



绿建科技  
GREEN BUILD TECHNOLOGY



2019

# SUSTAINABILITY REPORT

GREEN BUILD TECHNOLOGY LIMITED

**About this report**

This report is the Sustainability Report of Green Build Technology Limited (the “Company”) and its subsidiaries (collectively the “Group”). It focuses on the company's economic, social and environmental sustainability information. It covers the period from 1 January 2019 to 31 December 2019.

**Download**

As the report discloses sustainability performance to stakeholders, it can be downloaded from the official website of the Company at [www.webgbt.com](http://www.webgbt.com).

**Statement**

In order to be more objective, comprehensive, and focused on the Group's performance, this report presents the Group's sustainable development in terms of promoting economic growth, strengthening environmental protection, promoting social progress, and conducting on-the-spot investigations on the performance of the Group and screening and verification of the authenticity. During the preparation of the report, we obtained the opinions and suggestions from different parties, promoted understanding, communication and interaction between the Group and stakeholders and the public, and actively responded to the concerns of stakeholders to achieve sustainable development of the Group.

We would like to inform our stakeholders that we have prepared this report in accordance with the Global Reporting Initiative (“GRI”) Standards – Core Option, which was adopted due to its universal application and for its elaborated guidance on the disclosure of governance approaches, the environmental, social and economic performances and impact on organisations. The GRI Sustainability Reporting Guidelines provide a globally recognised framework for companies to measure and communicate their environmental, economic, social and governance performance. We have not sought external assurance for this report.

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## Chairman Statement

You are welcome to read this report. Thank you for your continued support for the Group.

2019 has been an important year for Green Build Technology Limited (“Group”) in completing the construction of Phase one of the underground utility tunnel. In 2019, we participated in the comprehensive refurbishment of an old estate, the “Gongle Estate”, in Harbin City, which include the refurbishment of the buildings in the old estate with insulated materials that help to reduce energy consumption in buildings, thereby reducing carbon emission. The Group continues to focus its business on sustainable urban development in the energy conservation, environmental and protection industry and the improvement in the ecological environment of our cities. The Group’s Board and management have identified and deliberated on the sustainability factors which are pertinent to the Group and shape our sustainability strategy and goals, which are set out in this report. We strive to lead the industry by committing to being a trustworthy and respected organisation along with the Group’s long-term strategic vision and commitment to sustainable development.

### **Improve infrastructure construction and promote enterprise progressive development**

The projects of the Group include the comprehensive refurbishment of old residential estates, urban underground utility tunnel and other projects. Such projects require us to rapidly keep abreast with industry knowledge in order to provide comprehensive services to the market. This extensive market knowledge is established by fortifying its fundamentals in the local market before expanding to other provinces and even overseas markets. The Group’s experiences in the development in sustainable projects lay the foundation for the rapid expansion of its business in the future.

### **Improve the environment’s ecology to achieve sustainable development**

Environment ecological issues have always triggered strong concerns from the public in China. This has resulted in an emphasis on ecological improvements and the comprehensive management of environmental pollution, which were vigorously implemented to strengthen environmental pollution prevention and control. Through a series of successful projects, the Group allows residents to share the fruits of urban development changing people’s lifestyles, promoting efficiency, and creating value. This effectively reduces energy and resource consumption, thereby improving the ecological environment and enabling the Group to achieve progressive development.

## **Actively fulfilling responsibilities and sharing development results**

The motto of “enhancing urban development and establishing a centennial enterprise” is the key to the sustainable development of the Group. Our commitments to sustainable development involve enterprise quality improvement and progressive growth. The concept of innovation and excellence continue to drive us in providing quality projects to our cities. The Group aims to be a socially responsible organisation that fosters human spirit, promotes social harmony, and contributes to urban development.

The business philosophy of sustainable development lays the foundation for the healthy development of enterprises. The Group will continue to focus on innovation, to operate steadily and to contribute to economic growth, environmental protection and social progress with the aim of becoming a highly responsible and respected global outstanding enterprise.

Zhao Lizhi

Board Chairman

# Section 1 Sustainable Development Management

## 1.1 About Green Build

### 1.1.1 What We Are Doing

Green Build Technology Limited was established on 6 February 2004. It is a company listed on the main board of the Singapore Exchange (stock trading code Y06). Currently, the subsidiaries in the PRC include Harbin Shengming Energy Saving and Technology Co., Ltd., Harbin Utility Tunnel Construction and Management Co., Ltd., Harbin Prevailing Municipal Engineering Co., Ltd, Harbin Superior Construction Materials Trading Co., Ltd., and Harbin Utility Tunnel Phase Two Construction and Management Co., Ltd.

Since our establishment, our senior management team has participated in Harbin's Top Ten Projects that have benefited many residents. Such projects include the underground utility tunnel projects and the energy-saving refurbishment of old residential estate project. The Group participated in the preparation of the national level "Evaluation Standard for Existing Building Transformation" and became the first entity participating in the country's old estate refurbishment demonstration project using green technology. The Group also won the bid for an insulation project and the first and second phase of underground utility tunnel projects in Harbin. In 2019, the Group participated in the comprehensive refurbishment of an old estate, the Gongle Estate, in Harbin city. The Group participated in numerous forums with the aim of promoting its business and improving industry knowledge. In 2019, as a research team member, the Group's CEO, Ms Wu Xueying, was one of the key speakers at the "Comprehensive Refurbishment Solution for Old Estates in Harbin" forum which was organised by the National Ministry of Housing and Urban-Rural Development Center for Science, Technology and Industrialization Development whereby she shared practical solutions on comprehensive refurbishment of old residential estates.

Core business: Green Build is committed to improving the urban environment and becoming a trustworthy and internationally respected organisation with the aim to lead the industry. In 2019, through scientific development concepts and technologies, we are committed to provide quality work and services in areas such as improving our cities into livable communities, constructing underground utility tunnels, sustainable urban infrastructure projects, forestry ecological projects and PPP construction related projects.

Based on the Group's business plans and taking into account urban development trends, we focus on the comprehensive refurbishment of the old estates into livable estates and the core strategic business of the underground utility tunnel. We actively explore the "refurbish-construct-operate" model in the operation and management of

old estates and underground utility tunnels (post construction) through forming development strategy for the entire industry chain and thus, promoting the development of city transformation so as to contribute to the local economy and to achieve development of the grand blueprint of the “City Operators for the New Era”.

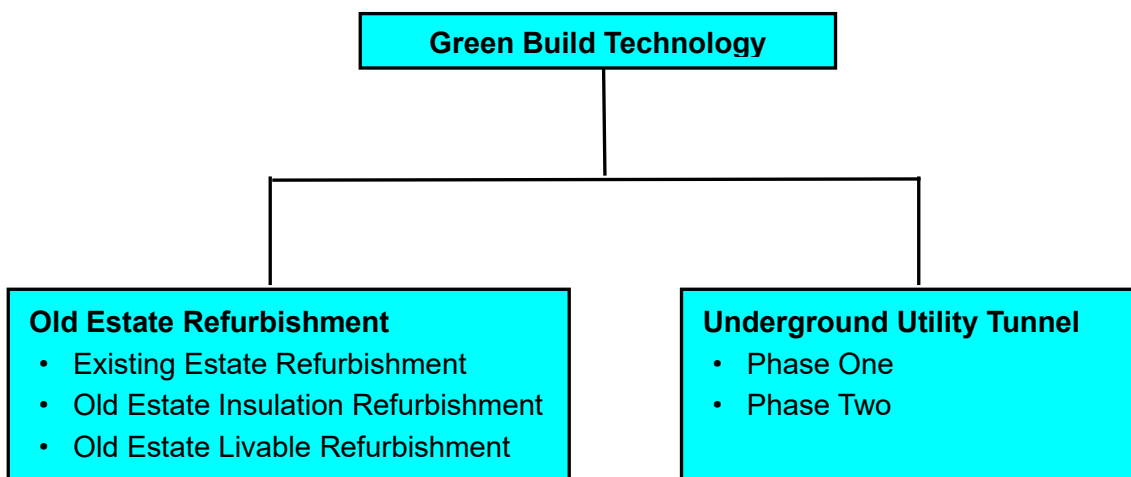


Chart 1-1 The overall strategic business layout of the company

### 1.1.2 Our Contributions to Society

#### (1) Participated in industry summits and lead the industry

Green Build participated in national level preparation meetings and researches such as "Evaluation Standards for Existing Buildings", the research project of the National Science and Technology Support Program of the "12th Five-Year Plan", the research on the project of livable renovation projects under the "13th Five-Year Plan", research on green energy-saving refurbishment projects and more than ten other academic researches and technology development which include the green building standard research, typical climate energy conservation and environmental protection technology application research, regional industrial economic development research, and research on new application of PPP model. At the same time, we were invited to participate in the International Cold Land Exposition, the International Green Building and Building Energy Conservation Conference, the Green City-Green Industry Forum in Brandenburg, Germany, the International Green City Development Conference, and the Green City Construction and Development Conference, and Heilongjiang Province (Hong Kong) Economic and Trade Cooperation and Exchange. We were also involved in the national key research and development plan for initiating construction of residential buildings and functional upgrading technology system and integration demonstration, green building and green building materials standards and practices. We have been widely recognised in the energy conservation and environmental protection industry and PPP projects industry. In 2019, as a member of research team, the Group's CEO, Ms Wu Xueying, was one of the key speaker at the "Comprehensive



Refurbishment Solution for Old Estates in Harbin" forum which was organised by the National Ministry of Housing and Urban-Rural Development Center for Science, Technology and Industrialization Development where our CEO shared practical solutions on comprehension refurbishment of old residential estates.

- (2) Industry-University research collaboration, bringing innovation ability to a higher level.

We worked with institutions such as School of Environmental Studies, University of British Columbia, University of Berkeley, Key Laboratory of Environmental Sciences, Stanford University, China Academy of Building Research, Shanghai Academy of Building Research, Shenzhen Institute of Building Research, School of Economics and Management and other leading scientific research units whereby we extensively carry out researches on green building development and energy-saving building refurbishment. We also extensively cooperated with many national carbon emission agencies for energy conservation and environmental protection, and worked with PPP Research Center of the Ministry of Finance and PPP Institutes of University of Chinese Academy of Sciences by conducting in-depth research on the PPP projects. The various cooperations listed above have led to technology achievements.

- (3) Building a financing platform and innovating investment and financing models

As a Singapore-listed company and the first PPP model practitioner, Green Build has won the bid for insulation projects and underground utility tunnel projects under PPP model in Harbin City. We formed a strategic partnership with China Everbright Holdings, China Everbright International, China Construction Bank, Bank of Communications and China Agricultural Bank, etc, whereby we built a strong financing platform. Currently, we have successfully invested in Harbin's insulation refurbishment project and underground utility tunnel projects. We achieved advantages from such project investments and related financing management.

- (4) Establish industry benchmarks and stimulate economic development

Green Build has always been committed to set a benchmark in the industry, stimulating employment, developing upstream and downstream industries and making a major contribution to economic development. At the same time, we focus on talent training in the form of training our employees' business capabilities and management capabilities, and also fostering talents with different skills.

### 1.1.3 Corporate Culture

Corporate mission: to improve the urban environment and to build a centennial enterprise.

Corporate values: innovation-driven, smart-leading, hard-working, and first-class in our work.

Corporate spirit: truth-seeking, innovative, openness and giving back to society with gratitude.

Business pursuit: career is more important than everything, responsibility is more important than everything, welfare of the people is ahead of everything, and the environment is above anything else.

The principle of employment: to promote the excellent employee, to keep the loyal employee, and to remove the inferior employee.

Corporate style: careful, rigorous, diligent, and responsible.

Corporate environment: mutual help, mutual love, mutual learning, mutual trust.

Corporate ethics: integrity, loyalty, filial piety, righteousness.

## 1.2 Performance review for 2019

The year 2019 is a remarkable year for the development of Green Build's strategic planning. The main projects of the Group include the phase one and phase two of underground utility tunnels and the insulation projects, all of which are under the PPP model. The Group has substantially completed phase one of the underground utility tunnel which contributed to total revenue of RMB 166.0 million.

### 1.2.1 Underground Utility Tunnel

Phase One: In October 2015, Harbin Shengming Energy Saving and Technology Co., Ltd., a wholly-owned subsidiary of Green Build Technology Limited, successfully won the bid for this underground utility tunnel project under the PPP model (the "Phase One"). This underground utility tunnel project is about 12 kilometres long, with a total investment of approximately RMB 1.057 billion. The construction period is about 3 years starting from 19 October 2015. In 2018, our Group has been contracted to complete a variation order for the installation of electrical wires and corbel. As at 31 December 2019, the entire project together with the variation order is substantially completed. Following its completion, the project will enter into operation for 25 years.

Phase Two: In August 2017, our subsidiary, Harbin Shengming Energy Saving and Technology Co., Ltd., successfully tendered for phase two of the underground utility tunnel project under the PPP model (“Phase Two”) which is 12.623 kilometers long, with a total investment of about RMB 1.398 billion. The construction period of Phase Two is about 3 years, starting from 1 September 2017. However, there has not been much progress in the construction of this project since 2018 as the Group has not obtained the necessary financing for this project.

### 1.2.2 Old Estates Refurbishment Projects

On 26 February 2014, Harbin Shengming Energy Saving and Technology Co., Ltd., a wholly-owned subsidiary of Green Build Technology Limited, undertook the national “Hebei Demonstration Project - Refurbishment of Hebei Community Estate using green technology”. The project involved 15 residential buildings with a total built-up area of 163,400 square metres. The project won the two-star standard under the “Evaluation Standard for Green Transformation of Existing Buildings”. This project has provided a strong example in Heilongjiang Province and even the whole country.

In 2015, the Group won the bid for the insulation project in Xiangfang District, Daowai District and Hulan District of Harbin. The project for the refurbishment of Daowai District involves 22 tender sections, 85 buildings and a built-up area of 890,600 square metres. The Xiangfang District's existing project involves 8 tender sections, 23 buildings and a built-up area of 201,700 square metres. The Hulan project involves 12 tender sections, 46 buildings and a built-up area of 319,800 square metres. In 2016, we completed the insulation project on existing old buildings of total built-up area 1.32 million square metres.

In 2018, we furthered our research on the comprehensive and livable upgrading of the old estate. We were invited to attend the “13th International Green Building and Building Energy Conservation Conference” and the “New Technology and Product Expo”. We also attended the “9th National Building Renovation Conference” and hosted the “Existing Building - Green and Livable Refurbishment” summit forum.

In 2019, as a member of research team, the Group’s CEO, Ms Wu Xueying, was one of the key speakers at the “Comprehensive Refurbishment Solution for Old Estates in Harbin” forum which was organised by the National Ministry of Housing and Urban-Rural Development Center for Science, Technology and Industrialization Development. Our CEO shared practical solutions on the comprehensive refurbishment of old residential estates.

## 1.3 Corporate Governance and Management Methods

### 1.3.1 Corporate Structure

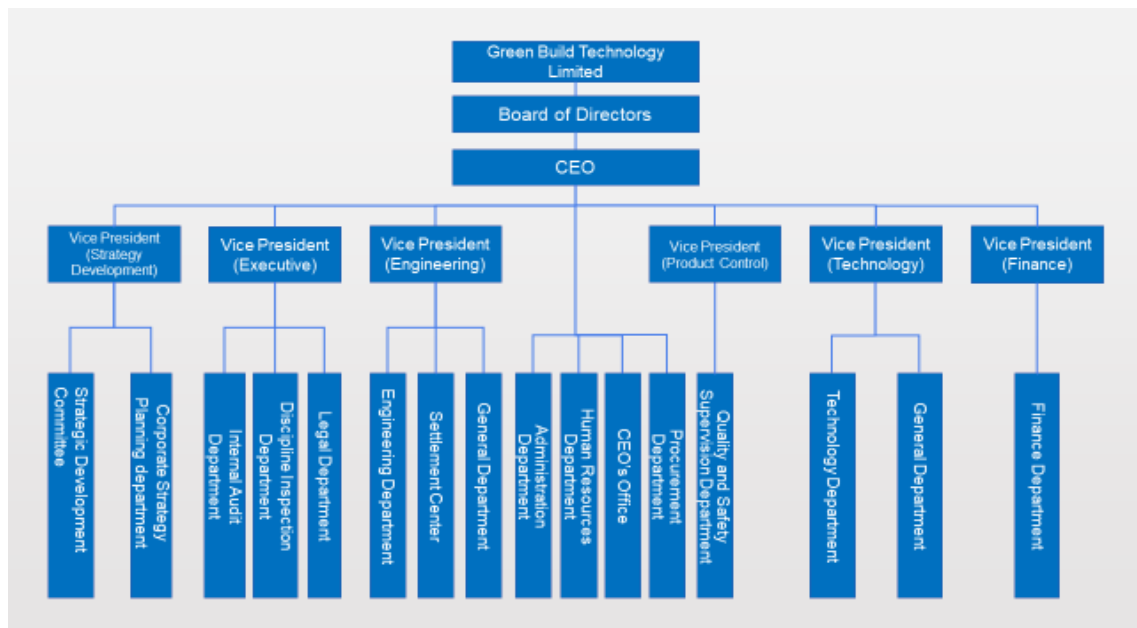


Chart 1-2 Corporate Structure

### 1.3.2 Decision Making System

Green Build has explored and established a modern enterprise system which constantly sought to improve our decision-making mechanisms, to promote scientific and democratic decision-making, and to improve corporate governance. As a listed company, Green Build's decision-making process mainly includes the following core elements:

The general meeting of shareholders is paramount to the Group.

The board of directors, led by the Chairman, is entrusted by the shareholders and is responsible for the Group's strategic development and related decisions.

The CEO is responsible for the day-to-day operations of the Group and is responsible for the Group's business performance.

### 1.3.3 Board of Directors

- ◆ Executive Chairman of the Board - Zhao Lizhi
- ◆ Executive Director and Group CEO - Wu Xueying
- ◆ Independent Director – Dong Congwen
- ◆ Independent Director – Ng Poh Khoon
- ◆ Independent Director – Soh Yeow Hwa

### 1.3.4 Management Team

- ◆ Board Chairman - Zhao Lizhi
- ◆ Group CEO and Executive Director - Wu Xueying
- ◆ Business Development Manager - Henry Li Mingyang
- ◆ Green Technology Division:
  - ▶ Deputy General Manager (Administration, Public Relations and Business Development) - Wang Hong
  - ▶ Deputy General Manager (Accounting & Finance) - Zhang Xiaohui
  - ▶ Deputy General Manager (Technical) - Sun Hong Lei

## 1.4 Sustainable Development Strategies and Goals

### 1.4.1 Sustainable Development Strategies

Green Build has explored and formulated an industrial development path with its own characteristics, focusing on the coordinated development of construction, energy saving, forestry and urban infrastructure construction. We believe strongly in scientific and technological innovation, business model innovation, management innovation, and the organisation of domestic and foreign resources. We strengthen our existing business, then foster and develop new strategic businesses, and enhance our core competitiveness. At the same time, according to changes in the internal and external environment, we will further promote strategic transformation. We formulate and implement development strategies; eliminate imbalances in urban resource allocation; improve urban environment; promote green environmental protection; and establish an industrial ecosystem.

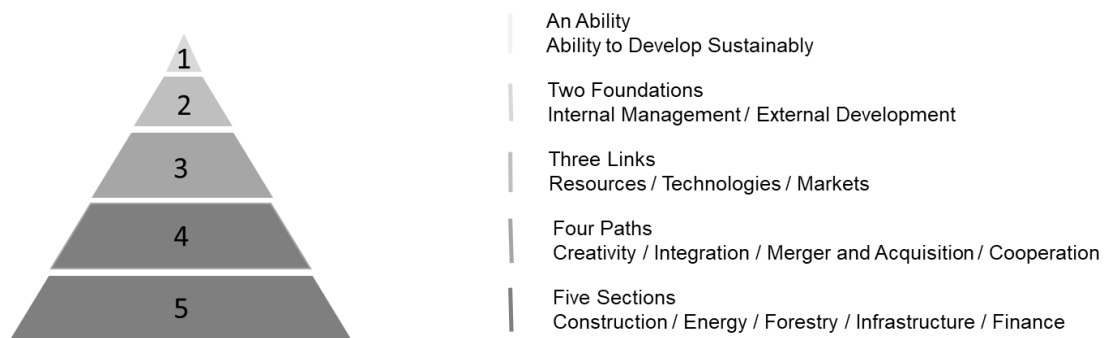


Chart 1-3 Sustainable Development Strategies

## 1.4.2 Corporate Vision

Corporate Vision: Building a Centennial Enterprise with the mission of “Improving the Urban Environment”, we are committed to become an internationally recognised listed company that is trustworthy and respected, and has a leading position in the industry with a wide influence.

The above corporate vision defines the action plan for the future development of the Group in the following aspects:

First - the openness of our business philosophy. We understand that our listing on Singapore Exchange is not the end, but the starting point. To become a leading company internationally and globally, we share the growth value of the Company with investors, suppliers, strategic partners, and social stakeholders.

Second - the multidimensional nature of the development space. Firstly, our business is mainly based in China. We began our business under the background of promoting environmental protection and improving environment for the city dwellers, reflecting our strong social responsibility. Secondly, we are an advocate of environmental protection and a promoter of industrial technological advancement for sustainable development. Through innovative research and development of green building and energy-saving technologies together with the development of a business model based on smart cities, we shall become an internationally respected company.

Third - the long-term development goals. A trusted and respected corporate brand (and with such recognition on a global scale) indicates a long-term sustainable development philosophy and a strategic goal. Our Group is committed to being a valuable corporate brand for China and the world.

Vision	With the mission of “Improving the Urban Environment and Building a Centennial Enterprise”, we are committed to becoming an internationally recognised listed group company that is trustworthy and respected, having a leading position and influence in the industry.
Key words	<ul style="list-style-type: none"> <li>● Based in China, facing the world</li> <li>● Internationalized and global market</li> <li>● Innovation and sustainable development</li> </ul>
Action plan	<ul style="list-style-type: none"> <li>● Openness in business philosophy: internal + external</li> <li>● Multidimensionality of development space: domestic market + international market</li> <li>● Long-term development goals: becoming a centennial company + sustainable development</li> </ul>

Chart 1-4 Company vision planning system

### 1.4.3 Sustainable Development Goals

Annual goal for 2019: Our Group continues to carry out the “Green Action Plan” such as strengthening life cycle management, energy conservation, emission reduction and environmental protection work across all departments of our operations and project management. We will increase the promotion of energy conservation and emission reduction standards and measures. We will ensure all our departments and employees participate in energy saving and emission reduction. Based on the four dimensions of disclosure, cognition, management and leadership, we respond to and disclose our climate change strategy, management system, risks and opportunities, and carbon emission management performance accordingly. We support green developments that truly benefit the people and society.

Mid-term and long-term goals: Our persistence to improve the urban environment and create a livable city for the benefit of the people. We are committed to ecological and environmental protection that benefit mankind.

### 1.4.4 Material ESG Factors

The Group has identified and prioritised the following material Environment, Social and Governance issues that are most material and relevant to the Group and its stakeholders.

GRI 201 – Economic Performance  
GRI 307 – Environmental Compliance  
GRI 401 – Employment

These issues are then linked to the overall strategy management and corporate social responsibility.

#### (A) Economic Performance

*Stakeholders’ impact:* Financial performance is one of the key factors which affects our investors’ and shareholders’ confidence level.

*FY2019 Performance:* Substantially completed phase one of underground utility tunnel and achieved revenue of RMB 166.0 million in FY2019.

*Commitment and Targets:* Strive to reduce administrative expenses and strengthen financial performances.

#### (B) Environmental Compliance

*Stakeholders’ impact:* Non-compliance with China’s country-wide (and the local government’s environmental rules and regulations will result in fines and disciplinary actions.

*FY2019 Performance:* Full compliance with China's country-wide and local government's environmental rules and regulations

*Commitment and Targets:* Maintain full compliance with China's country-wide and local government's environmental rules and regulations

### (C) Employment

*Stakeholders' impact:* Fair and merit-based employment practices are important to our employees as they affect our ability to attract, retain and develop local talents under the direct hire of the Group's offices and operations.

*FY2019 Performance:* (i) Same performance evaluation methods regardless of gender and domicile, (ii) internal transfer opportunities for staff to unleash their potential in posts that may be more suitable for them, and (iii) training courses and programs relevant to individual's job scope are sponsored by the Group.

*Commitment and Targets:* Provide training courses relevant to the job scopes of staff and organise activities for the employees to boost their morale and loyalty, and to foster closer working relationships with one another.

## **1.5 Sustainable Development Opportunities and Risks**

### (1) Eliminate the imbalance of urban resource allocation

*Opportunity:* The industry policy guides the development of the upgrading requirements of old estates into both energy-saving and livable estates. Such developments changes with time, responding to the calls of the government and to meet the growing needs of the people. The old estates are generally constructed with low standards and requirements. The problems of aging buildings, inadequate supporting facilities, limited areas for greenery, and insufficient parking spaces are prominent. At the same time, due to the lack of sound management and supervision mechanism, there are serious problems in these old estates such as illegal construction of facilities, crowded and poorly maintained facilities, and limited car-park space, etc.

*Risk:* Residents are affected by their thoughts and are reluctant to participate in the refurbishment of old estates.

*Measures taken in response:* Cooperate with the community and residents to explain the content and the benefits of such refurbishment exercises. We need to explain the new property management mechanism; the amount of capital contribution per household; and the benefits arising from the refurbishment exercises. In addition, we need to establish a "community of interest" relationship with the residents.

### (2) Improvement of urban environment



Opportunity: Policy supports urban construction. Harbin is a pilot city for the underground utility tunnel project. In addition, the market capacity for comprehensive refurbishment of old estates into livable communities is tremendous.

Risk: New competitors in the industry have sprung up and the competition will increase with new entrants to the market.

Measures taken in response: Enhance technical capabilities, establish industry standards and pioneering improved operation and maintenance management in the industry.

### (3) Promote Environmental Protection

Opportunity: The global demand for greener environmental and sustainable developments serves to ensure sustainability of resources for future generations.

Risk: Organisation may use non-renewable resources.

Measures taken in response: During the construction of our projects, we sought to use advanced and environmentally friendly technologies that reduce energy consumption and pollution. We sought to improve the utilization rate of clean energy and renewable energy through the use of energy-saving technologies. To reduce manufacturing and operating costs, we cooperate with upstream and downstream suppliers in the supply chain to jointly create a green supply chain that enhances efficiency and competitiveness of the value chain.

### (4) Establish an industry ecosystem

Opportunity: All projects are government policy-oriented with huge market potential.

Risk: No prior experience since projects are under the exploration stage and the industry mechanism may not perfect.

Measures taken in response: We train relevant technical talents for the industry; set industry standards and set benchmarks; accumulate experience in exploration, integrate upstream and downstream industrial resources, and establish a sound industrial development ecosystem. At the same time, we consolidate resources and participate in projects with the aim to improve local economic development that in turn reduce poverty, improve household income and revitalise rural areas.

## **1.6 Stakeholders Involvement**

Stakeholders involvement has always been the focus of Green Build's sustainable

development management. Green Build works closely with various stakeholders to actively listen to their needs so as to optimise the efficiencies and effectiveness of the management.

Stakeholders	Communication and Interaction
Residents	<ul style="list-style-type: none"> <li>• Develop questionnaire</li> <li>• Owners committee</li> </ul>
Employee	<ul style="list-style-type: none"> <li>• Trade union representative meeting</li> <li>• Party branch meeting</li> </ul>
Government agency	<ul style="list-style-type: none"> <li>• Government policy communication meeting</li> <li>• Government project special report meeting</li> </ul>
Supplier	<ul style="list-style-type: none"> <li>• Supplier review and appraisal meeting</li> <li>• Supplier contract and signing ceremony</li> <li>• Supplier Training Conference</li> </ul>
Industry/standards association	<ul style="list-style-type: none"> <li>• Industry forum</li> <li>• Standard seminar</li> </ul>
Media	<ul style="list-style-type: none"> <li>• Special interview</li> <li>• Inviting the media to participate in the major conference of Green Build</li> <li>• Social media promotion</li> </ul>
Financial institution	<ul style="list-style-type: none"> <li>• Investment and financing meeting</li> <li>• Major corporate events</li> <li>• Auditing</li> </ul>
Other NGOs and society	<ul style="list-style-type: none"> <li>• Participate in community projects</li> <li>• Participation in NGO meetings</li> </ul>

In the above-mentioned stakeholder participation activities, Green Build actively understands the expectations, requirements and suggestions of all parties, and adjusts the company's sustainable development goals accordingly by responding timely and effectively.

## **Section 2 Sustainable Business Systems and Service Models**

### **2.1 Old Estates Refurbishment Projects**

#### 2.1.1 Background

The comprehensive refurbishment project of the old residential estates forms an important part of the nation-wide implementation of the revolutionary strategy for energy production and consumption. It is therefore important to accelerate the construction of ecological friendly cities which is an effective means to promote energy conservation, reduce emission, and cope with climate change. It is also an important urban development project to society by improving the well-being of their livelihood. At the same time, it has significant support for accelerating the improvement of public services, infrastructure, innovation and development, resources and environment, and promoting the development of energy-saving and emission-reduction service related industries.

China attaches great importance to this development. It issued a strategic policy on strengthening energy conservation and emission reduction. In 2013, the “Green Building Action Plan” was issued whereby the energy efficiency of buildings in the northern cities is required to be not less than 65% by 2015. In 2016, the Ministry of Housing and Urban-Rural Development issued the “Notice to Prepare a Reserve List of Energy-saving and Livable Refurbishment of Existing Estates Projects”. In 2017, the Ministry of Housing and Urban-Rural Development issued the “Building Energy Conservation and Green Building Development - 13<sup>th</sup> Five-Year Plan” requires continuous promotion of comprehensive refurbishment of old estates into energy-saving and livable estates through energy-saving refurbishment such as insulation, installing security and heating systems, and upgrading of water pipes, drainage, electricity and other infrastructure. In 2019, Premier Li Keqiang of China presided over the convening of an executive meeting of the State Council to deploy and promote the refurbishments of old urban estates to meet the expectations of the people in improving their living conditions and in determining measures to complete the related refurbishment work.

Although Harbin City has implemented the energy-saving refurbishment of existing buildings since the “11th Five-Year Plan”, the market of existing non-energy-saving residential buildings requiring refurbishment is still relatively large with approximately 50 million square metres of built-up area requiring such refurbishments. The old estates are inherently lacking in heating during winter, environment configuration and parking infrastructure. The old estates are also faced with problems such as water-leakages in homes and polluted environment.

## 2.1.2 Business Systems and Refurbishment Models

### Business System

The new concept: from the public operation by the government → market-oriented, enterprise-oriented industrialization, market-oriented operation concept. (从政府单一主体的公共运营→市场为导向、企业为主体的产业化、市场化运营理念。)

The new model: Changing the mode for refurbishment, forming a comprehensive system, and three-dimensional full value chain for old estates refurbishment. (跳出为改造而改造的单点模式，形成系统、综合、立体的全价值链改造模式。)

The new model: Refurbish → Construct → Operate (构建改造→建设→运营)

Reconstruction content: “Refurbish” – existing infrastructure; “Construct” – functional and livable service projects; “Operate” – comprehensive management and refurbishment projects using smart community platform, providing residents with quality services and environment.

Benefits of refurbishment: Firstly, old estates refurbishment helps to increase energy-saving standards in buildings and increase effectiveness during heating in winter which result in the reduction in the number of small polluted boilers. Secondly, old estates refurbishment provides a basis for using clean and renewable energy. Thirdly, it brings about significant economic benefits to society. Finally, it brings environmental and social benefits to the country.

## 2.1.3 Cases

### (1) National Demonstration Project - Hebai Estate Refurbishment Project using Green Technology

On 26 February 2014, the National “12th Five-Year Plan” Task Force approved Harbin Shengming Energy Saving and Technology Co., Ltd., a subsidiary of Green Build Technology Limited, to undertake the upgrading of Hebai Estates using green technology. This became a demonstration project for a comprehensive refurbishment of old estates.

Hebai Community is located in Daoli District, adjacent to Qunli Development Zone and was completed in 1999. The residential area covers an area of 141,800 square metres, with a total construction built-up area of 290,000 square metres and consisting of 28 residential buildings. The buildings in this estate were run-down with most of the buildings having leaking roof-tops during wet seasons, and doors and windows damaged. These run-down buildings consumed large amount of energy during heating season in winter as the heating network of the estate were poorly insulated resulting

in high consumption of coal energy. The centralised garden of the estate was overgrown with weeds with unstable ground that collapsed frequently. The centralised garden had been identified as a dangerous zone that required urgent refurbishment to eliminate safety hazards.

15 of the residential buildings in Hebai Estate underwent comprehensive refurbishment with green technology whereby the insulation refurbishment was carried out using the highest energy saving standard for cold regions. The estate was equipped with clean energy equipment such as solar panels and natural gas heating elements during the refurbishment. Such equipment helps to reduce the reliance on coal for heating during winter. The comprehensive refurbished estate has resulted in reduction in energy consumption in buildings and pollution caused by coal heating. It has also prolonged the life of buildings and significantly improved living standards. The successful refurbishment of the demonstration project has provided a new standard for future comprehensive refurbishment of old estates.

## (2) Old Estates Refurbishment

In 2015, the Group won the tender to refurbish 1.32 million square metres of insulation refurbishment for estates located at Xiangfang District, Daowai District and Hulan District in Harbin city.

	Daowai District	Xiangfang District	Hulan District
Block	85	23	46
Area ('000)	809.6	201.7	319.8

Chart 2-1 Insulation Project

Green Build took the lead in proposing a new form of refurbishment for old estates known as the “1+N” refurbishment of old estates which involve energy saving insulation upgrading, integrating the concept of livable community into old estates, constructing of underground car parks and providing the upgraded estates with services such as security, kindergarten, medical care and old-age care.

The “1+N” refurbishment of old estates is a comprehensive refurbishment of old estates where “1” is the energy-saving insulation upgrading of old buildings while “N” can include one or more of the following upgrading: community and environmental improvement, underground car parks, improved water supply and drainage system, installation of elevators, functional and livable properties, etc.

The environmental, economic and social benefits in terms of energy conservation, emission reduction, environmental improvement, urban image enhancement, social harmony and reduction in government financial pressure, arising from the 1+N

comprehensive refurbishment of old estates, is anticipated to give rise to policies that would promote the refurbishment of old estates on a large scale basis. Such actions will bring about a cluster development of the old estates refurbishment industry resulting in an overall economic expansion, increase in government tax revenue, and improvement in job creation and income.

#### 2.1.4 Sustainability

As of 2019, there is an estimated built-up area of 210 million square metres of old buildings in Harbin, of which 151 million square metres of built-up area are residential buildings and 59 million square metres of built-up area are public buildings. Out of the 151 million square metres of built-up area of residential buildings, 46 million square metres of built-up area are non-energy efficient buildings. This presents a huge market for our Group for the 1+N refurbishment of non-energy efficient buildings. With the energy, motivation and past projects experiences of our experienced management team and our innovative design team, our Group expects to participate in the 1+N refurbishments of these non-energy efficient estates.

## 2.2 Underground Utility Tunnel Project

### 2.2.1 Background

The urban underground utility tunnel is built underground to carry utilities network for the transportation of material, energy and information for the whole city such as fibre-optics, water pipes, gas pipes, steam, telephone lines, electricity cables, television network, etc. Underground utility tunnels, with the use of underground space, are widely viewed as more sustainable than the traditional direct burial trenches as the latter often give rise to the digging and the refilling of land surface and thus led to pollution, waste of resources and traffic jams.

In 2015, as part of the China-wide top ten pilot cities for underground utility tunnel projects, Harbin launched its first batch of urban underground utility tunnel projects under the public-private partnership model (the “PPP”) with a total length of 25.5 km. We won the tender to construct one portion of the underground utility tunnel (known as “Phase One”) with a total length of 12km. The project is split into two locations in Harbin City, namely the Hanan area which includes: Hanan 9th Road, Hanan 12th Avenue, Hanan 15th Road, Hanan. Seventeen roads; and the Linkong which includes the Third Avenue and the Sixth Road. In 2018, through another government tender, we were further contracted to complete a variation order to install electrical cables and corbel in Phase One. The project was substantially completed in 2019. After the finalisation of costs of the project with the relevant government agencies, there will be 25 years of maintenance income and subsidies from the Chinese government.

In 2017, Harbin tendered out the second batch of underground utility tunnel projects

whereby we won the tender to construct an underground utility tunnel of total length of 12.6 km (known as “Phase Two”) also under the PPP model. Phase Two is split into two locations namely Hanan area which includes: 8th Avenue in Hanan, 5th Road in Hanan, Hanan 13th Road, Hanan 17th Road and Yungu Avenue; and the Linkong area which includes the Second Avenue, Linyi 4th Road, and Linkong 7th Road. There has not been much progress in the construction of this project since 2018 as the Group has not obtained the necessary financing for this project.

### 2.2.2 Industry leader



New model patent certificate

Research and technical achievements

### 2.2.3 Sustainability

The underground utility tunnel project is viewed as a “100-year” project and it is of great significance for ensuring urban security, improving urban engineering, and promoting urban intensive and efficient transformation. Being one of the top ten cities selected by China for its initial batches of underground utility tunnels pilot projects, Harbin has tendered out two batches of underground utility tunnels bearing a total length of 65 km, of which our Group has won two tenders to construct underground utility tunnels of total length of 24 km in Harbin city (i.e. 36% of the total underground utility tunnel projects tendered out by the Harbin’s government). Upon the completion of the underground utility tunnels projects, there will be an operation period of 20 to 25 years. In addition, the underground utility tunnel is expected to be used for a hundred years.

- (1) A hundred years project. The underground utility tunnel is constructed with the goal to operate it for 100 years.
- (2) A hundred years of space utilization. The underground utility tunnel makes use of underground space for a hundred years.

100 years of quality and efficiency: The underground utility tunnel has a design life of 100 years. It is designed to be durable so as to optimize costs and to reduce the maintenance costs during the operation period.

Our Group has been at the forefront of the industry in PPP projects. We are the practitioner of the first batch of underground utility tunnel projects under the PPP model in the country. We are also the only project company in Harbin to have won the Phase One and Phase two. Given these, our Group has an absolute advantage over our competitors and form a good development opportunity in the market. We will spare no effort to set the benchmark based on our underground utility tunnel projects in China.

## **Section 3 Sustainable Operations**

### **3.1 Compliance Operation**

#### 3.1.1 Operation Systems Development

##### (1) Background

Compliance management is not only the guarantee for the survival of enterprises but also the foundation for the long-term healthy development of enterprises, which can bring long-term economic benefits. The compliance management of enterprises, which is related to social welfare and the long-term development of enterprises, requires effective supervision and attention from all relevant parties.

##### (2) Method and practice

Adhering to business ethics and complying with international conventions and laws and regulations is the cornerstone of our Group's global compliance operations. The core philosophy of our Group is always upheld. We embed compliance requirements into the Company's policies, systems and processes, and train our professional teams to perform operations, advocate fair competition, and oppose any form of corruption and commercial bribery, and compliance operations.

##### (3) Compliance Management

Our Group always adheres to compliance management and integrates compliance requirements into the Company's daily operations. We actively conduct compliance exchanges with relevant government authorities, obtain approvals and necessary licenses, and conduct routine and compliance communication with other stakeholders continuously so as to increase transparency, enhance mutual understanding and trust, and jointly create "strict compliance" based on a benign business environment.

The Corporate Legal Department provides legal guidance on compliance issues such as setting up of compliance system; ensuring business compliance, intellectual property protection, anti-bribery, anti-corruption, and human resources management;



and assisting departments in conducting compliance activities by identifying, evaluating, and complying with the requirements.

At the same time, we insist on good faith management and have a “zero tolerance” attitude towards bribery and corruption. We strengthen the education of employees' moral and legal compliance. We require all employees to learn and sign the "Employee Code of Conduct" and "Integrity Practice Book" and pass the examination. Externally, we focus on informing our suppliers of our stance towards bribery and corruption and incorporate relevant requirements into supplier contracts. Our discipline inspection department provides complaint channels to encourage informed reporting and legal violations.

### 3.1.2 Culture Development

In the process of development, we focus on the management and the cultivation of corporate culture. We achieve this by organizing various cultural activities, increase cultural propaganda, and enhance the cohesiveness of employees with culture.

In December 2019, our Independent Director, Professor Dong Congwen, conducted the "Life Planning" course for all employees with the aim to encourage them to develop career goals.

In December 2019, our CEO, Ms Wu Xueying, conducted a five-day training session for all employees during the 2019 training week. The training involved "Workplace Psychology", "Life Needs Planning", "Leadership and Implementation", "Grateful Heart", etc., with the focus on training our employees from workplace literacy, team building, communication, psychological training, career planning, work efficiency to leadership training. The training helped our employees in many ways such as improving their professionalism, talents and teamwork. In addition, many employees deepen their sense of belonging and identified more with the Group.

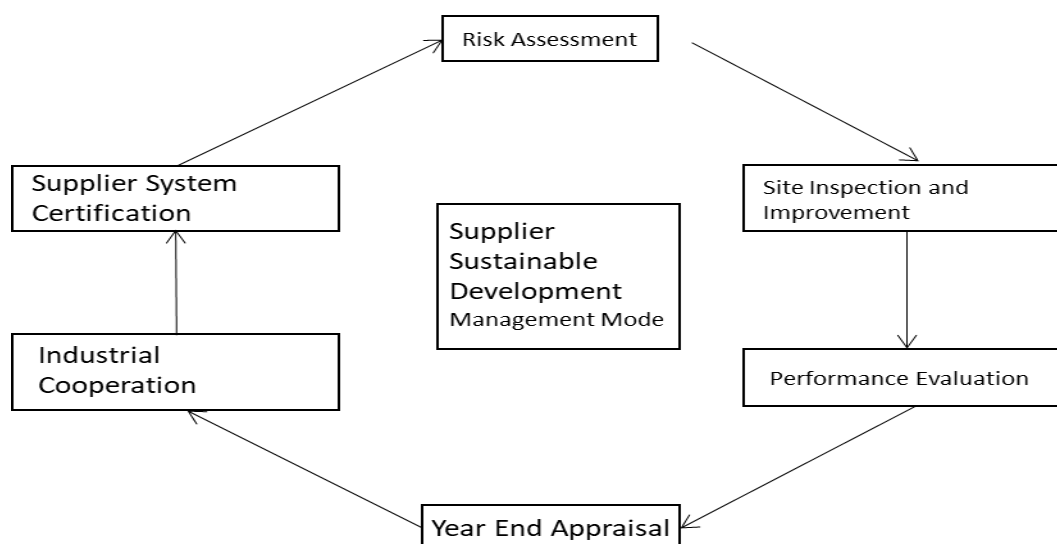
In 2019, the Group organised the "Let's go northeast together" and the "Reminiscence of Childhood" activities where employees participated in the activities with laughter and joy. These activities provided the opportunity for improving working relationships amongst employees and deepened their sense of belonging with the Group.

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 also offer opportunities to strengthen and improve their physiques. Through the holding of fun activities, all employees will be able to make positive contributions to the Group with stronger physical fitness, vigorous spirit, and passion.

### 3.1.3 Sustainable supply chain management

The sustainable development of the supply chain involves issues such as labor, health and safety, environmental protection, business ethics and management systems, which affect the sustainable development of the entire industry. Green Build integrates sustainable development into procurement operations and processes, integrates into the supplier life cycle, and continuously improves and effectively monitors and controls risks through the traction of suppliers.

We regard sustainable development as a requirement for the project and its production process fully integrates into the life cycle and value chain operations; fully integrates into the business cost leadership and differentiated competitive strategy; promotes sustainable development through business logic; and enhances corporate competition through sustainable development. The advantages and opportunities to identify risk control, efficiency improvements, and business innovation are gradually improved on the basis of cost-benefit analysis.



### 3.1.4 Corporate Accolades

- ◆ From 2015 to 2016, as the only enterprise representative in the PRC, the Group participated in the preparation of the national “Evaluation Standard for Green Refurbishment of Existing Buildings”, “Implementation Guide for Green Refurbishment of Existing Buildings”, “Technical Rules for Green Refurbishment of Existing Buildings” and “Research and Demonstration Project for Green Refurbishment of Existing Residential Buildings in Climate Areas”.
- ◆ From 2016 to 2017, Harbin Underground Utility Tunnel Operation and Management Co. Ltd., a subsidiary of the Company, won the honorary title

of “Worker Pioneer” in Harbin for two consecutive years.

- ◆ In 2016, the comprehensive refurbishment of Hebai estate using green technology in Harbin has won us the two-star green building design identification certificate.
- ◆ In 2018, the Group participated in the preparation of the “National Technical Regulations for Low-Energy Refurbishment of Existing Residential Buildings” and “Technical Regulations for the Installation of Elevators in Existing Residential Buildings”.

## **3.2 Employee Development**

### **3.2.1 Employee Diversity**

Employees are always the main force for Green Build to achieve sustainable development, and also an important factor in our ability to remain competitive and continue to lead. As the competition among enterprises will become increasingly fierce, the competition of enterprises is not only the competition of market, technology and knowledge but also the competition of talents. Therefore, knowing how to let employees fully exert their own value and how to create a harmonious working atmosphere for employees have become important topics of concern for our Group. While the Group continues to grow, we focus on the career development of employees, providing a variety of value channels for diversified employees to help employees achieve personal value.

At present, the Group has a total of around 86 employees, the ratio of the staff in other department and technicians is 4:6; the ratio of all male to female employees is 6:4; the ratio of male to female for high level management is 6:4. At the same time, we pay great attention to caring for female employees and helping them to develop their careers. On 8th March 2019, the Group sent flowers and free medical checkup cards to all female employees to celebrate International Women's Day.

Many employees of different ages, from different regions, and different professions form a big family of the Group. We develop and implement our diversification goals in all aspects of personal characteristics and commonality.

### **3.2.2 Employee Rights**

Green Build has always adhered to the International Convention on Economic, Social and Cultural Rights, the Convention on the Elimination of Discrimination in Employment and Occupation, and other international conventions ratified by the Chinese government, the Labor Law of the People's Republic of China, and the Labor Contract Law of the People's Republic of China. Relevant laws, regulations, and

systems related to the law have established a relatively complete employment management system, including Labor Contract Management Measures and Overseas Employment Management Measures, labor contract management, wage insurance and welfare, vacation, performance appraisal and vocational training. This is to standardise the employment behavior according to law. We adhere to the principles of fairness, justice, and transparency to recruit and use employees according to the quality requirements of the post, without any discriminatory provisions and discriminatory behaviors, and strive to establish a harmonious and stable labor relationship.

### 3.2.3 Improvement on Welfare System

The Group further improved the performance appraisal and salary distribution system, promoted the linkage of work efficiency, established and improved the salary and welfare system that highlighted job value, work performance, innovation results and met the characteristics of various personnel, ensuring that revenue growth was synchronized with enterprise development and labor productivity. Employees better reflect their value, actively fulfill the relevant requirements of the "Social Insurance Law of the People's Republic of China", steadily increase the participation rate of employees' social insurance, improve the supplementary medical insurance system, and protect the vital interests of employees.

### 3.2.4 Open for Communication

The Group fully respects the employees' democratic rights and legitimate rights and interests, pays attention to the role of employees' democratic management, democratic participation, and democratic supervision. It generally establishes a trade union organisation and a democratic management system based on the workers' congress, and protects employees' right to know about enterprise management.

### 3.2.5 Participation and supervision

By clarifying the various functions, organisational systems and working systems of the Staff Representative Conference, we will further standardize the transparency of the company's affairs. At the same time, the company has established a variety of channels for communication with employees, adheres to the democratic procedures, conducts multi-level communication and exchanges through employee representatives' symposiums and interactions, and encourages employees to participate in production management. At the same time, through organisational climate surveys, employee interviews, democratic life meetings, etc., take the initiative to understand employees' perceptions and appeals to the company, explore and analyze the reasons behind, provide constructive solutions, promote management improvement, and let employees love and respect their work.

### 3.2.6 Platform Development

The Group adheres to the modern enterprise concept, innovates the environment and system of talent development, improves the training base and training forms, pays attention to the development needs of employees at different stages, carries out career design, strives to shape innovative employees, and provides a broad stage for employees to realize their self-worth. The Group adheres to the principle of “employing superiors, loyalists, and mediocrity”, and establishes a democratic, open, competitive, and merit-based talent selection mechanism, and strives to create a good environment and atmosphere in which all kinds of talents stand out and make the best use of their talents. We attach great importance to the career planning of employees, strive to realize the self-value development space for employees and provide employees with independent, smooth and stable career development channels.

### 3.3 Strengthen Corporate Safety Operations

**Safety Training:** Starting from the concept of "people-oriented, safety first", the Group has adopted various forms of safety training to enable employees to internalise the importance of safety for themselves and others into their subconsciousness. Through continuous improvement of the safety management system, the implementation of safety protection measures ensures personal protection of employee safety. The Group continues to improve the safety training system and strengthen the safety training for all employees. Closely combining employee job requirements and safety training requirements, a safety training course system covering all employees was constructed. At the same time, our Group continuously explores innovative training methods, continuously improves the quality, efficiency and pertinence of safety training, and effectively controls various risks brought about in the production process.

**Safe Production:** Our Group always adheres to safe production as the lifeline of enterprise development, highlights key points, strengthens management on high-risk issues, provides a safer working environment, and strives to build first-class operational safety management capabilities. We organized safety responsibility programmes for all employees, carried out activities such as safety production month and safety lectures, to consolidate the safety awareness of all employees, enhance safety leadership, and further strengthen the safe culture we have built.

**Case:** In order to ensure the quality of the company's engineering projects, the standardization management concept of the standard project has been put in place. Since July 2017, Mr Zhao Lizhi, Chairman of our Group, and Ms Wu Xueying, CEO of our Group, have visited the site. The Sub-organisation Quality and Safety Supervision Department, Discipline Inspection and Supervision Department, President Office and other departments conduct joint inspections of the construction site to strengthen safety and quality management and supervision, enhance safety and quality sensitivity, pay close attention to weak links, strengthen and improve measures to ensure safety

and quality. At the same time, we firmly establish the "red line" awareness of quality and safety, implement responsibility at all levels, rectify the hidden dangers of inspections within a time limit, implement them in a timely manner, and work harder to tighten the work, grasp the details, and grasp the reality.

The recent outbreak of COVID-19 had prompted the Group to take extra precautions for all its employees such as the use of face masks at work and the practice of social distancing.

**Safety culture construction:** Safety management is the foundation of a company's sustainable development. We firmly establish the core value concept of "Safety first. Human is the decisive factor" of which we regard safe operation as the lifeline of an enterprise's development. We continuously improve the safety production security system, strengthen the safety management of personnel, production processes and emergency response, and strive to build an intrinsically safe enterprise.

### **3.4 Vigorously Apply Technological Innovation**

Scientific and technological innovation is the strategic engine for sustainable development of enterprises. We are driven by scientific and technological innovation, jointly developed by Harbin Municipal Engineering Design Institute, Harbin Institute of Technology, Harbin Forestry University, Harbin Highway Engineering Co., Ltd. and other related institutions. We are also driven by research related technologies for underground utility tunnel. Based on their own experiences, they have carried out research and exploration, tackled the common and key issues of the integrated management utility tunnel, quickly mastered the core technology, continuously improved the technical level of the integrated utility tunnel, innovated and developed the prefabricated assembly system, and obtained the patent for the prefabricated assembly system related to the construction of underground utility tunnel.

### **3.5 Social Responsibilities**

**Economic Growth:** Since 2017, in the face of the complicated domestic and international situation, on the basis of in-depth analysis and summarisation, our Group has formulated its development strategy and goals for the next phase. We unswervingly promote refurbishment and upgrading, which is the new norm for green construction that adapts to economic development. We will adhere to the principle of steady development, implement resources, market, internationalization and innovation strategies, focus on restructuring, complementing shortfalls, reducing costs, preventing risks, paying more attention to business layout and structural optimization, and to deepening corporate reforms and paying more attention to open cooperation. We place more emphasis on science and technology, management's innovation and business model innovation, pay more attention to green and low-carbon development, promote steady economic growth, and strive to become a domestic outstanding

enterprise.

Environmental: With global warming, reducing greenhouse gas emissions and protecting the environment has become one of the core global issues that humans need to address today. As a listed company, our Group is actively exploring effective ways to deal with climate change, reduce greenhouse gas emissions, and reduce energy consumption.

Our Group has always been a positive responder to environmental protection. We help society reduce energy consumption through contract energy management technology and green building materials, while also focusing on reducing the direct impact of our own business activities on the environment.

Case: On 28 March 2013, the company started the pilot project of contract energy management project, and completed the first phase pilot project of energy conservation renovation on 30 June 2013. The on-site inspection and tracking measurement by the authoritative third-party departments such as China Classification Society Quality Certification Company, indicated that the LED energy-saving light source used in the renovation project is better than the original energy-saving lamps, with energy consumption is reduced by 80%.

Social progress: Enterprises are rooted in the society, and giving back to the society is the responsibility of the company. Our Group will promote the common development of economy and society as the ultimate goal of the enterprise, pay attention to people's livelihood and social progress, expand joint ventures and cooperation, enhance regional development capabilities, serve community construction, and strive to promote the harmonious development of the economy and society. While comprehensively improving urban functions and promoting new urbanization construction, we adhere to open cooperation, mutual benefit and comprehensively expand joint ventures with state-owned capital, social capital and foreign capital in the upper, middle and lower reaches, and cultivate local enterprises in construction and operation. We work with suppliers and contractors to create jobs, drive the development of related industries, give back to local people, and promote local development and social progress.

## **Section 4 Sustainable Livable City**

### **4.1 Livable Cities Development**

Urban function is the embodiment of urban value and the basis for the continuous enhancement of urban influence. The perfect infrastructure is the guarantee for realizing the function of the city, the embodiment of the city's livable level, and the proper meaning of creating a civilized city.

#### **4.1.1 Livable Cities Refurbishment Plans**

In 2016, according to the “Notice on Carrying out the Reserve Work of Energy-saving and Livable Reconstruction Projects of Existing Buildings” issued by the General Office of the Ministry of Housing and Urban-Rural Development, the provincial-level cities are required to complete the 5 million square metres livable comprehensive refurbishment project within two years. Our Group reported a total of 5,991,100 square metres of livable comprehensive refurbishment project to be completed within three years.

Livable comprehensive refurbishment project: In 2018, 3 million square metres; in 2019, 1.8 million square metres; and in 2020, 1.2 million square metres. The 5,991,100 square metres of comprehensive livable and energy-saving refurbishment can benefit up to 270,000 owners. The benefits to the population are huge which range from improving the livelihood of the owners, generating huge savings in resources, and the integration of property management resources. The main steps to generate business are as follows: step 1, the comprehensive livable and energy-saving refurbishment market aims to complete the refurbishment of the non-energy-saving residential buildings in Harbin; step 2 is to gradually consolidate the industrial chain and expand the business scope from the design, construction, materials, equipment supply, and other industries; step 3 is to obtain long-term profit through follow-up business services, and establish multi-format, multi-model, group-oriented operation service companies.

#### **4.1.2 Underground Utility Tunnel Plans**

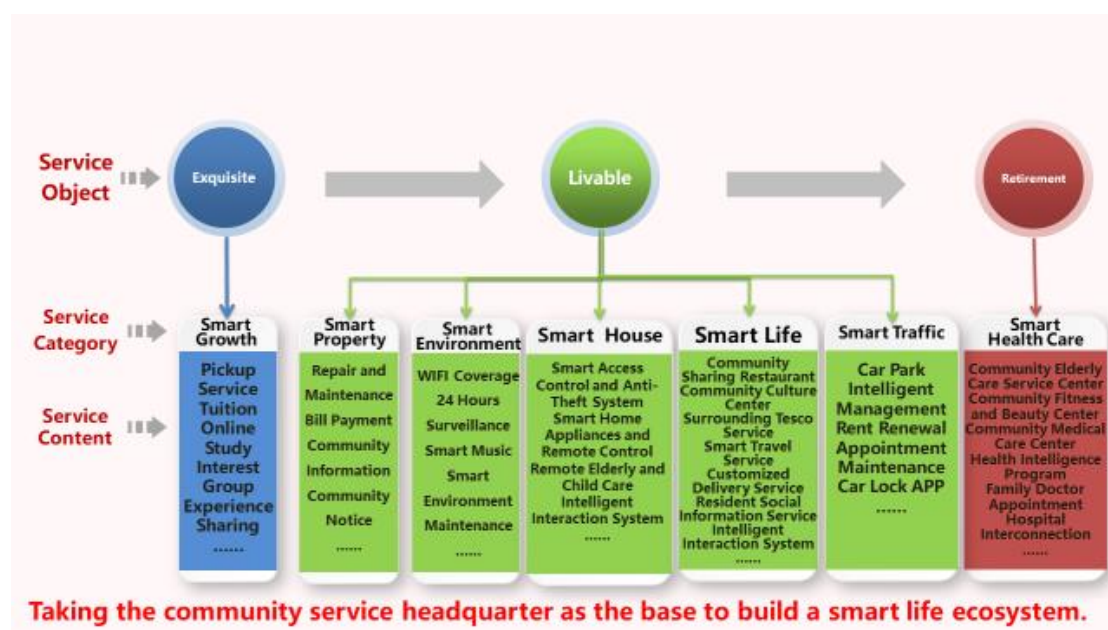
The construction of the underground utility tunnel is the key to ensuring the sustainable development of the city, inspiring the vitality of the market, and creating a new economic growth point. This is not only the development requirement of the “smart” city, but also the important meaning of “stable growth, reform, and benefit of the people.” As the only project company in Harbin that has continuously won the first and second phases of the project, our Group has an absolute advantage in terms of construction management experience and related construction know-how. Upon the completion of phase one of the underground utility project, we plan to generate revenue from managing the project.



## 4.2 Smart City and Ecosystem Development

In the future development process, we will establish an intelligent operation platform for community construction, excavate and expand property management, and integrate the operation rights of convenience service facilities, parking charge rights, logistics self-raising facilities, and venue rental fees. Focusing on property services, we will carry out home-based services such as housekeeping, maintenance, installation, sales and purchase, provide small meals, and form a new model for sustainable development of multiple industries.

Using next-generation information technology such as the Internet, cloud computing, mobile apps, and information intelligent terminals. Through automatic perception, timely transmission, timely release, and information resource integration and sharing of various types of information related to residents' lives, the community residents will achieve the digitization, networking, intelligence, interaction and synergy of the seven elements of eating, living, traveling, purchasing, entertainment and health that will make the “five” become the main ways for residents to work and live, providing residents with a safer, more convenient, more comfortable and more pleasant living environment. Ultimately, it will make residents' lives smarter, happier, safer, more harmonious and more civilised.



## 4.3 Society Improvement

The Group consciously fulfills its corporate social responsibilities, develops with its partners, grows with the community, and strives to create well-being for the Group's operations and the society as a whole. At the same time, in the course of business, we pay attention to fulfilling our responsibilities, actively integrating into local communities,

participating in various social welfare undertakings, promoting the coordinated development of the local economy, environment and society, and striving to win the respect and trust of the international community and local parties.

The development of the company's main business enables residents to enjoy a more complete living environment and related supporting service facilities. At the same time, in the smart community ecology, residents enjoy convenient, efficient and humanized intelligent services. The strategic development plan of the Group's stands in the perspective of green environmental protection and creating a smart living environment based on the carrying capacity of resources and environment and enhancing the awareness of green environmental protection in infrastructure construction. Also, we will promote green and energy-saving consumption, continue to increase pollution reduction efforts, strengthen the concept of low-carbon construction, adhere to land-saving, energy-saving, material-saving, and build a resource-friendly and environmentally-friendly ecological livable city for humanity. This will be a major contribution to sustainable development.

## Outlook 2020

In 2020, we continue to carry out the “Green Action Plan”, strengthen the life cycle management, embed energy conservation, emission reduction and environmental protection work in all departments of the group's operations and project management, and increase the promotion of energy conservation and emission reduction standards and measures. We stay focused on energy saving and emission reduction in the whole process and ensure the Group continuously reduces costs and increase efficiency.

In 2020, we will continue to stay committed to the “Green Action Plan”, whereby we will also focus on waste reduction during the construction of our projects so as to ensure the Group continuously reduces costs and increases efficiency. The Group is committed to updating the public on our climate change strategy, management system, risks and opportunities, and carbon emission management performance. We practice green development that truly benefits the people and the society. While the Group is optimistic of its green technology business and projects as the market for its energy conservation services and sustainable development solution is immensely huge in China, it believes that the ability to obtain and/or refinance the appropriate level of financing in due course and the successful containment of COVID-19, among others, would be crucial in securing and ensuring the smooth undertaking of such projects.

The recent outbreak of COVID-19 had prompted the Chinese government to extend the Lunar New Year Holidays to 9 February 2020 where strict preventive measures have since been put in place to combat the pandemic. The local Harbin government has also put in place measures to restrict activity of companies in the interim until the situation has improved. Economic activities are expected be affected whereby economic growth in China is expected to be lower than the 6.1% GDP growth recorded in 2019 due to this pandemic.

With the various preventive measures taken by the Chinese authorities, the Group will be resuming its operations gradually, taking extra precautions for all its employees and complying to the government's directives. Based on the current situation, the Company is of the view that the Group's financial performance may be affected in the near future.

## Appendix

### United Nations Sustainable Development Goals (“SDGs”) for sustainable development of Green Build Technology Limited

No.	SDGs	Green Build
1	The eradication of poverty	<ul style="list-style-type: none"> <li>- Comprehensive livable refurbishment</li> <li>- Forest cultural tourism development, promoting precision poverty alleviation</li> <li>- Project construction, driving employment</li> </ul>
2	Eliminate hunger	<ul style="list-style-type: none"> <li>- Forest cultural tourism development, promoting precision poverty alleviation</li> </ul>
3	Good health and well-being	<ul style="list-style-type: none"> <li>- Comprehensive and livable refurbishment, reducing smog and improving the environment</li> <li>- Forest health care medical campaign to improve people's health awareness and level</li> <li>- Caring for employees' physical and mental health, improving employees' health and well-being</li> </ul>
4	Quality education	<ul style="list-style-type: none"> <li>- Forest Culture and Ecology City Provides quality education resources for the public</li> <li>- Strengthen employee training and study, improve staff quality and ability</li> </ul>
5	Gender equality	<ul style="list-style-type: none"> <li>- Company male to female ratio</li> <li>- Caring for women's growth</li> </ul>
6	Clean water and sanitation	<ul style="list-style-type: none"> <li>- Forest groundwater resources protection</li> <li>- Comprehensive refurbishment of recycling system for water in the old cities (Sponge City)</li> </ul>
7	Affordable and clean energy	<ul style="list-style-type: none"> <li>- Forest clean energy recycling</li> <li>- The use of a variety of clean energy sources such as solar energy in old cities</li> </ul>
8	Decent work and economic growth	<ul style="list-style-type: none"> <li>- Employee common development plan: partnership and training</li> <li>- Green building industry development</li> <li>- Cultural tourism industry development</li> <li>- Urban livable industry development</li> <li>- Healthcare industry development</li> </ul>
9	Industry, innovation and infrastructure	<ul style="list-style-type: none"> <li>- Urban underground utility tunnel infrastructure integration development (national standard)</li> <li>- Internet + smart underground utility tunnel information management platform</li> </ul>

		<ul style="list-style-type: none"> <li>- One-stop full smart community ecological infrastructure construction</li> </ul>
10	Narrowing the gap	<ul style="list-style-type: none"> <li>- Accurate poverty alleviation, narrowing the gap between urban and rural development</li> <li>- Refurbishment of old urban areas, narrowing the environmental gap of urban residents</li> </ul>
11	Sustainable cities and communities	<ul style="list-style-type: none"> <li>- Comprehensive refurbishment of old urban areas to achieve sustainable urban development</li> <li>- Ecological community construction, realization of livable community ecology</li> </ul>
12	Responsible for consumption and production	<ul style="list-style-type: none"> <li>- Promote safety management, promote green production, and standardize production</li> <li>- Apply energy-saving innovation technology to improve project quality</li> </ul>
13	Climate action	<ul style="list-style-type: none"> <li>- Energy-saving refurbishment for green buildings</li> <li>- Reducing pollutant emissions</li> <li>- Protection of forest ecology and tourism resources and civilization</li> <li>- Contribution to the green environment</li> </ul>
14	Life Below Water	<ul style="list-style-type: none"> <li>- Careful management of the oceans and marine life as a priority</li> <li>- Prevention and reduction of marine pollution</li> </ul>
15	Life on Land	<ul style="list-style-type: none"> <li>- Protection of forest ecology and tourism resources and civilization</li> <li>- Forest resources are treasure</li> </ul>
16	Peace, justice and strong institutions	<ul style="list-style-type: none"> <li>- Adhere to the law and compliance management to ensure the steady corporate development</li> <li>- Relying on the platform of listed companies to form a sustainable development mechanism</li> <li>- Establish a collaborative development platform and cooperate with central enterprises</li> </ul>
17	Partnership to promote goal achievement	<ul style="list-style-type: none"> <li>- Integration of supply chain resources to create a full industrial chain development model</li> <li>- Maintain communication with stakeholders, working together for a win-win situation</li> </ul>



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