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 May 2023 with reference to the Company's announcement on 12 May 2023 titled "Financial Statements and Related Announcement: First Quarter Results" ("**Announcement**"). Unless otherwise defined, all capitalised terms used herein shall bear the same meaning ascribed to it in the Announcement. The queries from the SGX-ST and the Company's responses are as follows:

SGX-ST queries:

1. **As at 31 March 2023, with respect to continued operations, the Group has net current liabilities of RMB 8.3 million with cash and cash equivalents of RMB 945,000.**

   Please disclose the pro-active actions which management plans to take to ensure that the Group's financial position remains strong.

   (i) Please assess the Company's ability to operate as a going concern.
   (ii) Please assess the Company's ability to meet its debt covenants (if any).
   (iii) Please assess the Company's ability to meet its short-term obligations when they fall due.

   Company's Response:

   (A) Pro-active actions:

   The pro-active actions which management plans to take to ensure that the Group's financial position remains strong includes, but is not limited to the following:

   (i) strengthen the Company's cash position by raising funds either through a capital market exercise (such as share placements or rights issue) and/or discussions with financial institutions and/or potential investors to obtain loans;
   (ii) engaging with the Group's customer to manage the collection of outstanding trade receivables under its existing service contract;
   (iii) actively procuring new consulting and management projects for the Continuing Operations; and
   (iv) exploring other revenue streams so as to strengthen the Group's revenue position.

   (B) Assessment of the Company:

(i) The Board believes that the Company is able to operate as a going concern on the following basis:

(a) the Company has secured fundings from loans of approximately RMB 3.1 million from two lenders for working capital purposes and for investment in hotel management businesses in Singapore; and

(b) the projected cashflow from the Continuing Operations is sufficient to meet its obligations within 12 months from the date of this Announcement.

(ii) There are no debt covenants for loans and/or borrowings secured by the Continuing Operations.

(iii) For the reasons provided above in paragraphs B(i) and (ii) of this Announcement, the Company is able to meet its short-term obligations as and when it falls due.

2. It is disclosed in the Company's unaudited financial statements that, the Disposal Group has recorded impairment losses for service concession receivables of RMB 60.4 million in FY2022 and an additional impairment losses for service concession receivables arising from Phase One Tunnel by RMB 100 million in FY2022. It is further disclosed that in 1Q2023, impairment losses of RMB 2 million was provided by the Disposal Group for the Insulation Project.

Please disclose the Board's opinion on the reasonableness of the methodologies used to determine the value of the impairment of the service concession receivables, taking into consideration that the General Office of Harbin Municipal People's Government has paid the Disposal Group government subsidies of RMB 6.4 million in 1Q2023.

Company's Response:

The Board is of the opinion that the methodologies used to determine the value of impairment of the service concession receivables are reasonable as the impairment losses of RMB 2 million recorded by the Disposal Group in 1Q2023 was due to the fact that the Disposal Group had not received any subsidies from the Insulation Project since June 2022. As disclosed in page 7 of the Announcement, the government subsidies of RMB 6.4 million received in 1Q2023 is for the Phase One Tunnel project.

3. Please explain why trade receivables amount to RMB 1.75 million when the Group recognized revenue from Continuing Operations of RMB 705,000 and RMB 940,000 in 1Q2023 and FY2022 respectively. Please also disclose:

(i) the aging of the Group's trade receivables;
(ii) the Company's plans to recover the trade receivables;
(iii) the actions taken to recover the trade receivables; and
(iv) the Board's assessment of the recoverability of the Group's trade and other receivables.

Company's Response:

The difference between the trade receivables of RMB 1.75 million and the recognized revenue of RMB 1.65 million (being the summation of RMB 705,000 in 1Q2023 and RMB 940,000 in FY2022) is due to the fact that the revenue disclosed in 1Q2023 and FY2022 are net of value-

added taxes, and value-added tax is accrued based on revenue recognized. The trade receivables of RMB 1.75 million is the total gross value of the revenue recognized for 1Q2023 and FY2022.

(i) The aging profile of the Company's trade receivables is as follows:

	Current (RMB)	1 to 90 days (RMB)	91 to 120 days (RMB)	Total (RMB)
Trade receivables	750,000	750,000	250,000	1,750,000

(ii) The Group has been actively engaging its existing customer to manage the collection of its trade receivables based on the agreed terms of payment under the service contract. Prior to the agreed payment date, the Group will constantly engage with the customer to remind of the payment obligations under their service contract. Barring any unforeseen circumstances, the Group projects that it will receive the trade receivables under the aging category of "91 to 120 days" by the end of the second quarter of 2023.

(iii) Where the customer refuses to pay after 180 days despite repeated calls and reminders for payment, the Company may consider terminating its existing service contract and/or commencing legal actions against such customer for the recoverability of any unpaid sums.

(iv) For the reasons provided above in paragraphs (i) to (iii) of this Announcement, the Board is of the view that the outstanding trade and other receivables are recoverable.

By Order of the Board
Li Mingyang
Chairman and Executive Director of the Board
30 May 2023