corporate Regulatory Authority ("**ACRA**"), if any).

3.5 Obligations of the parties to the SPA

For the avoidance of doubt:

(i) the Company's obligations shall be restricted to: (i) the procurement of the necessary regulatory approvals from SGX-ST and ACRA; and (ii) the procurement of the necessary shareholder approval from the shareholders of the Company at an extraordinary general meeting to be held at a date and time to be determined by the directors of the Company; and

(ii) the Purchaser shall be the party responsible for registering the Proposed Disposal with the relevant authorities in the PRC.

3.6 Value of the Disposal Capital

The net asset value and the net tangible asset value of the Disposal Capital as recorded in the audited consolidated financial statements of the Disposal Companies for the financial year ended 31 December 2014 ("**FY2014**") were Renminbi Thirty-Eight Million and Nine Hundred and Fifty Thousand only (RMB38,950,000) or approximately Singapore Dollars Eight Million and Three Hundred and Ninety-Eight Thousand only (S$8,398,000) (converted based on an exchange rate of S$1:RMB4.6379 as at 31 December 2014) respectively.

3.7 Gain from the Proposed Disposal

Assuming that the Proposed Disposal was completed on 31 December 2014, it represents no gain or loss from the Proposed Disposal.

3.8 Dispute Resolution

In the event of a dispute or difference arising out of or in connection with the SPA, whether the dispute or difference is contractual or non-contractual in nature (the "**Dispute**"), the Dispute shall be referred to and finally resolved by arbitration in Singapore in accordance with the arbitration rules of the China International Economic and Trade Arbitration Commission ("**CIETAC**") for the time being in force ("**CIETAC Rules**"), which rules are deemed to be incorporated by reference in clause 18 of the SPA therein.

4. RELATIVE FIGURES COMPUTED ON THE BASES SET OUT IN RULE 1006 OF THE LISTING MANUAL

The relative figures computed on the relevant bases set out in Rule 1006 of the Listing Manual in respect of the Proposed Disposal and based on the latest unaudited financial statements of the Company and its subsidiaries (the "**Group**") are as follows:

Rule 1006	**Base**	**Relative figure computed in accordance with the bases set out in Rule 1006**
(a)	The net asset[(1)] value of the assets to be disposed of, compared with the Group's net asset value	95.7%
(b)	The net profits[(2)] attributable to the assets disposed of, compared with the Group's net profits	29.0%
(c)	The aggregate value of the consideration received, compared with the Company's market capitalization based on the total number of issued shares excluding treasury shares[(3)]	11.7%
(d)	The number of equity securities issued by the Company as consideration for an acquisition, compared with the number of equity securities previously in issue	Not applicable to a disposal of shares.

Notes:

(1) "**net asset**" means total assets less total liabilities, including non-controlling interests.
(2) "**net profits**" means profit or loss before income tax, non-controlling interests and extraordinary items.
(3) "**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 ast at 16 October 2015, being the day on which the SPA was signed (after trading hours).

As the relative figures computed above on the basis set out in Rule 1006 of the Listing Manual above exceeds 20%, the Proposed Disposal constitutes a "major transaction" under Chapter 10 of the Listing Manual and is conditional upon the approval of Shareholders at a general meeting to be convened. A circular will be dispatched to Shareholders in due course.

5. RATIONALE FOR THE PROPOSED DISPOSAL

5.1 In deciding whether the Proposed Disposal would be in the best interests of the Company, the Board had considered, *inter alia*, the following:

(i) it is the Board's intention that moving forward, the primary focus and principal business of the Company shall be its green technology business segment;

(ii) the Board noted that the profit generated by the Packaging Business had been decreasing yearly, and accordingly, the value of the Packaging Business is likely to decrease in time. As such, the Board is of the view that it is in the interest of the Company that the Disposal Companies were disposed in the exercise of the Put Option such that the Proposed Disposal would yield maximum returns; and

(iii) the Proposed Disposal will allow the Company to unlock the value in the Group's Packaging Business, which is consistent with the intent of maximising return to the Shareholders. The Proposal Disposal will also allow the Company to re-strategise its financial and capital resources. Upon completion of the Proposed Disposal, the Company will have more working capital for its existing operations, expand into other businesses and undertake new investment opportunities that may arise in future.

5.2 Accordingly, the Board believes that the Proposed Disposal is in the best interests of the Company, having regard to the terms of the Proposed Disposal.

6. FINANCIAL EFFECTS OF THE PROPOSED DISPOSAL

6.1 Bases and Assumptions

For the purposes of illustration only, the pro forma financial effects of the Proposed Disposal taken as a whole are set out below. The pro forma financial effects have been prepared based on the audited consolidated financial statements of the Group for the financial year ended 31 December 2014 and do not necessarily reflect the actual future financial position and performance of the Group following completion of the Proposed Disposal.

6.2 Share Capital

The Proposed Disposal has no impact to the Company's issued share capital.

6.3 Net Tangible Assets ("**NTA**")

Assuming that the Proposed Disposal was completed on 31 December 2014 and based on the Group's audited consolidated financial statements for the financial year 31 December 2014 and disregarding any interest, revenue and/or return that may arise from the Proposed Disposal, the pro forma financial effects of the Proposed Disposal on the consolidated NTA of the Group are as follows:

	As at 31 December 2014	
	NTA of the Group (RMB'000)	NTA per share (RMB cents)
Before the Proposed Disposal	43,360	18.15

After the Proposed Disposal	43,360	18.15

6.4 Earnings Per Share ("**EPS**")

Assuming that the Proposed Disposal had been completed on 1 January 2014 and based on the Group's audited consolidated financial statements for the financial year ended 31 December 2014 and disregarding any interest, revenue and/or return that may arise from the Proposed Disposal, the pro forma financial effects of the Proposed Disposal on the consolidated EPS of the Group are as follows:

	For the financial year ended 31 December 2014	
	Net Profit attributable to the Group (RMB'000)	EPS (RMB cents)
Before the Proposed Disposal	23,382	9.79
After the Proposed Disposal	18,709	7.83

6.5 Gearing

Assuming that the Proposed Disposal had been completed on 31 December 2014 and based on the Group's audited consolidated financial statements for the financial year ended 31 December 2014 and disregarding any interest, revenue and/or return that may arise from the Proposed Disposal, the pro forma financial effects of the Proposed Disposal on the gearing of the Group are as follows:

	As at 31 December 2014		
	Total Debts (RMB'000)	Total Equity (RMB'000)	Gearing Ratio (times)
Before completion of Proposed Disposal	90,666	100,341	0.90
After completion of Proposed Disposal and offsetting the Outstanding Sum from the Consideration	2,113	100,341	0.02

7. INDEPENDENT FINANCIAL ADVISOR ("IFA")

Provenance Capital Pte. Ltd. had been appointed as the IFA to advise the Directors on whether the Proposed Disposal is on normal commercial terms and whether it would be prejudicial to the interests of the Company and its minority Shareholders. The IFA's recommendation will be appended to the circular (as mentioned below), and shareholders are advised to read said recommendation carefully.

8. INTERESTS OF DIRECTORS AND SUBSTANTIAL SHAREHOLDERS

None of the Company's directors or substantial shareholders or their associates has any interest, direct or indirect, in the Proposed Disposal, other than through their respective shareholdings in the Company.

9. EGM AND CIRCULAR TO SHAREHOLDERS

The Company will convene an EGM to seek the approval of the Shareholders for the Proposed Disposal and a circular containing, *inter alia*, details thereof, together with the opinions and recommendations of the Directors in relation thereto and enclosing the notice of EGM in connection therewith, will be dispatched to the Shareholders in due course.

10. DOCUMENTS AVAILABLE FOR INSPECTION

A copy of the SPA will be available for inspection during normal business hours at the Company's registered office at 6 Temasek Boulevard, #27-04 Suntec Tower Four, Singapore 038986 for a period of three (3) months from the date of this Announcement.

11. 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 Proposed Disposal, 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 this Announcement in its proper form and context.

12. FURTHER ANNOUNCEMENTS

The Company will make further announcements on the Proposed Disposal as appropriate or when there are further developments on the same.

13. CAUTION IN TRADING

Shareholders are advised to exercise caution in trading their shares as there is no certainty or assurance as at the date of this Announcement that the Proposed Disposal will proceed to completion, as the completion is subject to, *inter alia*, fulfillment of all the conditions precedent in the SPA. Shareholders are advised to read this Announcement and any further announcements and the Circular by the Company carefully. Shareholders should consult their stockbrokers, solicitors or other professional advisors if they have any doubts about the action they should take.

BY ORDER OF THE BOARD

Wu Xueying
Chief Executive Officer and Executive Director

16 October 2015