



GREEN BUILD TECHNOLOGY

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

RESPONSE ANNOUNCEMENT TO 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 26 March 2024 with reference to the Company’s announcement of 25 March 2024 titled “Disclaimer of opinion by the independent auditor’s on the audited financial statements for the financial year ended 31 December 2023” (the “**Announcement**”). The queries from the SGX-ST and the Company’s responses are as follows:

We refer to the Company’s announcement on 25 March 2024, titled “Auditor’s Comments of Accounts” (the “Announcement”).

We note that the Company’s external auditors issued a Disclaimer of Opinion in its Independent Auditor’s Report dated 25 March 2024 in relation to the Group’s financial statements for the financial year ended 31 December 2023 (“FY2023”) and the basis for Disclaimer of Opinion includes (1) Appropriateness of the going concern assumption; and (2) Limitation of scope – discontinued operations and disposal group classified as held-for-sale.

1. Please disclose the following:

- (a) The Board of Directors’ assessment of the Group’s ability to operate as a going concern and the bases for the said assessment;**
- (b) The Board of Directors’ opinion as to whether trading of the Company’s shares should be suspended pursuant to Listing Rule 1303(3); and**
- (c) The Board of Directors’ confirmation as to whether sufficient information has been disclosed to enable trading of the Company’s shares to continue in an orderly manner and the bases for its views.**

Company’s Response:

- (a) With reference to Note 3 to the financial statements for the financial year ended 31 December 2023, the Board is of the opinion that the Company and the Group are able to continue as a going concern. The basis of the Board’s opinion is as follows:**
 - (i) Following the disposal of the discontinued operations, the excess of current liabilities over current assets of the continuing operations has been reduced to RMB6.2 million as at 31 December 2023. This is significantly lower in comparison with the Group’s excess of current liabilities over current assets of RMB97.9 million as at 31 December 2022. The Group has also recorded a gain on disposal of discontinued operations of RMB93.4 million in the financial year ended 31 December 2023.**
 - (ii) Sourcing and procuring of new business and projects similar to the Group’s existing business to increase revenue stream.**

- (iii) Looking to capital markets to explore fundraising opportunities to strengthen its cash and financial position and in this regard have been in discussion with potential investors who have shown keen interest in investing into the Company.
- (iv) The cash flow projection for the 16-month period from 31 December 2023 (being the financial year end of the Company) that has been prepared and approved by management confirms that the continuing operations of the Group and the Company are able to meet their debts and obligations during the said 16-month forecast period. The key assumptions for the said 16-month cash flow projection are as follows:

Projected cash inflows:

Expected future cash flows to be received by the continuing operations of the Group.

Projected cash outflows:

- (1) Expected payments of key trade and other payables; and
 - (2) Expected payments of operating expenses and maintenance costs.
- (b) In view of the Board's response to query (a) above, the Board is of the considered opinion that the trading in the Company's shares should not be suspended pursuant to Rule 1303(3).
 - (c) The Board is of the view that sufficient information has been disclosed to enable trading of the Company's shares to continue in an orderly manner. The Board is not aware of any material information that requires disclosure but remains undisclosed as of the date of this announcement. The Company will update shareholders as and when there are any material developments which require the necessary disclosure under the Listing Manual of the SGX-ST.
2. **It is disclosed in the Announcement that, "Due to the change in ownership after the disposal, the management does not have any access to the books and records of the disposed subsidiaries. During the course of audit, we were unable to obtain sufficient appropriate audit evidence for the purpose of verification of the profit or loss generated from the discontinued operations and the gain on disposal of the discontinued operations."**

It is noted in the Company's announcement dated 5 October 2023 entitled, "Response announcement to SGX-ST queries", that "The Company would therefore need to write to the purchaser to request that they liaise with the aforesaid parties to obtain the relevant confirmations, and this process is expected to take some time. However, as at the date of the independent auditor's report dated 11 July 2023, such confirmations remained unavailable."

Please disclose the Company's efforts in obtaining the documents required by the auditors and explain why the Company did not retain the records of the disposed subsidiaries.

Company's Response:

As disclosed in the announcement dated 5 October 2023, following the completion of the sale of the disposal group, the Company is no longer the legal owner of the disposal group and is no longer in the position to liaise directly with the lawyers, banks, related parties and third parties to obtain the relevant documents and confirmations required by the auditors for the purpose of their audit.

The following efforts have been made by the Company to request for the books and records required by the auditors for the audit of the disposed subsidiaries in FY2023:

- (a) Following the completion of the sale of the disposal group on 24 May 2023, management continued to liaise with the purchaser to request for the documents of the disposed subsidiaries for the purposes of the Group's statutory audit. However, as the books and records of the disposed subsidiaries contained confidential information relating to projects with the Harbin

Municipal People's Government, the purchaser informed management that it would be unable to disclose such documents unless the written consent of the relevant government authorities in the People's Republic of China ("**PRC**") had been obtained.

- (b) Despite management's best efforts to follow up with the purchaser up to the finalisation of the Independent Auditor's Report for FY2023, management did not receive any concrete response from the purchaser as to whether the consent of the relevant government authorities for the disclosure of such documents had been obtained.
- (c) To ensure the Company's compliance with its reporting obligations under the Listing Manual of the SGX-ST, the Board was of the view that the statutory audit for FY2023 would need to be completed latest by end February 2024 to ensure that the Company is able to release its annual report and conduct its annual general meeting for FY2023 in a timely manner. As such, the Company ultimately reached an understanding with the auditors that a disclaimer of opinion would need to be issued in relation to the Group's audited accounts for FY2023 since the records and books of the disposed subsidiaries could not be obtained from the purchaser before the finalisation of the Group's audited accounts.

As the Company is no longer the legal owner of the disposal group, it would not be in the position to retain the books and records of the disposed subsidiaries. The books and records of the disposed subsidiaries would form part of the proprietary information to be transferred to the purchaser upon completion of the sale, and the Company would not be entitled to retain copies of such documents of its disposed subsidiaries.

For the reasons above, the Company was not able to provide the books and records of the disposed subsidiaries required by the auditors for the purpose of their audit.

By Order of the Board

Li Mingyang
Chairman and Executive Director of the Board
28 March 2024