

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 2018

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 2018 ("HY2018"). 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") 2018
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)
	HY2018 RMB'000	HY2017 RMB'000	
Revenue	29,616	124,744	-76.3%
Cost of sales	(23,644)	(114,187)	-79.3%
Gross profit	5,972	10,557	-43.4%
Other income	8	2	300.0%
Administrative expenses	(6,804)	(7,608)	-10.6%
Other expenses	-	(9)	N.M
Results from operating activities	(824)	2,942	N.M
Finance income	21,396	15,604	37.1%
Finance cost	(13,942)	(10,339)	34.8%
Share in the results of an associate	(80)	-	N.M
Profit before tax	6,550	8,207	-20.2%
Income tax expense	(2,665)	(2,011)	32.5%
Profit for the period	3,885	6,196	-37.3%
Profit attributable to:			
Owners of the Company	3,885	6,196	-37.3%
<u>Other comprehensive income</u>			
Foreign currency translation differences – foreign operations	(49)	(211)	-76.8%
Total comprehensive income for the period	3,836	5,985	-35.9%
Total comprehensive income attributable to:			
Owners of the Company	3,836	5,985	-35.9%

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)
	HY2018 RMB'000	HY2017 RMB'000	
Depreciation of plant and equipment	205	251	-18.3%
Amortisation of intangible assets	4	-	N.M
Operating lease expenses	77	81	-4.9%
Staff costs	3,328	4,004	-16.9%
Interest expense from loan and borrowings	13,942	10,339	34.8%
Interest income from bank balances	(1,446)	(688)	110.2%
Unwinding of discount on service concession receivables	(19,950)	(14,916)	33.7%
Foreign exchange gains	(100)	(2)	N.M

N.M – Not Meaningful.

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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	
	30.06.2018	31.12.2017	30.06.2018	31.12.2017
	RMB'000	RMB'000	RMB'000	RMB'000
Non-current assets				
Plant and equipment	785	984	4	5
Intangible assets	1,100	1,089	-	-
Subsidiaries	-	-	- *	- *
Investment in an associate	165	-	-	-
Trade receivables	455,491	528,121	-	-
Prepayments	9,900	10,560	-	-
Total non-current assets	467,441	540,754	4	5
Current assets				
Contract work-in-progress	30,322	30,256	-	-
Inventories	981	94	-	-
Trade and other receivables	272,896	255,348	19,347	20,383
Prepayments	48,284	5,914	39	9
Cash and bank balances	389	301,263	93	130
Total current assets	352,872	592,875	19,479	20,522
Total assets	820,313	1,133,629	19,483	20,527
Equity				
Share capital	124,909	124,909	124,909	124,909
Foreign currency translation reserve	1,225	1,274	1,217	1,269
Accumulated losses	(64,681)	(68,566)	(122,538)	(120,576)
Equity attributable to equity holders of the Company	61,453	57,617	3,588	5,602
Non-controlling interests	1,919	1,919	-	-
Total equity	63,372	59,536	3,588	5,602
Liabilities				
Loans and borrowings	313,246	317,370	-	-
Non-current liabilities	313,246	317,370	-	-
Current liabilities				
Trade and other payables	314,236	328,348	10,816	9,815
Loans and borrowings	108,377	409,945	5,079	5,110
Current tax liabilities	21,082	18,430	-	-
Total current liabilities	443,695	756,723	15,895	14,925
Total liabilities	756,941	1,074,093	15,895	14,925
Total equity and liabilities	820,313	1,133,629	19,483	20,527

* 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	
	30.06.2018 RMB'000	31.12.2017 RMB'000	30.06.2018 RMB'000	31.12.2017 RMB'000
Loan from bank (a)	7,327	58,271	-	-
Loan from bank (b)	19,557	19,657	-	-
Loan from bank (c)	-	285,000	-	-
Loans from related parties (d)	81,493	47,017	5,079	5,110
	<u>108,377</u>	<u>409,945</u>	<u>5,079</u>	<u>5,110</u>

Amount repayable after one year

	Group		Company	
	30.06.2018 RMB'000	31.12.2017 RMB'000	30.06.2018 RMB'000	31.12.2017 RMB'000
Loan from bank (a)	236,743	240,866	-	-
Loan from bank (a)	27,000	27,000	-	-
Loan from bank (b)	1,503	1,504	-	-
Loan from bank (b)	48,000	48,000	-	-
	<u>313,246</u>	<u>317,370</u>	<u>-</u>	<u>-</u>

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 244 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 21 million and RMB 48 million will be repayable progressively with final maturity due in year 2019 and year 2020, respectively.
- (c) The bank borrowings, which were secured over the bank deposits, were repaid in March 2018.
- (d) Loans from related parties are unsecured, interest-free and repayable on demand.

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(Co. Reg. No. 200401338W)**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	
	HY2018	HY2017
	RMB'000	RMB'000
Cash flows from operating activities		
Profit before tax	6,550	8,207
Adjustments for:		
Depreciation of plant and equipment	205	251
Amortisation of intangible assets	4	-
Exchange differences	(49)	(211)
Share in the results of an associate	80	-
Interest income	(1,446)	(688)
Interest expense	13,942	10,339
Operating profit before working capital changes	19,286	17,898
Changes in working capital:		
Contract work-in-progress	(66)	-
Inventories	(887)	-
Trade and other receivables	50,581	(223,491)
Prepayments	(41,710)	(3,629)
Trade and other payables	(7,324)	21,501
Cash used in operating activities	19,880	(187,721)
Income tax paid	(13)	(105)
Net cash from/(used in) operating activities	19,867	(187,826)
Cash flows from investing activities		
Purchase of plant and equipment	(6)	(349)
Investment in an associate	(245)	-
Purchase of intangible assets	(15)	-
Interest income received	5,947	688
Net cash from investing activities	5,681	339
Cash flows from financing activities		
Proceeds from bank borrowings	-	363,000
Repayments of bank borrowings	(340,168)	(20,000)
Decrease/(Increase) in deposits pledged for bank facilities	300,000	(190,656)
Proceeds from/(Repayments of) amount due to a director	2,751	(15)
Proceeds from amount due to affiliated company	-	2,128
Proceeds from/(Repayments of) amount due to related parties	34,476	(1,851)
Interest paid	(23,481)	(10,339)
Net cash (used in)/from financing activities	(26,422)	142,267
Net decrease in cash and cash equivalents	(874)	(45,220)
Cash and cash equivalents at beginning of period	1,263	65,477
Cash and cash equivalents at end of period	389	20,257
Cash and cash equivalents		
Cash and bank balances	389	20,257
Fixed deposits pledged for bank facilities	-	336,838
Cash and bank balances per consolidated statement of financial position	389	357,095

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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	Total RMB'000
Group						
At 1 January 2018	124,909	1,274	(68,566)	57,617	1,919	59,536
Profit for the period	-	-	3,885	3,885	-	3,885
<u>Other comprehensive income</u>						
- Foreign currency translation differences – foreign operations	-	(49)	-	(49)	-	(49)
Total comprehensive income for the period, net of tax	-	(49)	3,885	3,836	-	3,836
As at 30 June 2018	124,909	1,225	(64,681)	61,453	1,919	63,372
At 1 January 2017	124,909	1,074	(61,206)	64,777	1,919	66,696
Profit for the period	-	-	6,196	6,196	-	6,196
<u>Other comprehensive income</u>						
- Foreign currency translation differences – foreign operations	-	(211)	-	(211)	-	(211)
Total comprehensive income for the period, net of tax	-	(211)	6,196	5,985	-	5,985
As at 30 June 2017	124,909	863	(55,010)	70,762	1,919	72,681
Company						
At 1 January 2018	124,909	1,269	(120,576)	5,602	-	5,602
Loss for the period	-	-	(1,962)	(1,962)	-	(1,962)
<u>Other comprehensive income</u>						
- Foreign currency translation differences – foreign operations	-	(52)	-	(52)	-	(52)
Total comprehensive loss for the period, net of tax	-	(52)	(1,962)	(2,014)	-	(2,014)
As at 30 June 2018	124,909	1,217	(122,538)	3,588	-	3,588
At 1 January 2017	124,909	1,060	(114,391)	11,578	-	11,578
Loss for the period	-	-	(2,799)	(2,799)	-	(2,799)
<u>Other comprehensive income</u>						
- Foreign currency translation reserve	-	(197)	-	(197)	-	(197)
Total comprehensive income for the period, net of tax	-	(197)	(2,799)	(2,996)	-	(2,996)
As at 30 June 2017	124,909	863	(117,190)	8,582	-	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 2017 and 30 June 2018	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 2018	As at 31 December 2018
Total number of issued shares	246,677,796	246,677,796

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

Not applicable.

- (v) A statement showing all sales, transfers, cancellation and/or use of subsidiary holdings 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.**

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 2017 except for the adoption of accounting standards and interpretations applicable for the financial period beginning 1 January 2018. The adoption of these new/revised Singapore Financial Reporting Standards have no significant impact on the Group's financial statements. The Group's financial statements for the financial period beginning 1 January 2018 is prepared in accordance with the Singapore Reporting Standards (International) (SFRS(I)).

- 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.**

Refer to paragraph 4 above.

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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	
	HY2018	HY2017
Net profit for the period attributable to the shareholders of the Company (RMB '000)	3,885	6,196
Weighted average number of ordinary shares in issue ('000)	246,678	246,678
(a) Basic earnings per share (RMB cents)	1.57	2.51
(b) On a fully diluted basis** (RMB cents)	1.57	2.51

*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 2018 and 30 June 2017.

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	
	30.06.2018	31.12.2017	30.06.2018	31.12.2017
Net assets (RMB'000)	61,453	57,617	3,588	5,602
Net assets value per ordinary share based on issued share capital as at the end of the period reported on (RMB cents)	24.91	23.36	1.45	2.27

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 2018 and 31 December 2017 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 2018 ("HY2018") as compared to the six months ended 30 June 2017 ("HY2017").

(A) Performance Review - Overall

During the period under review, the Group's revenue and profitability for HY2018 was mainly contributed by the variation order from the installation of electrical wires and corbel for phase one of the underground utility tunnel project. The contract sum is approximately RMB 257

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million. The net profit after tax attributable to equity holders of the Company was RMB 3.9 million for HY2018 as compared to RMB 6.2 million for the corresponding period.

(B) Revenue

Revenue of RMB 26.0 million in HY2018 was derived mainly from the installation of electrical wires and corbel for phase one of the underground utility tunnel project. The significant decrease in revenue by RMB 95.1 million in HY2018 as compared to HY2017 was because the main body of the underground utility tunnel project phase one was substantially completed by 31 December 2017.

(C) Gross Profit

The increase in gross profit margin from 8.5% to 20.2% was mainly due to the maintenance income for insulation project recognised during the period.

(D) Other Profit and Loss Items

The decrease in administrative expenses of RMB 0.8 million was mainly due to effective cost controls implemented by the Company.

The finance income was mainly related to the finance income of RMB 20.0 million arising from the service concession arrangements for the insulation and underground utility tunnel projects.

Finance cost increased by RMB 3.6 million in HY2018 mainly due to increased borrowings (bank loan of RMB 285 million) in the second half of 2017 that was subsequently repaid in April 2018.

Share in the results of an associate was related to share of loss of RMB 80,000 of Zhongjieneng Shengming Intelligence Urban Construction Co., Ltd after the acquisition date.

Income tax expenses for HY2018 was mainly due to the profit generated from phase one of the underground utility tunnel project. No provision for tax has been made for income from insulation project as it was tax exempted based on the approval recently obtained from the relevant tax authorities in China.

(E) Statements of Financial Position

The investment in an associate refers to the acquisition of 49% shares of Zhongjieneng Shengming Intelligence Urban Construction Co., Ltd in March 2018 with consideration of RMB245,000.

Trade and other receivables are mainly related to the receivables from the government for the insulation and underground utility tunnel projects. The decrease in trade and other receivables by RMB 55.1 million was mainly attributable to the following reasons: (i) the receipt of the government subsidies for underground utility tunnel project phase one of RMB 47.1 million; (ii) the receipt of RMB 27.0 million from customers; (iii) the receipt of the refundable deposit of RMB 8.0 million. The decrease was partially offset by the trade receivable of RMB 26.7 million from the additional work done on the variation order of the underground utility tunnel project phase one. Receivables amounting to RMB 455.5 million was classified as non-current, as such amounts will only be received from the government after 12 months from 30 June 2018.

The increase in prepayments of RMB 41.7 million for the six months ended 30 June 2018 was mainly due to advance payments made to sub-contractors for phase one and two of the underground utility tunnel project.

The decrease in trade and other payables of RMB 14.1 million was mainly due to the settlement of balances with some suppliers during the six months ended 30 June 2018,

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which was partially offset by the additional construction costs of RMB 23.9 million incurred for HY2018.

The decrease in loans and bank borrowings by RMB 305.7 million was due mainly to the repayment of bank borrowings of approximately RMB 340.2 million during the period, which was partially offset by the increase in loan from related parties of RMB 34.5 million.

The Group's net equity attributable to the shareholders of the Company amounted to RMB 61.5 million as at 30 June 2018 (31 December 2017: RMB 57.6 million). The Group's net current liabilities position was RMB 90.8 million as at 30 June 2017 (31 December 2017: RMB 163.8 million). The Company is in a net assets position of RMB 3.6 million as at 30 June 2018 (31 December 2017: RMB 5.6 million).

(F) Statement of Cash Flows

The Group reported a net decrease in cash and bank balances of RMB 0.9 million from RMB 1.3 million as at 31 December 2017 to RMB 0.4 million as at 30 June 2018. This decrease is mainly due to net cash used in financing activities of RMB 26.4 million which is partially offset by net cash inflow from operating activities and financing activities of RMB 19.9 million and RMB 5.6 million respectively.

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 2018, works for the underground utility tunnel project (as envisioned under the original tender) have been completed. There have however been variation orders and additional works in relation to the underground utility tunnel project which would, barring unforeseen circumstances, be completed by 31 December 2018. Upon completion of the underground utility tunnel project including the variation orders, the Group will manage and operate the underground utility tunnel project over a concession period of 25 years. Additional revenue and cash flows are expected during the concession period.

Management will continuously source and tender for sustainable development projects in 2018. While 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, it is believed that the ability to obtain and/or refinance the appropriate level of financing in due course, among others, would be crucial in ensuring the smooth undertaking of such projects.

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 HY2018.

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

Not applicable.

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

No dividend was declared for HY2017.

(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 HY2018.

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

7 August 2018