



GREEN BUILD TECHNOLOGY

GREEN BUILD TECHNOLOGY LIMITED (FORMERLY KNOWN AS YOUYUE INTERNATIONAL LIMITED)

(Incorporated in the Republic of Singapore)
(Company Registration No.: 200401338W)

EXERCISE OF PUT OPTION

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 and 6 May 2014, 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 (the “**Packaging Business**”) of the Company and its subsidiaries (collectively, the “**Group**”).
- 1.2 Unless otherwise defined, all capitalised terms used and not defined herein shall have the same meanings given to them in the aforementioned announcements.
- 1.3 Further to the aforementioned announcements, the Board would like to announce that it has today decided to exercise the Put Option.

2. INFORMATION ON THE PACKAGING BUSINESS

- 2.1 The Board notes that as at the date of this announcement, the Packaging Business of the Group comprises:
- (i) Yourun Packaging Technology (Hangzhou) Co., Ltd;
 - (ii) Yue Hai Colour Printing and Packaging Co., Ltd; and
 - (iii) Jia Hua Packaging and Printing Co., Ltd.
- 2.2 The Group has been engaged in manufacturing and selling flexible packaging products since December 2007. The business operations of the Packaging Business are principally located in Haining City, Zhejiang Province, the People’s Republic of China (the “**PRC**”). The Packaging Business is primarily engaged in business-to-business sales, and its customers comprise mainly food and consumer products which require flexible packaging materials.

3. RATIONALE FOR EXERCISING THE PUT OPTION

3.1 In deciding whether to exercise the Put Option, and whether such an exercise 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 steadily 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 Put Option is to be exercised as soon as possible to ensure that the returns generated from the said exercise is maximized;
- (iii) in light of the Company's intention to exercise the Put Option, the Board had engaged Zhejiang Zhong Qi Hua Appraisal Co., Ltd. ("**ZZQH**") to prepare an Independent Valuation Report ("**IV Report**") for the purposes of the exercise of the Put Option. ZZQH has accordingly provided a draft IV Report which values the Packaging Business in the range of RMB37,000,000.00 and RMB38,000,000.00 (Renminbi Thirty Seven Million and Renminbi Thirty Eight Million). The Board is of the view that the IV Report obtained is a fair and reasonable reflection of the valuation of the Packaging Business;
- (iv) the Board noted that despite the Put Option being public knowledge by virtue of the aforementioned announcements and the Circular, to date, there has not been any offers made to the Company for the purchase and acquisition for the Packaging Business, or any part thereof; and
- (v) the Board had also procured an undertaking from the Company's single largest shareholder, City Green Build Technology Pte. Ltd. ("**CGB**"), which owns approximately 65.95% of the issued and paid-up capital of the Company, that CGB would vote in favour of exercising the Put Option when an Extraordinary General Meeting ("**EGM**") is convened to seek shareholders' approval for the exercise of the Put Option (the "**Undertaking**").

3.2 Further, the Board also noted that pursuant to the Circular, the following actions were recommended to be taken prior to the said exercise of the Put Option:

- (a) the Company shall procure an independent valuation of the Packaging Business (having regard to the prevailing net asset value ("**NAV**") of the Packaging Business as at the date of exercise of the put option, as derived from its latest audited financial statements at the time of the exercise) for the Board's consideration (the "**IV Condition**");

- (b) the Board shall seek and obtain the approval of the Audit Committee for the exercise of the Put Option, and the Audit Committee shall consider, *inter alia*, such independent valuation and the terms of any other *bona fide* offers for the Packaging Business (the “**Bona Fide Offer Condition**”); and
 - (c) the Company shall seek and obtain the approval of independent shareholders for the exercise of the Put Option, and an independent advisor shall be appointed to advise the independent directors and independent shareholders as to, *inter alia*, whether the exercise of the Put Option will constitute a transaction on normal commercial terms and is not prejudicial to the interests of the Company and its minority shareholders (the “**Shareholders Approval Condition**”).
- 3.3 In relation to the IV Condition, the Board, as mentioned, had obtained a draft IV Report from ZZHQ valuing the Packaging Business in the range of RMB37,000,000.00 and RMB38,000,000.00 (Renminbi Thirty Seven Million and Renminbi Thirty Eight Million) and is accordingly of the view that the IV Report obtained is a fair and reasonable reflection of the valuation of the Packaging Business.
- 3.4 In relation to the *Bona Fide Offer Condition*, the Board notes that there have been no other *bona fide* offers made to the Company in relation to the exercise of the Put Option despite the public being aware of the Company’s intention to dispose of the Packaging Business as evidenced by the aforementioned announcements and the Circular.
- 3.5 In relation to the Shareholders Approval Condition, the Board is of the view that due to a timing issue, an Extraordinary General Meeting (“**EGM**”) to satisfy the Shareholders Approval Condition cannot be convened in time. However, the Board is aware that an undertaking dated 30 April 2015 had been obtained from the Company’s single largest shareholder, City Green Build Technology Pte. Ltd. (“**CGB**”), who owns approximately 65.95% of the paid up share capital of the Company, that CGB would vote in favour of exercising the Put Option, and accordingly, the Board is of the view that the EGM could be convened at a later date. The Board noted that the holding of the EGM at a later date is not prejudicial to the rights of the shareholders as the exercise of the Put Option would be contingent upon the approval of the shareholders of the Company being obtained for the same. Further, the Board also notes that Provenance Capital Pte. Ltd. has been appointed as an independent financial advisor to comply with the Shareholders Approval Condition.
- 3.6 Keeping in mind that the stipulated deadline for the exercise of the Put Option is 30 April 2015, the Board has by reason of the abovesaid factors resolved that it is beneficial to and in the interest of the Company to exercise the Put Option for the disposal of the Packaging Business, and according has decided to proceed with the same.

4. PROPOSED DISPOSAL

Accordingly, the Company shall be entering into a separate sale and purchase

agreement at a later date (the “SPA”) to dispose of the Packaging Business pursuant to the exercise of the Put Option on the terms and subject to the conditions as set out in the SPA, including the condition that the SPA is to be completed upon the Company procuring the necessary shareholders’ approval for the same (the “Proposed Disposal”). The full terms and conditions of the SPA shall be separately announced at a later date.

5. CONSIDERATION

Pursuant to the Circular, the consideration for the exercise of the Put Option shall be that Youcan Foods (Hangzhou) Co., Ltd. (or its nominee(s)) would be required to acquire the Packaging Business based on the prevailing NAV of such equity interest as at the date of exercise of the Put Option (i.e. 30 April 2015), as derived from the Group’s latest audited financial statement as at the time of the exercise. In this regard, the Company will be releasing the relevant information to the shareholders at a later time together with the information regarding the SPA.

6. INTERESTS OF DIRECTORS AND CONTROLLING SHAREHOLDERS

None of the directors (other than in their capacity as directors or shareholders of the Company) nor (as far as the directors are aware) controlling shareholders (other than in their capacity as shareholders of the Company) has any interest, direct or indirect, in the exercise of the Put Option.

7. FURTHER ANNOUNCEMENTS

The Company will make further announcements on the exercise of the Put Option as appropriate or when there are further developments on the same.

8. EXTRAORDINARY GENERAL MEETING

The Company intends to seek shareholders’ approval for the Proposed Disposal and a circular to shareholders setting out further information on the Proposed Disposal , together with a notice of the extraordinary general meeting to be convened, will be dispatched to the shareholders in due course.

9. CAUTIONARY STATEMENT

The Board would like to advise shareholders that, although the Company has decided to exercise the Put Option and proceed with the Proposed Disposal, completion of the said exercise and Proposed Disposal is subject to the conditions precedent being fulfilled and there is no certainty or assurance as at the date of this announcement that the exercise of the Put Option and the Proposed Disposal will be completed or that no changes will be made to the terms thereof. Accordingly, shareholders are advised to exercise caution in dealings with the shares of the Company. Shareholders

are advised to read this announcement and any previous or further announcement(s) and the circulars released and to be released by the Company in relation to the exercise of the Put Option and Proposed Disposal carefully. Shareholders should consult their stockbrokers, bank managers, solicitors or other professional advisers if they have any doubt about the actions they should take.

By Order of the Board

Lim Kok Meng
Joint Company Secretary
30 April 2015