



GREEN BUILD TECHNOLOGY

Green Build Technology Limited
(Company Registration No. 200401338W)

FULL YEAR RESULTS ANNOUNCEMENT FOR FY 2015

The Board of Directors of Green Build Technology Limited are pleased to announce the consolidated results of the Group for the 12 months ended 31 December 2015 ("FY2015"). The figures presented below have not been reviewed or audited.

1(a)(i) A statement of comprehensive income (for the group) with comparatives for the corresponding period of the immediately preceding financial year.

	Group		Increase/ (Decrease)
	FY2015 RMB'000	FY2014 RMB'000 (Note)	
Continuing Operations:			
Revenue	93,748	30,549	206.9%
Cost of sales	<u>(69,660)</u>	<u>(23,659)</u>	194.4%
Gross profit	24,088	6,890	249.6%
Other operating income	762	26,068	-97.1%
Administrative expenses	(10,524)	(6,986)	50.6%
Profit from continuing operations	<u>14,326</u>	<u>25,972</u>	-44.8%
Interest expense on interest-bearing loans	(5,740)	(7)	N.M
Bank charges	(6)	(1)	500.0%
Profit before tax from continuing operations	<u>8,580</u>	<u>25,964</u>	-67.0%
Income tax expense (See para 8)	(193)	(7,421)	-97.4%
Net profit after tax for the year from continuing operations	<u>8,387</u>	<u>18,543</u>	-54.8%
Discontinued Operations:			
Profit for the year from discontinued operations, net of tax	2,403	9,856	-75.6%
Net profit after tax for the year	<u>10,790</u>	<u>28,399</u>	-62.0%
Net profit/(loss) after tax for the year attributable to:			
Equity holders of the Company			
- Profit from continuing operations, net of tax	8,387	18,543	-54.8%
- (Loss)/Profit from discontinued operations, net of tax	<u>(4,515)</u>	<u>4,839</u>	N.M
	3,872	23,382	-83.4%
Non-controlling interests			
- Profit from discontinued operations, net of tax	6,918	5,017	37.9%
Net profit for the year	<u>10,790</u>	<u>28,399</u>	-62.0%

	Group		Increase/ (Decrease)
	FY2015 RMB'000	FY2014 RMB'000 (Note)	
Net profit after tax for the year	10,790	28,399	-62.0%
Other comprehensive income			
Foreign currency translation, representing other comprehensive income, net	26	471	-94.5%
Realisation of foreign currency translation reserve upon disposal of subsidiaries	(1,171)	-	N.M
Total comprehensive income for the year	<u>9,645</u>	<u>28,870</u>	-66.6%
Total comprehensive income attributable to:			
Equity holders of the Company			
- Total comprehensive income from continuing operations, net of tax	8,413	19,014	-55.8%
- Total comprehensive (loss)/income from discontinued operations, net of tax	(5,686)	4,839	N.M
	<u>2,727</u>	<u>23,853</u>	-88.6%
Non-controlling interests			
- Profit from discontinued operations, net of tax	6,918	5,017	37.9%
Total comprehensive income for the year	<u>9,645</u>	<u>28,870</u>	-66.6%

NOTE: As the Group intends to focus on its green technology business, the Company had in October 2015 entered into a sale and purchase agreement to dispose of its packaging business (comprising 3 subsidiaries, viz Yourun Packaging Technology (Hangzhou) Co., Ltd, Yue Hai Colour Printing and Packaging Co., Ltd and Jia Hua Packaging and Printing Co., Ltd). For the purpose of financial reporting, the packaging business is considered disposed of in October 2015 (i.e. a discontinued operation). Consequently, the Group currently only has one business segment, which is the Green technology segment. As such, continuing operations refer to the existing green technology segment while discontinued operations refer to the disposed Packaging segment.

The results of the packaging business from January 2015 to October 2015 (date of effective disposal) have been included in the line item 'profit for the year from discontinued operations, net of tax' and the comparatives relating to FY2014 have also been restated in accordance with FRS 105 Non-current Assets Held for Sale and Discontinued Operations. The assets and liabilities of the packaging business were accordingly deconsolidated with effect from 31 October 2015 from the consolidated statement of financial position.

N.M: Not Meaningful.

1(a)(ii) Breakdown and explanatory notes to the income statement.

Profit before tax is arrived at after charging/(crediting) the following:

	Group			Group		
	Continuing Operations		Increase/ (Decrease)	Discontinued Operations		Increase/ (Decrease)
	FY2015 RMB'000	FY2014 RMB'000		FY2015 RMB'000	FY2014 RMB'000	
Depreciation of property, plant and equipment	562	78	620.3%	9,300	11,274	-17.5%
Amortization of land use rights	-	-	-	270	329	-17.9%
Amortization of intangibles	2	-	N.M	12	5	140.0%
Operating lease expenses	650	300	116.8%	119	696	-82.9%
Staff costs	3,406	1,882	81.0%	18,584	22,629	-17.9%
Gain on disposal of plant and equipment	-	-	-	(53)	(18)	194.4%
Allowance for doubtful trade debts	-	-	-	1,113	103	N.M
Allowance/(Write-back) for inventory obsolescence	-	-	-	230	(518)	N.M
Interest expense from loan and borrowings	5,746	7	N.M	3,204	5,233	-38.8%
Interest income from bank balances	(743)	(3)	N.M	(423)	(172)	145.9%
Foreign exchange losses	1,007	526	91.4%	29	29	-
Government grants/subsidies	(1)	(26,064)	-100.0%	(472)	(389)	21.3%
Under/(Over) provision for prior year's tax	-	-	-	618	(727)	N.M

N.M: Not Meaningful.

1(b)(i) A Statement of Financial Position (for the issuer and Group), together with a comparative statement as at the end of the immediately preceding financial year.

	Group		Company	
	31.12.2015	31.12.2014	31.12.2015	31.12.2014
	RMB'000	RMB'000	RMB'000	RMB'000
Non-current assets				
Property, plant and equipment	1,152	79,363	7	3
Land use rights	-	12,740	-	-
Investment in subsidiaries	-	-	-	8,427
Other unquoted investments	-	996	-	-
Prepayment for property, plant and equipment	-	1,413	-	-
Deferred tax assets	-	728	-	-
Deferred expenditure	396	429	-	-
Goodwill on consolidation	1,072	1,072	-	-
Intangible assets	3	17	-	-
	<u>2,623</u>	<u>96,758</u>	<u>7</u>	<u>8,430</u>
Current assets				
Contract work-in-progress	32,355	30,057	-	-
Inventories	779	26,708	-	-
Trade receivables				
- third parties	91,864	81,983	-	-
- related parties	-	5,571	-	-
Bills receivable	-	31,299	-	-
Prepayments	49,473	3,321	11	12
Other receivables	34,619	34,444	25,151	38
Due from holding company, non-trade	-	19	-	19
Due from corporate shareholder, non-trade	-	193	-	193
Due from subsidiary, non-trade	-	-	68	-
Cash and bank balances	609	15,634	197	114
	<u>209,699</u>	<u>229,229</u>	<u>25,427</u>	<u>376</u>
Current liabilities				
Trade payables				
- third parties	38,006	54,780	-	-
- a related party	-	1,595	-	-
Bills payable	-	24,502	-	-
Other payables and accruals	14,701	13,997	2,002	967
Due to a director	1,510	2,297	-	-
Due to a related party of a corporate shareholder, non-trade	-	25,684	-	6,716
Due to related parties, non-trade	-	300	-	-
Due to holding company, non-trade	-	471	-	-
Due to subsidiary company, non-trade	-	-	294	-
Provision for income tax (See para 8)	7,613	8,537	-	-
Loan from a related party of a corporate shareholder	-	4,488	-	4,488
Loan from related parties	65,781	-	4,777	-
Loan from holding company	-	2,113	-	2,113
Loan from corporate shareholder	-	5,165	-	5,165
Loan from shareholder	940	-	-	-
Loans and borrowings	36,595	78,900	11,595	-
	<u>165,146</u>	<u>222,829</u>	<u>18,668</u>	<u>19,449</u>
Net current assets/(liabilities)	44,553	6,400	6,759	(19,073)
Non-current liabilities				
Deferred tax liabilities	-	2,817	-	-
	<u>-</u>	<u>2,817</u>	<u>-</u>	<u>-</u>
Net assets/(liabilities)	47,176	100,341	6,766	(10,643)
Capital and reserves				
Share capital	113,179	113,179	113,179	113,179
Translation reserve	966	2,111	920	910
Restricted reserves	-	7,532	-	-
Accumulated losses	(66,969)	(78,373)	(107,333)	(124,732)
Equity attributable to equity holders of the Company	47,176	44,449	6,766	(10,643)
Non-controlling interests	-	55,892	-	-
Total equity	47,176	100,341	6,766	(10,643)

1(b)(ii) Aggregate amount of Group's borrowings and debt securities**Amount repayable in one year or less, or on demand**

	31.12.2015	31.12.2014
	RMB'000	RMB'000
Loan from a related party of a corporate shareholder	-	4,488
Loans from related parties	65,781	-
Loan from holding company	-	2,113
Loan from corporate shareholder	-	5,165
Loan from shareholder	940	-
Loan and borrowings from bank	-	78,900
Loans and borrowings from external parties	36,595	-
	<u>103,316</u>	<u>90,666</u>

Amount repayable after one year

NIL

Details of any collateral

- a) Bank borrowings amounting to RMB 28.3 million in FY2014 were secured by corporate guarantees from a related party of a corporate shareholder.
- b) Bank borrowings amounting to RMB 42.7 million in FY2014 were secured over certain property, plant and machineries of the Group.
- c) Bank borrowings amounting to RMB 7.9 million in FY2014 were secured by bills receivables of the Group.
- d) The loans from related parties are unsecured and interest-free.
- e) The bank borrowings in FY2014 of RMB78.9 million bore interest of between 5.60% and 6.90% per annum and relates to the packaging segment which was disposed of during the year.
- f) An amount of RMB11.6 million in current year was reclassified from "loans from a related party of a corporate shareholder" and "Loan from corporate shareholder" in FY2014 to "loans from external parties" as the lenders are no longer considered as related parties to the Group since January 2015. This loan bears interest at 15.37% per annum from 1 June 2014 to 31 December 2015; the principal and the interest of which will be offset against the consideration receivable arising from the disposal of the packaging business. The remaining balance of RMB25.0 million relates to loans and advances from external parties, which is unsecured and interest free.

1(c) A Statement of Cash Flow (for the Group), together with a comparative statement for the corresponding period of the immediately preceding financial year.

	Group	
	FY2015	FY2014
	RMB'000	RMB'000
Cash flows from operating activities		
Profit before tax from continuing operations	8,580	25,964
Profit before tax from discontinued operations	4,979	10,571
	<u>13,559</u>	<u>36,535</u>
Adjustments for:		
Depreciation of property, plant and equipment	9,862	11,352
Amortization of land use rights	270	329
Amortization of intangibles	14	5
Amortization of deferred expenditure	33	71
Allowance for doubtful trade debts	1,113	103
Write-back for inventory obsolescence	-	(518)
Gain on disposal of plant and equipment	(53)	(18)
Loss on disposal of subsidiaries (Note A)	10,944	-
Exchange differences	(1,147)	441
Interest expense	8,950	5,240
Interest income	(1,166)	(175)
Operating profit before working capital changes	42,379	53,365
Changes in working capital:		
Deferred expenditure	-	(202)
Contract work-in-progress	(414)	(30,057)
Inventories	(3,809)	(2,578)
Trade and other receivables	(39,502)	(48,528)
Prepayments	(46,152)	(3,140)
Trade and other payables	39,869	37,181
Other Liabilities	(253)	11
Cash (used in)/generated from operating activities	(7,882)	6,052
Interest paid	(8,950)	(5,240)
Interest income received	1,166	175
Income tax paid	(2,928)	(1,658)
Net cash used in operating activities	<u>(18,594)</u>	<u>(671)</u>

	Group	
	FY2015 RMB'000	FY2014 RMB'000
Cash flows from investing activities		
Purchase of plant and equipment	(2,340)	(3,419)
Proceeds from sale of plant and equipment	149	43
Increase in intangible assets	-	(5)
Net cash inflow on acquisition of subsidiaries	-	77
Net cash outflow upon disposal of subsidiaries (Note A)	(13,810)	-
Purchase of structured deposits	(18,450)	-
Net cash used in investing activities	(34,451)	(3,304)
Cash flows from financing activities		
Dividends paid to minority shareholders	-	(4,566)
Proceeds from bank borrowings	149,000	179,560
Repayment of bank borrowings	(175,500)	(173,340)
Proceeds from loan from a related party	61,293	-
Proceeds from loan from shareholder	940	-
Decrease/(Increase) deposits pledged for bills	9,646	(4,182)
Proceeds from loan from corporate shareholder	-	2,294
Proceeds from loan from holding company	-	2,113
Repayment of finance lease obligations	-	(44)
Repayment of loan from corporate shareholder	(5,165)	-
Repayment of loan from holding company	(2,113)	-
Proceed from loan from external parties	36,595	-
(Repayment of)/Proceeds from due to a director	(787)	2,297
Repayment of due to holding company, non-trade	(452)	(19)
Repayment of due to corporate shareholder, non-trade	(25,491)	(51)
Repayment of due to related parties	(300)	(3,345)
Net cash generated from financing activities	47,666	717
Net decrease in cash and cash equivalents	(5,379)	(3,258)
Cash and cash equivalents at beginning of year	5,988	9,246
Cash and cash equivalents at end of year	609	5,988
Note: Cash and cash equivalents		
Cash and bank balances	609	5,988
Deposits pledged for bills payable	-	9,646
Cash and bank balances per consolidated statement of financial position	609	15,634

NOTE A to the Statement of Cash Flow:

The Group disposed of its packaging business, consisting of its wholly owned subsidiary, Yourun Packaging Technology (Hangzhou) Co., Ltd and its subsidiaries, Yue Hai Color Printing and Packaging Co., Ltd and Jia Hua Packaging and Printing Co., Ltd. in October 2015 for a cash consideration of RMB38,950,000.

The value of assets and liabilities of the packaging business recorded in the consolidated financial statements as at the disposal date, and the cash flow effect of the disposal were as follows:

	RMB'000
Non-current assets	
Property, plant and equipment	69,304
Land use rights	12,470
Prepayment for plant and equipment	819
Long term investment	996
Deferred tax assets	1,256
	<u>84,845</u>
Current assets	
Inventories	29,740
Trade receivables	75,362
Notes receivables	17,228
Other receivables and prepayments	11,563
Available for sales investment	18,450
Cash and cash equivalents	13,810
	<u>166,153</u>

	RMB'000
Current liabilities	
Trade payables	37,706
Notes payables	14,196
Other payables and accruals	29,817
Taxes payable	1,477
Deferred income	66
Short-term borrowings	52,400
	<u>135,662</u>
Non-current liabilities	
Deferred tax liabilities	2,632
	<u>2,632</u>
Carrying value of net assets	112,704
Less: Non-controlling interests	<u>62,810</u>
Carrying value of net assets attributable to equity holders of the Company	49,894
Total consideration receivable	<u>38,950</u>
Loss on disposal on packaging subsidiaries	<u>(10,944)</u>
Total consideration received (Note)	-
Cash and cash equivalents of the disposed Packaging subsidiaries	<u>(13,810)</u>
Net cash outflow on disposal of the packaging subsidiaries	<u>(13,810)</u>

Note: The consideration has not been settled during the year ended 31 December 2015 as the disposal has not been legally completed as at 31 December 2015.

1(d)(i) A statement (for the issuer and group) showing either (i) all changes in equity or (ii) changes in equity other than those arising from capitalization issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year.

	Attributable to equity holders of the Company					Non-controlling Interests RMB'000	Total RMB'000
	Share capital RMB'000	Restricted reserves RMB'000	Accumulated losses RMB'000	Currency translation reserve RMB'000	Sub-Total RMB'000		
Group							
At 1 January 2014	113,179	7,475	(101,698)	1,640	20,596	55,441	76,037
Total comprehensive income for the year	-	-	23,382	471	23,853	5,017	28,870
Transfer	-	57	(57)	-	-	-	-
Dividend paid	-	-	-	-	-	(4,566)	(4,566)
As at 31 December 2014	<u>113,179</u>	<u>7,532</u>	<u>(78,373)</u>	<u>2,111</u>	<u>44,449</u>	<u>55,892</u>	<u>100,341</u>
At 1 January 2015	113,179	7,532	(78,373)	2,111	44,449	55,892	100,341
Profit for the year	-	-	3,872	-	3,872	6,918	10,790
Other comprehensive income							
- Foreign currency translation reserve	-	-	-	26	26	-	26
- Realisation of foreign currency translation reserve upon disposal of subsidiaries	-	-	-	(1,171)	(1,171)	-	(1,171)
Total comprehensive income	-	-	3,872	(1,145)	2,727	6,918	9,645
Transferred upon disposal of subsidiaries	-	(7,532)	7,532	-	-	(62,810)	(62,810)
As at 31 December 2015	<u>113,179</u>	<u>-</u>	<u>(66,969)</u>	<u>966</u>	<u>47,176</u>	<u>-</u>	<u>47,176</u>
Company							
At 1 January 2014	113,179	(119,770)	631	(5,960)			
Total comprehensive income for the year	-	(4,962)	279	(4,683)			
As at 31 December 2014	<u>113,179</u>	<u>(124,732)</u>	<u>910</u>	<u>(10,643)</u>			
At 1 January 2015	113,179	(124,732)	910	(10,643)			
Total comprehensive income for the year	-	17,399	10	17,409			
As at 31 December 2015	<u>113,179</u>	<u>(107,333)</u>	<u>920</u>	<u>6,766</u>			

1(d)(ii) Details of any changes in the company's share capital arising from rights issue, bonus issue, share buy-backs, exercise of share options or warrants, conversion of other issues of equity securities, issue of shares for cash or as consideration for acquisition or for any other purpose since the end of the previous period reported on. State also the number of shares that may be issued on conversion of all the outstanding convertibles, as well as the number of shares held as treasury shares, if any, against the total number of issued shares excluding treasury shares of the issuer, as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year.

There was no change in the Company's share capital for the 12 months ended 31 December 2015. There are no outstanding convertibles or shares held as treasury shares as at 31 December 2015.

1(d)(iii) To show the total number of issued shares excluding treasury shares as at the end of the current financial period and as at the end of the immediately preceding year.

	<u>FY2015</u>	<u>FY2014</u>
Number of issued ordinary shares ('000)	238,860	238,860

1(d)(iv) A statement showing all sales, transfers, disposal, cancellation and/or use of treasury shares as at the end of the current financial period reported on.

Not applicable.

2. Whether the figures have been audited, or reviewed and in accordance with which auditing standard or practice.

The figures have not been audited or reviewed.

3. Where the figures have been audited or reviewed, the auditors' report (including any qualifications or emphasis of matter).

Not applicable.

4. Whether the same accounting policies and methods of computation as in the issuer's most recently audited annual financial statements have been applied.

Other than the adoption of the new and revised Financial Reporting Standards (FRS) which took effect from the current financial period and the adoption of INT FRS 112 Service Concession Arrangements pursuant to the Group's new projects awarded by the Municipal Government of Harbin City in China in FY2015, there were no changes in accounting policies and methods of computation adopted in the financial statements for the current reporting period as compared to the most recent audited annual financial statements as at 31 December 2014.

INT FRS 112: Service Concession Arrangements:

The Group shall recognize and measure revenue in accordance with FRSs 11 and 18 for the services it performs. If the Group performs more than one service (i.e. construction or upgrade services and operation services) under a single contract or arrangement, consideration received or receivable shall be allocated by reference to the relative fair values of the services delivered, when the amounts are separately identifiable. The nature of the consideration determines its subsequent accounting treatment.

A financial asset (receivable under service concession arrangement) is recognized to the extent that the Group has an unconditional right to receive cash or another financial asset from or at the direction of the grantor for the construction services rendered and/or the consideration paid and payable by the Group for the right to manage and operate the infrastructure for public service. The Group has an unconditional right to receive cash if the grantor contractually guarantees to pay the Group (a) specified or determinable amounts or (b) the shortfall, if any, between amounts received from users of the public service and specified or determinable amounts, even if the payment is contingent on the Group ensuring that the infrastructure meets specified quality of efficiency requirements.

Revenue and costs relating to construction phase of a concession arrangement is accounted for in accordance to FRS 11 Construction Contracts. The Group recognized the construction revenue with reference to the fair value of the construction service delivered in the construction phase. The fair value of such service is estimated on a cost-plus basis with reference to the prevailing market rate of gross margin and borrowing rates. Consequently, the Group recognized a profit margin on the construction work by reference to the stage of completion and in accordance with the "Construction contracts".

The Group shall account for revenue and costs relating to operation services in accordance with FRS 18.

5. If there are any changes in the accounting policies and methods of computation, including any required by an accounting standard, what has changed, as well as the reasons for, and the effect of, the change.

There are no changes in the accounting policies and methods of computation for the year ended 31 December 2015 save as disclosed in paragraph 4.

6. Earnings per ordinary share of the Group for the current financial period reported on and the corresponding period of the immediately preceding financial year, after deducting any provision for preference dividends.

	Group	
	FY2015	FY2014
Earnings per ordinary share for the year:		
Net profit for the year from continuing operations attributable to the shareholders of the Company (RMB '000)	8,387	18,543
Weighted average number of ordinary shares in issue ('000)	238,860 *	238,860 *
(a) Basic Earnings per Share (RMB cents)	3.51	7.76
(b) On a fully diluted basis** (RMB cents)	3.51	7.76
Net profit for the year attributable to the shareholders of the Company (RMB '000)	3,872	23,382
Weighted average number of ordinary shares in issue ('000)	238,860 *	238,860 *
(a) Basic Earnings per Share (RMB cents)	1.62	9.79
(b) On a fully diluted basis** (RMB cents)	1.62	9.79

*Earnings per share for FY2015 and FY2014 is calculated by dividing the profit after tax attributable to shareholders of the Company by the weighted average number of shares in issue.

**As there were no options and warrants granted, the basic and fully diluted earnings/losses per share are the same.

7. Net asset value (for the issuer and the Group) per ordinary share based on the total number of issued shares excluding treasury shares of the issuer at the end of the (a) current financial period reported on and (b) immediately preceding financial year

	Group		Company	
	31.12.2015	31.12.2014	31.12.2015	31.12.2014
Net assets/(liabilities) (RMB'000)	47,176	100,341	6,766	(10,643)
Net asset/(liability) value per ordinary share based on issued share capital as at the end of the period reported on (RMB cents)	<u>19.75</u>	<u>42.01</u>	<u>2.83</u>	<u>(4.46)</u>

Net asset value per ordinary share was calculated based on the 238,859,796 issued ordinary shares as at 31 December 2015 and 31 December 2014.

8. A review of the performance of the Group, to the extent necessary for a reasonable understanding of the Group's business. It must include a discussion of the following: (a) any significant factors that affected the turnover, costs, and earnings of the Group for the current financial period reported on, including (where applicable) seasonal or cyclical factors; and (b) any material factors that affected the cash flow, working capital, assets or liabilities of the Group during the current financial period reported on.

(A) Performance Review - Overall

Due to the strong demand for the green technology and related services in China, the Group has been awarded an insulation project and an underground utilities tunnel project in FY2015. Both projects are in the form of public-private-partnerships ("PPP"). The revenue recognition of these PPP projects is based on the requirements of INT FRS 112 (see paragraph 4 for detail).

The revenue from continuing operations, that is, the green technology segment contributed positively to both the Group's revenue and profitability for FY2015. The revenue from green technology segment increased from RMB 30.5 million in FY2014 to RMB 93.7 million in FY2015. The net profit from continuing operations after tax attributable to equity holders of the Company was RMB 8.4 million in FY2015 compared to RMB 18.5 million in FY2014. The packaging business was, for the purpose of financial reporting, disposed of in October 2015 and accounted for as a discontinued operation in the statement of comprehensive income. Including the profit from discontinued operations (net of tax) of RMB 2.4 million, the Group's net profits for FY2015 was RMB 10.8 million as compared to RMB 28.4 million for FY2014.

(B) Revenue

Revenue from continuing operations increased by RMB 63.2 million or 206.9% from RMB 30.5 million in FY2014 to RMB 93.7 million in FY2015. The revenue in FY2015 was mainly due to the Group achieving an approximately 20.9% completion on the insulation project in China Harbin city to upgrade an existing estate with a built-up area of approximately 1.32 million sqm with environmental friendly technology and architecture. In addition, the Group also completed approximately 4.3% of an underground utility tunnel project in China Harbin city. Both projects started in October 2015 and therefore no revenue was recognized in the first half of FY2015.

(C) Gross Profit

The gross margin from continuing operations increased from 22.6% in FY2014 to 25.7% in FY2015 mainly due to a higher profit margin for insulation project, which is partially offset by the lower profit margin for underground utility tunnel project.

(D) Other profit and loss items

The decrease in other operating income was mainly due to higher government grants and subsidies of RMB 26.5 million received in FY2014 as compared to Nil in FY2015. The higher government grants and subsidies were mainly given to the Group's green technology segment at a rate of RMB 155/sqm of built-up area in FY2014. The government grants/subsidy income for FY2015 had been classified as revenue pursuant to the requirements of INT FRS 112.

Administrative expenses from continuing operations relate mainly to those of a subsidiary, Harbin Shengming Energy Saving & Technology Co., Ltd., which became a subsidiary of the Group since June 2014 and accounted for 6 months of expenses in FY2014. Besides, the increase in administrative expenses was partially due to the increase in staff costs by RMB 1.5 million from RMB 1.9 million in FY2014 to RMB 3.4 million in FY2015. The increase is further attributed to the increase in professional fees and the foreign exchange loss by RMB 0.5 million and RMB 0.5 million respectively as compared to FY2014.

Interest expense for continuing operations increased by RMB 5.7 million mainly due to the interest of RMB4.1 million charged on the balances due to the purchaser of the packaging business and its related parties being recognized as finance costs for FY2015. The remaining increase of RMB 1.6 million was due to the bank borrowings obtained during the year as the Group borrowed a loan of RMB 149 million which was fully repaid by year end.

Lower income tax expense was recorded mainly because no tax provision has been made in respect of income recognised on the PPP projects for FY2015. The 2 on-going projects are cooperated with government in Public-Private-Partnership ("PPP") business model. The income from the PPP projects are in the form of government subsidies which, in management's view, are fiscal income in nature and therefore not subject to tax in accordance with the relevant tax rules and regulations in China. Despite this, as these PPP projects are relatively new in China and to the Group, management is exercising its prudence in ascertaining a more certain tax position by obtaining professional advice from tax specialists in China which is still outstanding as of the date of this announcement.

(E) Statement of Financial Position

The financial position as at 31 December 2014 was inclusive of the packaging subsidiaries, which were disposed of during FY2015, whereas the financial position as at 31 December 2015 consisted only of the green technology segment (i.e. the assets and liabilities of the packaging subsidiaries were deconsolidated as at 31 December 2015). As such, the respective assets and liabilities of the Group as at 31 December 2015 would generally be lower than those as at 31 December 2014.

The carrying value of property, plant and equipment and land use rights decreased by RMB 91.0 million, and the amount of RMB 92.1 million in FY2014 was entirely attributable to the packaging segment. Excluding this, the carrying value of the property, plant and equipment of the green technology segment would have decreased by RMB1.8 million, which was mainly due to the reclassification of the cost of Solar heating system and boiler system used in Hebei Project from "plant and equipment" to "project cost" of RMB 1.9 million during FY2015 and the depreciation of RMB 0.6 million, partially offset by the plant and equipment additions of RMB0.7 million.

As at 31 December 2015, the prepayment for property, plant and equipment, other unquoted investment and deferred tax assets were RMB Nil as they pertained to the packaging business.

Inventories decreased by RMB 25.9 million, of which RMB 26.7 million was attributable to the packaging business as at 31 December 2014. Excluding this, inventories of the green technology segment would have increased by RMB 0.8 million. The increase is in line with more projects being carried out by year end.

Trade and bills receivables decreased by RMB 27.0 million, of which RMB 118.9 million was attributable to the packaging business as at 31 December 2014. Excluding this, trade receivables of the green technology segment would have increased by RMB 91.9 million. The increase is mainly due to the contract assets (concession receivables) of RMB 87.7 million due from the PRC government for approximately 20.9% and 4.3% completion of the insulation project and underground utilities tunnel project respectively.

Other receivables and prepayments increased by RMB 46.3 million, of which RMB 18.8 million was attributable to the packaging business as at 31 December 2014. Excluding this, other receivables and prepayments of the green technology segment would have increased by RMB 65.1 million. Other receivables and prepayments attributable to the green technology segment was RMB 34.6 million as at 31 December 2015 due mainly to government grants of RMB8.0 million receivables that were still outstanding and the net receivable from purchaser of packaging business of RMB25.0 million. The prepayment of RMB49.5 million is mainly due to advances made to a subcontractor.

Trade and bills payables decreased by RMB42.9 million, of which RMB 80.9 million was attributable to the packaging business segment as at 31 December 2014. Excluding this, trade payables of the green technology segment would have increased by RMB 38.0 million, which are the payables to the construction materials suppliers and the sub-contractors and is in line with the 2 new projects commenced in FY2015.

The loan from related parties of RMB 65.8 million was mainly due to the interest free loan provided by related parties for working capital purposes.

The loan from external parties of RMB 36.6 million consists of RMB 5.4 million reclassified from loan from related party and RMB 6.2 million reclassified from loan from corporate shareholder as at 31 December 2014. The balance of RMB 25.0 million is due to external parties who provide financial assistance to the projects in Harbin Shengming. Such financial assistance is interest free and repayable on demand.

Following another profitable year in its green technology segment and the disposal of the packaging business, the Group's net equity attributable to the shareholders of the Company amounted to RMB 47.2 million as at 31 December 2015 compared to RMB 44.4 million as at 31 December 2014. Also, the Group's net current assets position has also improved and stood at RMB 44.6 million as at 31 December 2015 compared to RMB 6.4 million as at 31 December 2014. The Company also had a net asset position of RMB 6.8 million as at 31 December 2015 instead of a net liability position of RMB10.6 million as at 31 December 2014.

(F) Cash flows

The Group reported a net decrease in cash and cash equivalents of RMB 5.4 million from RMB 6.0 million as at 31 December 2014 to RMB 0.6 million as at 31 December 2015.

The net decrease in cash and cash equivalents for FY2015 is mainly due to net cash used in operating activities and investing activities of RMB 18.6 million and RMB 34.5 million respectively, which is partially offset by net cash generated from financing activities of RMB 47.7 million.

9. Where a forecast, or a prospect statement, has been previously disclosed to shareholders, any variance between it and the actual results.

No forecast or prospect statement was previously disclosed.

10. A commentary at the date of the announcement of the significant trends and competitive conditions of the industry in which the group operates and any known factors or events that may affect the group in the next reporting period and the next 12 months.

After disposal of the packaging business, the Group is focusing on the green technology segment. The Group is of the view that the demand for green technology and related services will continue to be strong in China. On the basis that the Group has been awarded the new green technology projects and underground utilities tunnel project (please see separate announcement for more details) and barring any unforeseen circumstances, the Group's green technology segment is likely to continue to contribute positively to the Group's financials for FY2016.

11. Dividend

(a) Current Financial Period Reported On

No

(b) Corresponding Period of the Immediately Preceding Financial Year

No

(c) Date payable

Not applicable

(d) Books closure date

Not applicable

12. If no dividend has been declared/recommended, a statement to that effect

No dividend has been declared/recommendeded by the Board for the 12 months ended 31 December 2015.

13. Segmented revenue and results for business or geographical segments (of the group) in the form presented in the issuer's most recently audited annual financial statements, with comparative information for the immediately preceding year

The Group's primary format for reporting segment information is business segments, with each segment representing a product line. Inter-segment sales are on arm's length basis and there is no secondary geographical segmentation as the Group currently predominantly operates in the PRC. In October 2015, the Group disposed 100% of Yourun Packaging Technology (Hangzhou) Co., Ltd and its subsidiaries, Yue Hai Color Printing and Packaging Co., Ltd and Jia Hua Packaging and Printing Co., Ltd. (the "Packaging Subsidiaries"). Therefore, there is only one business segment, the Green Technology segment to the group as at 31 December 2015.

(a) By Business Segments

	Green technology RMB'000	Discontinued Operations Packaging products RMB'000	Adjustment & Elimination RMB'000 (Note A)	Total RMB'000
2015				
Revenue				
External customers	93,748	211,929	(211,929)	93,748
Segment results				
Segment profit	17,487	15,922	(24,829)	8,580
Interest income	(743)	(423)	423	(743)
Depreciation and amortization	559	9,582	(9,577)	564
Other non-cash expenses	-	1,343	(1,343)	-
Segment assets	186,395	-	25,927	212,322
Other disclosure				
Additions to property, plant and equipment	709	2,217	(2,209)	717

Note A: The amounts relating to the packaging business segment have been excluded to arrive at amounts shown in profit or loss as they are presented separately in the statement of comprehensive income within the line item "profit for the year from discontinued operations, net of tax".

2014	Green	<u>Discontinued</u>	Adjustment &	Total
	technology	<u>Operations</u>		
	RMB'000	Packaging products RMB'000	RMB'000 (Note A)	RMB'000
Revenue				
External customers	30,549	259,102	(259,102)	30,549
Segment results				
Segment profit	30,927	10,932	(15,895)	25,964
Interest income	(3)	(172)	172	(3)
Depreciation and amortization	76	11,608	(11,606)	78
Other non-cash write-back	-	(415)	415	-
Segment assets	56,714	268,715	558	325,987
Other disclosure				
Additions to property, plant and equipment	2,097	1,322	(1,322)	2,097

Note A: The amounts relating to the packaging business segment have been excluded to arrive at amounts shown in profit or loss as they are presented separately in the statement of comprehensive income within the line item "profit for the year from discontinued operations, net of tax".

14. In the review of performance, the factors leading to any material changes in contributions to turnover and earnings by the business or geographical segments

Refer to paragraph 8 for review of performance.

15. Breakdown of Sales

	<u>Continuing Operations</u>		Increase/ (Decrease) %	<u>Discontinued Operations</u>		Increase/ (Decrease) %
	FY2015	FY2014		FY2015	FY2014	
	RMB'000	RMB'000		RMB'000	RMB'000	
(a) Sales reported for the first half year	-	-	-	112,992	105,279	7.3%
(b) Net (loss)/profit attributable to shareholders for the first half year	(5,434)	(1,204)	351.3%	2,288	816	180.4%
(c) Sales reported for the second half year	93,748	30,549	206.9%	98,937	153,823	-35.7%
(d) Net profit/(loss) attributable to shareholders for the second half year	13,821	19,747	-30.0%	(6,803)	4,023	N.M

N.M: Not Meaningful.

16. A breakdown of the total annual dividend (in dollar value) for the issuer's latest full year and its previous full year

	FY2015	FY2014
	S\$'000	S\$'000
(a) Ordinary	-	-
(b) Preference	-	-
(c) Total	-	-

17. Interested Person Transactions

There was no aggregate value of interested person transactions during the financial period under review, excluding transactions less than S\$100,000 and transactions conducted under the shareholders' mandate pursuant to Rule 920. There is also no aggregated value of interest person transactions conducted under the shareholders' mandate pursuant to Rule 920, excluding transactions less than S\$100,000.

18. Disclosure of person occupying a managerial position in the issuer or any of its principal subsidiaries who is a relative of a director or chief executive officer or substantial shareholder of the issuer pursuant to Rule 704(13).

Pursuant to Rule 704(13) of the Listing Manual, we confirmed that there is no person occupying managerial position in the Company or in any of its principal subsidiaries who is a relative of a director, chief executive officer or substantial shareholder of the Company.

19. Confirmation pursuant to Rule 720(1)

The Company hereby confirms that it has procured undertakings from all its Directors and Executive Officers in accordance with Rule 720(1).

BY ORDER OF THE BOARD

Wu Xueying
Chief Executive Officer & Executive Director
29 February 2016