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GREEN BUILD TECHNOLOGY

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CORPORATE INFORMATION

BOARD OF DIRECTORS	:	Zhao Lizhi (Executive Chairman) Wu Xueying (Executive Director and Chief Executive Officer) Henry Li Mingyang (Executive Director, appointed on 1 March 2016) Kuan Cheng Tuck (Independent Director) Yao Fengge (Independent Director) Li Bin (Resigned on 8 March 2016) Lu King Seng (Resigned on 1 April 2016)
AUDIT COMMITTEE	:	Kuan Cheng Tuck (Chairman) Yao Fengge
NOMINATING COMMITTEE	:	Kuan Cheng Tuck (Chairman) Yao Fengge
REMUNERATION COMMITTEE	:	Kuan Cheng Tuck (Chairman) Yao Fengge
COMPANY SECRETARIES	:	Lim Kok Meng, LLB
REGISTERED OFFICE	:	9 Temasek Boulevard #09-01 Suntec Tower Two Singapore 038989 Telephone: (65) 6407 1432 Facsimile: (65) 6407 1501
COMPANY REGISTRATION NUMBER	:	200401338W
AUDITOR	:	Ernst & Young LLP Public Accountants and Chartered Accountants One Raffles Quay North Tower, Level 18 Singapore 048583 Partner-in-charge: Ang Chuen Beng Appointed since financial year ended 31 December 2013
SHARE REGISTRAR	:	Boardroom Corporate & Advisory Services Pte. Ltd. 50 Raffles Place #32-01 Singapore Land Tower Singapore 048623
LEGAL ADVISERS	:	Wong Tan & Molly Lim LLC 80 Robinson Road #17-02 Singapore 068898
PRINCIPAL BANKERS	:	DBS Bank Ltd 12 Marina Boulevard Marina Bay Financial Centre Tower 3 Singapore 018982 Everbright Bank, Harbin Branch 5 Dashun Street, Nangang Development Zone Harbin City, Heilongjiang Province People's Republic of China Bank of Communications, Harbin Branch 428 Youyi Road, Daoli District Harbin City, Heilongjiang Province People's Republic of China China Merchants Bank Co., Ltd. Harbin Branch 41 Hongxiang Road, Nangang District Harbin City, Heilongjiang Province People's Republic of China Shanghai Pudong Development Bank, Harbin Branch 392 Xuefu No.4 Street, Nangang District Harbin City, Heilongjiang Province People's Republic of China Industrial Bank, Harbin Branch 282 Huayuan Street, Nangang District Harbin City, Heilongjiang Province People's Republic of China Jinzhou Bank, Harbin Branch 410 Hanshui Road, Nangang District Harbin City, Heilongjiang Province People's Republic of China

Corporate Profile

Green Build Technology Limited ("Green Build" or "the Company") was founded on 6 February 2004. Its stock trading code on the Singapore Exchange is Y06. Currently, its subsidiaries in China include Harbin Shengming Energy Saving and Technology Co., Ltd., Harbin Utility Tunnel Construction and Management Co., Ltd., Harbin Prevailing Municipal Engineering Co., Ltd. and Harbin Superior Construction Materials Trading Co., Ltd . In 2015, the Company disposed of its packaging business to focus on managing projects relating to urban infrastructure construction, comprehensive refurbishment of old estates, and the investment, management and operation of energy-saving and environmental projects.

The Company is the only corporate participant in the committee to formulate the National Green Mark Standard for Evaluation of Upgrading of Existing Buildings. It completed the Three-Ditch Bankside Green Lighting Project, a demonstration project showcasing the installation of LED street lamps at Hejiagou and Majiagou to reduce energy consumption. It is also the appointed enterprise to complete an estate upgrading demonstration project involving green technology under the China's Twelfth Five-Year Plan theme of "Green Development". In 2015, the Company continued to be successful in its bid for general energy-saving building projects in Harbin and was also successful in its bid to construct one of the first utility tunnels in China, thus becoming a pioneer in this industry.

The Company has the most qualified and competent R&D team in the industry in energy-saving technology. It gathers a legion of industry experts and researchers, working together with the leading R&D units of China Academy of Building Research, Shanghai Research Institute of Building Sciences, Shenzhen Institute of Building Sciences and Harbin Institute of technology to conduct extensive research into green redevelopment of building and has obtained relevant patents in this field.

Through years of effort, the Company is now well-recognized and well-regarded by the industry. The Company was invited to participate in the third, fourth and fifth sessions of the "Heilongjiang Provincial People's Congress", presented in the Prevention of Air Pollution seminar in Heilongjiang Province as keynote speaker, organized the "create low-carbon city, build Green Harbin" seminar at the Harbin International Cold Zone Expo. The Company was also the only keynote speaker from Harbin at the Eleventh International Conference of Green Development and Energy Saving to speak on "Countering Smog – Promoting green redevelopment on existing building". The Company also participated in the Heilongjiang Province (Hong Kong) economic and trade cooperation activities 2015. It also organized the "New Norm, New Opportunities, New Model – PPP and Heilongjiang Economic Development" seminar, which is the first PPP seminar in Heilongjiang.

Currently, China is actively promoting the Public-Private-Partnership ("PPP") model. As the first PPP model practitioner in Harbin Heilongjiang, the Company is at the forefront of the industry. In 2015, the general energy-saving building projects and the utility tunnel projects in Harbin adopted the PPP model. This successful implementation of the PPP model bodes well for the economic restructuring and infrastructure construction in Heilongjiang.

2016 is the first year of China's Thirteenth Five-Year Plan. In this starting year, the Company will spend every effort in the utility tunnel project to complete this benchmark project in China's first utility tunnel construction. The Company is also committed to complete the general energy-saving building projects, improve the living environment of residents and uplift the urban environs. It will also support the use of PPP model in the infrastructure construction projects as a means in promoting Harbin's economy growth, and proactively expand our business and presence to reach another peak in the urban infrastructure construction realm.

企业简介

新加坡绿建科技集团成立于2004年2月6日，股票交易代码Y06，目前在中国境内有哈尔滨圣明节能技术有限责任公司、哈尔滨市管廊建设管理运营有限公司、哈尔滨既有市政工程有限公司等多家子公司。2015年公司将原有包装业务成功剥离，专注从事城市基础设施建设、老城区综合改造和节能环保产业项目的投资、管理、运行产业。

在中国作为唯一一家企业代表参与国家《既有建筑改造绿色化评价标准》编制会议；完成黑龙江省三沟沿岸LED照明节能改造示范工程；成为“十二五”国家课题组“绿改”示范工程项目的实施单位。2015年更是连续中标哈尔滨市一般性建筑节能改造项目及中国首批地下综合管廊建设项目，成为行业先驱。

拥有行业内实力最为强大的节能技术研发团队，聚集了一大批行业资深专家和开发队伍，联合中国建筑科学研究院、上海市建筑科学研究院、深圳建筑科学研究院、哈尔滨工业大学等技术领先的科研单位，广泛开展绿色化建筑改造的相关研究，已获得相关专利。

通过多年的努力，在中国行业影响上受到多方肯定，受邀参加“黑龙江省十二届人大三次、四次、五次会议”、出席黑龙江省大气污染防治研讨会并做主旨发言、主办哈尔滨国际寒地博览会“打造低碳城市•建设绿色哈尔滨高峰论坛”、在第十一届国际绿色建筑与建筑节能大会上的圣明节能作为黑龙江省唯一一家企业代表进行《雾霾时代——全面推进既有建筑绿色化改造》的主题演讲，同时作为企业代表参加2015黑龙江省（香港）经贸合作交流活动，主办“新常态、新机遇、新模式—PPP与龙江经济发展”为主题的黑龙江省首个PPP模式研讨高峰论坛，引得各方关注。

目前，中国大力推行PPP模式，绿建科技也走在行业前段，成为第一批PPP模式的践行者。2015年一般性建筑节能改造与哈尔滨地下综合管廊建设均采用PPP模式实施，该项目的成功实施对促进龙江经济转型，对龙江基础设施建设具有极其重大的推动作用。

2016年，是中国“十三五”规划的开局之年，在新的一年中，我们将竭尽全力做好管廊项目建设，打造国内首批地下综合管廊建设的标杆项目；将精益求精的做好既有建筑一般性节能改造项目，改善居民居住环境，提升城市形象；将大力推动PPP模式在我市基础设施建设行业的应用，成为新模式的先驱者；将加强与金融机构的合作，形成全产业发展模式，推动我市经济发展；将积极开拓疆土，在城市基础设施建设领域再创辉煌。





Chairman's Statement

董事局主席致辞
各位董事、各位股民代表：

2015年是绿建科技（集团）有限公司大跨步的一年，是奋进拼搏的一年，也是值得骄傲的一年。在各位董事、广大股民的支持下，在公司战略发展的正确布局下，在全体员工的不懈努力下，我们跨越了一座又一座的高峰，成长为今天中国老城区综合改造、城市基础设施建设行业领域的领军企业。

近二十年来，中国政府大力推动节能环保产业发展，出台相关政策推动老城区综合改造进程，绿建科技顺应时代发展要求，紧跟政府布局，在中国十二五的收官之年中，不断进取，力求高效、长远发展。我们秉承“做改变环境、推动社会和谐发展的领军企业”的企业发展愿景，践行“用先进的节能技术，为社会持续提供绿色低碳、节能、环保的优质产品和卓越服务”的价值观，通过全体公司同仁的不懈努力成为2015年中国哈尔滨一般性节能改造的实施单位，并成功中标全国仅有的十个首批示范城市哈尔滨的地下综合管廊建设项目。

在国家高度重视生态文明建设和环境保护的大背景下，绿色发展已成为引领全球发展的重要理念和行动。“十三五”环保事业将迎来更大、更快、更好的发展。“十三五”时期也是全面建成小康社会、实现第一个百年奋斗目标的决胜阶段。环保产业处于大有作为的重要战略机遇期，而这也是我们绿建一次更大的机遇与挑战。

激情与汗水成就了过去，理性和坚强铸就未来。2016年是绿建科技发展史上的又一关键年。我坚信，只要我们团结一心、同心同德、群策群力，在国家加快城市基础设施建设的一贯政策利好和各级政府的关怀扶持下，通过全体绿建人的共同努力和各位股民、各界朋友的鼎力支持，我们会以只争朝夕的姿态、奋斗必胜的信心、敢为人先的精神和一往无前的勇气，趁势而上，在城市基础设施建设、老城区综合改造等领域不断努力，开拓疆土、再创辉煌。

赵立志
董事局主席

Chairman's Statement
Dear stakeholders,

2015 is a year of progress for Green Build Technology Limited ("Green Build" or "the Group"), a year we fought hard, and a year we can be proud of. With the support from our Board of Directors and our shareholders at large, the Group executed its strategic growth plans through our staff's steadfast diligence, and reached peaks after peaks, attained successes after successes, to become the industry leader in the PRC in the comprehensive refurbishment of existing estate and urban infrastructure construction.

Over the past two decades, the PRC Government has been robustly promoting the energy conservation and environmental protection industry, and introducing the relevant policies to promote the comprehensive refurbishment of existing estates. Green Build addresses the demands and needs of the time, matches up the Government's strategic blueprint, continues to be enterprising, strives to be efficient and plans for the long-term development in this closing year of the China's Twelfth Five-Year Plan. In upholding our Corporate Vision of "Improving the environment, promoting societal development to become a leading enterprise", adhering to our Corporate Mission of "Providing green, low-carbon, energy saving solutions and services to society through state-of-the-art green technology", the Company worked in unison diligently to become the appointed enterprise for general energy-saving building projects in Harbin and to successfully clinched a contract to build a utility tunnel in Harbin, which is one of 10 selected cities for the PRC's first demonstration utility tunnel projects.

With the greater governmental emphasis on ecological progress and environmental protection, green development has become an important concept in leading global development. The Thirteenth Five-Year Plan is expected to bring bigger, faster and better development to the environmental protection industry. It will be an era to build a moderate prosperous society, and is a crucial phase in achieving the first centurial goal. The environmental protection industry is now in a strategic phase of abundant opportunities, which brings to Green Build more opportunities and greater challenges.

Passion and sweat created the achievements of our past; sensibility and perseverance forge our future. 2016 will be another crucial year in our development and progress. I firmly believe that if we unite as one, put our efforts together to take advantage of the government's support in urban infrastructure building and refurbishment of existing estates, and strive relentlessly with the support from all staff and stakeholders, we can expand our boundaries and markets, and achieve greater success.

Zhao Lizhi
Chairman of the Board of Directors

赵立志
Mr Zhao Lizhi

赵立志
绿建科技集团董事局主席

高级能源管理师，建筑节能专家，节能环保产业知名企业家，黑龙江省土木建筑学会绿色建筑专业委员会委员、哈尔滨市绿色建筑专业委员会秘书长、哈尔滨工业大学、哈尔滨商业大学MBA教育中心、哈尔滨商业大学商业经济研究院等大学特聘教授。二十多年建筑企业管理及工程管理经验，拥有丰富的现代企业管理与资本运营、建筑节能技术开发与工程管理、公共设施建设等先进理论和实践经验。自主研究发明、实用新型、外观设计专利百余项。所创企业先后被评为黑龙江省省级专利工作试点单位、2006年第三批全国企事业知识产权工作试点单位、高新技术企业黑龙江节能门窗产业化基地。全国首创了“专利技术零点输出”的合作模式，为国家节能环保事业做出了重要贡献。自2010年以来，全程参与哈尔滨十大惠民工程项目—既有建筑节能改造工程。2013年，率先以合同能源管理模式在哈尔滨市三沟沿岸LED照明试点工程项目上取得成功。2014年1月6日，受邀参加“黑龙江省十二届人大三次会议企业列席人员座谈会”，并代表企业家发言，提出了针对老城区“关于太阳能结合天然气替代燃煤锅炉供暖”的议题，为雾霾天气的治理提供了新的解决途径，并引起社会各界人士的广泛关注。作为专家代表参加国家标准《既有建筑改造绿色评价标准》的编制工作。

Mr Zhao Lizhi is re-designated as Executive Chairman and Director on 1 March 2015. Mr. Zhao is a senior energy management professional and building energy-saving expert, and he is also a well-known entrepreneur in the energy-saving industry with more than 20 years of corporate management and project management experience. He has scores of invention patents under his name, which are related to energy-saving and insulation doors, windows and materials. Mr Zhao is also an adjunct lecturer with several universities in Harbin city.

武雪莹
Ms Wu Xueying

武雪莹
绿建科技集团总裁兼哈尔滨市管廊建设运营管理有限公司总经理

高级能源管理师，黑龙江省科顾委专家，全国管理人才职业资格评审委员会专家，黑龙江省十大慈善人物之一，哈尔滨商业大学MBA教育中心特聘教授，《龙江讲坛》特聘教授，省委党校在职研究生。专注于企业管理理论的研究与实战经验的积累，先后领导并参与了上百家企业的企业管理咨询、企业战略规划、业务流程设计、企业文化建设等工作。其根据企业需要开发的“九商素质训练”课程尤其受到企业的欢迎，2005年9月，所著《九商——最佳员工的九项修炼》一书由中国发展出版社出版，两个月内销量突破10000册，并获得黑龙江省社科院优秀科研成果三等奖，2008年该书被收编至《中国管理年鉴》。2015年先后在全国建筑业的大型综合性权威期刊《建筑》发表《“三个转变”推进既有建筑“绿色改造”》的论著，《建筑设计管理》杂志上发表《既有建筑绿色化改造全产业链发展模式研究》论著，在国内引起广泛关注。

武雪莹女士多年来一直致力于节能环保领域，从2010年至2013年，全程参与哈尔滨市既有建筑节能改造工作，在工程管理、材料管理、建筑节能新材料、建筑节能新技术的研究等方面积累了丰富的实战经验。

2014年在黑龙江省大气污染防治研讨会上发表重要讲话《建筑节能与供暖改造——缓解雾霾的有效途径》，独到观点受到与会专家的一直认可，经媒体广泛报道后赢得社会各方关注；在哈尔滨国际寒博会“打造低碳城市，建设绿色哈尔滨”高峰论坛的两个分论坛中分别进行《立足“三个转变”，大力推进老城区综合改造》、《发展绿色建筑，引领绿色经济发展》重要讲话，得到与会专家高度评价，并接受中央电视台、黑龙江省电视台等十余家媒体的专访，受到省市政府的关注；在省两会中，作为唯一一家企业代表与省领导进行工作汇报，详实、深刻的讲解得到省委书记王宪魁的好评。2015年作为黑龙江省唯一一位企业代表在第十一届国际绿色建筑与建筑节能大会暨新技术与产品博览会《既有建筑节能改造技术及工程实践》论坛中，进行《雾霾时代——全面推进既有建筑绿色化改造》的主题演讲；与《新常态新机遇新模式——PPP与龙江经济发展2015高峰论坛》中 进行PPP模式与龙江城市基础设施建设的重要发言，对龙江基础设施建设具有极其重大的推动作用。

在企业战略管理、企业运营管理、企业文化建设、节能改造工程等方面具有深厚的理论功底、丰富的实践经验，在多个领域取得显著成绩。

Ms Wu Xueying is our Chief Executive Officer was appointed as an Executive Director of our Company on 11 March 2014 pursuant to the Group restructuring to diversify into new business lines of the provision of energy conservation services and sustainable development projects. Ms Wu is a certified senior energy manager, a member of Heilongjiang Technology Economy Expert Advisory Committee, a member of the National Management Talent Vocational Qualification Review Committee and is one of ten major philanthropists in Heilongjiang Province. She is also an adjunct lecturer with the MBA Education Centre of Harbin Commerce University. She specialises in management consulting and corporate strategic planning. Since the beginning of her career, she has accumulated extensive experience in business management through participating in corporate strategic planning and corporate culture consulting work. In September 2005, Ms Wu published her first book entitled《九商——最佳员工的九项修炼》, which discusses and summarises her views on corporate staff training. The book was awarded the outstanding research third-class award by the Heilongjiang Provincial Academy of Social Sciences and was incorporated to the "China Management Yearbook" in 2008. Besides, She also published 《"三个转变"推进既有建筑"绿色改造"》 and 《既有建筑绿色化改造全产业链发展模式研究》in the renowned journal 《建筑》and 《建筑设计管理》respectively, which caused widespread concern in China.

She became involved in the energy conservation management industry in 2010, which is a relatively young industry in the PRC. She took up a management position in Heilongjiang Weicheng Building Energy Conservation Technology Development Co., Ltd, which enabled her to participate in an energy conservation project in collaboration with the Harbin government, pursuant to which she gained practical experience in managing numerous aspects of projects of such nature. Ms Wu spoke passionately about green topics such as building energy conservation and alleviating the haze situations in China in various medias and seminars and her unique points of views won praises and accolades from both industry experts and political leaders alike. Ms Wu graduated from the Harbin University of Commerce in 2004.

BOARD OF DIRECTORS

亨利李
Mr Henry Li

亨利李
绿建科技集团执行董事

公司执行董事，委任于2016年3月1日，公司业务发展总监，负责发展本集团的绿建业务。李先生在哈尔滨天恩实业有限公司有十年的业务发展经验。李先生拥有黑龙江广播电视大学的刑法类法律专业本科学位。

Mr Henry Li Mingyang was appointed as an Executive Director of our Company on 1 March 2016. He is in charge of the business development of the green technology segment. Mr Li has more than ten years of experience on the business development in Harbin Tianen Industrial Co., Ltd. Mr Li graduated from the Leilongjiang Radio and TV University with a bachelor degree of Criminal Law.

关正德
Mr Kuan Cheng Tuck

关正德
绿建科技集团独立董事

关正德先生，新加坡南洋理工大学会计学士学位，新加坡国立大学法学硕士（主修公司及金融服务法）及英国伦敦大学法学荣誉学士学位，新加坡和英国特许会计师。在会计、审计和财务咨询领域逾20年经验，创办自己的财务咨询公司及会计事务所且为数家新加坡及香港上市公司之非执行独立董事。

Mr Kuan Cheng Tuck was appointed as an Independent Director of our Company on 10 June 2014. He is the Chairman of the Audit Committee, Nominating Committee and Remuneration Committee.Mr Kuan has more than 20 years of experience in the fields of accounting, auditing as well as business and financial advisory. He currently manages his own accounting and financial consulting practices. He is also an independent director of several SGX and HKEx listed companies. He holds a Bachelor of Accountancy degree from the Nanyang Technological University of Singapore and is a fellow member of the Association of Chartered Certified Accountants (ACCA), United Kingdom as well as a member of the Institute of Singapore Chartered Accountants (ISCA). In addition to his accounting qualifications, he also holds a Master of Laws (Corporate and Financial Services Law) degree from the National University of Singapore, a Bachelor of Laws degree from the University of London and is an associate member of the Singapore Association of Institute of Chartered Secretaries and Administrators.

姚凤阁
Dr Yao Fengge

姚凤阁
绿建科技集团独立董事

姚凤阁，教授，管理学博士，博士后导师。1991年毕业于黑龙江商学院计算机系，1999年获产业经济学硕士学位，2003年获东北林业大学管理学博士学位，哈尔滨工程大学博士后流动站管理科学与工程博士后。现任哈尔滨商业大学商业经济研究院院长。现为黑龙江省人大立法委员会咨询专家组成员、黑龙江省省委省政府科学顾问委员会财政税收金融专家组成员、黑龙江省省委中心组学习主备课讲师、省委宣讲团专家、《龙江讲坛》特聘教授、第九届黑龙江省青年科技奖获得者。

Dr Yao Fengge was appointed as an Independent Director of our Company on 10 June 2014. He is a member of the Audit Committee, Nominating Committee and Remuneration Committee. He graduated in 1991 from the Heilongjiang College of Computer Science, obtained an MBA in Economics in 1999 and subsequently obtained a Ph.D in Management in 2003. Dr Yao is currently working as the Dean at the Harbin University of Commerce, Institute of Economic Research. He is well-versed in the theory of capital market and operations, strategic management and marketing. He is also an independent director of a listed company in China.

KEY EXECUTIVES

黎兆坤
Mr Li Zhao Kun

黎兆坤
绿建科技有限公司 财务总监

黎兆坤先生是新加坡和英国特许会计师。于2015年8月加入本集团并负责上市公司和集团的财务相关事宜。黎兆坤先生毕业于英国牛津布鲁克斯大学的会计专业，并取得荣誉学位。毕业后在新加坡毕马威和新加坡罗申美会计师事务所任审计经理，其中负责为不同行业的企业，包括上市公司和跨国集团提供审计，尽调和业务咨询等服务。在财务和审计领域逾10年的经验。

Mr Li Zhao Kun is our Financial Controller. Mr Li is responsible for overseeing our Group's accounting and finance matters. Mr Li has more than 10 years of experience in the fields of accounting and auditing in KPMG Singapore and RSM Chio Lim LLP. During his tenure in RSM Chio Lim LLP, Mr Li was responsible for amongst others, performing operational and financial audits of public listed companies and multinational corporations in different industries, and developing and implementing plans to enhance efficiency and effectiveness of business and financial process. Mr Li left his position as an audit manager of RSM Chio Lim LLP in July 2015. Mr Li graduated from Oxford Brookes University with a bachelor degree in Accountancy with honours. Mr Li is currently a member of the Institute of Singapore Chartered Accountants and a fellow member of the Association of Chartered Certified Accountants (ACCA), United Kingdom.

王 红
Ms Wang Hong

王红
绿建科技集团 常务副总裁

曾担任哈尔滨电视台记者长达五年时间，独立采访、编辑、制作新闻单片，具有丰富的传媒经验，多次获得民生十佳记者荣誉称号。独立制作系列报道《十八大献礼——教育十年》荣获省级好新闻奖、新闻长消息《泔水处理成盲区　谁来监管泔水猪》获得了2010年哈尔滨市好新闻一等奖、新闻专题《招聘会　究竟该不该收门票钱》荣获2010年哈尔滨市好新闻三等奖，而《医院专家号一位难求 保安员自称百元搞定》、《健康讲座实惠 老年人赶早捧场》、《夜排剧毒污水》等调查新闻引起广泛社会反响，至今独立完成新闻单片制作已经达到了一千多条。参与多次大型现场直播节目，专访多位省市领导，具有深厚的写作功底和良好的沟通交流能力。

在行政管理、活动策划方面具有丰富的实战经验，曾作为哈尔滨电视台都市发现栏目责编，管理栏目记者日常采访分配、评分、分组事宜，年终独立承担优秀新闻片参评的准备工作，同时策划大型直播节目《端午志愿行》、《布拉曼登陆冰城》、《萧红足迹》，都市大篷车等活动，受到社会广泛关注。加入绿建科技后主要负责行政、人事、企划、安监等全面工作，策划集团参加哈尔滨国际寒博会的全部展示活动及承办"打造低碳城市，建设绿色哈尔滨"高峰论坛、新常态新机遇新模式——PPP与龙江经济发展2015高峰论坛，组织集团2014、2015年度盛会，都取得了非常好的宣传效果。其创办的《绿建科技月刊》、《年刊》都得到了广泛的传播，为展示企业形象增添助力。同时在新媒体行业也广有涉猎，在微博微信推广方面具有独到的见解与方法，对企业全方位的数字化宣传、媒介推广、大众传播起到积极的推动作用。

Ms Wang Hong is the deputy general manager of our Green Technology Division in charge of the administration, public relations and business development department. Prior to joining our Group in 2014, she served as a reporter with Harbin Television Station for more than 5 years, during which she conducted independent interviews and editing to produce more than 1,000 news clips, participated in large-scale live shows and interviewed a number of provincial and municipal leaders. Ms Wang has got strong writing skills and good communication skills. She possesses vast media experience and was granted the honourable title of "Top Ten Livelihood Reporters" previously. With practical experiences in administrative management and event planning, she was tasked to be the editor for several TV and live recording programs. At the same time, she is also familiar with the various new media, and has unique insights and experiences in microblogging and Wechat popularization, and played a very positive role in the all-round digital publicity of enterprises, media promotion and mass communication. Ms Wang graduated with a bachelor degree in design from the Southwest University for Nationalities in China.

KEY EXECUTIVES

蒋喜坤
Mr Jiang Xikun

蒋喜坤
绿建科技集团 副总裁
哈尔滨圣明节能技术有限责任公司 总经理

1981年—2013年参加工作，历经科员、副科长、办公室主任、危房办主任，房地产开发公司经理、房管处处长等职务。正高职。1995年—1999年，任道里区房管处危房改造办公室主任，其间对道里区红霞街50号、道里区通江街7号、道里区安宁街114号、道里区建国街99号等危倒房屋进行改造，改造面积15万平方米。道里区埃德蒙顿路与职工街交口危倒房屋进行改造，改造面积17万平方米。2000年，任哈房集团危房改造办公室主任，任职期间对道外区太古街、维新街地段的危倒房屋进行改造，改造面积12.5万平方米。从事多年房屋管理、供热管理，工程监理、物业管理；参与中国房地产百课全书编辑，在中国房地产杂志上发表论文17篇，分别产术房地产开发拉动经济的新途径，工程与施工管理的中间控制，成市供热与物业管理的社会效益，如何挖掘职工潜能在工作中发挥更大作用等，并多次中心发言阐述观点，通过理论联系实践，积累了丰富的管理服务经验，熟练掌握团队内部管理，具备丰富和有效的实战经验。

Mr Jiang Xikun is the general manager of our Green Technology Division. He has more than 30 years' experience in project supervision relating to real estate development and property management. From 1995 to 2004, he held management positions in real estate development companies that allowed him to participate in numerous upgrading and construction projects such as the upgrading of dilapidated houses in an area of 150,000 square meters in Daoli district, Harbin city and an area of 125,000 square meters in Daowai district, Harbin city, as well as the development of an area of 160,000 square meters in Daoli district, Harbin city. He took on management positions in the Harbin Daowai New District Heating Company and Harbin Xiangfang BMS (哈尔滨香坊房管处) from 2005 to 2013, during which he managed the heating provided to 55,000 Harbin residents over an area of 4.5 million square meters.

孙洪磊
Mr Sun Honglei

孙洪磊
绿建科技集团 副总裁
哈尔滨市管廊建设运营管理有限公司 常务副总

国家注册建造师，高级工程师，哈尔滨市绿色建筑专业委员会专家，2007年-2012在年黑龙江省中美建筑设计研究院工作期间历任设计师，设计室主任，分院院长，多次参与并主持城市重点环境景观改造设计。主持果戈里大街印度风情街改造设计；南岗区不夜城环境景观改造工程设计、秋林商圈建筑装饰改造设计；六顺街、花园街、文昌街、经纬街等重点街路既有建筑装饰性节能改造设计；文昌桥、文政街地道桥、八区地道桥、大成街地道桥、先锋路等景观装饰工程设计；同时还作为技术指导及顾问参与了黑河、塔河、肇东、齐齐哈尔、牡丹江、依兰、延吉、内蒙古等省内外众多建筑装饰性节能改造设计。对建筑装饰、节能改造，桥梁景观设计等领域具有深厚的理论功底和丰富的实践经验。作为企业代表参加国家标准《既有建筑改造绿色评价标准》的编制工作。参与《既有建筑改造绿色评价标准实施指南》的编制工作。

Mr Sun Honglei is the deputy general manager of our Green Technology Division in charge of the technical department. He specialises in urban landscape design and architecture and has had vast experience participating in important upgrading and construction projects such as the construction of the Harbin Nangang district government's office, the upgrading of the housing estate of China Telecom's employees as well as the renovation of the office building of the Anda District Local Bureau of Finance. In 2007 to 2012, he was the vice president of Heilongjiang Zhongmei Building Design Research Institute Limited Co. (黑龙江中美建筑设计研究院有限责任公司) and was the chief designer in numerous major projects carried out by the Harbin government and also participated as design consultant for numerous other projects in China. While working on these projects, he researched on energy saving solutions relating to the upgrading of existing buildings and accumulated valuable knowledge on the same and therefore has strong theoretical foundation and practical experience in such fields as building decoration, energy-saving renovation and upgrading design. Mr Sun has also participated in the preparation of the National Standard for Green Evaluation of Energy-Saving Upgrading of Existing Buildings as private enterprise representative and the preparation of the Guidance on Implementation of the Standard for Green Evaluation of Energy-Saving Upgrading of Existing Buildings.

杨笑宇
Mr Yang Xiaoyu

杨笑宇
绿建科技集团 副总裁

国家注册监理工程师，高级工程师，黑龙江科技大学特聘教授。1991年至1999年在黑龙江 地方煤炭工业管理局和黑龙江省煤矿建设公司工作期间，历任科员、科长和副经理，主持和参与多项重点工程；2000年至2003年在黑龙江省建工集团有限责任公司工作期间，历任质检员、技术员和技术负责人。主持和参与阿城科技园区工程、哈尔滨师范大学体育中心工程、哈尔滨长途电信枢纽工程、哈尔滨国际会展体育中心1号综合训练馆B区等多项工程的施工，荣获国家优质工程银奖、中国建筑工程鲁班奖、黑龙江省新技术推广项目一等奖等荣誉奖项。在建筑施工、工程监理、房地产开发、煤矿改扩建工程和建筑节能等领域具有深厚的理论功底、丰富的实践经验，在工程建设方面成绩斐然。

Mr Yang Xiaoyu is the deputy general manager of our Green Technology Division in charge of the projects department. He has more than 20 years of experience in project management relating to upgrading and development of properties, having been involved in projects such as the development of the sports centre of Harbin Normal University, the construction of the Songbei District Qiulin Chenxia housing estate, the construction of the China People's Bank (Harbin Central Branch) Yinxing housing estate and the Harbin Bincai town project. In recent years, Mr Yang Xiaoyu has been involved in the management and supervision of energy conservation projects.

Corporate Social Responsibility

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

Commitment to Shareholders

Investor Relations (IR)

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

Our Board of Directors and Management Team are present at our Annual General Meeting and Extraordinary General Meetings to clarify any queries on the resolutions of the meetings as well as to interact with the shareholders to communicate our business directions and strategies.

In engaging with the investment community, our Chairman and CEO are present during meetings with analysts and institutional investors. In October 2015, we organized a visit for analysts, and financial media to visit our projects in Harbin, China. Through the reports and articles that they published after the visit,the investment community in Singapore can better understand our business, the nature and progress of our projects and our growth strategies.

Commitment to Employees

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

At the beginning of 2016, we organized a management retreat to Sanya, Hainan. During the retreat, the top management shared the Group's strategic directions to the various departments, and conducted team building activities to create better synergy among the departments, galvanizing the employees and staff to work toward a common goal.

To further motivate employees and cultivate loyalty to the company, we have in place private share placement scheme for dedicated and deserving employees. Employees who are committed and have contributed to the Group's success are invited to be part of this scheme.

Health & Safety

In conducting the construction work of our projects, we expect our subcontractors to adhere to strict safety protocols and ensure acceptable workplace health and safety. All necessary safety orientations and training are conducted at the worksites. We aim for zero accident at the worksites and is pleased to report that there were no accidents on our project sites in 2015.

Training

The company believes that training is the best welfare for staff. It benefit the staff most by helping them to achieve their potential.

We train our staff internally as well as send them for external courses to upgrade their knowledge, skills and proficiency. Internally,we engage our employees holistically by charting their career progression paths through leadership training programmes.

Apart from training to upgrade knowledge, we also train staff to understand corporate governance and good practices of a public-listed company. The Group Financial Controller conducted training on SGX listing rules, while Crowe Horwarth conducted training for internal control.

Welfare

Our employees are important resources and the company need to take care of them to boost their morale and loyalty to the company, and to foster closer working relationships with one another. The company organized its annual staff appreciation event in February 2015. Besides staff, close business partners and associates were also invited to join in the appreciation event.

The company also organized its Company Sports Day in May 2015 to promote healthy lifestyle. Themed "Love Sports, Enjoy Life", staff and employees of all ages are divided into teams to participate in games to inculcate active living and foster team spirit.

Commitment to Customers

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

Our other customers are the residents of the estates which we upgraded. Our building insulation projects or other infrastructure projects bring benefits to the residents.

We view our work as very meaningful to the society and community. We strive to minimize inconvenience to the residents during construction as much as possible. We are heartened to receive commendations and praises from residents of our completed projects. Such commendations from residents further boost our morale in ensuring we complete our work properly so that the residents can have peace of mind.

Our commitment to do well in our projects are known in the industry. We are the only enterprise that was selected to take up and complete the model project in external insulation and energy saving for existing estate. The successful refurbishment of Hebai estate in its external insulation and central heating system is now the model for such estate revamp and refurbishment.

Commitment to Community

Our work itself is for the community, as spelt in our Corporate Vison, Mission and Values. Apart from bringing benefits to the community through our estate upgrading projects, we also participate in community and charity activities. One such activity is the Tree Planting Campaign at Xinglin Village (杏林村), Songbei district (松北区) in April 2015. The company staff helped to plant more than one hundred Poplar trees in this event.

FINANCIAL HIGHLIGHTS

1. Statement of Comprehensive Income

	Group		
	FY2015	FY2014 (Restated)	Increase/ (Decrease)
	RMB'000	RMB'000	%
Continuing operations:			
Revenue	90,828	30,549	197.3%
Cost of sales	(69,660)	(23,659)	194.4%
Gross profit	21,168	6,890	207.2%
Other operating income	762	26,068	(97.1%)
Administrative expenses	(10,524)	(6,986)	50.6%
Profit from continuing operations	11,406	25,972	(56.1%)
Interest expense on interest-bearing loans	(5,740)	(7)	819.0%
Bank charges	(6)	(1)	500.0%
Profit before tax from continuing operations	5,660	25,964	(78.2%)
Income tax expense	(3,544)	(7,421)	(52.2%)
Profit for the year from continuing operations, net of tax	2,116	18,543	(88.6%)
Discontinued operation:			
Profit for the year from discontinued operations, net of tax	2,403	9,856	(75.6%)
Profit for the year	4,519	28,399	(84.1%)
Profit/(loss) after tax for the year attributable to:			
Owners of the Company			
Profit from continuing operations, net of tax	2,116	18,543	(88.6%)
(Loss)/Profit from discontinued operations, net of tax	(4,515)	4,839	N.M
	(2,399)	23,382	N.M
Non-controlling interest			
Profit from discontinued operations, net of tax	6,918	5,017	37.9%
Profit for the year	4,519	28,399	(84.1%)

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.

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.

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 90.8 million in FY2015. The net profit from continuing operations after tax attributable to equity holders of the Company was RMB 2.1 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 4.5 million as compared to RMB 28.4 million for FY2014.

Revenue and Gross Profit

Revenue from continuing operations increased by RMB 60.3 million or 197.3% from RMB 30.5 million in FY2014 to RMB 90.8 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.

The gross margin from continuing operations increased from 22.6% in FY2014 to 23.3% 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.

Other Profit & 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 RMB 1k in FY2015. 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.

Management believes they are able to enjoy tax concessions on certain projects. However, the actual business tax and income tax payable on the PPP projects income is generally determined and agreed with the relevant tax authorities in China, which might be different from the business tax and income tax provisions made in the financial statements. Provision for tax has been made as such concessions are subject to the relevant authorities' approval which has not been obtained as at the date of the financial statements.

2.Statement of Financial Position

SELECTED DATA	31 Dec 2015 RMB'000	31 Dec 2014 RMB'000
Total assets	**212,322**	**325,987**
Property, plant and equipment and land use rights	1,152	92,103
Contract work-in-progress	32,355	30,057
Inventories	779	26,708
Trade and bills receivables – third parties	91,864	113,282
Other receivables and prepayments	84,092	39,390
Cash and bank balances	609	15,634
Total liabilities	**171,417**	**225,646**
Trade and bills payables – third parties	38,006	79,282
Other payables and accruals	17,621	13,744
Due to related parties – non-trade	1,510	28,752
Loans and borrowings	103,316	90,666
Non-controlling interests	–	55,892
Total quity	**40,905**	**100,341**

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 89.2 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 Hebai 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.

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 (service 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 44.7 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 63.5 million. Other receivables attributable to the green technology segment was RMB 34.6 million as at 31 December 2015 due mainly to government grants of RMB 8.0 million receivables that were still outstanding and the net receivable from purchaser of packaging business of RMB 25.0 million. The prepayment of RMB 49.5 million is mainly due to advances made to a subcontractor.

Trade and bills payables decreased by RMB42.9 million, of which RMB 58.6 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 15.7 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 parties" 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, unsecured 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 40.9 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 improved and stood at RMB 38.3 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.

3.Statement of Cash Flows

	FY2015 RMB'000	FY2014 RMB'000
Cash used in operating activities	(18,594)	(671)
Cash used in investing activities	(34,451)	(3,304)
Cash from financing activities	47,666	717
Net decrease in cash and cash equivalents	(5,379)	(3,258)
Cash and cash equivalents as at beginning of year	5,988	9,246
Cash and cash equivalents as at end of year	609	5,988

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 from financing activities of RMB 47.7 million.

4.Key Risk Factors & Risk Management

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

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

Various factors would affect the nature, scale, location and timing of the PRC governments' public investment plans in the energy conservation management sector in the PRC. These factors include the government's policy and priorities regarding different regional economies across the PRC and the general condition and prospects of the overall economy of the PRC. Any significant reduction in the PRC governments' budgets relating to such energy conservation management sector, will lead to a decline in revenue arising from a smaller number of projects, lower contract value for the projects and/or a decline in profit margin due to competition to secure available projects. This could have a material and adverse effect on the green technology segment. As such, the Group will try, as far as possible, to plan for new underground carparks and commercial space into the estates under upgrading which can be separately sold or rented out for income instead of being totally dependent on government grants or subsidies. In addition, the Group will also operate the underground utility tunnel for 25 years after the completion of construction to increase the income stream.

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

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

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

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

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

Risk of increases in raw material costs

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

Project Expansion Risk

The Group has expanded its business to include those of upgrading existing infrastructure using green architecture and green technology, which is a relatively young industry in the PRC. In February 2015, the Group announced that it has secured various upgrading projects totaling more than 5,000,000 sqm. In October 2015, the Group further announced that it has secured a underground utility tunnel project which involves the construction of underground utility tunnel covering a length of about 12 km in the Southern Harbin Industrial New Town area and the Harbin airport area, and the operation and maintenance of the utility tunnel for 25 years. This rapid expansion brings along certain associated risks and may put a strain on the Group's resources. However, the Group is confident that its strong management team and its quality third party sub-contractors will ensure that the Group will always be able to continue to strengthen the core competencies and adopt a strategy of cautious expansion.

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of the Group's and the Company's financial instruments will fluctuate because of changes in market interest rates. The Group's and the Company's exposure to interest rate risk arises primarily from their interest-bearing loans and borrowings. The Group does not use derivative financial instruments to hedge its interest rate risks.

The Group's policy is to manage interest cost using a mix of fixed and floating rate debts and to keep the majority of its loans and borrowings at fixed rates of interest.

Liquidity risk

Liquidity risk is the risk that the Group or the Company will encounter difficulty in meeting financial obligations due to shortage of funds. The Group's and the Company's exposure to liquidity risks arises primarily from mismatches of the maturities of financial assets and liabilities.

The Group's and the Company's objective is to maintain a balance between the continuity of funding and flexibility through the use of interest-bearing loans and borrowings.

The Group's and the Company's liquidity risk management policy is to maintain sufficient liquid financial assets and credit facilities with reputable banks. Substantial amounts of the Group's cash and cash equivalents deposited with reputable financial institutions so as to provide the Group with the flexibility to meet working capital and capital investment needs.

Foreign currency risk

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

The Group does not have significant transaction currency exposures.

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

The Group relies on continuing financial support from its banker as disclosed in the financial statements.

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

Credit risk
Credit risk is the risk of loss that may arise on outstanding financial instruments should a counterparty default on its obligations. The Group's and the Company's exposure to credit risk arises primarily from trade and other receivables. For other financial assets (including unquoted equities and cash and bank balances), the Group and the Company minimise credit risk by dealing exclusively with high credit rating counterparties.

The Group's objective is to seek continual revenue growth while minimising losses incurred due to increased credit risk exposure. The Group trades only with recognised and creditworthy third parties. It is the Group's policy that all customers who wish to trade on credit terms are subject to credit verification procedures. In addition, receivable balances are monitored on an ongoing basis with the result that the Group's exposure to bad debts is not significant.

As at 31 December 2015, approximately 96% of the Group's trade receivables are due from one customer which is an agency of the PRC government.

5.Returns to Shareholders

After disposal of the packaging business, the Group recorded another year of profitability in FY2015. The earnings per share from continuing operations for FY2015 was RMB 0.89 cents compared to RMB 7.76 cents in FY2014. The net asset value per share for FY2015 was RMB 17.13 cents as compared to RMB 42.00 cents in FY2014.

For the year ended 31 December 2015, the Board of Directors does not recommend any dividends payout as the Group is currently in a rapid expansion phase for its new green technology business and foresees better use of this cashflows being plough back to operations compared to a dividend payout. The Board of Directors will continue to work hard to generate greater shareholder value and returns and is looking forward to continued positive contributions from the new income stream brought in by the Group's green technology business.

6.Prospects & Plans

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 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.

Corporate Governance

The Board of Directors and Management are committed to maintaining a high standard of corporate governance by complying with the principles and guidelines of the revised Code of Governance 2012 (**the** "**Code**") issued by the Corporate Governance Committee.

Good corporate governance is integral to a sound corporation as it promotes corporate transparency and protects and enhances shareholders' interest. This statement outlines the main corporate governance practices and processes that were in place since the financial year beginning on 1 January 2015 and ended on 31 December 2015 ("**FY2015**") and provides the rationale for areas where the Company has deviated from the Code.

(A) BOARD MATTERS

Board's Conduct of its Affairs

Principle 1: Every company should be headed by an effective Board to lead and control the company. The Board is collectively responsible for the success of the company. The Board works with Management to achieve this and the Management remains accountable to the Board.

In FY2015, the Board of Directors (the "**Board**") comprised two (2) Executive Directors, one (1) Non-executive Director and three (3) Independent Directors, all possessing the right core competencies and diversity of experience which enabled them to effectively contribute to the Group. Mr Li Mingyang, with effect from 1 March 2016, had been appointed as the Chief Business Development Officer and Executive Director of the Company. Mr Zhao Lizhi, also with effect from 1 March 2016, had been re-designated as the Company's Executive Chairman. Mr Li Bin, with effect from 8 March 2016, had resigned as an Executive Director of the Company. Mr Lu King Seng, with effect from 1 April 2016, had resigned as an Independent Director of the Company. As at the date of this Annual Report, the Board comprises the following members:

Mr Zhao Lizhi (Executive Chairman)
Ms Wu Xueying (Chief Executive Officer and Executive Director)
Mr Li Mingyang (Chief Business Development Officer and Executive Director)
Dr Yao Fengge (Non-Executive and Independent Director)
Mr Kuan Cheng Tuck (Non-Executive and Independent Director)

The Board is responsible for:

(a) approving the Group's key business strategies and financial objectives;

(b) overseeing the conduct of the Group's business to evaluate whether the business is being properly managed;

(c) establishing a framework for proper internal controls and risk management;

(d) the Group's compliance to laws, regulations, policies, directives, guidelines and internal code of conduct; and

(e) the satisfactory fulfilment of social responsibilities of the Group.

Board Processes

To assist in the execution of its responsibilities, the Board has established a number of Board Committees including a Nominating Committee (the "**NC**"), a Remuneration Committee (the "**RC**"), and an Audit Committee (the "**AC**"). The effectiveness of each committee is constantly monitored. The Board has also established a framework for the management of the Group including a system of internal control.

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

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

Board and Board Committee Meetings held in FY2015

For FY2015, the Board held 6 meetings and the attendance of each Director at the Board and Board Committee meetings is as follows:

Name	Board		Audit Committee		Nominating Committee		Remuneration Committee	
	No. of meetings held	No. of meetings attended	No. of meetings held	No. of meetings attended	No. of meetings held	No. of meetings attended	No. of meetings held	No. of meetings attended
Zhao Lizhi (Executive Chairman)	6	6	2	2(1)	2	2(1)	1	1(1)
Wu Xueying (Chief Executive Officer and Executive Director)		5		2(1)		2(1)		1(1)
Li Bin(2) (Executive Director)		4		2(1)		2(1)		1(1)
Yao Fengge (Non-Executive and Independent Director)		4		2		2		1
Kuan Cheng Tuck (Non-Executive and Independent Director)		6		2		2		1
Lu King Seng(3) (Non-Executive and Independent Director)		6		2		2		1
Li Mingyang(4) (Chief Business Development Officer and Executive Director)		-		-		-		-

Notes:

(1) Attendance by invitation.

(2) Mr Li Bin resigned as an Executive Director of the Company with effect from 8 March 2016.

(3) Mr Lu King Seng resigned as an Independent Director of the Company with effect from 1 April 2016

(4) Mr Li Mingyang was appointed the Chief Business Development Officer and Executive Director of the Company with effect from 1 March 2016.

Matters Requiring Board Approval

The Company has prepared a document with guidelines setting forth the matters reserved for the Board's decision and clear directions to Management on matters that must be approved by the Board. The document specifies that the Board's approval is required for matters such as corporate restructuring, mergers and acquisitions, major investments, material acquisitions and disposals of assets, major corporate policies on key areas of operations, the release of the Group's half-yearly and annual results, interested person transactions of a material nature, and declaration of interim dividends and proposal of final dividends.

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

Training of Directors

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

The Company does not have a formal training program for new Directors. However, to assist the Board in discharging its duties, newly appointed Directors will be briefed on the business operations and regulatory issues relating to the Group to ensure that they are familiar with the Group's business and governance practices and be provided with a formal letter setting out the Director's duties and obligations. Directors are also informed of regulatory changes affecting the Group. In addition, the Board encourages its members to participate in seminars and receive training to improve themselves in the discharge of their duties as Directors. The Company understands that some of the Independent Directors have participated in seminars and receive training to improve themselves in the discharge of their duties as Directors. The Company will also share its industry-specific knowledge with Directors as appropriate and may hire professionals to provide training for first-time Directors in areas such as financial reporting matters and legal rights and responsibilities of directors as appropriate.

Board Composition and Balance

Principle 2: There should be a strong and independent element on the Board, which is able to exercise objective judgment on corporate affairs independently, in particular, from Management and 10% shareholders. No individual or small group of individuals should be allowed to dominate the Board's decision making.

As at the date of this Annual Report, the Board comprises five (5) Directors of which two (2) are Independent Directors. The two (2) Independent Directors are Dr Yao Fengge and Mr Kuan Cheng Tuck. The criterion of independence is based on the definition given in the Code. The Board and the NC consider a Director to be "**independent**" if he has no relationship with the Company, its related corporations, its 10% shareholders or its officers that could interfere, or be reasonably perceived to interfere, with the exercise of that Director's independent business judgement with a view to the best interests of the Company. The Board and the NC are of the opinion that the Independent Directors satisfy these criteria. The NC is of the opinion that the Independent Directors are independent in character and judgement and that there are no relationships or circumstances which are likely to affect, or could appear to affect, their judgement. As at the date of this Annual Report, there are no Independent Directors of the Company who sit on the board of any of the Company's principal subsidiaries.

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

(a) the Board and its Board Committees should comprise a sufficient number of Directors to fulfil its responsibilities and who as a group provide an appropriate balance and diversity of skills, experience, gender and knowledge of the Company. They also provide core competencies such as accounting or finance, business or management experience, industry knowledge, strategic planning experience and customer-based experience or knowledge (this number may be increased where it is felt that additional expertise is required in specific areas, or when an outstanding candidate is identified);

(b) the Board should comprise a majority of Non-executive Directors, with at least half of the Board made up of Independent Non-executive Directors; and

(c) the Board should have enough Directors to serve on various committees of the Board without overburdening the Directors or making it difficult for them to fully discharge their responsibilities.

With two (2) out of five (5) Directors deemed to be independent, the Board is still able to exercise independent judgment on corporate affairs and provide management with a diverse and objective perspective on issues. As announced on 1 April 2016, the Company is currently in the midst of identifying suitable candidate to be appointed as Independent Director. Furthermore, the Board will be able to interact and work with the management team through a robust exchange of ideas and views to help shape the Group's strategic direction.

The composition of the Board is reviewed on an annual basis by the NC to ensure that the Board has the appropriate mix of expertise and experience, and collectively possesses the necessary core competencies for effective functioning and informed decision-making. When a vacancy arises under any circumstance, or where it is considered that the Board would benefit from the services of a new Director with particular skills, the NC, in consultation with the Board, determines the selection criteria and selects candidates with the appropriate expertise and experience for the position.

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

The Board is of the view that its current composition of five (5) Directors is appropriate taking into account the scope and nature of the operations of the Company and of the Group, the requirements of the business and the need to avoid undue disruptions from changes to the composition of the Board and Board Committees. As mentioned above, the Board is looking into the appointment of another Independent Director, and will update shareholders in relation to the same in due course.

Other key information on the individual Directors of the Company is set out in page 8 to page 10 of this Annual Report. Their shareholdings in the Company are also disclosed in the Directors' Statement. None of the Directors hold shares in the subsidiaries of the Company.

Executive Chairman

Principle 3: *There should be a clear division of responsibilities between the leadership of the Board and the executives responsible for managing the company's business. No one individual should represent a considerable concentration of power.*

The Group's Executive Chairman, Mr Zhao Lizhi, plays an instrumental role in developing the business of the Group and provides the Group with strong leadership and vision.

The Executive Chairman's role is to:

(a) lead the Board to ensure its effectiveness on all aspects of its role;

(b) set the agenda and ensure that adequate time is available for discussion of all agenda items, in particular strategic issues;

(c) promote a culture of openness and debate at the Board;

(d) ensure that the Directors receive complete, adequate and timely information;

(e) ensure effective communication with shareholders;

(f) encourage constructive relations within the Board and between the Board and Management;

(g) facilitate the effective contribution of Independent and Non-executive Directors in particular; and

(h) promote high standards of corporate governance.

The responsibilities set out above provide guidance and should not be taken as a comprehensive list of all the duties and responsibilities of an executive chairman.

As at the date of this Annual Report, Mr Zhao Lizhi is the Executive Chairman of the Company. The Company notes that Mr Zhao had been the Company's Non-executive Chairman for FY2015. However, Mr Zhao had been involved in day-to-day management of the Company and its subsidiaries, and Management had also frequently approached Mr Zhao for his advice in relation to the Group's business. As such, the Company had accordingly re-designated Mr Zhao as the Executive Chairman of the Company on 1 March 2016. In addition, the Company has also appointed Ms Wu Xueying as its Chief Executive Officer. In view of the key position played by the Group's Executive Chairman and the Chief Executive Officer, the Board has appointed two (2) Independent Directors to ensure that a channel of communication is always available to shareholders where they have concerns and where contact through normal channels of the Group's Executive Chairman, or the Financial Controller ("FC") has failed to resolve the concerns. The Company will review and consider the appointment of a lead Independent Director in future.

All major decisions like substantial acquisitions, material contracts, acquisitions of banking facilities made by the Executive Chairman are under the purview of review by the AC. His performance and appointment to the Board will be reviewed periodically by the NC and his remuneration package will be reviewed periodically by the RC. As such, the Board believes that there are adequate safeguards in place against an uneven concentration of power and authority in a single individual.

The Board has no dissenting view on the Group's Executive Chairman's statement for the year under review.

Board Membership

Principle 4: *There should be a formal and transparent process for the appointment and re-appointment of directors to the Board.*

For FY2015, the NC comprised Mr Kuan Cheng Tuck as the Chairman, and Mr Lu King Seng and Dr Yao Fengge as members. As the date of this Annual Report, the NC comprises Mr Kuan Cheng Tuck as the Chairman and Dr Yao Fengge as a member. All members of the NC are independent. The Board is looking into the appointment of another Independent Director as NC member, and will update shareholders in relation to the same in due course.

The Board has approved the written terms of reference of the NC. The NC performs the following functions:

(a) to make recommendations to the Board on the appointment of new Executive and Non-executive Directors, including making recommendations on the composition and progressive renewal of the Board and review each Director's competencies, commitment, contribution and performance (e.g. attendance, preparedness, participation and candour) including, if applicable, whether he/she remains independent in the case of the Independent Directors and the balance between Executive and Non-executive Directors appointed to the Board;

(b) to regularly review the Board structure, size and composition and make recommendations to the Board with regards to any adjustments that are deemed necessary;

(c) to determine the process for search, nomination, selection and appointment of new Board members and be responsible for assessing the requisite qualifications and fulfilment of being independent of the nominees or candidates for appointment or election to the Board;

(d) to make plans for succession, in particular for the Executive Chairman and the Chief Executive Officer;

(e) to determine, on an annual basis, and as and when circumstances require, if a Director is independent. If the NC determines that a Director, who has one (1) or more of the relationships mentioned under the Code is in fact independent, the Company should disclose in full, the nature of the Director's relationship and provide its views to the Board for the Board's consideration. The NC may at its discretion determine a Director as non-independent even if he/she has no business or other relationships with the Company, its related companies or its officers and should similarly provide its views to the Board for the Board's consideration;

(f) to recommend Directors who are retiring by rotation to be put forward for re-election;

(g) to decide whether or not a Director is able to and has been adequately carrying out his/her duties as a Director of the Company, particularly when he/she has multiple board representations taking into consideration the Director's number of listed company board representations and other principal commitments;

(h) to be responsible for assessing the effectiveness of the Board as a whole and for assessing the effective contribution and commitment of each individual Director to the effectiveness of the Board. The results of the performance evaluation will be reviewed by the Chairman of the NC and the assessment shall be disclosed annually; and

(i) to review of training and professional development programs for the Board.

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

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

The current Board members generally have not more than three (3) directorships in other listed companies, which, in the opinion of the NC, means that they have sufficient energy and time to focus on the affairs of the Group. As such, the NC has currently not set a limit on the number of Directors' directorships in other listed companies. The NC will however not rule out the requirement to set limits subsequently on its Directors' directorships in other listed companies should subsequent situations warrant such action. After conducting reviews, the NC is satisfied that currently the Directors have been able to devote adequate time and attention to the affairs of the Group and that they are able to satisfy their duties as Directors to the Company.

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

The Board recognises the contribution of its Independent Directors who over time have developed deep insight into the Group's businesses and operations and who are therefore able to provide invaluable contributions to the Group. As such, the Board has not set a fixed term of office for each of its Independent Directors so as to be able to retain the services of the Directors as necessary.

The dates of the appointment and last re-election of each Director as at the date of this Annual Report as well as their directorships in listed companies (other than their directorship in the Company) are set out below:

Name of Director	Date of Appointment	Date of Last Re-election	Directorship in Listed Company	
			Present	Past Preceding 3 years
Zhao Lizhi	18 July 2014	21 April 2015	-	-
Wu Xueying(1)	11 March 2014	28 April 2014	-	-
Kuan Cheng Tuck	10 June 2014	21 April 2015	CNMC Goldmine Holdings Limited Kori Holdings Limited CW Group Holdings Limited(3)	FDS Networks Group Limited
Yao Fengge(2)	10 June 2014	21 April 2015	Heilongjiang Beidahuang Agriculture Company Limited (北大荒农业股份公司)(4)	-
Li Mingyang(5)	1 March 2016	-	-	-

Notes:

(1) Ms Wu Xueying was last re-elected on 11 March 2014, therefore in accordance with the Company's Constitution, she will be subject to re-election at this forthcoming AGM.

(2) Dr Yao Fengge shall be subject to re-election at this forthcoming AGM.

(3) Listed on the Hong Kong Exchanges and Clearing Limited.

(4) Listed on the Shanghai Stock Exchange.

(5) Mr Li Mingyang was appointed as a Director of the Company with effect from 1 March 2016, and therefore in accordance with the Company's Constitution, he will be subject to re-appointment at this forthcoming AGM.

Board Performance

Principle 5: *There should be a formal annual assessment of the effectiveness of the Board as a whole and its board committees and the contribution by the directors to the effectiveness of the Board.*

The NC has established a process for assessing the effectiveness of the Board as a whole and its Board Committees and for assessing the contribution by the Executive Chairman and each individual Director to the effectiveness of the Board. The performance criteria which have been approved by the Board for the Board evaluation includes an evaluation of the size and composition of the Board, the Board's access to information, accountability, Board processes, and Board performance in relation to discharging its principal responsibilities. In its assessment, the NC takes into consideration the frequency of the Board meetings, Board independence, the rate at which issues raised are adequately dealt with, the effectiveness of the Board Committees, and reports from the various Board Committees. Given the relatively small size of the Board, the Board and the NC are of the opinion that there is no need at present to conduct a separate formal assessment of the Board Committees other than the assessments being carried out in respect of individual Directors and the Board.

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

With respect to FY2015 and after due evaluation, the NC considered the performance of each individual Director and the Board to be satisfactory. For avoidance of doubt, each member of the NC abstains from voting on any resolution in respect of the assessment of his performance or re-nomination as Director.

Access to Information

Principle 6: *In order to fulfill their responsibilities, Board members should be provided with complete, adequate and timely information prior to Board meetings and on an on-going basis so as to enable them to make informed decisions to discharge their duties and responsibilities.*

Directors receive a regular supply of complete, adequate information, including quarterly updates of the Group's activities, in a timely manner from Management about the Group and are entitled to request from Management and should be provided with such additional information as needed to make informed decisions so that they are equipped to play as full a part as possible in Board meetings. Detailed Board papers are prepared for each meeting of the Board. The Board papers include sufficient information from Management on financial, business, and corporate issues to enable Directors to be properly briefed on issues to be considered at Board meetings. Information provided includes background or explanatory information relating to matters to be brought before the Board, and copies of disclosure documents, budgets, forecasts and internal financial statements, including explanations for any material variance between projections and actual results. New releases issued by the Singapore Exchange Securities Trading Limited (the "**SGX-ST**") and Accounting and Corporate Regulatory Authority which are relevant to the Directors are circulated to the Board. The Company Secretary also informs the Directors of upcoming conferences and seminars relevant to their roles as Directors of the Company.

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

All Directors have separate and independent access to the Company Secretary. The Company Secretary administers, attends and prepares minutes of Board meetings, and assists the Executive Chairman in ensuring that Board procedures are followed and reviewed so that the Board functions effectively, as well as the Board's compliance with the Company's Constitution and relevant rules and regulations, including requirements of the Companies Act (Cap. 50) of Singapore (the "**Companies Act**") and the SGX-ST. The Company Secretary ensures that good information flows within the Board and its Board Committees and between Management and Non-executive Directors, advises the Board on all governance matters, facilitates orientation, and assists with professional development as required.

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

(B) REMUNERATION MATTERS

Procedures for Developing Remuneration Policies

Principle 7: *There should be a formal and transparent procedure for developing policy on executive remuneration and for fixing the remuneration packages of individual directors. No director should be involved in deciding his own remuneration.*

For FY2015, the RC comprised Independent Directors Mr Lu King Seng as the Chairman, and Mr Kuan Cheng Tuck and Dr Yao Fengge as members. As the date of this Annual Report, the RC comprises Independent Directors, Mr Kuan Cheng Tuck as the Chairman and Dr Yao Fengge as a member. The Board is looking into the appointment of another Independent Director as RC member, and will update shareholders in relation to the same in due course.

The Board has approved the written terms of reference of the RC. The RC performs the following functions:

(a) to review and recommend to the Board, a general framework of remuneration and to determine the specific remuneration packages and terms of employment for:

(i) each Director;

(ii) the Executive Chairman (or executive of equivalent rank);

(iii) senior management of the Group; and

(iv) employees related to Directors or, substantial shareholders of the Group;

(b) meetings of the RC are be held as the RC deems appropriate. The RC meets at least once a year and meetings are be organised so that attendance is maximised. Meetings may be called, at any other time, by the Chairman of the RC or any member of the RC. Directors or Management may be invited to the meetings;

(c) the Secretary of the RC is the Company Secretary for the time being or, such other person as may be nominated by the RC;

(d) the Company Secretary attends all meetings and minutes the proceedings thereof;

(e) minutes of all meetings are confirmed by the Chairman of the meeting and circulated to all members of the RC;

(f) if the Chairman of the RC so decides, the minutes are also circulated to other members of the Board. Any Director may, provided there is no conflict of interest and with the agreement of the Chairman, obtain copies of the minutes of RC meetings;

(g) the notice of each meeting of the RC, confirming the venue, date and time and enclosing an agenda of items to be discussed, are other than under exceptional circumstances, forwarded to each member of the RC at least three (3) working days prior to the date of the meeting;

(h) to recommend to the Board any performance bonus schemes which may be set up from time to time and to do all acts necessary in connection therewith; and

(i) to carry out its duties in the manner that it deems expedient, subject always to any regulations or restrictions that may be imposed upon the RC by the Board of Directors from time to time.

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

(I) all aspects of remuneration including Directors' fees, salaries, allowances, bonuses, options and benefits-in-kind should be covered;

(II) the remuneration packages should be comparable within the industry and comparable companies and shall include a performance-related element;

(III) the remuneration package of employees related to Directors or controlling shareholders of the Group are in line with the Group's staff remuneration guidelines and commensurate with their respective job scopes and levels of responsibility;

(IV) existing relationships, if any, between the Company and its appointed remuneration consultants will not affect the independence and objectivity of the remuneration consultants; and

(V) the Executive Directors' and key management personnel's contracts of service contain fair and reasonable termination clauses which are not overly generous.

If necessary, the RC should seek expert advice inside and/or outside the Company on remuneration of all Directors.

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

Level and Mix of Remuneration

Principle 8: *The level and structure of remuneration should be aligned with the long-term interest and risk policies of the company and should be appropriate to attract, retain and motivate (a) the directors to provide good stewardship of the company, and (b) key management personnel to successfully manage the company. However, companies should avoid paying more for this purpose.*

A significant proportion of Executive Directors' remuneration is structured so as to link rewards to corporate and individual performance.

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

The remuneration of the Executive Chairman, Mr Zhao Lizhi is based on the terms of the service agreement entered into between Mr Zhao Lizhi and the Company effective 1 March 2016. The aforesaid service agreement shall continue unless otherwise terminated by either party giving not less than six (6) months' notice in writing to the other.

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

With regard to the remuneration of other key executives, the RC, together with Management, reviews proposals which are made by the Executive Directors. The remuneration policy for the key management executives takes into consideration the Group's performance, and the responsibility and performance of individual key management executives. The latter is measured by goals and objectives set for each key management executive in congruence with the Group's overall goals and objectives. None of the employees in the Company or any of its principal subsidiaries whose remuneration exceed S$50,000 during the year is a relative of a Director or Substantial Shareholder of the Company or any of its principal subsidiaries.

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

Disclosure on Remuneration

Principle 9: *Every company should provide clear disclosure of its remuneration policies, level and mix of remuneration, and the procedure for setting remuneration, in the company's Annual Report. It should provide disclosure in relation to its remuneration policies to enable investors to understand the link between remuneration paid to directors and key management personnel, and performance.*

The total remuneration and detailed breakdown of the top executives of the Group is not disclosed in this Annual Report due to confidentiality and to avoid poaching of the Group's staff. The Group is not disclosing the remuneration of the Executive Directors to the nearest thousand but in bands of S$100,000 for similar reasons.

Details of remuneration paid to the Directors and the Group's key executives for FY2015 are set out below:

Remuneration Band and Name	Fees (%)	Salary (%)	Bonus (%)	Others (%)	Total (%)
Directors who are paid between S$50,001 to S$150,000					
Wu Xueying	-	100	-	-	100
Directors who are paid between S$0 to S$50,000					
Zhao Lizhi	-	-	-	-	-
Li Mingyang(1)	-	-	-	-	-
Li Bin(2)	-	100	-	-	100
Kuan Cheng Tuck(3)	100	-	-	-	100
Lu King Seng(4)	100	-	-	-	100
Yao Fengge(5)	100	-	-	-	100
Key Executives who are paid between S$100,001 to S$150,000					
Jong Voon Hoo(6)	-	58.3	-	41.7	100
Key Executives who are paid between S$0 to S$50,000					
Li Zhao Kun(7)	-	100	-	-	100

Notes:

(1) Mr Li Mingyang was appointed as a Director of the Company with effect from 1 March 2016, and as such, did not receive any Directors' fees for FY2015.

(2) Mr Li Bin had resigned as a Director of the Company with effect from 8 March 2016, and his total remuneration for FY2015 in the form of a salary amounted to S$36,000.

(3) Mr Kuan Cheng Tuck's total remuneration for FY2015 in the form of Directors' fees amounted to S$45,000.

(4) Mr Lu King Seng had resigned as an Independent Director of the Company with effect from 1 April 2016, his total remuneration for FY2015 in the form of Directors' fees amounted to S$40,000.

(5) Dr Yao Fengge's total remuneration for FY2015 in the form of Directors' fees amounted to S$35,000.

(6) Mr Jong Voon Hoo had resigned as Chief Financial Officer of the Company with effect from 3 August 2015, and his remuneration for FY2015 in the form of a salary amounted to S$84,000. The Company however has since retained Mr Jong as its consultant, and Mr Jong's remuneration for FY2015 in the form of consultancy fees amounted to S$60,000.

(7) Mr Li Zhao Kun was appointed as the Financial Controller of the Company with effect from 3 August 2015, and his total remuneration for FY2015 in the form of a salary was less than S$50,000.

(C) ACCOUNTABILITY, AUDIT AND RISK MANAGEMENT

Accountability

Principle 10: *The Board should present a balanced and understandable assessment of the company's performance, position and prospects.*

Our Company announces its financial results on a half-yearly basis and other information via SGXNET in accordance with the requirement of the SGX-ST. The Company aims to provide the shareholders with a detailed analysis, explanation and assessment of the Group's financial position and prospects.

Management provides all members of the Board with management accounts and such explanation and information on a half-yearly basis and as the Board may require from time to time to enable the Board to make a balanced and informed assessment of the Group's performance, position and prospects.

Risk Management and Internal Control

Principle 11: *The Board is responsible for the governance of risk. The Board should ensure that Management maintains a sound system of risk management and internal controls to safeguard shareholders' interests and the company's assets, and should determine the nature and extent of the significant risks which the Board is willing to take in achieving its strategic objectives.*

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

The Board acknowledges that it is responsible for the overall internal control framework, but recognises that no cost effective internal control system will preclude all errors and irregularities, as a system is designed to manage rather than eliminate the risk of failure to achieve business objectives, and can provide only reasonable and not absolute assurance against material misstatement or loss.

The Board and the AC reviews regularly the adequacy and effectiveness of the Group's risk management and internal control systems, including financial, operational, compliance, and information technology controls to ensure that that such systems are sound and adequate to provide reasonable assurance of the adequacy and effectiveness of the internal controls, addressing financial, operational and compliance risks. Based on the internal controls established and maintained by the Group, work performed by the external auditors as well as the internal auditors and reviews performed by Management, the Board, with the concurrence of the AC, is of the opinion that the internal controls, including financial, operational, compliance, and information technology controls, and risk management systems put in place by the Management are adequate and effective as at 31 December 2015.

The Board has also received the following assurance from the Group's Chief Executive Officer and FC that:

(a) the financial records have been properly maintained and the financial statements give a true and fair view of the Company's operations and finances; and

(b) the Group's risk management and internal controls system are effective.

No risk committee has been established as the Board has assumed the responsibility of the risk management function and oversees the overall adequacy and effectiveness of the Company's risk management systems and procedures.

Management regularly reviews the Group's business and operational activities to identify areas of significant business risks, as well as appropriate measures to control and mitigate these risks. Management reviews all the significant control policies and procedures and highlight all significant findings to the Directors and the AC.

Audit Committee

Principle 12: *The Board should establish an Audit Committee with written terms of reference which clearly set out its authority and duties.*

For FY2015, the AC comprised three (3) Independent Directors, Mr Kuan Cheng Tuck as the Chairman, and Mr Lu King Seng and Dr Yao Fengge as members. As the date of this Annual Report, the AC comprises of two (2) Independent Directors, Mr Kuan Cheng Tuck as the Chairman, and Dr Yao Fengge as a member. The Board is looking into the appointment of another Independent Director as an AC member, and will update shareholders in due course. Mr Kuan Cheng Tuck has financial management experience and relevant accounting expertise and experience. Accordingly, the AC is appropriately qualified to discharge its responsibilities. The AC assists the Board in discharging their responsibility to safeguard the assets, maintain adequate accounting records, and develop and maintain effective systems of internal control, with the overall objective of ensuring that Management creates and maintains an effective control environment in the Group. The AC provides a channel of communication between the Board, Management and the external auditors of the Group on matters relating to audit.

The Board has approved the written terms of reference of the AC. Specifically, the AC's duties include the following:

(a) review the Group's financial and results of operations and accounting policies;

(b) review the Group's audit plans of the external auditors and the internal auditors, their scope of work and the results of the external auditors' examination and the internal auditors' evaluation of the Group's internal accounting control systems;

(c) review the Group's annual consolidated financial statements and the external auditors' report on those financial statements, and discuss any significant adjustments, major risk areas, changes in accounting policies, compliance with Singapore Financial Reporting Standards, concerns and issues arising from their audits including any matters which the auditors may wish to discuss in the absence of Management, where necessary, before submission to the Board for approval;

(d) review the financial statements of the Company and the Group before the submission to the Board for approval and prior to the Group's announcement of the results at the end of each reporting period;

(e) review and discuss with external and internal auditors, any suspected fraud, irregularity or infringement of any relevant laws, rules or regulations, which has or is likely to have a material impact on the Group's operating results or financial position and Management's response;

(f) review the co-operation given by the Group's management and officers to the external auditors;

(g) undertake such other reviews and projects as may be requested by the Board, and report to the Board its findings from time to time on matters arising and requiring the attention of the AC;

(h) review and evaluate the Group's administrative, operating and internal accounting controls and procedures;

(i) review the Group's procedures by which employees of the Group may, in confidence, report to the Chairman of the AC, possible improprieties in matters of financial reporting or other matters and ensure that there are arrangements in place for independent investigation and follow-up actions in relation thereto;

(j) review and establish procedures for receipt, retention and treatment of complaints received by the Group regarding, *inter alia*, criminal offences involving the Group or its employees, questionable accounting, auditing, business, safety, or other matters that may impact negatively on the Group;

(k) review and ratify any interested person transactions falling within the scope of Chapter 9 of the Listing Manual of the SGX-ST;

(l) review any potential conflicts of interests;

(m) consider and recommend to the Board on proposals to the shareholders on the appointment and re-appointment of the external auditors and matters relating to the resignation or dismissal of the external auditors and approving the remuneration and terms of engagement of the external auditors;

(n) review the appointments of and (on an annual basis) review the remuneration of persons occupying managerial positions who are related to a Director, Chief Executive Officer, or a substantial shareholder of the Company;

(o) generally undertake such other functions and duties which may be required by statute or the rules of the Listing Manual of the SGX-ST, and by such amendments made thereto from time to time;

(p) ensure that all internal control weaknesses are satisfactorily and properly rectified;

(q) evaluate the independence of the external auditors;

(r) review the adequacy and effectiveness of the internal audit function and ensuring that a clear reporting structure is in place between the AC and the internal auditors;

(s) review the Group's key financial risk areas; the outcome of the aforesaid reviews shall be disclosed in the Company's annual report (or in instances where the findings are material, make appropriate disclosures via SGXNET immediately);

(t) commission and review the findings of internal investigations into matters where there is any suspected fraud or irregularity, or failure of internal controls or infringement of any Singapore law, rule or regulation which has or is likely to have a material impact on the Group's results of operations and/or financial position;

(u) commission and review the annual internal controls audit until such time the AC is satisfied that the Group's internal controls are robust and effective enough to mitigate the Group's internal control weaknesses; and

(v) review and report to the Board on the Group's system of internal controls, including financial, operational and compliance controls, and risk management policies and systems established by Management. This ensures that such a system is sound and adequate to provide reasonable assurance of the adequacy and effectiveness of the internal controls, addressing financial, operational and compliance risks.

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

The AC has reviewed the Group's financial reporting function, internal controls and processes and is satisfied with the adequacy and quality of the same. The AC is satisfied with the adequacy of the Group's accounts and financial reporting resources and the performance of the Group's Finance Department.

The AC has also reviewed the policy and arrangements by which the employees of the Group and any other persons may, in confidence, raise concerns about the possible improprieties in matters of financial reporting or other matters within the Group, with the objectives of ensuring that arrangements are put in place for such concerns to be raised and independently investigated and for appropriate follow-up action to be taken as and when the need arises. As at the date of this Annual Report, the Group has put in place the Whistle-blowing Policy for this purpose. Copies of the "Whistle Blowing" policy have been circulated to the employees and are also available at the Company's registered office.

The Group's existing auditor, Ernst & Young LLP, have been the external auditor of the Group since 2004 and Mr Ang Chuen Beng is the current audit partner in charge effective from year ended 31 December 2013. For FY2015, the aggregate amount of fees payable to the external auditor is RMB1,332,000 (exclusive of Goods and Services Tax ("**GST**")) with audit related work carried out by the external auditor amounting to fees of RMB1,279,000 and non-audit related work carried out by the external auditor amounting to fees of RMB53,000 (exclusive of **GST**). The AC is satisfied that the external auditor's independence has not been impaired.

The AC also has full access to the external auditor without the presence of Management and is authorised to have full and unrestricted access to Management and all personnel, records, operations, properties and other informational sources of the Group as required or desirable to properly discharge its responsibilities. The AC has full discretion to invite any Director or Executive Officer to its meetings and has the authority to conduct or authorise investigations into any matters within its scope of responsibilities.

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

The AC recommends to the Board the nomination of Ernst & Young LLP for re-appointment as external auditor at the forthcoming AGM of the Company.

Internal Audit

Principle 13: The Company should establish an effective internal audit function that is adequately resourced and independent of the activities it audits.

The internal auditor's primary line of reporting is to the AC Chairman although the internal auditor would also report administratively to the Executive Chairman. The AC approves the hiring, removal, evaluation and compensation of the head of the internal audit function, or the accounting/auditing firm or corporation to which the internal audit function is outsourced. The internal auditor has unfettered access to all the Group's documents, records, properties and personnel, including access to the AC.

The AC also ensures that the internal audit function is adequately resourced and has appropriate standing within the Group.

The internal audit function is staffed with persons with the relevant qualifications and experience and carries out its function according to the standards set by nationally or internationally recognised professional bodies including the Standards for the Professional Practice of Internal Auditing set by the Institute of Internal Auditors.

The Company has outsourced its internal audit function to an independent accounting and auditing firm, Crowe Horwath First Trust Risk Advisory Pte. Ltd. ("**CHFTRA**"). CHFTRA has conducted its internal audit for the Group in FY2015 and reported directly to the AC on its findings. There were no major internal control weaknesses highlighted by them for the attention of the AC for FY2015. The AC has reviewed CHFTRA's report on internal controls and processes and is satisfied with the adequacy of the same. The AC will annually assess and ensure the adequacy of the internal audit function.

(D) SHAREHOLDERS

Shareholder Rights

Principle 14: *Companies should treat all shareholders fairly and equitably, and should recognise, protect and facilitate the exercise of shareholders' rights, and continually review and update such governance arrangements.*

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

The Company ensures that shareholders have the opportunity to participate effectively in and vote at general meetings of shareholders. Shareholders are informed of the rules, including voting procedures, that govern general meetings of shareholders.

Whilst the Company currently does not allow corporations which provide nominee or custodial services to appoint more than two (2) proxies so that shareholders who hold shares through such corporations can attend and participate in general meetings as proxies, the Company has allowed such shareholder(s) who hold shares through such corporation to attend its general meetings as observer(s).

Communication with Shareholders

Principle 15: *Companies should actively engage their shareholders and put in place an investor relations policy to promote regular, effective and fair communication with shareholders.*

In line with continuous disclosure obligations of the Company, pursuant to the SGX-ST's Listing Rules and the Companies Act, the Board's policy is that shareholders are informed of all major developments that impact the Group. The Company has an effective investor relations policy to regularly convey pertinent information to shareholders. In disclosing information, the Company will be as descriptive, detailed and forthcoming as possible and avoid boilerplate disclosures.

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

(a) annual reports that are prepared and issued to all shareholders. The Board makes every effort to ensure that the annual report includes all relevant information about the Group, including future developments and other disclosures required by the Companies Act and the relevant accounting standards;

(b) half-yearly financial statements containing a summary of the financial information and affairs of the Group for the period;

(c) notices of and explanatory memoranda for AGMs and extraordinary general meetings;

(d) press and analyst briefings for the Group's half-yearly and annual results as well as other briefings, as appropriate;

(e) press releases on major developments of the Group;

(f) disclosures to the SGX-ST; and

(g) the Group's website at www.webgbt.com at which shareholders can access information on the Group. The website provides, *inter alia*, products information and profile of the Group.

The Company does not have a fixed dividend policy. The form, frequency and amount of dividends will depend on the Company's earnings, general financial condition, results of operations, capital requirements, cash flow, general business condition, development plans and other factors as the Directors may deem appropriate.

Conduct of Shareholder Meetings

Principle 16: *Companies should encourage greater shareholder participation at general meetings of the shareholders, and allow shareholders the opportunity to communicate their views on various matters affecting the company.*

Shareholders have the opportunity to participate effectively in and to vote at general meetings of shareholders to ensure a high level of accountability and to stay informed of the Group's strategy and goals. The Directors regard general meeting of the shareholders as an opportunity to communicated directly with shareholders and encourage greater shareholder participation.

The notice of general meetings of shareholders is despatched to shareholders, together with explanatory notes or a circular on items of special business, at least fourteen (14) days before the meeting. The Board welcomes questions from shareholders who have an opportunity to raise issues either informally or formally before or at the general meetings of shareholders. All Directors normally attend general meetings of shareholders. The Chairmen of the AC, RC, and NC are normally available at the meeting to answer those questions relating to the work of these Board Committees. The Company's external auditors will also be present to assist the Directors in addressing queries by shareholders.

The Company prepares minutes of general meetings that include substantial and relevant comments or queries from shareholders relating to the agenda of the meeting, and responses from the Board and Management, and makes these minutes available to shareholders upon their request.

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

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

(E) DEALING IN SECURITIES

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

(a) officers are not to deal in its securities during the period commencing one (1) month before the announcement of the Group's half yearly financial statements and one (1) month before the announcement of the Group's financial statements for the full year, and ending on the date of the announcement of the relevant results;

(b) in addition, the Company reminds its officers to observe the laws on insider trading at all times, even when dealing in its securities within the permitted trading period; and

(c) the Company's internal compliance code requires that its officers should not deal in the Company's securities on short term considerations.

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

(F) MATERIAL CONTRACTS

There were no material contracts of the Company or its subsidiaries involving the interest of any Director or controlling shareholders subsisting at the end of the reporting year ended 31 December 2015.

(G) INTERESTED PERSON TRANSACTIONS

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

The Company has obtained a general mandate pursuant to Rule 920 of the Listing Manual in relation to interested persons transactions during its AGM held on 21 April 2015. There were no interested person transactions with a value of S$100,000 or more during FY2015.

Directors' statement

The directors are pleased to present their statement to the members together with the audited consolidated financial statements of Green Build Technology Limited (the "Company") and its subsidiaries (collectively, the "Group") and the balance sheet of the Company for the financial year ended 31 December 2015.

Opinion of the directors

In the opinion of the directors,

(i) the consolidated financial statements of the Group and the balance sheet of the Company are drawn up so as to give a true and fair view of the financial position of the Group and of the Company as at 31 December 2015 and of the financial performance, changes in equity and cash flows of the Group for the year ended on that date; and

(ii) at the date of this statement, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they fall due.

Directors

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

Zhao Lizhi	Executive Chairman
Wu Xueying	Chief Executive Officer and Executive Director
Li Mingyang	Executive Director (appointed on 1 March 2016)
Kuan Cheng Tuck	Independent Director
Yao Fengge	Independent Director

In accordance with the Company's Articles of Association, Wu Xueying, Li Mingyang and Yao Fengge retire and, being eligible, offer themselves for re-election.

Arrangements to enable directors to acquire shares and debentures

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

Directors' interests in shares and debentures

The following directors, who held office at the end of the financial year, had, according to the register of directors' shareholdings, required to be kept under Section 164 of the Singapore Companies Act, Chapter 50, an interest in shares of the Company and related corporations (other than wholly-owned subsidiaries) as stated below:

	Direct interest		Deemed interest	
Name of director	**At the beginning of financial year**	**At the end of financial year**	**At the beginning of financial year**	**At the end of financial year**
The Company				
Ordinary shares				
Zhao Lizhi	–	67,518,111	157,518,111	30,000,000
Wu Xueying	8,360,000	–	–	8,360,000

Directors' interests in shares and debentures (cont'd)

There was no change in any of the above-mentioned interests between the end of the financial year and 21 January 2016.

Except as disclosed in this statement, no director who held office at the end of the financial year had interests in shares, share options, warrants or debentures of the Company or of related corporations, either at the beginning of the financial year, or date of appointment if later, or at the end of the financial year.

Audit Committee

The Audit Committee carried out its functions in accordance with section 201B(5) of the Singapore Companies Act, Chapter 50, including the following:

- Reviewed the audit plans of the internal and external auditors of the Group and the Company, and reviewed the internal auditor's evaluation of the adequacy of the Company's system of internal accounting controls and the assistance given by the Group and the Company's management to the external and internal auditors;
- Reviewed the half-yearly and annual financial statements and the independent auditor's report on the annual financial statements of the Group and the Company before their submission to the board of directors;
- Reviewed effectiveness of the Company's material internal controls, including financial, operational and compliance controls and risk management via reviews carried out by the internal auditors;
- Met with the external auditors, internal auditor, other committees, and management in separate executive sessions to discuss any matters that these groups believe should be discussed privately with the Audit Committee;
- Reviewed legal and regulatory matters that may have a material impact on the financial statements, related compliance policies and programmes and any reports received from regulators;
- Reviewed the cost effectiveness and the independence and objectivity of the external auditors;
- Reviewed the nature and extent of non-audit services provided by the external auditors;
- Recommended to the board of directors the external auditors to be nominated, approved the compensation of the external auditors, and reviewed the scope and results of the audit;
- Reported actions and minutes of the Audit Committee to the board of directors with such recommendations as the Audit Committee considered appropriate; and
- Reviewed interested person transactions in accordance with the requirements of the Singapore Exchange Securities Trading Limited's Listing Manual.

The Audit Committee, having reviewed all non-audit services provided by the external auditors to the Group, is satisfied that the nature and extent of such services would not affect the independence of the external auditors. The Audit Committee has also conducted a review of interested person transactions.

Audit Committee (cont'd)

The Audit Committee convened two meetings during the year with full attendance from all members. The Audit Committee has also met with the internal and external auditors, without the presence of the Company's management, at least once a year.

Further details regarding the Audit Committee are disclosed in the Corporate Governance Report, in the Annual Report.

Auditors

Ernst & Young LLP have expressed their willingness to accept re-appointment as auditors.

On behalf of the board of directors,

Zhao Lizhi
Director

Wu Xueying
Director

Singapore
1 April 2016

Independent auditor's report
For the financial year ended 31 December 2015

Independent auditor's report to the members of Green Build Technology Limited

Report on the financial statements

We have audited the accompanying financial statements of Green Build Technology Limited (the "Company") and its subsidiaries (the "Group") set out on pages 44 to 113, which comprise the balance sheets of the Group and of the Company as at 31 December 2015, the statements of changes in equity of the Group and the consolidated income statement, consolidated statement of comprehensive income and consolidated statement of cash flow of the Group for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's responsibility for the financial statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the provisions of the Singapore Companies Act, Chapter 50 (the "Act") and Singapore Financial Reporting Standards, and for devising and maintaining a system of internal accounting controls sufficient to provide a reasonable assurance that assets are safeguarded against loss from unauthorised use or disposition; and transactions are properly authorised and that they are recorded as necessary to permit the preparation of true and fair financial statements and to maintain accountability of assets.

Auditor's responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Singapore Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements of the Group and the balance sheet of the Company are properly drawn up in accordance with the provisions of the Act and Singapore Financial Reporting Standards so as to give a true and fair view of the financial position of the Group and of the Company as at 31 December 2015 and of the financial performance, changes in equity, and cash flows of the Group for the year ended on that date.

Independent auditor's report
For the financial year ended 31 December 2015

Independent auditor's report to the members of Green Build Technology Limited

Emphasis of Matter

We draw attention to Note 2.1 to the financial statements. For the year ended 31 December 2015, the Group's cash flow from operating activities is a net outflow of RMB 18.6 million. As at 31 December 2015, the Group has cash and cash equivalents of only RMB 0.6 million and loans and borrowings of RMB 103.3 million. This indicates the existence of a material uncertainty which may cast significant doubt about the Group's ability to continue as going concern. The Group's ability to continue as going concern depends on continuing support from the Group's banker, the ability to secure cash receipts from its ongoing projects and undertakings from related parties not to recall the amounts due to them, until cash flows permit.

If the Group is unable to continue in operation existence for the foreseeable future, the Group may be unable to discharge their liabilities in the normal course of business and adjustments may have to be made to reflect the situation that assets may need to be realised other than in the normal course of business and at amounts which could differ significantly from the amounts at which they are currently recorded in the Group's balance sheets as at 31 December 2015. In addition, the Group may have to reclassify non-current assets and liabilities as current assets and liabilities respectively. No such adjustments have been made to these financial statements.

Our opinion is not qualified in respect of this matter.

Report on other legal and regulatory requirements

In our opinion, the accounting and other records required by the Act to be kept by the Company and by that subsidiary corporation incorporated in Singapore of which we are the auditors have been properly kept in accordance with the provisions of the Act.

Ernst & Young LLP
Public Accountants and
Chartered Accountants
Singapore
1 April 2016

Consolidated income statement
For the financial year ended 31 December 2015

(In Chinese Renminbi)

	Note	2015 RMB'000	2014 RMB'000 (Restated)
Continuing Operations			
Revenue	3	90,828	30,549
Cost of sales		(69,660)	(23,659)
Gross profit		21,168	6,890
Other operating income	4	762	26,068
Administrative expenses		(10,524)	(6,986)
Profit from continuing operations		11,406	25,972
Interest expense on interest-bearing loans		(5,740)	(7)
Bank charges		(6)	(1)
Profit before tax from continuing operations	5	5,660	25,964
Income tax expense	7	(3,544)	(7,421)
Profit from continuing operations, net of tax		2,116	18,543
Discontinued Operations			
Profit from discontinued operations, net of tax	29	2,403	9,856
Profit for the year		4,519	28,399
(Loss)/Profit attributible to:			
Owners of the Company			
Profit from continuing operations, net of tax		2,116	18,543
(Loss)/Profit from discontinued operations, net of tax		(4,515)	4,839
		(2,399)	23,382
Non-controlling interests			
Profit from discontinued operations, net of tax		6,918	5,017
Earnings per share from continuing operations attributable to owners of the Company			
- Basic and diluted (cents)	8	0.89	7.76
(Losses)/Earnings per share attributable to owners of the Company			
- Basic and diluted (cents)	8	(1.00)	9.79

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

Consolidated statement of comprehensive income
For the financial year ended 31 December 2015

(In Chinese Renminbi)

	Note	2015 RMB'000	2014 RMB'000 (Restated)
Profit for the year		4,519	28,399
Other comprehensive income:			
Items that may be reclassified subsequently to profit or loss			
Foreign currency translation, net	27	26	471
Realisation of foreign currency translation reserve upon disposal of subsidiaries	27	(1,171)	–
Other comprehensive (loss)/income for the year, net of tax		(1,145)	471
Total comprehensive income for the year		3,374	28,870
Total comprehensive income attributable to:			
Owners of the Company		(3,544)	23,853
Non-controlling interests		6,918	5,017
		3,374	28,870
Total comprehensive (loss)/income attributable to:			
Owners of the Company			
Total comprehensive income from continuing operations, net of tax		2,142	19,014
Total comprehensive (loss)/income from discontinued operation, net of tax		(5,686)	4,839
		(3,544)	23,853

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

Balance sheets
As at 31 December 2015

(In Chinese Renminbi)

	Note	Group 2015 RMB'000	Group 2014 RMB'000	Company 2015 RMB'000	Company 2014 RMB'000
Non-current assets					
Property, plant and equipment	9	1,152	79,363	7	3
Land use rights	10	–	12,740	–	–
Investment in subsidiaries	11	–	–	–	8,427
Intangible assets	12	1,075	1,089	–	–
Other investments	13	–	996	–	–
Deferred expenditure	14	396	429	–	–
Prepayments	19	–	1,413	–	–
Deferred tax assets	15	–	728	–	–
		2,623	96,758	7	8,430
Current assets					
Contract work-in-progress	16	32,355	30,057	–	–
Inventories	17	779	26,708	–	–
Trade and other receivables	18	126,483	153,509	25,219	250
Prepayments	19	49,473	3,321	11	12
Cash and cash equivalents	20	609	15,634	197	114
		209,699	229,229	25,427	376
Current liabilities					
Trade and other payables	21	57,137	123,373	2,296	7,683
Other liabilities	23	–	253	–	–
Loans and borrowings	24	103,316	90,666	16,372	11,766
Tax payable		10,964	8,537	–	–
		171,417	222,829	18,668	19,449
Net current assets/(liabilities)		38,282	6,400	6,759	(19,073)
Non-current liabilities					
Deferred tax liabilities	15	–	2,817	–	–
		–	2,817	–	–
Net assets/(liabilities)		40,905	100,341	6,766	(10,643)
Equity attributable to owners of the Company					
Share capital	25	113,179	113,179	113,179	113,179
Restricted reserves	26	–	7,532	–	–
Foreign currency translation reserve	27	966	2,111	920	910
Accumulated losses	28	(73,240)	(78,373)	(107,333)	(124,732)
		40,905	44,449	6,766	(10,643)
Non-controlling interests		–	55,892	–	–
Total equity/(deficit)		40,905	100,341	6,766	(10,643)

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

Green Build Technology Limited and its Subsidiaries
Consolidated statement of changes in equity
For the financial year ended 31 December 2015

(In Chinese Renminbi)

Group	Share capital RMB'000	Reserve funds RMB'000	Enterprise expansion funds RMB'000	Capital reserves RMB'000	Foreign currency translation reserve RMB'000	Accumulated losses RMB'000	Sub-total RMB'000	Non-controlling interest RMB'000	Total equity RMB'000
	Attributable to owners of the Company								
2015									
As at 1 January 2015	113,179	3,075	1,439	3,018	2,111	(78,373)	44,449	55,892	100,341
(Loss)/Profit for the year	–	–	–	–	–	(2,399)	(2,399)	6,918	4,519
Other comprehensive income									
Foreign currency translation	–	–	–	–	26	–	26	–	26
Realisation of foreign currency translation upon disposal of subsidiaries	–	–	–	–	(1,171)	–	(1,171)	–	(1,171)
Total comprehensive income for the year, net of tax	–	–	–	–	(1,145)	–	(1,145)	–	(1,145)
Changes in ownership interests in subsidiaries									
Transfer upon disposal of subsidiaries	–	(3,075)	(1,439)	(3,018)	–	7,532	–	(62,810)	(62,810)
Total changes in ownership interests in subsidiaries	–	(3,075)	(1,439)	(3,018)	–	7,532	–	(62,810)	(62,810)
As at 31 December 2015	113,179	–	–	–	966	(73,240)	40,905	–	40,905
2014									
As at 1 January 2014	113,179	3,018	1,439	3,018	1,640	(101,698)	20,596	55,441	76,037
Profit for the year	–	–	–	–	–	23,382	23,382	5,017	28,399
Other comprehensive income									
Foreign currency translation	–	–	–	–	471	–	471	–	471
Other comprehensive income for the year, net of tax	–	–	–	–	471	–	471	–	471
Total comprehensive income for the year, net of tax	–	–	–	–	471	23,382	23,853	5,017	28,870
Transfers	–	57	–	–	–	(57)	–	–	–
Total contributions by and distribution to owners									
Dividends paid by subsidiaries	–	–	–	–	–	–	–	(4,566)	(4,566)
As at 31 December 2014	113,179	3,075	1,439	3,018	2,111	(78,373)	44,449	55,892	100,341

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

Consolidated statement of cash flow
For the financial year ended 31 December 2015

(In Chinese Renminbi)	Note	2015 RMB'000	2014 RMB'000
Cash flows from operating activities			
Profit before tax from continuing operations		5,660	25,964
Profit before tax from discontinued operations		4,978	10,571
Profit before tax		10,638	36,535
Adjustments for:			
Depreciation of property, plant and equipment	9	9,862	11,352
Amortisation of intangible assets	12	14	5
Amortisation of land use rights	10	270	329
Amortisation of deferred expenditure	14	33	71
Gain on disposal of property, plant and equipment		(53)	(18)
Loss on disposal of subsidiaries	29	10,944	–
Write-back for inventories obsolescence	17	–	(518)
Allowance for trade receivables	18	1,113	103
Interest expense		8,950	5,240
Interest income		(1,166)	(175)
Exchange differences		(1,146)	441
Operating profit before changes in working capital		39,459	53,365
Decrease in:			
Deferred expenditure		–	(202)
Contract work-in-progress		(414)	(30,057)
Inventories		(3,811)	(2,578)
Trade and other receivables		(39,502)	(48,528)
Prepayments		(46,152)	(3,140)
Increase/(decrease) in:			
Trade and other payables		42,791	37,181
Other liabilities		(253)	11
Cash generated from operations		(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		(18,594)	(671)
Cash flows from investing activities			
Purchase of property, plant and equipment		(2,340)	(3,419)
Proceeds from disposal of property, plant and equipment		149	43
Purchase of intangible assets	12	–	(5)
Purchase of available-for-sale investment		(18,450)	–
Net cash inflow on acquisition of subsidiaries		–	77
Net cash outflow upon disposal of subsidiaries	29	(13,810)	–
Net cash used in investing activities		(34,451)	(3,304)
Cash flows from financing activities			
Dividends paid by subsidiaries to minority shareholders		–	(4,566)
Repayment of finance lease obligations		–	(44)
Proceeds from bank borrowings		149,000	179,560
Repayment of bank borrowings		(175,500)	(173,340)
(Repayment of)/Proceed from loan from corporate shareholder		(5,165)	2,294
(Repayment of)/Proceed from loan from holding company		(2,113)	2,113
Proceed from advances from related parties		61,293	–
Proceed from advances from a shareholder		940	–
Proceed from advances from external parties		36,595	–
Decrease/(Increase) in deposits pledged for bills payables		9,646	(4,182)
Decrease in amount due to holding company, non-trade		(452)	(19)
Decrease in amount due to corporate shareholder, non-trade		(25,491)	(51)
(Decrease)/Increase in amount due to a director		(787)	2,297
Decrease in amount due to related parties, non-trade		(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 the year		5,988	9,246
Cash and cash equivalents at end of the year	20	609	5,988

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

Notes to the financial statements
For the financial year ended 31 December 2015

(In Chinese Renminbi)

1. Corporate information

Green Build Technology Limited (the "Company") was incorporated on 6 February 2004 and is domiciled in Singapore under the Companies Act, Chapter 50 as a private company limited by shares under the name "Youcan Foods International Pte. Ltd.". On 6 October 2004, the Company converted to a public limited company and changed its name to "Youcan Foods International Limited". The Company is listed on the Singapore Exchange Securities Trading Limited. The name was changed from "Youcan Foods International Limited" to "Youyue International Limited" with effect from 2 August 2012 and was further changed to its current name with effect from 3 October 2014.

The registered office and principal place of business of the Company is located at 9 Temasek Boulevard, #09-01, Suntec Tower Two, Singapore 038989.

The principal activity of the Company is investment holding. The principal activities of the subsidiaries are disclosed in Note 11 to the financial statements.

2. Summary of significant accounting policies

2.1 *Basis of preparation*

The consolidated financial statements of the Group and the balance sheet of the Company have been prepared in accordance with Singapore Financial Reporting Standards ("FRS").

The financial statements have been prepared on a historical cost basis, except as disclosed in the accounting policies below.

The financial statements of the Group and the Company are presented in Chinese Renminbi ("RMB") and all values are rounded to the nearest thousand ('000) except when otherwise indicated.

For the year ended 31 December 2015, the Group's cash flow from operating activities is a net outflow of RMB 18.6 million. As at 31 December 2015, the Group has cash and cash equivalents of only RMB 0.6 million and loans and borrowings of RMB 103.3 million. This indicates the existence of a material uncertainty which may cast significant doubt about the Group's ability to continue as going concern. The Group's ability to continue as going concern depends on continuing support from the Group's banker, the ability to secure cash receipts from its ongoing projects and undertakings from related parties not to recall the amounts due to them, until cash flows permit.

If the Group is unable to continue in operation existence for the foreseeable future, the Group may be unable to discharge their liabilities in the normal course of business and adjustments may have to be made to reflect the situation that assets may need to be realised other than in the normal course of business and at amounts which could differ significantly from the amounts at which they are currently recorded in the Group's balance sheets as at 31 December 2015. In addition, the Group may have to reclassify non-current assets and liabilities as current assets and liabilities respectively. No such adjustments have been made to these financial statements.

(In Chinese Renminbi)

2. Summary of significant accounting policies (cont'd)

2.2 *Changes in accounting policies*

The accounting policies adopted are consistent with those of the previous financial year except in the current financial year, the Group has adopted all the new and revised standards which are effective for annual financial periods beginning on or after 1 January 2015. The adoption of these standards did not have any effect on the financial performance or position of the Group and the Company.

2.3 *Standards issued but not yet effective*

The Group has not adopted the following standards applicable to the Group that have been issued but not yet effective:

Description	Effective for annual periods beginning on or after
FRS 114 Regulatory Deferral Accounts	1 January 2016
Amendments to FRS 27 Equity Method in Separate Financial Statements	1 January 2016
Amendments to FRS 16 and FRS 38 Clarification of Acceptable Methods of Depreciation and Amortisation	1 January 2016
Amendments to FRS 16 Property, Plant and Equipment and FRS 41 Agriculture: Bearer Plants	1 January 2016
Amendments to FRS 111 Accounting for Acquisitions of Interests in Joint Operations	1 January 2016
Improvements to FRSs (November 2014)	
(a) Amendments to FRS 105 Non-current Assets Held for Sale and Discontinued Operations	1 January 2016
(b) Amendments to FRS 107 Financial Instruments: Disclosures	1 January 2016
(c) Amendments to FRS 19 Employee Benefits	1 January 2016
(d) Amendments to FRS 34 Interim Financial Reporting	1 January 2016
Amendments to FRS 110 & FRS 28: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	Date to be determined
Amendments to FRS 1 Disclosure Initiative	1 January 2016
Amendments to FRS 110, FRS 112 and FRS 28 Investment Entities: Applying the Consolidation Exception	1 January 2016
Amendments to FRS 7: Disclosure Initiative	1 January 2017
Amendments to FRS 12: Recognition of Deferred Tax Assets for Unrealised Losses	1 January 2017
FRS 115 Revenue from Contracts with Customers	1 January 2018
FRS 109 Financial Instruments	1 January 2018

Except for FRS 115 and FRS 109, the directors expect that the adoption of the other standards above will have no material impact on the financial statements in the period of initial application. The nature of the impending changes in accounting policy on adoption of FRS 115 and FRS 109 are described below.

(In Chinese Renminbi)

2. Summary of significant accounting policies (cont'd)

2.3 *Standards issued but not yet effective (cont'd)*

FRS 115 Revenue from Contracts with Customers

FRS 115 establishes a five-step model that will apply to revenue arising from contracts with customers. Under FRS 115, revenue is recognised at an amount that reflects the consideration which an entity expects to be entitled in exchange for transferring goods or services to a customer. The principles in FRS 115 provide a more structured approach to measuring and recognising revenue when the promised goods and services are transferred to the customer i.e. when performance obligations are satisfied.

Key issues for the Group include identifying performance obligations, accounting for contract modifications, applying the constraint to variable consideration, evaluating significant financing components, measuring progress toward satisfaction of a performance obligation, recognising contract cost assets and addressing disclosure requirements.

Either a full or modified retrospective application is required for annual periods beginning on or after 1 January 2018 with early adoption permitted. The Group is currently assessing the impact of FRS 115 and plans to adopt the new standard on the required effective date.

FRS 109 Financial Instruments

FRS 109 introduces new requirements for classification and measurement of financial assets, impairment of financial assets and hedge accounting. Financial assets are classified according to their contractual cash flow characteristics and the business model under which they are held. The impairment requirements in FRS 109 are based on an expected credit loss model and replace the FRS 39 incurred loss model. Adopting the expected credit losses requirements will require the Group to make changes to its current systems and processes.

FRS 109 is effective for annual periods beginning on or after 1 January 2018 with early application permitted. Retrospective application is required, but comparative information is not compulsory. The Group is currently assessing the impact of FRS 109 and plans to adopt the standard on the required effective date.

(In Chinese Renminbi)

2. Summary of significant accounting policies (cont'd)

2.4 *Significant accounting estimates and judgements*

The preparation of the Group's consolidated financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities at the end of each reporting period. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of the asset or liability affected in the future periods.

(a) Key sources of estimation uncertainty

The key assumptions concerning the future and other key sources of estimation uncertainty at the end of the reporting period are discussed below. The Group based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising beyond the control of the Group. Such changes are reflected in the assumptions when they occur.

(i) Construction contracts

The Group recognises contract revenue by reference to the stage of completion of the contract activity at the end of each reporting period, when the outcome of a construction contract can be estimated reliably. The stage of completion is measured by reference to the proportion that contract costs incurred for work performed to date to the estimated total contract costs.

Significant assumptions are required to estimate the total contract costs and the recoverable variation works that affect the stage of completion. In making these estimates, management has relied on past experience and knowledge of the project engineers. Current year revenue related to the provision of green technology amounted to RMB 87,300,000 (2014: RMB 29,683,000).

The carrying amount of contract work-in-progress arising from construction contracts at the end of the reporting period is disclosed in Note 16 to the financial statements. If the estimated total contract cost had been 5% higher than management estimate, the carrying amount of the assets arising from construction contracts and the net profit for the year would have been approximately RMB 1,532,000 (2014: RMB 1,412,000) lower.

(ii) Service concession arrangements

Where the Group performs more than one service under the concession arrangements, the consideration for the services provided under the concession arrangements is allocated to the components by reference to their relative fair values.

The Group recognises the consideration received or receivable as a financial asset to the extent that it has an unconditional right to receive cash or another financial asset for the construction services.

(In Chinese Renminbi)

2. Summary of significant accounting policies (cont'd)

2.4 *Significant accounting estimates and judgements (cont'd)*

(a) *Key sources of estimation uncertainty (cont'd)*

(ii) Service concession arrangements (cont'd)

The financial asset, which is measured at fair value upon initial recognition, represents revenue recognised in relation to construction services which is determined using the percentage of completion during the year. Significant assumptions are required to estimate the total contract costs as disclosed in Note 2.4(a)(i). Subsequent to initial recognition, the financial assets are measured at amortised cost.

Estimation is exercised in determining the fair values of the consideration for the construction services which is dependent on the discount rates and other factors used. The assumptions used and estimates made can materially affect the fair value estimates. The carrying amount of the Group's financial receivables arising from service concession arrangements at the balance sheet date is disclosed in Note 18 to the financial statements.

(iii) Impairment of loans and receivables

The Group assesses at the end of each reporting period whether there is any objective evidence that a financial asset is impaired. To determine whether there is objective evidence of impairment, the Group considers factors such as the probability of insolvency or significant financial difficulties of the debtor and default or significant delay in payments.

Where there is objective evidence of impairment, the amount and timing of future cash flows are estimated based on historical loss experience for assets with similar credit risk characteristics. The carrying amount of the Group's loans and receivables at the end of the reporting period is disclosed in Note 18 to the financial statements.

(iv) Deferred tax assets

Deferred tax assets are recognised for all unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and level of future taxable profits together with future tax planning strategies.

The Group and the Company has tax losses carried forward of approximately RMB Nil (2014: RMB 20,501,000). The Company and its subsidiaries have no temporary taxable differences which could partly support the recognition of deferred tax assets. Also, there is no tax planning opportunity available that would further provide a basis for recognition. If the Group was able to recognise all unrecognised deferred tax assets, the net profit for the year would increase by approximately RMB Nil (2014: RMB 3,485,000).

(In Chinese Renminbi)

2. Summary of significant accounting policies (cont'd)

2.4 *Significant accounting estimates and judgements (cont'd)*

(a) *Key sources of estimation uncertainty (cont'd)*

(v) Taxes

Uncertainties exist with respect to the interpretation of complex tax regulations and the amount and timing of future taxable income. Given the complexity of existing contractual agreements, differences arising between the actual results and the assumptions made, or future changes to such assumptions, could necessitate future adjustments to tax provisions already recorded.

The Group establishes provisions, based on reasonable estimates, for possible consequences of audits by the tax authorities of the respective countries in which it operates. The amount of such provisions is based on various factors, such as experience of previous tax audits and differing interpretations of tax regulations by the taxable entity and the relevant tax authority. Such differences of interpretation may arise on a wide variety of issues depending on the conditions prevailing in the respective countries of the Group's domicile.

(b) *Judgements made in applying accounting policies*

In the process of applying the Group's accounting policies, management has made the following judgements which have the most significant effect on the amounts recognised in the consolidated financial statements:

(i) Revenue recognition

Revenue recognition of the Group involves the application of judgement to the following:

1) The identification and determination of percentage of completion of construction contracts; and

2) The identification and determination of service concession arrangement.

The Group has recognised revenue amounting to RMB 87,300,000 (2014: 29,683,000) from continuing operations for construction contracts.

During the year, the Group has also recognised revenue from the Underground Utility Tunnel project and Insulation project for service concession arrangements amounting to RMB 37,356,000 and RMB 47,455,000 (2014: RMB Nil and RMB Nil) respectively.

Revenue is presented net of business tax on the consolidated statement of comprehensive income.

(In Chinese Renminbi)

2. Summary of significant accounting policies (cont'd)

2.5 *Functional and foreign currency*

Functional currency

The financial statements are presented in RMB. The functional currency of the Company is Singapore Dollars ("SGD"). Each entity in the Group determines its own functional currency and items included in the financial statements of each entity are measured using that functional currency.

(a) Transactions and balances

Transactions in foreign currencies are measured in the respective functional currencies of the Company and its subsidiaries and are recorded on initial recognition in the functional currencies at exchange rates approximating those ruling at the transaction dates. Monetary assets and liabilities denominated in foreign currencies are translated at the closing rate of exchange ruling at the end of the reporting period. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was measured.

Exchange differences arising on the settlement of monetary items or on translating monetary items at the end of the reporting period are recognised in profit or loss.

(b) Consolidated financial statements

For consolidation purpose, the assets and liabilities of foreign operations are translated into RMB at the rate of exchange ruling at the end of the reporting period and their profit or loss are translated at the exchange rates prevailing at the date of the transactions. The exchange differences arising on the translation are recognised in other comprehensive income. On disposal of a foreign operation, the component of other comprehensive income relating to that particular foreign operation is recognised in profit or loss.

(In Chinese Renminbi)

2. Summary of significant accounting policies (cont'd)

2.6 Subsidiaries and basis of consolidation

(a) *Subsidiaries*

A subsidiary is an investee that is controlled by the Group. The Group controls an investee when it is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee.

In the Company's separate financial statements, investments in subsidiaries are accounted for at cost less impairment losses.

(b) *Basis of consolidation*

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries as at the end of the reporting period. The financial statements of the subsidiaries used in the preparation of the consolidated financial statements are prepared for the same reporting date as the Company. Consistent accounting policies are applied to like transactions and events in similar circumstances.

All intra-group balances, income and expenses and unrealised gains and losses resulting from intra-group transactions and dividends are eliminated in full.

Subsidiaries are consolidated from the date of acquisition, being the date on which the Group obtains control, and continue to be consolidated until the date that such control ceases.

Losses within a subsidiary are attributed to the non-controlling interest even if that results in a deficit balance.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction. If the Group loses control over a subsidiary, it:

- De-recognises the assets (including goodwill) and liabilities of the subsidiary at their carrying amounts at the date when control is lost;
- De-recognises the carrying amount of any non-controlling interest;
- De-recognises the cumulative translation differences recorded in equity;
- Recognises the fair value of the consideration received;
- Recognises the fair value of any investment retained;
- Recognises any surplus or deficit in profit or loss;
- Re-classifies the Group's share of components previously recognised in other comprehensive income to profit or loss or retained earnings, as appropriate.

(In Chinese Renminbi)

2. Summary of significant accounting policies (cont'd)

2.6 *Subsidiaries and basis of consolidation (cont'd)*

(c) *Business combinations and goodwill*

Any contingent consideration to be transferred by the acquirer will be recognised at fair value at the acquisition date. Subsequent changes to the fair value of the contingent consideration which is deemed to be an asset or liability will be recognised in profit or loss.

The Group elects for each individual business combination, whether non-controlling interest in the acquiree (if any), that are present ownership interests and entitle their holders to a proportionate share of net assets in the event of liquidation, is recognised on the acquisition date at fair value, or at the non-controlling interest's proportionate share of the acquiree's identifiable net assets. Other components of non-controlling interests are measured at their acquisition date fair value, unless another measurement basis is required by another FRS.

Any excess of the sum of the fair value of the consideration transferred in the business combination, the amount of non-controlling interest in the acquiree (if any), and the fair value of the Group's previously held equity interest in the acquiree (if any), over the net fair value of the acquiree's identifiable assets and liabilities is recorded as goodwill. The accounting policy for goodwill is set out in Note 2.10(a). In instances where the latter amount exceeds the former, the excess is recognised as gain on bargain purchase in profit or loss on the acquisition date.

Goodwill is initially measured at cost. Following initial recognition, goodwill is measured at cost less any accumulated impairment losses.

For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to the Group's cash-generating units that are expected to benefit from the synergies of the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units.

The cash-generating units to which goodwill have been allocated is tested for impairment annually and whenever there is an indication that the cash-generating unit may be impaired. Impairment is determined for goodwill by assessing the recoverable amount of each cash-generating unit (or group of cash-generating units) to which the goodwill relates.

(In Chinese Renminbi)

2. Summary of significant accounting policies (cont'd)

2.7 *Transactions with non-controlling interests*

Non-controlling interest represents the equity in subsidiaries not attributable, directly or indirectly, to owners of the Company.

Changes in the Company's ownership interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions. In such circumstances, the carrying amounts of the controlling and non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiary. Any difference between the amount by which the non-controlling interest is adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to owners of the Company.

2.8 *Property, plant and equipment*

All items of property, plant and equipment are initially recorded at cost. Subsequent to recognition, property, plant and equipment other than freehold land and buildings are measured at cost less accumulated depreciation and any accumulated impairment losses.

Depreciation is computed on a straight-line basis over the estimated useful lives of the assets as follows:

Building	–	20 years
Plant and machinery	–	10 years
Motor vehicles	–	5 years
Office equipment	–	3 to 5 years
Office renovation	–	over the lease term

The carrying values of property, plant and equipment are reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable.

The residual values, useful life and depreciation method are reviewed at each financial year-end, and adjusted prospectively, if appropriate.

An item of property, plant and equipment is de-recognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on de-recognition of the asset is included in profit or loss in the year the asset is de-recognised.

(In Chinese Renminbi)

2. Summary of significant accounting policies (cont'd)

2.9 *Land use rights*

Land use rights are initially measured at cost. Following initial recognition, land use rights are measured at cost less accumulated amortisation and any accumulated impairment losses. The land use rights are amortised on a straight-line basis over the lease term of 50 years.

2.10 *Intangible assets*

Intangible assets acquired separately are measured initially at cost. Following initial acquisition, intangible assets are carried at cost less any accumulated amortisation and any accumulated impairment losses. Internally generated intangible assets, excluding capitalised development costs, are not capitalised and expenditure is reflected in profit or loss in the year in which the expenditure is incurred.

The useful lives of intangible assets are assessed as either finite or indefinite.

Intangible assets with finite useful lives are amortised over the estimated useful lives and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method are reviewed at least at each financial year-end. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset is accounted for by changing the amortisation period or method, as appropriate, and are treated as changes in accounting estimates.

Intangible assets with indefinite useful lives or not yet available for use are tested for impairment annually, or more frequently if the events and circumstances indicate that the carrying value may be impaired either individually or at the cash-generating unit level. Such intangible assets are not amortised. The useful life of an intangible asset with an indefinite useful life is reviewed annually to determine whether the useful life assessment continues to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis.

Gains or losses arising from de-recognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in profit or loss when the asset is de-recognised.

(a) *Goodwill*

Goodwill was acquired in business combinations. The useful life of goodwill is estimated to be indefinite because management believes there is no foreseeable limit to the period over which goodwill is expected to generate net cash inflows for the Group.

(b) *Software*

Software which relate to purchase of computer software is capitalised and amortised on a straight-line basis over 3 to 5 years.

(In Chinese Renminbi)

2. Summary of significant accounting policies (cont'd)

2.11 *Deferred expenditure*

Deferred expenditure are recorded at cost less any accumulated amortisation. The deferred expenditure is amortised over the energy saving period of 7 years as provided for in the energy management contracts as agreed with the customers.

The carrying values of deferred expenditure are reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable.

2.12 *Impairment of non-financial assets*

The Group assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when an annual impairment testing for an asset is required, the Group makes an estimate of the asset's recoverable amount.

An asset's recoverable amount is the higher of an asset's or cash-generating unit's fair value less costs of disposal and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. Where the carrying amount of an asset or cash-generating unit exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

Impairment losses of continuing operations are recognised in profit or loss, except for assets that are previously revalued where the revaluation was taken to other comprehensive income. In this case, the impairment is also recognised in other comprehensive income up to the amount of any previous revaluation.

A previously recognised impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. If that is the case, the carrying amount of the asset is increased to its recoverable amount. That increase cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised previously. Such reversal is recognised in profit or loss unless the asset is measured at revalued amount, in which case the reversal is treated as a revaluation increase.

(In Chinese Renminbi)

2. Summary of significant accounting policies (cont'd)

2.13 *Financial instruments*

(a) *Financial assets*

Initial recognition and measurement

Financial assets are recognised when, and only when, the Group becomes a party to the contractual provisions of the financial instrument. The Group determines the classification of its financial assets at initial recognition.

When financial assets are recognised initially, they are measured at fair value, plus, in the case of financial assets not at fair value through profit or loss, directly attributable transaction costs.

Subsequent measurement

The subsequent measurement of financial assets depends on their classification as follows:

(i) Loans and receivables

Non-derivative financial assets with fixed or determinable payments that are not quoted in an active market are classified as loans and receivables. Subsequent to initial recognition, loans and receivables are measured at amortised cost using the effective interest method, less impairment. Gains and losses are recognised in profit or loss when the loans and receivables are de-recognised or impaired, and through the amortisation process.

(ii) Available-for-sale financial assets

Available-for-sale financial assets include equity and debt securities. Equity investments classified as available-for-sale are those, which are neither classified as held for trading nor designated at fair value through profit or loss. Debt securities in this category are those which are intended to be held for an indefinite period of time and which may be sold in response to needs for liquidity or in response to changes in the market conditions.

After initial recognition, available-for-sale financial assets are subsequently measured at fair value. Any gains or losses from changes in fair value of the financial assets are recognised in other comprehensive income, except that impairment losses, foreign exchange gains and losses on monetary instruments and interest calculated using the effective interest method are recognised in profit or loss. The cumulative gain or loss previously recognised in other comprehensive income is reclassified from equity to profit or loss as a reclassification adjustment when the financial asset is de-recognised.

Investments in equity instruments whose fair value cannot be reliably measured are measured at cost less impairment loss.

(In Chinese Renminbi)

2. Summary of significant accounting policies (cont'd)

2.13 *Financial instruments (cont'd)*

(a) *Financial assets (cont'd)*

De-recognition

A financial asset is de-recognised where the contractual right to receive cash flows from the asset has expired. On de-recognition of a financial asset in its entirety, the difference between the carrying amount and the sum of the consideration received and any cumulative gain or loss that had been recognised in other comprehensive income is recognised in profit or loss.

(b) *Financial liabilities*

Initial recognition and measurement

Financial liabilities are recognised when, and only when, the Group becomes a party to the contractual provisions of the financial instrument. The Group determines the classification of its financial liabilities at initial recognition.

All financial liabilities are recognised initially at fair value plus in the case of financial liabilities not at fair value through profit or loss, directly attributable transaction costs.

Subsequent measurement

After initial recognition, financial liabilities that are not carried at fair value through profit or loss are subsequently measured at amortised cost using the effective interest method. Gains and losses are recognised in profit or loss when the liabilities are de-recognised, and through the amortisation process.

De-recognition

A financial liability is de-recognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a de-recognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognised in profit or loss.

2.14 *Cash and cash equivalents*

Cash and cash equivalents comprise cash on hand and bank balances that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

(In Chinese Renminbi)

2. Summary of significant accounting policies (cont'd)

2.15 *Impairment of financial assets*

The Group assesses at each reporting date whether there is any objective evidence that a financial asset is impaired.

(a) *Financial assets carried at amortised cost*

For financial assets carried at amortised cost, the Group first assesses whether objective evidence of impairment exists individually for financial assets that are individually significant, or collectively for financial assets that are not individually significant. If the Group determines that no objective evidence of impairment exists for an individually assessed financial asset, whether significant or not, it includes the asset in a group of financial assets with similar credit risk characteristics and collectively assesses them for impairment. Assets that are individually assessed for impairment and for which an impairment loss is, or continues to be recognised are not included in a collective assessment of impairment.

If there is objective evidence that an impairment loss on financial assets carried at amortised cost has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the financial asset's original effective interest rate. If a loan has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate. The carrying amount of the asset is reduced through the use of an allowance account. The impairment loss is recognised in profit or loss.

When the asset becomes uncollectible, the carrying amount of impaired financial assets is reduced directly or if an amount was charged to the allowance account, the amounts charged to the allowance account are written off against the carrying value of the financial asset.

To determine whether there is objective evidence that an impairment loss on financial assets has been incurred, the Group considers factors such as the probability of insolvency or significant financial difficulties of the debtor and default or significant delay in payments.

If in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed to the extent that the carrying amount of the asset does not exceed its amortised cost at the reversal date. The amount of reversal is recognised in profit or loss.

(In Chinese Renminbi)

2. Summary of significant accounting policies (cont'd)

2.15 *Impairment of financial assets (cont'd)*

(b) *Financial assets carried at cost*

If there is objective evidence (such as significant adverse changes in the business environment where the issuer operates, probability of insolvency or significant financial difficulties of the issuer) that an impairment loss on financial assets carried at cost has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the current market rate of return for a similar financial asset. Such impairment losses are not reversed in subsequent periods.

(c) *Available-for-sale financial assets*

In the case of equity investments classified as available-for-sale, objective evidence of impairment include (i) significant financial difficulty of the issuer or obligor, (ii) information about significant changes with an adverse effect that have taken place in the technological, market, economic or legal environment in which the issuer operates, and indicates that the cost of the investment in equity instrument may not be recovered; and (iii) a significant or prolonged decline in the fair value of the investment below its costs.

If an available-for-sale financial asset is impaired, an amount comprising the difference between its acquisition cost (net of any principal repayment and amortisation) and its current fair value, less any impairment loss previously recognised in profit or loss, is transferred from other comprehensive income and recognised in profit or loss. Reversals of impairment losses in respect of equity instruments are not recognised in profit or loss; increase in their fair value after impairment are recognised directly in other comprehensive income.

In the case of debt instruments classified as available-for-sale, impairment is assessed based on the same criteria as financial assets carried at amortised cost. However, the amount recorded for impairment is the cumulative loss measured as the difference between the amortised cost and the current fair value, less any impairment loss on that investment previously recognised in profit or loss. Future interest income continues to be accrued based on the reduced carrying amount of the asset, using the rate of interest used to discount the future cash flows for the purpose of measuring the impairment loss. The interest income is recorded as part of finance income. If, in a subsequent year, the fair value of a debt instrument increases and the increases can be objectively related to an event occurring after the impairment loss was recognised in profit or loss, the impairment loss is reversed in profit or loss.

(In Chinese Renminbi)

2. Summary of significant accounting policies (cont'd)

2.16 *Contract revenue and contract costs*

The Group principally operates fixed price contracts. Contract revenue and contract costs are recognised as revenue and expenses respectively by reference to the stage of completion of the contract activity at the end of the reporting period (the percentage of completion method), when the outcome of a construction contract can be estimated reliably.

When the outcome of a construction contract cannot be estimated reliably (principally during early stages of a contract), contract revenue is recognised only to the extent of contract costs incurred that are likely to be recoverable and contract costs are recognised as expense in the period in which they are incurred.

An expected loss on the construction contract is recognised as an expense immediately when it is probable that total contract costs will exceed total contract revenue.

In applying the percentage of completion method, revenue recognised corresponds to the total contract revenue multiplied by the actual completion rate based on the proportion of total contract costs incurred to date and the estimated costs to complete.

2.17 *Inventories*

Inventories are stated at the lower of cost and net realisable value. Costs incurred in bringing the inventories to their present location and condition are accounted for as follows:

- Raw materials – purchase costs on a first-in, first-out basis.
- Work-in-progress and finished goods – costs of direct materials and labour and a proportion of manufacturing overheads based on normal operating capacity. These costs are assigned on a first-in, first-out basis.

Where necessary, allowance is provided for damaged, obsolete and slow moving items to adjust the carrying value of inventories to the lower of cost and net realisable value.

Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

2.18 *Borrowing costs*

Borrowing costs are capitalised as part of the cost of a qualifying asset if they are directly attributable to the acquisition, construction or production of that asset. Capitalisation of borrowing costs commences when the activities to prepare the asset for its intended use or sale are in progress and the expenditures and borrowing costs are incurred. Borrowing costs are capitalised until the assets are substantially completed for their intended use or sale. All other borrowing costs are expensed in the period they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

(In Chinese Renminbi)

2. *Summary of significant accounting policies (cont'd)*

2.19 *Interest-bearing loans and borrowings*

All loans and borrowings are initially recognised at the fair value of the consideration received less directly attributable transaction costs.

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the effective interest method.

Gains and losses are recognised in profit or loss when the liabilities are de-recognised as well as through the amortisation process.

Borrowing costs are generally expensed as incurred, except when they are directly attributable to the acquisition, construction or production of a qualifying asset (Note 2.18).

2.20 *Provisions*

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and the amount of the obligation can be estimated reliably.

Provisions are reviewed at the end of each reporting period and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of economic resources will be required to settle the obligation, the provision is reversed. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, where appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

2.21 *Employee benefits*

(a) Defined contribution plans

The Group participates in the national pension schemes as defined by the laws of the countries in which it has operations. In particular, the Company makes contributions to the Central Provident Fund scheme in Singapore, a defined contribution pension scheme. Contributions to defined contribution pension schemes are recognised as an expense in the period in which the related service is performed.

(b) *Employee leave entitlement*

Employee entitlements to annual leave are recognised as a liability when they are accrued to the employees. The undiscounted liability for leave expected to be settled wholly before twelve months after the end of the reporting period is recognised for services rendered by employees up to the end of the reporting period.

(c) *Employee share option scheme*

Employees (including senior executives) of the Group receive remuneration in the form of share-based payment transactions, whereby employees render services as consideration for share options ('equity-settled transactions').

(In Chinese Renminbi)

2. *Summary of significant accounting policies (cont'd)*

2.21 *Employee benefits (cont'd)*

(c) *Employee share option scheme (cont'd)*

Equity-settled transactions

The cost of equity-settled transactions with employees is measured by reference to the fair value at the date on which the share options are granted which takes into account market conditions and non-vesting conditions.

The cost of equity-settled transactions is recognised in profit or loss, together with a corresponding increase in the employee share option reserve, over the vesting period. The cumulative expense recognised for equity-settled transactions at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the Group's best estimate of the number of equity instruments that will ultimately vest. The charge or credit to profit or loss for a period represents the movement in cumulative expense recognised as at the beginning and end of that period.

No expense is recognised for awards that do not ultimately vest, except for awards where vesting is conditional upon a market or non-vesting condition, which are treated as vested irrespective of whether or not the market or non-vesting condition is satisfied, provided that all other performance and/or similar conditions are satisfied. In the case where the option does not vest as the result of a failure to meet a non-vesting condition that is within the control of the Group or the employee, it is accounted for as a cancellation. In such case, the amount of the compensation cost that otherwise would be recognised over the remainder of the vesting period is recognised immediately in profit or loss upon cancellation. The employee share option reserve is transferred to retained earnings upon expiry of the share options. When the options are exercised, the employee share option reserve is transferred to share capital if new shares are issued, or to treasury shares if the options are satisfied by the reissuance of treasury shares.

2.22 *Leases*

As lessee

Finance leases, which transfer to the Group substantially all the risks and rewards incidental to ownership of the leased item, are capitalised at the inception of the lease at the fair value of the leased asset or, if lower, at the present value of the minimum lease payments. Any initial direct costs are also added to the amount capitalised. Lease payments are apportioned between the finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are charged to profit or loss. Contingent rents, if any, are charged as expenses in the periods in which they are incurred.

Capitalised leased assets are depreciated over the shorter of the estimated useful life of the asset and the lease term, if there is no reasonable certainty that the Group will obtain ownership by the end of the lease term.

Operating lease payments are recognised as an expense in profit or loss on a straight-line basis over the lease term. The aggregate benefit of incentives provided by the lessor is recognised as a reduction of rental expense over the lease term on a straight-line basis.

(In Chinese Renminbi)

2. *Summary of significant accounting policies (cont'd)*

2.23 *Non-current assets held for sale and discontinued operations*

Non-current assets and disposal groups classified as held for sale are measured at the lower of their carrying amount and fair value less costs to sell. Non-current assets and disposal groups are classified as held for sale if their carrying amounts will be recovered principally through a sale transaction rather than through continuing use. A component of the Group is classified as a 'discontinued operation' when the criteria to be classified as held for sale have been met or it has been disposed of and such a component represents a separate major line of business or geographical area of operations or is part of a single coordinated plan to dispose of a separate major line of business or geographical area of operations.

Property, plant and equipment and intangible assets once classified as held for sale are not depreciated or amortised.

2.24 *Revenue recognition*

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured, regardless of when the payment is made. Revenue is measured at the fair value of consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duty.

(a) *Sale of goods*

Revenue from sale of goods is recognised upon the transfer of significant risk and rewards of ownership of the goods to the customer, usually on delivery of goods. Revenue is not recognised to the extent where there are significant uncertainties regarding recovery of the consideration due, associated costs or the possible return of goods.

(b) *Contract revenue*

Revenue from the provision of green technology services and construction of related installation is recognised by reference to the stage of completion at the end of the reporting period. Details of the accounting policy are disclosed in Note 2.16.

(c) *Revenue from service concession arrangements*

In respect of revenue from service concession arrangements, revenue is recognised in accordance with Note 2.29. Revenue from service concession arrangements is recognised when the Group's right to receive payment is established. Revenue recognised will be apportioned among:

(i) A repayment of the financial receivable, which will be used to reduce the carrying amount of the financial receivable on its balance sheet;
(ii) Interest income, which will be recognised as finance income in profit or loss; and
(iii) Revenue from operating and maintaining the plants recognised in profit or loss.

(d) *Interest income*

Interest income is recognised using the effective interest method.

(In Chinese Renminbi)

2. *Summary of significant accounting policies (cont'd)*

2.25 *Government grants*

Government grants are recognised when there is reasonable assurance that the grant will be received and all attaching conditions will be complied with. Where the grants relates to an expense item, it is recognised in profit or loss over the period necessary to match them on a systematic basis to the costs that it is intended to compensate. Where the grant relates to an asset, the fair value is recognised as deferred capital grant on the balance sheet and is amortised to profit or loss over the expected useful life of the relevant asset by equal annual instalments.

2.26 *Taxes*

(a) *Current income tax*

Current income tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted at the end of the reporting period, in the countries where the Group operates and generates taxable income.

Current income taxes are recognised in profit or loss except to the extent that the tax relates to items recognised outside profit or loss, either in other comprehensive income or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

(b) *Deferred tax*

Deferred tax is provided using the liability method on temporary differences at the end of the reporting period between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liabilities are recognised for all temporary differences, except:

- Where the deferred tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and

- In respect of taxable temporary differences associated with investments in subsidiaries, where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

(In Chinese Renminbi)

2. *Summary of significant accounting policies (cont'd)*

2.26 *Taxes (cont'd)*

(b) *Deferred tax (cont'd)*

Deferred tax assets are recognised for all deductible temporary differences, carry forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised except:

- Where the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and

- In respect of deductible temporary differences associated with investments in subsidiaries, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are reassessed at the end of each reporting period and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

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

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss. Deferred tax items are recognised in correlation to the underlying transaction either in other comprehensive income or directly in equity and deferred tax arising from a business combination is adjusted against goodwill on acquisition.

(c) *Value added tax ("VAT")*

Revenues, expenses and assets are recognised net of the amount of VAT except:

- Where the VAT incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case the VAT is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable; and

- Receivables and payables that are stated with the amount of VAT included.

(In Chinese Renminbi)

2. Summary of significant accounting policies (cont'd)

2.27 *Share capital and share issue expenses*

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

2.28 *Contingencies*

A contingent liability is:

(a) a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group; or

(b) a present obligation that arises from past events but is not recognised because:

(i) It is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or

(ii) The amount of the obligation cannot be measured with sufficient reliability.

A contingent asset is a possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group.

Contingent liabilities and assets are not recognised on the balance sheet of the Group, except for contingent liabilities assumed in a business combination that are present obligations and which the fair values can be reliably determined.

2.29 *Service concession arrangements*

The Group recognises revenue in accordance with its accounting policy set out in Note 2.24(c). Where the Group performs more than one service under the arrangement, consideration received or receivable are allocated to the components by reference to the relative fair values of the services delivered, when the amounts are separately identifiable.

The Group recognises the consideration received or receivable as a financial asset to the extent that it has an unconditional right to receive cash or another financial asset for the construction services. Financial assets are accounted for in accordance with the accounting policy set out in Note 2.13(a).

Repair and maintenance and other expenses that are routine in nature are expensed and recognised in profit or loss as incurred.

(In Chinese Renminbi)

3. Revenue

	Group 2015 RMB'000	Group 2014 RMB'000 (Restated)
Sales of goods	3,528	866
Contract revenue	87,300	29,683
	90,828	30,549

4. Other operating income

	Group 2015 RMB'000	Group 2014 RMB'000 (Restated)
Government grants	1	26,064
Interest income from bank balances	743	3
Others	18	1
	762	26,068

(In Chinese Renminbi)

5. Profit before tax from continuing operations

Profit before tax from continuing operations is arrived at after charging the following:

	Note	Group 2015 RMB'000	Group 2014 RMB'000 (Restated)
Directors' remuneration		252	249
Directors' fees		555	486
Other staff costs		2,437	1,147
Staff costs	6	3,244	1,882
Depreciation of property, plant and equipment		562	78
Amortisation of intangible assets		2	–
Amortisation of deferred expenditure	14	33	71
Operating lease expenses	32	650	996
Foreign exchange loss, net		1,007	526
Audit fees:			
- auditors of the Company		1,279	1,234
Non-audit fees:			
- auditors of the Company		53	53

6. Staff costs

	Group 2015 RMB'000	Group 2014 RMB'000 (Restated)
Salaries and bonuses	2,853	1,780
Contributions to defined contribution plans	391	102
	3,244	1,882

(In Chinese Renminbi)

7. Income tax

	Note	Group 2015 RMB'000	Group 2014 RMB'000 (Restated)
Current income tax			
- current year income taxation		2,926	8,148
- under/(over) provision in respect of previous years		618	(727)
Income tax attributable to continuing operations		3,544	7,421
Income tax attributable to discontinued operations	29	2,575	715
		6,119	8,136

Relationship between tax expense and accounting profit

A reconciliation between the tax expense and the product of accounting profit multiplied by the applicable tax rates for the financial years ended 31 December was as follows:

		Group 2015 RMB'000	Group 2014 RMB'000 (Restated)
Profit before income tax:			
Continuing operations		5,660	25,964
Discontinued operations	29	15,922	10,571
		21,582	36,535
Tax at the domestic rates applicable to profits in the countries concerned		4,119	9,531
Adjustments:			
Income not subject to taxation		(2,102)	(1,671)
Tax effect of expenses not deductible for tax purposes		1,592	152
Deferred tax asset not recognised in current year		1,892	934
Under/(Over) provision in respect of prior year		618	(727)
Others		-	(83)
Income tax expense		6,119	8,136

(a) The Singapore corporate income tax rate applicable to the Company is 17% (2014: 17%).
(b) There is no income tax expense for the Company as the Company is an investment holding company and is in a tax loss position.
(c) The above reconciliation is prepared by aggregating separate reconciliations for each national jurisdiction.

Companies in the People's Republic of China ("PRC") are subject to PRC corporate income tax ("CIT") rate of 25% (2014: 25%). Certain subsidiaries in PRC enjoy concessionary tax rates due to tax incentive schemes.

(In Chinese Renminbi)

7. Income tax (cont'd)

Management believes they are able to enjoy tax concessions on certain projects. However, the actual business tax and income tax payable on the PPP projects income is generally determined and agreed with the relevant tax authorities in China, which might be different from the business tax and income tax provisions made in the financial statements. Provision for tax has been made as such concessions are subject to the relevant authorities' approval which has not been obtained as at the date of the financial statements.

8. Earnings per share

From continuing operations

Basic earnings per share from continuing operations are calculated by dividing profit from continuing operations, net of tax, attributable to owners of the Company by the weighted average number of ordinary shares outstanding during the financial year.

Diluted earnings per share from continuing operations are calculated by dividing profit from continuing operations, net of tax, attributable to owners of the Company (after adjusting for interest expense on convertible redeemable preference shares) by the weighted average number of ordinary shares outstanding during the financial year plus the weighted average number of ordinary shares that would be issued on the conversion of all the dilutive potential ordinary shares into ordinary shares.

The following tables reflect the profit and share data used in the computation of basic and diluted earnings per share for the years ended 31 December:

	Group 2015 RMB'000	Group 2014 RMB'000 (Restated)
Net profit from continuing operations attributable to owners of the Company	2,116	18,543
Net (loss)/profit attributable to owners of the Company	(2,399)	23,382

	No. of shares 2015 '000	No. of shares 2014 '000
Weighted average number of ordinary shares on issue applicable to basic earnings per share	238,860	238,860
Adjusted weighted average number of ordinary shares applicable to diluted earnings per share	238,860	238,860

Since the end of the year, there are no options granted to acquire ordinary shares in the share capital of the Company.

There have been no other transactions involving ordinary shares or potential ordinary shares since the reporting date and before the completion of these financial statements.

(In Chinese Renminbi)

9. Property, plant and equipment

	Building RMB'000	Plant and machinery RMB'000	Motor vehicles RMB'000	Office equipment RMB'000	Office renovation RMB'000	Total RMB'000
Group						
Cost:						
At 1 January 2014	49,872	89,490	3,528	3,835	281	147,006
Additions	–	3,084	–	170	165	3,419
Disposals	–	–	(500)	–	–	(500)
Written off	–	–	(462)	–	–	(462)
Acquisition of subsidiaries (Note 11)	–	–	259	598	–	857
Net exchange differences	–	–	7	–	–	7
At 31 December 2014 and 1 January 2015	49,872	92,574	2,832	4,603	446	150,327
Additions	–	1,738	640	556	–	2,934
Disposals	–	(231)	–	(586)	–	(817)
Write-off	–	–	–	(44)	–	(44)
Disposals of subsidiaries (Note 29)	(49,872)	(91,999)	(2,474)	(3,662)	(446)	(148,453)
Transferred to contract work-in-progress	–	(2,082)	–	–	–	(2,082)
At 31 December 2015	–	–	998	867	–	1,865
Accumulated depreciation:						
At 1 January 2014	12,872	41,981	2,584	3,025	81	60,543
Charge for the year	2,411	8,151	214	509	67	11,352
Disposals	–	–	(475)	–	–	(475)
Written off	–	–	(462)	–	–	(462)
Net exchange differences	–	–	7	(1)	–	6
At 31 December 2014 and 1 January 2015	15,283	50,132	1,868	3,533	148	70,964
Charge for the year	1,913	7,057	176	658	58	9,862
Disposals	–	(166)	–	(511)	–	(677)
Write-off	–	–	–	(44)	–	(44)
Disposals of subsidiaries (Note 29)	(17,196)	(56,825)	(1,726)	(3,240)	(206)	(79,193)
Transferred to contract work-in-progress	–	(198)	–	–	–	(198)
Net exchange differences	–	–	(1)	–	–	(1)
At 31 December 2015	–	–	317	396	–	713
Net carrying amount:						
At 31 December 2015	–	–	681	471	–	1,152
At 31 December 2014	34,589	42,442	964	1,070	298	79,363

(In Chinese Renminbi)

9. Property, plant and equipment (cont'd)

	Office equipment RMB'000	Motor vehicles RMB'000	Total RMB'000
Company			
Cost:			
At 1 January 2014	47	455	502
Written off	–	(462)	(462)
Net exchange differences	(1)	7	6
At 31 December 2014 and 1 January 2015	46	–	46
Additions	8	–	8
Written off	(46)	–	(46)
At 31 December 2015	8	–	8
Accumulated depreciation:			
At 1 January 2014	42	455	497
Charge for the year	2	–	2
Written off	–	(462)	(462)
Net exchange differences	(1)	7	6
At 31 December 2014 and 1 January 2015	43	–	43
Charge for the year	3	–	3
Written off	(44)	–	(44)
Net exchange differences	(1)	–	(1)
At 31 December 2015	1	–	1
Net carrying amount:			
At 31 December 2015	7	–	7
At 31 December 2014	3	–	3

(In Chinese Renminbi)

10. Land use rights

	Group	
	2015	2014
	RMB'000	RMB'000
Cost:		
At 1 January	15,043	15,043
Disposal of subsidiaries (Note 29)	(15,043)	–
At 31 December	–	15,043
Accumulated amortisation:		
At 1 January	2,303	1,974
Amortisation for the year	270	329
Disposal of subsidiaries (Note 29)	(2,573)	–
At 31 December	–	2,303
Net carrying amount	–	12,740
Amount to be amortised:		
- Not later than one year	–	329
- Later than one year but not later than five years	–	1,316
- Later than five years	–	11,095
	–	12,740

Land use rights are held by the subsidiaries which are disposed of during the year. This pertained to land use rights over two plots of state-owned land in the People's Republic of China ("PRC") where a certain subsidiary's manufacturing activities currently reside. The land use rights represented prepaid land premiums and are transferable.

The remaining tenures of the land use rights as at 31 December 2014 are as follows:

No. 88 Ding Qiao Zhen Bao Lu ("Plot 1")	–	39 years
Xin Cang Xiang Min Lian Chun ("Plot 2")	–	36 years

As at 31 December 2014, the Group has not obtained land use certificates for Plot 2 which has a net carrying amount of approximately RMB 1,519,000.

The amortisation of land use rights is included in the administrative expenses line item in the income statement.

Assets pledged as security
As at 31 December 2014, the net carrying amount of land use rights pledged as security for interest-bearing bank loans granted to the Group amounted to RMB 11,211,000.

Green Build Technology Limited and its Subsidiaries

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11. Investment in subsidiaries

	Company	
	2015	2014
	RMB'000	RMB'000
Unquoted equity shares, at cost	–*	8,714
Exchange differences on translation	–	(287)
Carrying value of investment	–*	8,427

(a) ***Composition of the Group***

The details of the subsidiaries are as follows:

Name of company (Country of incorporation)	Principal activities (place of business)	Cost of investment by the Company 2015 RMB'000	Cost of investment by the Company 2014 RMB'000	Percentage of equity held by the Group 2015 %	Percentage of equity held by the Group 2014 %
Held by the Company					
(1) GBT Investments Pte. Ltd. ("GBTI") (f.k.a WYW Capital Pte Ltd) Singapore	Investment holding (Singapore)	–*	–	100	100
(2) Yourun Packaging Technology (Hangzhou) Co., Ltd. ("Hangzhou Yourun") # People's Republic of China	Research and development on packaging technology, packaging design and packaging technology consultancy (People's Republic of China)	–	8,714	–	100

(In Chinese Renminbi)

11. Investment in subsidiaries (cont'd)

(a) *Composition of the Group(cont'd)*

Name of company (Country of incorporation)	Principal activities (place of business)	Cost of investment by the Company 2015 RMB'000	Cost of investment by the Company 2014 RMB'000	Percentage of equity held by the Group 2015 %	Percentage of equity held by the Group 2014 %
Held through subsidiaries					
(2) Harbin Superior Construction Materials Trading Co, Ltd @ People's Republic of China	Trading of construction materials (People's Republic of China)	–	–	100	–
(2) Harbin Shengming Energy Saving and Technology Co., Ltd. ("Harbin Shengming") (f.k.a Harbin Promlite Energy Saving Technology Co., Ltd.) People's Republic of China	Energy conservation services and installation of green technology and architecture (People's Republic of China)	–	–	100	100
(2) Harbin Utilities Tunnel Construction and Management Co., Ltd ("HUTCAM") @ People's Republic of China	Construction, operation and management of projects (People's Republic of China)	–	–	100	–
(2) Harbin Prevailing Municipal Engineering Co., Ltd ("HPME") @ People's Republic of China	The provision of architectural design and construction services for government projects, promotion of energy conservation and investment in construction business (People's Republic of China)	–	–	100	–

(In Chinese Renminbi)

11. Investment in subsidiaries

(a) *Composition of the Group(cont'd)*

Name of company (Country of incorporation)	Principal activities (place of business)	Cost of investment by the Company 2015 RMB'000	Cost of investment by the Company 2014 RMB'000	Percentage of equity held by the Group 2015 %	Percentage of equity held by the Group 2014 %
Held through subsidiaries					
(2) Yue Hai Colour Printing and Packaging Co., Ltd. ("Yue Hai") # People's Republic of China	Manufacturing and sale of flexible packaging products (People's Republic of China)	–	–	–	51
(2) Jia Hua Packaging and Printing Co., Ltd. ("Jia Hua") # People's Republic of China	Manufacturing and sale of flexible packaging products (People's Republic of China)	–	–	–	51
		–	8,714		

(1) Audited by Ernst & Young LLP, Singapore.
(2) Audited by member firms of EY Global in China for the purposes of consolidation.
* Less than RMB1,000.
\# Hangzhou Yourun, Yue Hai and Jia Hua were disposed of during the financial year (Note 29).
@ Incorporated during the year.

(b) *Interest in subsidiaries with material non-controlling interest ("NCI")*

Name of company	Principal place of business	Proportion of ownership held by NCI %	Profit allocated to NCI during the reporting period RMB'000	Accumulated NCI at the end of the reporting period RMB'000	Dividends paid to NCI RMB'000
31 December 2014:					
Yue Hai and Jia Hua (1)	People's Republic of China	49	5,017	55,892	4,566

(1) Yue Hai and Jia Hua are analysed as a group as they are in the same line of business and their business and activities are integral to each other.

There is no interest in subsidiaries with material NCI as at 31 December 2015.

(In Chinese Renminbi)

11. Investment in subsidiaries (cont'd)

(b) *Interest in subsidiaries with material non-controlling interest ("NCI") (cont'd)*

Significant restriction

Yue Hai and Jia Hua

The nature and extent of significant restrictions on the ability to use or access assets and settle liabilities of subsidiaries with material non-controlling interests are that cash and cash equivalents of RMB 13,887,000 held in People's Republic of China are subject to local exchange control regulations. These regulations places restriction on the amount of currency being exported other than through dividends.

(c) *Acquisition of subsidiaries*

On 12 June 2014, the Company acquired 100% stake in GBTI which in turn owned 100% in Harbin Shengming (the "New Subsidiaries") for a nominal consideration of S$1.

The Group has acquired the New Subsidiaries to provide alternative revenue streams to the Group and improve its profitability. The Group intends to utilise Harbin Shengming as a vehicle to undertake project-based activities involving energy conservation services and sustainable developments.

The balance sheet and major classes of assets and liabilities of the New Subsidiaries as at the date of acquisition are as follows:

	Fair value recognised on acquisition 2014 RMB'000
Property, plant and equipment	857
Deferred expenditure	298
Inventories	299
Trade and other receivables	608
Cash and cash equivalents	77
	2,139
Trade and other payables	(2,711)
Due to holding company, non-trade	(471)
	(3,182)
Total identifiable net liabilities at fair value	(1,043)
Total consideration paid	–*
Effects of exchange rate differences	(29)
Goodwill on acquisition of the New Subsidiaries	(1,072)
Total consideration paid	–*
Cash and cash equivalents of the acquired New Subsidiaries	77
Net cash inflow on acquisition of the New Subsidiaries	77

* Less than RMB1,000

The purchase price allocation of the acquisition of Harbin Shengming was finalised during the year. There was no adjustment made to the provisional fair value originally recorded in the prior year following the completion of the final purchase price allocation.

12. Intangible assets

	Note	Goodwill RMB'000	Customer relationship RMB'000	Software RMB'000	Total RMB'000
Group					
Cost:					
At 1 January 2014		–	2,700	269	2,969
Additions		–	–	5	5
Acquisition of subsidiaries	11	1,072	–	–	1,072
At 31 December 2014 and 1 January 2015		1,072	2,700	274	4,046
Disposal of subsidiaries		–	(2,700)	(269)	(2,969)
At 31 December 2015		1,072	–	5	1,077
Amortisation:					
At 1 January 2014		–	2,700	252	2,952
Amortisation for the year		–	–	5	5
At 31 December 2014 and 1 January 2015		–	2,700	257	2,957
Amortisation for the year		–	–	14	14
Disposal of subsidiaries		–	(2,700)	(269)	(2,969)
At 31 December 2015		–	–	2	2
Net carrying amount:					
At 31 December 2015		1,072	–	3	1,075
At 31 December 2014		1,072	–	17	1,089

Amortisation expense

The amortisation of customer relationships and software are included in the administrative expenses line item in the income statement.

The remaining useful lives are as follows:

Software 2 to 5 years (2014: 2 to 5 years)

(In Chinese Renminbi)

13. Other investments

	Group 2015 RMB'000	Group 2014 RMB'000
Non-current:		
Available-for-sale investments		
- Equity instruments (unquoted), at cost	–	996

The unquoted equity instrument is stated at cost less any accumulated impairment losses because there are no quoted market prices for such equity investment. In addition, the variability in the range of reasonable fair value estimates is significant and the probabilities of the various estimates cannot be reasonably assessed. Accordingly a reasonable estimate of the fair value cannot be made.

14. Deferred expenditure

	Group RMB'000
Cost:	
At 1 January 2014	–
Acquisition of subsidiaries	298
Additions	202
At 31 December 2014, 1 January 2015 and 31 December 2015	500
Amortisation:	
At 1 January 2014	–
Amortisation for the year	71
At 31 December 2014 and 1 January 2015	71
Amortisation for the year	33
At 31 December 2015	104
Net carrying amount:	
At 31 December 2015	396
At 31 December 2014	429

Deferred expenditure relates to expenditure incurred on the Group's project-based activities involving upgrading existing infrastructure with the installation of green technology and architecture and are transferred from contract work-in-progress after completion of the project and commencement of the period for the sharing of the proceeds derived from the energy saved after installation of the green technology and architecture.

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14. Deferred expenditure (cont'd)

Amortisation expense

The amortisation of deferred expenditure is included in the administrative expenses line item in the income statement and has a remaining useful life of 5 years (2014: 6 years).

15. Deferred tax assets/(liabilities)

Deferred income tax as at 31 December relates to the following:

	Group			
	Consolidated balance sheet		Consolidated statement of comprehensive income	
	2015 RMB'000	2014 RMB'000	2015 RMB'000	2014 RMB'000 (Restated)
Deferred tax assets:				
Allowances for trade receivables and inventory obsolescence	–	322	–	–
Unutilised tax losses	–	406	–	–
	–	728	–	–
Deferred tax liabilities:				
Fair value adjustments on acquisition of subsidiaries	–	(2,817)	–	–
Net deferred income tax expense			–	–

Unrecognised tax losses and deductible temporary differences

The Company has tax losses of approximately RMB Nil (2014: RMB 20,510,000) that are available for offset against future taxable profits of the Company in which the losses arose, for which no deferred tax asset is recognised due to the uncertainty of its recoverability. The use of tax losses is subject to the agreement of the tax authorities and compliance with certain provisions of the tax legislation in which the Company operates.

At the end of the reporting period, no deferred tax liability has been recognised for taxes that would be payable on the undistributed earnings of the Group's subsidiaries as the Group has determined that undistributed earnings of its subsidiaries will not be distributed in the foreseeable future. Such temporary difference for which no deferred tax liability has been recognised aggregate to RMB 34,166,000 (2014: RMB 61,529,000). The deferred tax liability is estimated to be RMB 3,417,600 (2014: RMB 6,153,000).

(In Chinese Renminbi)

16. Contract work-in-progress

	Group 2015 RMB'000	Group 2014 RMB'000
Aggregate amount of costs incurred to date	25,750	23,453
Attributable profits (less recognised losses) to date	6,605	6,604
	32,355	30,057
Presented as:		
Gross amount due from customers for contract work-in-progress	32,355	30,057

17. Inventories

	Group 2015 RMB'000	Group 2014 RMB'000
Balance sheet		
Raw materials	–	13,804
Work-in-progress	–	2,779
Finished goods	779	10,125
Total inventories at lower of cost and net realisable value	779	26,708
Consolidated income statement		
Inventories recognised as an expense in cost of sales	174,836	221,567
Inclusive of the following credit:		
- Write-back for inventory obsolescence	–	(518)

Write-back for allowance for inventory obsolescence was made when the related inventories were sold above their carrying amounts.

(In Chinese Renminbi)

18. Trade and other receivables

	Note	Group 2015 RMB'000	Group 2014 RMB'000	Company 2015 RMB'000	Company 2014 RMB'000
Trade receivables					
Third parties		4,131	84,049	–	–
Service concession receivables	30	87,733	–	–	–
Bills receivables		–	31,299	–	–
Less: Allowance for trade receivables (non-related parties)		–	(2,066)	–	–
		91,864	113,282	–	–
Due from related parties, trade		–	5,571	–	–
		91,864	118,853	–	–
Other receivables					
Due from holding company, non-trade		–	19	–	19
Due from corporate shareholder, non-trade		–	193	–	193
Due from subsidiaries, non-trade		–	–	68	–
		–	212	68	212
Government grant receivables		8,000	16,632	–	–
Receivables from the disposal of subsidiaries		25,040	–	25,040	–
Other receivables		757	17,025	90	–
Refundable deposits		822	787	21	38
		34,619	34,656	25,219	250
Total trade and other receivables		126,483	153,509	25,219	250
Add: Cash and cash equivalents	20	609	5,988	197	114
Add: Pledged deposits	20	–	9,646	–	–
Total loans and receivables		127,092	169,143	25,416	364

(In Chinese Renminbi)

18. Trade and other receivables (cont'd)

Trade receivables

Trade receivables from third parties and related parties are recognised at their original invoice amounts which represent their fair values on initial recognition and are non-interest bearing. The credit period is generally for a period of two months, and may extend to three months for key customers. The Group seeks to maintain strict control over its outstanding receivables and has a credit control policy to minimise credit risk. Overdue balances are regularly reviewed by senior management.

For the years ended 31 December 2015 and 31 December 2014, trade receivables of the Group are denominated in RMB.

Bills receivables

These receivables as at 31 December 2014 are non-interest bearing and have an average maturity of 6 months.

The carrying amount of bills receivables pledged as security for interest-bearing bank loans granted to the Group amounted to RMB Nil (2014: RMB 20,684,000) (Note 24).

Due from holding company/corporate shareholder/subsidiaries, non-trade

These balances are unsecured, non-interest bearing and repayable within the next twelve months.

Government grant receivables

Government grant receivables are from the local governments for the green technology service projects undertaken by the subsidiaries.

Other receivables

As at 31 December 2014, other receivables mainly consisted of wealth management products that matured daily and had an annual interest of 3.8%. This belonged to the subsidiaries which are disposed during the year.

Receivables from the disposal of subsidiaries

The Group's receivables from the disposal of subsidiaries and other payables due to the purchaser that are offset are as follows:

	Group RMB'000		
Description	Gross carrying amounts	Gross amounts offset in the balance sheet	Net amounts in the balance sheet
Other receivables	38,950	(13,910)	25,040
Other payables	(13,910)	13,910	–

(In Chinese Renminbi)

18. Trade and other receivables (cont'd)

Receivables that are past due but not impaired

The Group has trade receivables (including related parties) amounting to RMB Nil (2014: RMB 36,895,000) that are past due at the end of the reporting period but not impaired. These receivables are unsecured and the analysis of their aging at the end of the reporting period is as follows:

	Group 2015 RMB'000	Group 2014 RMB'000
Trade receivables past due but not impaired:		
- Less than 90 days	–	27,848
- 90 to 360 days	–	9,047
	–	36,895

These trade receivables are not impaired as there were either subsequent receipts or they relate to customers with good credit history.

Receivables that are impaired

The Group has trade receivables that are individually impaired as at the end of the reporting period and the movement of the allowance accounts used to record the impairment are as follows:

	Group *Individually impaired* 2015 RMB'000	Group *Individually impaired* 2014 RMB'000
Trade receivables – nominal amounts	–	2,066
Less: Allowance for impairment	–	(2,066)
	–	–
Movement in allowance accounts:		
At beginning of the year	(2,066)	(1,963)
Charge for the year attributable to discontinued operations	(1,113)	(103)
Disposal of subsidiaries	3,179	–
At end of the year	–	(2,066)

Trade receivables that are individually determined to be impaired at the end of the reporting period relate to debtors that are in significant financial difficulties and have defaulted on payments. These receivables are not secured by any collateral or credit enhancements.

None of the above amounts relate to balances with related parties.

(In Chinese Renminbi)

19. Prepayments

	Group 2015 RMB'000	Group 2014 RMB'000	Company 2015 RMB'000	Company 2014 RMB'000
Non-current				
Prepayments for property, plant and equipment	–	1,413	–	–
Current				
Prepaid operating expenses	1,256	3,321	11	12
Advance payment to sub-contractors	48,217	–	–	–
	49,473	3,321	11	12

20. Cash and cash equivalents

	Group 2015 RMB'000	Group 2014 RMB'000	Company 2015 RMB'000	Company 2014 RMB'000
Cash and cash equivalents	609	5,988	197	114
Pledged deposits	–	9,646	–	–
	609	15,634	197	114

As at 31 December 2015, the Group has pledged deposits amounting to RMB Nil (2014: RMB 9,646,000) for bills payables.

For the purpose of the consolidated cash flow statement, cash and cash equivalents comprise the RMB 609,000 (2014: RMB 5,988,000) cash at bank and on hand, excluding pledged deposits.

Cash and cash equivalents denominated in foreign currencies at 31 December are as follows:

	Group 2015 RMB'000	Group 2014 RMB'000	Company 2015 RMB'000	Company 2014 RMB'000
Singapore dollars	250	102	182	102
United States dollars	15	12	15	12

Cash at banks earns interest at floating rates based on daily bank deposit rates. The bank balances are deposits with creditworthy banks with no recent history of default. The carrying amounts of the cash and cash equivalents approximate their fair values.

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21. Trade and other payables

	Note	Group 2015 RMB'000	Group 2014 RMB'000	Company 2015 RMB'000	Company 2014 RMB'000
Trade payables (current)					
Third parties		38,006	54,780	–	–
Bills payables		–	24,502	–	–
A related party		–	1,595	–	–
		38,006	80,877	–	–
Other payables (current)	22	17,621	13,744	2,002	967
Due to a director, non-trade		1,510	2,297	–	–
Due to holding company, non-trade		–	471	–	–
Due to a related party of a corporate shareholder, non-trade		–	25,684	–	6,716
Due to related parties, non-trade		–	300	–	–
Due to a subsidiary, non-trade		–	–	294	–
Trade and other payables (current)		57,137	123,373	2,296	7,683
Add: loans and borrowings	24	103,316	90,666	16,372	11,766
Total financial liabilities carried at amortised cost		160,453	214,039	18,668	19,449

Trade payables
Trade payables are non-interest bearing and are normally settled on 60-day terms. Trade payables of the Group are primarily denominated in RMB.

Bills payables
Bills payables are non-interest bearing and are payable in 6 months as at 31 December 2014. Bills payables are secured by time deposit of RMB Nil (2014: RMB 9,646,000) (Note 20).

Amounts due to a director, holding company and related parties, non-trade
These balances are unsecured, non-interest bearing and repayable on demand.

(In Chinese Renminbi)

22. Other payables, current

	Group		Company	
	2015	2014	2015	2014
	RMB'000	RMB'000	RMB'000	RMB'000
Other payables	15,117	11,066	1,094	216
Accrued operating expenses	2,504	2,678	908	751
	17,621	13,744	2,002	967

23. Other liabilities

	Group	
	2015	2014
	RMB'000	RMB'000
Advance payments from customers	–	253

24. Loans and borrowings

	Maturity	Group		Company	
		2015	2014	2015	2014
		RMB'000	RMB'000	RMB'000	RMB'000
Current:					
Loan from corporate shareholder [Note (a)]	2016	–	5,165	–	5,165
Loan from related parties [Note (a)]	2016	65,781	4,488	4,777	4,488
Loan from holding company [Note (a)]	2016	–	2,113	–	2,113
Loan from a shareholder	2016	940	–	–	–
Loan from external parties [Note (b)]	2016	36,595	–	11,595	–
Bank loans:					
- secured by bills receivable [Note (c)]	2015	–	7,900	–	–
- secured by property, plant and equipment and land use rights [Note (d)]	2015	–	42,700	–	–
- secured by guarantees [Note (e)]	2015	–	28,300	–	–
		103,316	90,666	16,372	11,766

(In Chinese Renminbi)

24. Loans and borrowings (cont'd)

(a) The loans from holding company, corporate shareholder, related parties, individual shareholder and external parties are interest-free, unsecured and repayable on demand.

(b) An amount of RMB 11.6 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 October 2015. This loan now 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 subsequent to year end. The remaining balance of RMB 25.0 million relates to loans and advances from external parties, which is unsecured and interest free.

Bank loans

(c) The interest-bearing loan of RMB 7.9 million as at 31 December 2014 was secured by bills receivable and bears interest at 5.88% per annum.

(d) The bank loan of RMB 42.7 million as at 31 December 2014 was secured by property, plant and machinery and land use rights and bore interest at 5.60% to 6.72% per annum.

(e) The interest-bearing loan of RMB 28.3 million as at 31 December 2014 bore interest at 5.60% to 6.90% per annum and was secured by guarantees from ex-related parties (Note 31(c)).

25. Share capital

	Group and Company			
	2015		2014	
	S$'000	RMB '000 (equivalent)	S$'000	RMB '000 (equivalent)
Issued and fully paid:				
At beginning and end of the year - 238,859,796 ordinary shares	22,851	113,179	22,851	113,179

The holders of ordinary shares are entitled to receive dividends as and when declared by the Company. All ordinary shares carry one vote per share without restriction. The ordinary shares have no par value.

(In Chinese Renminbi)

26. Restricted reserves

	Group	
	2015	2014
	RMB'000	RMB'000
Reserve funds		
At beginning of the year	3,075	3,018
Transferred from revenue reserves	–	57
Transferred upon disposal of subsidiaries	(3,075)	–
At end of the year	–	3,075
Enterprise expansion funds		
At beginning of the year	1,439	1,439
Transferred upon disposal of subsidiaries	(1,439)	–
At end of the year	–	1,439
Capital reserve		
At beginning of the year	3,018	3,018
Realisation upon disposal of subsidiaries	(3,018)	–
At end of the year	–	3,018
Total restricted reserves	–	7,532

Pursuant to the relevant laws and regulations for enterprises operating with only foreign capital in the PRC, profits of the PRC subsidiaries of the Group are available for distribution in the form of cash dividends to the investors after the Group has (1) satisfied all tax liabilities; (2) provided for losses in previous years and (3) made appropriations to statutory reserve funds, including reserve fund, enterprise expansion fund, capital reserve and staff bonus and welfare fund ("SBWF"). The Group is required to appropriate not less than 10% of its annual profit after tax, as determined in accordance with the PRC accounting standards and regulations applicable to the Group, to the reserve fund until the reserve fund reaches 50% of the registered capital. Appropriation to the enterprise expansion fund and SBWF is determined at the discretion of the board of directors.

The enterprise expansion and reserve funds are not free for distribution as dividends. The reserve fund can be used either to offset accumulated losses or be capitalised as equity. The enterprise expansion fund can be used to increase capital upon approval of the relevant authorities. SBWF can be used for special non-recurring bonus or collective welfare of the employees and assets acquired through this fund shall not be taken as assets of the Group.

SBWF is classified and reported under the category of current liabilities in the consolidated balance sheet and in respect of the profit or loss prepared in accordance with FRSs, as a charge to the profit before tax as it is a liability to the employees.

Capital reserve represents reserve which is not free for distribution as dividends pursuant to the relevant laws and regulations in PRC and can only to be capitalised as equity.

Green Build Technology Limited and its Subsidiaries

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27. Foreign currency translation reserve

	Group		Company	
	2015	2014	2015	2014
	RMB'000	RMB'000	RMB'000	RMB'000
At beginning of the year	2,111	1,640	910	631
Net effect of translation differences	26	471	10	279
Realisation of foreign currency translation upon disposal of subsidiaries	(1,171)	–	–	–
At end of the year	966	2,111	920	910

The foreign currency translation reserve pertains to exchange differences arising from the translation of the financial statements of the Company whose functional currency is SGD to the Group's presentation currency of RMB.

28. Accumulated losses

	Company	
	2015	2014
	RMB'000	RMB'000
At beginning of the year	(124,732)	(119,770)
Total comprehensive income/(loss) for the year	17,399	(4,962)
At end of the year	(107,333)	(124,732)

29. Discontinued operations

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 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 in October 2015 (i.e. discontinued operations). Consequently, the Group 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 segment from 1 January 2015 to 31 October 2015 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 segment were accordingly deconsolidated with effect from 31 October 2015 from the consolidated statement of financial position.

(In Chinese Renminbi)

29. Discontinued operations (cont'd)

(a) Comparative figures

As a result of the discontinued operations, reclassifications as shown in Note 29(b) below have been made to the prior year's statement of comprehensive income.

(b) Income statement disclosure

The results of the discontinued operations for the year ended 31 December are as follows:

	Group	
	2015 RMB'000	2014 RMB'000 (Restated)
Revenue	211,929	259,102
Cost of sales	(174,836)	(220,987)
Other operating profit	12,781	7,880
Distribution costs	(6,231)	(7,178)
Administrative expenses	(13,400)	(15,101)
Finance costs	(3,204)	(5,302)
Other operating expenses	(11,117)	(7,843)
Profit before tax	15,922	10,571
Income tax expense	(2,575)	(715)
Profit after taxation from discontinued operations	13,347	9,856
Loss on disposal of subsidiaries	(10,944)	–
Profit from discontinued operations, net of tax	2,403	9,856

(c) The effects of cash flow is as follows:

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

	2015 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
Total non-current assets	84,845
Current assets	
Inventories	29,740
Trade and other receivables	104,153
Available-for-sale investment	18,450
Cash and cash equivalents	13,810
Total current assets	166,153
Non-current liabilities	
Deferred tax liabilities	(2,632)

(In Chinese Renminbi)

29. Discontinued operations (cont'd)

(c) The effects of cash flow is as follows:

	2015 RMB'000
Current liabilities	
Trade and other payables	(81,719)
Deferred income	(66)
Short term borrowings	(52,400)
Tax payables	(1,477)
Total current liabilities	(135,662)
Non-controlling interest	(62,810)
Net assets attributable to equity holders of the Company	49,894
Deferred consideration (receivable)	(38,950)
Loss on disposal of subsidiaries	(10,944)
Consideration received	-
Less: Cash and cash equivalents of subsidiaries disposed	(13,810)
Net cash outflow from disposal of subsidiaries	(13,810)

(d) Cash flow statement disclosures

The cash flows attributable to the discontinued operations are as follows:

	Group	
	2015 RMB'000	2014 RMB'000
Operating	49,999	20,726
Investing	(22,181)	(19,211)
Financing	(28,783)	(1,945)
Net cash outflows	(965)	(430)

(In Chinese Renminbi)

29. Discontinued operations (cont'd)

(e) Loss)/Earnings per share disclosure

	Group	
	2015	2014
(Loss)/Earnings per share from discontinued operations attributable to the owners of the Company (cents per share)		
- Basic	(1.89)	2.03
- Diluted	(1.89)	2.03

The basic and diluted (loss)/earnings per share are calculated by dividing the (loss)/earnings from discontinued operations, net of tax, attributable to owners of the Company by the weighted average number of ordinary shares for basic earnings per share computation and dividing the loss from discontinued operations, net of tax, attributable to owners of the Company by the weighted average number of ordinary shares for diluted earnings per share computation respectively. These loss and share data are presented in Note 8.

(In Chinese Renminbi)

30. Service concession arrangements

The Group has entered into two service concession arrangements with certain governing bodies and agencies of the government of the People's Republic of China ("PRC") to construct and operate underground utility tunnel and upgrade the existing housing estate on Public-Private-Partnership ("PPP") basis. These service concession arrangements generally involve the Group as an operator to construct and operate the assets at a specified level of serviceability on behalf of the relevant governmental authorities for periods ranging from 11 to 26 years (the "service concession periods"), and the Group will be paid for its services over the relevant periods of the service concession arrangements at prices stipulated through pricing mechanism. The assets will be transferred to the respective grantors at the end of the service concession periods.

	Group	
	2015	2014
	RMB'000	RMB'000
Service concession receivables:		
Underground Utility Tunnel project	38,643	–
Insulation project	49,090	–
	87,733	–

The service concession receivables represent revenue recognised in relation to construction of the projects. It is determined using the percentage of completion during the year. The service concession receivables are expected to be received within the next twelve months.

At 31 December 2015, the Group had 2 (2014: Nil) service concession arrangements. A summary of the major terms of the principal service concession arrangements entered into by the Group's subsidiaries is set out below:

Name of subsidiary as operator	Project name	Location in PRC	Name of grantor	Type of service concession arrangement	Service concession period
Harbin Utilities Tunnel Construction and Management Co., Ltd ("HUTCAM")	哈尔滨市地下综合管廊项目 (Underground Utility Tunnel project)	Harbinl City, Heilongjiang Province	哈尔滨市城乡建设委员会	PPP (Financial assets)	From 2015 to 2041
Harbin Prevailing Municipal Engineering Co., Ltd ("HPME")	哈尔滨市既有建设一般性节能改造项目 (Insulation project)	Harbin City, Heilongjiang Province	哈尔滨市城乡建设委员会	PPP (Financial assets)	From 2015 to 2026

(In Chinese Renminbi)

31. Related party transactions

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

(a) ***Sale and purchase of goods and services***

	2015 RMB'000	2014 RMB'000
Expenses		
Operating lease expenses charged by related parties	350	300

Related parties are mainly companies in which a Company's director is a controlling shareholder or has significant influence.

The transactions with related parties are made in accordance with the pricing policies determined amongst the group companies. Outstanding balances at the year-end are unsecured, interest-free, and to be settled in cash.

(b) ***Compensation of key management personnel***

Group	2015 RMB'000	2014 RMB'000
Short term employee benefits	1,917	1,288
Defined contributions plans	142	59
	2,059	1,347
Comprise amounts paid to:		
- Directors of the Company	807	735
- Other key management personnel	1,252	612
	2,059	1,347

The remuneration of key management personnel are determined by the remuneration committee giving regard to the performance of individuals and market trend.

(c) As disclosed in Note 24, a related party as at 31 December 2014 had provided guarantees to the banks in respect of the interest-bearing loans granted to the Group, as further detailed in Note 24 to the financial statements.

(d) As disclosed in Note 11, during the year ended 31 December 2014, the Group completed the acquisition of the New Subsidiaries from a director and ex-director. As the New Subsidiaries were in net liabilities position at the point of acquisition, the consideration given was a nominal amount of S$1.

(In Chinese Renminbi)

32. Commitments

Non-cancellable operating lease - as lessee

The Company entered into a commercial lease agreement for the rental of the office located in Singapore. The lease has a remaining lease terms of 11 months with option for renewal.

Operating lease payments recognised as an expense for the continuing operations in the statement of comprehensive income for the financial year ended 31 December 2015 amounted to RMB 650,000 (2014: RMB 996,000) (Note 5).

Future minimum lease payments payable under non-cancellable operating leases as at 31 December are as follows:

	Group	
	2015 RMB'000	2014 RMB'000
Not later than one year	115	288
Later than one year but not later than five years	-	252
	115	540

33. Segment information

For management purposes, the Group is organised into business units based on their products and services. Subsequent to the disposal of the packaging segment during 2015, the Group only has one reportable segment, green technology segment as at 31 December 2015. It includes those energy conservation services and the installation of green technology and architecture.

No operating segments have been aggregated to form the above reportable operating segment.

Management monitors the operating results of its business units separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on operating profit or loss and is measured consistently with operating profit or loss in the consolidated financial statements. However, certain of the Group's financing (including finance costs and finance income) and income taxes are managed on a group basis and are not allocated to operating segments.

Transfer prices between operating segments are on an arm's length basis in a manner similar to transactions with third parties.

(In Chinese Renminbi)

33. Segment information (cont'd)

No further geographical segment information is presented as 100% (2014: 100%) of the Group's revenue is derived from customers based in the People's Republic of China, and all the Group's assets are located in the People's Republic of China.

	Continuing operations	Discontinued operations			
	Green technology RMB'000	Packaging products RMB'000	Adjustment and elimination RMB'000	Note	Consolidated RMB'000
2015					
Revenue					
External customers	90,828	211,929	(211,929)	A, B	90,828
Results					
Interest Income	(743)	(423)	423	A	(743)
Depreciation and amortisation	559	9,582	(9,577)	A, C	564
Other non-cash expenses	–	1,343	(1,343)	A, D	–
Segment profit/(loss)	14,567	15,922	(24,829)	A, E	5,660
Segment assets	186,395	–	25,927	F	212,322
Other disclosure					
Additions to property, plant and equipment	709	2,217	(2,209)		717
2014					
Revenue					
External customers	30,549	259,102	(259,102)	A, B	30,549
Results					
Interest Income	(3)	(172)	172	A	(3)
Depreciation and amortisation	76	11,608	(11,606)	A, C	78
Other non-cash write-back	–	(415)	415	A, D	–
Segment profit/(loss)	30,927	10,932	(15,895)	A, E	25,964
Segment assets	56,714	268,715	558	F	325,987
Other disclosure					
Additions to property, plant and equipment	2,097	1,322	(1,322)		2,097

(In Chinese Renminbi)

33. Segment information (cont'd)

(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".

(B) There are no inter-segment revenues.

(C) The adjustment refers to depreciation and amortisation of common property, plant and equipment used in both the green technology and packaging products segments at the corporate level.

(D) Other non-cash expenses consist of inventories written back and allowance for trade receivables as presented in the respective notes to the financial statements.

(E) Segment loss does not include corporate and common expenses amounting to RMB 8,907,000 (2014: RMB 5,324,000).

(F) The following items are added to segment assets to arrive at the consolidated assets:

Segment assets do not include the following corporate assets which are not allocated to the individual segments for management purposes:

	2015 RMB'000	2014 RMB'000
Property, plant and equipment	7	4
Other receivables	25,655	307
Cash and cash equivalents	265	247
	25,927	558

(In Chinese Renminbi)

34. Fair value of financial instruments

(a) ***Fair value hierarchy***

The Group categories fair value measurements using a fair value hierarchy that is dependent on the valuation inputs used as follows:

Level 1 – Quoted prices (unadjusted) in active market for identical assets or liabilities that the Group can access at the measurement date,

Level 2 – Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly, and

Level 3 – Unobservable inputs for the asset or liability.

Fair value measurements that use inputs of different hierarchy levels are categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

(b) ***Fair value of financial instruments that are carried at fair value***

The fair values of the investments carried at fair value are determined by reference to quoted prices in active markets. The fair value measurement of the investments under the Group are classified under Level 1 of the fair value hierarchy, based on quoted prices (unadjusted) in active markets for identical assets and liabilities. As at 31 December 2015, the Group does not have any of these investments.

(c) ***Fair value of financial instruments by classes that are not carried at fair value and whose carrying amounts are a reasonable approximation of fair value***

Cash and cash equivalents (Note 20), trade and other receivables (Note 18), interest-bearing loans and borrowings (Note 24), trade and other payables (Note 21).

The carrying amounts of these financial assets and liabilities are a reasonable approximation of fair values, either due to their short-term nature or that they are floating rate instruments that are re-priced to market interest rates on or near the end of the reporting period.

(In Chinese Renminbi)

34. Fair value of financial instruments (cont'd)

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

The fair value of financial liabilities by classes that are not carried at fair value and whose carrying amounts are not a reasonable approximation of fair value are as follows:

	Note	2015		2014	
		Carrying amount	Fair value	Carrying amount	Fair value
		RMB'000	RMB'000	RMB'000	RMB'000
Group					
Financial assets					
Equity instruments (unquoted), at cost	13	–	–	996	–*

* *Investment in equity instruments (unquoted), at cost*

Fair value information has not been disclosed for the Group's investment in equity instruments that are carried at cost because fair value cannot be measured reliably as there are no observable market prices for a similar equity instrument. The variability in the range of reasonable fair value estimates is significant and the probabilities of the various estimates cannot be reasonably assessed.

35. Financial risk management objectives and policies

The Group and the Company are exposed to financial risks arising from its operations and the use of financial instruments. The Group's principal financial instruments comprise interest-bearing loans and borrowings and cash and cash equivalents. The main purpose of these financial instruments is to raise finance for the Group's operations. The Group has various other financial assets and liabilities such as trade and other receivables and trade and other payables, which arise directly from its operations.

The key financial risks include interest rate risk, liquidity risk, foreign currency risk and credit risk. The board of directors reviews and agrees policies and procedures for the management of these risks, which are executed by the Financial Controller. The Audit Committee provides independent oversight to the effectiveness of the risk management process. It is, and has been throughout the current and previous financial year the Group's policy that no derivatives shall be undertaken.

There has been no change to the Group's exposure to these financial risks or the manner in which it manages and measures the risks.

(In Chinese Renminbi)

35. Financial risk management objectives and policies (cont'd)

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of the Group's and the Company's financial instruments will fluctuate because of changes in market interest rates. The Group's and the Company's exposure to interest rate risk arises primarily from their interest-bearing loans and borrowings. The Group does not use derivative financial instruments to hedge its interest rate risks.

The Group's policy is to manage interest cost using a mix of fixed and floating rate debts and to keep the majority of its loans and borrowings at fixed rates of interest.

Sensitivity analysis for interest rate risk

The following table demonstrates the sensitivity to a reasonably possible change in interest rates, with all other variables held constant, of the Group's profit before tax (through the impact on borrowings). The analysis is performed on the assumption that borrowings are rolled over when due.

	Increase/ decrease in basis points	Increase/ (decrease) on profit before tax RMB'000
2015		
RMB	+50	(58)
RMB	-50	58
2014		
RMB	+50	(395)
RMB	-50	395

Information relating to the Group's interest rate exposure is also disclosed in Note 24.

Liquidity risk

Liquidity risk is the risk that the Group or the Company will encounter difficulty in meeting financial obligations due to shortage of funds. The Group's and the Company's exposure to liquidity risks arises primarily from mismatches of the maturities of financial assets and liabilities. The Group monitors its risk to a shortage of funds using a recurring liability planning tool.

The Group's and the Company's objective is to maintain a balance between the continuity of funding and flexibility through the use of bank accepted drafts and interest-bearing loans and borrowings.

The Group relies on continuing financial support from the Group's banker as disclosed in Note 2.1.

(In Chinese Renminbi)

35. Financial risk management objectives and policies (cont'd)

Liquidity risk (cont'd)

The Group's and the Company's liquidity risk management policy is to maintain sufficient liquid financial assets and credit facilities with reputable banks. Substantial amounts of the Group's cash and cash equivalents are deposited with reputable financial institutions such as DBS Bank Ltd, Bank of Communications, Everbright Bank and China Merchants Bank Co., Ltd., etc. so as to provide the Group with the flexibility to meet working capital and capital investment needs.

At the end of the reporting period, approximately 100% (2014: 100%) and 100% (2014: 100%) of the Group's and Company's loans and borrowings, respectively, will mature in less than one year based on the carrying amount reflected below. 100% (2014: 36.5%) of such loans were rolled over for repayment or repaid subsequent to year-end.

Analysis of financial instruments by remaining contractual maturities

The table below summarises the maturity profile of the Group's and the Company's financial assets and liabilities at the end of the reporting period based on undiscounted contractual repayment obligations.

	1 year or less RMB'000
Group	
2015	
Financial assets:	
Cash and cash equivalents	609
Trade and other receivables	126,483
Total undiscounted financial assets	127,092
Financial liabilities:	
Trade and other payables	57,137
Loans and borrowings	103,316
Total undiscounted financial liabilities	160,453
Total net undiscounted financial liabilities	(33,361)

(In Chinese Renminbi)

35. Financial risk management objectives and policies (cont'd)

Liquidity risk (cont'd)

Analysis of financial instruments by remaining contractual maturities (cont'd)

	1 year or less RMB'000
Company	
2015	
Financial assets:	
Cash and cash equivalents	197
Trade and other receivables	25,219
Total undiscounted financial assets	25,416
Financial liabilities:	
Trade and other payables	2,296
Loans and borrowings	16,372
Total undiscounted financial liabilities	18,668
Total net undiscounted financial assets	6,748

(In Chinese Renminbi)

35. Financial risk management objectives and policies (cont'd)

Liquidity risk (cont'd)

Analysis of financial instruments by remaining contractual maturities (cont'd)

	1 year or less RMB'000	1 to 5 years RMB'000	Over 5 years RMB'000	Total RMB'000
Group				
2014				
Financial assets:				
Cash and cash equivalents	15,634	–	–	15,634
Trade and other receivables	153,509	–	–	153,509
Other investments	–	996	–	996
Total undiscounted financial assets	169,143	996	–	170,139
Financial liabilities:				
Trade and other payables	123,373	–	–	123,373
Loans and borrowings	90,666	–	–	90,666
Interest on loan and borrowings	1,432	–	–	1,432
Total undiscounted financial liabilities	215,471	–	–	215,471
Total net undiscounted financial liabilities	(46,328)	996	–	(45,332)
Company				
2014				
Financial assets:				
Cash and cash equivalents	114	–	–	114
Trade and other receivables	250	–	–	250
Total undiscounted financial assets	364	–	–	364
Financial liabilities:				
Trade and other payables	7,683	–	–	7,683
Loans and borrowings	11,766	–	–	11,766
Total undiscounted financial liabilities	19,449	–	–	19,449
Total net undiscounted financial liabilities	(19,085)	–	–	(19,085)

(In Chinese Renminbi)

35. Financial risk management objectives and policies (cont'd)

Foreign currency risk

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

The Group does not have significant transaction currency exposures.

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

The Group and the Company also hold cash and cash equivalents denominated in foreign currencies for working capital purposes. At the end of the reporting period, such foreign currency balances (mainly in SGD) amounted to RMB 265,000 (2014: RMB 114,000) and RMB 197,000 (2014: RMB 114,000) for the Group and the Company respectively.

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

(In Chinese Renminbi)

35. Financial risk management objectives and policies (cont'd)

Credit risk

Credit risk is the risk of loss that may arise on outstanding financial instruments should a counterparty default on its obligations. The Group's and the Company's exposure to credit risk arises primarily from trade and other receivables. For other financial assets (including unquoted equities and cash and cash equivalents), the Group and the Company minimise credit risk by dealing exclusively with high credit rating counterparties.

The Group's objective is to seek continual revenue growth while minimising losses incurred due to increased credit risk exposure. The Group trades only with recognised and creditworthy third parties. It is the Group's policy that all customers who wish to trade on credit terms are subject to credit verification procedures. In addition, receivable balances are monitored on an ongoing basis with the result that the Group's exposure to bad debts is not significant.

For transactions that do not occur in the country of the relevant operating unit, the Group does not offer credit terms without the specific approval of management. The Group does not have significant exposure to any individual customer or counterparty. As the Group trades only with recognised and creditworthy third parties, there is no requirement for collateral.

Exposure to credit risk

With respect to credit risk arising from other financial assets of the Group, which comprise cash and cash equivalents, the Group's exposure to credit risk arises from default of the counterparty, with a maximum exposure equal to the carrying amount of these instruments.

96% of the Group's trade receivables are due from 1 major customer which is agency of the government of the PRC.

Financial assets that are neither past due nor impaired

Trade and other receivables that are neither past due nor impaired are creditworthy debtors with good payment record with the Group. Cash and cash equivalents are placed with reputable financial institutions.

Financial assets that are either past due or impaired

Information regarding financial assets that are either past due or impaired is disclosed in Note 18 (Trade and other receivables).

(In Chinese Renminbi)

36. Capital management

The primary objective of the Group's capital management is to ensure that it maintains a strong credit rating and healthy capital ratios in order to support its business and maximise shareholder value.

The Group manages its capital structure and makes adjustments to it, in the light of changes in economic conditions. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. No changes were made in the objectives, policies or processes during the years ended 31 December 2015 and 2014.

As disclosed in Note 26, certain subsidiaries of the Group are required by the Foreign Enterprise Law of the PRC to contribute to and maintain a non-distributable statutory reserve fund whose utilisation is subject to approval by the relevant PRC authorities. This externally imposed capital requirement has been complied with by the above mentioned subsidiaries for the financial years ended 31 December 2015 and 2014.

The Group is currently in a net debt and net equity position as at 31 December 2015 and 2014 and will continue to monitor the level of borrowings and be guided by prudent financial policies. The net debt and equity details as at the end of the reporting periods were as follows:

		Group	
	Note	2015	2014
		RMB'000	RMB'000
Interest-bearing loans and borrowings	24	103,316	90,666
Trade and other payables	21	57,137	123,373
Other liabilities	23	–	253
Less: Cash and cash equivalents	20	(609)	(15,634)
Net debt		159,844	198,658
Equity attributable to the owners of the Company		47,176	44,449
Less: Statutory reserve funds	26	–	(7,532)
Total equity		47,176	36,917

(In Chinese Renminbi)

37. Events after the reporting period

Subsequent to the year end, the group obtained the shareholder's approval on the disposal of the packaging segment during the Extraordinary General Meeting held on 23 February 2016.

On 1 March 2016, the Company issued 7,818,000 new ordinary shares of the Company at the price of S$0.315 each to its employee. This issuance of new ordinary shares has resulted in the increase in the share capital of the Company by RMB 10,986,000.

38. Comparative figures

Certain comparative figures have been restated and re-presented as a result of the discontinued operations detailed in Note 29.

39. Authorisation of financial statements for issue

The financial statements for the year ended 31 December 2015 were authorised for issue in accordance with a resolution of the directors dated 1 April 2016.

SHAREHOLDINGS STATISTICS

SHAREHOLDERS' INFORMATION AS AT 21 MARCH 2015

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

There is no treasury share held in the issued capital of the Company.

DISTRIBUTION OF SHAREHOLDINGS

STATISTICS OF SHAREHOLDINGS

SIZE OF SHAREHOLDINGS	NO. OF SHAREHOLDERS	%	NO. OF SHARES	%
1 - 99	-	-	-	-
100 - 1,000	30	19.87	25,624	0.01
1,001 - 10,000	73	48.34	381,000	0.15
10,001 - 1,000,000	36	23.84	3,644,000	1.48
1,000,001 AND ABOVE	12	7.95	242,627,172	98.36
TOTAL	151	100.00	246,677,796	100.00

SUBSTANTIAL SHAREHOLDERS

(As recorded in the Register of Substantial Shareholders)

	Direct Interest		Deemed Interest	
Substantial Shareholders	No. of Shares	%	No. of Shares	%
Zhao Lizhi (1)	67,518,111	27.37	30,000,000	12.16
Li Mingyang	-	-	45,000,000	18.24
Chan Mang Ghoon	16,606,000	6.73	-	-

Notes:

(1) Zhao Lizhi and Li Mingyang are deemed to be interested in the shares held by BNP Paribas Nominees Singapore Pte Ltd by virtue of Section 7 of the Companies Act.

TWENTY LARGEST SHAREHOLDERS

NO.	NAME	NO. OF SHARES	%
1	BNP PARIBAS NOMINEES SINGAPORE PTE LTD	83,360,000	33.79
2	ZHAO LIZHI	67,518,111	27.37
3	PHILLIP SECURITIES PTE LTD	28,068,800	11.38
4	CHAN MANG GHOON	16,606,000	6.73
5	YU BIN YAN	11,523,000	4.67
6	OCBC SECURITIES PRIVATE LTD	9,782,861	3.97
7	JIANG JUNWEI	8,880,000	3.60
8	DBS VICKERS SECURITIES (SINGAPORE) PTE LTD	6,387,400	2.59
9	ZHANG LI	4,814,000	1.95
10	UOB KAY HIAN PRIVATE LIMITED	2,224,000	0.90
11	WANG PENGRUI	2,000,000	0.81
12	MAYBANK KIM ENG SECURITIES PTE LTD	1,463,000	0.59
13	CHEN LIPING	400,000	0.16
14	DERRICK ONG KENG GEE	351,900	0.14
15	ABN AMRO CLEARING BANK N.V.	308,100	0.12
16	LOH SER SOON	300,000	0.12
17	WINMARK INVESTMENTS PTE LTD	300,000	0.12
18	GU JIEYING	250,000	0.10
19	TAN LING LEE	200,000	0.08
20	WANG LULU	200,000	0.08
	TOTAL	244,937,172	99.27

PERCENTAGE OF SHAREHOLDINGS IN PUBLIC'S HANDS

32.10% of the Company's shares are held in the hands of public. Accordingly, the Company has complied with Rule 723 of the Listing Manual of the SGX-ST.

GREEN BUILD TECHNOLOGY LIMITED
(Company Registration No. 200401338W)
(the "Company")

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Annual General Meeting of **GREEN BUILD TECHNOLOGY LIMITED** will be held at Tanglin Room 1 in RELC International Hotel, 30 Orange Grove Road Singapore 258352 on 29 April 2016 at 10.00 a.m. for the following purposes:

AS ORDINARY BUSINESS

1. To receive and adopt the Audited Accounts for the financial year ended 31 December 2015 together with the Directors' Statement and the Auditors' Report of the Company. ***(Resolution 1)***

2. To approve the payment of Directors' fees of up to S$170,000 for the financial year ending 31 December 2016 to be paid quarterly in arrears. ***(Resolution 2)***

3. To re-elect Ms Wu Xueying, who is retiring in accordance with Article 91 of the Company's Constitution as Director of the Company. ***(Resolution 3)***

   [See Explanatory Note (i)]

4. To re-elect Dr Yao Fengge, who is retiring in accordance with Article 91 of the Company's Constitution as Director of the Company. ***(Resolution 4)***

   [See Explanatory Note (ii)]

5. To re-appoint Mr Li Mingyang, who is retiring in accordance with Article 97 of the Company's Constitution as Director of the Company. ***(Resolution 5)***

   [See Explanatory Note (iii)]

6. To re-appoint Messrs Ernst & Young LLP as Auditors of the Company and to authorise the Directors to fix their remuneration. ***(Resolution 6)***

AS SPECIAL BUSINESS

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

7. **Authority to issue shares** ***(Resolution 7)***

"That, pursuant to Section 161 of the Companies Act, Cap. 50 (the "**Act**") and Rule 806(2) of the Listing Manual of the Singapore Exchange Securities Trading Limited ("**SGX-ST**"), authority be and is hereby given to the Directors of the Company to allot and issue shares and convertible securities in the Company at any time and upon such terms and conditions and for such purposes and to such persons as the Directors may in their absolute discretion deem fit, to:

(a) issue shares in the capital of the Company whether by way of rights, bonus or otherwise;

(b) make or grant offers, agreements or options that might or would require shares to be issued or other transferable rights to subscribe for or purchase shares (collectively, "**Instruments**") including but not limited to the creation and issue of warrants, debentures or other instruments convertible into shares;

(c) issue additional Instruments arising from adjustments made to the number of Instruments previously issued in the event of rights, bonus or capitalisation issues;

and (notwithstanding that the authority conferred by the shareholders may have ceased to be in force) issue shares pursuant to any Instrument made or granted by the Directors while the authority was in force, provided always that:

(i) the aggregate number of shares to be issued pursuant to this resolution (including shares to be issued in pursuance of Instruments, made or granted pursuant to this resolution) does not exceed fifty per centum (50%) of the Company's total number of issued shares excluding treasury shares, of which the aggregate number of shares (including shares to be issued in pursuance of Instruments made or granted pursuant to this resolution) to be issued other than on a pro-rata basis to shareholders of the Company does not exceed twenty per centum (20%) of the total number of issued shares excluding treasury shares, and for the purpose of this resolution, the total number of issued shares excluding treasury shares shall be the Company's total number of issued shares excluding treasury shares at the time this resolution is passed, after adjusting for;

   (A) new shares arising from the conversion or exercise of convertible securities, or

   (B) new shares arising from exercising share options or vesting of share awards outstanding or subsisting at the time this resolution is passed, or

   (C) any subsequent bonus issue, consolidation or subdivision of the Company's shares; and

(ii) such authority shall, unless revoked or varied by the Company at a general meeting, continue in force until the conclusion of the next Annual General Meeting or the date by which the next Annual General Meeting of the Company is required by law to be held, whichever is earlier."

[See Explanatory Note (iv)]

8. Renewal of Shareholders' Mandate for Interested Person Transactions ***(Resolution 8)***

"That for the purposes of Chapter 9 of the Listing Manual of the Singapore Exchange Securities Trading Limited:

(a) approval be given for the renewal of the mandate for the Company, its subsidiaries and associated companies or any of them to enter into any of the transactions falling within the types of Interested Person Transactions as set out in the Appendix to the Annual Report (the "**Appendix**") with any party who is of the class of Interested Persons described in the Appendix, provided that such transactions are carried out on normal commercial terms and in accordance with the review procedures of the Company for such Interested Person Transactions as set out in the Appendix (the "**Shareholders' Mandate**");

(b) the Shareholders' Mandate shall, unless revoked or varied by the Company in a general meeting, continue in force until the conclusion of the next Annual General Meeting of the Company or the date by which the next Annual General Meeting of the Company is required by law to be held, whichever is earlier; and

(c) authority be given to the Directors of the Company to complete and do all such acts and things (including executing all such documents as may be required) as they may consider necessary, desirable or expedient to give effect to the Shareholders' Mandate as they may think fit.

[See Explanatory Note (v)]

9. To transact any other business which may properly be transacted at an Annual General Meeting.

By Order of the Board

Wu Xueying
Chief Executive Officer

14 April 2016

Explanatory Notes:

(i) Ms Wu Xueying will, upon re-election as a Director of the Company, remain as an Executive Director of the Company.

(ii) Dr Yao Fengge will, upon re-election as a Director of the Company, remain as a member of the Nominating, Audit and Remuneration Committees. Dr Yao Fengge will be considered independent for the purpose of Rule 704(8) of the Listing Manual of SGX-ST.

(iii) Mr Li Mingyang will, upon re-election as a Director of the Company, remain as an Executive Director of the Company.

(iv) Ordinary Resolution 7 proposed in item 7 is to empower the Directors, from the date of the passing of Ordinary Resolution 7 to the date of the next Annual General Meeting, to issue shares in the capital of the Company and to make or grant instruments (such as warrants or debentures) convertible into shares, and to issue shares in pursuance of such instruments, up to an amount not exceeding in total 50% of the issued shares (excluding treasury shares) in the capital of the Company, with a sub-limit of 20% of the issued shares (excluding treasury shares) for issues other than on a pro-rata basis to shareholders.

(v) The Ordinary Resolution 8 proposed in item 8 above, if passed, will authorise the Interested Person Transactions as described in the Appendix to the Annual Report and recurring in the year and will empower the Directors of the Company to do all acts necessary to give effect to the Shareholders' Mandate. This authority will, unless previously revoked or varied by the Company in a general meeting, expire at the conclusion of the next Annual General Meeting of the Company or the date by which the next Annual General Meeting of the Company is required by law to be held, whichever is the earlier.

Notes:

(1) Except for a member who is a relevant intermediary (as defined under the Companies Act, Cap. 50), a member entitled to attend and vote at the Annual General Meeting is entitled to appoint a proxy or proxies (not more than two) to attend and vote on his/her behalf. A member of the Company who is a relevant intermediary may appoint more than two proxies to attend and vote at the Annual General Meeting, but such proxies must be appointed to exercise the rights attached to a specified number of shares. A proxy need not be a member of the Company.

(2) The instrument appointing a proxy or proxies must be under the hand of the appointor or of his/her attorney duly authorised in writing. Where the instrument appointing a proxy or proxies is executed by a corporation, it must be executed either under its seal or under the hand of an officer or attorney duly authorised.

(3) The instrument appointing a proxy or proxies must be deposited at the registered office of the Company at 9 Temasek Boulevard Suntec City Tower 2 #09-01, Singapore 038989 at least 48 hours before the time fixed for the Meeting. A Depositor's name must appear in the Depository Register maintained by the Central Depository (Pte) Limited not less than 72 hours before the time appointed for the holding of the Annual General Meeting in order for him/her to be entitled to vote at the Annual General Meeting.

Personal Data Protection:

By attending the Annual General Meeting and/or any adjournment thereof or submitting an instrument appointing a proxy(ies) and/or representative(s) to attend, speak and vote at the Annual General Meeting and/or any adjournment thereof, a member of the Company (i) consents to the collection, use and disclosure of the member's personal data by the Company (or its agents) for the purpose of the processing and administration by the Company (or its agents) of proxies and representatives appointed for the Annual General Meeting (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the Annual General Meeting (including any adjournment thereof), and in order for the Company (or its agents) to comply with any applicable laws, listing rules, regulations and/or guidelines (collectively, the "**Purposes**"), (ii) warrants that where the member discloses the personal data of the member's proxy(ies) and/or representative(s) to the Company (or its agents), the member has obtained the prior consent of such proxy(ies) and/or representative(s) for the collection, use and disclosure by the Company (or its agents) of the personal data of such proxy(ies) and/or representative(s) for the Purposes, and (iii) agrees that the member will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the member's breach of warranty.

APPENDIX - RENEWAL OF SHAREHOLDERS' MANDATE FOR INTERESTED PERSON TRANSACTIONS

1. Background

The Board of Directors of Green Build Technology Limited (the "**Company**") refer to:

(a) the notice of the Twelfth Annual General Meeting of the Company dated 14 April 2016 (the "**Notice**") convening the Twelfth Annual General Meeting ("**Twelfth AGM**") of the Company to be held on Friday, 29 April 2016, which accompanies this annual report of the Company for the financial year ended 31 December 2015 ("**Annual Report**"); and

(b) Resolution 8 under the heading "**Special Business**" as set out in the Notice.

2. Shareholders' Mandate

Pursuant to the Company's Circular dated 11 September 2014 (the "**Circular**"), approval of the shareholders of the Company ("**Shareholders**") was deemed obtained for a shareholders' mandate (the "**Shareholders' Mandate**") to enable the Company and its subsidiaries which are considered to be "**entities at risk**" within the meaning of Rule 904(2) of the listing manual (the "**Listing Manual**") of the Singapore Exchange Securities Trading Limited (the "**SGX-ST**"), in their ordinary course of businesses, to enter into categories of transactions with specified classes of the Company's interested persons, provided that such transactions are entered into on an arm's length basis and on normal commercial terms. The details of the interested person transactions and shareholders' mandate were disclosed in pages 19 to 25 of the said Circular.

3. Proposed Renewal of the Shareholders' Mandate

The Shareholders' Mandate was expressed to take effect until the conclusion of the next Annual General Meeting of the Company ("**AGM**"). Accordingly, the Directors propose that the Shareholders' Mandate be renewed at the Twelfth AGM, to take effect until the Thirteenth AGM of the Company.

4. Details of the Shareholders' Mandate

Details of the Shareholders' Mandate, including the rationale for, and the benefits to, the Company, the review procedures for determining transaction prices with interested persons and other general information relating to Chapter 9 of the Listing Manual, are set out in the Annexure of this Appendix.

5. Audit Committee Statement

The Audit Committee has reviewed the terms of the Shareholders' Mandate and confirms that:

(a) the review procedures for determining the transaction prices under the Shareholders' Mandate have not changed since the conclusion of the Eleventh Annual General Meeting convened on the 21 April 2015 and the Extraordinary General Meeting convened on 3 October 2014 when the Shareholders' Mandate had been approved; and

(b) the review procedures referred to in paragraph 7 of the Annexure are sufficient to ensure that the transactions will be carried out on normal commercial terms and will not be prejudicial to the interests of the Company and its minority Shareholders.

If, during the periodic reviews by the Audit Committee, it is of the view that the established review procedures are no longer appropriate or adequate to ensure that the interested person transactions will be transacted on normal commercial terms and will not be prejudicial to the interests of the Company and minority Shareholders, the Company will seek a fresh mandate from Shareholders based on new review procedures.

6. Directors' and Substantial Shareholders' Interests

The interests of the Directors and substantial shareholders of the Company in the issued share capital of the Company as at 21 March 2016 can be found on page 114 and 115 of this Annual Report.

7. Abstention from Voting

Mr Zhao Lizhi, who is the Executive Chairman and Director of the Company, has interests in the shares of the Interested Person (as described in paragraph 5.1 of the Annexure to this Appendix), and also holds directorship and/or executive position in it. He and his respective associates will abstain from voting on Resolution 8 being the Ordinary Resolution relating to the proposed renewal of the Shareholders' Mandate in respect of their shareholdings in the Company, if any, at the Twelfth AGM.

8. Directors' Recommendation

The Directors who are considered independent for the purposes of the proposed renewal of the Shareholders Mandate are Ms Wu Xueying, Mr Li Mingyang, Mr Kuan Cheng Tuck and Dr Yao Fengge (the "**Independent Directors**"). The Independent Directors are of the opinion that the entry into of the Interested Person Transactions between the EAR Group (as described in paragraph 2.2 of the Annexure to this Appendix) and those Interested Persons (as described in paragraph 5.1 of the Annexure to this Appendix) in the ordinary course of its business will be entered into to enhance the efficiency of the EAR Group and are in the best interests of the Company.

For the reasons set out in paragraphs 2, 4 and 8 of the Annexure to this Appendix, the Independent Directors recommend that Shareholders vote in favour of Resolution 8, being the Ordinary Resolution relating to the proposed renewal of the Shareholders' Mandate at the Twelfth AGM.

9. Directors' Responsibility Statement

The Directors collectively and individually accept responsibility for the accuracy of the information given herein and confirm, having made all reasonable enquiries, that to the best of their knowledge and belief, the facts stated and the opinions expressed herein are fair and accurate and that there are no material facts the omission of which would make any statement herein misleading.

10. Action To Be Taken By Shareholders

If a Shareholder is unable to attend the Twelfth AGM and wishes to appoint a proxy to attend and vote on his/her/their behalf, he/her/they should complete, sign and return the attached Proxy Form in accordance with the instructions printed thereon as soon as possible and, in any event, so as to reach the registered office of the Company at **9 Temasek Boulevard, #09-01 Suntec Tower Tow, Singapore 038989 not later than 10.00 a.m. on 27 April 2016.** Completion and return of the Proxy Form by a Shareholder will not prevent him/her/them from attending and voting at the AGM if he/she/they so wish. In addition, in the case of shares entered in the Depository Register, the Company may reject a Proxy Form if the Shareholder, being the appointor, is not shown to have shares entered against his/her/their name(s) in the Depository Register as at 72 hours before the time appointed for holding the Twelfth AGM, as certified by The Central Depository (Pte) Limited to the Company.

11. SGX-ST

The SGX-ST takes no responsibility for the accuracy of any statements or opinions made in this Appendix and the accompanying Annexure.

ANNEXURE - THE SHAREHOLDERS' MANDATE

1. Chapter 9 of the Listing Manual

1.1. Chapter 9 of the listing manual (the "**Listing Manual**") of the Singapore Exchange Securities Trading Limited (the "**SGX-ST**") governs transactions by a listed company, as well as transactions by its subsidiaries and associated companies that are considered to be at risk, with the listed company's interested persons. When this Chapter applies to a transaction and the value of that transaction alone or on aggregation with other transactions conducted with the interested person during the financial year reaches, or exceeds, certain materiality thresholds, the listed company is required to make an immediate announcement, or to make an immediate announcement and seek its shareholders' approval for that transaction.

1.2. Except for certain transactions which, by reason of the nature of such transactions, are not considered to put the listed company at risk to its interested person and hence are excluded from the ambit of Chapter 9 of the Listing Manual, immediate announcement(s), or immediate announcement(s) and shareholders' approval would be required in respect of transactions with interested persons if certain financial thresholds (which are based on the value of the transaction as compared with the listed company's latest audited consolidated net tangible assets ("**NTA**")) are reached or exceeded. In particular, shareholders' approval is required for an interested person transaction of a value equal to, or which exceeds:

(a) 5% of the listed company's latest audited consolidated NTA; or

(b) 5% of the listed company's latest audited consolidated NTA, when aggregated with other transactions entered into with the same interested person (as such term is construed under Chapter 9 of the Listing Manual) during the same financial year.

1.3. Based on the latest audited consolidated accounts of Green Build Technology Limited (the "**Company**") and its subsidiaries (collectively, the Company and its subsidiaries shall hereinafter be referred to as the "**Group**") for the financial year ended 31 December 2015, the consolidated net tangible assets of the Group was approximately RMB 39,830,000. As such, in relation to the Company, for the purposes of Chapter 9 of the Listing Manual, in the current financial year and until such time as the consolidated audited accounts of the Group for the next financial year are published, 5% of the latest audited consolidated net tangible assets of the Group would be approximately RMB 1,992,000.

1.4. Chapter 9 of the Listing Manual permits a listed company, however, to seek a mandate from its shareholders for recurrent transactions of a revenue or trading nature or those necessary for its day-to-day operations such as the purchase and sale of supplies and materials (but not in respect of the purchase or sale of assets, undertakings or businesses) that may be carried out with the listed company's interested persons (the "**Shareholders' Mandate**").

1.5. Under the Listing Manual:-

(a) an "**entity at risk**" means:

(i) the listed company;

(ii) a subsidiary of the listed company that is not listed on the SGX-ST or an approved exchange; or

(iii) an associated company of the listed company that is not listed on the SGX-ST or an approved exchange, provided that the listed company and/or its subsidiaries (the "**listed group**"), or the listed group and its interested person(s), has control over the associated company;

(b) an "**interested person**" means a director, chief executive officer or controlling shareholder of the listed company or an associate of any such director, chief executive officer or controlling shareholder;

(c) an "**associate**" means, in relation to an interested person who is a director, chief executive officer, substantial or controlling shareholder:

(i) an immediate family member (that is, the spouse, child, adopted-child, step-child, sibling and parent) of such director, chief executive officer or controlling shareholder;

(ii) the trustees of any trust of which the director or his immediate family, the chief executive officer or his immediate family or controlling shareholder or his immediate family is a beneficiary or, in the case of a discretionary trust, is a discretionary object;

(iii) any company in which the director and his immediate family, the chief executive officer and his immediate family or controlling shareholder and his immediate family has an aggregate interest (directly or indirectly) of 30% or more; and

(iv) where a substantial shareholder or a controlling shareholder which is a corporation, its subsidiary or holding company or fellow subsidiary or a company in which it and/or they have (directly or indirectly) an interest of 30% or more;

(d) an "**approved exchange**" means a stock exchange that has rules which safeguard the interests of shareholders against interested person transactions according to similar principles in Chapter 9 of the Listing Manual; and

an "**interested person transaction**" means a transaction between an entity at risk and an interested person.

2. Rationale for the Shareholders' Mandate

2.1. It is envisaged that in the ordinary course of their businesses, transactions between companies in the EAR Group (as defined below) and the Company's interested persons (as defined in paragraph 5 below) are likely to occur from time to time. Such transactions would include the provision of goods and services in the ordinary course of business of the EAR Group to the Company's interested persons.

2.2. In view of the time-sensitive nature of commercial transactions, the obtaining of the Shareholders Mandate pursuant to Chapter 9 of the Listing Manual will enable:

(a) the Company;

(b) subsidiaries of the Company (other than a subsidiary that is listed on the SGX-ST or an approved exchange); and

(c) associated companies of the Company (other than an associated company that is listed on the SGX-ST or an approved exchange) over which the Group, or the Group and interested person(s) of the Company, has or have control, (together, the "**EAR Group**"), or any of them,

in the ordinary course of their businesses, to enter into the categories of transactions ("**Interested Person Transactions**") set out in paragraph 6 below with the specified classes of the Company's interested person(s) (the "**Interested Person(s)**") set out in paragraph 5.1 below, provided such Interested Person Transactions are made on normal commercial terms.

3. The Shareholders' Mandate

3.1. The Shareholders' Mandate will cover the range of activities detailed in paragraph 6 below.

3.2. The Shareholders' Mandate will not cover an Interested Person Transaction which has a value less than S$100,000 as the threshold and aggregation requirements contained in Chapter 9 of the Listing Manual would not apply to such an Interested Person Transaction.

3.3. Transactions with interested persons (including the Interested Persons) that do not fall within the ambit of the Shareholders' Mandate will be subject to the relevant provisions of Chapter 9 of the Listing Manual and/or other applicable provisions of the Listing Manual.

3.4. The Shareholders' Mandate will take effect from the date of the passing of Resolution 8 as stipulated in the notice of the Twelfth Annual General Meeting of the Company (the "**Twelfth AGM**") relating to the renewal of the Shareholders' Mandate to be proposed at the Twelfth AGM to be held on Friday, 29 April 2016 until the next Annual General Meeting of the Company.

4. Benefits of the Shareholders Mandate

The Shareholders' Mandate (and its subsequent renewal thereafter on an annual basis) will enhance the ability of companies in the EAR Group to pursue business opportunities which are time-sensitive in nature, and will eliminate the need for the Company to announce, or to announce and convene separate general meetings on each occasion to seek Shareholders' prior approval for the entry by the relevant company in the EAR Group into such transactions. This will substantially reduce the expenses associated with the convening of general meetings on an ad hoc basis, improve administrative efficacy considerably, and allow manpower resources and time to be channelled towards attaining other corporate objectives.

5. Classes of Interested Persons

5.1. The Shareholders' Mandate will apply to the Group's interested person transactions with Harbin Dali Aluminium Doors & Windows Products Co., Ltd. (the "**Interested Person**").

5.2. Transactions with the Interested Person, which do not fall within the ambit of the proposed Shareholders Mandate, shall be subject to the relevant provisions of Chapter 9 of the Listing Manual.

6. Categories of Interested Person Transactions

The Interested Person Transaction that will be covered by the Shareholders' Mandate refer to the purchase of supplies and materials from Interested Persons.

7. Review Procedures for Interested Person Transactions

7.1. The Group's principal activities include that of upgrading existing housing estates using green architecture and green technology. As part of such upgrading projects, the EAR Group may enter into transactions with the Interested Person in the ordinary course of business to purchase supplies and materials for use in the upgrading projects.

7.2. In general, the EAR Group has internal control procedures to ensure that the Interested Person Transactions are undertaken on an arm's length basis and on normal commercial terms consistent with the EAR Group's usual practices and policies, which (in relation to services or products to be provided to or procured from the Interested Person) are no more favourable than those extended to unrelated third parties. As a general practice, the EAR Group will only enter into transactions with the Interested Person if the terms offered by the Interested Person are no less favourable than that offered by unrelated third parties. The Audit Committee will also review and approve the transactions where applicable, as further described below.

7.3. To ensure that all Interested Person Transactions are carried out on normal commercial terms and are not prejudicial to the interests of the Company and its minority Shareholders, the Group has established the following guidelines and procedures to be complied with prior to entry by the Group into any Interested Person Transaction:

(a) the Chief Financial Officer (and/or the Financial Controller, as the case may be), of the Group and the finance manager of the relevant EAR Group entity entering into the Interested Person Transaction (collectively, the "**Finance Team**") shall review quotations obtained from the Interested Person and at least two other quotes from unrelated third parties. The EAR Group will only enter into transactions with such Interested Person provided the quotation offered by the Interested Person, after taking into consideration various factors including, *inter alia*, credit standing, volume of transactions, delivery requirements, age of products, product attachments, tenure of business relationship and potential for future repeat business, are no less favourable than those offered by the unrelated third parties, when compared to at least two latest similar transactions between the EAR Group and unrelated third parties; and

(b) where it is not possible to compare the terms of an Interested Person Transaction against the terms of other transactions with unrelated third parties, the Finance Team will consider whether the pricing of the Interested Person Transactions is in accordance with the EAR Group's usual business practices and pricing policies, and consistent with the usual unit costs (i.e. the unit costs chargeable by third parties at market rate for similar goods supplied by them) to be obtained for the same or substantially similar types of transactions, to determine whether the relevant transaction is carried out at arm's length and on normal commercial terms.

7.3.1. **Approval by Directors and Audit Committee**

In addition to the guidelines and review procedures set out above, the following approval procedures will be implemented to supplement existing internal control procedures and ensure that the Interested Person Transactions are undertaken on an arms' length basis and on normal commercial terms:

(a) the review and approval of the Financial Controller and any one Director (with no interest, direct or indirect, in the Interested Person Transaction) is required for any Interested Person Transaction where the value thereof is below the lower of, RMB 5 Million or 3% of the Group's latest audited NTA; and

(b) the review and approval of the Audit Committee is required for any Interested Person Transaction where the value thereof is equal to, or above the lower of, RMB 5 Million or 3% of the Group's latest audited NTA.

The approval thresholds set out above will be adopted by the Company taking into account, *inter alia*, the nature, volume, recurrent frequency and size of the Interested Person Transactions, as well as the EAR Group's day-to-day operations, administration and businesses. The threshold limits are arrived at as a result of a balancing exercise after considering the operational efficiency for the day-to-day business operations of the Group and the internal controls for interested person transactions.

In addition, the above review includes the examination of the Interested Person Transactions and its supporting documents or such other data deemed necessary by the Directors or the Audit Committee. The Finance Team will prepare the relevant information to assist the Directors or the Audit Committee in its review. The Directors or the Audit Committee shall, when it deems fit, have the right to require the appointment of independent advisers and/or valuers to provide additional information or review of controls and its implementation pertaining to the Interested Person Transactions under review.

7.3.2. Periodic Review Procedures

The EAR Group has also implemented the following procedures for the identification of Interested Persons and the record of all Interested Person Transactions:

(a) the Finance Team will maintain a list of Interested Persons and their Associates (which is to be updated immediately if there are any changes) to enable identification of Interested Persons. The list of Interested Persons which is maintained shall be reviewed quarterly by the Chief Financial Officer (and/or the Financial Controller, as the case may be) and subject to such verifications or declarations as required by the Audit Committee from time to time or for such period as determined by them. This list of Interested Persons shall be disseminated to all staff of the Group that the Finance Team considers relevant for the purpose of entering into transactions that fall under the Shareholders' Mandate;

(b) the Finance Team will maintain a register of transactions carried out with the Interested Person pursuant to the Shareholders' Mandate (recording the basis, including the quotations obtained to support such basis, on which they were entered into) (the "**IPT Register**"). Any discrepancies or significant variances (as determined by the Audit Committee) from the Group's usual business practices and pricing policies will be highlighted to the Audit Committee. The IPT Register will also record any transaction with an Interested Person that is less than S$100,000 in value, though such transactions are not covered under the Shareholders' Mandate;

(c) the Audit Committee shall, at least on a quarterly basis, periodically review the IPT Register to ensure that the Interested Person Transactions are carried out on normal commercial terms and in accordance with the guidelines and review procedures under the Shareholders' Mandate. All relevant non-quantitative factors will also be taken into account, including but not limited to customer requirements, specification compliance, delivery schedules, track record, experience and expertise. The Group's internal and external auditors shall assist the Audit Committee in such review and carry out such tests as they deem necessary;

(d) the Company's annual internal audit plan shall incorporate a review of all Interested Person Transactions, including the established review procedures for monitoring of such Interested Person Transactions, entered into during the current financial year pursuant to the Shareholders' Mandate. The Group's internal auditor shall, on a yearly basis, subject to adjustment in frequency, and depending on factors such as, *inter alia*, substantial increment of aggregate transactional value, report to the Audit Committee on all Interested Person Transactions, and the basis of such transactions, entered into with the Interested Person(s) during the preceding period;

(e) as part of the Group's annual audit, the external auditor will review the Interested Person Transactions on a sampling basis. The external auditor will report to the Audit Committee in the event of any non-compliance based on the audit sample;

(f) the Audit Committee and the Board shall review the internal audit reports to ascertain that the guidelines and review procedures under the Shareholders' Mandate have been complied with and have overall responsibility for the determination of such guidelines and review procedures with the authority to sub-delegate to individuals or committees within the Company as they deem appropriate. In addition, the Audit Committee shall also review from time to time the guidelines and review procedures to determine if they are adequate and/or commercially practicable in ensuring and that all Interested Person Transactions are conducted on normal commercial terms; and

(g) if during its periodic reviews the Audit Committee is of the view that the proposed review procedures and guidelines in place have become inappropriate or insufficient in view of the changes to the nature of, or the manner in which, the business activities of the Group are conducted, it will, in consultation with the Board, take such actions as it deems proper in respect of such procedures and guidelines and/or modify or implement such procedures and guidelines as may be necessary to ensure that the Interested Person Transactions will be conducted on normal commercial terms and, hence, will not be prejudicial to the interests of the Company and its minority Shareholders. The Company will then accordingly seek a fresh mandate from the Shareholders based on the new review procedures and guidelines for Interested Person Transactions.

7.3.3. Interested Audit Committee Member to Abstain

In the event that a member of the Audit Committee (where applicable) is interested (directly or indirectly) in any Interested Person Transaction, he/she will abstain from reviewing that particular transaction to ensure that the Interested Person Transaction will be carried out on normal commercial terms and not be prejudicial to the interests of the Company and its minority Shareholders. Approval of that transaction will accordingly be undertaken by the remaining members of the Audit Committee.

7.3.4. Further Compliance

The Board will ensure compliance with all disclosure, approval and other requirements relating to Interested Person Transactions, including those prescribed by applicable laws and regulations, the Listing Manual and accounting standards.

8. Benefits to the EAR Group

8.1. The renewal of the Shareholders' Mandate on an annual basis would eliminate the need to convene separate general meetings from time to time to seek Shareholders' approval as and when potential Interested Person Transactions or Interested Persons arise, thereby reducing substantially the administrative time and expenses in convening such meetings, without compromising the corporate objectives and adversely affecting the business opportunities available to the EAR Group.

8.2. The Shareholders' Mandate is intended to facilitate transactions in the normal course of business of the EAR Group, which are transacted from time to time with the Interested Person, provided that they are carried out at arm's length and on the normal commercial terms and are not prejudicial to Shareholders.

8.3. The Company will announce the aggregate value of transactions conducted with the Interested Person pursuant to the Shareholders' Mandate for the half-yearly financial periods which the Company is required to report on pursuant to the Listing Manual and within the time required for the announcement of such report.

Disclosure will also be made in the annual reports of the Company of the aggregate value of Interested Person Transactions conducted pursuant to the Shareholders' Mandate during the financial year in which a shareholders' mandate is in force.

IMPORTANT:

1. This Annual Report is also forwarded to investors who have used their CPF monies to buy shares in the Company at the request of their CPF Approved Nominees, and is sent solely for their information only.
2. This Proxy Form is therefore, not valid for use by CPF investors and shall be ineffective for all intents and
3. Relevant intermediaries (as defined in Section 181 of the Companies Act, Cap. 50) may appoint more than two proxies

Proxy Form

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

I/We____(Name)

of____ (Address)
being a member/members of Green Build Technology Limited (the "**Company**") hereby appoint

Name	Address	NRIC/ Passport No.	Proportion of my/our Shareholding	
			No. of shares	%

and/or (delete as appropriate)

Name	Address	NRIC/ Passport No.	Proportion of my/our Shareholding	
			No. of shares	%

failing which, the Chairman of the Meeting, as my/our proxy/proxies to attend and vote for me/us on my/our behalf at the Annual General Meeting of the Company, to be held at Tanglin Room 1 in RELC International Hotel, 30 Orange Grove Road Singapore 258352 on 29 April 2016 at 10.00 a.m., and at any adjournment thereof. I/We direct my/our proxy/proxies to vote for or against the Resolutions to be proposed at the Meeting as indicated hereunder. If no specific direction as to voting is given, the proxy/proxies will vote or abstain from voting at his/their discretion, as he/they will on any other matter arising at the Meeting.

(If you wish to exercise all your votes "**For**" or "**Against**", please indicate your vote "**For**" or "**Against**" with "**X**" within the box provided. Alternatively, please indicate the number of votes as appropriate.)

No.	Resolutions Relating To:	For	Against
Ordinary Business			
1.	Adoption of Audited Accounts for the financial year ended 31 December 2015 together with the Directors' Statement and the Auditors' Report of the Company		
2.	Approval of Directors' Fees for the financial year ending 31 December 2016		
3.	Re-election of Ms Wu Xueying		
4.	Re-election of Dr Yao Fengge		
5.	Re-appointment of Mr Li Mingyang		
6.	Re-appointment of Messrs Ernst & Young LLP as Auditors		
Special Business			
7.	Authority to allot and issue new shares		
8.	Renewal of Shareholders' Mandate for Interested Person Transactions		

Dated this ____________day of __________ 2016.

Total number of Shares held

____

Signature of Member(s) or Common Seal
Important: Please read notes overleaf

Notes:

1. Please insert the total number of shares held by you. If you have Shares entered against your name in the Depository Register (as defined in Section 81SF of the Securities and Futures Act, Cap. 289), you should insert that number of Shares. If you have Shares registered in your name in the Register of Members, you should insert that number of Shares. If you have Shares registered in your name in the Depository Register and Shares registered in your name in the Register of Members, you should insert the aggregate number of Shares entered against your name in the Depository Register and registered in your name in the Register of Members. If no number is inserted, the instrument appointing a proxy or proxies shall be deemed to relate to all the Shares held by you.

2. A member who is not a relevant intermediary (as defined in the Companies Act, Cap. 50) is entitled to appoint not more than two proxies to attend, speak and vote on his/her behalf at the AGM. Where a member appoints more than one proxy, he/she shall specify the proportion of his/her shares to be represented by each such proxy, failing which the nomination shall be deemed to be alternative.

3. A member who is a relevant intermediary (as defined in the Companies Act, Cap. 50) is entitled to appoint more than two proxies to attend, speak and vote at the Annual General Meeting, but each proxy must be appointed to exercise the rights attached to a different share or shares held by such member. Where such member's form of proxy appoints more than two proxies, the number and class of shares in relation to which each proxy has been appointed shall be specified in the form of proxy.

4. A proxy need not be a member of the Company.

5. The instrument appointing a proxy or proxies must be deposited at the Company's registered office at 9 Temasek Boulevard Suntec City Tower 2 #09-01, Singapore 038989 not less than 48 hours before the time of the Annual General Meeting.

6. The instrument appointing a proxy or proxies must be under the hand of the appointor or of his/her attorney duly authorised in writing. Where the instrument appointing a proxy or proxies is executed by a corporation, it must be executed either under its common seal or under the hand of its attorney or a duly authorised officer.

7. Where an instrument appointing a proxy is signed on behalf of the appointor by an attorney, the letter of power of attorney or a duly certified copy thereof must (failing previous registration with the Company) be lodged with the instrument of proxy; failing which the instrument may be treated as invalid.

8. The Company shall be entitled to reject a Proxy Form which is incomplete, improperly completed, illegible or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified on the Proxy Form. In addition, in the case of shares entered in the Depository Register, the Company may reject a Proxy Form if the member, being the appointor, is not shown to have Shares entered against his name in the Depository Register as at 72 hours before the time appointed for holding the Meeting, as certified by The Central Depository (Pte) Limited to the Company.

Personal Data Protection:

By attending the Annual General Meeting and/or any adjournment thereof or submitting an instrument appointing a proxy(ies) and/or representative(s), the member accepts and agrees to the personal data privacy terms set out in the Notice of Annual General Meeting.