



GREEN BUILD TECHNOLOGY

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

RESPONSE ANNOUNCEMENT TO THE SGX-ST QUERIES

The Board of Directors (the “**Board**”) of Green Build Technology Limited (the “**Company**”, and together with its subsidiaries, the “**Group**”) would like to clarify the queries raised by the Singapore Exchange Securities Trading Limited (the “**SGX-ST**”) on 25 August 2020 in relation to the Company’s unaudited financial results for the period ended 30 June 2020 (“**HY2020**”). The queries from the SGX-ST and the Company’s responses are as follows:

- (a) With reference to the unaudited financial statements for the period ended 30 June 2020, it is disclosed that “The increase in other income of RMB8.6 million in HY2020 was mainly due to reversal of accruals of project costs during the year.” Please explain the reason for the reversal of accruals of project costs during the year.**

Company’s response:

The amount of RMB8.6 million was related to construction costs provided for the insulation project that was completed in the financial year ended 31 December 2016 (“**FY2016**”). While the insulation project was completed in FY2016, the Group has been negotiating with a supplier since then for reductions in material costs. It was in HY2020 that the supplier and the Group came to an agreement on the material costs reduction by RMB8.6 million. Accordingly, this amount has been reversed from accruals in HY2020.

- (b) Please clarify the explanations for the increase in service concession receivables (current and non-current) from RMB 171,578,000 for the year ended 31 December 2019 to RMB 172,432,000 for the period ended 30 June 2020.**

Company’s response:

The net increase in service concession receivables (current and non-current) from RMB171,578,000 for the year ended 31 December 2019 to RMB172,432,000 for the period ended 30 June 2020 was mainly contributed by (i) the unwinding of discount on service concession receivables of RMB4.4 million and (ii) the maintenance income of RMB0.7 million, which were partially offset by subsidies of RMB4.3 million received from certain government

bodies and agencies of the PRC. The Group has since received another RMB12.4 million of government subsidies for the insulation project in August 2020.

- (c) It is disclosed on page 12 of the unaudited financial statements that, “The Group has commenced some construction work on phase two of the underground utility tunnel project. However, financing from banks for this project has been affected by the borrowing ratios of local government exceeding nationwide benchmark in the PRC. The local government is in discussions with the Group to acquire this project from the Group.” Please disclose (i) the total investment amount in this project; (ii) the implications on the Group’s financials if the project is acquired by the local government; and (iii) how the terms of acquisition would be determined.**

Company’s response:

- (i) As at 30 June 2020, the total investment amount in phase two of the underground utility tunnel project (“**Phase Two**”) is approximately RMB49.5 million.
- (ii) As at the date of this announcement, the discussions with the local government on the local government’s acquisition of Phase Two is still ongoing. The terms of the acquisition of Phase Two by the local government has not been finalised and, accordingly, it may be premature to currently quantify the related implications on the Group’s financials. The Company will provide an update via SGXNET on both queries (ii) and (iii) above upon the finalisation of the terms of acquisition.

By Order of the Board

Wu Xueying

Chief Executive Officer and Executive Director
27 August 2020