

2021

ANNUAL REPORT



GREEN BUILD TECHNOLOGY LIMITED

CITY OPERATORS OF THE NEW ERA



1	Corporate Information 企业信息	25	Corporate Governance Report 企业监管报告
2	Corporate Profile 企业介绍	58	Financial Statements 财务报表
4	Chief Executive Officer's Statement 董事局总裁致辞	120	Shareholdings Statistics 股权统计分析
5	Board of Directors 介绍董事会成员	122	Notice of Annual General Meeting 年度股东大会通知
10	Key Executives 高管成员	126	Disclosure of Information on Directors Seeking Re-election 董事寻求连任的信息披露
12	Corporate Social Responsibility 企业社会责任	139	Proxy Form 股东股票委任函
17	Operating and Financial Review 财务和业务回顾		



CORPORATE INFORMATION

BOARD OF DIRECTORS

Wu Xueying (Executive Director and Chief Executive Officer)

Chan Mang Ghoon (Executive Director and Chief Financial Officer, appointed on 19 January 2022)

Li Mingyang (Executive Director and Chief Business Development Officer, appointed on 9 February 2022)

Dong Congwen (Independent Director)

Ng Poh Khoon (Independent Director)

Soh Yeow Hwa (Independent Director)

AUDIT COMMITTEE

Soh Yeow Hwa (Chairman)

Dong Congwen

Ng Poh Khoon

NOMINATING COMMITTEE

Ng Poh Khoon (Chairman)

Dong Congwen

Soh Yeow Hwa

REMUNERATION COMMITTEE

Soh Yeow Hwa (Chairman)

Dong Congwen

Ng Poh Khoon

COMPANY SECRETARY

Lim Kok Meng, LLB

REGISTERED OFFICE

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Clifford Centre,

Singapore 048621

Tel: +65 6950 5335

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PRINCIPAL PLACE OF BUSINESS

7 Hongjun Street, Nangang District,
Harbin City, Heilongjiang Province 150000

People's Republic of China

Telephone: (86) 451 5117 6667

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Fax: +65 6535 0680

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COMPANY REGISTRATION NUMBER

200401338W

INDEPENDENT AUDITOR

Baker Tilly TFW LLP

600 North Bridge Road

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Singapore 188778

Partner-in-charge: Lim Kok Heng

Appointed since the financial year ended

31 December 2018

SHARE REGISTRAR

Boardroom Corporate & Advisory Services

Pte. Ltd.

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Tower, Singapore 098632

LEGAL ADVISERS

AQUINAS LAW ALLIANCE LLP

24 Raffles Place #20-03, Clifford Centre

Singapore 048621

PRINCIPAL BANKERS

DBS Bank Ltd

12 Marina Boulevard

Marina Bay Financial Centre Tower 3

Singapore 018982

Bank of Communications, Heilongjiang Branch

428 Youyi Road, Daoli District

Harbin City, Heilongjiang Province

People's Republic of China

Harbin Bank, Songbei Branch

500 Shimao Avenue, Songbei District

Harbin City, Heilongjiang Province

People's Republic of China

Daqing Rural Commercial Bank Co., Ltd.

8 Jianhang Street

Daqing Gaoxin District

Daqing City, Heilongjiang Province

People's Republic of China

Hanya Bank (China), Harbin Branch

161 Changjiang Road, Nangang District

Harbin City, Heilongjiang Province

People's Republic of China

CORPORATE PROFILE

Green Build Technology Limited (“Green Build” or “the Group”) was founded on 6 February 2004. Its stock trading code on the Singapore Exchange is Y06. Currently, its subsidiaries in China include Harbin Shengming Energy Saving and Technology Co., Ltd., 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.

In 2015, the Group began to focus on the investing, managing and operating of green energy-saving and environmental protection projects such as the refurbishment of old estates into livable estates, underground utility tunnel, smart city, intelligence platform and urban infrastructure and construction. With years of hard work in the industry, our Group successfully completed (i) the energy saving Three-Ditch Bankside LED lighting demonstration project in Heilongjiang Province, (ii) the Hebai estate demonstration project in Harbin City - a pilot project in China in the refurbishment of an existing old estate with green technology, (iii) the general energy saving refurbishment of certain old estates in 2015 and 2016 with total built-up area of 1.32 million square meters and (iv) the phase one of underground utility tunnel. Among them, the Hebai estate demonstration project has won the national two-star green building design certificate. The phase one of underground utility tunnel project has won the honor of “Harbin Key Project Construction Worker Pioneer” for two consecutive years. These awards highlighted our leading position and influence in the industry. The successful implementation of these projects has played an extremely important role in promoting infrastructure construction and the transformation and development of the economy of Heilongjiang Province.

Since its inception, the Group has placed importance in the continuous research in science and technology by participating in the national “11th Five-Year”, “12th Five-Year”, and “13th Five-Year” research projects and achieved outstanding research results. At the same time, it has a number of patented technologies to provide good technical support for the broad development of the Group’s business. In recent years, the Group has continuously participated in and led various domestic industry professional conferences, and held discussions with many national experts and top talents in the industry on solutions to the dilemma of refurbishment of old estates. The Group held discussion forums with the General Office of the State Council, Ministry of Housing and Urban-Rural Development, Northeast China Institute of Revitalization and experts from major universities whereby the “refurbish-construct-operate” investment and financing integration model proposed by us was unanimously recognised by the various institutions as it offers the best solution to the problems of the old estates.

Our Group takes the responsibility of improving the environment as our mission. With the vision of becoming a centennial enterprise, the Group will, in the future, continually review our current business plans to ensure it is consistent with the urban development trends, focusing on the comprehensive refurbishment of the old estates into livable estates as our core strategic business. We actively explore the “refurbish-construct-operate” model in the operation and management of old estates through forming development strategy for the entire industry chain so as to achieve development of the grand blueprint of the “City Operators for the New Era”.

企业介绍

新加坡绿建科技集团成立于 2004 年 2 月 6 日，股票代码 Y06，目前在中国境内有哈尔滨圣明节能技术有限责任公司、哈尔滨市管廊建设运营管理有限公司、哈尔滨既有市政工程有限公司、哈尔滨市管廊二期建设运营管理有限公司、哈尔滨优采建筑材料商贸有限公司等多家子公司。

2015 年，公司成功转型，专注从事绿色节能环保、老旧小区宜居改造、城市地下综合管廊建设、智慧城市建设、智能化平台运营、城市基础设施建设运营等项目的投资、管理、运营产业。凭借在行业内多年的经验，绿建科技集团先后完成黑龙江省三沟沿岸 LED 照明节能改造示范工程、中国境内首个既有建筑绿色化改造工程——河柏小区改造示范工程、哈尔滨市 2015-2016 年度部分老旧小区改造工程（改造建筑面积 132 万平方米）、哈尔滨市城市地下综合管廊一期建设工程。其中，河柏小区项目荣获国家二星级绿色建筑设计标识证书，管廊项目连续两年获得“哈尔滨市重点项目建设工人先锋号”的荣誉，行业内引起广泛反响，项目的成功实施对促进基础设施建设、龙江经济转型发展具有极其重大的推动作用。

集团自创立之初，便注重科学技术的持续研究，先后参加国家“十一五”、“十二五”、“十三五”课题研究，并取得突出的研究成果。同时，拥有多个专利技术，为集团业务的广泛开展提供良好的技术支持。近年来，集团不断参与并主导各项国内行业专业性会议，与众多国家级专家、行业内顶尖人才共同研讨老旧小区困境的解决办法，先后与国务院办公厅、国家住房和城乡建设部、东北振兴研究院、各大高校专家等开展高端论坛会议，最终，绿建科技集团提出的“改造-建设-运营”投融资一体化模式得到了众人的一致认可，成为解决老旧小区顽疾的最优途径。

绿建科技集团始终以改善城市环境为己任，以铸造百年企业为愿景，未来，公司将结合当前的业务布局和城市发展趋势，重点聚焦老旧小区宜居综合改造等核心战略业务，积极探索“改造——建设——运营”为一体的老旧小区产业生态模式，形成全产业链发展战略，为实现“新时代城市运营商”的宏伟蓝图持续努力奋斗。



CHIEF EXECUTIVE OFFICER'S STATEMENT

董事局总裁致辞



2021 年注定是本集团发展史上值得铭记和回味的一年。新冠疫情对世界经济的负面影响不可避免地减缓了所有企业的发展，给它们带来了困难和逆境。但是，我们的毅力促使我们克服这些困难和逆境，帮助我们在未来取得成果。

本集团始终致力于深化城市建设、城市运营、城市更新等领域的发展，运用“改建运投融资建设运营一体化一体化”的新模式，解决老旧小区升级改造的社会问题，促进成为新时代城市运营商的理想信。面对外部环境的挑战，我们一直在追求，不断实现我们的成长。

目前，新冠疫情造成的危机尚未完全解决。新冠疫情时代后，我们将面临更多挑战。但是，我们将不断完善与时代共鸣的方案，最大限度地发挥企业的商业价值和社会价值。我们将专注于我们的初心，并为下一阶段的增长做好准备。我们相信，通过努力，实现我们的梦想，并继续为我们的股东和社会做出贡献。

武雪莹
董事局总裁

Dear shareholders,

2021 is destined to be a year worth remembering and recalling in the development history of the Group. The negative impact of the Covid-19 pandemic on the world economy has inevitably slowed the development of all enterprises, bringing them difficulties and adversity. However, with perseverance, we believe we can overcome such difficulties and adversity and help us to succeed in the future.

Our Group has always been committed to deepen developments in the fields of urban construction, urban operation and urban renewal using the new model of "Upgrading, Investment, Financing, Construction and Operation Integration" to solve the social issue of old estate upgrading and to promote such model that become the needs of the people's livelihood. We are committed to our ideal and belief to become a city operator in the new era despite the challenges in the external environment. We are always pursuing and constantly realizing our growth.

At present, the crisis caused by the Covid-19 pandemic has not been fully resolved. In the post-pandemic era, we will face more challenges. However, we will continue to refine our plans that resonate with the times so as to maximise the commercial value and social value of the enterprise. We stay focus on our original aspirations and prepare ourselves for the next phase of growth. We believe through hard work, we strive to realise our dreams and continue to make contributions to our shareholders and society.

Wu Xueying
Chief Executive Officer

BOARD OF DIRECTORS



Wu Xueying
Chief Executive Officer
Executive Director

Ms Wu Xueying is our Chief Executive Officer and was appointed as an Executive Director of our Group on 11 March 2014. Ms Wu is also the General Manager of the Group's subsidiary, Shengming Energy Saving and Technology Co., Ltd.

Ms Wu is a certified senior energy manager, a member of Heilongjiang Technology Economy Expert Advisory Committee, a member of the National Management Talent Vocational Qualification Review Committee and is one of ten major philanthropists in Heilongjiang Province. She is also an adjunct lecturer

with the MBA Education Centre of Harbin Commerce University and Longjiang Forum, and a postgraduate in Provincial Party School. She specialises in management consulting and corporate strategic planning. Since the beginning of her career, she has accumulated extensive experience in business management through participating in corporate strategic planning and corporate culture consulting work. In September 2005, Ms Wu published her first book entitled "Nine Quotients to Become a Best Performer", which discusses and summarises her views on corporate staff training. The book was awarded the outstanding research third-class award by the Heilongjiang Provincial Academy of Social Sciences and was incorporated to the "China Management Yearbook" in 2008. In addition, she also published the articles "Three Changes to Promote the Existing Buildings Transformation" and "Research on the Whole Industrial Chain Development Mode of Transformation of Existing Buildings" in the renowned journals "Buildings" and "Building Design Management" respectively. In June 2017, a special paper entitled "Promoting the comprehensive transformation of energy-saving and livable old estates to create a new industry in livable cities" was published in the national first-level "Urban Housing" journal, which attracted widespread attention in the industry. In June 2019, the publication of "Innovation and Entrepreneurship of the Elderly: Jumping Out of the "Blocking Effect" of an Ageing Society" in the Journal of Lingnan Normal University provided crucial arguments for the study on active aging group. It directly promoted the qualitative development of this research.

Ms Wu delivered an importance speech of "Building energy saving and heating transformation – The effective way for haze control" in Heilongjiang Province Seminar for Atmospheric Pollution Prevention and Control in 2014. Her unique views were unanimously recognised by the experts attending the seminar, and attracted full attentions from society after being reported by the media. She also delivered important speeches on "Vigorously promote the comprehensive transformation of the old urban districts based on the three transitions" and "Develop Green Buildings and Usher in Green Economic Development" in two separate forums on the Harbin International Cold Fair, respectively. It was highly praised by the experts attending the forum, and received exclusive interviews from more than ten media companies including CCTV and Heilongjiang TV, and attracted attention from the Municipal Government and Provincial Government. She delivered work report to the provincial leaders as the only entrepreneur on NPC and CPPCC, and was highly praised by the Secretary of Provincial Party, Mr Wang Xiankui. In 2015, she was the only business representative to speak at the Eleventh International Green Building and Building Energy-Saving, and New Technologies and Products Forum with a topic of "Comprehensively promote green transformation in the haze era". She also spoke about the PPP business model and the economy development in Heilongjiang Province on the "New opportunity with new business model - PPP and Longjiang Economic Development Summit Forum 2015". In 2016, she published an article titled "The five relationships between the promotions of urban underground utility tunnel development and the scientific treatments". In 2017, she spoke successively in the "Harbin Smart City Construction and Sustainable Development Summit Forum" and "Thirteenth International Green Building and Building Energy Conference". In 2018, she was invited to attend the "Ninth National Building Refurbishment Conference" in Changsha and she successively delivered important lectures at the "2019 (Fifth) Existing Building Liveability Reconstruction Summit Forum" and "Experts Demonstration Meeting on Research Results of Harbin Old Estates Comprehensive Solutions for Redevelopment", which has strong industry impetus, appeal and influence.

Ms Wu has accumulated rich practical experience in engineering management, project management and material management. She has in-depth knowledge on new energy saving building materials as she carries out researches on energy saving buildings. She has outstanding achievements in many fields with profound theoretical foundations and rich practical experiences in corporate management.

BOARD OF DIRECTORS

武雪莹

绿建科技集团总裁兼哈尔滨市圣明节能科技有限责任公司总经理

高级能源管理师，黑龙江省科顾委专家，全国管理人才职业资格评审委员会专家，黑龙江省十大慈善人物之一，哈尔滨商业大学 MBA 教育中心特聘教授，《龙江讲坛》特聘教授，省委党校在职研究生。专注于企业管理理论的研究与实战经验的积累，先后领导并参与了上百家企业的企业管理咨询、企业战略规划、业务流程设计、企业文化建设等工作。其根据企业需要开发的“九商素质训练”课程尤其受到企业的欢迎，2005 年 9 月，所著《九商——最佳员工的九项修炼》一书由中国发展出版社出版，两个月内销量突破 10000 册，并获得黑龙江省社科院优秀科研成果三等奖，2008 年该书被收编至《中国管理年鉴》。2015 年先后在全国建筑业的大型综合性权威期刊《建筑》发表《“三个转变”推进既有建筑“绿色改造”》的论著，《建筑设计管理》杂志上发表《既有建筑绿色化改造全产业链发展模式研究》论著。2017 年 6 月，在国家一级期刊《城市住宅》上发表《推进老旧小区节能宜居综合改造打造宜居城市新产业》的专题论文，引起了行业内的广泛关注。2019 年 6 月，在《岭南师范学院学报》上发表《老年人创新创业：跳出老龄化社会的“阻挡效应”》的论著，为积极老龄化这一研究提供了至关重要的论点和论据，直接促进了这项研究的质变式发展。

2014 年在黑龙江省大气污染防治研讨会上发表重要讲话《建筑节能与供暖改造——缓解雾霾的有效途径》，独到观点受到与会专家的一直认可，经媒体广泛报道后赢得社会各方关注；在哈尔滨国际寒博会“打造低碳城市，建设绿色哈尔滨”高峰论坛的两个分论坛中分别进行《立足“三个转变”，大力推进老城区综合改造》、《发展绿色建筑，引领绿色经济发展》重要讲话，得到与会专家高度评价，并接受中央电视台、黑龙江省电视台等十余家媒体的专访，受到省市政府的关注；在省两会中，作为唯一一家企业代表与省领导进行工作汇报，详实、深刻的讲解得到省委书记王宪魁的好评。2015 年作为黑龙江省唯一一位企业代表在第十一届国际绿色建筑与建筑节能大会暨新技术与产品博览会《既有建筑节能改造技术及工程实践》论坛中，进行《雾霾时代——全面推进既有建筑绿色化改造》的主题演讲；与《新常态新机遇新模式——PPP 与龙江经济发展 2015 高峰论坛》中进行 PPP 模式与龙江城市基础设施建设的重要发言，对龙江基础设施建设具有极其重大的推动作用。2016 年，发表《论推进城市地下综合管廊建设应科学处理的五大关系》。2017 年，先后在“哈尔滨智慧城市建设与可持续发展高峰论坛”与“第十三届国际绿色建筑与建筑节能大会”上作重要专题演讲。2018 年，受邀出席长沙“第九届全国既有建筑改造大会”，先后在“2019（第五届）既有建筑宜居改造高峰论坛”及“《哈尔滨老旧小区改造综合解决方案》课题研究成果专家论证会”发表了重要演讲，具有强大的行业推动力、号召力与影响力。

武雪莹女士多年来在工程管理、材料管理、建筑节能新材料、建筑节能新技术的研究等方面积累了丰富的实战经验。在企业战略管理、企业运营管理、企业文化建设、节能改造工程等方面具有深厚的理论功底、丰富的实践经验，在多个领域取得显著成绩。

BOARD OF DIRECTORS



Chan Mang Ghoon
Executive Director
Chief Financial Officer

陈文观
绿建科技集团
首席财务总监

Mr Chan Mang Ghoon was appointed Executive Director and Chief Financial Officer on 19 January 2022. He has more than 20 years of experience in the fields of auditing, accounting and corporate advisory.

Mr Chan is a Certified Practicing Accountant of CPA Australia, and a Chartered Accountant of the Institute of Singapore Chartered Accountants. He graduated with a Bachelor of Commerce from Murdoch University, Australia in 1994.

陈文观先生于 2022 年 1 月 19 日被任命为执行董事兼首席财务官。他在审计、会计和企业咨询领域拥有超过 20 年的经验。

陈先生是澳洲会计师公会的执业会计师，以及新加坡特许会计师公会的特许会计师。他于 1994 年毕业于澳大利亚莫道克大学，获得商业学士学位。



Li Mingyang
Executive Director
Chief Business Development Officer

李名扬
绿建科技集团
首席业务发展官

Mr Li Mingyang was appointed Executive Director and Chief Business Development Officer on 9 February 2022. He served as a Business Development Manager of the Company from May 2018 to January 2022. Prior to that, he was the Chief Business Development Officer from March 2016 to April 2018. He has more than 5 years of business development experience with the Group.

Mr Li graduated from the Heilongjiang Radio and Television University with a bachelor degree in Criminal Law.

李名扬先生于 2022 年 2 月 9 日获委任为执行董事兼首席业务发展官。他于 2018 年 5 月至 2022 年 1 月担任业务发展经理。此前，他于 2016 年 3 月至 2018 年 4 月担任首席业务发展官。他在本集团的业务发展方面拥有超过 5 年的经验。

李先生毕业于黑龙江广播电视大学，获刑法学士学位。

BOARD OF DIRECTORS

Dong Congwen **Independent Director**

董丛文
绿建科技集团
独立董事

Professor Dong Congwen is a professor in the Management College of Harbin University of Commerce, senior professor of MBA in Harbin University of Commerce, master's supervisor in the business administration discipline and marketing discipline. He also acts as the vice president of Heilongjiang Counselor Association, head of Management and Advisory Commission of Association for Advancement of WTO of Heilongjiang Province, managing director and director in over 10 social organizations and research communities, such as Heilongjiang Association of Entrepreneurs, Heilongjiang Academy of Management. He mainly focuses on enterprise development strategy and management consultancy, and he presided and completed over 10 national and provincial scientific researches, including the Natural Science Foundation of China, and has published over 60 academic papers in academic journals in different levels. He has acted as management consultant for dozens of enterprises in Heilongjiang Province, and provided valuable advice to the enterprises.



董丛文先生是哈尔滨商业大学管理学院教授，哈尔滨商业大学 MBA 资深教授，企业管理与营销学科硕士生导师，同时担任着黑龙江省参事协会副主席，黑龙江省 WTO 研究促进会管理咨询委员会主任，黑龙江省企业家协会、黑龙江省管理学会等十余个社会组织与研究团体的常务理事及理事等职。主要研究方向为企业发展战略与管理咨询，主持与参与完成国家自然科学基金及其他国家与省部级科研课题十余项，在各级学术杂志上发表学术论文六十余篇。为黑龙江省多家企业担任过管理顾问，提供企业管理咨询数十项。

Soh Yeow Hwa **Independent Director**

苏耀华
绿建科技集团
独立董事

Mr Soh Yeow Hwa was appointed Independent Director on 3 October 2019. He is the Chairman of the Audit Committee and Remuneration Committee and also a member of the Nominating Committee. He has more than 20 years of experience in the fields of accounting, auditing as well as business and financial advisory.

Mr Soh is a Certified Practicing Accountant of CPA Australia, and a Chartered Accountant and member of the Institute of Singapore Chartered Accountants. He was graduated with a Bachelor of Commerce from Griffith University, Australia in 1992.



苏耀华先生于 2019 年 10 月 3 日被任命为独立董事。苏耀华先生是审计委员会和薪酬委员会主席，也是提名委员会成员。苏先生在会计、审计以及商业和财务咨询领域拥有 20 多年的经验。

他是澳大利亚注册会计师的注册执业会计师、新加坡特许会计师协会的特许会计师和会员，并于 1992 年获得澳大利亚格里菲斯大学的商业学士学位。

BOARD OF DIRECTORS



Ng Poh Khoon
Independent Director

吴宝光
绿建科技集团
独立董事

Mr. Ng Poh Khoon was appointed as Independent Director on 4 October 2019. Mr Ng is the chairman of the Nominating committee and also a member of the Audit Committee and Remuneration Committee. He is currently the finance manager of Ello Fintech Pte. Ltd., a start-up firm specialising in financial technology services.

Mr Ng has over 20 years of experience in auditing, financial management, sales & business development, investor relations, fund raising and merger and acquisition activities. He is also currently the independent director and the chairman of the audit committee of Regal International Group Ltd and China Star Food Group Limited, which are listed on the mainboard board and catalyst board of SGX-ST respectively. Mr Ng is also a non-executive director of Nutryfarm International Limited, a company listed on the mainboard of SGX-ST. He is a Chartered Accountant and a member of the Singapore Institute of Directors.

吴宝光先生于 2019 年 10 月 4 日被任命为独立董事。吴先生是提名委员会主席以及审计委员会和薪酬委员会成员。他目前是爱乐金融科技有限公司的财务经理，主营业务是金融科技供应商。

吴先生在审计、财务管理、销售和业务发展、投资者关系、资金筹集以及并购活动方面拥有 20 多年的经验。他目前还是 Regal International Group Ltd 和 China Star Food Group Limited 的独立董事兼审计委员会主席，前者是一家在 SGX-ST 主板上市的公司，而后者是一家在新加坡交易所的凯利板上市的公司。他也是 Nutryfarm Information Limited 的非执行董事。他是一名特许会计师和新加坡董事学会的会员。

KEY EXECUTIVES

Zhang Xiaohui **Deputy General Manager**

张晓惠
绿建科技集团
财务副总



Ms Zhang Xiaohui is the Deputy General Manager of our Green Technology Division and in charge of accounting and finance. Ms Zhang graduated from Heilongjiang Provincial Education College with a major in accounting and computerization. She has 10 years' experience in the financial and accounting sector. As the Deputy General Manager of accounting and finance department, she oversees the daily accounting and financial matters of the Group. She has practical experience in fund raising, internal and external audit, budget management, financial system set-up, financial control, formulation of work plan, team management, etc. She has strong capabilities in detailed financial forecast analysis, investment financing and risk prevention. She has a deep understanding of corporate capital operations and has excellent management skills and good communication skills. At the same time, she ensures her work adheres to accounting standards and related financial and economic regulations. She understands her work and clearly set her work goals so as to ensure the orderly conduct of the Group's accounting and finance functions.

张晓惠女士毕业于黑龙江省教育学院会计电算化专业，从事财务工作 10 年，现任绿建科技集团财务副总。主管集团财务工作，对投融资、内外审计、预算管理、财务制度建设、财务规范、制定工作计划、团队管理等具有丰富的实操经验，有较强的财务分析预测、投融资及风险防范能力，对企业资本运营有很深刻的理解，具备出色的管理能力与良好的沟通技巧。同时贯彻并监督执行会计法及各项财经法纪，把握财务工作方向，明确工作要点，确保集团财务工作有序进行。

Sun Honglei **Deputy General Manager**

孙洪磊
绿建科技集团
副总



Mr Sun Honglei is the Deputy General Manager of our Green Technology Division and the person in charge of the technical department. Mr Sun is a national registered construction engineer, senior engineer and an expert of Harbin City Green Building Specialised Committee. From 2007 to 2012, he was the vice president of Heilongjiang Zhongmei Building Design Research Institute Limited Co. and was the chief designer in numerous major projects carried out by the Harbin government. He also participated as design consultant for numerous other projects in China, such as the India style design of Guogeli street; Nangang city night landscape renovation project design; Qiulin business architectural transformation design; existing building decoration and energy-saving design of certain major streets including Liushun Street, Garden Street, Wenchang street, Jingwei street; landscape decoration engineering design projects including Wenchang bridge, Eight Street bridge tunnel, Wen Zheng Dacheng Street Bridge, Pioneer Road. At the same time, he acted as the technical consultant of many energy-saving building designs for cities and provinces such as Heihe, Tahe, Zhaodong, Qiqihar, Mudanjiang, Yilan, Yanji, Inner Mongolia province as well as overseas cities. He has strong theoretical foundation and practical experience in fields such as building decoration, energy-saving redevelopment and upgrading design. Mr Sun has also participated in the preparation of the National

KEY EXECUTIVES

Standard for Green Evaluation of Energy-Saving Upgrading of Existing Buildings as private enterprise representative and the preparation of the Guidance on Implementation of the Standard for Green Evaluation of Energy-Saving Upgrading of Existing Buildings. Being an expert of the research group, he has carried out tremendous amount of work in researches and the preparation of industry standards by providing suggestions, technical discussions, etc., which has greatly contributed to the development of the industry. Since 2016 to the present, he is fully responsible for the construction and operational management of the phase one and phase two of the underground utility tunnel projects in Harbin. In 2019, he was fully responsible for the implementation of the national "Thirteenth Five-Year Plan" demonstration project-Harbin Gongle Community Livable Refurbishment Project. The project received unanimous praises from the National Research Group and the Ministry of Housing and Construction, and has achieved remarkable results.

国家注册建造师，高级工程师，哈尔滨市绿色建筑专业委员会专家，2007年-2012年在黑龙江省中美建筑设计研究院工作期间历任设计师，设计室主任，分院院长，多次参与并主持城市重点环境景观改造设计。主持果戈里大街印度风情街改造设计；南岗区不夜城环境景观改造工程设计、秋林商圈建筑装饰改造设计；六顺街、花园街、文昌街、经纬街等重点街路既有建筑装饰性节能改造设计；文昌桥、文政街地道桥、八区地道桥、大成街地道桥、先锋路等景观装饰工程设计；同时还作为技术指导及顾问参与了黑河、塔河、肇东、齐齐哈尔、牡丹江、依兰、延吉、内蒙古等省内外众多建筑装饰性节能改造设计。对建筑装饰、节能改造，桥梁景观设计等领域具有深厚的理论功底和丰富的实践经验。作为企业代表参加国家标准《既有建筑改造绿色评价标准》的编制工作。参与《既有建筑改造绿色评价标准实施指南》的编制工作。作为课题组专家，在行业标准研究与编制、献言献策、技术研讨等方面开展了大量工作，为行业发展起到了巨大的推动作用。自2016年——至今，全面负责公司哈尔滨市地下综合管廊一期、二期建设、运营管理工作。2019年，全面负责实施国家“十三五”示范项目——哈尔滨市共乐小区宜居改造工程，获得国家课题组及住建部等机构的一致好评，工作成绩显著。



CORPORATE SOCIAL RESPONSIBILITY



Sustainability and Corporate Social Responsibility are in the DNA of Green Build. They are the foundation of our corporate philosophy. Our Corporate Vision, Mission and Values are centered on being green, sustainable and responsible to the society and community. Our Vision is: “Eliminate Pollution, Recreate Resources”. We are steadfast in our Mission “to save energy and reduce emission through leading technologies so as to create a bright and green future”. We conduct ourselves according to our values of “Volunteering for environmental change; Promoting harmonious social development”.

Commitment to Shareholders

Investor Relations (IR)

As a public-listed company, we abide by the compliance rules in providing transparent, relevant and up-to-date information to our shareholders and the investing community. We make this information available in our IR section of our corporate website, which contains information such as our financial information, latest announcements, press releases and corporate materials. We also provide the contact number and email address of our Singapore office.

Our Board of Directors and Management team are present at our annual general meetings to clarify any queries on the resolutions of the meetings as well as to interact with the shareholders to communicate our business, the nature and progress of our projects, our business directions and our growth strategies.

CORPORATE SOCIAL RESPONSIBILITY

Commitment to Employees

As a project manager of big infrastructure projects, we regard our employees as important resources that enable us to set ourselves apart from the competition. It is our employees and staff that execute, monitor and supervise the projects; hence we see it a necessity to upgrade their knowledge, competency and proficiency so that they can achieve to their fullest potential.

Our Group conducted several trainings in 2021. During one of such training in September 2021, our director, Professor Dong Congwen, conducted a training session for our employees who have been involved in phase one of the underground utility tunnel project on "The Self-Driven Ability Wins in Yourself - Achieving a Better Life in Green Build with the aim helping them on how to realise their personal values.



We view our work as very meaningful to the society and community. We strive to minimise inconvenience to the residents during construction as much as possible. We are heartened to receive commendations and praises from residents of our completed projects. Such commendations from residents further boost our morale in ensuring we complete our work properly without causing much disturbances to the residents.

We are committed to performing well in our projects. We are known to be committed to quality in the industry. We are the only enterprise that was selected to undertake and complete a pilot project in

the refurbishment of an old estate using insulation materials. The successful upgrading of Hebai estate in its insulation and central heating system has now become the model of old estate revamp and refurbishment.

Commitment to Community

Our work is community driven, as per our Corporate Vision, Mission and Values. Apart from bringing benefits to the community through our infrastructure projects, we also follow closely the 13th National People's Congress initiatives so as to have a better understanding of the spirit of the Congress and to apply such spirit to daily work. This is to achieve the dream of individual, the Group and the nation.



Commitment to Customers

Our main customer is the provincial government, from which we receive the Public Private Partnership (PPP) infrastructure and sustainable development projects. Nothing is more pertinent than to ensure that projects progress on schedule and are executed to specifications.

Our other customers are the residents of the estates which we provided upgrading insulation work. Our building insulation projects and underground utility tunnel project bring benefits to the residents.

CORPORATE SOCIAL RESPONSIBILITY



Health & Safety

In conducting the construction work of our projects, we expect our employees and subcontractors to adhere strictly to safety protocols and ensure acceptable workplace health and safety. All necessary safety orientations and training are conducted at the work sites. We aim for zero accidents at the work sites and are pleased to report that there have been no accidents on our project sites since 2018.

With the fall in COVID-19 cases in the PRC, we have been resuming our operations gradually, taking extra precautions for all our employees (such as the practice of safe-distancing and wearing masks) and to ensure the Group's continued compliance with the government's directives.



Training

The Group believes that training is the best welfare for staff as it will help them to achieve their potential.

We train our staff internally and also send them for external courses to upgrade their knowledge, skills and proficiency. Within the Group, we engage our employees holistically by charting their career progression paths through leadership training programs. Corporate harmony and employee happiness has always been the goal and pursuit of the Group. The Group not only strives to be a "leading" enterprise, but is also committed to building a "harmonious" enterprise.

Welfare

The Group focuses on the construction of a harmonious enterprise, so that employees have a greater sense of gain, happiness, achievement, and jointly build and share the results of corporate development. Corporate harmony and employee happiness have always been the goal and pursuit of the Group. The Group not only strives to be a "leading" enterprise, but is also committed to building a "harmonious" enterprise.

Our employees are important resources to the Group and we have in place measures to boost their morale and loyalty, and to foster closer working relationships with one another.

In 2021, the Group organised "The 2nd Walking Competition of Green Build " which provided the opportunity for improving working relationships amongst employees and deepened their sense of belonging with the Group. The camp also provided opportunities for employees to exercise and be encouraged to adapt to a healthier lifestyle.

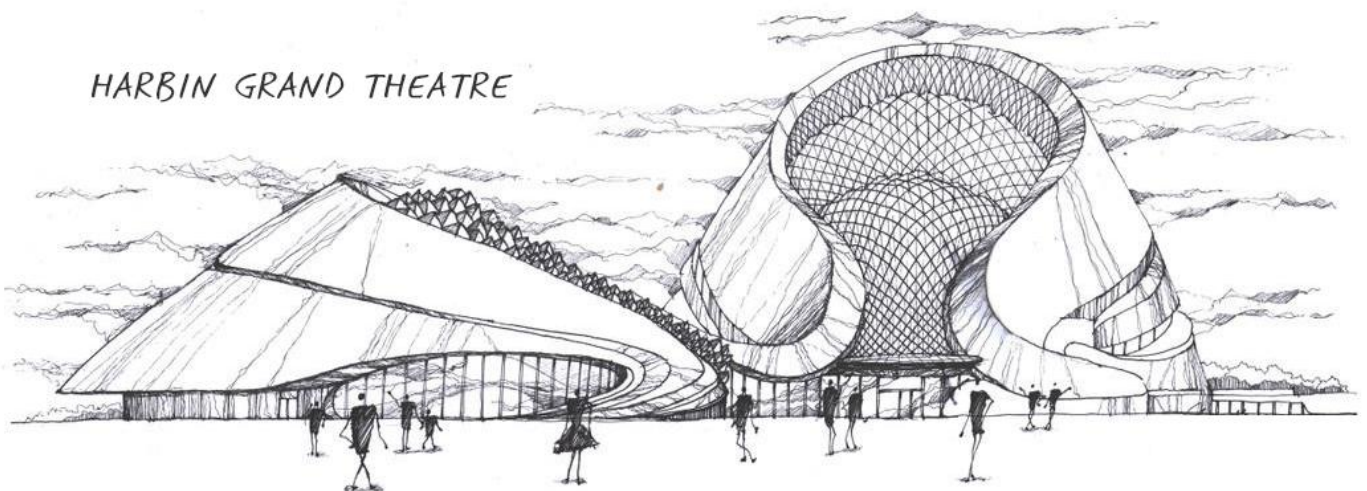
CORPORATE SOCIAL RESPONSIBILITY



Organising activities for employees forms an important part in building a harmonious enterprise where cultural exchange and ideological integration can be shared by the employees. Such activities also enrich employees' lives and stimulating work enthusiasm. They offer opportunities to strengthen and improve their physique. Through the holding of activities, all employees will be able to make positive contributions to the Group with stronger physical fitness, vigorous spirit, and passion.



HARBIN GRAND THEATRE



GREEN BUILD TECHNOLOGY LIMITED

绿建科技

DRAGON TOWER

LOCATED IN NANGANG DISTRICT,
HARBIN CITY, HEILONGJIANG PROVINCE,
CHINA.

DRAGON TOWER WAS OFFICIALLY
APPROVED TO JOIN THE WORD
FEDERATION OF GREAT TOWERS ON
NOVEMBER 8, 2008.



OPERATING AND FINANCIAL REVIEW

1. Consolidated Statement of Profit of Loss and Other Comprehensive Income

	Group		Increase/ (Decrease) %
	FY2021 RMB'000	FY2020 RMB'000	
Revenue	15,888	7,473	112.6%
Cost of sales	(14,826)	(7,096)	108.9%
Gross profit	1,062	377	181.7%
Other income	402	10,212	(96.1%)
Unwinding of discount on service concession receivables and contract assets	53,138	51,877	2.4%
Expenses			
Administrative expenses	(7,129)	(7,197)	(0.9%)
Impairment losses on financial assets	(1,083)	(12,351)	(91.2%)
Interest expenses on borrowings	(39,270)	(39,668)	(1.00%)
Share of results of an associated company	(2)	2	N.M
Profit before tax	7,118	3,252	118.9%
Income tax expense	(2,114)	(654)	223.2%
Net profit for the year, attributable to owners of the Company	5,004	2,598	92.6%

N.M – Not Meaningful.

OPERATING AND FINANCIAL REVIEW

Performance Review - Overall

During the period under review, the Group's revenue of RMB15.9 million for FY2021 was mainly derived from project consultancy services in relation to the refurbishment of old estates, operation services and trading of construction materials. The net profit after tax attributable to equity holders of the Company was RMB5.0 million for FY2021 as compared to RMB2.6 million for the corresponding period.

Revenue and Gross Profit

Revenue of RMB15.9 million in FY2021 was derived mainly from project consultancy services, operation services and construction materials trading activities. Revenue increased by RMB8.4 million in FY2021 as compared to FY2020. This was due mainly to operation revenue of RMB9.2 million arising from phase one of the underground utility tunnel.

Gross profit margin increased marginally by 1.7% from 5.0% in FY2020 to 6.7% in FY2021.

Other Profit & Loss Items

The decrease in other income of RMB9.8 million in FY2021 was mainly due to the reversal of accruals of project costs of RMB9.6 million during FY2020 as previously announced. There was no such reversal in FY2021.

The unwinding of discount on the service concession receivables and contract assets derived from the Group's insulation and underground utility tunnel projects, which increased slightly by RMB1.3 million or 2.4% in FY2021 from FY2020.

The slight decrease in administrative expenses of RMB0.1 million in FY2021 was due to the rise in COVID-19 cases in Harbin city in the last quarter of FY2021 resulting in the reduction in business activities in Harbin city and correspondingly, a reduction in business expenses incurred by the Group as compared with the last quarter of FY2020.

Impairment losses on financial assets (net) of RMB1.1 million in FY2021 was mainly due to impairment loss (non-cash in nature) of RMB 1.4 million provided on the carrying amount of service concession receivables from the Group's insulation project.

Interest expenses on borrowings decreased by RMB0.4 million in FY2021 mainly due to lower average bank borrowings in FY2021 as compared to FY2020 as a result of the principal repayment of loan (net) of approximately RMB4.3 million during FY2021.

Income tax expenses of RMB2.1 million for FY2021 was mainly due to profit generated from phase one of the underground utility tunnel project.

OPERATING AND FINANCIAL REVIEW

2. Statement of Financial Position

	Group	
	31 Dec 2021 RMB'000	31 Dec 2020 RMB'000
Total assets	939,105	984,440
Contract assets	49,077	49,077
Service concession receivables	845,191	884,681
Trade and other receivables	27,809	31,755
Cash and bank balances	6,101	801
Other assets	10,927	18,126
Total liabilities	872,839	923,350
Trade and other payables	272,327	301,302
Loans and borrowings	577,193	599,489
Other liabilities	23,319	22,559
Total shareholders' equity	64,347	59,171

Contract assets is mainly related to the receivable from the PRC government for phase two of the underground utility tunnel project. There has been no change in contract assets as at 31 December 2021 and 31 December 2020. Currently, the local government in Harbin is in discussions with the Group to acquire this project from the Group, and the Group has completed, with its main contractor and construction supervisor, and submitted, the preliminary review of the work which was carried out by the Group for phase two of the underground utility tunnel project and for which the Group would want to bill.

Service concession receivables is mainly related to the receivables from the PRC government for the insulation project and phase one of the underground utility tunnel project. Service concession receivables of RMB743.2 million was classified as non-current, as such amounts will be received from the government after 12 months from 31 December 2021. The net decrease in service concession receivables (current and non-current portion) in FY2021 by RMB39.5 million was mainly due to collections of service concession from the government of RMB88.3 million for phase one of the underground utility tunnel and RMB13.8 million for insulation project, partially offset by recognition of operation revenue from phase one of the underground utility tunnel of RMB9.2 million and the unwinding of discount on the service concession receivables and contract assets of RMB53.1 million. Currently, phase one of the underground utility tunnel project is under cost finalisation by the PRC government. Following cost finalisation of phase one of the underground utility tunnel project, the amount of government subsidies, determined according to the formula stipulated in the agreement (where such formula is to remain confidential), shall be approved and disbursed by the Harbin Municipal Government on a quarterly basis over a concession period of 25 years.

The decrease in trade and other receivables by RMB3.9 million in FY2021 was mainly due to the collections of receivables in FY2021.

OPERATING AND FINANCIAL REVIEW

The decrease in trade and other payables of RMB29.0 million in FY2021 was mainly due to the settlement of trade and other payables pertaining to (i) suppliers of materials trading business of RMB2.3 million, (ii) non-trade balance owing to the controlling shareholder/former director of RMB6.8 million, (iii) suppliers of project management business of RMB1.0 million and (iv) suppliers of phase one of the underground utility tunnel project of RMB17.0 million.

The decrease in loans and borrowings (current and non-current) by RMB22.3 million was due mainly to the repayment of bank loans of RMB7.0 million and the repayment of loan from related parties of RMB18.0 million, which was partially offset by the proceeds from bank loan of RMB2.7 million in FY2021.

The increase in other liabilities by RMB 0.8 million in FY2021 was mainly due to the increase in provision for income tax by RMB2.1 million arising from profit generated from phase one of the underground utility tunnel project, which was partially offset by the decrease in contract liabilities of RMB1.4 million in FY2021.

As a result of the net profit generated for the year, the Group's net equity attributable to the shareholders of the Company increased to RMB 64.3 million as at 31 December 2021 (31 December 2020: RMB 59.2 million).

3. Statement of Cash Flow

	FY2021 RMB'000	FY2020 RMB'000
Cash from operating activities	75,103	23,532
Cash used in investing activities	(1)	(5)
Cash used in financing activities	(69,802)	(23,491)
Net increase in cash and cash equivalents	5,300	36
Cash and cash equivalents at beginning of year	801	765
Cash and cash equivalents at end of year	6,101	801

The Group reported a net increase in cash and bank balances of RMB5.3 million from RMB0.8 million as at 31 December 2020 to RMB6.1 million as at 31 December 2021. The increase is mainly due to net cash inflow from operating activities of RMB75.1 million which is partially offset by net cash outflow from financing activities of RMB69.8 million.

OPERATING AND FINANCIAL REVIEW

4. Key Risk Factors & Risk Management

Risk of dependency on the level of the PRC government's spending and involvement in energy conservation management projects

As a significant source of the revenue of the Group's green technology business is subsidies granted by the PRC government, the level of revenue that will be derived from the green technology business would largely depend on continued spending by the relevant PRC government and provincial government to support energy conservation management projects.

Various factors would affect the nature, scale, location and timing of the PRC governments' public investment plans in the energy conservation management sector in the PRC. These factors include the government's policy and priorities regarding different regional economies across the PRC and the general condition and prospects of the overall economy of the PRC. Any significant reduction in the PRC governments' budgets relating to such energy conservation management sector, will lead to a decline in revenue arising from a smaller number of projects, lower contract value for the projects and/or a decline in profit margin due to competition to secure available projects. This could have a material and adverse effect on the green technology business. As such, the Group will try, as far as possible, to source and tender for sustainable development projects. In addition, after the completion of the insulation project and the underground utility tunnel projects, the Group will manage and operate these projects over a concession period of 10 and 25 years respectively whereby additional revenue and cash flows are expected to be generated.

Risk of reliance on independent sub-contractors to provide various services

In undertaking the Group's green technology business, the Group will be engaging independent third-party contractors to provide various services including installation and construction work for its projects. Even though these third-party contractors are responsible for the quality of their services, there is no assurance that the services rendered by such independent third party contractors will always be satisfactory or match the intended quality level. In the event of any loss or damage which arises from the default of these independent third-party contractors, the Group may nevertheless be liable for their default.

The green technology business will also be dependent on skilled construction labour, supervisors and managerial staff with experience in the green architecture and green technology industry. Any dearth in the availability of such labour resources will have an adverse effect on the operations and eventually its financial performance.

Furthermore, depending on situations, the Group manages its cash flows partially by structuring the projects such that the third-party contractors will finance or obtain financing for the construction activities and the Group will only make payment to these third party contractors in agreed tranches upon satisfactory completion of such activities (and related costs finalisation). There is a risk that any of the contractors may experience financial or other difficulties which may affect their ability to carry out their works, thus affecting and delaying the completion of the Group's projects and/or resulting in additional costs to the Group. Should any of the contractors fail to meet the required standards and suitable replacement contractors are not engaged in time, the Group's business and financial performance may be materially and adversely affected. Any such failure on the part of the contractors may also result in adverse publicity for the Group, which in turn may have an adverse impact on the Group's reputation, prospects and growth.

In mitigating these risks, the Group employs a stringent process in its selection of third party sub-contractors on its projects.

OPERATING AND FINANCIAL REVIEW

Risk of increases in raw material costs

The raw materials that the Group utilises comprise construction materials like thermal cladding, doors and windows and green architecture for the green technology projects. In order to ensure timely completion of the projects, the Group needs to obtain sufficient quantities of good quality raw materials at acceptable prices in a timely manner. As it is common practice in the industry not to have formal long-term supply arrangements with the suppliers, there is no assurance that the Group will be able to obtain sufficient quantities from suppliers of raw materials of acceptable quality and at acceptable price in a timely manner. Further, fluctuations in the prices of these raw materials will have a significant impact on the profit margins and hence the profitability. Such fluctuations have a direct impact on the prices of raw materials. The lack of availability of these raw materials will also have a significant impact on the Group's operations.

Project Expansion Risk

The Group has expanded its business to include those of upgrading existing infrastructure using green architecture and green technology, which is a relatively young industry in the PRC. This rapid expansion brings along certain associated risks and may put a strain on the Group's resources. However, the Group is confident that its strong management team and its quality third party sub-contractors will ensure that the Group will always be able to continue to strengthen the core competencies and adopt a strategy of cautious expansion. It is also believed that the ability to obtain and/or refinance the appropriate level of financing in due course, among others, would be crucial in ensuring the smooth undertaking of such projects.

Credit risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Group's receivables from customers.

The carrying amounts of financial assets in the statements of financial position represent the Group and the Company's respective maximum exposures to credit risk, before taking into account any collateral held. The Group and the Company do not hold any collateral in respect of their financial assets.

For trade receivables, the Group adopts the policy of dealing only with customers of appropriate credit history, and obtaining sufficient security where appropriate to mitigate credit risks. For other financial assets, the Group adopts the policy of dealing only with high credit quality counter parties.

The Group has established a credit policy under which each new customer is analysed individually for creditworthiness before the Group's standard payment and delivery terms and conditions are offered. The Group's review includes external ratings, when available, and in some cases bank references. Customers failing to meet the Group's benchmark creditworthiness may transact with the Group only on a prepayment basis. In addition, for transactions that do not occur in the country of the relevant operating unit, the Group does not offer credit terms without the specific approval of management. As the Group trades only with recognised and creditworthy third parties, there is no requirement for collateral.

Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Group's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation.

OPERATING AND FINANCIAL REVIEW

Typically, the Group ensures that it has sufficient cash on demand to meet expected operational expenses, including the servicing of financial obligations; this excludes the potential impact of extreme circumstances that cannot reasonably be predicted, such as natural disasters.

Following the completion of the insulation project and phase one of the utility tunnel project (pending costs finalisation by the respective PRC government bodies), the Group has received and will be receiving the subsidies payments from the grantor in accordance with the Group's contractual rights in the respective service concession arrangements.

At the reporting date, the Group maintains RMB nil of uncommitted credit facilities that can be drawn down to meet short-term financing needs.

The Group relies on continuing financial support from the Group's bankers. The Group's and the Company's liquidity risk management policy is to maintain sufficient liquid financial assets and credit facilities with reputable banks. Substantial amounts of the Group's cash and cash equivalents are deposited with reputable financial institutions such as DBS Bank Ltd, Bank of Communications, Harbin Bank, Daqing Rural Commercial Bank Co., Ltd and Hanyu Bank (China) etc. so as to provide the Group with the flexibility to meet working capital and capital investment needs.

Currency risk

The Group operates predominantly in PRC and usually transacts in RMB, the official currency in China. Currently, the PRC government imposes control over foreign currencies. RMB is not freely convertible. Enterprises operating in the PRC can enter into exchange transactions through the People's Bank of China or other authorised financial institutions. Payments for imported materials or services and remittance of earnings of the subsidiaries to the Company, which is outside of the PRC, are subject to the availability of foreign currencies which depends on the foreign currency denominated earnings of the enterprise, or exchanges of RMB for foreign currency must be arranged through the People's Bank of China or other authorised financial institutions. Approval for exchanges at the People's Bank of China or other authorised financial institutions is granted to enterprises in the PRC for valid reasons such as purchase of imported materials and remittance of earnings. While conversion of RMB into Singapore dollars or other currencies can generally be effected at the People's Bank of China or other authorised financial institutions, there is no guarantee that it can be effected at all times.

The Group does not have significant currency exposures.

Transactional currency exposures arising from sales or purchases that are denominated in a currency other than the respective functional currencies of Group entities, primarily SGD and RMB, are not significant.

The Group manages its foreign exchange exposure risk by matching, as far as possible, receipts and payments in each individual currency. Foreign currency is converted into the relevant functional currency as and when the management deemed necessary. The unhedged exposure is reviewed and monitored closely on an ongoing basis and management will consider hedging any material exposure where appropriate.

OPERATING AND FINANCIAL REVIEW

Interest rate risk

The Group's and Company's exposure to interest rate risk arises primarily from interest-bearing loans and borrowings. The Group does not use derivative financial instruments to hedge its interest rate risk.

The Group policy is to manage interest cost using a mix of fixed and floating rate debts.

5. Returns to Shareholders

As a result of the net profit generated for the year, the earnings per share for FY2021 was RMB 2.03 cents as compared to RMB 1.05 cents in FY2020. The net asset value per share for FY2021 was RMB 26.09 cents as compared to RMB23.99 cents in FY2020.

For the year ended 31 December 2021, the Board of Directors does not recommend any dividends payout so as to conserve resources to fund future potential sustainable development projects. The Board of Directors will continue to work hard to generate greater shareholder value and returns and is looking forward to continued positive contributions from the new income stream brought in by the Group's green technology business.

6. Prospects & Plans

As at 31 December 2021, phase one of the underground utility tunnel project (including its variation order) has been completed and accepted by the PRC government, pending cost finalisation by the relevant government bodies. However, while the cost finalisation by the PRC government bodies is ongoing, the General Office of Harbin Municipal People's Government paid RMB88.3 million in government subsidies in FY2021. Barring any unforeseen circumstances, upon cost finalisation by the PRC government, the Group will manage and operate the underground utility tunnel project over a concession period of 25 years.

The Group has commenced some construction work on phase two of the underground utility tunnel project. However, financing from banks for this project has been affected by the borrowing ratios of local government exceeding the nationwide benchmark in the PRC. The local government is in discussions with the Group to acquire this project from the Group, and the Group has completed, with its main contractor and construction supervisor, and submitted, the preliminary review of the work which was carried out by the Group for phase two of the underground utility tunnel project and for which the Group would want to bill. The Company will provide an update via SGXNET upon any further developments.

The Group has been resuming its operations gradually in line with the fall in COVID-19 cases in Harbin, the PRC, taking extra precautions for all its employees and to ensure the Group's continued compliance with the government's directives. The management has also taken a new strategic approaching of partnering state-owned enterprises in a bid to secure more sustainable development projects in 2022 as state-owned enterprises have innate advantages in securing such projects. The Group remains optimistic of its green technology business and projects as the market for its energy conservation services is untapped and huge in Northern China. At this juncture, the Group wishes to highlight that COVID-19 cases in the PRC have recently increased in light of the Delta and Omicron variant and there have been lockdowns and travel restrictions imposed in the PRC. In Harbin, measures have also been taken to curb the spread of the virus, which have recently included a semi-shutdown of the Harbin city. As such, the ability to procure working capital and/or the appropriate level of financing as well as improving macro conditions (such as improving COVID-19 situation) would be key to securing these projects.

CORPORATE GOVERNANCE REPORT

The Board of Directors (the “**Board**” or the “**Directors**”) and the management team (“**Management**”) of Green Build Technology Limited (the “**Company**” and together with its subsidiaries, the “**Group**”) are committed to maintaining a high standard of corporate governance by complying with the principles and guidelines of the Code of Corporate Governance 2018 (the “**Code**”) issued by the Corporate Governance Committee.

Good corporate governance is integral to a sound corporation as it promotes corporate transparency and protects and enhances shareholders’ interest. This statement outlines the main corporate governance practices and processes that were in place since the financial year beginning on 1 January 2021 and ended on 31 December 2021 (“**FY2021**”).

The Company believes that it has substantially complied with the principles and guidelines as set out in the Code where appropriate. Appropriate explanations have been provided in the relevant sections below where there are deviations from the Code.

(A) BOARD MATTERS

Board’s Conduct of its Affairs

Principle 1: The company is headed by an effective Board which is collectively responsible and works with Management for the long-term success of the company.

The Board’s principal roles include, among others:

Provision 1.1
of the Code

- (a) approving the Group’s key business strategies and financial objectives;
- (b) setting the appropriate and desired code of conduct, and putting in place the desired culture and tone;
- (c) overseeing the conduct of the Group’s business to evaluate whether the business is being properly managed;
- (d) establishing a framework for proper internal controls and risk management;
- (e) ensuring proper accountability within the Group;
- (f) the Group’s compliance to laws, regulations, policies, directives, guidelines and internal code of conduct; and
- (g) the satisfactory fulfilment of social responsibilities of the Group.

The Board also has in place policies and procedures for dealing with conflict of interest. Where a Director faces a conflict of interest, he or she would recuse himself or herself from discussions and/or decision-making involving issues of conflict. This is to ensure *inter alia*, that the Board acts in the best interests of the Company at all times and discharges its duties objectively.

CORPORATE GOVERNANCE REPORT

The Company provides a formal letter upon the appointment of new Directors. Directors receive comprehensive and tailored induction on joining the Board including their duties as Directors and how to discharge those duties, including a comprehensive orientation programme presented by the Chief Executive Officer (“CEO”). Directors are also provided with updates on the relevant new laws, regulations and changing commercial risks in the Group’s operating environment through regular presentations and meetings; and they also have the opportunity to visit the Group’s operational facilities in the People’s Republic of China (the “PRC”) and meet with Management to gain a better understanding of business operations.

Provision 1.2
of the Code

The Company does not have a formal training program for new Directors. However, to assist the Board in discharging its duties, newly appointed Directors will be briefed on the business operations and regulatory issues relating to the Group to ensure that they are familiar with the Group’s business and governance practices. The Directors are also provided with a formal letter setting out the Director’s duties and obligations. The induction, training and development programme provided to new Directors is overseen by the Nominating Committee (the “NC”). Directors are also informed of regulatory changes affecting the Group. In addition, the Board encourages its members to participate in seminars and receive training to improve themselves in the discharge of their duties as Directors of a listed entity. The Company understands that some of the Independent Directors have participated in seminars and receive training to improve themselves in the discharge of their duties as Directors. The Company will also share its industry-specific knowledge with Directors as appropriate and in relation to first-time Directors, shall require that such Directors undergo training in the roles and responsibilities of a listed company director.

New incoming Directors who do not have prior experience as a director of a public listed company in Singapore, are required, within one (1) year from the date of their appointment as a director, to attend training courses organised by the Singapore Institute of Directors or other training institutions in areas such as accounting, legal and industry-specific knowledge, where appropriate, in connection with their duties.

The Company has clear and specific guidelines setting forth the matters reserved for the Board’s decision and clear directions to Management on matters that must be approved by the Board. The Board’s approval is required for matters such as corporate restructuring, mergers and acquisitions, major investments, material acquisitions and disposals of assets, major corporate policies on key areas of operations, the release of the Group’s quarterly financial statements, full year financial statements and annual reports, interested person transactions of a material nature, and declaration of interim dividends and proposal of final dividends.

Provision 1.3
of the Code

All other matters are delegated to Board Committees whose actions are reported to and monitored by the Board. The Board does not abdicate its responsibility in such delegations of authority.

CORPORATE GOVERNANCE REPORT

To assist in the execution of its responsibilities, the Board has delegated some of its powers to its committees and Management. In particular, the Board has established a NC, a Remuneration Committee (the “**RC**”), and an Audit Committee (the “**AC**”) (collectively, the “**Board Committees**”), which are empowered by the Board and with clear written terms of references setting out their compositions, authorities and specific responsibilities which include reporting back to the Board. The effectiveness of each committee is constantly monitored. While further described below, in summary, the AC is responsible for undertaking an independent review of the effectiveness of the financial reporting process and internal control systems of the Company and if required, to make the necessary recommendations to strengthen the necessary processes and controls to the Board.

Provision 1.4
of the Code

The NC is responsible for reviewing and making the appropriate recommendations to the Board on all board appointments and re-appointments while the RC is responsible for establishing and implementing a framework for remuneration of directors and key management personnel. Accordingly, the Board Committees facilitate the Board's oversight of the Group.

The Board conducts an annual review of its processes to ensure that it is able to carry out its functions in the most effective manner.

CORPORATE GOVERNANCE REPORT

The Board currently holds at least two (2) scheduled meetings each year. It also holds additional meetings at such other times as may be necessary to address any specific or significant matters that may arise. The Company's Constitution allows meetings to be conducted by way of a telephone conference or by means of similar communications equipment whereby all persons participating in the meetings are able to hear and communicate with each other. The agenda for meetings include standing items such as financial reports, strategic matters, governance, business risk issues and compliance, where applicable and relevant. Executive officers may, from time to time, be invited to attend Board meetings to provide updates on operational matters.

Provision 1.5
of the Code

For FY2021, there was 1 Nominating Committee meeting and Remuneration Committee meeting, and 3 Audit Committee meetings and Board meetings held. The attendance of each Director at the Board and Board Committee meetings is set out as follows:

Name of Director	Board	Audit	Nominating	Remuneration
Number of Meetings held				
	3	3	1	1
Number of Meetings attended				
Zhao Lizhi ⁽²⁾	1	1 ⁽¹⁾	1 ⁽¹⁾	1 ⁽¹⁾
Wu Xueying	3	3 ⁽¹⁾	1 ⁽¹⁾	1 ⁽¹⁾
Dong Congwen	3	3	1	1
Soh Yeow Hwa	3	3	1	1
Ng Poh Khoon	3	3	1	1

Notes:

(1) Attendance by invitation.

(2) Mr Zhao Lizhi resigned as Executive Chairman and Executive Director on 30 September 2021.

All Directors are required to declare their board representations on an annual basis and as soon as practicable after the relevant facts have come to his knowledge. While some of the Directors have taken on multiple board representations, they have ensured that they are able to accord sufficient time and attention to the affairs of each company.

Directors receive a regular supply of complete, adequate information, in a timely manner from Management about the Group. The Directors are entitled to request from Management and are provided with such additional information as needed to make informed decisions, so that they are equipped to play as full a part as possible in Board meetings. Detailed Board papers are prepared for each meeting of the Board. The Board papers include sufficient information from Management on

Provision 1.6
of the Code

CORPORATE GOVERNANCE REPORT

financial, business, and corporate issues to enable Directors to be properly briefed on issues to be considered at Board meetings. Information provided includes background or explanatory information relating to matters to be brought before the Board, and copies of disclosure documents, budgets, forecasts and internal financial statements, including explanations for any material variance between projections and actual results. New releases issued by the Singapore Exchange Securities Trading Limited (the “**SGX-ST**”) and Accounting and Corporate Regulatory Authority (the “**ACRA**”) which are relevant to the Directors are circulated to the Board. The Company Secretary also informs the Directors of upcoming conferences and seminars relevant to their roles as Directors of the Company.

Provision 1.6
of the Code

All Directors have unrestricted access to the Group’s records and information and receive detailed financial and operational reports from Management during the year to enable them to carry out their duties. Directors also liaise with senior Management as required, and may consult with other employees and seek additional information on request.

The Directors have separate and independent access to Management and the Company Secretary of the Company.

Provision 1.7
of the Code

The Company Secretary and/or the representatives from the Company Secretary’s office attend all meetings of the Board and Board Committees and prepare the minutes of such meetings, attend to corporate secretariat administration matters, and ensure that Board procedures are followed and that applicable rules and regulations are complied with. The appointment and removal of the Company Secretary is subject to the approval of the Board.

Should Directors, whether as a group or individually, need independent professional advice in the furtherance of their duties, the cost of such professional advice will be borne by the Company.

CORPORATE GOVERNANCE REPORT

Board Composition and Guidance

Principle 2: The Board has an appropriate level of independence and diversity of thought and background in its composition to enable it to make decisions in the best interests of the company.

The independence of each Independent Director is reviewed annually and as and when circumstances require, by the NC, based on the guidelines set forth in the Code and the Mainboard Rules (the “**Independence Guidelines**”). The Board and the NC consider a Director to be “**independent**” if he has no relationship with the Company, its related corporations, its substantial shareholders, or its officers that could interfere, or be reasonably perceived to interfere, with the exercise of that Director’s independent business judgement with a view to the best interests of the Company. The Board and the NC are of the opinion that the Independent Directors satisfy these criteria. Provision 2.1 of the Code

The NC is of the opinion that the Independent Directors are independent in character and judgement and that there are no relationships or circumstances which are likely to affect, or could appear to affect, their judgement. For FY2021 and as at the date of this Annual Report, there are no Independent Directors of the Company who sit on the board of any of the Company’s related corporations. None of the Independent Directors have immediate family members who have been at any time in the past three (3) financial years, employed by the company or any of its related corporations and whose remuneration is determined by the RC.

Independent members of the Board exercise no management functions in the Company or any of its subsidiaries. Although all the Directors have equal responsibility for the performance of the Group, the role of the Independent Directors is particularly important in reviewing and monitoring the performance of Management in meeting the Group’s agreed goals and objectives and ensuring that the strategies proposed by the Management are fully discussed and rigorously examined taking into account the long-term interests, not only of the shareholders, but also of employees, customers, suppliers and the many communities in which the Group conducts business. The Board considers its Non-Executive and Independent Directors to be of sufficient caliber and number, and their views to be of sufficient weight that no individual or small group can dominate the Board’s decision-making processes. The Independent Directors have no financial or contractual interests in the Group other than by way of their fees as set out in this statement.

As of the date of this Annual Report, there are no Independent Directors who have served on the Board for more than nine (9) years since the date of his appointment.

CORPORATE GOVERNANCE REPORT

As at the end of FY2021, the Board comprised of four (4) Directors, of which three (3) were Independent Directors. The composition of the Board as at the end of FY2021 is set out below:

Provisions
2.2 and 2.3
of the Code

Executive Director

Wu Xueying : Executive Director, CEO

Non-Executive Directors

Soh Yeow Hwa : Non-Executive, Independent Director

Ng Poh Khoon : Non-Executive, Independent Director

Dong Congwen : Non-Executive, Independent Director

As at the date of this Annual Report, the Board comprises of six (6) Directors, of whom three (3) are Independent Directors. The composition of the Board as at the date of this Annual Report is set out below:

Executive Directors

Wu Xueying : Executive Director, CEO

Chan Mang Ghoon : Executive Director, Chief Financial Officer
("CFO")

Li Mingyang : Executive Director, Chief Business
Development Officer ("CBDO")

Non-Executive Directors

Soh Yeow Hwa : Non-Executive, Independent Director

Ng Poh Khoon : Non-Executive, Independent Director

Dong Congwen : Non-Executive, Independent Director

As the Board currently consists of three (3) Independent Directors and three (3) Executive Directors, it is not in compliance with Provisions 2.2 and 2.3 of the Code. The Board wishes to highlight that for FY2021 and up to 9 February 2022, the Board was in compliance with Provisions 2.2 and 2.3 of the Code. It was only upon the appointment of Mr Li Mingyang on 9 February 2022 that the Board has the same number of Executive Directors and Independent Directors. The Board is currently in the process of identifying a suitable candidate to be appointed as an additional independent director, and shall endeavour to appoint such additional independent director as soon as possible.

Further to this, as of the date of this Annual Report, the role of the Chairman has been collectively taken on by the Board, save for the CEO. The Board fulfilling the role of the Chairman comprises of two (2) Executive Directors and three (3) Independent Directors.

Other key information on the individual Directors of the Company is set out in pages 5 to 9 of this Annual Report. Their shareholdings in the Company are also disclosed in the Directors' Statement. None of the Directors hold shares in the subsidiaries of the Company.

CORPORATE GOVERNANCE REPORT

The composition of the Board is determined in accordance with the following principles: Provision 2.4
of the Code

- (a) the Board and its Board Committees should comprise a sufficient number of Directors to fulfil its responsibilities and who as a group provide an appropriate balance and diversity of skills, experience, gender and knowledge of the Company. They also provide core competencies such as accounting or finance, business or management experience, industry knowledge, strategic planning experience and customer-based experience or knowledge (this number may be increased where it is felt that additional expertise is required in specific areas, or when an outstanding candidate is identified);
- (b) the Board should comprise a majority of Non-Executive and Independent Directors; and
- (c) the Board should have enough Directors to serve on various committees of the Board without overburdening the Directors or making it difficult for them to fully discharge their responsibilities.

The composition of the Board is reviewed on an annual basis by the NC to ensure that the Board has the appropriate mix of expertise and experience, and collectively possesses the necessary core competencies for effective functioning and informed decision-making.

The Board currently comprises of six (6) Directors (including one (1) female Director) with a mix of experience in finance (including audit and accounting), marketing, business administration, management and civil engineering. The ages of the Directors range from early 40s to early 70s.

The Board is of the view that save for the Board not comprising a majority of Non-Executive and Independent Directors, its current composition, with its current diversity and mix of skills, knowledge and experience, is appropriate taking into account the principles set out above, the scope and nature of the operations of the Company and of the Group and the requirements of the business.

Where necessary, the Non-Executive Independent Directors discuss the Group's affairs among themselves without the presence of the Executive Directors and Management. If required, feedback is provided to the Executive Directors and Management after such discussions. Provision 2.5
of the Code

CORPORATE GOVERNANCE REPORT

Chairman and CEO

Principle 3: There is a clear division of responsibilities between the leadership of the Board and Management, and no one individual has unfettered powers of decision-making.

The roles of Chairman and CEO have been held separately by two (2) individuals in order to ensure a clear separation of roles and responsibilities, and to ensure that there is an appropriate balance of power. Provision 3.1 of the Code

Following the resignation of Mr Zhao Lizhi on 30 September 2021, the Board does not currently have an individual designated as Chairman.

As set out in Provision 3.2 of the Code, the Directors, save for the CEO, have collectively taken on the responsibility of the Chairman. The Board will evaluate at a later stage on the need to appoint a Director as Chairman.

There is a clear division of the responsibilities between the Chairman and the CEO. Provision 3.2 of the Code

The Chairman's role is to, *inter alia*:

- (a) lead the Board to ensure its effectiveness on all aspects of its role;
- (b) set the agenda and ensure that adequate time is available for discussion of all agenda items, in particular strategic issues;
- (c) promote a culture of openness and debate at the Board;
- (d) ensure that the Directors receive complete, adequate and timely information;
- (e) ensure effective communication with shareholders;
- (f) encourage constructive relations within the Board and between the Board and Management;
- (g) facilitate the effective contribution of Independent and Non-Executive Directors in particular; and
- (h) promote high standards of corporate governance.

Ms Wu Xueying is the CEO throughout FY2021 and as at the date of this Annual Report. The CEO has full executive responsibilities takes a leading role in developing the businesses of the Group and manages the day-to-day operations of the Group.

CORPORATE GOVERNANCE REPORT

The CEO's responsibilities pertaining to the Board include, *inter alia*, the following: Provision 3.2 of the Code

- (a) assisting to ensure compliance with the Company's guidelines on corporate governance;
- (b) ensuring the flow of information between Management and the Board takes place in a timely and effective manner; and
- (c) scheduling meetings to enable the Board to discharge its duties responsibly.

As set out above at Provisions 2.2 and 2.3, the Directors, save for the CEO, have collectively taken on the role of the Chairman. These Directors comprise of three (3) Independent Directors and two (2) Executive Directors. As the Company does not currently have a Chairman, the Board is of the view that it will not be required to appoint a lead independent director at this time. The Company will review and consider the appointment of a lead Independent Director in the future upon assessment of the circumstances at the material time, including in the event that an Executive Director is subsequently appointed as the Chairman of the Board. Provision 3.3 of the Code

Board Membership

Principle 4: The Board has a formal and transparent process for the appointment and re-appointment of directors, taking into account the need for progressive renewal of the Board.

The Company has established the NC and the duties and responsibilities of the NC are as follows: Provision 4.1 of the Code

- (a) to make recommendations to the Board on the appointment of new Executive and Non-Executive Directors, including making recommendations on the composition and progressive renewal of the Board and reviewing each Director's competencies, commitment, contribution and performance (for example, attendance, preparedness, participation and candour) including, if applicable, whether he remains independent in the case of the Independent Directors and the balance between Executive and Non-Executive Directors appointed to the Board;
- (b) to regularly review the Board structure, size and composition and make recommendations to the Board with regards to any adjustments that are deemed necessary;
- (c) to determine the process for search, nomination, selection and appointment of new Board members and be responsible for assessing the requisite qualifications and fulfilment of being independent of the nominees or candidates for appointment or election to the Board;

CORPORATE GOVERNANCE REPORT

- (d) to make plans for succession, in particular for the Chairman, CEO and key management personnel, and to review the same periodically thereafter; Provision 4.1 of the Code
- (e) to determine, on an annual basis, and as and when circumstances require, if a Director is independent. If the NC determines that a Director, who has one (1) or more of the relationships mentioned under the Code is in fact independent, the Company should disclose in full, the nature of the Director's relationship and provide its views to the Board for the Board's consideration. The NC may at its discretion determine a Director as non-independent even if he/she has no business or other relationships with the Company, its related companies or its officers and should similarly provide its views to the Board for the Board's consideration;
- (f) to recommend Directors who are retiring by rotation to be put forward for re-election;
- (g) to decide whether or not a Director is able to and has been adequately carrying out his/her duties as a Director of the Company, particularly when he/she has multiple board representations taking into consideration the Director's number of listed company board representations and other principal commitments;
- (h) to be responsible for assessing the effectiveness of the Board as a whole and for assessing the effective contribution and commitment of each individual Director to the effectiveness of the Board. The results of the performance evaluation will be reviewed by the Chairman of the NC and the assessment shall be disclosed annually; and
- (i) to review training and professional development programs for the Board.

As at the date of this Annual Report, the NC comprises of Mr Soh Yeow Hwa, Mr Ng Poh Khoon and Mr Dong Congwen, with Mr Ng Poh Khoon appointed as the Chairman of the NC. All members of the NC are independent. Provision 4.2 of the Code

CORPORATE GOVERNANCE REPORT

In the event there is a need to change the structure of the Board, the chairmanship of the Company or the membership of the Board Committees, the NC will review the change to be implemented and make recommendations to the Board accordingly. Provision 4.3 of the Code

For the new appointment of Directors, the NC will, in consultation with the Board, examine the existing Board's strength, capabilities and the existing Directors' contribution of skills, knowledge and experience to the Group and the Board. The NC will take into account the future needs of the Group and together with the Board, it will seek candidates who are able to contribute to the Group. The NC will attempt to seek candidates widely and beyond persons directly known to the existing Directors and recommend suitable candidates to the Board and if such candidates are appointed, announcements relating to their appointment shall be released via SGXNET. In the event of the cessation of appointment of any Director or executive officer, the NC will conduct exit interviews with such Director or executive officer, as the case may be, and announcements relating to such cessation(s) will also be released via SGXNET.

The Directors submit themselves for re-nomination and re-election at regular intervals of at least once every three (3) years. Regulation 91 of the Company's Constitution provides that at least one-third (1/3) of the Board is to retire by rotation and be subject to re-election at every Annual General Meeting ("**AGM**"). In addition, Regulation 97 of the Company's Constitution also provides that newly appointed Directors are required to submit themselves for re-nomination and re-appointment at the next AGM of the Company.

Ms Wu Xueying and Mr Ng Poh Khoo (pursuant to Regulation 91 of the Company's Constitution), and Mr Chan Mang Ghoo and Mr Li Mingyang (pursuant to Regulation 97 of the Company's Constitution) will retire at the forthcoming AGM (collectively, the "**Retiring Directors**"). In this regard, after assessing the contributions of the Retiring Directors, the Board has accepted the NC's recommendation that the Retiring Directors, who have each given their consent for re-nomination and re-election at the forthcoming AGM of the Company, be put forth for re-nomination and re-election.

Information, as set out in Appendix 7.4.1 of the Mainboard Rules, relating to the Retiring Directors who are retiring and offering themselves for re-election at the forthcoming AGM can be found in the "Disclosure of Information on Directors Seeking Re-Election" on pages 126 to 138 of the Annual Report.

CORPORATE GOVERNANCE REPORT

The independence of each Independent Director is reviewed annually and as and when circumstances require, by the NC, based on the Independence Guidelines. Annually, each of the Independent Directors is required to complete a declaration of director's interests, and a confirmation of independence (the "**Independence Checklist**"), which are based on the aforementioned guidelines. Thereafter, the NC reviews the Independence Checklist completed by each of the Independent Directors and assesses their independence prior to recommending their assessment to the Board. The Independent Directors have confirmed their independence pursuant to the Independence Guidelines for FY2021. The Board, after taking into account the views of the NC and having considered the confirmations of independence provided by each of the Independent Directors, is of the view that Mr Soh Yeow Hwa, Mr Ng Poh Khoon and Mr Dong Congwen are independent.

Provision 4.4
of the Code

To ensure that new Directors are aware of their duties and obligations, a formal letter of appointment explaining their duties and obligations as Director is provided to every new Director upon appointment, setting out the time commitment required of the Director and the Director's roles and responsibilities.

Provision 4.5
of the Code

The NC has in place internal guidelines to address the conflict of competing time commitments of Directors serving on multiple boards. If a Director is on the board of other companies, the NC shall consider whether he or she has been able to devote adequate time and attention to the affairs of the Group. In the event there are sufficient grounds for complaint, the Chairman or the CEO will on the advice of the NC, discuss, and if necessary, advise the Director concerned of the issues and the consequences of failure to rectify the situation within the period required.

The current Board members generally have not more than four (4) directorships in other listed companies, which, in the opinion of the NC, means that they have sufficient energy and time to focus on the affairs of the Group. As such, the NC has currently not set a limit on the number of Directors' directorships in other listed companies. The NC will however not rule out the requirement to set limits subsequently on its Directors' directorships in other listed companies should subsequent situations warrant such action. After conducting reviews, the NC is satisfied that currently the Directors have been able to devote adequate time and attention to the affairs of the Group and that they are able to satisfy their duties as Directors to the Company.

The directorships of each current Director in listed companies (other than their directorship in the Company) as at the date of this Annual Report are set out below:

CORPORATE GOVERNANCE REPORT

Name of Director	Directorship in Listed Companies		Principal Commitments of Directors
	Present	Past Preceding 3 years	
Wu Xueying	—	—	Executive Director and CEO of Green Build Technology Limited Director of Harbin Superior Construction Materials Trading Co., Ltd. Director of Harbin Prevailing Municipal Engineering Co., Ltd. Director of Harbin Vigorous Construction and Engineering Co., Ltd. Legal Representative of Harbin Shengming Energy Saving and Technology Co., Ltd.
Chan Mang Ghoon	—	—	Executive Director and CFO of Green Build Technology Limited Director of Springboard Epic Capital Group Pte. Ltd. Director and Supervisor of Start Smart Learning Centre Pte. Ltd.
Li Mingyang	—	—	Executive Director and CBDO of Green Build Technology Limited

 Provision 4.5
of the Code

CORPORATE GOVERNANCE REPORT

Name of Director	Directorship in Listed Companies		Principal Commitments of Directors
	Present	Past Preceding 3 years	
Soh Yeow Hwa	–	Hu An Cable Holdings Ltd Ace Achieve Infocom Limited China Haida Ltd	Director of CHD Engineering & Trading Pte. Ltd. Director of HQ Environment Pte. Ltd. Director of Yixing Jeffcon Pte. Ltd. Director of Golden Sands Seafoods Pte. Ltd. Director of Sandhon Trading Pte. Ltd.
Ng Poh Khoon	China Star Food Group Limited Nutryfarm International Limited Regal International Group Ltd	Star Pharmaceutical Ltd	Independent director of Regal International Group Ltd Independent director of China Star Food Group Limited Non-executive director of Nutryfarm Information Limited Director of 67 Capital Private Limited
Dong Congwen	–	–	Senior Professor of MBA, Harbin University of Commerce Director of Heilongjiang Provincial Commercial Economics Association

Provision 4.5 of the Code

Board Performance

Principle 5: The Board undertakes a formal annual assessment of its effectiveness as a whole and that of each of its board committees and individual directors.

The NC has established a process for assessing the effectiveness of the Board as a whole and its Board Committees and for assessing the contribution by the Chairman and each individual Director to the effectiveness of the Board. The performance criteria which have been approved by the Board for the Board evaluation, includes an evaluation of the size and composition of the Board, the Board's access to information, accountability, Board processes, and Board

Provisions 5.1 and 5.2 of the Code

CORPORATE GOVERNANCE REPORT

performance in relation to discharging its principal responsibilities. In its assessment, the NC takes into consideration the frequency of the Board meetings, Board independence, the rate at which issues raised are adequately dealt with, the effectiveness of the Board Committees, and reports from the various Board Committees. Given the relatively small size of the Board, the Board and the NC are of the opinion that there is no need at present to conduct a separate formal assessment of the Board Committees other than the assessments being carried out in respect of individual Directors and the Board. No external facilitator was engaged in FY2021. If required, the NC has full authority to engage an external facilitator with the evaluation process.

Provisions
5.1 and 5.2 of
the Code

The Board and the NC evaluate individual Directors on whether each Director continues to contribute effectively and demonstrate commitment to the role (including commitment of time for Board and Board Committee meetings, and any other duties) and have endeavoured to ensure that Directors appointed to the Board possess the experience, knowledge and skills critical to the Group's business, so as to enable the Board to make sound and well-considered decisions. The NC also considers whether the Director has a reasonable understanding of the Group's business and the industry, the Director's working relationship with the other members of the Board and the senior management of the Company, as well as feedback from other Directors.

With respect to FY2021 and after due evaluation, the NC considered the performance of each individual Director and the Board to be satisfactory. For avoidance of doubt, each member of the NC abstains from voting on any resolution in respect of the assessment of his performance or re-nomination as Director.

(B) REMUNERATION MATTERS

Procedures for Developing Remuneration Policies

Principle 6: The Board has a formal and transparent procedure for developing policies on director and executive remuneration, and for fixing remuneration packages of individual directors and key management personnel. No director is involved in deciding his or her own remuneration.

The RC performs the following functions:

Provisions
6.1 and 6.3 of
the Code

- (a) to review and recommend to the Board, a general framework of remuneration and to determine the specific remuneration packages and terms of employment for:
 - (i) each Director;
 - (ii) the Chairman (or executive of equivalent rank);
 - (iii) key management personnel of the Group; and

CORPORATE GOVERNANCE REPORT

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| <ul style="list-style-type: none"> (iv) employees related to Directors or substantial shareholders of the Group; (b) to organise and hold meetings of the RC as the RC deems appropriate. The RC meets at least once a year and meetings are organised so that attendance is maximised. Meetings may be called, at any other time, by the Chairman of the RC or any member of the RC. Directors or Management may be invited to the meetings; (c) to recommend to the Board any performance bonus schemes which may be set up from time to time and to do all acts necessary in connection therewith; and (d) to carry out its duties in the manner that it deems expedient, subject always to any regulations or restrictions that may be imposed upon the RC by the Board of Directors from time to time. | Provisions
6.1 and 6.3 of
the Code |
|---|--|

As part of its review, the RC shall ensure that:

- (a) all aspects of remuneration including Directors' fees, salaries, allowances, bonuses, options and benefits-in-kind should be covered;
- (b) the remuneration packages should be comparable within the industry and comparable companies and shall include a performance-related element;
- (c) the remuneration package of employees related to Directors or controlling shareholders of the Group are in line with the Group's staff remuneration guidelines and commensurate with their respective job scopes and levels of responsibility;
- (d) existing relationships, if any, between the Company and its appointed remuneration consultants will not affect the independence and objectivity of the remuneration consultants; and
- (e) the Executive Directors' and key management personnel's contracts of service contain fair and reasonable termination clauses which are not overly generous.

The members of the RC do not participate in any decision concerning their own remuneration.

CORPORATE GOVERNANCE REPORT

For FY2021 and as at the date of this Annual Report, the RC comprises of Mr Soh Yeow Hwa, Mr Ng Poh Khoon and Mr Dong Congwen. Mr Soh Yeow Hwa is the Chairman of the RC. All members of the RC are independent. Provision 6.2 of the Code

If necessary, the RC should seek expert advice inside and/or outside the Company on remuneration of all Directors. For FY2021, no external remuneration consultant was engaged. In the event that the RC decides that such professional advice is required, it will ensure that existing relationships, if any, between the Company and its appointed remuneration consultants will not affect the independence and objectivity of the remuneration consultants. Provision 6.4 of the Code

Level and Mix of Remuneration

Principle 7: The level and structure of remuneration of the Board and key management personnel are appropriate and proportionate to the sustained performance and value creation of the company, taking into account the strategic objectives of the company.

A significant and appropriate proportion of Executive Directors' remuneration is structured so as to link rewards to corporate and individual performance. Provisions 7.1 and 7.3 of the Code

The Group's remuneration policy is to provide compensation packages appropriate to attract, retain and motivate the Directors and key personnel required to run the Group successfully for the long term.

The remuneration of the CEO, Ms Wu Xueying, is based on the terms of the service agreement entered into between Ms Wu Xueying and the Company effective as at 1 July 2016 and the supplemental agreement entered into between Ms Wu Xueying and the Company effective as at 1 August 2018. The aforesaid service agreement shall continue unless otherwise terminated by either party giving not less than six (6) months' notice in writing to the other.

The remuneration of the CFO, Mr Chan Mang Ghoon, is based on the terms of the service agreement entered into between Mr Chan Mang Ghoon and the Company effective as at 19 January 2022. The aforesaid service agreement shall continue unless otherwise terminated by either party giving not less than six (6) months' notice in writing to the other.

The remuneration of the CBDO, Mr Li Mingyang, is based on the terms of the service agreement entered into between Mr Li Mingyang and the Company effective as at 9 February 2022. The aforesaid service agreement shall continue unless otherwise terminated by either party giving not less than six (6) months' notice in writing to the other.

CORPORATE GOVERNANCE REPORT

With regard to the remuneration of other key executives, the RC, together with Management, reviews proposals which are made by the Executive Directors. The remuneration policy for the key management executives takes into consideration the Group's performance, and the responsibility and performance of individual key management executives. The latter is measured by goals and objectives set for each key management executive in congruence with the Group's overall goals and objectives.

Provisions 7.1 and 7.3 of the Code

The Group is of the view that there is no requirement to institute contractual provisions to allow the Company to reclaim incentive components of Executive Directors' remuneration paid in prior years in exceptional circumstances of misstatement of financial results, or of misconduct resulting in financial loss as they owe a fiduciary duty to the Company and the Company should be able to avail itself to remedies against the Executive Directors in the event of such breach of fiduciary duties.

In determining the remuneration of the Independent Directors, the RC ensures that the level of remuneration is appropriate to the level of contribution, taking into account factors such as effort, time spent and responsibilities of the Independent Directors. The RC ensures that Independent Directors are not over-compensated to the extent that their independence may be compromised. The Board will, if necessary, consult experts on the remuneration of Independent Directors. The Board will recommend the remuneration of the Independent Directors for approval at the forthcoming AGM.

Provision 7.2 of the Code

Disclosure on Remuneration

Principle 8: The company is transparent on its remuneration policies, level and mix of remuneration, the procedure for setting remuneration, and the relationships between remuneration, performance and value creation.

The remuneration framework is based on policies which are aligned with the interests of shareholders and to support the Group's business with the aim of retaining key capabilities, provide sound and structured funding of remuneration in ensuring affordability and sustainable value creation. Competitive remuneration packages are offered to attract and retain experienced individuals. The remuneration policies, the procedures for setting remuneration and the relationships between remuneration, performance and value creation are described in Principles 6 and 7 above.

Provisions 8.1 and 8.3 of the Code

CORPORATE GOVERNANCE REPORT

The total remuneration and detailed breakdown of the remuneration of the respective Directors and top executives of the Group are not disclosed in this Annual Report due to confidentiality and to avoid poaching of the Group's staff. The Company has instead disclosed the remuneration for its Directors and the key management personnel in percentage terms and in bands of S\$100,000 (with a breakdown of the components in percentage).

Provisions 8.1 and 8.3 of the Code

Details of remuneration paid to the Directors and the Group's four (4) key executives for FY2021 are set out below:

Remuneration Band and Name	Fees (%)	Salary (%)	Bonus (%)	Other Benefits ⁽¹⁾ (%)	Total (%)
<i>Directors who are paid between S\$0 to S\$50,000</i>					
Zhao Lizhi ⁽²⁾	–	100	–	–	100
Wu Xueying	–	84.38	–	15.62	100
Dong Congwen	100	–	–	–	100
Soh Yeow Hwa	100	–	–	–	100
Ng Poh Khoon	100	–	–	–	100
<i>Key Executives who are paid between S\$200,001 to S\$250,000</i>					
Li Mingyang ⁽³⁾	–	100	–	–	100
<i>Key Executives who are paid between S\$0 to S\$100,000</i>					
Sun Honglei ⁽³⁾	–	84.36	–	15.64	100
Zhang Xiaohui ⁽³⁾	–	87.47	–	12.53	100
Zhang Peng ⁽³⁾	–	75.11	–	24.89	100

Note:

- (1) Other Benefits include the five social insurances required by the PRC government.
- (2) Mr Zhao Lizhi resigned as Executive Director and Chairman of the Company on 30 September 2021.
- (3) The total remuneration paid to the top four Key Executives of the Group (who are not directors or the CEO) for FY2021 is approximately S\$336,000.

CORPORATE GOVERNANCE REPORT

For FY2021, Mr Li Mingyang was the only employee who is a substantial shareholder of the Company. For FY2021, Mr Li Mingyang was employed as the Business Development Manager, and the band of his remuneration is set out in the table above.

Provision 8.2
of the Code

None of the employees in the Company or any of its principal subsidiaries whose remuneration exceeds S\$100,000 during the year is a relative of a Director or substantial shareholder of the Company or any of its principal subsidiaries.

(C) ACCOUNTABILITY AND AUDIT

Risk Management and Internal Controls

Principle 9: The Board is responsible for the governance of risk and ensures that Management maintains a sound system of risk management and internal controls, to safeguard the interests of the company and its shareholders.

The Board determines the Group's levels of risk tolerance and risk policies, and oversees the management in the design, implementation and monitoring of the risk management and internal control systems.

Provision 9.1 of
the Code

The Board and the AC regularly reviews the adequacy and effectiveness of the Group's risk management and internal control systems, including financial, operational, compliance, and information technology controls to ensure that such systems are sound and adequate to provide reasonable assurance of the adequacy and effectiveness of the internal controls, addressing financial, operational and compliance risks.

The Board further ensures that Management regularly reviews and improves the Group's internal controls and implement effective risk management policies to control and mitigate any identified areas of significant business and operational risks.

Having considered the Group's business operations and taking into account the existing internal control and risk management systems, the Board is of the view that a separate risk committee is not required at this time. The Board has assumed the responsibility of the risk management function and oversees the overall adequacy and effectiveness of the Group's risk management systems and procedures.

CORPORATE GOVERNANCE REPORT

The Board has also received assurance from the CEO and CFO that the financial records for FY2021 have been properly maintained and the financial statements give a true and fair view of the Group's operations and finances. In addition, the CEO and key management personnel have also given assurance to the Board that the Group's risk management and internal controls systems are adequate and effective in addressing the financial, operational, compliance and information technology risks.

Provision 9.2 of the Code

Audit Committee

Principle 10: The Board has an Audit Committee ("AC") which discharges its duties objectively.

The AC assists the Board in discharging their responsibility to safeguard the assets, maintain adequate accounting records, and develop and maintain effective systems of internal control, with the overall objective of ensuring that Management creates and maintains an effective control environment in the Group. The AC provides a channel of communication between the Board, Management and the external auditors of the Group on matters relating to audit.

Provision 10.1 of the Code

The AC's duties and responsibilities include the following:

- (a) review the significant financial reporting issues and judgements so as to ensure the integrity of the financial statements of the Company and any announcements relating to the Company's financial performance;
- (b) review the Group's financial and results of operations and accounting policies;
- (c) review the Group's audit plans of the independent auditors and the internal auditors, their scope of work and the results of the independent auditors' examination and the internal auditors' evaluation of the Group's internal accounting control systems;
- (d) review the Group's annual consolidated financial statements and the independent auditors' report on those financial statements, and discuss any significant adjustments, major risk areas, changes in accounting policies, compliance with Singapore Financial Reporting Standards (International), concerns and issues arising from their audits including any matters which the auditors may wish to discuss in the absence of Management, where necessary, before submission to the Board for approval;
- (e) review the financial statements of the Company and the Group before the submission to the Board for approval and prior to the Group's announcement of the results at the end of each reporting period;

CORPORATE GOVERNANCE REPORT

- (f) review the assurance from the CEO and CFO on the financial records and financial statements; Provision 10.1 of the Code
- (g) review and discuss with independent and internal auditors, any suspected fraud, irregularity or infringement of any relevant laws, rules or regulations, which has or is likely to have a material impact on the Group's operating results or financial position and Management's response;
- (h) review the co-operation given by the Group's Management and officers to the independent auditors and internal auditors;
- (i) undertake such other reviews and projects as may be requested by the Board, and report to the Board its findings from time to time on matters arising and requiring the attention of the AC;
- (j) review and evaluate the Group's administrative, operating and internal accounting controls and procedures;
- (k) review the Group's policy and arrangements by which employees of the Group may, in confidence, raise concerns about possible improprieties in financial reporting or other matters and ensure that there are arrangements in place for independent investigation and follow-up actions in relation thereto and that the Company publicly discloses, and clearly communicates to employees, the existence of a whistle-blowing policy and procedures for raising such concerns;
- (l) review and establish procedures for receipt, retention and treatment of complaints received by the Group regarding, *inter alia*, criminal offences involving the Group or its employees, questionable accounting, auditing, business, safety, or other matters that may impact negatively on the Group;
- (m) review and ratify any interested person transactions falling within the scope of Chapter 9 of the Listing Manual of the SGX-ST;
- (n) review any potential conflicts of interests;
- (o) consider and recommend to the Board on proposals to the shareholders on the appointment and re-appointment of the independent auditors and matters relating to the resignation or dismissal of the independent auditors and approving the remuneration and terms of engagement of the independent auditors;
- (p) review the appointments of and (on an annual basis) review the remuneration of persons occupying managerial positions who are related to a Director, the CEO, or a substantial shareholder of the Company;

CORPORATE GOVERNANCE REPORT

- (q) generally undertake such other functions and duties which may be required by statute or the rules of the Listing Manual of the SGX-ST, and by such amendments made thereto from time to time; Provision 10.1 of the Code
- (r) ensure that all internal control weaknesses are satisfactorily and properly rectified;
- (s) evaluate the independence of the independent auditors and internal audit function;
- (t) review the adequacy and effectiveness of the internal audit function and ensuring that a clear reporting structure is in place between the AC and the internal auditors;
- (u) review the Group's key financial risk areas; the outcome of the aforesaid reviews shall be disclosed in the Company's annual report (or in instances where the findings are material, make appropriate disclosures via SGXNET immediately);
- (v) commission and review the findings of internal investigations into matters where there is any suspected fraud or irregularity, or failure of internal controls or infringement of any Singapore law, rule or regulation which has or is likely to have a material impact on the Group's results of operations and/or financial position;
- (w) commission and review the annual internal controls audit until such time the AC is satisfied that the Group's internal controls are robust and effective enough to mitigate the Group's internal control weaknesses; and
- (x) review on an annual basis and report to the Board on the adequacy and effectiveness of the Group's system of internal controls, including financial, operational and compliance controls, and risk management policies and systems established by Management on an annual basis. This ensures that such systems are sound and adequate to provide reasonable assurance of the adequacy and effectiveness of the internal controls, addressing financial, operational and compliance risks.

The AC is authorised to investigate any matter within its terms of reference, and has full access to Management and resources which are necessary to enable it to discharge its functions properly. It also has full discretion to invite any Executive Director or Management to attend its meetings.

CORPORATE GOVERNANCE REPORT

As part of the annual review on the independence and objectivity of the independent auditors, the AC will review the performance of the independent auditors and the volume of non-audit services provided by them. The Group's independent auditors, Baker Tilly TFW LLP, an auditing firm registered with the ACRA, has been appointed as the independent auditors of the Group since 11 February 2019. For FY2021, the aggregate amount of fees payable to the independent auditors is S\$80,000 (exclusive of Goods and Services Tax) with audit related work carried out by the independent auditors amounting to fees of S\$80,000 and no non-audit related work carried out by the independent auditors. The AC is satisfied that the independence of the independent auditors has not been impaired.

Provision 10.1
of the Code

Having regard to the adequacy of the resources and experience of the auditing firm and the audit engagement partner assigned to the audit, the firm's other audit engagements, the size and complexity of the Group being audited, and the number and experience of supervisory and professional staff assigned to the particular audit, the Board and the AC are of the opinion that a suitable auditing firm has been appointed to meet the Group's auditing obligations. In this connection, the Company complies with Rules 712 and 715 of the Listing Manual of the SGX-ST.

The AC recommends to the Board the nomination of Baker Tilly TFW LLP for re-appointment as independent auditor at the forthcoming AGM of the Company.

For FY2021, and as at the date of this Annual Report, the AC comprises of the Independent Directors, namely Mr Soh Yeow Hwa, Mr Ng Poh Khoon and Mr Dong Congwen. Mr Soh Yeow Hwa is the Chairman of the AC. Mr Soh Yeow Hwa and Mr Ng Poh Khoon have financial management experience and relevant accounting expertise and experience. Accordingly, the AC is appropriately qualified to discharge its responsibilities.

Provision 10.2
of the Code

None of the committee members of the AC are former partners or directors of the Company's existing audit firm:

Provision 10.3
of the Code

- (a) within a period of two (2) years commencing on the date of their ceasing to be a partner of the audit firm or director of an audit corporation; and
- (b) for as long as they have any financial interest in the auditing firm or auditing corporation.

CORPORATE GOVERNANCE REPORT

The Board recognises that it is the Board's responsibility to maintain a system of internal controls processes to safeguard shareholders' investments and the Group's business and assets. The AC has the responsibility to review the adequacy and efficiency of the internal audit function annually, review the internal audit programme and ensure that the internal audit conducted meets or exceeds the standards set by nationally or internationally recognised professional bodies.

Provision 10.4
of the Code

While the importance of effective internal controls cannot be discounted, the Board also recognized that due to the size of the Group, it is not cost-effective to have an internal audit function and team within the organizational setup. Therefore, for FY2021, the Company has outsourced its internal audit function to an independent risk advisory and consulting firm, Crowe Horwath First Trust Risk Advisory Pte Ltd ("**Crowe**"), which meets the standards set by internationally recognized professional bodies including the Standards for the Professional Practice of Internal Auditing set by the Institute of Internal Auditors.

In assessing the engagement of the internal auditors, the AC has considered factors such as the resources of the internal auditors and the independence of the internal auditors from the activities that it audits. Crowe is a member firm of Crowe Global, a professional and international large-scale accounting firm with a development history of more than 90 years. Crowe Global is ranked as the eighth largest accounting network in the world and has over 200 independent accounting and advisory firms in more than 130 countries.

Crowe has conducted its internal audit for the Group in FY2021 and reported directly to the AC on its findings. There were no major internal control weaknesses highlighted by them for the attention of the AC for FY2021. The AC has reviewed Crowe's report on internal controls and processes and is satisfied with the adequacy of the same. The AC will assess and ensure the adequacy and effectiveness of the internal audit function on an annual basis.

The internal auditor's primary line of reporting is to the AC Chairman although the internal auditor would also report administratively to Management. The internal auditor has unfettered access to all the Group's documents, records, properties and personnel, including access to the AC, and has appropriate standing within the Company.

The AC has full access to the independent auditors and the internal auditors, and meets with them at least once a year, without the presence of Management, to review any matter that might be raised. These meetings enable the auditors to raise any issues in the course of their work directly to the AC. Individual members of the AC also engage the internal and independent auditors separately in ad hoc meetings.

Provision 10.5
of the Code

CORPORATE GOVERNANCE REPORT

(D) SHAREHOLDERS RIGHTS AND ENGAGEMENT

Shareholder Rights and Conduct of General Meetings

Principle 11: The company treats all shareholders fairly and equitably in order to enable them to exercise shareholders' rights and have the opportunity to communicate their views on matters affecting the company. The company gives shareholders a balanced and understandable assessment of its performance, position and prospects.

The Company facilitates the exercise of ownership rights by all shareholders. In particular, shareholders have the right to be sufficiently informed of changes in the Company or its business which would be likely to materially affect the price or value of the Company's shares. Provision 11.1 of the Code

The Board considers general meetings a good opportunity to communicate directly with shareholders, and for shareholders to have the opportunity to participate effectively in and vote at such general meetings.

Therefore, shareholders are encouraged to attend the general meetings of the Company to gain a better understanding of the Group's business activities, strategies and goals. The Company dispatches its notices of general meetings in accordance with the Companies Act and the Company's Constitution.

Shareholders are informed of the rules, including voting procedures, that govern general meetings of shareholders.

The Company puts all resolutions to vote by poll and makes an announcement of the detailed results showing the number of votes cast for and against each resolution and the respective percentages.

For the last two (2) AGMs held by the Company on 26 June 2020 and 30 April 2021, which have been held via electronic means instead of physical attendance due the COVID-19 situation, the Company had instead informed shareholders to submit their questions prior to the respective meetings, and shareholders who wished to exercise their voting rights had been required to appoint the Chairman of the AGM as their proxy to attend, speak and vote on their behalf at the AGM.

These measures are in accordance with the COVID-19 (Temporary Measures) (Alternative Arrangements for Meetings for Companies, Variable Capital Companies, Business Trusts, Unit Trusts and Debenture Holders) Order 2020 (the "Order") and the Guidance on the Conduct of General Meetings Amid Evolving COVID-19 Situation issued by ACRA, the Monetary Authority of Singapore and the Singapore Exchange Regulation which was issued on 13 April 2020, and as updated from time to time (the "Guidance Note").

CORPORATE GOVERNANCE REPORT

Each item of special business included in the notice of the meeting is accompanied, where appropriate, by an explanation for the proposed resolution. Separate resolutions are proposed for substantially separate issues at the meeting to avoid “bundling” resolutions unless the resolutions are interdependent and linked so as to form one significant proposal.

Provision 11.2
of the Code

General meetings of the Company are typically chaired by the Chairman of the Board and are also attended by other Directors, Management, the Company Secretary and if necessary, the external and internal auditors. At all general meetings, shareholders are given the opportunity to air their views and to ask the individual Directors and the Chairmen of the Board Committees questions regarding the Company. The external auditors are also present to assist the Board in answering the shareholders’ queries about the conduct of audit, preparation and content of the auditor’s report and other audit related matters, if necessary.

Provision 11.3
of the Code

For the financial year ended 31 December 2020, save for Mr Zhao Lizhi, all Directors were present at the AGM held on 30 April 2021.

The Company has decided for the time being, not to implement absentia voting methods such as voting via mail, e-mail or fax, due to concerns over issues such as authentication of shareholder identity and other related security issues.

Provision 11.4
of the Code

Due to COVID-19, shareholders who wished to exercise their voting rights had been required to appoint the Chairman of the AGM as their proxy to attend, speak and vote on their behalf at the extraordinary meeting. This was done in reliance on the Order as well as the Guidance Note.

The forthcoming AGM will similarly also be held by electronic means pursuant to the Order as well as the Guidance Note. Accordingly, shareholders who wish to exercise their voting rights must appoint the Chairman of the AGM as their proxy to attend and vote on their behalf at the forthcoming AGM.

The Company Secretary and/or the representatives from the Company Secretary’s office prepares the minutes of general meetings that include substantial and relevant comments or queries from shareholders relating to the agenda of the meeting, and responses from the Board and Management. The Company publishes its minutes of general meetings of shareholders on its corporate website, as soon as practicable.

Provision 11.5
of the Code

For the forthcoming AGM, the Company will be complying with the Order and the Guidance Note and as such, it will be publishing minutes of the forthcoming AGM on SGXNET and the Company’s corporate website.

CORPORATE GOVERNANCE REPORT

The Company does not have a fixed dividend policy. The form, frequency and amount of dividends will depend on the Company's earnings, general financial condition, results of operations, capital requirements, cash flow, general business condition, development plans and other factors as the Directors may deem appropriate. The Board, having deliberated the same, has decided not to recommend that the Company declare any dividends for FY2021. The Board is of the view that the financial resources should be conserved for the purpose of funding the Group's current projects and future potential sustainable development projects. Any pay-out of dividends would be clearly communicated to shareholders via announcements released on SGXNET.

Provision 11.6
of the Code

Engagement with Shareholders

Principle 12: The company communicates regularly with its shareholders and facilitates the participation of shareholders during general meetings and other dialogues to allow shareholders to communicate their views on various matters affecting the company.

In line with continuous disclosure obligations of the Company, pursuant to the SGX-ST's Listing Rules and the Companies Act, the Board's policy is that shareholders are informed of all major developments that impact the Group.

Provision 12.1
of the Code

Information is communicated to shareholders on a timely basis through SGXNET and other information channels, including a well-maintained and updated corporate website. Where there is inadvertent disclosure made to a selected group, the Company will make the same disclosure publicly as promptly as possible. The Board has established regular dialogue with shareholders, to gather views or inputs, and address shareholders' concerns. Communication is made through:

- (a) annual reports that are prepared and issued to all shareholders. The Board makes every effort to ensure that the annual report includes all relevant information about the Group, including future developments and other disclosures required by the Companies Act and the relevant accounting standards;
- (b) quarterly and full year financial statements containing a summary of the financial information and affairs of the Group for the period;
- (c) notices of and explanatory memoranda for AGMs and extraordinary general meetings;
- (d) press and analyst briefings for the Group's quarterly and full year financial statements as well as other briefings, as appropriate;
- (e) press releases on major developments of the Group;

CORPORATE GOVERNANCE REPORT

- (f) disclosures to the SGX-ST; and Provision 12.1 of the Code
- (g) the Group's website at www.webgbt.com at which shareholders can access information on the Group. The website provides, *inter alia*, products information and profile of the Group.

The Company has an effective investor relations policy to regularly convey pertinent information to shareholders. In disclosing information, the Company will be as descriptive, detailed and forthcoming as possible and avoid boilerplate disclosures. Provision 12.2 of the Code

The Group's investor relations policy sets out the various communication avenues through which a shareholder may contact the Group with questions, and the manner in which the Group may respond to such questions, including *inter alia*, through announcements made on the SGXNET, the Company's website, the Company's AGM and extraordinary general meetings. Provision 12.3 of the Code

(E) MANAGING STAKEHOLDER RELATIONSHIPS

Engagement with Stakeholders

Principle 13: The Board adopts an inclusive approach by considering and balancing the needs and interests of material stakeholders, as part of its overall responsibility to ensure that the best interests of the company are served.

The Group has arrangements in place to identify and engage with its material stakeholder groups and to manage its relationship with such groups. The Group identifies stakeholders as those who are impacted by the Group's business and operations and those whose actions may have a material impact on the Group's business and operations. The feedback the Group receives from stakeholders helps to determine the Group's focus areas. Stakeholders of the Company includes, but are not limited to, customers, employees, suppliers, subcontractors, shareholders, investors and the community. Provision 13.1 of the Code

The Company's strategy and key areas of focus in relation to the management of stakeholder relationships during FY2021, are set out in the Company's Sustainability Report, which has been published on 29 April 2022 on SGXNET. Provision 13.2 of the Code

In addition, the Group also engages with its stakeholders via its website at www.webgbt.com. Provision 13.3 of the Code

CORPORATE GOVERNANCE REPORT

(F) DEALING IN SECURITIES

The Company adopts the following policies in relation to dealings in its securities:

- (a) officers are not to deal in its securities during the period commencing two (2) weeks before the announcement of the Group's financial statements for each of the first three quarters of the financial year and one (1) month before the announcement of the Group's financial statements for the full year, and ending on the date of the announcement of the relevant results;
- (b) in addition, the Company reminds its officers to observe the laws on insider trading at all times, even when dealing in its securities within the permitted trading period; and
- (c) the Company's internal compliance code requires that its officers should not deal in the Company's securities on short term considerations.

The Board confirms that the Company has complied with Rule 1207(19) of the Listing Rules of the SGX-ST.

(G) MATERIAL CONTRACTS

There were no material contracts of the Company or its subsidiaries involving the interest of any Director or controlling shareholders subsisting at the end of FY2021.

(H) INTERESTED PERSON TRANSACTIONS

The Company has adopted an internal policy in respect of any transactions with interested persons within the definition of Chapter 9 of the Listing Manual of the SGX-ST and has established procedures to ensure that all transactions with interested persons are reported in a timely manner to the AC and that the transactions are carried out on normal commercial terms and will not be prejudicial to the interests of the Company and its shareholders.

The Company has obtained a general mandate pursuant to Rule 920 of the Listing Manual of the SGX-ST in relation to interested persons transactions during its AGM held on 29 April 2016 which was renewed in the last AGM held on 30 April 2021. There was no IPT conducted under the aforesaid mandate.

The following interested person transactions with a value of S\$100,000 or more took place during FY2021:

Name of Interested Person	Nature of Transaction	Interested Person Transaction Value RMB'000
Heilongjiang Jiuli Municipal Construction Project Co., Ltd. (“黑龙江省久利市政建筑工程有限公司”)	Maintenance fees	1,320

The Company wishes to state that the value of the above mentioned IPT was less than 3% of the Group's last audited net tangible assets.

CORPORATE GOVERNANCE REPORT

(I) WHISTLE-BLOWING POLICY

In line with Rule 1207(18A) and (18B) of the Listing Rules of the SGX-ST, to encourage proper work ethics and deter any wrongdoing within the Group, the Group has established a whistle-blowing policy which set out the procedures for the Group's employees and any other persons to make reports about the possible improprieties of financial reporting or other matters within the Group.

The AC is responsible for oversight and monitoring of whistleblowing. It is tasked with addressing the issues and/or concerns raised, and ensure that necessary arrangements are in place for the independent investigation of issues and/or concerns raised by employees and for appropriate follow-up actions. Information received pertaining to whistleblowing shall be treated confidentially to protect the identity and the interest of all whistleblowers.

Details of the whistle-blowing policy and arrangements have been made available and circulated to the Group's employees. There were no whistleblowing reports received during FY2021.

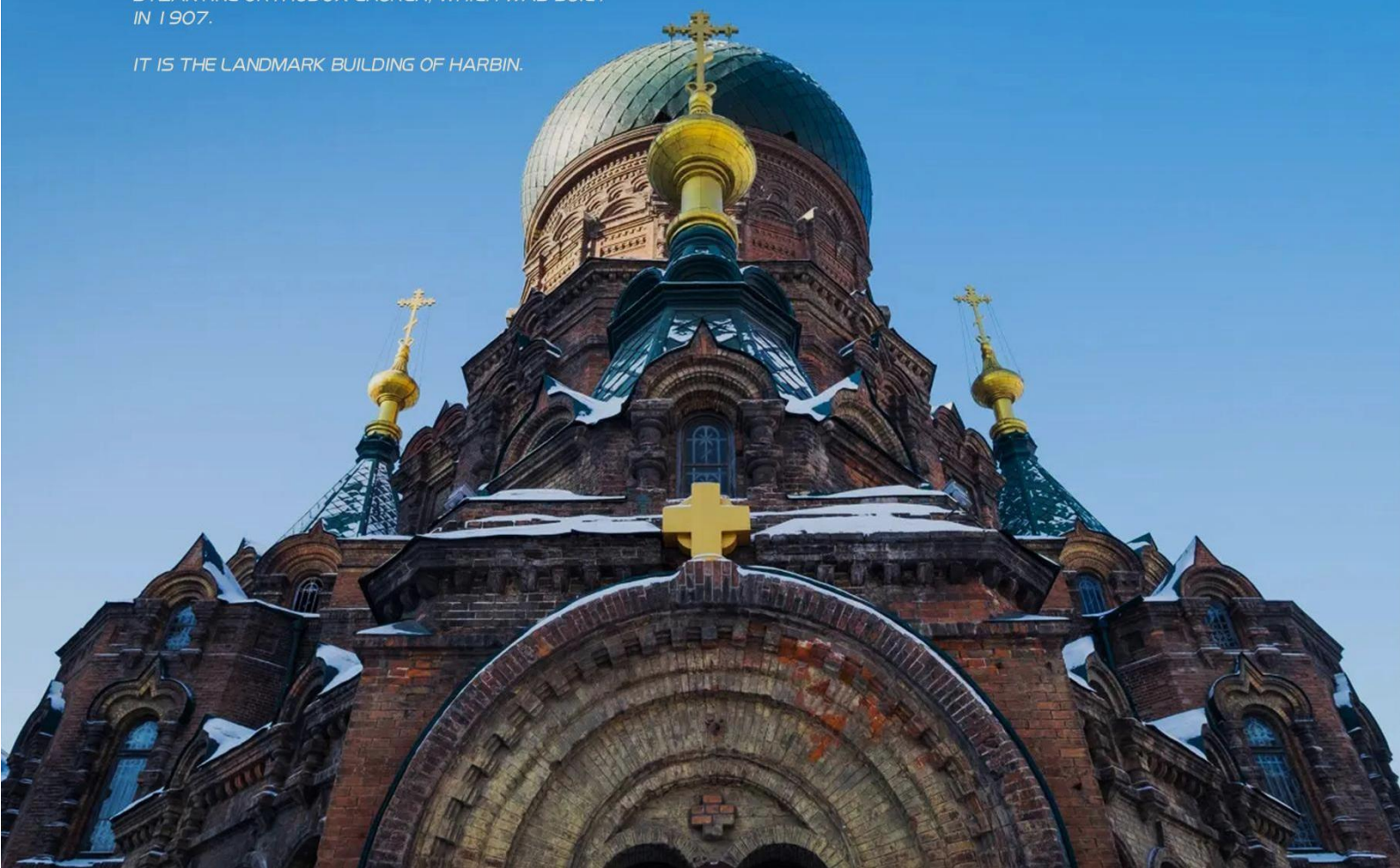
GREEN BUILD TECHNOLOGY LIMITED

绿建科技

SAINT SOPHIA CATHEDRAL

IT IS LOCATED IN SOPHIA SQUARE, DAOLI DISTRICT,
HARBIN, HEILONGJIANG PROVINCE, CHINA. IT IS A
BYZANTINE ORTHODOX CHURCH, WHICH WAS BUILT
IN 1907.

IT IS THE LANDMARK BUILDING OF HARBIN.



DIRECTORS' STATEMENT

The directors are pleased to present their statement to the members together with the audited consolidated financial statements of Green Build Technology Limited (the "Company") and its subsidiaries (the "Group") and the statement of financial position and statement of changes in equity of the Company for the financial year ended 31 December 2021.

In the opinion of the directors:

- (i) the consolidated financial statements of the Group and the statement of financial position and statement of changes in equity of the Company as set out on pages 65 to 119 are properly drawn up so as to give a true and fair view of the financial position of the Group and of the Company as at 31 December 2021 and of the financial performance, changes in equity and cash flows of the Group and changes in equity of the Company for the financial year then ended in accordance with the provisions of the Companies Act 1967 (the "Act") and Singapore Financial Reporting Standards (International); and
- (ii) at the date of this statement, having regard to those factors described in Note 3 to the financial statements, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they fall due.

Directors

The directors in office at the date of this statement are:

Wu Xueying
Dong Congwen
Soh Yeow Hwa
Ng Poh Khooon
Chan Mang Ghoon (Appointed on 19 January 2022)
Li Mingyang (Appointed on 9 February 2022)

Arrangement to enable directors to acquire benefits

Neither at the end of nor at any time during the financial year was the Company a party to any arrangement whose objects are, or one of whose objects is, to enable the directors of the Company to acquire benefits by means of the acquisition of shares in or debentures of the Company or any other body corporate.

Directors' interest in shares or debentures

The directors of the Company holding office at the end of the financial year had no interests in the shares and debentures of the Company and/or related corporations as recorded in the Register of Directors' Shareholdings kept by the Company under Section 164 of the Act, except as follows:

Name of directors and companies in which interests are held	Number of ordinary shares			
	Shareholdings registered in their own names		Shareholdings in which a director is deemed to have an interest	
	At 1.1.2021	At 31.12.2021	At 1.1.2021	At 31.12.2021
The Company				
Wu Xueying	8,360,000	8,360,000	—	—

DIRECTORS' STATEMENT

Directors' interest in shares or debentures (cont'd)

The directors' interest in the ordinary shares of the Company and subsidiary corporations as at 21 January 2022 were the same as those as at 31 December 2021, except as follows:

Name of directors and companies in which interests are held	Shareholdings registered in their own names		Number of ordinary shares	
	Shareholdings in which a director is deemed to have an interest			
	At 31.12.2021	At 21.1.2022	At 31.12.2021	At 21.1.2022
The Company				
Chan Mang Ghoon*	—	16,606,000	—	—

* Appointed on 19 January 2022

Share options

No option to take up unissued shares of the Company or its subsidiary corporations was granted during the financial year.

There were no shares issued during the financial year by virtue of the exercise of options to take up unissued shares of the Company or its subsidiary corporations whether granted before or during the financial year.

There were no unissued shares of the Company or its subsidiary corporations under option at the end of the financial year.

Audit Committee

The members of the Audit Committee during the financial year and at the date of this statement, comprise three directors, all of whose are independent, as follows:

Soh Yeow Hwa	(Chairman)
Ng Poh Khoo	(Member)
Dong Congwen	(Member)

The Audit Committee carried out its functions in accordance with Section 201B(5) of the Act, the Singapore Exchange Limited ("SGX") Listing Manual and the Code of Corporate Governance. Their functions are detailed in the Report on Corporate Governance in the Annual Report 2021.

In performing its functions, the Audit Committee met with the Company's independent and internal auditors to discuss the scope of their work, the results of their examination and evaluation of the Company's internal accounting control system.

DIRECTORS' STATEMENT

Audit Committee (cont'd)

The Audit Committee also reviewed the following:

- assistance provided by the Company's management to the internal and independent auditors;
- quarterly and half-yearly financial information and annual financial statements of the Group and of the Company prior to their submission to the directors of the Company for adoption; and
- interested person transactions (as defined in Chapter 9 of the SGX Listing Manual).

The Audit Committee is satisfied with the independence and objectivity of the independent auditor and has recommended to the Board of Directors that Baker Tilly TFW LLP be nominated for re-appointment as independent auditor of the Company at the forthcoming Annual General Meeting.

Independent auditor

The independent auditor, Baker Tilly TFW LLP, has expressed its willingness to accept re-appointment.

On behalf of the Board of Directors

Wu Xueying
Director

Chan Mang Ghoon
Director

15 June 2022

INDEPENDENT AUDITOR'S REPORT

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 65 to 119, which comprise the statements of financial position of the Group and of the Company as at 31 December 2021, 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 a summary of significant accounting policies.

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 RMB164,258,000 and RMB4,411,000 (2020: RMB207,974,000 and RMB1,984,000) respectively as at 31 December 2021. During the financial year ended 31 December 2021, the Company incurred a net loss of RMB2,560,000 (2020: RMB2,514,000). In addition, the COVID-19 pandemic has brought about uncertainties to the Group's and the Company's operating environments and has impacted the Group's operations in the People's Republic of China and its financial performance, cash flows and liquidity during the financial year and subsequent to the reporting period as disclosed in Note 26 to the financial statements. 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 and therefore they may not be able to realise their assets and discharge their liabilities in the ordinary course of business.

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 the factors are dependent on certain assumptions and these 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 2021 are necessary.

INDEPENDENT AUDITOR'S REPORT

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)

(1) Appropriateness of the going concern assumption (cont'd)

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 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 to reclassify non-current assets as current assets and non-current liabilities as current liabilities respectively. No such adjustments have been made to the financial statements.

(2) Expected credit loss assessment of service concession receivables and contract assets

As disclosed in Note 12 to the financial statements, the Group's service concession receivables and contract assets as at 31 December 2021 totalled RMB894,268,000 (2020: RMB933,758,000). During the financial year ended 31 December 2021, the Group recognised impairment loss on service concession receivables amounted to RMB1,083,000 (2020: RMB3,712,000).

As disclosed in Note 12 and Note 26 to the financial statements, the outbreak of COVID-19 pandemic had prompted the People's Republic of China Government to place a lockdown on Harbin City on several occasions and strict preventive measures have since been put in place to combat the COVID-19 pandemic. This led to the delay in the cost finalisation for phase one of the Group's underground utility tunnel project, which initially was expected to be completed in 2020 and also the delay in the completion of the acquisition of the completed part of phase two of the Group's underground utility tunnel project. This affected the timing of the expected future cash flows from the grantors in respect of phase one of the Group's underground utility tunnel project and affected the progress of the acquisition of the completed part of phase two of the Group's underground utility tunnel project.

Due to uncertainty as to when the cost finalisation for phase one of the Group's underground utility tunnel project and the acquisition of the completed part of phase two of the Group's underground utility tunnel project can be finalised, we are unable to obtain sufficient and appropriate audit evidence to assess the reasonableness and appropriateness of the timings and amounts of the expected future cash flows from the grantors in respect of these projects as estimated by management in their expected credit loss assessments and recognition of contract assets respectively. Accordingly, we are unable to determine if further loss allowance and adjustments are required on the net carrying amounts of the Group's service concession receivables and contract assets respectively as at 31 December 2021. In addition, we are unable to assess if the disclosures of credit risk with respect to the Group's service concession receivables and contract assets in Note 23(b) to the financial statements are appropriate and complete.

INDEPENDENT AUDITOR'S REPORT

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

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.

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.

INDEPENDENT AUDITOR'S REPORT

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

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 Lim Kok Heng.

Baker Tilly TFW LLP
Public Accountants and
Chartered Accountants
Singapore

15 June 2022

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the financial year ended 31 December 2021

		Group	
	Note	2021 RMB'000	2020 RMB'000
Revenue	4	15,888	7,473
Cost of sales		(14,826)	(7,096)
Gross profit		1,062	377
Other income		402	10,212
Unwinding of discount on service concession receivables and contract assets		53,138	51,877
Expenses			
Administrative expenses		(7,129)	(7,197)
Impairment losses on financial assets, net		(1,083)	(12,351)
Interest expenses on borrowings		(39,270)	(39,668)
Share of results of associated company		(2)	2
Profit before tax	5	7,118	3,252
Income tax expense	6	(2,114)	(654)
Profit for the financial year		5,004	2,598
Other comprehensive income for the financial year, net of tax:			
<i>Items that are or may be reclassified subsequently to profit or loss:</i>			
Currency translation differences arising on consolidation, net of tax		172	46
Total comprehensive income for the financial year		5,176	2,644
Profit for the financial year attributable to:			
Equity holders of the Company		5,004	2,598
Non-controlling interests		—	—
		5,004	2,598
Total comprehensive income for the financial year attributable to:			
Equity holders of the Company		5,176	2,644
Non-controlling interests		—	—
		5,176	2,644
Earnings per share for profit for the financial year attributable to equity holders of the Company			
Basic and diluted (cents per share)	7	2.03	1.05

The accompanying notes form an integral part of these financial statements.

STATEMENTS OF FINANCIAL POSITION

At 31 December 2021

		Group		Company	
	Note	2021 RMB'000	2020 RMB'000	2021 RMB'000	2020 RMB'000
ASSETS					
Non-current assets					
Property, plant and equipment	8	322	475	—	—
Intangible assets	9	1,072	1,076	—	—
Investments in subsidiaries	10	—	—	—*	—*
Investment in associated company	11	248	250	—	—
Service concession receivables	12	743,185	787,246	—	—
Contract assets	12	49,077	49,077	—	—
Prepayments	13	4,620	5,940	—	—
Total non-current assets		798,524	844,064	—	—
Current assets					
Service concession receivables	12	102,006	97,435	—	—
Trade and other receivables	14	27,809	31,755	13,612	15,974
Prepayments	13	4,665	10,385	—	—
Cash and cash equivalents	15	6,101	801	50	35
Total current assets		140,581	140,376	13,662	16,009
Total assets		939,105	984,440	13,662	16,009
EQUITY AND LIABILITIES					
Equity					
Share capital	16	124,909	124,909	124,909	124,909
Currency translation reserve	17	1,580	1,408	1,539	1,406
Accumulated losses		(62,142)	(67,146)	(130,859)	(128,299)
Equity attributable to equity holders of the Company, total		64,347	59,171	(4,411)	(1,984)
Non-controlling interests	10	1,919	1,919	—	—
Total equity/(deficit)		66,266	61,090	(4,411)	(1,984)
LIABILITIES					
Non-current liability					
Borrowings	18	568,000	575,000	—	—
Current liabilities					
Trade and other payables	19	272,327	301,302	13,214	12,874
Contract liabilities	20	646	2,000	—	—
Borrowings	18	9,193	24,489	4,859	5,119
Tax payable		22,673	20,559	—	—
Total current liabilities		304,839	348,350	18,073	17,993
Total liabilities		872,839	923,350	18,073	17,993
Total equity and liabilities		939,105	984,440	13,662	16,009

* Amount less than RMB1,000.

The accompanying notes form an integral part of these financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the financial year ended 31 December 2021

	Attributable to equity holders of the Company				Non-controlling interests RMB'000	Total equity RMB'000
	Share capital RMB'000	Currency translation reserve RMB'000	Accumulated losses RMB'000	Total RMB'000		
Group						
Balance at 1.1.2020	124,909	1,362	(69,744)	56,527	1,919	58,446
Profit for the financial year	—	—	2,598	2,598	—	2,598
<i>Other comprehensive income</i>						
Currency translation differences arising on consolidation, net of tax	—	46	—	46	—	46
Total comprehensive income for the financial year	—	46	2,598	2,644	—	2,644
Balance at 31.12.2020	124,909	1,408	(67,146)	59,171	1,919	61,090
Profit for the financial year	—	—	5,004	5,004	—	5,004
<i>Other comprehensive income</i>						
Currency translation differences arising on consolidation, net of tax	—	172	—	172	—	172
Total comprehensive income for the financial year	—	172	5,004	5,176	—	5,176
Balance at 31.12.2021	124,909	1,580	(62,142)	64,347	1,919	66,266

The accompanying notes form an integral part of these financial statements.

STATEMENT OF CHANGES IN EQUITY

For the financial year ended 31 December 2021

	Share capital RMB'000	Currency translation reserve RMB'000	Accumulated losses RMB'000	Total equity/ (deficit) RMB'000
Company				
Balance at 1.1.2020	124,909	1,397	(125,785)	521
Loss for the financial year	–	–	(2,514)	(2,514)
<i>Other comprehensive income</i>				
Currency translation differences arising from translation into the presentation currency, net of tax	–	9	–	9
Total comprehensive income/(loss) for the financial year	–	9	(2,514)	(2,505)
Balance at 31.12.2020	124,909	1,406	(128,299)	(1,984)
Loss for the financial year	–	–	(2,560)	(2,560)
<i>Other comprehensive income</i>				
Currency translation differences arising from translation into the presentation currency, net of tax	–	133	–	133
Total comprehensive income/(loss) for the financial year	–	133	(2,560)	(2,427)
Balance at 31.12.2021	124,909	1,539	(130,859)	(4,411)

The accompanying notes form an integral part of these financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS

For the financial year ended 31 December 2021

	Note	Group 2021 RMB'000	2020 RMB'000
Cash flows from operating activities			
Profit before tax		7,118	3,252
Adjustments for:			
Depreciation of property, plant and equipment		154	185
Amortisation of intangible assets		4	10
Share of results of associated company		2	(2)
Interest expense		39,270	39,668
Impairment losses on financial assets, net		1,083	12,351
Unwinding of discount on service concession receivables and contract assets		(53,138)	(51,877)
Operating cash flow before working capital changes		(5,507)	3,587
Changes in operating assets and liabilities:			
Service concession receivables and contract assets		91,545	28,448
Trade and other receivables		3,946	10,935
Prepayments		7,040	480
Contract liabilities		(1,354)	443
Trade and other payables		(20,739)	(20,353)
Currency translation adjustments		172	46
Cash generated from operating activities		75,103	23,586
Income tax paid		–	(54)
Net cash generated from operating activities		75,103	23,532
Cash flows from investing activity			
Purchase of property, plant and equipment, representing net cash used in investing activity		(1)	(5)
Cash flows from financing activities			
Proceeds from bank borrowings		2,700	–
Repayment of bank borrowings		(7,000)	(8,000)
(Repayment of)/proceeds from loan from a director		(6,784)	5,163
(Repayment of)/proceeds from loans from related parties		(17,996)	17,562
Interest paid		(40,722)	(38,216)
Net cash used in financing activities		(69,802)	(23,491)
Net increase in cash and cash equivalents		5,300	36
Cash and cash equivalents at beginning of the financial year		801	765
Cash and cash equivalents at end of the financial year	15	6,101	801

The accompanying notes form an integral part of these financial statements.

FINANCIAL STATEMENTS

For the financial year ended 31 December 2021

These notes form an integral part of and should be read in conjunction with the accompanying financial statements.

1 Corporate information

Green Build Technology Limited (the “Company”) (Co. Reg. No. 200401338W) is incorporated and domiciled in Singapore and listed on the Main Board of the Singapore Exchange Securities Trading Limited.

The registered office of the Company is at 24 Raffles Place, #20-03 Clifford Centre, Singapore 048621. The principal place of business of the Group is at 7 Hongjun Street, Nangang District, Harbin City, Heilongjiang Province, the People’s Republic of China (the “PRC”).

The principal activity of the Company is that of investment holding. The principal activities of the significant subsidiaries are disclosed in Note 10.

2 Summary of significant accounting policies

a) Basis of preparation

The financial statements are presented in Chinese Renminbi (“RMB”). The Company’s functional currency is Singapore dollar (“SGD”). All financial information presented in RMB are rounded to the nearest thousand (RMB’000) except when otherwise indicated. The financial statements have been prepared in accordance with the provisions of the Companies Act 1967 and Singapore Financial Reporting Standards (International) (“SFRS(I)”). The financial statements have been prepared under the historical cost convention except as disclosed in the accounting policies below.

The preparation of financial statements in conformity with SFRS(I) requires the use of estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the financial year. Although these estimates are based on management’s best knowledge of current events and actions and historical experiences and various other factors that are believed to be reasonable under the circumstances, actual results may ultimately differ from those estimates.

Use of estimates and judgements

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

The areas involving a higher degree of judgement in applying accounting policies, or areas where assumptions and estimates have a significant risk of resulting in material adjustment within the next financial year are disclosed in Note 3.

The carrying amounts of cash and cash equivalents, current service concession receivables, trade and other current receivables and payables, and current borrowings approximate their respective fair values due to the relatively short-term maturity of these financial instruments.

FINANCIAL STATEMENTS

For the financial year ended 31 December 2021

2 Summary of significant accounting policies (cont'd)

a) Basis of preparation (cont'd)

New and revised standards that are adopted

In the current financial year, the Group has adopted all the new and revised SFRS(I) and Interpretations of SFRS(I) ("SFRS(I) INT") that are relevant to its operations and effective for the current financial year. Changes to the Group's accounting policies have been made as required, in accordance with the transitional provisions in the respective SFRS(I) and SFRS(I) INT.

The adoption of these new/revised SFRS(I) and SFRS(I) INT did not have any material effect on the financial results or position of the Group and the Company.

New and revised standards not yet effective

New standards, amendments to standards and interpretations that have been issued at the end of the reporting period but are not yet effective for the financial year ended 31 December 2021 have not been applied in preparing these financial statements. None of these are expected to have a significant effect on the financial statements of the Group and the Company.

b) Basis of consolidation

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries as at the end of the reporting period. Subsidiaries are consolidated from the date on which the Group obtains control, and continue to be consolidated until the date that such control ceases.

The financial statements of the subsidiaries are prepared for the same reporting date as the parent company. Consistent accounting policies are applied for like transactions and events in similar circumstances.

Intragroup balances and transactions, including income, expenses and dividends, are eliminated in full. Profits and losses resulting from intragroup transactions that are recognised in assets, such as property, plant and equipment, are eliminated in full.

Business combinations are accounted for using the acquisition method. The consideration transferred for the acquisition comprises the fair value of the assets transferred, the liabilities incurred and the equity interests issued by the Group. The consideration transferred also includes the fair value of any contingent consideration arrangement and the fair value of any pre-existing equity interest in the subsidiary. Acquisition-related costs are recognised as expenses as incurred. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date.

Any excess of the fair value of the consideration transferred in the business combination, the amount of any non-controlling interest in the acquiree (if any) and the fair value of the Group's previously held equity interest in the acquiree (if any), over the fair value of the net identifiable assets acquired is recorded as goodwill. Goodwill is accounted for in accordance with the accounting policy for goodwill stated in Note 2(e). In instances where the latter amount exceeds the former and the measurement of all amounts has been reviewed, the excess is recognised as gain from bargain purchase in profit or loss on the date of acquisition.

FINANCIAL STATEMENTS

For the financial year ended 31 December 2021

2 Summary of significant accounting policies (cont'd)

b) Basis of consolidation (cont'd)

Non-controlling interests are that part of the net results of operations and of net assets of a subsidiary attributable to the interests which are not owned directly or indirectly by the equity holders of the Company. They are shown separately in the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of financial position. Total comprehensive income is attributed to the non-controlling interests based on their respective interests in a subsidiary, even if this results in the non-controlling interests having a deficit balance.

For non-controlling interests that are present ownership interests and entitle their holders to a proportionate share of the acquiree's net assets in the event of liquidation, the Group elects on an acquisition-by-acquisition basis whether to measure them at fair value, or at the non-controlling interests' proportionate share of the acquiree's net identifiable assets, at the acquisition date. All other non-controlling interests are measured at acquisition date fair value or, when applicable, on the basis specified in another standard.

c) Subsidiaries

Subsidiaries are entities controlled by the Group. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity.

In the Company's statement of financial position, investments in subsidiaries are accounted for at cost less any accumulated impairment losses. On disposal of the investment, the difference between disposal proceeds and the carrying amounts of the investments are recognised in profit or loss.

d) Associated company

An associated company is an entity over which the Group has significant influence but not control or joint control, over the financial and operating policies of the entity. Significant influence is presumed to exist generally when the Group holds 20% or more but not exceeding 50% of the voting power of another entity.

Investment in associated company is accounted for in the consolidated financial statements using the equity method of accounting, less impairment losses, if any.

Investment in associated company is initially recognised at cost. The cost of an acquisition is measured at the fair value of the assets given, equity instruments issued or liabilities incurred or assumed at the date of exchange, plus costs directly attributable to the acquisition.

Subsequent to initial recognition, the consolidated financial statements include the Group's share of the post-acquisition profit or loss and other comprehensive income of equity-accounted investees, after adjustments to align the accounting policies with those of the Group, from the date that significant influence commences until the date that significant influence ceases.

Distributions received from associated company is adjusted against the carrying amount of the investment. When the Group's share of losses in an associated company equals or exceeds its interest in the associated company, including any other unsecured non-current receivables, the Group does not recognise further losses, unless it has obligations or has made payments on behalf of the associated company.

FINANCIAL STATEMENTS

For the financial year ended 31 December 2021

2 Summary of significant accounting policies (cont'd)

d) Associated company (cont'd)

Any excess of the cost of acquisition over the Group's share of the net fair value of the identifiable assets, liabilities and contingent liabilities of the associated company recognised at the date of acquisition is recognised as goodwill. The goodwill is included within the carrying amount of the investment and is assessed for impairment as part of the investment. Any excess of the Group's share of the net fair value of the identifiable assets, liabilities and contingent liabilities over the cost of acquisition, after reassessment, is recognised immediately as income in the Group's profit or loss.

After application of the equity method, the Group determines whether it is necessary to recognise an additional impairment loss on the Group's investment in associated company. The Group determines at the end of each reporting period whether there is objective evidence that the investment in associated company is impaired. If this is the case, the Group calculates the amount of impairment as the difference between the recoverable amount of the investment and its carrying value and recognises the amount in profit or loss.

e) Goodwill

Goodwill is initially measured at cost and is subsequently measured at cost less any accumulated impairment losses.

The Group tests goodwill annually for impairment, or more frequently if there are indications that goodwill might be impaired.

For the purpose of impairment testing, goodwill is allocated to each of the Group's cash-generating units expected to benefit from the synergies of the combination. Cash-generating units to which goodwill has been allocated are tested for impairment annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash-generating unit is less than the carrying amount of the unit, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro-rata on the basis of the carrying amount of each asset in the unit. An impairment loss recognised for goodwill is not reversed in subsequent periods.

On disposal of a subsidiary company and associated company, the attributable amount of goodwill is included in the determination of the profit or loss on disposal.

The Group's policy for goodwill arising on the acquisition of an associated company is described in Note 2(d).

f) Property, plant and equipment

Property, plant and equipment are initially recognised at cost and subsequently carried at cost less accumulated depreciation and any impairment in value.

The cost of property, plant and equipment initially recognised includes its purchase price and any cost that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

FINANCIAL STATEMENTS

For the financial year ended 31 December 2021

2 Summary of significant accounting policies (cont'd)

f) Property, plant and equipment (cont'd)

The cost of replacing a component of an item of property, plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the component will flow to the Group, and its cost can be measured reliably. The carrying amount of the replaced component is derecognised.

On disposal of a property, plant and equipment, the difference between the net disposal proceeds and its carrying amount is taken to profit or loss.

Depreciation is calculated on a straight-line basis to allocate the depreciable amount of the property, plant and equipment over their expected useful lives. The estimated useful lives are as follows:

Motor vehicles	5 years
Office equipment	3 to 5 years

The residual values, estimated useful lives and depreciation method of property, plant and equipment are reviewed, and adjusted as appropriate, at the end of each reporting period. The effects of any revision are recognised in profit or loss when the changes arise.

Fully depreciated assets are retained in the financial statements until they are no longer in use.

g) Intangible assets

Computer software

Computer software licenses are initially recognised at cost which includes the purchase price (net of any discounts and rebates) and other costs directly attributable to bringing the assets to a working condition for their intended use. Direct expenditure, which enhances or extends the performance of computer software beyond its original specifications and which can be reliably measured, is recognised as a capital improvement and added to the original cost of the software. Costs associated with maintaining the computer software are recognised as an expense as incurred.

Computer software licenses are stated at cost less accumulated amortisation and any accumulated impairment losses. These costs are amortised using the straight-line method over their estimated useful lives of 3 to 5 years.

The amortisation period and amortisation method of intangible assets other than goodwill are reviewed at least at the end of each reporting period. The effects of any revision are recognised in profit or loss when the changes arise.

h) Impairment of non-financial assets excluding goodwill

At the end of each reporting period, the Group assesses the carrying amounts of its non-financial assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

FINANCIAL STATEMENTS

For the financial year ended 31 December 2021

2 Summary of significant accounting policies (cont'd)

h) Impairment of non-financial assets excluding goodwill (cont'd)

Recoverable amount is the higher of fair value less costs of disposal and value in use. In estimating value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss.

Where an impairment loss subsequently reverses, the carrying amount of the asset (cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (cash-generating unit) in prior years. A previously recognised impairment loss for an asset other than goodwill is only reversed if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. A reversal of an impairment loss is recognised immediately in profit or loss.

i) Financial assets

Recognition and derecognition

Regular way purchases and sales of financial assets are recognised on trade date - the date on which the Group commits to purchase or sell the asset. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Group has transferred substantially all risks and rewards of ownership.

Financial assets are initially measured at fair value. Transaction costs that are directly attributable to the acquisition of financial assets are added to the fair value of the financial assets on initial recognition. Trade receivables without a significant financing component is initially measured at transaction prices.

Classification and measurement

All financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

The Group classifies its financial assets at amortised cost. The classification is based on the Group's business model for managing the financial assets and the contractual cash flow characteristics of the financial assets.

The Group reclassifies financial assets when and only when its business model for managing those assets changes.

FINANCIAL STATEMENTS

For the financial year ended 31 December 2021

2 Summary of significant accounting policies (cont'd)

i) Financial assets (cont'd)

Subsequent measurement

Debt instruments include cash and cash equivalents, trade and other receivables and service concession receivables. The subsequent measurement category is depending on the Group's business model for managing the asset and cash flow characteristics of the asset.

The Group measures financial assets at amortised cost if both of the following conditions are met:

- The financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows; and
- The contractual terms of the financial asset give rise on specific dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at amortised cost are subsequently measured using the effective interest rate ("EIR") method and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired. Interest income from these financial assets is included in interest income using the EIR method.

Impairment

The Group recognises an allowance for expected credit losses ("ECLs") for financial assets carried at amortised cost and contract assets. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original effective interest rate.

For trade receivables that do not have a significant financing component, the Group applies a simplified approach to recognise a loss allowance based on lifetime ECLs at the end of each reporting period. For contract assets and service concession receivables that have a significant financing component, the Group applies general approach to recognise a loss allowance at the end of each reporting period. The impairment methodology applied depends on whether there has been a significant increase in credit risk. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a "12-month ECL"). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a "lifetime ECL").

Lifetime ECL represents the expected credit losses that will result from all possible default events over the expected life of a financial instrument. In contrast, 12-month ECL represents the portion of lifetime ECL that is expected to result from default events on a financial instrument that are possible within 12 months after the reporting date.

If the Group has measured the loss allowance for a financial asset at an amount equal to lifetime ECL in the previous reporting period, but determines at the current reporting date that the conditions for lifetime ECL are no longer met, the Group measures the loss allowance at an amount equal to 12-month ECL at the current reporting date.

The Group recognises an impairment gain or loss in profit or loss for all financial assets with a corresponding adjustment to their carrying amount through a loss allowance account.

FINANCIAL STATEMENTS

For the financial year ended 31 December 2021

2 Summary of significant accounting policies (cont'd)

i) Financial assets (cont'd)

Offset

Financial assets and liabilities are offset and the net amount presented on the statement of financial position when, and only when the Group has a legal right to offset the amounts and intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

j) Cash and cash equivalents in the consolidated statement of cash flows

For the purpose of presentation in the consolidated statement of cash flows, cash and cash equivalents comprise cash on hand, deposits with financial institutions which are subject to an insignificant risk of change in value, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value and excludes pledged deposits.

k) Financial liabilities

Financial liabilities include trade and other payables and borrowings. Financial liabilities are recognised on the statement of financial position when, and only when, the Group becomes a party to the contractual provisions of the financial instruments. Financial liabilities are initially recognised at fair value plus directly attributable transaction costs and subsequently measured at amortised cost using the effective interest method.

A financial liability is derecognised when the obligation under the liability is extinguished. Gains and losses are recognised in profit or loss when the liabilities are derecognised and through the amortisation process.

l) Provisions for other liabilities

Provisions are recognised when the Group has a present legal or constructive obligation as a result of past event, and it is probable that an outflow of economic resources will be required to settle that obligation and the amount can be estimated reliably. Provisions are measured at management's best estimate of the expenditure required to settle the obligation at the end of the reporting period. Where the effect of the time value of money is material, the amount of the provision shall be discounted to present value using a pre-tax discount rate that reflects the current market assessment of the time value of money and risks specific to the obligation.

When discounting is used, the increase in the provision due to passage of time is recognised as a finance cost in profit or loss.

m) Share capital

Proceeds from issuance of ordinary shares are recognised as share capital in equity. Incremental costs directly attributable to the issuance of ordinary shares are deducted against share capital.

FINANCIAL STATEMENTS

For the financial year ended 31 December 2021

2 Summary of significant accounting policies (cont'd)

n) Revenue recognition

Service concession arrangements

The Group enters into service concession arrangements with a government agency of the PRC to construct and operate underground utility tunnel and upgrade the existing housing estate on Public-Private Partnership (“PPP”) basis (“project”). These service concession arrangements generally involve the Group to construct and operate an asset or a group of assets at a specified level of serviceability on behalf of the government agency of the PRC for periods ranging from 11 to 26 years (the “service concession periods”), and the Group will be paid for its services over the relevant service concession periods at prices stipulated through agreed pricing mechanism with the government agency of the PRC and certain amounts from the residents of the existing housing estate which will be collected on behalf by the government agency of the PRC. At the end of the service concession periods, the assets will be transferred to the respective grantors.

Management determines the service concession arrangements fall within the scope of SFRS(I) INT 12 *Service Concession Arrangements* (“SFRS(I) INT 12”). Where the Group performs more than one service under the service concession arrangements, the consideration for the services provided under the service concession arrangements is allocated to the different performance obligations by reference to their relative stand-alone selling prices. Estimation is exercised in determining the fair values of the consideration under service concession arrangements. Discount rates, estimates of future cash flows and other factors are used in the determination of the fair value of the consideration under service concession arrangements and corresponding finance income. The Group applies SFRS(I) 15 *Revenue from Contracts with Customers* (“SFRS(I) 15”) in its recognition of revenue from service concession arrangements, which includes revenue relating to construction service, operation income and finance income.

Construction service revenue

The Group’s performance in respect of construction service under the service concession arrangements creates or enhances an asset or work-in-progress that the customer controls as the asset is created or enhanced, thus the Group satisfies a performance obligation and recognises revenue from construction service over time, by reference to completion of the specific transaction assessed on the basis of the contract costs incurred up to the end of the reporting period as a percentage of the estimated total contract costs for each project. Management considers that this input method is an appropriate measure of the progress towards complete satisfaction of these performance obligations under SFRS(I) 15.

Operation revenue

Under the service concession arrangements, the Group also operates an asset or a group of assets at a specified level of serviceability on behalf of the government agency during the service concession periods. Such services are recognised as a performance obligation satisfied over time. Revenue is recognised for these services based on the stage of completion of the contract. Management has assessed that the stage of completion determined as the proportion of the total time expected to perform the service that has elapsed at the end of the reporting period is an appropriate measure of progress towards complete satisfaction of these performance obligations under SFRS(I) 15.

FINANCIAL STATEMENTS

For the financial year ended 31 December 2021

2 Summary of significant accounting policies (cont'd)

n) Revenue recognition (cont'd)

Service concession arrangements (cont'd)

Operation revenue (cont'd)

Progress billings to customer are based on a payment schedule in the contract and are based upon achievement of specified construction milestones. A contract asset is recognised when the Group has performed the construction service but has not yet billed the customer. A contract liability is recognised when the Group has not yet performed under the contract but has received advanced payment from the customer. Contract assets are transferred to service concession receivables when the Group has unconditional contractual right to consideration when the construction services are completed. Contract liabilities are recognised as revenue as the Group performs under the contract.

Incremental costs of obtaining a contract are capitalised if these costs are recoverable. Costs to fulfil a contract are capitalised if the costs relate directly to the contract, generate or enhance resources used in satisfying the contract and are expected to be recovered. Other contract costs are expensed as incurred. The Group has elected to recognise the incremental costs of obtaining a contract as an expense when incurred if the amortisation period of the asset that the entity otherwise would have recognised is one year or less.

Capitalised contract costs are subsequently amortised on a systematic basis as the Group recognises the related revenue. An impairment loss is recognised in profit or loss to the extent that the carrying amount of the capitalised contract costs exceeds the remaining amount of consideration that the Group expects to receive in exchange for the goods or services to which the contract costs relates less the costs that relate directly to providing the goods that have not been recognised as expenses.

Interest income and finance income from service concession arrangements

Interest income and finance income from service concession arrangements are recognised using the EIR method.

Revenue from sale of goods

The Group transfers control and recognises a sale when they deliver goods to their customers. Revenue from these sales is recognised based on the price specified in the contract. A receivable is recognised when the goods are delivered as this is the point in time that the consideration is unconditional because only the passage of time is required before the payment is due. No element of financing is deemed present as the sales are made with a credit term of 30 days, which is consistent with market practice. For sale of goods where advances are received from customers, the differences between the consideration received in accordance with the payment terms and revenue recognised is classified as contract liabilities. The period between the transfer of the promised goods and payment by the customer is normally less than one year. As a consequence, the Group does not adjust any of the transaction prices for the time value of money.

FINANCIAL STATEMENTS

For the financial year ended 31 December 2021

2 Summary of significant accounting policies (cont'd)

n) Revenue recognition (cont'd)

Revenue from services - project management fees

The Group provides project management services. At contract inception, the Group will analyse the scope of works required and assess whether the revenue is to be recognised over time or at a point in time by determining if the customer simultaneously receives and consumes the benefits provided by the Group's performance as the Group performs. Where the customer simultaneously receives and consumes the benefits provided by the Group's performance as the Group performs, such services are recognised as performance obligation satisfied over time. Revenue is recognised for these services based on the stage of completion of the contract. Management has assessed that the stage of completion determined as the proportion of the total time expected to perform the service that has elapsed at the end of the reporting period is an appropriate measure of progress towards complete satisfaction of these performance obligations under SFRS(I) 15.

o) Employee benefits

Employee leave entitlements

Employee entitlements to annual leave are recognised when they accrue to employees. A provision is made for the estimated liability for annual leave as a result of services rendered by employees up to the end of the reporting period.

Defined contribution plans

Defined contribution plans are post-employment benefit plans under which the Group pays fixed contributions into separate entities such as the Central Provident Fund, and will have no legal or constructive obligation to pay further contributions once the contributions have been paid. Contributions to defined contribution plans are recognised as an expense in the period in which the related service is performed.

p) Borrowing costs

Borrowing costs, which comprise interest and other costs incurred in connection with the borrowing of funds, are capitalised as part of the cost of a qualifying asset if they are directly attributable to the acquisition, construction or production of that asset. Capitalisation of borrowing costs commences when the activities to prepare the asset for its intended use or sale are in progress and the expenditures and borrowing costs are incurred. Borrowing costs are capitalised until the assets are substantially completed for their intended use or sale. All other borrowing costs are recognised in the profit or loss using the effective interest method.

q) Income taxes

Income tax on the profit or loss for the year comprises current and deferred tax. Current and deferred tax are recognised in profit or loss except to the extent that they relate to items recognised outside profit or loss, either in other comprehensive income or directly in equity in which the tax is also recognised outside profit or loss (either in other comprehensive income or directly in equity respectively).

FINANCIAL STATEMENTS

For the financial year ended 31 December 2021

2 Summary of significant accounting policies (cont'd)

q) Income taxes (cont'd)

Current tax is the expected tax payable or recoverable on the taxable income for the current year, using tax rates enacted or substantively enacted at the end of the reporting period, and any adjustment to tax payable or recoverable in respect of previous years. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions, where appropriate, on the basis of amounts expected to be paid to the tax authorities.

Deferred income tax is provided using the liability method, on all temporary differences at the end of the reporting period arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements except where the deferred income tax arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination, and at the time of the transaction, affects neither the accounting nor taxable profit or loss.

Deferred tax liability is provided on all taxable temporary differences arising on investments in subsidiaries and associated company, except where the timing of the reversal of the temporary difference can be controlled by the Group and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred tax assets are recognised to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences can be utilised.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on currently enacted or substantively enacted tax rates at the end of the reporting period.

r) Foreign currencies

Functional and presentation currency

Items included in the financial statements of each entity in the Group are measured using the currency of the primary economic environment in which that entity operates (the “functional currency”). The functional currency of the Company is Singapore dollar. The consolidated financial statements of the Group and the statement of financial position and statement of changes in equity of the Company are presented in RMB, which is the functional currency of the principal entities in the PRC.

Transactions and balances

Transactions in a currency other than the functional currency (“foreign currency”) are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Currency translation gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss, except for currency translation differences on net investment in foreign operations and borrowings and other currency instruments qualifying as net investment hedges for foreign operations, which are included in the currency translation reserve within equity in the consolidated financial statements. The currency translation reserve is reclassified from equity to profit or loss of the Group on disposal of the foreign operation.

Non-monetary items measured at fair values in foreign currencies are translated using the exchange rates at the date when the fair values are determined.

FINANCIAL STATEMENTS

For the financial year ended 31 December 2021

2 Summary of significant accounting policies (cont'd)

r) Foreign currencies (cont'd)

Translation of Group entities' financial statements

The results and financial position of all the Group entities (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the Group's presentation currency are translated into the presentation currency as follows:

- (i) Assets and liabilities are translated at the closing rates at the end of the reporting period;
- (ii) Income and expenses are translated at average exchange rates (unless the average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated using the exchange rates at the dates of the transactions); and
- (iii) All resulting exchange differences are recognised in the currency translation reserve within equity.

On consolidation, exchange differences arising from the translation of the net investment in foreign operations (including monetary items that, in substance, form part of the net investment in foreign entities), and of borrowings and other currency instruments designated as hedges of such investments, are taken to the currency translation reserve.

On disposal of a foreign group entity, the cumulative amount of the currency translation reserve relating to that particular foreign entity is reclassified from equity and recognised in profit or loss when the gain or loss on disposal is recognised.

s) Segment reporting

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incurs expenses, including revenues and expenses that relate to transactions with other components of the Group. Operating segments are reported in a manner consistent with the internal reporting provided to the Group's chief operating decision maker for making decisions about allocating resources and assessing performance of the operating segments.

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):

FINANCIAL STATEMENTS

For the financial year ended 31 December 2021

3 Critical accounting judgements and key sources of estimation uncertainty (cont'd)

Critical judgements in applying the Group's accounting policies (cont'd)

Going concern assumption

As at 31 December 2021, the Group's and the Company's current liabilities exceeded the current assets by RMB164,258,000 and RMB4,411,000 (2020: RMB207,974,000 and RMB1,984,000) respectively. During the financial year ended 31 December 2021, the Company incurred a net loss of RMB2,560,000 (2020: RMB2,514,000). In addition, the COVID-19 pandemic has brought about uncertainties to the Group's and the Company's operating environments and has impacted the Group's operations in the People's Republic of China and its financial performance, cash flows and liquidity during the financial year and subsequent to the reporting period as disclosed in Note 26.

These factors indicate the existence of material uncertainties that may cast significant doubt on the Group's and the Company's ability to continue as going concerns and to realise their assets and discharge their liabilities in the ordinary course of business.

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 2021 is appropriate after taking into consideration the following factors:

- (i) Certain related parties (entities in which the substantial shareholder and former director, Mr Zhao Lizhi, has substantial financial interests) have agreed to unconditionally provide continuous financial assistance to the Group and the Company to enable the Group and the Company to meet their obligations and to carry on their business for a period of not less than fifteen months from 10 November 2021.
- (ii) As disclosed in Note 26, the Group has been and will be monitoring closely with the government agency of the PRC on the collections pursuant to service concession agreements (Note 12). The board is confident that the Group will be able to collect on the service concession agreements notwithstanding the delay in the cost finalisation process as these delays were mainly due to the COVID-19 situation in the PRC.
- (iii) The cash flow projection for the 17-month period from 31 December 2021 (the reporting date) that has been prepared and approved by management confirms that the Group and the Company are able to meet their debts and obligations during the said 17-month forecast period. The key assumptions for the said 17-month cash flow projection are as follows:

Projected cash inflows:

- (a) Expected future cash flows to be received pursuant to service concession agreements from government agency of the PRC in relation to phase one of the underground utility tunnel project and insulation project; and
- (b) Expected proceeds from sale of completed part of the phase two of the underground utility tunnel project.

FINANCIAL STATEMENTS

For the financial year ended 31 December 2021

3 Critical accounting judgements and key sources of estimation uncertainty (cont'd)

Critical judgements in applying the Group's accounting policies (cont'd)

Going concern assumption (cont'd)

Projected cash outflows:

- (c) Expected principal and interest payments for the borrowings;
 - (d) Expected payments of key trade and other payables;
 - (e) Expected payments of operating expenses and maintenance costs.
- (iv) There are existing extension of time arrangements in place for the repayment of the principal loan amount and interest payments by the Group to bank in relation to an existing borrowing facility, of which the Group is currently in the process of obtaining such document setting out the agreed arrangements.

The financial statements have been prepared on the assumptions that the Group and the Company will continue as going concerns. If 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 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 statements of financial position. In addition, the Group and the Company may have to provide for further liabilities that might arise, and to reclassify non-current assets and liabilities as current assets and liabilities, respectively. No such adjustments have been made to these financial statements.

Functional currency

As disclosed in Note 2(r), the functional currency of the Company and its principal entities in the PRC is Singapore dollar and RMB respectively.

The Group measures foreign currency transactions in the respective functional currencies of the Company and its subsidiaries. In determining the functional currencies of the Group entities, judgement is required by management to determine the primary economic environment in which the Group entities operate, the Group entities' process of determining sales prices and the currency of the country whose competitive forces and regulations mainly influences the prices of its goods and services. Management has assessed that prices are mainly denominated and settled in the respective local currency of the Group entities. In addition, most of the Group entities' cost base is mainly denominated in their respective local currency. Therefore, management concluded that the functional currency of the Group entities is their respective local currency.

FINANCIAL STATEMENTS

For the financial year ended 31 December 2021

3 Critical accounting judgements and key sources of estimation uncertainty (cont'd)

Key sources of estimation uncertainty

The key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are discussed below:

Allowance for expected credit losses of trade and other receivables, service concession receivables and contract assets

When measuring ECL, the Group and the Company use reasonable and supportable forward-looking information, which is based on assumptions and forecasts of future economic conditions with consideration on the impact of COVID-19 pandemic and how these conditions will affect the Group's ECL assessment. Loss given default is an estimate of the loss arising on default. It is based on the difference between the contractual cash flows due and those that the lender would expect to receive, taking into account cash flows from collateral and integral credit enhancements.

Probability of default constitutes a key input in measuring ECL. Probability of default is an estimate of the likelihood of default over a given time horizon, the calculation of which includes historical data, assumptions and expectations of future conditions. As the calculation of loss allowance on trade and other receivables, service concession receivables and contract assets is subject to assumptions and forecasts, any changes to these estimations will affect the amounts of loss allowance recognised and the carrying amounts of trade and other receivables, service concession receivables and contract assets. Details of ECL measurement and carrying values of trade and other receivables, service concession receivables and contract assets at the end of the reporting period are disclosed in Note 23(b).

4 Revenue

	Group	
	2021	2020
	RMB'000	RMB'000
Operation revenue	10,583	1,398
Project management fees	3,636	5,399
Sales of goods	1,669	676
	15,888	7,473

The Group's revenue is derived from customers based in the PRC.

FINANCIAL STATEMENTS

For the financial year ended 31 December 2021

4 Revenue (cont'd)

The following table provides a disaggregation disclosure of the Group's revenue by reportable segments and timing of revenue recognition:

	Underground Utility Tunnel RMB'000	Project Management RMB'000	Materials Trading RMB'000	Insulation RMB'000	Total RMB'000
2021					
At a point in time	—	—	1,669	—	1,669
Over time	9,185	3,636	—	1,398	14,219
	9,185	3,636	1,669	1,398	15,888
2020					
At a point in time	—	—	676	—	676
Over time	—	5,399	—	1,398	6,797
	—	5,399	676	1,398	7,473

5 Profit before tax

This is determined after charging/(crediting) the following:

	Group 2021 RMB'000	2020 RMB'000
Fees payable/paid to independent auditor of the Company		
- Audit	407	401
- Non-audit services	—	—
Fee payable/paid to other auditors*		
- Audit	500	381
- Non-audit services	—	—
Impairment losses on financial assets (Note 23(b))		
- Service concession receivables	1,083	3,712
- Trade receivables	—	6,700
- Other receivables	—	1,939
Amortisation of intangible assets (Note 9)	4	10
Depreciation of property, plant and equipment (Note 8)	154	185
Foreign exchange gain, net	(388)	(572)
Reversal of over accrual costs	—	(9,629)

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

FINANCIAL STATEMENTS

For the financial year ended 31 December 2021

5 Profit before tax (cont'd)

This is determined after charging/(crediting) the following:

	Group	
	2021	2020
	RMB'000	RMB'000
Staff costs (inclusive of directors' remuneration):		
- Salaries and bonuses	2,314	2,383
- Defined contribution plans	517	158
- Directors' fees	359	426
	3,190	2,967

6 Income tax expense

	Group	
	2021	2020
	RMB'000	RMB'000
Income tax expense attributable to profit is made up of:		
Income tax		
- Current year	2,114	1,018
- Over provision in respect of prior years	—	(364)
	2,114	654

The income tax expense on the results of the financial year differs from the amount of income tax determined by applying the domestic rates applicable to profit in the countries where the Group operates due to the following factors:

	Group	
	2021	2020
	RMB'000	RMB'000
Profit before tax	7,118	3,252
Tax at the domestic rates applicable to profits in the countries where the Group operates	2,112	1,030
Expenses not deductible for tax purposes	509	533
Income not subject to tax	(877)	(97)
Utilisation of previously unrecognised tax losses	—	(448)
Deferred tax asset not recognised	370	—
Over provision of income tax in respect of prior years	—	(364)
	2,114	654

FINANCIAL STATEMENTS

For the financial year ended 31 December 2021

6 Income tax expense (cont'd)

The above tax reconciliation is prepared by aggregating separate reconciliation for each national jurisdiction.

The Company and its Singapore subsidiaries

The Company and its Singapore subsidiaries have no taxable income during the financial year. The statutory income tax rate applicable to the Company and its Singapore subsidiaries is 17% (2020: 17%).

The PRC subsidiaries

The Group's PRC subsidiaries are subject to PRC corporate income tax rate of 25% (2020: 25%). Certain PRC subsidiaries enjoy concessionary tax rates due to tax incentive schemes. Pursuant to *Notice of the Ministry of Finance and the State Administration of Taxation on Promoting the Development of Value-Added Tax, Business Tax and Corporate Income Tax Policies for Energy-Saving Service Industry (Cai Shui[2010]110)*, energy saving service companies which implement contract energy management projects could enjoy a corporate income tax exemption for the first three years since the first operating income and a 50% reduced in corporate income tax for the next three years.

At the end of the reporting period, the Group has unrecognised tax losses of RMB40,887,000 (2020: RMB39,406,000) that are available for carry forward to offset against future taxable profits/income of the PRC subsidiaries in which the tax losses arose, subject to agreement of the tax authorities and compliance with tax regulations in the PRC in which the PRC subsidiaries operate. Deferred tax assets have not been recognised by the PRC subsidiaries in respect of these tax losses because it is not probable that future taxable profits/income will be available in these PRC subsidiaries against which the Group can utilised the benefits therefrom.

The unrecognised tax losses of the PRC subsidiaries amounting to RMB40,887,000 (2020: RMB39,406,000) are available for carry forward up to five years from the year of loss against future taxable profits/income of the PRC subsidiaries in which the tax losses arose. There were no unrecognised tax losses of the PRC subsidiaries expired during the financial year.

7 Earnings per share

The calculation of the basic and diluted earnings per share attributable to the ordinary equity holders of the Company is based on the following data:

	Group	
	2021	2020
Profit for the financial year attributable to equity holders of the Company (RMB'000)	5,004	2,598
Weighted average number of ordinary shares for basic and diluted earnings per shares ('000)	246,678	246,678
Basic and diluted earnings per share (RMB cents)	2.03	1.05

FINANCIAL STATEMENTS

For the financial year ended 31 December 2021

8 Property, plant and equipment

	Motor vehicles RMB'000	Office equipment RMB'000	Total RMB'000
Group			
2021			
Cost			
At 1.1.2021	1,756	1,302	3,058
Additions	–	1	1
At 31.12.2021	1,756	1,303	3,059
Accumulated depreciation			
At 1.1.2021	1,417	1,166	2,583
Depreciation charge	77	77	154
At 31.12.2021	1,494	1,243	2,737
Net carrying value			
At 31.12.2021	262	60	322
2020			
Cost			
At 1.1.2020	1,756	1,297	3,053
Additions	–	5	5
At 31.12.2020	1,756	1,302	3,058
Accumulated depreciation			
At 1.1.2020	1,304	1,094	2,398
Depreciation charge	113	72	185
At 31.12.2020	1,417	1,166	2,583
Net carrying value			
At 31.12.2020	339	136	475

FINANCIAL STATEMENTS

For the financial year ended 31 December 2021

8 Property, plant and equipment (cont'd)

	Office equipment RMB'000
Company	
2021	
Cost	
At 1.1.2021 and 31.12.2021	8
Accumulated depreciation	
At 1.1.2021 and 31.12.2021	8
Net carrying value	
At 31.12.2021	—
2020	
Cost	
At 1.1.2020 and 31.12.2020	8
Accumulated depreciation	
At 1.1.2020 and 31.12.2020	8
Net carrying value	
At 31.12.2020	—

9 Intangible assets

	Group	
	2021 RMB'000	2020 RMB'000
Goodwill arising on business combination (a)	1,072	1,072
Computer software (b)	—	4
	1,072	1,076
(a) Goodwill arising on business combination		
Cost		
At 1 January and 31 December	1,072	1,072
Accumulated impairment losses		
At 1 January and 31 December	—	—
Net carrying amount		
At 31 December	1,072	1,072

FINANCIAL STATEMENTS

For the financial year ended 31 December 2021

9 Intangible assets (cont'd)

(a) Goodwill arising on business combination (cont'd)

Impairment test for goodwill

Goodwill acquired in a business combination is allocated, to the cash-generating units (CGUs) that are expected to benefit from that business combination. Before recognition of impairment losses, the carrying amount of goodwill had been allocated to insulation, underground utility tunnel, project management and materials trading segments.

(b) Computer software

	Group	
	2021	2020
	RMB'000	RMB'000
Cost		
At 1 January and 31 December	43	43
Accumulated amortisation		
At 1 January	39	29
Amortisation charge	4	10
At 31 December	43	39
Net carrying amount		
At 31 December	–	4

The amortisation of computer software is included in “administrative expense”.

10 Investments in subsidiaries

	Company	
	2021	2020
	RMB'000	RMB'000
Unquoted equity shares, at cost		
Balance at beginning and end of financial year	–*	–*

* Amount less than RMB1,000

(a) Details of significant subsidiaries held by the Company are:

Name of subsidiary	Principal activity	Country of incorporation	Proportion of ownership interest	
			2021	2020
			%	%
<u>Held by the Company</u>				
GBT Investments Pte. Ltd. (“GBTI”) ^(a)	Investment holding	Singapore	100	100
Future City Development and Management Group Pte. Ltd. (“FCDMG”) ^(c)	Investment holding	Singapore	100	100
Republic Property Management Group Pte. Ltd. ^(c)	Investment holding	Singapore	100	100

FINANCIAL STATEMENTS

For the financial year ended 31 December 2021

10 Investments in subsidiaries (cont'd)

(a) Details of significant subsidiaries held by the Company are (cont'd):

Name of subsidiary	Principal activity	Country of incorporation	Proportion of ownership interest	
			2021 %	2020 %
<u>Held by FCDMG</u>				
Harbin Superior Construction Materials Trading Co., Ltd. ^(b)	Trading of construction materials	People’s Republic of China	100	100
<u>Held by GBTI</u>				
Harbin Shengming Energy Saving and Technology Co., Ltd. (“Harbin Shengming”) ^(b)	Energy conservation services and installation of green technology and architecture	People’s Republic of China	100	100
<u>Held by Harbin Shengming</u>				
Harbin Utility Tunnel Construction and Management Co., Ltd. ^(b)	Construction, operation and management of projects	People’s Republic of China	100	100
Harbin Prevailing Municipal Engineering Co., Ltd. ^(b)	The provision of architectural design and construction services for government projects, promotion of energy conservation and investment in construction business	People’s Republic of China	100	100
Harbin Utility Tunnel Phase Two Construction and Management Co.Ltd. ^(b)	Construction, operation and management of projects	People’s Republic of China	100	100
Harbin Vigorous Construction and Engineering Co., Ltd. ^(d)	Civil engineering and construction, green landscaping, development of energy-conservation technology	People’s Republic of China	51	51

(a) Audited by Baker Tilly TFW LLP.

(b) Audited by independent overseas member firms of the Baker Tilly International network.

(c) Audited by Baker Tilly TFW LLP for the purpose of preparation of the consolidated financial statements of the Group.

(d) Not required to be audited by law of country of incorporation.

FINANCIAL STATEMENTS

For the financial year ended 31 December 2021

10 Investments in subsidiaries (cont'd)

(b) Significant restrictions

Cash and cash equivalents of RMB6,023,000 (2020: RMB740,000) are held in the People's Republic of China and are subject to local exchange control regulations. These regulations place restrictions on the amount of currency being exported from the country.

(c) Summarised financial information of subsidiaries with material non-controlling interests ("NCI")

The Group has the following subsidiary that has NCI that are considered by management to be material to the Group:

Name of subsidiary	Principal place of business/ Country of incorporation	Ownership interests held by NCI
2021		
Harbin Vigorous Construction and Engineering Co., Ltd.	People's Republic of China	49%
2020		
Harbin Vigorous Construction and Engineering Co., Ltd.	People's Republic of China	49%

The following are the summarised financial information (before inter-company eliminations) of the Group's subsidiary with NCI that are considered by management to be material to the Group.

Summarised Statement of Financial Position

	Harbin Vigorous Construction and Engineering Co., Ltd.	
	2021	2020
	RMB'000	RMB'000
Non-current assets	—	—
Current assets	3,915	3,915
Non-current liabilities	—	—
Current liabilities	—	—
Net assets	3,915	3,915
Net assets attributable to NCI	1,919	1,919

The summarised statement of comprehensive income and statement of cash flows of Harbin Vigorous Construction and Engineering Co., Ltd. are not disclosed because there are no significant movements during the financial years ended 31 December 2021 and 31 December 2020.

FINANCIAL STATEMENTS

For the financial year ended 31 December 2021

11 Investment in associated company

The Group's investment in associated company is summarised below:

	Group	
	2021	2020
	RMB'000	RMB'000
<u>Carrying amount:</u>		
Zhongjieneng Shengming Intelligence Construction Co., Ltd.	248	250

Details of associated company are:

Name of associated company	Principal activity	Country of incorporation	Proportion of ownership interest	
			2021	2020
			%	%
<u>Held by Harbin Shengming</u>				
Zhongjieneng Shengming Intelligence Construction Co., Ltd. ^(a)	Investment holding	People's Republic of China	49	49

(a) Not required to be audited for the financial year ended 31 December 2021 by law of country of incorporation.

12 Service concession receivables and contract assets

	Group	
	2021	2020
	RMB'000	RMB'000
<i>Non-current assets</i>		
Service concession receivables	765,460	808,438
Less: Allowance for expected credit losses	(22,275)	(21,192)
	743,185	787,246
Contract assets	49,077	49,077
	792,262	836,323
<i>Current asset</i>		
Service concession receivables	102,006	97,435
Net carrying amount	894,268	933,758

FINANCIAL STATEMENTS

For the financial year ended 31 December 2021

12 Service concession receivables and contract assets (cont'd)

	Group	
	2021 RMB'000	2020 RMB'000
Representing:		
Service concession receivables	845,191	884,681
Contract assets	49,077	49,077
	894,268	933,758

The maturity analysis of service concession receivables:

Not later than one financial year	102,006	97,435
Later than one financial year but not later than five financial years	281,234	373,536
Later than five financial years	461,951	413,710
	845,191	884,681

The service concession receivables represent amounts due from grantors in respects of the following projects:

Insulation project	142,250	148,601
Phase one of the underground utility tunnel project	702,941	736,080
	845,191	884,681

The Group has entered into three service concession arrangements with a government agency of the PRC to construct and operate underground utility tunnel and upgrade the existing housing estate ("Insulation") on Public-Private Partnership ("PPP") basis ("project"). These service concession arrangements generally involve the Group to construct and operate an asset or a group of assets at a specified level of serviceability on behalf of the government agency of the PRC for periods ranging from 11 to 26 years (the "service concession periods"), and the Group will be paid for its services over the relevant service concession periods at prices stipulated through agreed pricing mechanism with the government agency of the PRC and certain amounts from the residents of the existing housing estate which will be collected on behalf by the government agency of the PRC. At the end of the service concession periods, the assets will be transferred to the respective grantors.

FINANCIAL STATEMENTS

For the financial year ended 31 December 2021

12 Service concession receivables and contract assets (cont'd)

A summary of the major terms of the service concession arrangements entered into by the Group is set out below:

Name of subsidiary as operator	Project name	Location in PRC	Name of grantor	Type of service concession arrangements	Expected service concession period
Harbin Utility Tunnel Construction and Management Co., Ltd.	Underground utility tunnel project - phase one 哈尔滨市地下综合管廊项目 - 第一期	Harbin City, Heilongjiang Province	Harbin Urban and Rural Construction Committee ("Government agency") 哈尔滨市城乡建设委员会 ("委员会")	PPP	From 2015 to 2041
Harbin Prevailing Municipal Engineering Co., Ltd.	Insulation project - 哈尔滨市既有建设一般性节能改造项目	Harbin City, Heilongjiang Province	Government agency 委员会	PPP	From 2015 to 2026
Harbin Utility Tunnel Phase Two Construction and Management Co., Ltd.	Underground utility tunnel project - phase two 哈尔滨市地下综合管廊项目 - 第二期	Harbin City, Heilongjiang Province	Government agency 委员会	PPP	From 2021 to 2040

The service concession receivables represent amounts due from grantors (except for RMB17,480,000 due from residents) in respect of the Insulation project and phase one of the underground utility tunnel project which the construction services have been completed in 2016 and 2020 respectively.

As at 31 December 2021 and 31 December 2020, the construction services of the phase one of the underground utility tunnel project have been completed and accepted by the government agency of the PRC but pending cost finalisation by the government agency of the PRC. The outbreak of the COVID-19 pandemic had prompted the PRC Government to place a lockdown on Harbin City on several occasions in 2020, 2021 and in early 2022, and strict preventive measures were put in place to combat the COVID-19 pandemic from 2020 to early 2022. This has led to the delay in the cost finalisation for phase one of the underground utility tunnel project. However, while the cost finalisation is still ongoing as at 31 December 2021, the Group has received government subsidies of RMB88,264,000 during the financial year ended 31 December 2021 and RMB6,300,000 during the first quarter of 2022. Following the cost finalisation of phase one of the underground utility tunnel project, the amount of government subsidies, determined according to the formula stipulated in the agreement, shall be approved and disbursed by the government agent of the PRC on a quarterly basis over a concession period of 25 years.

FINANCIAL STATEMENTS

For the financial year ended 31 December 2021

12 Service concession receivables and contract assets (cont'd)

For phase two of the underground utility tunnel project, the Group has commenced some construction work and recognised contract assets of RMB49,077,000 (2020: RMB49,077,000) as at 31 December 2021 and 31 December 2020, but the financing from the banks has been affected by the borrowing ratios of the Harbin government exceeding nationwide benchmark in the PRC. The Harbin government is in discussion with the Group for the acquisition of the complete part of the phase two of the underground utility tunnel project. The outbreak of the COVID-19 pandemic had led to the delay in the completion of the acquisition by the Harbin government.

The fair values of the non-current portion of consideration under service concession arrangements approximate their carrying values, as the management is of the opinion that the effective interest rates used ranging from 4.97% to 6.62% per annum (2020: 5.10% to 6.65% per annum) are appropriate.

During the financial year ended 31 December 2021, the Group recognised net impairment loss on service concession receivables amounted to RMB1,083,000 mainly due to impairment loss arising from the revisions in the timing of the expected future cash flows from the grantors in respect of the Insulation project of RMB1,461,000 being offset by the reversal of impairment loss arising from the revisions in the timing of the expected future cash flows from the grantors in respect of the phase one of the underground utility tunnel project of RMB378,000 (Note 23(b)).

During the financial year ended 31 December 2020, the Group recognised impairment loss on service concession receivables amounted to RMB3,712,000 mainly due to the revisions in the timing of the expected future cash flows from the grantors in respect of the Insulation project of RMB3,334,000 and the phase one of the underground utility tunnel project of RMB378,000 (Note 23(b)).

As at 31 December 2021, the Group's concession rights of the Insulation and underground utility tunnel projects (comprising service concession receivables and contract assets) with aggregate carrying amounts of RMB845,191,000 (2020: RMB884,681,000) were pledged to secure banking facilities granted to the Group (Note 18).

During the financial year, the Group recorded revenue and profit after tax of RMB10,583,000 and RMB9,586,000 respectively (2020: RMB1,398,000 and RMB9,893,000) from the service concession arrangements.

Contract assets relate to the Group's rights to consideration for construction service under service concession arrangements performed but not billed at the end of the reporting period. Contract assets are transferred to service concession receivables when the Group has unconditional contractual right to consideration when the construction services are completed.

The following table provides information about contract assets from service concession arrangements:

	31.12.2021 RMB'000	31.12.2020 RMB'000	1.1.2020 RMB'000
Contract assets	49,077	49,077	742,463

FINANCIAL STATEMENTS

For the financial year ended 31 December 2021

12 Service concession receivables and contract assets (cont'd)

During the financial year ended 31 December 2020, contract assets decreased significantly mainly due to the receivables from the government agency of the PRC for the phase one of the underground utility tunnel project have been reclassified from contract assets to service concession receivables following the completion of the construction services and accepted by the government agency of the PRC.

Significant changes in the contract assets balances during the financial year are as follows:

	Group	
	Contract assets	
	2021	2020
	RMB'000	RMB'000
Contract assets reclassified to service concession receivables	—	(693,386)

The inherent uncertainty arising from the cost finalisation for phase one of the underground utility tunnel project and the COVID-19 pandemic may affect the amount and timing of the collections from the government agency of the PRC. Although the management believes that the assumptions concerning the business environment and estimate of the amount and timing of the expected future cash flows are appropriate, changes in estimates and assumptions could result in changes in expected credit loss on the service concession receivables.

The service concession receivables are determined using discounted cash flows. Management estimates aggregate expected future cash flows for phase one of the underground utility tunnel project and Insulation project from government agency of the PRC in 2022 totalling RMB107,241,000 (2020: RMB84,811,000 in 2021). If the collection from government agency of the PRC in 2022 had been higher/lower by 10% from management's estimates, the Group's expected credit loss for the financial year would be lower/higher by RMB162,000 (2020: RMB294,000) respectively.

13 Prepayments

	Group	
	2021	2020
	RMB'000	RMB'000
<i>Non-current asset</i>		
Advance payments to sub-contractors	4,620	5,940
<i>Current asset</i>		
Advance payments to sub-contractors	4,665	10,385

FINANCIAL STATEMENTS

For the financial year ended 31 December 2021

14 Trade and other receivables

	Group		Company	
	2021 RMB'000	2020 RMB'000	2021 RMB'000	2020 RMB'000
Trade receivables				
- Third parties	20,252	16,310	—	—
- Related party	—	8,602	—	—
Less: Allowance for expected credit losses (Note 23(b))	(8,768)	(8,768)	—	—
	11,484	16,144	—	—
Non-trade amounts due from subsidiaries	—	—	13,598	15,959
Other receivables	15,614	14,900	—	—
Deposits	2,650	2,650	14	15
Less: Allowance for expected credit losses (Note 23(b))	(1,939)	(1,939)	—	—
	16,325	15,611	13,612	15,974
	27,809	31,755	13,612	15,974

Trade receivables from contracts with customers as at 1 January 2020 amounted to RMB36,114,000.

Non-trade amounts due from subsidiaries are non-trade in nature, interest-free, unsecured and repayable on demand.

Deposits mainly relate to phase two of the underground utility tunnel project which will be refundable once the project is completed.

15 Cash and cash equivalents

	Group		Company	
	2021 RMB'000	2020 RMB'000	2021 RMB'000	2020 RMB'000
Cash at bank and on hand	6,101	801	50	35

For the purposes of presentation in the consolidated statement of cash flows, the consolidated cash and cash equivalents comprise the following:

	Group	
	2021 RMB'000	2020 RMB'000
Cash and bank balances, representing cash and cash equivalents per consolidated statement of cash flows	6,101	801

FINANCIAL STATEMENTS

For the financial year ended 31 December 2021

16 Share capital

	Group and Company			
	2021 Number of issued shares	2021 Issued share capital RMB'000	2020 Number of issued shares	2020 Issued share capital RMB'000
Issued and fully paid At 1 January and 31 December	246,677,796	124,909	246,677,796	124,909

All issued shares are fully paid ordinary shares with no par value.

The holders of ordinary shares are entitled to receive dividends as and when declared by the Company. All ordinary shares carry one vote per share without restrictions.

17 Currency translation reserve

Currency translation reserve arises from the translation of the financial statements of the Company and its Singapore subsidiaries whose functional currency are different from that of the Group's presentation currency.

18 Borrowings

	Group		Company	
	2021 RMB'000	2020 RMB'000	2021 RMB'000	2020 RMB'000
Non-current liability				
Loans from banks	568,000	575,000	—	—
Current liabilities				
Loans from banks	3,700	1,000	—	—
Loans from related parties	5,493	23,489	4,859	5,119
	9,193	24,489	4,859	5,119

Terms and conditions of outstanding loans from banks are as follows:

	Currency	Interest rate %	Year of maturity	2021 RMB'000	Group 2020 RMB'000
Secured bank loan 1	RMB	6.09%	2022	2,700	—
Secured bank loan 2	RMB	Prime rate	2023	28,000	34,000
Secured bank loan 3	RMB	Prime rate + 0.35%	2041	541,000	542,000
				571,700	576,000

FINANCIAL STATEMENTS

For the financial year ended 31 December 2021

18 Borrowings (cont'd)

The secured bank loans of the Group are secured over the service concession arrangements with a government agency of the PRC (Note 12).

The secured bank loan 1 is for general working capital purposes and is secured by guarantees provided by the substantial shareholder and former director, Mr Zhao Lizhi. The bank loan was fully repaid in January 2022.

On 15 April 2020, secured bank loan 2 has been renewed with progressively repayment term and final maturity on 14 April 2023.

The secured bank loan 3 is repayable progressively with final maturity due in 28 December 2041.

At the end of the reporting period, the loans from related parties are interest-free, unsecured and repayable on demand.

The Group's borrowings are floating rate instruments that are repriced to market interest rates on or near the end of the reporting period. Accordingly, the fair values of the non-current borrowings determined from discounted cash flows analysis using market lending rate that management expects would be available to the Group at the end of the reporting period, would approximate their carrying amounts at the end of the reporting period. This fair value measurement for disclosures purpose is categorised in Level 3 of the fair values hierarchy.

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

	Loans from banks RMB'000	Loans from related parties RMB'000	Loans from director/ former director (Note 19) RMB'000	Total RMB'000
Group				
Balance at 1.1.2021	576,000	23,489	7,926	607,415
Changes from financing cash flows:				
- Proceeds from drawdown	2,700	—	—	2,700
- Repayments	(7,000)	(17,996)	(6,784)	(31,780)
- Interest paid	(40,722)	—	—	(40,722)
Non-cash changes:				
- Interest expense	39,270	—	—	39,270
- Interest payable (Note 19)	1,452	—	—	1,452
Balance at 31.12.2021	571,700	5,493	1,142	578,335

FINANCIAL STATEMENTS

For the financial year ended 31 December 2021

18 Borrowings (cont'd)

Reconciliation of movements of liabilities to cash flows arising from financing activities (cont'd):

	Loans from banks RMB'000	Loans from related parties RMB'000	Loan from a director (Note 19) RMB'000	Total RMB'000
Group				
Balance at 1.1.2020	584,000	5,927	2,763	592,690
Changes from financing cash flows:				
- Proceeds from drawdown	—	17,562	5,163	22,725
- Repayments	(8,000)	—	—	(8,000)
- Interest paid	(38,216)	—	—	(38,216)
Non-cash changes:				
- Interest expense	39,668	—	—	39,668
- Interest payable (Note 19)	(1,452)	—	—	(1,452)
Balance at 31.12.2020	576,000	23,489	7,926	607,415

19 Trade and other payables

	Group		Company	
	2021 RMB'000	2020 RMB'000	2021 RMB'000	2020 RMB'000
Trade payables	197,741	229,246	—	—
Other payables	5,654	5,675	—	—
Accrued operating expenses	63,310	53,306	3,305	3,797
Loan from a director	920	—	—	—
Loan from a former director	222	7,926	405	356
Interest payable (Note 18)	—	1,452	—	—
Non-trade amount due to a shareholder/key management personnel	3,165	2,252	3,165	2,252
Non-trade amount due to a director	1,315	1,445	1,315	1,445
Non-trade amount due to a subsidiary	—	—	5,024	5,024
	272,327	301,302	13,214	12,874

Loan from director and former director are interest-free, unsecured and repayable on demand.

Non-trade amounts due to a shareholder/key management personnel, a director and a subsidiary are interest-free, unsecured and repayable on demand.

FINANCIAL STATEMENTS

For the financial year ended 31 December 2021

20 Contract liabilities

Contract liabilities relate to advance consideration received from customers for the sales of goods.

The following table provides information about contract liabilities from contracts with customers:

	31.12.2021	31.12.2020	1.1.2020
	RMB'000	RMB'000	RMB'000
Contract liabilities	646	2,000	1,557

During the financial year ended 31 December 2021, the decrease in contract liabilities is mainly due to revenue recognised during the financial year amounting to RMB933,000 from contract liabilities balance at the beginning of the financial year.

21 Related party transactions

In addition to information disclosed elsewhere in the financial statements, the following transactions took place between the Group and related parties, who are not members of the Group during the financial year on terms agreed by the parties concerned:

	Group	
	2021	2020
	RMB'000	RMB'000
(Repayment to)/advances from a director	(6,784)	5,163
(Repayment to)/advances from related parties	(17,996)	17,562
Sales of construction materials to a related party	–	291

Other related party transactions

The Group benefited from the rent-free lease of the office premises from a related party for the 2 financial years ended 31 December 2020 and 31 December 2021.

Related parties refer to entities in which the substantial shareholder and former director, Mr Zhao Lizhi, has substantial financial interests.

FINANCIAL STATEMENTS

For the financial year ended 31 December 2021

21 Related party transactions (cont'd)

Key management personnel compensation

Total directors and key management personnel compensation are analysed as follows:

	Group	
	2021	2020
	RMB'000	RMB'000
Directors' fees	359	426
Short-term employee benefits	1,763	1,736
Defined contributions plans	141	52
	2,263	2,214

Included in key management personnel compensation is directors' remuneration (including directors' fees paid/payable to directors) of the Company amounting to RMB653,000 (2020: RMB657,000).

22 Segment information

The Group has the following four business units, namely insulation, underground utility tunnel, project management and materials trading. These business units offer different products and services, and are managed separately because they require different technology and marketing strategies. The Group's Chief Executive Officer ("CEO") (the chief operating decision maker) reviews internal management reports of each business units at least quarterly. The following summary describes the operations in each of the Group's reportable segments:

- Insulation - constructing and operating external insulation project
- Underground Utility Tunnel - constructing and operating underground utility tunnel for (i) utility lines such as electricity, gas supply pipes and water supply pipes; and (ii) communications lines such as fibre optics, television and telephone cables
- Project Management - consultation service for external insulation project
- Materials Trading - trading of green technology materials
- Others - investment holding

FINANCIAL STATEMENTS

For the financial year ended 31 December 2021

22 Segment information (cont'd)

Information regarding the results of each reportable segment is included below. Performance is measured based on segment profit/(loss) before tax, as included in the internal management reports that are reviewed by the Group's CEO. Segment profit/(loss) is used to measure performance as management believes that such information is the most relevant in evaluating the results of certain segments relative to other entities that operate within these industries.

Group	Underground		Project	Materials		Others	Eliminations	Total
	Insulation	Utility Tunnel		Trading				
2021	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
External revenue	1,398	9,185	3,636	1,669	–	–	–	15,888
Inter-segment revenue	–	–	1,320	273	–	(1,593)	–	–
Total revenue of reportable segments	1,398	9,185	4,956	1,942	–	(1,593)	–	15,888
Unwinding of discount on service concession receivables and contract assets	7,574	45,564	–	–	–	–	–	53,138
Interest expenses on borrowings	2,670	36,451	149	–	–	–	–	39,270
Depreciation and amortisation	–	–	145	13	–	–	–	158
Impairment losses/ (reversal of impairment losses) on financial assets	1,461	(378)	–	–	–	–	–	1,083
Share of results of associated company	–	–	–	–	(2)	–	–	(2)
Reportable segment profit/ (loss) before income tax	3,244	7,959	(1,270)	(211)	(2,604)	–	–	7,118
Segment assets	142,551	1,086,420	419,193	359,142	18,028	(1,087,301)	–	938,033
Unallocated assets	–	–	–	–	–	–	–	1,072
Total assets	–	–	–	–	–	–	–	939,105
Segment assets includes:	–	–	–	–	–	–	–	–
Additions to non-current assets	–	–	1	–	–	–	–	1
Segment liabilities	28,000	800,748	402,702	357,366	18,928	(734,905)	–	872,839
Unallocated liabilities	–	–	–	–	–	–	–	–
Total liabilities	–	–	–	–	–	–	–	872,839

FINANCIAL STATEMENTS

For the financial year ended 31 December 2021

22 Segment information (cont'd)

Group	Insulation	Underground	Project	Materials	Others	Eliminations	Total
2020	RMB'000	Utility Tunnel	Management	Trading	RMB'000	RMB'000	RMB'000
External revenue	1,398	–	5,399	676	–	–	7,473
Inter-segment revenue	–	–	1,320	286	–	(1,606)	–
Total revenue of reportable segments	1,398	–	6,719	962	–	(1,606)	7,473
Unwinding of discount on service concession receivables and contract assets	8,757	43,120	–	–	–	–	51,877
Interest expenses on borrowings	3,116	36,552	–	–	–	–	39,668
Depreciation and amortisation	–	–	181	14	–	–	195
Impairment losses on financial assets	3,334	2,317	6,700	–	–	–	12,351
Share of results of associated company	–	–	–	–	2	–	2
Reportable segment profit/ (loss) before income tax	10,490	421	(4,732)	(314)	(2,613)	–	3,252
Segment assets	145,728	1,100,030	426,193	345,625	20,373	(1,054,581)	983,368
Unallocated assets							1,072
Total assets							984,440
Segment assets includes:							
Additions to non-current assets	–	–	5	–	–	–	5
Segment liabilities	34,421	820,204	408,431	343,638	18,840	(702,184)	923,350
Unallocated liabilities							–
Total liabilities							923,350

Segment results

Management monitors the operating results of its operating segments separately for the purpose of making decisions about resource allocation and performance assessment. Sales between operating segments are on terms agreed by the Group companies concerned.

Segment assets

The amounts provided to the management with respect to total assets are measured in a manner consistent with that of the financial statements. Management monitors the assets attributable to each segment for the purposes of monitoring segment performance and for allocating resources between segments. All assets are allocated to the reportable segments other than goodwill which are classified as unallocated assets.

FINANCIAL STATEMENTS

For the financial year ended 31 December 2021

22 Segment information (cont'd)

Segment liabilities

The amounts provided to the management with respect to total liabilities are measured in a manner consistent with that of the financial statements. All liabilities are allocated to the reportable segments based on the operations of segments.

Geographical information

The Group's revenue is derived from customers based in the PRC and substantially all the Group's assets are located in the PRC.

Information about major customers

Revenue of approximately RMB14,219,000 (2020: RMB6,797,000) is derived from 2 (2020: 2) major external customers who individually contributed 10% or more of the Group's revenue and attributable to the segments as detailed below:

		Group	
		2021	2020
		RMB'000	RMB'000
	<u>Attributable segments</u>		
Customer 1	Underground utility tunnel	9,185	—
Customer 1	Insulation	1,398	1,398
Customer 2	Project management	3,636	5,399
		14,219	6,797

23 Financial instruments

a) Categories of financial instruments

Financial instruments at their carrying amounts at the end of the reporting period are as follows:

	Group		Company	
	2021	2020	2021	2020
	RMB'000	RMB'000	RMB'000	RMB'000
<i>Financial assets</i>				
Financial assets at amortised cost	879,101	917,237	13,662	16,009
<i>Financial liabilities</i>				
Financial liabilities at amortised cost	849,520	900,791	18,073	17,993

FINANCIAL STATEMENTS

For the financial year ended 31 December 2021

23 Financial instruments (cont'd)

b) Financial risk management

The Group and the Company are exposed to financial risks arising from their operations and the use of financial instruments. The key financial risks include credit risk, liquidity risk, market risk, currency risk and interest rate risk. The Group's overall risk management strategy seeks to minimise adverse effects from these financial risks on the Group's financial performance.

Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Group. For trade receivables, the Group adopts the policy of dealing only with customers of appropriate credit history, and obtaining sufficient security where appropriate to mitigate credit risk. For other financial assets, the Group adopts the policy of dealing only with high credit quality counterparties.

The Group's most significant customer, a government agency of the PRC, accounts for 97% (2020: 97%) of the carrying amounts of total receivables and contract assets as at 31 December 2021.

As the Group and the Company do not hold any collateral, the maximum exposure to credit risk is the carrying amount of each class of financial instruments presented on the statements of financial position.

The following sets out the Group's internal credit evaluation practices and basis for recognition and measurement of expected credit losses ("ECL"):

Description of evaluation of financial assets	Basis for recognition and measurement of ECL
Debtor has a low risk of default and does not have any past due amount	12-month ECL
Contractual payments are more than 30 days past due or where there has been a significant increase in credit risk since initial recognition	Lifetime ECL - not credit-impaired
There is one or more events that have detrimental impact on the estimated future cash flows and debtor has significant financial difficulty and breach of contract	Lifetime ECL - credit-impaired
There is evidence indicating that the Group has no reasonable expectation of recovery of payments such as when the debtor has been placed under liquidation or has entered into bankruptcy proceedings	Write-off

FINANCIAL STATEMENTS

For the financial year ended 31 December 2021

23 Financial instruments (cont'd)

b) Financial risk management (cont'd)

Credit risk (cont'd)

Significant increase in credit risk

In assessing whether the credit risk on a financial asset has increased significantly since initial recognition, the Group compares the risk of a default occurring on the financial asset as at the end of the reporting period with the risk of a default occurring on the financial asset as at the date of initial recognition. In making this assessment, the Group considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information, such as future economic and industry outlook, that is available without undue cost or effort.

In particular, the Group considers the following information when assessing whether credit risk has increased significantly since initial recognition:

- existing or forecast adverse changes in business, financial or economic conditions that are expected to cause a significant decrease in the debtor's ability to meet its debt obligations; and
- an actual or expected significant deterioration in the operating results/key financial performance ratios of the debtors.

The Group regularly monitors the effectiveness of the criteria used to identify whether there has been a significant increase in credit risk and revises them as appropriate to ensure that the criteria are capable of identifying significant increase in credit risk before the amount becomes past due.

Regardless of the evaluation of the above factors, the Group presumes that the credit risk on a financial asset has increased significantly since initial recognition when contractual payments are more than 30 days past due, unless the Group has reasonable and supportable information that demonstrates otherwise.

The Group also assumes that the credit risk on a financial instrument has not increased significantly since initial recognition if the financial asset is determined to have low credit risk at the end of the reporting period. A financial instrument is determined to have low credit risk if it has an internal or external credit rating of "investment grade" as per globally understood definition, or the financial asset has a low risk of default; the borrower has a strong capacity to meet its contractual cash flow obligations in the near term; and adverse changes in economic and business conditions in the longer term may, but will not necessarily, reduce the ability of the borrower to fulfil its contractual cash flow obligations.

Definition of default

The Group considers the following as constituting an event of default for internal credit risk management purposes as historical experience indicates the receivables that meet either of the following criteria are generally not recoverable:

- when there is a breach of financial covenants by the counterparty; or
- information developed internally or obtained from external sources that indicates that the debtor is unlikely to pay its creditors, including the Group, in full.

Irrespective of the above analysis, the Group considers that default has occurred when a financial asset is more than 90 days past due unless the Group has reasonable and supportable information to demonstrate that a more lagging default criterion is more appropriate.

FINANCIAL STATEMENTS

For the financial year ended 31 December 2021

23 Financial instruments (cont'd)

b) Financial risk management (cont'd)

Credit risk (cont'd)

Credit-impaired financial assets

A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of that financial asset have occurred such as evidence that the borrower is in significant financial difficulty, there is a breach of contract such as default or past due event; there is information that it is becoming probable that the debtor will enter bankruptcy or other financial reorganisation; the disappearance of an active market for that financial asset because of financial difficulties; or the purchase or origination of a financial asset at a deep discount that reflects the incurred credit losses.

Estimation techniques and significant assumptions

There has been no change in the estimation techniques or significant assumptions made during the current financial year. A service concession receivable and trade receivable are credit-impaired when there is information indicating that debtor has significant financial difficulty and breach of contract.

Movements in allowance for expected credit losses are as follows:

	Service concession receivables RMB'000	Trade receivables RMB'000	Other receivables RMB'000	Total RMB'000
Group				
Balance at 1 January 2020	17,480	2,068	–	19,548
Loss allowance measured:				
Lifetime ECL				
- simplified approach	–	6,700	–	6,700
- significant increase in credit risk	3,712	–	–	3,712
- credit-impaired	–	–	1,939	1,939
Balance at 31 December 2020	21,192	8,768	1,939	31,899
Loss allowance measured:				
Lifetime ECL				
- significant increase in credit risk	1,083	–	–	1,083
Balance at 31 December 2021	22,275	8,768	1,939	32,982

FINANCIAL STATEMENTS

For the financial year ended 31 December 2021

23 Financial instruments (cont'd)

b) Financial risk management (cont'd)

Credit risk (cont'd)

Trade receivables

The Group has applied the simplified approach to measure the lifetime expected credit loss allowance for trade receivables.

The Group determined the ECL of trade receivables by segregating amounts due from:

- (i) related party, who has engaged in a repayment plan with the Group and payment of the amount is guaranteed by its former shareholders;
- (ii) debtor who is also the Group's supplier and the amounts due from are lower than amounts due to the same counterparty at the Group level; and
- (iii) remaining trade receivables using a provision matrix.

The Group estimates the expected credit loss rates for each category of past due status of the debtors based on historical credit loss experience adjusted as appropriate to reflect current conditions and forecasts of future economic conditions. The Group has recognised a loss allowance of 100% against all credit-impaired trade receivables. A trade receivable is written off when there is information indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery, e.g. when the debtor has been placed under liquidation or has entered into bankruptcy proceedings.

The Group's trade receivables include the amounts due from:

- (i) related party of RMB Nil (2020: RMB8,602,000), who has engaged in a repayment plan with the Group and payment of the amount is guaranteed by its former shareholders; and
- (ii) debtor of RMB7,542,000 (2020: RMB7,542,000) who is also the Group's supplier and the amounts due from are lower than amounts due to the same counterparty at the Group level.

Management assessed that credit risk exposure in relation to above-mentioned Group's trade receivables under SFRS(I) 9 as at 31 December 2021 and 31 December 2020 is not material, and accordingly no allowance for impairment is recognised as at 31 December 2021 and 31 December 2020.

FINANCIAL STATEMENTS

For the financial year ended 31 December 2021

23 Financial instruments (cont'd)

b) Financial risk management (cont'd)

Credit risk (cont'd)

The Group's credit risk exposure in relation to remaining trade receivables under SFRS(I) 9 as at 31 December 2021 are set out as below:

	Within 1 year RMB'000	1 to 2 years RMB'000	Past due 2 to 3 years RMB'000	More than 3 years RMB'000	Total RMB'000
2021					
<i>Expected loss rate</i>	0%	0%	0%	100%	
Total gross receivables	3,942	—	—	8,768	12,710
Total loss allowance	—	—	—	(8,768)	(8,768)
Net carrying amount	3,942	—	—	—	3,942
2020					
<i>Expected loss rate</i>	0%	0%	100%	100%	
Total gross receivables	—	—	7,363	1,405	8,768
Total loss allowance	—	—	(7,363)	(1,405)	(8,768)
Net carrying amount	—	—	—	—	—

Service concession receivables and contract assets

For service concession receivables and contract assets that have a significant financing component, the Group applies general approach to recognise a loss allowance. The impairment methodology applied depends on whether there has been a significant increase in credit risk. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a "12-month ECL"). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a "lifetime ECL"). The ECL on service concession receivables and contract assets are estimated by reference to past default experience of the debtor and an analysis of the debtor's current financial position, adjusted for factors that are specific to the debtors, general economic conditions of the industry in which the debtors operate and an assessment of both the current as well as the forecast direction of conditions at the end of the reporting period.

During the financial year ended 31 December 2019, the Group recognised a loss allowance of 100% against the receivables from residents in respect of the Insulation project amounted to RMB14,707,000. These receivables from residents in respect of the Insulation project are considered as credit-impaired receivables because the collections from these receivables maybe doubtful.

FINANCIAL STATEMENTS

For the financial year ended 31 December 2021

23 Financial instruments (cont'd)

b) Financial risk management (cont'd)

Credit risk (cont'd)

The remaining outstanding service concession receivables and contract assets under service concession arrangements relate to consideration receivables from a government agency of the PRC, the associated credit risk is not significant. During the financial year, certain collections from the government agency of the PRC were delayed and not in accordance with the expected cash flows. Accordingly, the Group recognised impairment loss of RMB1,083,000 (2020: RMB3,712,000) on service concession receivables as a result of the revisions in the timing of the expected future cash flows from the grantors in respect of the Underground Utility Tunnel project and Insulation project.

As at 31 December 2021, the Group recognised a total loss allowance of RMB22,275,000 (2020: RMB21,192,000) against the service concession receivables in respect of Underground Utility Tunnel project and Insulation project.

Other than above-mentioned, the Group believes that there is no further loss allowance is required on the service concession receivables and contract assets under service concession arrangements as at 31 December 2021 and 31 December 2020.

Financial assets at amortised cost and contract assets

The table below details the credit quality of the Group's financial assets and contract assets:

Group 2021	12-month or lifetime ECL	Gross carrying amount RMB'000	Loss allowance RMB'000	Net carrying amount RMB'000
Trade receivables	Lifetime ECL - Simplified approach	20,252	(8,768)	11,484
Service concession receivables	Lifetime ECL - Significant increase in credit risk	852,759	(7,568)	845,191
Service concession receivables	Lifetime ECL - Credit-impaired	14,707	(14,707)	–
Contract assets	12-month ECL	49,077	–	49,077
Other receivables and deposits	12-month ECL	16,325	–	16,325
Other receivables	Lifetime ECL - Credit-impaired	1,939	(1,939)	–
Cash and cash equivalents with financial institutions	N.A. Exposure Limited	6,101	–	6,101

FINANCIAL STATEMENTS

For the financial year ended 31 December 2021

23 Financial instruments (cont'd)

b) Financial risk management (cont'd)

Credit risk (cont'd)

Group 2020	12-month or lifetime ECL	Gross carrying amount RMB'000	Loss allowance RMB'000	Net carrying amount RMB'000
Trade receivables	Lifetime ECL - Simplified approach	24,912	(8,768)	16,144
Service concession receivables	Lifetime ECL - Significant increase in credit risk	891,166	(6,485)	884,681
Service concession receivables	Lifetime ECL - Credit-impaired	14,707	(14,707)	–
Contract assets	12-month ECL	49,077	–	49,077
Other receivables and deposits	12-month ECL	15,611	–	15,611
Other receivables	Lifetime ECL - Credit-impaired	1,939	(1,939)	–
Cash and cash equivalents with financial institutions	N.A. Exposure Limited	801	–	801

FINANCIAL STATEMENTS

For the financial year ended 31 December 2021

23 Financial instruments (cont'd)

b) Financial risk management (cont'd)

The table below details the credit quality of the Company's financial assets:

Company 2021	12-month or lifetime ECL	Gross carrying amount RMB'000	Loss allowance RMB'000	Net carrying amount RMB'000
Non-trade amounts due from subsidiaries	12-month ECL	13,598	–	13,598
Deposits	N.A. Exposure Limited	14	–	14
Cash and cash equivalents with financial institutions	N.A. Exposure Limited	50	–	50
2020				
Non-trade amounts due from subsidiaries	12-month ECL	15,959	–	15,959
Deposits	N.A. Exposure Limited	15	–	15
Cash and cash equivalents with financial institutions	N.A. Exposure Limited	35	–	35

Credit risk exposure in relation to financial assets at amortised cost (except for trade receivables, other receivables and service concession receivables) under SFRS(I) 9 as at 31 December 2021 and 31 December 2020 is not material, and accordingly no allowance for impairment is recognised as at 31 December 2021 and 31 December 2020.

Liquidity risk

Risk management policy

Liquidity risk is the risk that the Group or the Company will encounter difficulty in meeting financial obligations due to shortage of funds. The Group and the Company adopt prudent liquidity risk management by maintaining sufficient cash and available funding through an adequate amount of committed credit facilities. Due to the dynamic nature of the underlying businesses, the Group and the Company aim at maintaining flexibility in funding by keeping committed credit lines available.

As at 31 December 2021, the Group's and the Company's current liabilities exceeded the current assets by RMB164,258,000 and RMB4,411,000 (2020: RMB207,974,000 and RMB1,984,000) respectively, which stems mainly from the mismatch between the maturity of liabilities and receipt of government subsidies from the government agency of the PRC. Having regard to those factors described in Note 3, the Board of Directors of the Company believes that the Group and the Company will be able to pay their debts as and when they fall due.

FINANCIAL STATEMENTS

For the financial year ended 31 December 2021

23 Financial instruments (cont'd)

b) Financial risk management (cont'd)

Liquidity risk (cont'd)

The sources of liquidity and funding available to the Group are future cash inflows from the Group's operating activities and support from the Group's bankers and related parties. The Group's liquidity risk management policy is to maintain sufficient liquid financial assets and credit facilities with reputable banks.

Exposure to liquidity risk

The following are the remaining contractual maturities of financial liabilities. The amounts are gross and undiscounted, and include contractual interest payments:

	Carrying amount RMB'000	← Total RMB'000	Contractual cash flows Within 1 year RMB'000	Within 2 to 5 years RMB'000	→ More than 5 years RMB'000
Group					
2021					
Trade and other payables	272,327	272,327	272,327	–	–
Borrowings	577,193	1,101,788	42,765	228,216	830,807
	849,520	1,374,115	315,092	228,216	830,807
2020					
Trade and other payables	301,302	301,302	301,302	–	–
Borrowings	599,489	1,145,430	42,950	235,470	867,010
	900,791	1,446,732	344,252	235,470	867,010
Company					
2021					
Trade and other payables	13,214	13,214	13,214	–	–
Borrowings	4,859	4,859	4,859	–	–
	18,073	18,073	18,073	–	–
2020					
Trade and other payables	12,874	12,874	12,874	–	–
Borrowings	5,119	5,119	5,119	–	–
	17,993	17,993	17,993	–	–

FINANCIAL STATEMENTS

For the financial year ended 31 December 2021

23 Financial instruments (cont'd)

b) Financial risk management (cont'd)

Liquidity risk (cont'd)

The maturity analysis shows the contractual undiscounted cash flows of the Group and the Company's financial liabilities on the basis of their earliest possible contractual maturity. The Group has secured bank loans which contain debt covenants. A breach of these covenants may require the Group to repay the loan earlier than indicated in the table above. Except for these financial liabilities, it is not expected that the cash flows included in the maturity analysis of the above could occur significantly earlier, or at significantly different amounts.

Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates and interest rates will affect the Group's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising returns.

Currency risk

The Group operates predominantly in PRC and usually transacts in RMB, the official currency in the PRC. Currently, the PRC government imposes control over foreign currencies. RMB is not freely convertible. Enterprises operating in the PRC can enter into exchange transactions through the People's Bank of China or other authorised financial institutions. Payments for imported materials or services and remittance of earnings of the PRC subsidiaries to the Company, which is outside of the PRC, are subject to the availability of foreign currencies which depends on the foreign currency denominated earnings of the enterprise, or exchanges of RMB for foreign currency must be arranged through the People's Bank of China or other authorised financial institutions. Approval for exchanges at the People's Bank of China or other authorised financial institutions is granted to enterprises in the PRC for valid reasons such as purchase of imported materials and remittance of earnings. While conversion of RMB into Singapore dollar or other currencies can generally be effected at the People's Bank of China or other authorised financial institutions, there is no guarantee that it can be effected at all times.

Interest rate risk

The Group's exposure to interest rate risk arises primarily from their interest-bearing financial instruments. Borrowings at variable rates expose the Group to cash flow interest rate risk (i.e. the risk that the future cash flows of a financial instrument will fluctuate due to changes in market interest rates). The Group manages its interest rate risk using a mix of fixed and floating rate debts.

FINANCIAL STATEMENTS

For the financial year ended 31 December 2021

23 Financial instruments (cont'd)

b) Financial risk management (cont'd)

Interest rate risk

The Group's borrowings at variable rates on which effective hedges have not been entered into, are denominated in RMB. If the RMB interest rates increase/decrease by 100 (2020: 100) basis points with all other variables, in particular foreign currency exchange rate being held constant, the effects on the profit after tax are as follows:

	Group	
	(Decrease)/increase in	
	profit after tax	
	2021	2020
	RMB'000	RMB'000
Interest rate		
- Increase by 100 basis points	(4,288)	(4,320)
- Decrease by 100 basis points	4,288	4,320

24 Fair value of assets and liabilities

Fair value of financial instruments by classes that are not carried at fair value and whose carrying amounts are reasonable approximation of fair value

The carrying amounts of these financial assets and financial liabilities recorded in the financial statements of the Group and the Company approximate their respective fair values, either due to their short-term nature or that they are floating rate instruments that are re-priced to market interest rates on or near the end of the reporting period.

25 Capital management

The Board's policy is to maintain a sound capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. Capital consists of share capital, reserves, and accumulated losses on the statements of financial position. The Board of Directors monitors the return on capital as well as the level of dividends to ordinary shareholders. Having regard to those factors described in Note 3, the Board of Directors of the Company believes that the Group and the Company will be able to pay their debts as and when they fall due.

There were no changes in the Group's approach to capital management during the financial year.

FINANCIAL STATEMENTS

For the financial year ended 31 December 2021

26 Impact of COVID-19 pandemic

The emergence of COVID-19 since early 2020 has brought about uncertainties to the Group's and the Company's operating environments and has impacted the Group's operations in PRC and its financial performance, cash flows and liquidity. The impact includes, inter alia, the following: (i) delay in the cost finalisation for phase one of the Group's underground utility tunnel project by the respective government bodies; (ii) delay in the completion of the acquisition of the completed part of phase two of the Group's underground utility tunnel project; and (iii) uncertainty in securing and undertaking of new sustainable development projects in light of project owners choosing to delay commencement of such projects during this period.

The outbreak of COVID-19 pandemic had prompted the PRC Government to place a lockdown on Harbin City on several occasions and strict preventive measures have since been put in place to combat the COVID-19 pandemic. This led to the delay in the cost finalisation for phase one of the Group's underground utility tunnel project, which initially was expected to be completed in 2020. This also affects the Group's collections from the government agency of the PRC for phase one of the underground utility tunnel project due to delay in the cost finalisation, which may in turn affect the fulfilment of the Group's upcoming obligations. Following the cost finalisation of the phase one of the underground utility project, the amount of government subsidies, determined according to the formula stipulated in the agreement, shall be approved and disbursed by the government agency of the PRC on a quarterly basis over a concession period of 25 years. The Group has been and will be monitoring closely with the government agency of the PRC on the collections pursuant to service concession arrangement (Note 12).

In addition, the Group monitors its headcounts, operating costs and overheads closely with the aim of reducing unnecessary expenses. The Group shall adopt initiatives that help to conserve cashflows and improve profits outcomes in the interests of the shareholders.

The Group will continuously assess the situation, work closely with the local authorities in PRC to support their efforts in containing the spread of COVID-19 pandemic, and put in place measures to minimise impact to the Group's business.

27 Authorisation of financial statements

The consolidated financial statements of the Group and statement of financial position and statement of changes in equity of the Company for the financial year ended 31 December 2021 were authorised for issue in accordance with a resolution of the directors dated 15 June 2022.

SHAREHOLDINGS STATISTICS

SHAREHOLDERS' INFORMATION AS AT 2 JUNE 2022

No of equity securities	:	246,677,796
Class of shares	:	Ordinary share
Voting rights	:	One vote per share

There are no treasury shares held in the issued capital of the Company.

STATISTICS OF SHAREHOLDINGS DISTRIBUTION OF SHAREHOLDINGS

SIZE OF SHAREHOLDINGS	NO. OF SHAREHOLDERS	%	NO. OF SHARES	%
1 - 99	-	-	-	-
100 - 1,000	32	18.08	26,724	0.01
1,001 - 10,000	71	40.11	373,400	0.15
10,001 - 1,000,000	58	32.77	9,902,500	4.02
1,000,001 AND ABOVE	16	9.04	236,375,172	95.82
TOTAL	177	100.00	246,677,796	100.00

SUBSTANTIAL SHAREHOLDERS

(As recorded in the Register of Substantial Shareholders)

Substantial Shareholders	<u>Direct Interest</u>		<u>Deemed Interest</u>	
	No. of Shares	%	No. of Shares	%
Zhao Lizhi	97,518,111	39.53	-	-
Li Mingyang	45,000,000	18.24	10,672,700 ⁽¹⁾	4.33
Chan Mang Ghoon	16,606,000	6.73	-	-

⁽¹⁾ - Mr Li Mingyang is deemed to have an interest of 10,672,700 ordinary shares in the Company through his 100% shareholding in K W Solutions Pte. Ltd., where the shares in the Company are held through UOB Kay Hian Private Limited.

SHAREHOLDINGS STATISTICS

SHAREHOLDERS' INFORMATION AS AT 2 JUNE 2022

TWENTY LARGEST SHAREHOLDERS

<u>NO</u>	<u>NAME</u>	<u>NO. OF SHARES</u>	<u>%</u>
1	ZHAO LIZHI	97,518,111	39.53
2	LI MINGYANG	45,000,000	18.24
3	UOB KAY HIAN PRIVATE LIMITED	23,205,600	9.41
4	CHAN MANG GHOOH	16,606,000	6.73
5	PHILLIP SECURITIES PTE LTD	14,638,800	5.93
6	WU XUEYING	8,360,000	3.39
7	SUN HAIWEN	7,166,000	2.91
8	OCBC SECURITIES PRIVATE LIMITED	4,749,861	1.93
9	WANG TENGDA	4,327,000	1.75
10	DBS NOMINEES (PRIVATE) LIMITED	2,802,300	1.14
11	FU XINGJIA	2,500,000	1.01
12	SKY ASSOCIATES HOLDINGS PTE. LTD.	2,500,000	1.01
13	ZHANG LI	2,194,000	0.89
14	WANG PENGRI	2,000,000	0.81
15	MAYBANK SECURITIES PTE. LTD.	1,463,000	0.59
16	CITIBANK NOMINEES SINGAPORE PTE LTD	1,344,500	0.55
17	JIANG JUNWEI	1,000,000	0.41
18	SUN HUI	870,000	0.35
19	WANG YI	709,000	0.29
20	JIANG HAIYANG	657,000	0.27
TOTAL		239,611,172	97.14

PERCENTAGE OF SHAREHOLDINGS IN PUBLIC'S HANDS

27.78% of the Company's shares are held in the hands of public. Accordingly, the Company has complied with Rule 723 of the Listing Manual of the SGX-ST.

NOTICE OF ANNUAL GENERAL MEETING

GREEN BUILD TECHNOLOGY LIMITED

(Incorporated in the Republic of Singapore)

(Company Registration No. 200401338W)

(the “Company”)

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Annual General Meeting (“AGM”) of **GREEN BUILD TECHNOLOGY LIMITED** (the “Company”) will be held on 30 June 2022 at 10.00 a.m. by electronic means for the following business:

AS ORDINARY BUSINESS

1. To receive and adopt the Audited Financial Statements for the financial year ended 31 December 2021 together with the Directors’ Statement and the Auditors’ Report of the Company. **(Resolution 1)**
2. To approve the payment of Directors’ fees of up to S\$75,000 for the financial year ending 31 December 2022 to be paid quarterly in arrears. **(Resolution 2)**
3. To re-elect Ms Wu Xueying, who is retiring in accordance with Regulation 91 of the Company’s Constitution, as Director of the Company. **(Resolution 3)**

See Explanatory Note (i)

4. To re-elect Mr Ng Poh Khoo, who is retiring in accordance with Regulation 91 of the Company’s Constitution, as Director of the Company. **(Resolution 4)**

See Explanatory Note (ii)

5. To re-elect Mr Chan Mang Ghoo, who is retiring in accordance with Regulation 97 of the Company’s Constitution, as Director of the Company. **(Resolution 5)**

See Explanatory Note (iii)

6. To re-elect Mr Li Mingyang, who is retiring in accordance with Regulation 97 of the Company’s Constitution, as Director of the Company. **(Resolution 6)**

See Explanatory Note (iv)

7. To re-appoint Baker Tilly TFW LLP as the Independent Auditors of the Company and to authorise the Directors to fix their remuneration for the financial year ending 31 December 2022. **(Resolution 7)**
8. To transact any other business which may properly be transacted at an AGM.

NOTICE OF ANNUAL GENERAL MEETING

AS SPECIAL BUSINESS

To consider and, if thought fit, to pass the following resolutions as Ordinary Resolutions, with or without modifications:

9. **Authority to issue shares**

(Resolution 8)

"That, pursuant to Section 161 of the Companies Act 1967 of Singapore (the "**Act**") and Rule 806(2) of the Listing Manual of the Singapore Exchange Securities Trading Limited (the "**SGX-ST**"), authority be and is hereby given to the Directors of the Company to allot and issue shares and convertible securities in the Company at any time and upon such terms and conditions and for such purposes and to such persons as the Directors may in their absolute discretion deem fit, to:

- (a) (i) issue shares in the capital of the Company whether by way of rights, bonus or otherwise;
- (ii) make or grant offers, agreements or options that might or would require shares to be issued or other transferable rights to subscribe for or purchase shares (collectively, "**Instruments**") including but not limited to the creation and issue of warrants, debentures or other instruments convertible into shares; and
- (iii) issue additional Instruments arising from adjustments made to the number of Instruments previously issued in the event of rights, bonus or capitalisation issues;
- (b) notwithstanding that the authority conferred by the shareholders may have ceased to be in force, issue shares pursuant to any Instrument made or granted by the Directors while the authority was in force, provided always that:
 - (i) the aggregate number of shares to be issued pursuant to this resolution (including shares to be issued in pursuance of Instruments, made or granted pursuant to this resolution) does not exceed fifty per centum (50%) of the Company's total number of issued shares excluding treasury shares, of which the aggregate number of shares (including shares to be issued in pursuance of Instruments made or granted pursuant to this resolution) to be issued other than on a pro-rata basis to shareholders of the Company does not exceed twenty per centum (20%) of the total number of issued shares excluding treasury shares, and for the purpose of this resolution, the total number of issued shares excluding treasury shares shall be the Company's total number of issued shares excluding treasury shares at the time this resolution is passed, after adjusting for:
 - (A) new shares arising from the conversion or exercise of convertible securities; or

NOTICE OF ANNUAL GENERAL MEETING

- (B) new shares arising from exercising share options or vesting of share awards outstanding or subsisting at the time this resolution is passed; or
- (C) any subsequent bonus issue, consolidation or subdivision of the Company's shares;
- (c) such authority shall, unless revoked or varied by the Company at a general meeting, continue in force until the conclusion of the next annual general meeting or the date by which the next annual general meeting of the Company is required by law to be held, whichever is earlier.

See Explanatory Note (v)

By Order of the Board

Wu Xueying
Chief Executive Officer and Executive Director

15 June 2022

Explanatory Notes:

- (i) Ms Wu Xueying will, upon re-election as a Director of the Company, remain as an Executive Director and Chief Executive Officer.
- (ii) Mr Ng Poh Khoon will, upon re-election as a Director of the Company, remain as an Independent Director, the Chairman of the Nominating Committee and a member of the Audit and Remuneration Committees. Mr Ng will be considered independent for the purpose of Rule 704(8) of the Listing Manual of SGX-ST.
- (iii) Mr Chan Mang Ghoon will, upon re-election as a Director of the Company, remain as an Executive Director and Chief Financial Officer of the Company.
- (iv) Mr Li Mingyang will upon re-election as a Director of the Company, remain as an Executive Director and Chief Business Development Officer of the Company.
- (v) Ordinary Resolution 8 proposed in item 9 is to empower the Directors, from the date of the passing of Ordinary Resolution 8 to the date of the next annual general meeting, to issue shares in the capital of the Company and to make or grant instruments (such as warrants or debentures) convertible into shares, and to issue shares in pursuance of such instruments, up to an amount not exceeding in total 50% of the issued shares (excluding treasury shares) in the capital of the Company, with a sub-limit of 20% of the issued shares (excluding treasury shares) for issues other than on a pro-rata basis to shareholders.

Notes:

- (1) The AGM is being convened, and will be held, by electronic means pursuant to the COVID-19 (Temporary Measures) (Alternative Arrangements for Meetings for Companies, Variable Capital Companies, Business Trusts, Unit Trusts and Debenture Holders) Order 2020.
- (2) Shareholders of the Company who wish to follow the proceedings through a "live" audio-and-video webcast via their mobile phones, tablets or computers or listen to the proceedings through a "live" audio feed via telephone must pre-register at greenbuildagm@gmail.com (the "Pre-registration Email") no later than 10.00 a.m. on 28 June 2022 (the "Registration Cut-Off Time"). Following verification, an email containing instructions on how to access the "live" audio-and-video webcast and "live" audio feed of the proceedings of the AGM will be sent to authenticated shareholders by 28 June 2022. Shareholders who do not receive any email by 10.00 a.m. on 29 June 2022, but have registered by the Registration Cut-Off Time, should contact the Company by email at greenbuildagm@gmail.com. Shareholders who hold shares through a relevant intermediary (which has the same meaning ascribed to it in section

NOTICE OF ANNUAL GENERAL MEETING

181 of the Act), (excluding CPF and SRS investors, who may register directly via the Pre-registration Email) who wish to participate in the “live” audio-and-video webcast or “live” audio feed should approach their relevant intermediary as soon as possible in order for the necessary arrangements to be made for their participation in the AGM.

- (3) **Shareholders must appoint the Chairman of the AGM as his/her/its proxy to vote on his/her/its behalf at the AGM if such shareholder wishes to exercise his/her/its voting rights at the AGM.** The accompanying proxy form for the AGM may be accessed from the SGX website at the URL <https://www.sgx.com/securities/company-announcements>. Where a shareholder (whether individual or corporate) appoints the Chairman of the AGM as his/her/its proxy, he/she/it must give specific instructions as to voting, or abstentions from voting, in respect of the resolutions in the proxy form, failing which the appointment of the Chairman of the AGM as proxy for that resolution will be treated as invalid.
- (4) Shareholders who hold his/her/its shares through a relevant intermediary (including CPF and SRS investors) who wish to appoint the Chairman of the AGM as proxy should approach his/her/its respective relevant intermediary to submit their votes not less than 7 working days before the AGM.
- (5) The instrument appointing the Chairman of the AGM as a proxy must be under the hand of the appointor or of his/her attorney duly authorised in writing. Where the instrument appointing the Chairman of the AGM as a proxy is executed by a corporation, it must be executed either under its seal or under the hand of an officer or attorney duly authorised.
- (6) The instrument appointing the Chairman of the AGM as proxy must be submitted in the following manner:
 - (a) if submitted by post, be lodged with the Company's Share Registrar, Boardroom Corporate & Advisory Services Pte. Ltd., at 1 Harbourfront Avenue Keppel Bay Tower #14-07 Singapore 098632; or
 - (b) if submitted electronically, be submitted by way of email to greenbuildagm@gmail.com,
 in either case not less than 48 hours before the time set for the AGM (i.e. by 10.00 a.m. on 28 June 2022).
- (7) In the case of shareholders of the Company whose shares are entered against their names in the Depository Register (as defined in Part IIIA of the Securities and Futures Act 2001 of Singapore), the Company may reject any proxy form lodged if such shareholders are not shown to have shares entered against their names in the Depository Register, as at 72 hours before the time appointed for holding the AGM as certified by The Central Depository (Pte) Limited to the Company.
- (8) Shareholders will not be able to ask questions “live” during the broadcast of the AGM. Shareholders may submit questions relating to the business of the AGM no later than 10.00 a.m. on 23 June 2022) by email to the Company at greenbuildagm@gmail.com. The Company will endeavour to answer all substantial and relevant questions prior to, or at, the AGM no later than 48 hours prior to the closing date and time for the lodgment of the proxy forms (i.e. before 10.00 a.m. on 26 June 2022).
- (9) All documents (including the proxy form, and this Notice of AGM) or information relating to the AGM have been, or will be, published on SGXNET and the Company's website which can be accessed via the following link: <http://www.webgbt.com>. Printed copies of the documents will not be despatched to shareholders. Shareholders are advised to check SGXNET and/or the Company's website regularly for updates.

Personal Data Privacy:

By submitting an instrument appointing the Chairman of the AGM to attend, speak and vote at the AGM and / or any adjournment thereof, a shareholder of the Company consents to the collection, use and disclosure of the shareholder's personal data by the Company (or its agents or service providers) for the purpose of the processing, administration and analysis by the Company (or its agents or service providers) of the appointment of the Chairman of the AGM as proxy for the AGM (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the AGM (including any adjournment thereof), and in order for the Company (or its agents or service providers) to comply with any applicable laws, listing rules, take-over rules, regulations and / or guidelines.

DISCLOSURE OF INFORMATION ON DIRECTORS SEEKING RE-ELECTION

Ms. Wu Xueying, Mr. Ng Poh Khoo, Mr Chan Mang Ghoo and Mr Li Mingyang are the directors seeking re-election at the forthcoming annual general meeting of the Company to be held on Thursday, 30 June 2022 (the “AGM”).

Pursuant to Rule 720(6) of the Listing Manual of the Singapore Exchange Securities Trading Limited (“SGX-ST”), the information relating to each Director proposed for re-nomination and re-election as set out in Appendix 7.4.1 are set out as follows:

Name	Wu Xueying	Ng Poh Khoo
Date of Appointment	11 March 2014	4 October 2019
Date of last re-appointment	26 June 2020	26 June 2020
Age	41	55
Country of principal residence	People’s Republic of China	Singapore
The Board’s comments on this appointment (including rationale, selection criteria, board diversity considerations, and the search and nomination process)	The Board, having considered the recommendation of the Nominating Committee and assessed the qualifications and experience of Ms. Wu Xueying, is of the view that she has the requisite experience and capabilities to assume the duties and responsibilities as an Executive Director and Chief Executive Officer of the Company.	The Board has considered and accepted the Nominating Committee’s recommendation to appoint Mr Ng Poh Khoo as an Independent Director of the Company, after reviewing his educational background, professional qualifications and extensive working experience, on which the Company will be able to leverage to its benefit.
Whether appointment is executive, and if so, the area of responsibility	Executive. Responsible for the operational decisions in the day-to-day management of the Group.	Non-executive
Job Title (e.g. Lead ID, AC Chairman, AC Member etc.)	• Executive Director • Chief Executive Officer	• Independent Director • Chairman of the Nominating Committee • Member of the Audit Committee and Remuneration Committee
Professional qualifications	Ms. Wu graduated from Harbin University of Commerce with a degree in marketing in 2004. She obtained a post graduate degree in Administration Management from Heilongjiang Provincial Committee Party School in 2018.	• Graduate of the Association of Chartered Certified Accountant, United Kingdom • Member of the Singapore Institute of Directors

DISCLOSURE OF INFORMATION ON DIRECTORS SEEKING RE-ELECTION

Name	Wu Xueying	Ng Poh Khoon
Working experience and occupation(s) during the past 10 years	• 2008 – Present: MBA Education Centre of Harbin Commerce University – Adjunct Lecturer • 2008 – Present: Longjiang Forum – Adjunct Lecturer • September 2010 – April 2013: Heilongjiang Weisheng Construction Energy Saving and Technology Development Co., Ltd. – Deputy General Manager • May 2013 – Present: Green Build Technology Limited – Chief Executive Officer and Executive Director • September 2014 – Present: Harbin Shengming Energy Saving and Technology Co., Ltd – Legal Representative • October 2015 – Present: Harbin Utility Tunnel Construction and Management Co., Ltd – Legal Representative • September 2017 – Present: Harbin Utility Tunnel Phase Two Construction and Management Co., Ltd. – Legal Representative	• November 2016 – December 2021: Guangdong Chengde Financial Advisory Co Ltd - Project Director • July 2013 – September 2015: Asia Fashion Holdings Limited – Chief Financial Officer • November 2012 – June 2013: - Youbisheng Green Paper AG – Director of IR (Investor Relationship) • January 2012 – October 2012: - Passion Group of Companies – Director (Export Sales) • November 2008 – December 2011: Passion Holdings Limited - Chief Financial Officer • December 2021 to Present: Ello Fintech Pte. Ltd. - Finance Manager
Shareholding interest in the listed issuer and its subsidiaries	8,360,000 (3.39%)	None
Any relationship (including immediate family relationships) with any existing director, existing executive officer, the issuer and/or substantial shareholder of the listed issuer or of any of its principal subsidiaries	None	None
Conflict of Interest (including any competing business)	None	None

DISCLOSURE OF INFORMATION ON DIRECTORS SEEKING RE-ELECTION

Name	Wu Xueying	Ng Poh Khoon
Undertaking (in the format set out in Appendix 7.7) under Rule 720(1) has been submitted to the listed issuer Other Principal Commitments* Including Directorships Past (for the last 5 years) * Principal Commitments has the same meaning as defined in the Code of Corporate Governance 2018. Present	Yes • GBT Investments Pte. Ltd. • Future City Development and Management Grp Pte. Ltd. • Republic Property Management Grp Pte. Ltd. • Green Build Technology Limited • Harbin Superior Construction Materials Trading Co., Ltd • Harbin Shengming Energy Saving and Technology Co., Ltd • Harbin Utility Tunnel Construction and Management Co., Ltd • Harbin Prevailing Municipal Engineering Co., Ltd • Harbin Utility Tunnel Phase Two Construction and Management Co., Ltd • Harbin Vigorous Construction and Engineering Co, Ltd	Yes • Star Pharmaceutical Limited • 67 Capital Private Limited • China Star Food Group Limited • Nutryfarm International Limited • Regal International Group Ltd • Ello Fintech Pte. Ltd.

DISCLOSURE OF INFORMATION ON DIRECTORS SEEKING RE-ELECTION

Name	Wu Xueying	Ng Poh Khoon
Disclose the following matters concerning an appointment of director, chief executive officer, chief financial officer, chief operating officer, general manager or other officer of equivalent rank. If the answer to any question is “yes”, full details must be given.		
(a) Whether at any time during the last 10 years, an application or a petition under any bankruptcy law of any jurisdiction was filed against him or against a partnership of which he was a partner at the time when he was a partner or at any time within 2 years from the date he ceased to be a partner?	No	No
(b) Whether at any time during the last 10 years, an application or a petition under any law of any jurisdiction was filed against an entity (not being a partnership) of which he was a director or an equivalent person or a key executive, at the time when he was a director or an equivalent person or a key executive of that entity or at any time within 2 years from the date he ceased to be a director or an equivalent person or a key executive of that entity, for the winding up or dissolution of that entity or, where that entity is the trustee of a business trust, that business trust, on the ground of insolvency?	No	No
(c) Whether there is any unsatisfied judgment against him?	No	No
(d) Whether he has ever been convicted of any offence, in Singapore or elsewhere, involving fraud or dishonesty which is punishable with imprisonment, or has been the subject of any criminal proceedings (including any pending criminal proceedings of which he is aware) for such purpose?	No	No
(e) Whether he has ever been convicted of any offence, in Singapore or elsewhere, involving a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, or has been the subject of any criminal proceedings (including any pending criminal proceedings of which he is aware) for such breach?	No	No
(f) Whether at any time during the last 10 years, judgment has been entered against him in any civil proceedings in Singapore or elsewhere involving a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, or a finding of fraud, misrepresentation or dishonesty on his part, or he has been the subject of any civil proceedings (including any pending civil proceedings of which he is aware) involving an allegation of fraud, misrepresentation or dishonesty on his part?	No	No

DISCLOSURE OF INFORMATION ON DIRECTORS SEEKING RE-ELECTION

Name	Wu Xueying	Ng Poh Khoon
(g) Whether he has ever been convicted in Singapore or elsewhere of any offence in connection with the formation or management of any entity or business trust?	No	No
(h) Whether he has ever been disqualified from acting as a director or an equivalent person of any entity (including the trustee of a business trust), or from taking part directly or indirectly in the management of any entity or business trust?	No	No
(i) Whether he has ever been the subject of any order, judgment or ruling of any court, tribunal or governmental body, permanently or temporarily enjoining him from engaging in any type of business practice or activity?	No	No
(j) Whether he has ever, to his knowledge, been concerned with the management or conduct, in Singapore or elsewhere, of the affairs of:– i. any corporation which has been investigated for a breach of any law or regulatory requirement governing corporations in Singapore or elsewhere; or ii. any entity (not being a corporation) which has been investigated for a breach of any law or regulatory requirement governing such entities in Singapore or elsewhere; or iii. any business trust which has been investigated for a breach of any law or regulatory requirement governing business trusts in Singapore or elsewhere; or iv. any entity or business trust which has been investigated for a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere in connection with any matter occurring or arising during that period when he was so concerned with the entity or business trust?	No	No
(k) Whether he has been the subject of any current or past investigation or disciplinary proceedings, or has been reprimanded or issued any warning, by the Monetary Authority of Singapore or any other regulatory authority, exchange, professional body or government agency, whether in Singapore or elsewhere?	No	No

DISCLOSURE OF INFORMATION ON DIRECTORS SEEKING RE-ELECTION

Name	Chan Mang Ghoon	Li Mingyang
Date of Appointment	19 January 2022	9 February 2022
Date of last re-appointment	N.A.	1 March 2016
Age	50	55
Country of principal residence	Singapore	United States of America
The Board's comments on this appointment (including rationale, selection criteria, board diversity considerations, and the search and nomination process)	The Board, on the recommendation of the Nomination Committee, having reviewed the curriculum vitae of Mr Chan and having considered his education and professional qualification, work experience, capabilities and other relevant factors, is of the view that Mr Chan be appointed as Executive Director and Chief Financial Officer of the Company.	The Nominating Committee has formally assessed the appointment of Mr Li Mingyang as an executive director and chief business development officer of the any. The Nominating Committee took into account Mr Li's qualifications, extensive business experience and contacts in the PRC as well as his past working experience with the Company, and recommended his appointment. The Board of Directors, with the recommendation of the Nominating Committee, is of the view that the Company will be able to leverage on Mr Li's business contacts and experience to procure new projects and investors for the Group, and is therefore of the view that the appointment of Mr Li as an executive director and chief business development officer will be beneficial to the Board of Directors and to the Company.
Whether appointment is executive, and if so, the area of responsibility	Executive. Mr Chan will be responsible for the overall finance and administrative functions of the Group.	Executive. Mr Li will be primarily responsible for the overall development of Group's business in the green technology sector and securing new sustainable development projects for the Group.

DISCLOSURE OF INFORMATION ON DIRECTORS SEEKING RE-ELECTION

Name	Chan Mang Ghoon	Li Mingyang
Job Title (e.g. Lead ID, AC Chairman, AC Member etc.)	• Executive • Chief Financial Officer	• Executive Director • Chief Business Development Officer
Professional qualifications	• Certified Practicing Accountant, member of the Australian Society of Certified Practicing Accountants • Chartered Accountant, member of the Institute of Singapore Chartered Accountants	• N.A.
Working experience and occupation(s) during the past 10 years	July 2014 – 14 January 2022: Green Build Technology Limited – Finance Consultant (through Springboard Epic Capital Group Pte. Ltd.) July 2014 – Present: Springboard Epic Capital Group Pte. Ltd. – Director May 2016 – Present: Grace Capital Holdings Pte. Ltd. (dormant) - Director October 2017 – Present: City Green Build Technology Pte. Ltd. (dormant) – Director February 2019 – Present: GBT Investment Pte Ltd (dormant) – Director October 2019 – Present: Start Smart Learning Centre Pte. Ltd. - Director and Supervisor	February 2010 – April 2016: Harbin Tianen Industries Co. Limited - President, Chief of Business Development March 2016 – April 2018: Green Build Technology Limited – Director, Business Development Director August 2017 – 3 January 2022: Grace Capital Holdings Pte. Ltd. (dormant) – Director May 2018 – 8 February 2022: Help Half Plus Inc – Agent and Director February 2021 – 8 February 2022: Help Half Plus Inc – Chief Executive Officer May 2018 – 8 February 2022: Green Build Technology Limited – Business Development Manager

DISCLOSURE OF INFORMATION ON DIRECTORS SEEKING RE-ELECTION

Name	Chan Mang Ghoon	Li Mingyang
Working experience and occupation(s) during the past 10 years	October 2019 – Present: Republic Property Management Grp Pte. Ltd. (dormant) - Director October 2019 – Present: Future City Development and Management Grp Pte. Ltd. (dormant) – Director March 2020 – August 2020: China Haida Ltd – Contract Finance Personnel August 2020 – 14 January 2022: China Haida Ltd – Finance Manager March 2021 – Present: AAAAA Holdings Pte. Ltd. (dormant) - Director	
Shareholding interest in the listed issuer and its subsidiaries	16,606,000 ordinary shares	• Direct shareholding interest: 45,000,000 ordinary shares • Indirect shareholdings interest: 10,672,700 ordinary shares
Any relationship (including immediate family relationships) with any existing director, existing executive officer, the issuer and/or substantial shareholder of the listed issuer or of any of its principal subsidiaries	None	None
Conflict of Interest (including any competing business)	None	None

DISCLOSURE OF INFORMATION ON DIRECTORS SEEKING RE-ELECTION

Name	Chan Mang Ghoon	Li Mingyang
Other Principal Commitments* Including Directorships Past (for the last 5 years) * Principal Commitments has the same meaning as defined in the Code of Corporate Governance 2018.	• Green Build Technology Limited – Finance Consultant (through Springboard Epic Capital Group Pte. Ltd.) • China Haida Ltd – Contract Finance Personnel • China Haida Ltd – Finance Manager • Grace Capital Holdings Pte. Ltd. (dormant) – Director • City Green Build Technology Pte. Ltd. (dormant) – Director • GBT Investment Pte. Ltd. (dormant) – Director • Republic Property Management Grp Pte. Ltd. (dormant) – Director • Future City Development and Management Grp Pte. Ltd. (dormant) – Director • AAAAAA Holdings Pte. Ltd. (dormant) – Director	• Green Build Technology Limited – Executive Director, Business Development Director, Business Development Manager • Grace Capital Holdings Pte. Ltd. (dormant) – Director • Help Half Plus Inc – Agent and Director • Help Half Plus Inc – Chief Executive Officer
Present	• Springboard Epic Capital Group Pte Ltd - Director • Start Smart Learning Centre Pte. Ltd. – Director and supervisor	• Green Build Technology Limited –Executive Director, Chief Business Development Officer

DISCLOSURE OF INFORMATION ON DIRECTORS SEEKING RE-ELECTION

Name	Chan Mang Ghoon	Li Mingyang
Disclose the following matters concerning an appointment of director, chief executive officer, chief financial officer, chief operating officer, general manager or other officer of equivalent rank. If the answer to any question is “yes”, full details must be given.		
(a) Whether at any time during the last 10 years, an application or a petition under any bankruptcy law of any jurisdiction was filed against him or against a partnership of which he was a partner at the time when he was a partner or at any time within 2 years from the date he ceased to be a partner?	No	No
(b) Whether at any time during the last 10 years, an application or a petition under any law of any jurisdiction was filed against an entity (not being a partnership) of which he was a director or an equivalent person or a key executive, at the time when he was a director or an equivalent person or a key executive of that entity or at any time within 2 years from the date he ceased to be a director or an equivalent person or a key executive of that entity, for the winding up or dissolution of that entity or, where that entity is the trustee of a business trust, that business trust, on the ground of insolvency?	No	No
(c) Whether there is any unsatisfied judgment against him?	No	No
(d) Whether he has ever been convicted of any offence, in Singapore or elsewhere, involving fraud or dishonesty which is punishable with imprisonment, or has been the subject of any criminal proceedings (including any pending criminal proceedings of which he is aware) for such purpose?	No	No
(e) Whether he has ever been convicted of any offence, in Singapore or elsewhere, involving a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, or has been the subject of any criminal proceedings (including any pending criminal proceedings of which he is aware) for such breach?	No	No

DISCLOSURE OF INFORMATION ON DIRECTORS SEEKING RE-ELECTION

Name	Chan Mang Ghoon	Li Mingyang
(f) Whether at any time during the last 10 years, judgment has been entered against him in any civil proceedings in Singapore or elsewhere involving a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, or a finding of fraud, misrepresentation or dishonesty on his part, or he has been the subject of any civil proceedings (including any pending civil proceedings of which he is aware) involving an allegation of fraud, misrepresentation or dishonesty on his part?	No	No
(g) Whether he has ever been convicted in Singapore or elsewhere of any offence in connection with the formation or management of any entity or business trust?	No	No
(h) Whether he has ever been disqualified from acting as a director or an equivalent person of any entity (including the trustee of a business trust), or from taking part directly or indirectly in the management of any entity or business trust?	No	No
(i) Whether he has ever been the subject of any order, judgment or ruling of any court, tribunal or governmental body, permanently or temporarily enjoining him from engaging in any type of business practice or activity?	No	No

DISCLOSURE OF INFORMATION ON DIRECTORS SEEKING RE-ELECTION

Name	Chan Mang Ghoon	Li Mingyang
(j) Whether he has ever, to his knowledge, been concerned with the management or conduct, in Singapore or elsewhere, of the affairs of:– i. any corporation which has been investigated for a breach of any law or regulatory requirement governing corporations in Singapore or elsewhere; or ii. any entity (not being a corporation) which has been investigated for a breach of any law or regulatory requirement governing such entities in Singapore or elsewhere; or iii. any business trust which has been investigated for a breach of any law or regulatory requirement governing business trusts in Singapore or elsewhere; or iv. any entity or business trust which has been investigated for a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, in connection with any matter occurring or arising during that period when he was so concerned with the entity or business trust?	No	No
(k) Whether he has been the subject of any current or past investigation or disciplinary proceedings, or has been reprimanded or issued any warning, by the Monetary Authority of Singapore or any other regulatory authority, exchange, professional body or government agency, whether in Singapore or elsewhere?	No	No

DISCLOSURE OF INFORMATION ON DIRECTORS SEEKING RE-ELECTION

Name	Chan Mang Ghoon	Li Mingyang
Any prior experience as a director of a listed company? If yes, please provide details of prior experience. If no, please state if the director has attended or will be attending training on the roles and responsibilities of a director of a listed issuer as prescribed by the Exchange. Please provide details of relevant experience and the nominating committee's reasons for not requiring the director to undergo training as prescribed by the Exchange (if applicable).	No The Company will arrange for Mr Chan to attend the relevant courses with the Singapore Institute of Directors to familiarise himself with the role and responsibilities of a director of a public listed company in Singapore. The Company will also conduct a comprehensive orientation programme for Mr Chan to aid his understanding of the Company's business activities, operations and strategic directions.	Yes March 2016 – April 2018: Green Build Technology Limited – Executive Director

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

PROXY FORM
ANNUAL GENERAL MEETING
(Please see notes overleaf before completing this Form)

This proxy form has been made available on the SGX's website at the URL <https://www.sgx.com/securities/company-announcements>. A printed copy of this proxy form will **NOT** be despatched to members of the Company.

I/We _____ (Name), NRIC/Passport Number _____
of _____ (Address)

being a member/members of Green Build Technology Limited (the "**Company**") hereby appoint the Chairman of the Annual General Meeting (the "**AGM**") as my/our proxy to attend and vote for me/us on my/our behalf at the AGM of the Company, to be held by **electronic means** on **30 June 2022 at 10.00 a.m.**, and at any adjournment thereof. I/We direct my/our proxy to vote for or against, or abstain from voting the Resolutions to be proposed at the AGM as indicated hereunder. If no specific direction as to voting is given, the proxy will vote or abstain from voting at his/her discretion, as he will on any other matter arising at the AGM. The authority herein includes the right to demand or to join in demanding a poll and to vote on a poll.

(Please indicate your vote "**For**" or "**Against**" or "**Abstain**", with "**X**" within the box provided. Alternatively, please indicate the number of votes as appropriate.)

No.	Resolutions Relating To:	For	Against	Abstain
	Ordinary Business			
1.	Adoption of Audited Financial Statements for the financial year ended 31 December 2021 together with the Directors' Statement and the Auditors' Report of the Company			
2.	Approval of Directors' Fees of up to S\$75,000 for the financial year ending 31 December 2022 to be paid quarterly in arrears			
3.	Re-election of Ms Wu Xueying			
4.	Re-election of Mr Ng Poh Khoo			
5.	Re-election of Mr Chan Mang Ghoo			
6.	Re-election of Mr Li Mingyang			
7.	Re-appointment of Baker Tilly TFW LLP as the External Auditors and to authorise the Directors to fix their remuneration for the financial year ending 31 December 2022			
	Special Business			
8.	Authority for Directors to allot and issue new shares			

Dated this _____ day of _____ 2022.

Signature(s) of Member(s)
or Common Seal of Corporate Member

Important: Please read the notes overleaf

- IMPORTANT:**
1. The AGM is being convened, and will be held, by way of electronic means pursuant to the COVID-19 (Temporary Measures) (Alternative Arrangements for Meetings for Companies, Variable Capital Companies, Business Trusts, Unit Trusts and Debenture Holders) Order 2020. Printed copies of the Notice of AGM and this Proxy Form will not be despatched to members. Instead, the Notice of AGM and this Proxy Form will be sent to members by electronic means via publication on the Company's website via the following link: <http://www.webgbt.com> and the SGXNET.
 2. Alternative arrangements relating to, among others, attendance, submission of questions in advance and/or voting by proxy at the AGM, are set out in the accompanying Company's announcement dated 15 June 2022 (the "**Announcement**"), which has been uploaded together with the Notice of AGM dated 15 June 2022 on SGXNET on the same day. The Announcement may be accessed on the SGX website at the URL <https://www.sgx.com/securities/company-announcements>.
 3. **Members will not be able to attend the AGM in person. Members will also not be able to vote online on the resolutions to be tabled for approval at the AGM.** A member (including a relevant intermediary*) must appoint the Chairman of the AGM as his/her/its proxy to vote on his/her/its behalf at the AGM if such member wishes to exercise his/her/its voting rights at the AGM. In appointing the Chairman of the AGM as proxy, a member of the Company (including a relevant intermediary*) must give specific instructions as to voting, or abstentions from voting, in the form of proxy, failing which the appointment will be treated as invalid.
 4. This proxy form is not valid for members holding shares through relevant intermediaries. Members who hold his/her/its shares through a relevant intermediary who wish to appoint the Chairman of the AGM as proxy should approach his/her/its respective relevant intermediary to submit their votes not less than 7 working days before the AGM.

Total number of Shares held in:	
CDP Register	
Register of Members	

Notes:

1. Please insert the total number of shares held by you. If you have shares entered against your name in the Depository Register (as defined in Section 81SF of the Securities and Futures Act 2001 of Singapore, you should insert that number of shares. If you have shares registered in your name in the Register of Members, you should insert that number of shares. If you have shares registered in your name in the Depository Register and shares registered in your name in the Register of Members, you should insert the aggregate number of shares entered against your name in the Depository Register and registered in your name in the Register of Members. If no number is inserted, this proxy form shall be deemed to relate to all the shares held by you.
2. **Members will not be able to attend the AGM in person. Members will not be able to vote online on the resolutions to be tabled for approval at the AGM.** If a member of the Company (including a relevant intermediary*) wishes to exercise his/her/their voting rights at the AGM, he/she/it must appoint the Chairman of the AGM as his/her/its proxy to vote on his/her/its behalf at the AGM. In appointing the Chairman of the AGM as proxy, a member of the Company (whether individual or corporate and including a relevant intermediary*) must give specific instructions as to voting, or abstentions from voting, in the form of proxy, failing which the appointment will be treated as invalid. This Proxy Form will be sent to members by electronic means via publication on the Company's website via the following link: <http://www.webgbt.com> and the SGXNET.

*"relevant intermediary" has the same meaning ascribed to it in section 181 of the Companies Act 1967 of Singapore.

3. The instrument appointing the Chairman of the AGM as proxy must be submitted to the Company in the following manner:
 - (a) if submitted by post, be lodged with the Company's Share Registrar, Boardroom Corporate & Advisory Services Pte. Ltd., at 1 Harbourfront Avenue Keppel Bay Tower #14-07 Singapore 098632; or
 - (b) if submitted electronically, be submitted by way of email to greenbuildagm@gmail.com,

in either case not less than 48 hours before the time set for the AGM (i.e. by 10.00 a.m. on 28 June 2022).
4. The instrument appointing the Chairman of the AGM as proxy must be under the hand of the appointor or of his attorney duly authorised in writing. Where the instrument appointing the Chairman of the AGM as proxy is executed by a corporation, it must be executed either under its common seal or under the hand of its attorney or a duly authorised officer.
5. Where an instrument appointing the Chairman of the AGM as proxy is signed on behalf of the appointor by an attorney, the power of attorney or a duly certified copy thereof must (failing previous registration with the Company) be lodged with the instrument of proxy, failing which the instrument may be treated as invalid.
6. This proxy form is not valid for members holding shares through relevant intermediaries. Members who hold his/her/its shares through a relevant intermediary who wish to appoint the Chairman of the AGM as proxy should approach his/her/its respective relevant intermediary to submit their votes not less than 7 working days before the AGM.
7. The Company shall be entitled to reject a proxy form if it is incomplete, improperly completed, illegible or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified in the proxy form. In addition, in the case of shares entered in the Depository Register, the Company may reject a proxy form lodged if the member, being the appointor, is not shown to have shares entered against his/her/its name in the Depository Register as at 72 hours before the time appointed for holding the AGM (or at any adjournment thereof), as certified by The Central Depository (Pte) Limited to the Company.

Personal Data Protection:

By submitting an instrument appointing the Chairman of the AGM as proxy, the member accepts and agrees to the personal data privacy terms set out in the Notice of AGM.

Important Reminder:

Due to the constantly evolving COVID-19 situation, the Company may be required to change its AGM arrangements at short notice. Members are advised to regularly check the Company's website or announcements released on SGXNET for updates on the AGM.

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铸造百年企业

IMPROVING THE URBAN ENVIRONMENT
CREATING A CENTENNIAL ENTERPRISE

绿建科技

GREEN BUILD TECHNOLOGY LIMITED

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