



GREEN BUILD TECHNOLOGY

GREEN BUILD TECHNOLOGY LIMITED

(Incorporated in the Republic of Singapore)

(Company Registration No.: 200401338W)

DISCLAIMER OF OPINION BY THE INDEPENDENT AUDITOR'S ON THE AUDITED FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

In compliance with Rule 704(5) of the Singapore Exchange Securities Trading Limited Listing Manual, the Board of Directors of Green Build Technology Limited (the "**Company**", together with its subsidiaries, the "**Group**") wishes to inform that the independent auditor of the Company, Baker Tilly TFW LLP (the "**Independent Auditor**"), has issued a disclaimer of opinion in its Independent Auditor's Report dated 25 March 2024 (the "**Independent Auditor's Report**") in relation to the Group's financial statements for the financial year ended 31 December 2023 ("**FY2023**") (the "**Audited Financial Statements**").

The basis for the disclaimer of opinion is set out in the Independent Auditor's Report, an extract of which is annexed hereto for further details.

An extract of Note 7, Note 27 and the relevant portions of Note 3 and Note 10 to the FY2023 Audited Financial Statements is also annexed to this announcement.

Shareholders of the Company are advised to read this announcement in conjunction with the Independent Auditor's Report, the Audited Financial Statements and the Company's annual report for FY2023, which will be announced on SGXNET and the Company website, as well as despatched to shareholders in due course.

By Order of the Board

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

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF
GREEN BUILD TECHNOLOGY LIMITED**

Report on the Audit of the Financial Statements

Disclaimer of Opinion

We were engaged to audit the accompanying financial statements of Green Build Technology Limited (the "Company") and its subsidiaries (the "Group") as set out on pages 41 to 95, which comprise the statements of financial position of the Group and of the Company as at 31 December 2023, and the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows of the Group and the statement of changes in equity of the Company for the financial year then ended, and notes to the financial statements, including material accounting policy information.

We do not express an opinion on the accompanying consolidated financial statements of the Group and the statement of financial position and statement of changes in equity of the Company. Because of the significance of the matters described in the *Basis for Disclaimer of Opinion* section of our report, we have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on these financial statements.

Basis for Disclaimer of Opinion

(1) Appropriateness of the going concern assumption

As disclosed in Note 3 to the financial statements with respect to the Group's and the Company's ability to continue as going concerns, the Group's and the Company's current liabilities exceeded the current assets by RMB6,217,000 and RMB8,455,000 respectively as at 31 December 2023. During the financial year ended 31 December 2023, the Group generated a net loss from continuing operations of RMB1,934,000 and the Company incurred a net loss of RMB2,528,000. These factors indicate the existence of material uncertainties that may cast significant doubt on the ability of the Group and the Company to continue as going concerns.

In the preparation of the financial statements, the Board of Directors of the Company believes that the use of going concern assumption is appropriate after taking into consideration of the factors as disclosed in Note 3 to the financial statements. However, as these factors are dependent on certain assumptions and the outcomes are inherently uncertain, we are unable to obtain sufficient appropriate audit evidence to conclude as to the appropriateness of the use of the going concern assumption in the preparation of these financial statements. Consequently, we are unable to determine whether any adjustments in respect of these financial statements for the financial year ended 31 December 2023 are necessary.

The financial statements did not include any adjustments that may result in the event that the Group and the Company are unable to continue as going concerns. In the event that the Group and the Company are unable to continue in operational existence for the foreseeable future, the Group and the Company may be unable to realise their assets and discharge their liabilities in the ordinary course of business and adjustments may have to be made to reflect the situation that assets may need to be realised other than in the ordinary course of business and at amounts which could differ significantly from the amounts at which they are currently recorded in the statements of financial position. In addition, the Group and the Company may have to provide for further liabilities that may arise and reclassify the non-current assets to current assets. No such adjustments have been made to the financial statements.

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF
GREEN BUILD TECHNOLOGY LIMITED (cont'd)**

Report on the Audit of the Financial Statements (cont'd)

Basis for Disclaimer of Opinion (cont'd)

(2) Limitation of scope – discontinued operations and disposal group classified as held-for-sale

As disclosed in Note 7 to the financial statements, the disposal of the discontinued operations has been completed during the year. The Group recorded profit from discontinued operations amounted to RMB467,000 and a gain on disposal of the discontinued operations amounted to RMB93,429,000 for the financial year ended 31 December 2023. 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. Consequently, we are unable to satisfy ourselves with regards to the recording and measurement of all transactions that occurred during the financial year up to date of completion of disposal, including but not limited to the items described below:

- (i) the profit from discontinued operations (net of tax) of RMB467,000 as disclosed in Note 7 to the financial statements;
- (ii) the gain on disposal of discontinued operations of RMB93,429,000;
- (iii) the basic and diluted earnings/(loss) per share attributable to equity holders of the Company for profit/(loss) from discontinued operations as disclosed in Note 8 to the financial statements;
- (iv) the cash flows effects of the discontinued operations to the consolidated statement of cash flows of the Group as disclosed in Note 7 to the financial statements;
- (v) the disclosure of related party information relating to disposal group; and
- (vi) the disclosure of segment information relating to the disposal group.

Further to the above, as disclosed in Note 27 to the financial statements, we have issued a disclaimer of opinion on, among others, the assets and liabilities balances of discontinued operations and disposal group classified as held-for-sale at 31 December 2022. Since the opening balances as at 1 January 2023 affect the determination of the current financial year's consolidated profit or loss, we are unable to determine whether any adjustments might have been necessary in respect to the gain of disposal of discontinued operations recorded by the Group, and the related disclosures, for the financial year ended 31 December 2023.

Responsibilities of Management and Directors for the Financial Statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the provisions of the Companies Act 1967 (the "Act") and Singapore Financial Reporting Standards (International) ("SFRS(I)"), and for devising and maintaining a system of internal accounting controls sufficient to provide a reasonable assurance that assets are safeguarded against loss from unauthorised use or disposition; and transactions are properly authorised and that they are recorded as necessary to permit the preparation of true and fair financial statements and to maintain accountability of assets.

Extracted from the Independent Auditor's Report to the Audited Financial Statements of Green Build Technology Limited for FY2023

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF
GREEN BUILD TECHNOLOGY LIMITED (cont'd)**

Report on the Audit of the Financial Statements (cont'd)

Responsibilities of Management and Directors for the Financial Statements (cont'd)

In preparing the financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The directors' responsibilities include overseeing the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our responsibility is to conduct an audit of the consolidated financial statements of the Group and the statement of financial position and statement of changes in equity of the Company in accordance with Singapore Standards on Auditing and to issue an auditor's report. However, because of the matters described in the *Basis for Disclaimer of Opinion* section of our report, we were not able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on these financial statements.

We are independent of the Group in accordance with the Accounting and Corporate Regulatory Authority ("ACRA") *Code of Professional Conduct and Ethics for Public Accountants and Accounting Entities* ("ACRA Code") together with the ethical requirements that are relevant to our audit of the financial statements in Singapore, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ACRA Code.

Report on Other Legal and Regulatory Requirements

In our opinion, in view of the significance of the matters described in the *Basis for Disclaimer of Opinion* section of our report, we do not express an opinion on whether the accounting and other records required by the Act to be kept by the Company and by those subsidiary corporations incorporated in Singapore of which we are the auditors have been properly kept in accordance with the provisions of the Act.

The engagement partner on the audit resulting in this independent auditor's report is Ong Kian Guan.

Baker Tilly TFW LLP
Public Accountants and
Chartered Accountants
Singapore

25 March 2024

GREEN BUILD TECHNOLOGY LIMITED AND ITS SUBSIDIARIES

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2023

3 Critical accounting judgements and key sources of estimation uncertainty

Estimates, assumptions concerning the future and judgements are made in the preparation of the financial statements. They affect the application of the Group's accounting policies, reported amounts of assets, liabilities, income and expenses, and disclosures made. They are assessed on an on-going basis and are based on experience and relevant factors, including expectations of future events that are believed to be reasonable under the circumstances.

Critical judgements in applying the Group's accounting policies

In the process of applying the Group's accounting policies, which are described in Note 2, management has made the following judgements that have the most significant effect on the amounts recognised in the financial statements (apart from those involving estimations):

Going concern assumption

As at 31 December 2023, the Group's and the Company's current liabilities exceeded the current assets by RMB6,217,000 and RMB8,455,000 (2022: RMB97,853,000 and RMB7,478,000) respectively. During the financial year ended 31 December 2023, the Group generated a net loss from continuing operations of RMB1,934,000 (2022: net loss of RMB3,665,000) and the Company incurred a net loss of RMB2,528,000 (2022: net loss of RMB4,370,000). These factors indicate the existence of material uncertainties that may cast significant doubt on the ability of the Group and the Company to continue as going concerns.

Nevertheless, the Board of Directors of the Company believes that the use of the going concern assumption in the preparation and presentation of the financial statements for the financial year ended 31 December 2023 is appropriate after taking into consideration the following factors:

- (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.

The financial statements have been prepared on the assumptions that the Group and the Company will continue as going concerns. In the event that the Group and the Company are unable to continue in operational existence for the foreseeable future, the Group and the Company may be unable to realise their assets and discharge their liabilities in the ordinary course of business and adjustments may have to be made to reflect the situation that assets may need to be realised other than in the ordinary course of business and at amounts which could differ significantly from the amounts at which they are currently recorded in the statements of financial position.

In addition, the Group and the Company may have to provide for further liabilities that may arise and reclassify the non-current assets to current assets. No such adjustments have been made to the financial statements.

7 Discontinued operations and disposal group classified as held-for-sale

In the previous financial year, on 1 December 2022, the Company entered into a sale and purchase agreement with Special Opportunities Pte. Ltd. to dispose of its 100% equity interest in GBT Investments Pte. Ltd. and Future City Development and Management Grp Pte. Ltd., (which are previously from the insulation, underground utility tunnel, project management and materials trading business units) (collectively known as “Disposal group”) for a total consideration of SGD180,000 (equivalent to RMB938,000) (the “disposal”).

The entire assets and liabilities of the Disposal group have been presented in the statements of financial position as Disposal group held-for-sale and its results from Disposal group are presented separately on consolidated statement of profit or loss and other comprehensive income as “discontinued operations”.

The disposal has been completed during the financial year, on 24 May 2023. As at the date of disposal, the Disposal group’s liabilities exceeded its assets amounted to RMB92,533,000 and the Group recorded a gain on disposal of the disposal group of RMB93,429,000 during the current financial year.

(i) The analysis of the profit/(loss) from discontinued operations are as follows:

		Group	
	Note	1.1.2023 to 24.5.2023 RMB’000	2022 RMB’000
Revenue	(a)	1,769	5,940
Cost of sales		(986)	(1,842)
Gross profit		783	4,098
Other income		–	37
Unwinding of discount on service concession receivables and contract assets		19,618	50,803
Expenses			
Administrative expenses		(574)	(4,465)
Impairment losses on service concession receivables		(2,000)	(168,116)
Impairment losses on prepayments		–	(2,900)
Interest expenses on borrowings		(16,961)	(38,505)
Profit/(Loss) before tax from discontinued operations	(b)	866	(159,048)
Income tax expense		(399)	(2,626)
Profit/(Loss) from discontinued operations, net of tax		467	(161,674)
Gain on disposal of discontinued operations (Note 10)		93,429	–
		93,896	(161,674)

7 Discontinued operations and disposal group classified as held-for-sale (cont'd)

(i) The analysis of the (loss)/profit from discontinued operations are as follows (cont'd):

(a) Revenue

	Group	
	1.1.2023 to 24.5.2023 RMB'000	2022 RMB'000
Operation revenue	1,769	5,940

(b) Profit/(loss) before tax from discontinued operations

	Group	
	1.1.2023 to 24.5.2023 RMB'000	2022 RMB'000
Audit fees payable/paid to independent auditor of the Company	–	24
Audit fees payable/paid to other auditors*	–	182
Impairment losses on service concession receivables	2,000	168,116
Impairment losses on prepayments	–	2,900
Depreciation of property, plant and equipment	33	146
Staff costs (inclusive of directors' remuneration):		
- Salaries and bonuses	483	965
- Defined contribution plans	151	302
	634	1,267

* Includes independent overseas member firms of the Baker Tilly International network.

(ii) The impact of the discontinued operations on the cash flows of the Group is as follows:

	Group	
	1.1.2023 to 24.5.2023 RMB'000	2022 RMB'000
Operating cash flows	9,702	16,673
Financing cash flows	(3,688)	(20,566)
Total cash flows	6,014	(3,893)

7 Discontinued operations and disposal group classified as held-for-sale (cont'd)

(iii) Details of disposal group classified as held-for-sale are as follows:

	Group 2022 RMB'000
Assets directly associated with disposal group classified as held-for-sale:	
Property, plant and equipment	176
Intangible assets (Note 19)	1,072
Investment in associated company	248
Service concession receivables (Note 20)	705,088
Contract assets (Note 20)	49,077
Prepayments	4,982
Trade and other receivables	28,892
Cash and cash equivalents	2,158
	791,693
Liabilities directly associated with disposal group classified as held-for-sale:	
Borrowings	573,366
Trade and other payables	283,528
Contract liabilities (Note 21)	581
Tax payable	25,299
	882,774
Reserve directly associated with disposal group classified as held-for-sale:	
Currency translation reserve	42

In 2023, the reserve attributable to disposal group classified as held-for-sale amounting to RMB42,000 has been reclassified to profit or loss upon the completion of disposal.

(iv) The segment information of discontinued operations is disclosed in Note 23.

(v) Reconciliation of movements of liabilities to cash flows arising from financing activities:

	Loans from banks RMB'000	Loans from related parties RMB'000	Total RMB'000
Group			
Balance at 1.1.2023	568,500	4,866	573,366
Non-cash changes			
- Interest expense	2,415	-	2,415
Changes from financing cash flows:			
- Repayments	(500)	(773)	(1,273)
- Interest paid	(2,415)	-	(2,415)
Balance at 24.5.2023	568,000	4,093	572,093

10 Investments in subsidiaries

(d) Disposal of subsidiaries

On 24 May 2023, the Group completed the disposal of disposal group to a third party. The disposal consideration received was SGD180,000 (equivalent to RMB938,000). The completion of the disposal resulted in a gain on disposal of RMB93,429,000 to the Group and included in result of gain from discontinued operations. Upon the completion of disposal, the disposal group ceased to be subsidiaries of the Group.

The consolidated assets and liabilities of the disposal group as at the completion date of disposal were as follows:

	Group 2023 RMB'000
Assets	
Property, plant and equipment	143
Intangible assets	1,072
Investment in associated company	248
Service concession receivables	712,002
Contract assets	49,077
Prepayments	4,070
Trade and other receivables	28,575
Cash and cash equivalents	8,172
	<hr/> 803,359
Liabilities	
Borrowings	572,093
Trade and other payables	297,520
Contract liabilities	581
Tax payable	25,698
	<hr/> 895,892
Gain on disposal of subsidiaries:	
Consideration received, satisfied by cash	938
Less: Net liabilities	(92,533)
Less: Reclassification of cumulative translation reserve	42
	<hr/> 93,429
Gain from disposal of subsidiaries	<hr/> 93,429
Net cash outflow due to disposal of subsidiaries	<hr/> (7,234)

27 Basis for disclaimer of opinion on the financial statements for the financial year ended 31 December 2022

The independent auditor's report dated 11 July 2023 expressed a disclaimer of opinion on the financial statements for the financial year ended 31 December 2022. The extract of the basis for disclaimer of opinion is as follows:

(1) Appropriateness of the going concern assumption

As disclosed in the financial statements with respect to the Group's and the Company's ability to continue as going concerns, the Group's and the Company's current liabilities exceeded the current assets by RMB97,853,000 and RMB7,478,000 (2021: RMB164,258,000 and RMB4,411,000) respectively as at 31 December 2022. During the financial year ended 31 December 2022, the Group and the Company incurred a net loss of RMB165,339,000 and RMB4,370,000 (2021: net profit of RMB5,004,000 and net loss of RMB2,560,000) respectively. These factors indicate the existence of material uncertainties that may cast significant doubt on the ability of the Group and the Company to continue as going concerns.

In the preparation of the financial statements, the Board of Directors of the Company believes that the use of going concern assumption is appropriate after taking into consideration of the factors as disclosed in the financial statements. However, as these factors are dependent on certain assumptions and the outcomes are inherently uncertain, we are unable to obtain sufficient appropriate audit evidence to conclude as to the appropriateness of the use of the going concern assumption in the preparation of these financial statements. Consequently, we are unable to determine whether any adjustments in respect of these financial statements for the financial year ended 31 December 2022 are necessary.

The financial statements did not include any adjustments that may result in the event that the Group and the Company are unable to continue as going concerns. In the event that the Group and the Company are unable to continue in operational existence for the foreseeable future, the Group and the Company may be unable to realise their assets and discharge their liabilities in the ordinary course of business and adjustments may have to be made to reflect the situation that assets may need to be realised other than in the ordinary course of business and at amounts which could differ significantly from the amounts at which they are currently recorded in the statements of financial position. In addition, the Group and the Company may have to provide for further liabilities that may arise. No such adjustments have been made to the financial statements.

(2) Limitation of scope - discontinued operations and disposal group classified as held-for-sale

As disclosed in the financial statements, the assets and liabilities directly associated to the disposal group classified as held-for-sale amounted to RMB791,693,000 and RMB882,774,000 respectively. During the course of audit, we were unable to obtain sufficient appropriate audit evidence such as certain confirmations from the lawyers, banks, related parties and third parties and supporting documents for verification of certain balances and transactions. We were also unable to carry out the necessary audit procedures to complete the review of subsequent events of the disposal group from 31 December 2022 up to the date of this report. Consequently, we are unable to satisfy ourselves with regards to the recording and measurement of all transactions that occurred during the financial year ended 31 December 2022 and whether the assets and liabilities are complete and fairly stated as at 31 December 2022 (as disclosed in Note 7 to the financial statements), including but not limited to the items described below:

- (i) the loss from discontinued operations (net of tax) of RMB161,674,000 and assets and liabilities directly associated to the disposal group classified as held-for-sale as disclosed in Note 7 to the financial statements;
- (ii) the basic and diluted loss per share attributable to equity holders of the Company for loss from discontinued operations as disclosed in Note 8 to the financial statements;

27 Basis for disclaimer of opinion on the financial statements for the financial year ended 31 December 2022 (cont'd)

- (iii) the reasonableness and appropriateness of expected credit loss recognised in the consolidated profit or loss and disclosures of credit risk related to the service concession receivables and contract assets as disclosed in Note 13 to the financial statements;
- (iv) any gain or loss to be recognised on the remeasurement of the disposal group classified as held-for-sale;
- (v) the cash flows effects of the discontinued operations to the consolidated statement of cash flows of the Group as disclosed in Note 7 to the financial statements;
- (vi) the disclosure of related party information relating to disposal group; and
- (vii) the disclosure of segment information relating to the disposal group.

Further to the above, the loss from discontinued operations (net of tax) included in the consolidated statement of profit or loss and other comprehensive income of the Group for the financial year ended 31 December 2022 of RMB161,674,000 includes impairment losses on service concession receivables amounted to RMB168,116,000. As disclosed in the financial statements, we have issued a disclaimer of opinion on the expected credit loss assessment of service concession receivables and contract assets for the financial year ended 31 December 2021. Since the opening balances as at 1 January 2022 affect the determination of the current financial year's consolidated profit or loss, we are unable to determine whether any adjustments might have been necessary in respect to the impairment losses on service concession receivables recorded by the Group, and the related disclosures, for the financial year ended 31 December 2022.