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

PROPOSED SALE OF SHARES IN CERTAIN SUBSIDIARIES

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1. Introduction

1.1. The Board of Directors (the "**Board**" and each director, a "**Director**") of Green Build Technology Limited (the "**Company**", and together with its subsidiaries, the "**Group**"), wishes to announce that the Company has, on 1 December 2022, entered into a sale and purchase agreement (the "**SPA**") with Special Opportunities Pte. Ltd. (the "**Purchaser**") in relation to the proposed disposal of the entire issued and paid-up share capital of the following subsidiaries (the "**Proposed Disposal**"), being:

(a) 1,000 ordinary shares in GBT Investments Pte Ltd ("**GBTI**"); and
(b) 2 ordinary shares in Future City Development and Management GRP Pte. Ltd. ("**Future City**"),

where GBTI and Future City are each, a "**Target Company**" and collectively, the "**Target Companies**", and the shares of the Target Companies are collectively referred to the "**Sale Shares**".

1.2. The Proposed Disposal constitutes a major transaction under Chapter 10 of the listing manual (the "**Listing Manual**") of the Singapore Exchange Securities and Trading Limited ("**SGX-ST**")

2. Information on the Target Companies

2.1. Information on GBTI

As at the date of this announcement, GBTI is a wholly-owned subsidiary of the Company and has an issued and paid-up share capital of S$1,000.00 comprising of 1,000 ordinary shares valued at S$1.00 per share. GBTI is an investment holding company and its subsidiaries (collectively, the "**GBTI Sale Group Companies**") are engaged in, *inter alia*, tunnel construction, green technology and energy saving services. Details of the GBTI Sale Group Companies are set out in Part 1 of the Appendix.

The GBTI Sale Group Companies will cease to be subsidiaries of the Company upon completion of the Proposed Disposal.

2.2. Information on Future City

As at the date of this announcement, Future City is a wholly owned subsidiary of the Company and has an issued and paid-up share capital of S$2.00 comprising of 2 ordinary shares valued at S$1.00 per share. Future City is an investment holding company and its subsidiary (collectively,

the "**Future City Sale Group Companies**") is engaged in, *inter alia,* trading of construction materials. Details of the Future City Sale Group Companies are set out in Part 2 of the Appendix.

The Future City Sale Group Companies will cease to be subsidiaries of the Company upon completion of the Proposed Disposal.

3. Information on the Purchaser

The information presented herein relating to information on the Purchaser is based on information provided by the Purchaser. In respect of such information, the Company has not independently verified the accuracy and correctness of the same and the Company's responsibility is limited to ensuring that such information has been accurately and correctly extracted and reproduced in this announcement in its proper form and context.

The Purchaser is wholly owned by Nanyang Global Capital VCC, a variable capital company incorporated in Singapore and managed by Falcon Investment Advisors Pte. Ltd., a Singapore registered fund management company permitted to serve up to 30 qualified investors and manages assets of not more than S$250 million. The Purchaser is confident that it would be able to restructure and increase the value of the Future City Sale Group Companies and GBTI Sale Group Companies (collectively, the "**Sale Group Companies**") after expending significant work on the same.

The Purchaser, its directors and shareholders, and their respective associates are not related to the Company, its subsidiaries, their directors or substantial shareholders, or their respective associates, and they do not currently hold any shareholding interest (direct or indirect) in the Company.

4. Principal Terms of the Proposed Disposal

4.1. Consideration

The consideration for the Sale Shares of S$180,000.00 (the "**Consideration**"), which is payable by the Purchaser in cash, was arrived at following arm's length negotiations between the Company and the Purchaser and based on a willing-buyer, willing-seller basis, taking into consideration (i) the valuation of the Sale Group Companies, being S$0, as appraised and reported by Vallaris Deal Advisory Pte. Ltd (the "**Appointed Valuer**"); and (ii) the Sale Group Companies' assets and potential liabilities.

4.2. Conditions Precedent

Completion of the Proposed Disposal is subject to the following conditions having been met by the Completion Date (as defined below):

(a) the resolution of the Board having been obtained for the entry into and completion of, the transactions contemplated to be entered into in the SPA, including in particular the Proposed Disposal;

(b) the resolution of the board of directors of the Purchaser having been obtained for the entry into and completion of, the transactions contemplated to be entered into in the SPA, including in particular the Proposed Disposal;

(c) the resolutions of the board of directors of each Target Company having been obtained for the completion of the transactions contemplated to be entered into in the SPA;

(d) approval of shareholders of the Company having been obtained at an extraordinary general meeting for the entry into and the completion of the Proposed Disposal;

(e) the satisfactory outcome of due diligence carried out by the Purchaser in respect of the Target Group Companies;

(f) the Company, Purchaser and the Sale Group Companies not having received notice of any injunction or other order, directive or notice restraining or prohibiting the consummation of the transactions contemplated by the SPA, and there being no action seeking to restrain or prohibit the consummation thereof, or seeking damages in connection therewith, which is pending or any such injunction, other order or action which is threatened;

(g) all necessary consents, approvals, and waivers of any government bodies, stock exchange, and other regulatory authority having jurisdiction over the Proposed Disposal (whether in Singapore and/or any other applicable jurisdiction) and all other transactions in connection therewith and incidental thereto, having been obtained or procured by the Purchaser or the Company, as the case may be, including without limitation, the approval in-principle of the SGX-ST being obtained by the Company for the Proposed Disposal, and such consents, approvals and waivers not having been amended or revoked before the Completion Date (defined below), and to the extent that such consents, approvals and waivers are subject to any conditions required to be fulfilled before the Completion Date, all such conditions having been duly so fulfilled;

(h) no governmental bodies, stock exchange, administrative or regulatory authorities or agencies having jurisdiction over any of the transactions contemplated in the SPA taking, instituting, implementing, or threatening to take, institute or implement any action, proceeding, suit, investigation, inquiry or reference, or having made, proposed or enacted any statute, regulation, decision, ruling, statement or order or taken any steps, and there not continuing to be in effect or outstanding any statute, regulation, decision, ruling, statement or order which would or might:

(i) make the transactions contemplated in the SPA and all other transactions in connection therewith and incidental thereto, void, illegal and/or unenforceable or otherwise restrict, restrain, prohibit or otherwise frustrate or be adverse to the same;

(ii) render the Purchaser unable to purchase or acquire the Sale Shares in the manner set out in the SPA; and/or

(iii) render the Company unable to sell or dispose the Sale Shares in the manner set out in the SPA;

(i) there being no material adverse changes to the financial condition or operations of the Sale Group Companies save pursuant to any information that has been previously disclosed to the Purchaser; and

(j) each of the representations, undertakings and warranties of the Company and the Purchaser 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.

If any of the conditions precedent set out above (the "**Conditions Precedent**") are not fulfilled or otherwise waived by the relevant party on or before the date falling 6 months from the date of the SPA, or such later date as otherwise agreed in writing between the parties, the SPA shall *ipso facto* cease and determine and no party shall have any claim against the other party for costs, damages, compensation or otherwise.

4.3. **Completion**

Completion of the Proposed Disposal shall take place on a date falling not more than 10 business days after the satisfaction or waiver of the Conditions Precedent, or such other date as the parties

may agree in writing (the "**Completion Date**").

5. Rationale for the Proposed Disposal

Since the Company's previous announcements, including the profit guidance for the financial period ending 30 September 2022 (the "**Profit Guidance Announcement**") and the Group's unaudited financial statements for the financial period ended 30 September 2022 (the "**Q3FS**"), the Company has been working hard towards cost finalisation and ongoing settlement of the construction services for phase one of the underground utility tunnel project and the corresponding variation agreement (the "**Phase One Project**"), which has been delayed for approximately 2 years due to the outbreak of the Covid-19 pandemic, and the various measures put in place to combat the same. While management of the Company has been trying its hardest to reach a settlement with the authorities, no real movement has taken place since the Profit Guidance Announcement, and the Group continues to have little visibility as to when the cost finalisation and settlement would be completed.

In addition, the Harbin Housing and Urban-Rural Bureau of Construction (the "**Government Department**") is in discussions with the Group on the value of work done pursuant to the Phase One Project, and it is of concern to the Group that any agreed amount would likely be substantially lower than the full construction settlement cost for the Phase One Project submitted by the Group (the "**Submitted Costs**").

As illustrated in the Company's Profit Guidance Announcement and Q3FS, approximately 21% of the Submitted Costs have been reviewed and approved by the Government Department at approximately 16% lesser than the Submitted Costs (the "**16% Reduction**"). Purely as an illustration, extrapolating the 16% Reduction to the unreviewed Submitted Costs, it is estimated that the total construction settlement amount which would be approved would be approximately RMB 1,125 million, approximately RMB 79 million lesser than the total contract sum of the Phase One Project, reducing the amount of government subsidies (determined according to the formula stipulated in the service concession agreement) to be approved and disbursed by the Harbin Municipal Government on a quarterly basis over a concession period of 25 years.

Note: There is no certainty that a 16% Reduction to the unreviewed Submitted Costs would take place, and the figure set out above is purely for illustration purposes only.

On this basis, for Q3FS, the Group estimated and recorded impairment losses arising from the Phase One Project to be around RMB 60.4 million for the period ended 30 September 2022.

In addition, the delay in receipt of the subsidies for the Phase One Project has also had an impact on the Group's ability to finance its principal loan and interest payments with Harbin Bank (the "**Facility**"). As previously set out in the Company's update announcement dated 30 September 2022, the Company made an application to Harbin Bank on 21 September 2022 to further extend the payment deadline of the Facility. As at the date of this announcement, and as set out in the Q3FS, the Group is still in discussions with Harbin Bank in relation to the further extension. While Harbin Bank has demonstrated by its past conduct that it is willing to hold off the payments until such time the Government Department pays out the subsidies, interest on the outstanding loan continues to accrue in the interim, which eats into the Group's already reduced profits. No event of default has been declared in relation to the Facility, nor have there been any legal proceedings against the Group pursuant to any letters of demand in relation to the Facility at this time. However, there is no guarantee that Harbin Bank would not suddenly call for an event of default in the future.

With regard to the Group's insulation project which was completed in 2016, the Group is currently still awaiting the collection of subsidies from the Harbin government amounting to approximately RMB14.6 million, which was initially due for receipt in June 2022. For Q3FS, the Group estimated and recorded impairment losses arising from the service concession receivables for its insulation project to be around RMB 7.7 million.

The Sale Group Companies' sole businesses relates to the abovementioned projects.

In light of the above and taking into consideration that the Group still receives some subsidies from the relevant government bodies at this time, the Company is of the view that it is in the best interest of the Group for the Proposed Disposal to take place.

6. Future Plans of the Group

The main business of the Group is the provision of the operation and management of green energy projects and the provision of construction services and trading of construction materials. The Group intends to focus on such business, and for the past year, particularly in light of the delays in the obtaining of the relevant subsidies, the Group has made concerted effort to increase the number of such projects it undertakes and has recently secured a 2-year consulting and maintenance contract with an annual revenue of RMB 3.0 million starting from 1 September 2022. Management of the Company was also hopeful of securing additional projects and had received favourable responses to the projects it had indicated interest in. However, due to recent Covid-19 outbreak in the PRC, the Group had to put a stop to its marketing efforts. We envision that following completion, and once the Covid-19 measures in place are less onerous, barring unforeseen circumstances, the Group would be able to continue to source and secure more of such projects.

The Group also has the intention to branch out eventually into hotel management, and has, pursuant to the Group's announcement dated 27 October 2022, ventured into investments in hotel management.

7. Financial Information

7.1. **Deficit of Consideration over book value**

As disclosed above, the Consideration is S$180,000.00 (RMB 926,000) and the book value of the Sale Shares as at 30 September 2022 is RMB 4,211,000. Accordingly, the Proposed Disposal represents a deficit of approximately S$639,000 (RMB 3,285,000) of the proceeds over the book value.

7.2. **Use of Proceeds**

The Company intends to utilise the net proceeds from the Proposed Disposal for working capital purposes.

8. Relative Figures for the Proposed Disposal under Chapter 10 of the Listing Manual

8.1. The relative figures in relation to the Proposed Disposal are computed on the applicable bases set out in Rule 1006 of the SGX-ST Listing Manual ("**Listing Manual**") based on the Q3FS.

RULE 1006	BASES	RELATIVE FIGURES (%)
(a)	The net asset value of the assets to be disposed of, compared with the Group's net liability value. This basis is not applicable to an acquisition of assets.	-416%(1)
(b)	The net loss attributable to the assets acquired or disposed of, compared with the Group's net loss.	96%2)
(c)	The aggregate value of the consideration received, compared with the Company's market capitalisation based on the total number of issued shares excluding treasury shares.	3.5%(3)
(d)	Number of equity securities to be issued by the Company as consideration for an acquisition, compared with the number of equity securities previously in issue	Not applicable to disposal of assets(4)
(e)	The aggregate volume or amount of proven and probable reserves to be disposed of, compared with the aggregate of the Group's proven and probable reserves	Not applicable to the Group's industry(5)

Notes:

(1) The net asset value attributable to the Sale Shares is RMB 4,211,000 and the Group's net liability value for Q3FS is RMB 1,013,000.

(2) The net loss attributable to the Sale Shares is RMB 64,496,000 and the Group's net loss for Q3FS is RMB 66,860,000.

(3) The aggregate value of the consideration is S$180,000 (RMB 926,000). The market capitalisation of the Company is approximately $5,170,744 (as determined by multiplying 272,144,462 ordinary shares in issue ("**Shares**") as at the date of this announcement by the volume weighted average price of the Shares of approximately S$0.019 for trades done on 16 November 2022, being the last traded day preceding the date of the SPA).

(4) Rule 1006(d) of the Listing Manual is not applicable to a disposal of assets.

(5) Rule 1006(e) of the Listing Manual is not applicable as the Company is not a mineral, oil and gas company.

9. Financial Effects of the Proposed Disposal

9.1. The pro forma financial effects of the Proposed Disposal, based on the audited consolidated financial statements of the Group for FY2021 (the "**AFS 2021**"), are set out below. The pro forma financial effects are presented for illustration purposes only and do not necessarily reflect the actual results and financial performance and position of the Group after the Proposed Disposal. No representation is made as to the actual financial position and/or results of the Company or the Group after completion of the Proposed Disposal.

9.2. Effect on Net Tangible Assets("**NTA**") / Net Tangible Liabilities ("**(NTL)**")

Assuming the Proposed Disposal had been effected on 31 December 2021, the financial effect on the NTA of the Group will be as follows:

	Before Completion of the Proposed Disposal	After Completion of the Proposed Disposal
NTA/(NTL) (RMB)	63,275,000	(3,485,000)

Number of Shares in the issued and paid-up share capital of the Company, excluding treasury shares and subsidiary holdings [1]	272,144,462	272,144,462
NTA/(NTL) per Share (RMB)	0.23	(0.01)

[1] based on the number of shares in issue as at the date of this announcement.

9.3. Effects on earnings per Share ("**EPS**")

Assuming the Proposed Disposal was completed on 1 January 2021, the financial effect on the EPS of the Group will be as follows:

	Before Completion of the Proposed Disposal	**After Completion of the Proposed Disposal**
Net profit (loss) attributable to shareholders (RMB)	5,004,000	(62,786,000)
Number of Shares in the issued and paid-up share capital of the Company, excluding treasury shares and subsidiary holdings [1]	272,144,462	272,144,462
EPS (RMB)	0.02	(0.23)

[1] based on the number of shares in issue as at the date of this announcement.

10. Valuation Report

The Appointed Valuer, as an independent valuer, was commissioned by the Company to provide an independent valuation of the Sale Group Companies which are wholly owned by GBTI and Future City. Based on the valuation report dated 23 November 2022 issued by the Appointed Valuer (the "**Valuation Report**"), the Market Value of the Sale Group Companies is S$0. "**Market Value**" refers to the Market Value as defined by International Valuation Standards (2022 Edition) paragraph 30.1 as the estimated amount for which an asset or liability should exchange on the valuation date between a willing-buyer and a willing-seller in an arm's length transaction, after proper marketing and where the parties had each acted knowledgeably, prudently and without compulsion.

In arriving at a Market Value for each of the Sale Group Companies, the Appointed Valuer has applied approaches and methodologies generally used by industry practitioners, namely, the discounted cash flow method under the income approach, the guideline public company or guideline public transaction method under the market approach and the adjusted net asset value under the cost approach.

A copy of the Valuation Report may be inspected at the registered office of the Company located at 24 Raffles Place, #20-03, Clifford Centre, Singapore 048621, for a period of three (3) months from the date of this announcement. Shareholders are advised to refer to the full text of the Valuation Report for further details.

11. Interests of Directors and Substantial Shareholders

As at the date of this announcement, save for their respective shareholdings in the Company (if any), none of the Directors or substantial shareholders of the Company has any interest, direct or indirect, in the Proposed Disposal.

12. Directors' Service Contracts

No person is proposed to be appointed to the Board of the Company in connection with the Proposed Disposal. Accordingly, no service contract is proposed to be entered into between the Company and any such person.

13. Document(s) for Inspection

A copy of the SPA is available for inspection during normal business hours at the Company's registered office at 24 Raffles Place, #20-03, Clifford Centre, Singapore 048621, for a period of three (3) months from the date of this announcement.

By Order of the Board

Li Mingyang
Executive Director and Chairman of the Board
1 December 2022

APPENDIX

PART A

GBT INVESTMENTS PTE. LTD.

Place of Incorporation	:	Singapore
Registered Address	:	24 Raffles Place, Clifford Centre, #20-03, Singapore 048621
Director(s)	:	Chan Mang Ghoon
Registered Share Capital	:	S$1,000.00
Percentage of shares held by the Vendor	:	100%
Description of trade carried on	:	Investment holding

HARBIN SHENGMING ENERGY SAVING AND TECHNOLOGY CO., LTD.

Place of Incorporation	:	People's Republic of China
Registered Address	:	27 Tianshun Street, Nangang District, Harbin, Heilongjiang, China
Director(s)	:	Wu Xueying
Legal Representative	:	Wu Xueying
Registered Share Capital	:	5,000,000
Percentage of shares held by the Vendor through GBTI	:	100%
Description of trade carried on	:	Energy conservation services and installation of green technology and architecture

HARBIN UTILITY TUNNEL CONSTRUCTION AND MANAGEMENT CO., LTD

Place of Incorporation	:	People's Republic of China
Registered Address	:	27 Tianshun Street, Nangang District, Harbin, Heilongjiang, China
Director(s)	:	Wu Xueying, Sun Honglei, Wang Hong, Yang Ming, Zhu Enyi
Legal Representative	:	Wu Xueying
Registered Share Capital	:	166,000,000
Percentage of shares held by the Vendor through GBTI	:	100%
Description of trade carried on	:	Construction, operation and management of utility tunnel project

HARBIN PREVAILING MUNICIPAL ENGINEERING CO., LTD

Place of Incorporation	:	People's Republic of China
Registered Address	:	27 Tianshun Street, Nangang District, Harbin, Heilongjiang, China
Director(s)	:	Sun Honglei
Legal Representative in the People's Republic of China	:	Sun Honglei
Registered Share Capital	:	100,000,000
Percentage of shares held by the Vendor through GBTI	:	100%
Description of trade carried on	:	The provision of architectural design and construction services for government projects, promotion of energy conservation and investment in construction business

HARBIN UTILITY TUNNEL PHASE TWO CONSTRUCTION AND MANAGEMENT CO. LTD

Place of Incorporation	:	People's Republic of China
Registered Address	:	27 Tianshun Street, Nangang District, Harbin, Heilongjiang, China
Director(s)	:	Wu Xueying, Zheng Yi, Wang Hong, Sun Haiwen, Wu Wenlong
Legal Representative in the People's Republic of China	:	Wu Xueying
Registered Share Capital	:	83,920,000
Percentage of shares held by the Vendor through GBTI	:	100%
Description of the trade carried on	:	Construction, operation and management of utility tunnel project

HARBIN VIGOROUS CONSTRUCTION AND ENGINEERING CO. LTD.*

Place of Incorporation	:	People's Republic of China
Registered Address	:	27 Tianshun Street, Nangang District, Harbin, Heilongjiang, China
Director(s)	:	Sun Honglei, Guo Wenmin and Wu Xiaojun,
Legal Representative in the People's Republic of China	:	Sun Honglei
Registered Share Capital	:	3,922,000
Percentage of shares held by the Vendor through GBTI	:	51%
Description of the trade carried on	:	Civil engineering and construction, green landscaping, development of energy-conservation technology

ZHONGJIENENG SHENGMING INTELLIGENCE CONSTRUCTION CO., LTD.*

Place of Incorporation	:	People's Republic of China
Registered Address	:	No. 7 Hongqi Street Room 301, Nangang District, Harbin Heilongjiang, China
Director(s)	:	Wang Zhonglei, Wu Xueying, Gao Yong
Legal Representative in the People's Republic of China	:	Wang Zhonglei
Registered Share Capital	:	500,000
Percentage of shares held by the Vendor through GBTI	:	49%
Description of trade carried on	:	Investment holding

in the process of being struck off

PART B

FUTURE CITY DEVELOPMENT AND MANAGEMENT GRP PTE. LTD.

Place of Incorporation	:	Singapore
Registered Address	:	20 Kramat Lane, #04-04, United House, Singapore 228773
Director(s)	:	Chan Mang Ghoon
Registered Share Capital	:	S$2.00
Percentage of shares held by the Vendor	:	100%
Description of trade carried on	:	Investment holding

HARBIN SUPERIOR CONSTRUCTION MATERIALS TRADING CO., LTD.

Place of Incorporation	:	People's Republic of China
Registered Address	:	27 Tianshun Street, Nangang District, Harbin, Heilongjiang, China
Director(s)	:	Liu Binghui
Legal Representative in the People's Republic of China	:	Liu Binghui
Registered Share Capital	:	46,000
Percentage of shares held by the Vendor through Future City	:	100%
Description of trade carried on	:	Trading of construction materials