

GREEN BUILD TECHNOLOGY LIMITED

(Incorporated in Singapore)
(Co. Reg. No. 200401338W)

**GREEN BUILD TECHNOLOGY**
UNAUDITED HALF YEAR FINANCIAL STATEMENTS FOR THE SIX MONTHS PERIOD ENDED 30 JUNE 2017

The Board of Directors of Green Build Technology Limited are pleased to announce the consolidated results of the Group for the 6 months ended 30 June 2017 ("HY2017"). The figures presented below have not been reviewed or audited.

PART I - INFORMATION REQUIRED FOR ANNOUNCEMENTS OF FINANCIAL RESULTS FOR THE SIX MONTHS ENDED 30 JUNE ("HY") 2017
1(a)(i). A statement of comprehensive income for the Group together with a comparative statement for the corresponding period of the immediately preceding financial period.

	Group		Increase/ (Decrease)
	HY2017 RMB'000	HY2016 RMB'000	
Revenue	124,744	237,994	-47.6%
Cost of sales	(114,187)	(207,963)	-45.1%
Gross profit	10,557	30,031	-64.8%
Other income	2	3	-33.3%
Administrative expenses	(7,608)	(5,646)	34.8%
Other expenses	(9)	(50)	-81.6%
Results from operating activities	2,942	24,338	-87.9%
Finance income	15,604	2,669	484.6%
Finance cost	(10,339)	(2,296)	350.3%
Profit before tax	8,207	24,711	-66.8%
Income tax expense	(2,011)	(7,635)	-73.7%
Net profit for the period	6,196	17,076	-63.7%
Profit attributable to:			
Owners of the Company	6,196	17,076	-63.7%
Profit for the period	6,196	17,076	-63.7%
Other comprehensive income			
Foreign currency translation differences – foreign operations	(211)	481	N.M
Total comprehensive income for the period	5,985	17,557	-65.9%
Total comprehensive income attributable to:			
Owners of the Company	5,985	17,557	-65.9%
Total comprehensive income for the period	5,985	17,557	-65.9%

N.M – Not Meaningful.

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1(a)(ii). Breakdown and explanatory notes to the income statement.

Profit before tax is arrived at after charging/(crediting) the following:

	Group		Increase/ (Decrease)
	HY2017 RMB'000	HY2016 RMB'000	
Depreciation of plant and equipment	251	214	17.2%
Amortisation of intangible assets	-	1	N.M
Amortisation of deferred expenditure	-	39	N.M
Operating lease expenses	81	84	-3.9%
Staff costs	4,004	1,512	164.8%
Interest expense from loan and borrowings	10,339	2,296	350.3%
Interest income from bank balances	(688)	-	N.M
Unwinding of discount on service concession receivables	(14,916)	(2,669)	458.9%
Foreign exchange (gains)/losses	(2)	1,122	N.M

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1(b)(i). A statement of financial position (for the issuer and group), together with a comparative statement as at the end of the immediately preceding financial year.

	Group		Company	
	30.06.2017 RMB'000	31.12.2016 RMB'000	30.06.2017 RMB'000	31.12.2016 RMB'000
Non-current assets				
Plant and equipment	1,185	1,087	5	6
Subsidiaries	-	-	- *	- *
Trade receivables	355,555	240,871	-	-
Prepayments	11,220	11,880	-	-
Intangible assets	1,096	1,096	-	-
Total non-current assets	369,056	254,934	5	6
Current assets				
Inventories	94	94	-	-
Trade and other receivables	450,448	341,641	20,568	22,467
Prepayments	9,518	5,229	35	8
Cash and bank balances	357,095	211,659	312	164
Total current assets	817,155	558,623	20,915	22,639
Total assets	1,186,211	813,557	20,920	22,645
Equity				
Share capital	124,909	124,909	124,909	124,909
Foreign currency translation reserve	863	1,074	863	1,060
Accumulated losses	(55,010)	(61,206)	(117,190)	(114,391)
Equity attributable to equity holders of the Company	70,762	64,777	8,582	11,578
Non-controlling interests	1,919	1,919	-	-
Total equity	72,681	66,696	8,582	11,578
Liabilities				
Loans and borrowings	330,402	274,274	-	-
Non-current liabilities	330,402	274,274	-	-
Current liabilities				
Trade and other payables	318,545	297,059	7,190	6,035
Loans and borrowings	446,240	159,091	5,148	5,032
Current tax liabilities	18,343	16,437	-	-
Total current liabilities	783,128	472,587	12,338	11,067
Total liabilities	1,113,530	746,861	12,338	11,067
Total equity and liabilities	1,186,211	813,557	20,920	22,645

* Less than RMB1,000

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1(b)(ii). Aggregate amount of group's borrowings and debt securities.Amount repayable in one year or less, or on demand

	Group		Company	
	30.06.2017	31.12.2016	30.06.2017	31.12.2016
	RMB'000	RMB'000	RMB'000	RMB'000
Loan from bank (a)	126,930	143,726	-	-
Loan from bank (b)	28,668	10,000	-	-
Loan from bank (c)	285,000	-	-	-
Loans from related parties (d)	5,642	5,365	5,148	5,032
	446,240	159,091	5,148	5,032

Amount repayable after one year

	Group		Company	
	30.06.2017	31.12.2016	30.06.2017	31.12.2016
	RMB'000	RMB'000	RMB'000	RMB'000
Loan from bank (a)	244,070	247,274	-	-
Loan from bank (a)	27,000	27,000	-	-
Loan from bank (b)	11,332	-	-	-
Loan from bank (b)	48,000	-	-	-
	330,402	274,274	-	-

Details of any collateral:

- (a) The bank borrowings are secured over the service concession arrangements with certain government bodies and agencies of the People's Republic of China ("PRC") to construct and operate underground utility tunnels on a Public-Private-Partnership ("PPP") basis. The principal amount of RMB 371 million and RMB 27 million will be repayable progressively with final maturity due in year 2031 and year 2024, respectively.
- (b) The bank borrowings are secured over the service concession arrangements with certain government bodies and agencies of the People's Republic of China ("PRC") for the insulation project on a Public-Private-Partnership ("PPP") basis. The principal amount of RMB 40 million and RMB 48 million will be repayable progressively with final maturity due in year 2019 and year 2020, respectively.
- (c) The bank borrowings are secured over the bank deposits and is repayable by March 2018.
- (d) Loans from related parties are unsecured, interest-free and repayable on demand.

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1(c). A statement of cash flows (for the group), together with a comparative statement for the corresponding period of the immediately preceding financial year.

	Group	
	HY2017 RMB'000	HY2016 RMB'000
Cash flows from operating activities		
Profit before tax	8,207	24,711
Adjustments for:		
Depreciation of plant and equipment	251	214
Amortisation of intangible assets	-	1
Amortisation of deferred expenditure	-	39
Exchange differences	(211)	481
Interest income	(15,604)	2,296
Interest expense	10,339	(2,669)
Operating profit before working capital changes	2,982	25,073
Changes in working capital:		
Contract work-in-progress	-	151
Trade and other receivables	(208,575)	(157,716)
Prepayments	(3,629)	(281,623)
Trade and other payables	21,501	184,454
Other liabilities	-	151,361
Cash used in operating activities	(187,721)	(78,300)
Interest paid	(10,339)	(2,296)
Interest income received	688	2,669
Income tax paid	(105)	-
Net cash used in operating activities	(197,477)	(77,927)
Cash flows from investing activities		
Purchase of plant and equipment	(349)	(139)
Proceeds from disposal of subsidiaries, net	-	13,561
Net cash (used in)/from investing activities	(349)	13,422
Cash flows from financing activities		
Proceeds from issuance of shares, net	-	11,730
Proceeds from bank borrowings	363,000	328,000
Repayments of bank borrowings	(20,000)	-
Fixed deposits pledged for bank facilities	(261,000)	(39,000)
Release of/(Pledge of) fixed deposits for banker guarantees	70,344	(94,682)
Repayments of loan from shareholder	-	(940)
Repayments of loan from external parties	-	(36,595)
(Repayments of)/Proceeds from amount due to a director	(15)	13,673
Proceeds from amount due to affiliated company	2,128	-
Repayments of amount due to related parties	(1,851)	(23,202)
Net cash from financing activities	152,606	158,984
Net (decrease)/increase in cash and cash equivalents	(45,220)	94,479
Cash and cash equivalents at beginning of period	65,477	609
Cash and cash equivalents at end of period	20,257	95,088
Cash and cash equivalents		
Cash and bank balances	20,257	95,088
Fixed deposit pledged for bank facilities	311,700	39,000
Fixed deposit pledged for banker guarantees	25,138	94,682
Cash and bank balances per consolidated statement of financial position	357,095	228,770

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- 1(d)(i). A statement (for the issuer and group) showing either (i) all changes in equity or (ii) changes in equity other than those arising from capitalisation issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year.**

	Attributable to equity holders of the Company				
	Share capital RMB'000	Foreign currency translation reserve RMB'000	Accumulated losses RMB'000	Sub-Total RMB'000	Non- controlling Interests RMB'000
Group					
At 1 January 2016	113,179	966	(73,240)	40,905	-
Profit for the period	-	-	17,076	17,076	-
Other comprehensive income					
- Foreign currency translation reserve	-	481	-	481	-
Total comprehensive income for the period, net of tax	-	481	17,076	17,557	-
Issuance of shares, net	11,730	-	-	11,730	-
As at 30 June 2016	124,909	1,447	(56,164)	70,192	-
At 1 January 2017	124,909	1,074	(61,206)	64,777	1,919
Profit for the period	-	-	6,196	6,196	-
Other comprehensive income					
- Foreign currency translation reserve	-	(211)	-	(211)	-
Total comprehensive income for the period, net of tax	-	(211)	6,196	5,985	-
As at 30 June 2017	124,909	863	(55,010)	70,762	1,919
Company					
At 1 January 2016	113,179	920	(107,333)	6,766	-
Loss for the period	-	-	(2,396)	(2,396)	-
Other comprehensive income					
- Foreign currency translation reserve	-	523	-	523	-
Total comprehensive loss for the period, net of tax	-	523	(2,396)	(1,873)	-
Issuance of shares, net	11,730	-	-	11,730	-
As at 30 June 2016	124,909	1,443	(109,729)	16,623	-
At 1 January 2017	124,909	1,060	(114,391)	11,578	-
Loss for the period	-	-	(2,799)	(2,799)	-
Other comprehensive income					
- Foreign currency translation reserve	-	(197)	-	(197)	-
Total comprehensive income for the period, net of tax	-	(197)	(2,799)	(2,996)	-
As at 30 June 2017	124,909	863	(117,190)	8,582	-

- 1(d)(ii). Details of any changes in the company's share capital arising from rights issue, bonus issue, share buy-backs, exercise of share options or warrants, conversion of other issues of equity securities, issue of shares for cash or as consideration for acquisition or for any other purpose since the end of the previous period reported on. State the number of shares that may be issued on conversion of all the outstanding convertibles, if any, against the total number of issued shares excluding treasury shares and subsidiary holdings of the issuer, as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year. State also the number of shares held as treasury shares and the number of subsidiary holdings, if any, and the percentage of the aggregate number of treasury shares and subsidiary holdings held against the total number of shares outstanding in a class that is listed as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year.**

Issued and Paid-Up Capital	Company		
	Number of Shares	Share Capital (S\$'000)	Share Capital (RMB'000)
As at 31 December 2016 and 30 June 2017	246,677,796	25,231	124,909

The Company did not have any outstanding convertibles and treasury shares as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year.

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- 1(d)(iii). To show the total number of issued shares excluding treasury shares as at the end of the current financial period and as at the end of the immediately preceding year.**

	Company	
	As at 30 June 2017	As at 31 December 2016
Total number of issued shares	246,677,796	246,677,796

- 1(d)(iv). A statement showing all sales, transfers, disposal, cancellation and/or use of treasury shares as at the end of the current financial period reported on.**

Not applicable.

- 2. Whether the figures have been audited or reviewed and in accordance with which auditing standard or practice.**

The figures have not been audited or reviewed by the auditors.

- 3. Where the figures have been audited or reviewed, the auditors' report (including any qualifications or emphasis of a matter).**

Not applicable.

- 4. Whether the same accounting policies and methods of computation as in the issuer's most recently audited annual financial statements have been applied.**

Except as disclosed in paragraph 5 below, the Group has adopted the same accounting policies and methods of computation which are consistent with those used in the most recent audited consolidated financial statements for the financial year ended 31 December 2016.

- 5. If there are any changes in the accounting policies and methods of computation, including any required by an accounting standard, what has changed, as well as the reasons for, and the effect of, the change.**

The Group has adopted all the Singapore Financial Reporting Standards ("FRS") and Interpretations of FRS ("INT FRS") that are effective for the current financial period. The adoption of new/revised FRS and INT FRS does not have any material impact on the financial statements for the financial period ended 30 June 2017.

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6. **Earnings per ordinary share of the group for the current financial period reported on and the corresponding period of the immediately preceding financial year, after deducting any provision for preference dividends.**

Earnings per ordinary share for the period:	Group	
	HY2017	HY2016
Net profit for the period attributable to the shareholders of the Company (RMB '000)	6,196	17,076
Weighted average number of ordinary shares in issue ('000) *	246,678	243,671
(a) Basic earnings per share (RMB cents)	2.51	7.01
(b) On a fully diluted basis** (RMB cents)	2.51	7.01

* The weighted average number of ordinary shares in use for the period ended 30 June 2016 had taken into account the share placement of 7,818,000 new ordinary shares which was issued on 11 March 2016.

**The basic and fully diluted earnings per share were the same as there were no potentially dilutive ordinary shares in issue as at 30 June 2017 and 30 June 2016.

7. **Net asset value (for the issuer and group) per ordinary share based on the total number of issued shares excluding treasury shares of the issuer at the end of the:-**
(a) current financial period reported on; and
(b) immediately preceding financial year.

	Group		Company	
	30.06.2017	31.12.2016	30.06.2017	31.12.2016
Net assets (RMB'000)	70,762	64,777	8,582	11,578
Net assets value per ordinary share based on issued share capital as at the end of the period reported on (RMB cents)	28.69	26.26	3.48	4.69

The net asset value per ordinary share for the Group and Company is calculated based on the issued ordinary shares of 246,677,796 as at 30 June 2017 and 31 December 2016 respectively.

Net assets are defined as total assets less total liabilities and non-controlling interests.

8. **A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. It must include a discussion of the following:-**
(a) any significant factors that affected the turnover, costs, and earnings of the group for the current financial period reported on, including (where applicable) seasonal or cyclical factors; and
(b) any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on.

Review for the performance of the Group for the six months ended 30 June 2017 ("HY2017") as compared to the six months ended 30 June 2016 ("HY2016").

(A) Performance Review - Overall

During the period under review, the Group's revenue and profitability for HY2017 is mainly contributed by the underground utility tunnel project. As at 30 June 2017, the underground utility tunnel project is approximately 82.0% completed. The net profit after tax attributable

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to equity holders of the Company was RMB 6.2 million for HY2017 as compared to RMB 17.1 million for the corresponding period.

(B) Revenue

Revenue of RMB 124.7 million in HY2017 is derived mainly from the underground utility tunnel project. The significant decrease in revenue by RMB 113.3 million in HY2017 as compared to HY2016 is mainly due to the insulation project was fully completed by 30 June 2016.

(C) Gross Profit

The decrease in cost of sales in HY2017 is in line with the decrease in revenue. The decrease in gross profit margin is mainly due to the lower gross profit margin for the underground utility tunnel project which declined from 15.3% to 10.0% as compared to HY2016.

(D) Other Profit and Loss Items

The finance income is mainly related to the finance income of RMB 14.9 million arising from the service concession arrangements for the insulation and underground utility tunnel projects.

The increase in administrative expenses of RMB 2.0 million was mainly due to the following reasons: (a) directors' remuneration which has increased by approximately RMB 1.2 million based on the service agreements with two directors starting 1 July 2016; and (b) the increase in headcount in the second half of 2016 mainly for the underground utility tunnel.

Finance cost increased by RMB 8.0 million in HY2017 was mainly due to increase in bank borrowings of approximately RMB 343.3 million from RMB 433.3 million as at 30 June 2016 to RMB 776.6 million as at 30 June 2017.

Income tax expenses for HY2017 is mainly due to the profit generated from the underground utility tunnel project. No provision for tax has been made for income from insulation project as it is tax exempted based on the approval recently obtained from the relevant tax authorities in China. Previous income tax provisions relating to the insulation project have also been reversed accordingly.

(E) Statements of Financial Position

Trade and other receivables are mainly related to the receivables from the government for the insulation and underground utility tunnel projects. The increase in trade and other receivables by RMB 223.5 million is mainly due to the additional work completed for the underground utility tunnel project for the six months ended 30 June 2017. Receivables amounting to RMB 355.6 million is classified as non-current, as such amounts will only be received from the government after 12 months from 30 June 2017.

Increase in prepayment of RMB 3.6 million for the six months ended 30 June 2017 is mainly due to an amount of RMB 5.1 million prepaid to the various subcontractors for construction costs for the underground utility tunnel project. This is partially offset by the decrease in prepayment of RMB 1.5 million for insulation project as it had been fully completed in FY2016.

The increase in trade and other payables of RMB 21.5 million is mainly due to the construction costs incurred for HY2017, which was partially offset by the settlement of balances with the suppliers during the six months ended 30 June 2017.

The increase in loans and bank borrowings by RMB 343.3 million is due mainly to the additional borrowings drawn down for working capital purposes during the period.

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At the end of the period, the Group's net equity attributable to the shareholders of the Company amounted to RMB 70.8 million as at 30 June 2017 as compared to RMB 64.8 million as at 31 December 2016. The Group's net current assets position was RMB 34.0 million as at 30 June 2017 as compared to RMB 86.0 million as at 31 December 2016. The Company is in a net assets position of RMB 8.6 million as at 30 June 2017 as compared to RMB 11.6 million as at 31 December 2016.

(F) Statement of Cash Flows

The Group reported a net increase in cash and bank balances of RMB 145.4 million from RMB 211.7 million as at 31 December 2016 to RMB 357.1 million as at 30 June 2017. Included in the balance of RMB 357.1 million was an amount of RMB 311.7 million pledged for bank facilities and an amount of RMB 25.1 million pledged for banker guarantees.

Except for the amount of bank balances pledged as mentioned in the above paragraph, the cash and cash equivalents decreased by RMB 45.2 million for the six months ended 30 June 2017. This decrease is mainly due to net cash used in operating activities and investing activities of RMB 197.5 million and RMB 0.3 million respectively which are partially offset by net cash from financing activities of RMB 152.6 million.

9. Where a forecast, or a prospect statement, has been previously disclosed to shareholders, any variance between it and the actual results.

Not applicable. No forecast or prospect statement had been previously disclosed to shareholders.

10. A commentary at the date of the announcement of the significant trends and competitive conditions of the industry in which the group operates and any known factors or events that may affect the group in the next reporting period and the next 12 months.

As at 30 June 2017, the underground utility tunnel project was approximately 82% completed. Upon the completion of the project, the Group will be entitled to manage and operate the underground utility tunnel project over a concession period of 25 years from 2018. Additional revenue and cash flows are expected during the concession period.

Management will continuously source and tender for sustainable development projects in 2017. The Group is optimistic of its green technology business as the market for its energy conservation services and sustainable development solution is immensely huge in China.

11. If a decision regarding dividend has been made:

(a) Whether an interim (final) ordinary dividend has been declared (recommended); and

No dividend was declared for HY2017.

(b) (i) Amount per share (cents)

Not applicable.

(b) (ii) Previous corresponding period (cents)

No dividend was declared for HY2016.

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- (c) **Whether the dividend is before tax, net of tax or tax exempt. If before tax or net of tax, state the tax rate and the country where the dividend is derived. (If the dividend is not taxable in the hands of shareholders, this must be stated).**

Not applicable

- (d) **The date the dividend is payable.**

Not applicable.

- (e) **The date on which Registrable Transfers received by the company (up to 5.00 pm) will be registered before entitlements to the dividend are determined.**

Not applicable.

- 12. If no dividend has been declared/recommended, a statement to that effect.**

No dividend has been declared for HY2017.

- 13. If the group has obtained a general mandate from shareholders for IPTs, the aggregate value of such transactions as required under Rule 920(1)(a)(ii). If no IPT mandate has been obtained, a statement to that effect.**

There was no aggregate value of interested person transactions during the financial period under review, excluding transactions less than S\$100,000 and transactions conducted under the shareholders' mandate pursuant to Rule 920. There is also no aggregated value of interest person transactions conducted under the shareholders' mandate pursuant to Rule 920, excluding transactions less than S\$100,000.

- 14. Negative assurance confirmation pursuant to Rule 705(5) of the Listing Manual**

On behalf of the Board of Directors of the Company, we, the undersigned, hereby confirm to the best of our knowledge that nothing has come to the attention of the Board of Directors of the Company which may render the unaudited half year financial statements set out above to be false or misleading in any material aspect.

Zhao Lizhi
Director

Wu Xueying
Director

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15. Confirmation that the issuer has procured undertakings from all its directors and executive officers under Rule 720(1).

The Company hereby confirms that it has procured undertakings from all its Directors and Executive Officers in accordance with Rule 720(1).

BY ORDER OF THE BOARD

Wu Xueying
Chief Executive Officer & Executive Director

14 August 2017