



## GREEN BUILD TECHNOLOGY

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

---

### RESPONSE TO SINGAPORE EXCHANGE SECURITIES TRADING LIMITED'S QUERIES WITH EFFECT FROM 20 AUGUST 2019

---

The Board of Directors (the “**Board**”) of Green Build Technology Limited (the “**Company**” and its subsidiaries, collectively the “**Group**”) wishes to respond to queries raised by the Singapore Exchange Securities Trading Limited (“**SGX-ST**”) on 20 August 2019 in relation to the unaudited results for the six-month period ended 30 June 2019 (“**HY2019**”). The queries from the SGX-ST and the Company's responses are as follows:

#### SGX Query 1

**With reference to the unaudited financial statements for the period ended 30 June 2019, please provide a breakdown of trade and other payables and further elaboration for the decrease in trade and other payables from RMB375,434,000 for the year ended 31 December 2018 to RMB235,370,000 for the period ended 30 June 2019.**

	30.06.2019	31.12.2018
	RMB'000	RMB'000
Trade payables	174,314	311,175
Other payables and accrued operating expenses	50,060	55,432
Non-trade amount due to a director	10,996	8,827
<b>Total</b>	<b>235,370</b>	<b>375,434</b>

The decrease in trade and other payables of RMB 140.1 million was mainly due to the settlement of trade and other payables pertaining to, among others, (i) suppliers of phase one of the underground utility tunnel project of RMB 84.8 million, (ii) suppliers of phase two of the underground utility tunnel project of RMB 5.8 million, (iii) suppliers of insulation project of RMB 10.1 million, and (iv) suppliers of materials trading business of RMB 36.4 million, which was partially offset by the increase in non-trade amount due to a director in HY2019.

#### SGX Query 2

**Please provide an explanation for the increase in bank loans from 31 December 2018 to 30 June 2019.**

The increase in bank loans from 31 December 2018 to 30 June 2019 was attributable to a new long-term loan with principal sum of RMB 564.0 million with final maturity in 2041 obtained in HY2019. This loan was used to refinance term loans of RMB 285.9 million and to repay other borrowings amounting to RMB 65.8 million with the remaining loan proceeds disbursed for the construction of the underground utility tunnel project and working capital needs.

### **SGX Query 3**

**It is noted that the Group is in a net current liabilities position of RMB146.2M as at 30 June 2019 and has net cash flows used in operating activities of RMB197M for 1H2019. In this regard, please provide the Board's opinion and the bases for its views, on the following:-**

- (i) The ability of the Group and the Company in meeting its short term debt obligations as and when they fall due; and**
- (ii) The ability of the Group and the Company to operate as going concerns.**

Barring any unforeseen circumstances, the Group expects cash inflows pursuant to service concession agreements from certain government bodies and agencies of the People's Republic of China for the following projects:

- (1) RMB 30.0 million upon the expected completion of phase one of the underground utility project in the financial year ending 2019 ("**FY2019**"); and
- (2) RMB 45.0 million in relation to the completed insulation project for FY2019.

In addition, certain related parties (entities in which the executive chairman has substantial financial interests) have agreed to unconditionally provide continuous financial assistance to the Group for a period of not less than twelve months from 7 May 2019 to enable it to meet its obligations and to carry on its business (please refer to Note 3 of 2018 Annual Report).

The net current liabilities of the Group had reduced by RMB167.6 million from RMB313.8 million as at 31 December 2018 to RMB146.2 million as at 30 June 2019.

Given the above, the management of the Group believes that the use of the going concern assumption in the preparation and presentation of the financial statements for the unaudited results for the six-month period ended 30 June 2019 is appropriate.

### **SGX Query 4**

**Please provide further elaboration on the nature of forgiveness of non-trade balance by a shareholder of RMB3,509,000 as disclosed under the statement of changes in equity.**

In view of the financial position of the Company, the management had approached a substantial shareholder of the Company and he had agreed to provide continued financial support to the Group on an interest free basis, and by partially waiving and forgiving non-trade balances owed to him by the Company amounting to RMB 3,509,000. No benefits were provided to the substantial shareholder by the Company for the forgiveness of non-trade balances.

### **SGX Query 5**

**Paragraph 5 of Appendix 7.2 Financial Statements and Dividend Announcement states that in the case of half-year and full year announcements, issuers must present the following statements in the form presented in the issuer's most recently audited annual financial statements:**

**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.**

**Please elaborate on the new standards disclosed under Paragraph 5 of Appendix 7.2.**

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 2018. The new or revised accounting standards and interpretations (such as SFRS(I) 16

Leases) that were effective or applicable for annual reporting period beginning on 1 January 2019 have no significant impact on the Group's financial statements.

**SGX Query 6**

It is stated on page 11 of the Company's results announcement:- "No dividend has been declared for HY2019." Paragraph 12 of Appendix 7.2 of the SGX-ST Listing Manual on Financial Statements and Dividend Announcement states:- "If no dividend has been declared (recommended), a statement to that effect and the reason(s) for the decision." As such, please provide the reason(s) why no dividend has been declared/recommended for the current period reported on.

No dividend has been declared for HY2019 so as to conserve resources to fund current projects and future potential sustainable development projects.

By Order of the Board

**Wu Xueying**

Chief Executive Officer and Executive Director  
22 August 2019