

Green Build Technology Limited and its Subsidiaries

Independent auditor's report For the financial year ended 31 December 2015

Independent auditor's report to the members of Green Build Technology Limited

Report on the financial statements

We have audited the accompanying financial statements of Green Build Technology Limited (the "Company") and its subsidiaries (the "Group") set out on pages 6 to 76, which comprise the balance sheets of the Group and of the Company as at 31 December 2015, the statements of changes in equity of the Group and the consolidated income statement, consolidated statement of comprehensive income and consolidated statement of cash flow of the Group for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's responsibility 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 Singapore Companies Act, Chapter 50 (the "Act") and Singapore Financial Reporting Standards, 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.

Auditor's responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Singapore Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements of the Group and the balance sheet of the Company are properly drawn up in accordance with the provisions of the Act and Singapore Financial Reporting Standards so as to give a true and fair view of the financial position of the Group and of the Company as at 31 December 2015 and of the financial performance, changes in equity, and cash flows of the Group for the year ended on that date.

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Emphasis of Matter

We draw attention to Note 2.1 to the financial statements. For the year ended 31 December 2015, the Group's cash flow from operating activities is a net outflow of RMB 18.6 million. As at 31 December 2015, the Group has cash and cash equivalents of only RMB 0.6 million and loans and borrowings of RMB 103.3 million. This indicates the existence of a material uncertainty which may cast significant doubt about the Group's ability to continue as going concern. The Group's ability to continue as going concern depends on continuing support from the Group's banker, the ability to secure cash receipts from its ongoing projects and undertakings from related parties not to recall the amounts due to them, until cash flows permit.

If the Group is unable to continue in operation existence for the foreseeable future, the Group may be unable to discharge their liabilities in the normal 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 normal course of business and at amounts which could differ significantly from the amounts at which they are currently recorded in the Group's balance sheets as at 31 December 2015. In addition, the Group may have to reclassify non-current assets and liabilities as current assets and liabilities respectively. No such adjustments have been made to these financial statements.

Our opinion is not qualified in respect of this matter.

Report on other legal and regulatory requirements

In our opinion, the accounting and other records required by the Act to be kept by the Company and by that subsidiary corporation incorporated in Singapore have been properly kept in accordance with the provisions of the Act.

Ernst & Young LLP
Public Accountants and
Chartered Accountants
Singapore
1 April 2016

Green Build Technology Limited and its Subsidiaries

Notes to the financial statements For the financial year ended 31 December 2015

(In Chinese Renminbi)

1. Corporate information

Green Build Technology Limited (the "Company") was incorporated on 6 February 2004 and is domiciled in Singapore under the Companies Act, Chapter 50 as a private company limited by shares under the name "Youcan Foods International Pte. Ltd.". On 6 October 2004, the Company converted to a public limited company and changed its name to "Youcan Foods International Limited". The Company is listed on the Singapore Exchange Securities Trading Limited. The name was changed from "Youcan Foods International Limited" to "Youyue International Limited" with effect from 2 August 2012 and was further changed to its current name with effect from 3 October 2014.

The registered office and principal place of business of the Company is located at 9 Temasek Boulevard, #09-01, Suntec Tower Two, Singapore 038989.

The principal activity of the Company is investment holding. The principal activities of the subsidiaries are disclosed in Note 11 to the financial statements.

2. Summary of significant accounting policies

2.1 Basis of preparation

The consolidated financial statements of the Group and the balance sheet of the Company have been prepared in accordance with Singapore Financial Reporting Standards ("FRS").

The financial statements have been prepared on a historical cost basis, except as disclosed in the accounting policies below.

The financial statements of the Group and the Company are presented in Chinese Renminbi ("RMB") and all values are rounded to the nearest thousand ('000) except when otherwise indicated.

For the year ended 31 December 2015, the Group's cash flow from operating activities is a net outflow of RMB 18.6 million. As at 31 December 2015, the Group has cash and cash equivalents of only RMB 0.6 million and loans and borrowings of RMB 103.3 million. This indicates the existence of a material uncertainty which may cast significant doubt about the Group's ability to continue as going concern. The Group's ability to continue as going concern depends on continuing support from the Group's banker, the ability to secure cash receipts from its ongoing projects and undertakings from related parties not to recall the amounts due to them, until cash flows permit.

If the Group is unable to continue in operation existence for the foreseeable future, the Group may be unable to discharge their liabilities in the normal 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 normal course of business and at amounts which could differ significantly from the amounts at which they are currently recorded in the Group's balance sheets as at 31 December 2015. In addition, the Group may have to reclassify non-current assets and liabilities as current assets and liabilities respectively. No such adjustments have been made to these financial statements.