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 12 July 2023 with reference to the Company's announcement of 11 July 2023 titled "Disclaimer of opinion by the independent auditor's on the audited financial statements for the financial year ended 31 December 2022" (the "**Announcement**"). The queries from the SGX-ST and the Company's responses are as follows:

We refer to the Company's announcement on 11 July 2023, titled "Disclaimer of opinion by the independent auditor's on the audited financial statements for the financial year ended 31 December 2022" (the "Announcement").

We note that the Company's external auditors issued a Disclaimer of Opinion in its Independent Auditor's Report dated 11 July 2023 in relation to the Group's financial statements for the financial year ended 31 December 2022 ("FY2022") 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 continue operating 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 2022, 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) strengthening the Group's cash position by raising funds via the placement and entering into loan agreements with two lenders.

(ii) 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. (collectively known as "**Disposal Group**") (the "**Proposed Disposal**"), for a total consideration of SGD180,000 (equivalent to RMB926,000) as disclosed in Note 7. The Proposed Disposal was completed on 24 May 2023. As the Disposal Group's liabilities exceeded its assets amounted to RMB91,081,000 as at 31

December 2022, the Group expects to record a gain on disposal of the Disposal Group for the financial year ending 31 December 2023;

(iii) sourcing and procurement of new business and projects similar to the Group's existing business to increase revenue stream; and

(iv) the cash flow projection for the 18-month period from 31 December 2022 (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 18-month forecast period. The key assumptions for the said 18-month cash flow projection are as follows:

Projected cash inflows:

(1) Expected future cash flows to be received by the continuing operations of the Group; and

(2) Expected proceeds from the sale of Disposal 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, "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."

Please explain why the aforementioned documents were not provided for audit purposes and the Company's efforts in obtaining the documents required by the auditors.

Company's Response:

The aforementioned documents were not provided for audit purposes due to the following reasons:

(a) As announced on 7 June 2023, the Company received a letter from the tax authority in the People's Republic of China ("**PRC**") on 14 April 2023 informing them that Harbin Shengming Energy Saving and Technology Co., Ltd and related companies such as Harbin Utility Tunnel Construction and Management Co., Ltd., Harbin Prevailing Municipal Engineering Co., Ltd., Harbin Utility Tunnel Phase Two Construction and Management Co., Ltd. and Harbin Superior Construction Materials Trading Co., Ltd. (the "**Selected Entities**") had been selected to undergo routine compliance checks, randomly conducted on PRC entities by the tax authority.

(b) As part of the routine compliance checks, the PRC tax authority had directed the Company to handover all hardcopy documents relating to the financial information, books, tax returns and audit report materials (the "**Original Documents**") in respect of the Selected Entities by 14 April 2023. In compliance with the directions given by the PRC tax authority, the Company proceeded to deliver the original books and underlying supporting documents of the Selected Entities to the office of the tax authority on the same day.

(c) The management team of the Selected Entities have since reached out to the PRC tax authority to request for their confirmation on the probable end date of the routine compliance checks and to expedite the return of the Original Documents. However as of the date of this announcement, the Original Documents have not yet been returned to the Selected Entities by the PRC tax authority. As such, the Selected Entities were not able to provide the supporting documents for the verification of certain balances and transactions to the auditors for the purposes of their audit.

(d) 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 confirmations required by the auditors. 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.

By Order of the Board

Li Mingyang
Chairman and Executive Director of the Board
14 July 2023