



GREEN BUILD TECHNOLOGY

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

ENTRY INTO SALE AND PURCHASE AGREEMENT IN RESPECT OF THE PROPOSED ACQUISITION

1. INTRODUCTION

The Board of Directors (the “**Board**”) of Green Build Technology Limited (the “**Company**”, and together with its subsidiaries, the “**Group**”) refers to its announcement dated 27 October 2022 in relation to its entry into a joint venture agreement (“**JVA**”) with Hotel Nuve Elements Pte. Ltd. (the “**Vendor**”). In accordance with the terms of the JVA, the parties had agreed to incorporate a joint venture company, Hotel Nuve Elements Plus Pte. Ltd. (the “**Target**”) to carry on the business of management and consultancy for hotels.

Since the entry into the joint venture, the Company has leveraged on its strategic relationship with the Vendor to gain exposure to the business of management and consultancy for hotels. Having familiarised itself with the business and operations of the Target, the Board is of the view that the business of management and consultancy for hotels is in line with the Company’s strategy to diversify and generate new revenue streams for the Group. Accordingly, the Company wishes to announce that it had on 11 July 2024 entered into a sale and purchase agreement (“**SPA**”) with the Vendor to purchase 44,000 ordinary shares (the “**Sale Shares**”) of the issued share capital of the Target (collectively the “**Proposed Acquisition**”). Following the completion of the Proposed Acquisition, the Company will be the registered holder of 204,000 ordinary shares representing 51% of the issued share capital of the Target while the Vendor will be the registered holder of 196,000 ordinary shares representing 49% of the issued share capital of the Target.

In connection with the Proposed Acquisition, the Board wishes to announce that subject to the approval of the Company’s shareholders, the Company intends to diversify into the new business of management and consultancy for hotels (the “**Proposed Diversification**”). The Group’s existing business is that of sustainability development projects with the focus on consulting and management in relation to the refurbishment of old estates in the People’s Republic of China (“**PRC**”). The Proposed Diversification represents a diversification of the existing business scope and change in risk profile of the Group. As such, the Company intends to seek shareholders’ approval for the Proposed Diversification at an extraordinary general meeting (“**EGM**”) to be convened in due course. Further information on the Proposed Diversification will be provided in a circular to be issued by the Company in due course for the purpose of convening an EGM (“**Circular**”).

2. INFORMATION ON THE PROPOSED ACQUISITION

2.1. Information on the Vendor

The Vendor is a private limited company incorporated under the laws of Singapore. Its principal business is in the business of hotels and management consultancy services for hotels. The directors of the Vendor are Mr Lim Wei Siong and Ms Soh Shil Fang, Doreen.

The details of the shareholders of the Vendor are set out below as follows:

- (a) Nuve Holdings Pte. Ltd. (“**NHPL**”) which holds 50% of the issued share capital in the Vendor. The beneficial owners of NHPL are Mr Lim Wei Siong, Ms Soh Shil Fang, Doreen, Ms Soh Shil Nie and Ms Lim Shirley, who each hold a respective 25% of the issued share capital in NHPL.
- (b) Black Knight Pte. Ltd. (“**BKPL**”) which holds 40% of the issued share capital in the Vendor. The beneficial owner of BKPL is Mr Lim Wei Siong.
- (c) Mr Lim Wei Siong who holds 10% of the issued share capital in the Vendor.

2.2. Information on the Target

The Target is a private limited company incorporated in Singapore and primarily in the business of management and consultancy for hotels. The Company previously acquired a 40% shareholding interest in the Target through its initial investment by way of the JVA. As at the date of this announcement, the Target has an issued and paid-up share capital of S\$400,000 comprising of 400,000 ordinary shares. The shareholders of the Target are the Company and the Vendor, who respectively hold 40% and 60% of the issued share capital of the Target. The directors of the Target are Mr Lim Wei Siong, Ms Soh Shil Fang, Doreen and Mr Chan Mang Ghoon.

2.3. Rationale and benefits of the Proposed Acquisition

The Company has been placed on the watch-list with effect from 5 June 2024 pursuant to Rule 1311 of the Listing Manual of the Singapore Exchange Trading Securities Limited (“**SGX-ST**”) (the “**Listing Manual**”). In order to meet the exit criteria of the watch-list, the Company is required to take active steps to restore its financial health and meet the requirements of Rule 1314 of the Listing Manual within 36 months from 5 June 2024, failing which the SGX-ST will delist the Company or suspend trading in the Company’s shares with a view to delisting the Company.

The Board is of the view that Proposed Acquisition will provide the following commercial benefits to the Group:

- (a) the Proposed Acquisition is in line with the Company’s business strategy to explore new opportunities to improve shareholder value, and to engage in investments to generate new revenue streams and operating cash flow for the Group;
- (b) the Proposed Acquisition will allow the Company to expand into a new business. The Company believes this presents a good opportunity for the Group to diversify its business into the business of management and consultancy for hotels, which will strengthen its competitive advantage and provide a source of recurring revenue to the Group outside of the PRC; and
- (c) based on the latest unaudited financial accounts of the Target as at 31 March 2024, the Target is profitable and the Proposed Acquisition would be in the interest of the Group and will enhance shareholders’ value in the long term.

2.4. Financing

The payment of the Consideration (as defined below) will be financed through the Company's internally generated funds.

3. PRINCIPAL TERMS OF THE PROPOSED ACQUISITION

3.1. Sale and purchase of the Sale Shares

Subject to the terms and conditions of the SPA, the Vendor shall sell, and the Company shall purchase the Sale Shares free from all encumbrances together with all rights attaching thereto for an aggregate consideration of S\$50,000 (the "**Consideration**"). The Consideration was arrived at after arm's length discussions between the parties and taking into consideration *inter alia*, the following factors:

- (a) the unaudited financial statements for the financial period from 1 January 2024 to 31 March 2024, including the Target's book value and net asset value of S\$351,000;
- (b) the prevailing economic conditions and potential growth outlook of the hotel management and consultancy industry; and
- (c) the potential synergies and strategic opportunities provided by the Target which the Group intends to leverage on to strengthen its competitive advantage and to diversify into the business of management and consultancy for hotels.

There is no open market value for the Sale Shares as they are not publicly traded. No independent valuation has been carried out for the purpose of the Proposed Acquisition. Due to the size of the transaction, the Board is of the view that it would not be cost efficient to commission an independent valuer to ascertain the value of the Sale Shares.

3.2. Conditions precedent

Completion of the Proposed Acquisition is subject to, *inter alia*, the satisfaction or waiver (as the case may be) of the following conditions:

- (a) each party obtaining such approvals, waivers and/or consents as may be required from its directors and shareholders in respect of the transactions contemplated under the SPA;
- (b) each party procuring any authorisations, consents or approvals as may be required by any third party or governmental, regulatory body and/or competent authority (including without limitation the SGX-ST) or under any and all applicable laws having jurisdiction over the Proposed Acquisition;
- (c) the Company shall submit its Circular in respect of the Proposed Diversification for the SGX-ST's approval;
- (d) the Company convening an EGM to obtain shareholder's approval for the Proposed Diversification subject to the SGX-ST's approval of the Circular setting out the terms of the Proposed Diversification;

- (e) there being no material adverse changes to the financial condition or operations of the Target save for information that has been previously disclosed by the Vendor to the Company; and
- (f) each of the representations, undertakings and warranties under the SPA remaining true and not misleading in any material respect as at the completion date, as if repeated at the completion date and at all times between the date of the SPA and as at the completion date,

(collectively the “**Conditions Precedent**” and each a “**Condition Precedent**”).

3.3. Completion

Completion shall take place through the exchange of documents at the Company’s solicitors office on the completion date. The completion date shall be the date falling not more than 10 business days after the satisfaction of the Condition Precedents, or such other date as the parties may agree in writing.

At completion, the following shall take place:

- (a) the Vendor shall deliver to the Company:
 - (i) the original share certificate in respect of the Sale Shares;
 - (ii) a valid and registrable instrument of transfer duly executed transferring the legal and beneficial ownership of the Sale Shares to the Company as at the completion date; and
 - (iii) the certified extracts of the resolutions of the board of directors of the Target approving the transactions contemplated to be entered in the SPA including the Proposed Acquisition;
- (b) the Company shall make payment of the Consideration by way of electronic funds transfer to a bank account designated by the Vendor in writing to the Company, or in such other manner as may be agreed between the parties.

3.4. Other terms of the SPA

The SPA contains customary provisions relating to the Proposed Acquisition, including representations and warranties.

4. PRO FORMA FINANCIAL EFFECTS OF THE PROPOSED ACQUISITION

The following is an analysis of the pro forma financial effects of the Proposed Acquisition on the net tangible liabilities per share and loss per share of the Company based on the latest audited accounts of the Group for financial year ended 31 December 2023, being the most recently completed financial year of the Group.

The pro forma financial effects of the Proposed Acquisition are presented solely for illustrative purposes only and are not intended to be indicative or reflective of the actual financial position of the Group following the completion.

The financial effects of the Proposed Acquisition are based on the following bases and assumptions:

- (a) the financial impact on the Group's net tangible liabilities ("**NTL**") per share is computed based on the assumption that the Proposed Acquisition had been effected on 31 December 2023;
- (b) the financial impact on the Group's loss per share from its continuing operations ("**LPS**") is computed based on the assumption that the Proposed Acquisition had been effected on 1 January 2023; and
- (c) the Group's functional currency is RMB. Accordingly, the Company has used RMB in its presentation of the pro forma financial effects of the Proposed Acquisition. The currency exchange rate is S\$1.00 to RMB5.38⁽¹⁾ as at 31 December 2023 and the average currency exchange rate from 1 January 2023 to 31 December 2023 is S\$1.00 to RMB5.29.⁽²⁾

Note:

- (1) Extracted from the currency exchange rate published by the Monetary Authority of Singapore and rounded to the nearest 2 decimal places.
- (2) Computed based on monthly currency exchange rate published by the Monetary Authority of Singapore and rounded to the nearest 2 decimal places.

NTL per share (RMB)

	Before the Proposed Acquisition	After the Proposed Acquisition
NTL of the Group as at 31 December 2023 (RMB'000)	5,036	5,202
Total number of issued and paid-up shares (excluding treasury shares) ('000)	292,259	292,259
NTL per share (RMB cents)	1.72	1.78

LPS (RMB)

	Before the Proposed Acquisition	After the Proposed Acquisition
Net loss (RMB'000)	1,934	2,100
Weighted average number of shares ('000)	275,120	275,120
LPS (RMB cents)	0.70	0.76

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

Relative figures for the Proposed Acquisition

Based on the Group's latest unaudited consolidated financial statements for the financial period ended 31 March 2024 ("Q12024"), the relevant figures of the Proposed Acquisition, computed on the bases set out in Rule 1006 of the Listing Manual are as follows:

Rule		Relative figures (%)
1006(a)	The net asset value of the assets to be disposed of, compared with the Group's net asset value.	Not applicable ⁽¹⁾
1006(b)	The net profits attributable to the assets acquired or disposed of, compared with the Group's net losses for Q12024.	-5.6% ⁽²⁾
1006(c)	The 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.	0.3% ⁽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 ⁽⁴⁾
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.	Not applicable to the Group's industry ⁽⁵⁾

Notes:

- (1) Rule 1006(a) of the Listing Manual is not applicable as this concerns a proposed acquisition of assets.
- (2) Based on the Target's unaudited financial statements from the period from 1 January 2024 to 31 March 2024, the net profit attributable to the Sale Shares is RMB22,000. The Group's net loss of RMB396,000 is based on Q12024.
- (3) The aggregate value of the consideration is S\$50,000. The market capitalisation of the Company is approximately S\$15,197,000 (as determined by multiplying 292,259,462 shares as at the date of this announcement by the volume weighted average price of the shares of approximately S\$0.052 for trades done on 24 June 2024, being the last traded day preceding the date of the SPA).
- (4) Rule 1006(d) of the Listing Manual is not applicable as the Proposed Acquisition does not involve any issuance of equity securities by the Company.
- (5) Rule 1006(e) of the Listing Manual is not applicable as the Company is not a mineral, oil and gas company.

Relative figures for the total investment in the Target

The Company's previous investment in the Target was made pursuant to the JVA entered into on 27 October 2022 and completed more than 12 months ago. Notwithstanding, to ensure that disclosures to shareholders are as detailed and forthcoming as possible, the Company has aggregated the value of its total investment in the Target (being the initial investment of 40%

through the JVA and the Proposed Acquisition) (collectively the “**Total Investment**”) and computed the relevant figures of the Total Investment under the relevant bases of Rule 1006 of the Listing Manual.

Based on Q12024, the relevant figures of the Company’s Total Investment computed on the bases set out in Rule 1006 of the Listing Manual are as follows:

Rule		Relative figures (%)
1006(a)	The net asset value of the assets to be disposed of, compared with the Group's net asset value.	Not applicable ⁽¹⁾
1006(b)	The net profits attributable to the assets acquired or disposed of, compared with the Group's net losses for Q12024.	-5.6% ⁽²⁾
1006(c)	The 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.	1.97% ⁽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 ⁽⁴⁾
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.	Not applicable to the Group's industry ⁽⁵⁾

Notes:

- (1) Rule 1006(a) of the Listing Manual is not applicable as this concerns a proposed acquisition of assets.
- (2) Based on the Target’s unaudited financial statements from the period from 1 January 2024 to 31 March 2024, the net profit attributable to the Sale Shares is RMB22,000. The Group’s net loss of RMB396,000 is based on Q12024.
- (3) The aggregate value of the consideration is S\$300,000. The market capitalisation of the Company is approximately S\$15,197,000 (as determined by multiplying 292,259,246 shares as at the date of this announcement by the volume weighted average price of the shares of approximately S\$0.052 for trades done on 24 June 2024, being the last traded day preceding the date of the SPA).
- (4) Rule 1006(d) of the Listing Manual is not applicable as the transaction does not involve any issuance of equity securities by the Company.
- (5) Rule 1006(e) of the Listing Manual is not applicable as the Company is not a mineral, oil and gas company.

Pursuant to Rule 1007(1) of the Listing Manual, if any of the relevant figures computed pursuant to Rule 1006 involves a negative figure, Chapter 10 of the Listing Manual may still be applicable to the transaction in accordance with the applicable circumstances in Practice Note 10.1 of the Listing Manual (“**Practice Note 10.1**”), or if not so provided, at the discretion of the SGX-ST, in which case, the Company should consult the SGX-ST.

Based on the relative figures computed above and given that the net profit attributable to the assets acquired as compared to the net loss of the Company is -5.6%, the transaction does not fall within any of the situations in paragraphs 4.3 and 4.4 of Practice Note 10.1. Accordingly, the

transaction will constitute a “disclosable transaction” under Rule 1010 of the Listing Manual and shareholders’ approval for the transaction is not required.

6. SERVICE CONTRACT

No service contract is proposed to be entered into in connection with the Proposed Acquisition.

7. INTERESTS OF DIRECTORS AND CONTROLLING SHAREHOLDERS

None of the directors and controlling shareholders of the Company have any interests, direct or indirect in the Proposed Acquisition, other than through their respective shareholding interests in the Company.

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 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.

9. CAUTIONARY STATEMENT

Shareholders and potential investors should note that the Proposed Acquisition is subject to the fulfilment of, *inter alia*, the condition precedents set out above and accordingly, should exercise caution when trading in the shares of the Company. Persons who are in doubt as to the action they should take should consult their legal, financial, tax or other professional advisers.

10. FURTHER INFORMATION

10.1 Circular

Subject to the SGX-ST’s approval, the Circular setting out *inter alia*, the terms of the Proposed Diversification, together with a notice of EGM will be despatched by the Company to shareholders in due course.

10.2 Documents available for inspection

A copy of the SPA will be made available for inspection during the normal business hours at the registered office of the Company at 16 Raffles Quay #17-03 Hong Leong Building Singapore 048581 for a period of 3 months from the date of this announcement.

By Order of the Board

Li Mingyang
Executive Director and Chairman of the Board
11 July 2024