

2019

ANNUAL REPORT



绿建科技
GREEN BUILD TECHNOLOGY

新时代城市运营商
CITY OPERATORS OF THE NEW ERA

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Corporate Information

BOARD OF DIRECTORS

Zhao Lizhi (Executive Chairman)
Wu Xueying (Executive Director and Chief Executive Officer)
Dong Congwen (Independent Director)
Ng Poh Khoon (Independent Director)
Soh Yeow Hwa (Independent Director)

AUDIT COMMITTEE

Soh Yeow Hwa (Chairman)
Dong Congwen
Ng Poh Khoon

NOMINATING COMMITTEE

Ng Poh Khoon (Chairman)
Dong Congwen
Soh Yeow Hwa

REMUNERATION COMMITTEE

Soh Yeow Hwa (Chairman)
Dong Congwen
Ng Poh Khoon

COMPANY SECRETARIES

Lim Kok Meng, LLB

REGISTERED OFFICE

24 Raffles Place #20-03,
Clifford Centre,
Singapore 048621
Tel: +65 69505335
Fax: +65 65350680

PRINCIPAL PLACE OF BUSINESS

7 Hongjun Street, Nangang District,
Harbin City, Heilongjiang Province 150000
People's Republic of China
Telephone: (86) 451 51176667

Singapore Corporate:
24 Raffles Place #20-03,
Clifford Centre,
Singapore 048621
Tel: +65 69505335
Fax: +65 65350680
Website: www.webgbt.com

COMPANY REGISTRATION NUMBER

200401338W

INDEPENDENT AUDITOR

Baker Tilly TFW LLP
600 North Bridge Road
#05-01 Parkview Square
Singapore 188778
Partner-in-charge: Lim Kok Heng
Appointed since financial year ended
31 December 2018

SHARE REGISTRAR

Boardroom Corporate & Advisory Services
Pte. Ltd.
50 Raffles Place
#32-01 Singapore Land Tower
Singapore 048623

LEGAL ADVISERS

AQUINAS LAW ALLIANCE LLP
24 Raffles Place #20-03, Clifford
Centre, Singapore 048621

PRINCIPAL BANKERS

DBS Bank Ltd
12 Marina Boulevard
Marina Bay Financial Centre Tower 3
Singapore 018982

KEB Hana Bank (China), Harbin Branch
161 Changjiang Road, Nangang
Development Zone
Harbin City, Heilongjiang Province
People's Republic of China

Industrial Bank, Harbin Nangang Branch
175 Gexin Street, Nangang Development
Zone,
Harbin City, Heilongjiang Province
People's Republic of China

Agricultural Bank of China, Harbin
Songhuajiang Branch
367 Xuanhua Street, Nangang
Development Zone, Harbin City,
Heilongjiang Province
People's Republic of China

Daqing Rural Commercial Bank,
8 Jiangang Street, Longfeng District
Daqing City, Heilongjiang Province
People's Republic of China

Harbin Bank, Songbei Branch
5000 Shimao Avenue, Songbei District
Harbin City, Heilongjiang Province
People's Republic of China



Corporate

Profile

Green Build Technology Limited (“Green Build” or “the Group”) was founded on 6 February 2004. Its stock trading code on the Singapore Exchange is Y06. Currently, its subsidiaries in China include Harbin Shengming Energy Saving and Technology Co., Ltd., Harbin Utility Tunnel Construction and Management Co., Ltd., Harbin Prevailing Municipal Engineering Co., Ltd., Harbin Utility Tunnel Phase Two Construction and Management Co., Ltd. and Harbin Superior Construction Materials Trading Co. Ltd..

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

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

Our Group continues to take the responsibility of improving urban environment as our mission. With the vision to become a centennial enterprise, we will review our business strategy in line with the urban development trends, focusing on the sustainable urban renewal as our core strategic business. We actively explore the “refurbish-construct-operate” model in the operation and management of aging estates with development strategies for the entire industry supply chain to achieve the grand blueprint of the “City Operators for the New Era”.



企业简介

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

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

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

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



Dear shareholders,

In 2019, the world economy continued to slow down. The Chinese economy experienced increasing downward pressure. While the growth direction and momentum of the Chinese economy undergo transformation, our Group forges ahead firmly with resolute and hard work. During the year, we have successfully undertaken and substantially completed our underground utility tunnel project, laying a solid foundation in our growth, the development of China and the happiness of the nation.

With years of experience accumulated by our Group, we have developed a deep understanding and forward-looking insights into changes in the times, policies, and needs of the Chinese economy. The year 2020 will be an important year for the comprehensive development of a prosperous society and the "Thirteenth Five-Year Plan" in China. We will keep up with the current economic environment, leverage on our leading position and, take on challenges during these trying times and seize new opportunities. To meet new challenges, we will bring out the best qualities and vigor of our employees, open up new ideas, develop new paths, and implement new models. We continue to focus on the refurbishment of old estates into sustainable communities, consolidate our corporate position as "City Operators of the New Era" and improve the urban environment to achieve our ultimate goal of building a centennial enterprise.

In the journey of urban development in China, we will take the lead in a new era of sustainable urbanisation. We will continue to strive for excellence in our achievements.

Zhao Lizhi
Chairman of Board of Directors

2019年，在世界经济增长持续放缓、国内经济下行压力加大的关键期，在转变发展方式、转换增长动力的攻关期，绿建在守望与奋进、坚定与拼搏中砥砺前行，基本圆满完成了地下综合管廊项目，为国家的发展、城市的进步、人民的幸福、企业的成长奠定了坚实基础。

历经多年深耕积淀，绿建对时代之变、政策之变、需求之变有着深刻的理解和前瞻的洞见。在我国即将全面建成小康社会、“十三五”规划的决胜之年，绿建将紧跟时代浪潮，发挥自身优势，做好打硬仗的准备，拿出打胜仗的素质与气魄，把握新机遇、迎接新挑战、开拓新思路、发展新路径、践行新模式，持续聚焦老旧小区宜居改造建设，朝着“新时代城市运营商”的定位和“改善城市环境，铸造百年企业”的愿景不懈努力，创造新的传奇。

中国城市化发展的新征程中，绿建必将肩负起迈向城镇现代化、开创美好新时代的重任，保持敢想敢拼、善作善成的闯劲，奔赴大有作为的广阔新天地！

董事局主席
赵立志

Chairman's Statement

董事局主席致辞

BOARD OF DIRECTORS



Zhao Lizhi

Executive Chairman and
Director



Wu Xueying

Chief Executive Officer
Executive Director



Dong Congwen

Independent Director



Ng Poh Khoo

Independent Director



Soh Yeow Hwa

Independent Director

BOARD OF DIRECTORS

Mr Zhao Lizhi was re-designated as Executive Chairman and Director on 1 March 2015. Mr Zhao is a senior energy management professional and building energy conservation expert. He is a well-known entrepreneur in the energy-saving service industry. He is a member of the Green Building Committee of the Civil Engineering Society of Heilongjiang Province and the Secretary of Harbin Green Building Professional Committee, etc. He was the adjunct lecturer of several universities in Harbin city, such as Harbin Institute of Technology, Harbin University of Commerce MBA Education Centre and Harbin University of Commerce Institute of Business Economics.

He has more than 20 years of theoretical and practical experience in corporate management, project management, capital management, and energy-saving technology for buildings and infrastructure construction.

He has developed under his other businesses more than 100 patents relating to new practical and design models. The business that owns these patents has been chosen as a pioneer for provincial-level patent work in Heilongjiang Province whereby this business became one of the third batch of pioneer intellectual property enterprise selected as hi-tech enterprise in Heilongjiang energy-saving door and window industrialisation base in 2006. He has made great contributions to the nation's energy-saving and environmental protection where he initiated a new business model based on "Licensing of Patented Technology with Zero Upfront Cost" in China.

Since 2010, he has participated in insulation projects to refurbish existing buildings that benefits the residents of Harbin. In 2013, he has also undertaken an urban LED lightings project based on the Engineering, Procurement, and Construction ("EPC") model and has obtained great achievement. From 2014 to 2020, he was invited to attend the "Non-voting Attendee Seminar of the Third, Fourth, Fifth and Sixth Sessions of Heilongjiang 12th People's Congress" and the "Non-voting Attendee Seminar of the First and Third Sessions of Heilongjiang 13th People's Congress", etc. Being a representative of the Longjiang Enterprise Association, he participates in the development plan for enterprises in Heilongjiang Province. He also participated in the formulation of the National Green Mark Standard for Evaluation of Upgrading of Existing Buildings Using Green Architect.

In 2015 and 2016, under Mr Zhao's leadership, the first batch of the insulation project and the underground utility tunnel project had been duly executed according to the requirements of the government.

As the chairman of the board of directors of Green Build Technology Limited, Mr Zhao leads and sets the corporate position of the Group as the "New City Operator of the New Era", strategically focusing on urban infrastructure construction and smart city construction that effectively enhance the well-being of the residents. He also leads the Group to focus on technological innovation, management innovation, operation model innovation, capital efficiency, etc. that will continue to improve the Group's competitiveness, branding, enterprise quality improvement, and enable the Group to be internationalised, prominent and sustainable.

BOARD OF DIRECTORS

赵立志 绿建科技集团董事局执行主席

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—2020 年，连续六年受邀列席“黑龙江省第十二届人大第三次、四次、五次、六次会议”及“黑龙江省第十三届人大第一次、第三次会议”等，作为龙江企业家的代表，与政府共商发展大计。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。2015 年—2016 年，按照政府要求完成全国首批哈尔滨市地下综合管廊及哈尔滨一般性既有建筑节能改造工程相关建设任务，在行业内具有重要地位。

作为新加坡绿建科技集团的董事长，主导并明确了集团“新时代城市运营商”的企业定位，立足于城市基础设施建设、充分发展智慧城市建设、切实提升居民幸福感的战略目标，通过技术创新、管理创新、运营模式创新、资本运作等持续提高产品附加值，形成自身核心竞争力，打造品牌，全面将公司打造成为国际化具有自身经营特色、主营业务突出、持续发展的产业集团。

BOARD OF DIRECTORS

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

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

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

She has been involved in project management and material management for many years. She has in-depth knowledge on new energy saving building materials as she carries out researches on energy saving buildings. She has outstanding achievements in many fields with profound theoretical foundations and rich practical experiences in corporate management.

BOARD OF DIRECTORS

武雪莹 绿建科技集团总裁兼哈尔滨市圣明节能科技有限责任公司总经理

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

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

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

BOARD OF DIRECTORS

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

董丛文 绿建科技集团独立董事

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

Mr. Ng Poh Khoon was appointed as Independent Director on 4 October 2019. Mr Ng is the Chairman of the Nominating Committee and also a member of the Audit Committee and Remuneration Committee. He is currently the project director with Guangdong Chengde Financial Advisory Co., Ltd. and a member of the Financial Advisory committee with the Entrepreneur Capital Management Association of Guangdong Province.

Mr Ng has over 20 years of experience in auditing, financial management, sales & business development, investor relations, fund raising and merger and acquisition activities. He is also currently an Independent Director and the Chairman of the Audit and Nominating Committees of Nutryfarm International Limited, a company listed on the mainboard board of SGX-ST and also the Lead Independent Director and Chairman of Audit Committee of China Star Food Group Limited, a company listed on the catalist board of SGX-ST. He is a Chartered Accountant and a member of the Institute of Singapore Chartered Accountants and Singapore Institute of Directors. He is also a fellow member of the Association of Chartered Certified Accountants, UK.

吴宝光 绿建科技集团独立董事

吴宝光先生于 2019 年 10 月 4 日被任命为独立董事。吴先生是提名委员会主席以及审计委员会和薪酬委员会成员。他目前是广东诚德财务咨询有限公司的项目总监，也是广东省企业家资本管理协会的金融咨询委员会成员。

吴先生在审计、财务管理、销售和业务发展、投资者关系、资金筹集以及并购活动方面拥有 20 多年的经验。他目前还是营养屋国际有限公司的独立董事兼审计和提名委员会主席，该公司是在 SGX-ST 主板上市的公司。他也是中国之星食品集团有限公司的首席独立董事兼审计委员会主席，在新加坡交易所的凯利板上市的公司。他是一名特许会计师，也是新加坡特许会计师协会和新加坡董事学会的会员。他还是英国特许公认会计师公会的资深会员。

BOARD OF DIRECTORS

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

Mr Soh is a Certified Practising Accountant of CPA Australia, and a Chartered Accountant and member of the Institute of Singapore Chartered Accountants. He graduated with a Bachelor of Commerce from Griffith University, Australia in 1992. He is also currently an Independent Director and the Chairman of the Audit Committee of Ace Achieve Infocom Limited, a company listed on the mainboard of SGX-ST.

苏耀华 绿建科技集团独立董事

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

他是澳大利亚注册会计师的注册执业会计师、新加坡特许会计师协会的特许会计师和会员，并于1992年获得澳大利亚格里菲斯大学的商业学士学位。他目前还是汉铭科技有限公司的独立董事兼审计委员会主席，该公司是在新加坡交易所主板上市的公司。

KEY EXECUTIVES



Wang Hong

Deputy General Manager



Zhang Xiaohui

Deputy General Manager



Yang Xiaoyu

Deputy General Manager



Sun Honglei

Deputy General Manager



Henry Li

Business Development
Manager

KEY EXECUTIVES

Ms Wang Hong is the Deputy General Manager of our Green Technology Division in charge of the administration, public relations and business development department. Ms Wang graduated from Sichuan Southwest Minzu University (formerly Southwest University for Nationalities). She has five years of experience in traditional media and obtained lots of media experience and has been granted the honourable title "Top Ten Reporters" several times. The series "Tribute to the 18th CPC National Congress-Education over Ten Years" made by her independently was granted the provincial best news award, the long news "Swill Control Becoming a Dead Zone, Who Will Supervise Swill Pigs" was awarded the first prize of 2010 Harbin good news, the special news topic "Whether Money Should Be Paid for Tickets for Job Fairs" was awarded the third prize of 2010 Harbin good news. Investigative news such as "Hard to Register for an Expert Diagnosis at Hospital, Security Guards Claim to Make It for 100 Yuan", "Affordable Health Lecture the Elderly Arrive Early to Show Support" and "Discharge of Toxic Sewage at Night" have aroused wide social response. So far, she has independently completed the production of more than 1000 news clips, participated in large-scale live shows and interviewed a number of provincial and municipal leaders, and has strong writing skills and good interpersonal skills.

With practical experiences in administrative management and events planning, she was tasked to be the editor-in-charge of "City Discovery" Program in Harbin TV Channel, during which she was in charge of managing the routine interview allocation, rating and grouping issues of journalists of the program, independently undertaking the preparations to appraisal of the outstanding news documentaries at year end. Meanwhile, she also prepared large-scale live programs including "Voluntary Journey on Dragon Boat Festival", "Ice City Disembarking by Braman" and "Footprints of Xiao Hong" and "Urban Caravan", which received extensive attention. She was put in charge for all the exhibition events of the Group in Harbin International Cold Fair after being employed by the Group. She also undertook the summit forum of "Creating a Low-carbon City, Constructing a Green Harbin" and "New opportunity with new business model - PPP and Longjiang Economic Development Summit Forum 2015" which achieve wide-spread effect on the society. Also, she organised the annual dinner for the Group with great achievement in terms of promoting its corporate image. She is in charge of the Group's monthly and yearly magazines. These magazines have helped the Group in promoting its corporate image.

With her excellent writing skills, Ms Wang has participated in helping the Group complete its sustainable development reports and social responsibility reports. As the author of all-important documents of the Group, she has been unanimously recognized by the board of directors. Her personal and management skills are outstanding. She has been an important member of the Group's executive team.

王红 绿建科技集团常务副总裁

四川西南民族大学毕业。五年传统媒体从业经验，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。

加入绿建科技集团以来，王红不断发挥自我价值，与集团董事会一道，将集团从创业企业建设成为拥有多家子公司的集团型企业。在她的带领下，绿建科技第一次参加了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，取得了广泛的社会效应；第一次组织并完成了集团 2014—2018 年度盛会及年终总结大会，对内总结提升，对外展现形象，均取得了良好的宣传效果；绿建科技第一次拥有了自己的刊物——《绿建月刊》及企业《年刊》，都得到了广泛的传播，为展示企业形象增添助力。进入互联网时代，其凭借敏锐的行业嗅觉，在新媒体行业也广有涉猎，开展了绿建科技集团网站及微信公众平台等线上宣传渠道，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。

KEY EXECUTIVES

王红凭借其优秀的文字驾驭能力，组织并主导撰写企业多年的可持续发展报告及社会责任报告，并作为企业日常所有重要文件的主笔人，得到董事会一致认可，个人能力及管理能力突出，是集团高管团队中的重要成员。

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

张晓惠 绿建科技集团财务副总

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

Mr Yang Xiaoyu is the deputy general manager of our Green Technology Division and is in charge of the quality inspection department. Mr Yang is a national registered supervision engineer, a senior engineer, and an adjunct professor of Heilongjiang University of Science and Technology. When he was in Heilongjiang Local Coal Industry Administration and Heilongjiang Coal Mine Construction Co., Ltd. from 1991 to 1999, he steadily rose in rank to deputy manager, and participated in many key projects. From 2000 to 2003, he worked in Heilongjiang Province Construction Engineering Group Co., Ltd. as quality inspector, technician and technical supervisor. During his tenure, he was involved in many projects, such as A City Science and Technology Park project, Harbin Normal University Sports Center project, Harbin long-distance telecommunications hub project, Harbin International Convention and Exhibition Center, and No.1 comprehensive training center area B, etc. He won several awards, such as the National Quality Engineering Silver Award, China Construction Engineering Luban Award, the first prize of new technology promotion projects in Heilongjiang province. He has lots of practical experience in areas such as engineering construction and supervision, real estate development, and coal mine expansion and building energy conservation.

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。

KEY EXECUTIVES

Mr Sun Honglei is the Deputy General Manager of our Green Technology Division and is in charge of the technical department. Mr Sun is a national registered construction engineer, senior engineer and an expert of Harbin City Green Building Specialised Committee. From 2007 to 2012, he was the vice president of Heilongjiang Zhongmei Building Design Research Institute Limited Co. and was the chief designer in numerous major projects carried out by the Harbin government. He also participated as design consultant for numerous other projects in China, such as the India style design of Guogeli street; Nangang city night landscape renovation project design; Qiulin business architectural transformation design; existing building decoration and energy-saving design of certain major streets including Liushun Street, Garden Street, Wenchang street, Jingwei street and landscape decoration engineering design projects including Wenchang bridge, Eight Street bridge tunnel, Wen Zheng Dacheng Street Bridge, Pioneer Road. At the same time, he acted as the technical consultant of many energy-saving building designs for cities and provinces such as Heihe, Tahe, Zhaodong, Qiqihar, Mudanjiang, Yilan, Yanji, Inner Mongolia province as well as overseas cities. He has strong theoretical foundation and practical experience in such fields as building decoration, energy-saving redevelopment 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. Being an expert in the research group, he has carried out tremendous amount of work in researches and the preparation of industry standards by providing suggestions, technical discussions, etc., which has greatly contributed to the development of the industry. Since 2016 to the present, he is fully responsible for the construction and operational management of the phase one and phase two of the underground utility tunnel projects in Harbin. In 2019, he participated in the implementation of the national "Thirteenth Five-Year Plan" demonstration project-Harbin Gongle Community Livable Refurbishment Project. The project received unanimous praises from the National Research Group and the Ministry of Housing and Construction, and has achieved remarkable results.

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董事长

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

Mr Henry Li is the business development manager of the Group. Mr Li has more than ten years of experience on the business development in Harbin Tianen Industrial Co., Ltd.. Mr Li graduated from the Heilongjiang Radio and Television University with a bachelor degree in Criminal Law.

亨利李 绿建科技集团业务发展经理

公司执行董事是公司业务发展经理，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。

Corporate Social Responsibility



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

Commitment to Shareholders

Investor Relations (IR)

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

Our Board of Directors and Management Team are present at our Annual General Meeting to clarify any queries on the resolutions of the meetings as well as to interact with the shareholders in relation to the Group’s business direction and strategies.

In engaging with the investment community, we held sharing session and meetings with institutional investors in 2019. Our Chairman and CEO were present in the meetings with institutional investors. Through the interactions and discussions during these meetings, the investment community in Singapore were able to better understand our business, the nature and progress of our projects and our growth strategies.



Corporate Social Responsibility

Commitment to Employees



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

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

Health & Safety



In conducting the construction work of our projects, we expect our subcontractors to adhere strictly to safety protocols and ensure acceptable workplace health and safety. All necessary safety orientations and training are conducted at the work sites. We aim for zero accident at the work sites and are pleased to report that there have been no accidents on our project sites for 2 consecutive years since 2018.

Commitment to Community

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

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



We are committed to performing well in our projects. We are known to be committed to quality in the industry. We are the only enterprise that was selected to undertake and complete a pilot project in the refurbishment of an old estate using insulation materials. The successful upgrading of Hebai estate in its insulation and central heating system has now become the model of old estate revamp and refurbishment.

Corporate Social Responsibility

Training

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



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



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

Commitment to Customers

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



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



Corporate Social Responsibility

Welfare

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

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



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

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

During the Spring Festival in 2019, the Group distributed Spring Festival welfare items to all employees for them to rejoice in the New Year. On 8th March 2019, the Group sent flowers and free medical checkup cards to all female employees to celebrate International Women's Day. During the Mid-Autumn festival in 2019, the Group sent holiday blessings and moon cakes to all employees.



Management ensures healthy meals are provided to all employees as its employees' health and satisfaction are of the utmost importance to the Group.

GREEN BUILD
TECHNOLOGY

绿建科技



Operating And Financial Review

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

	Group		
	FY2019	FY2018	Increase/ (Decrease)
	RMB'000	RMB'000	%
Revenue	166,020	96,508	72.0%
Cost of sales	(153,783)	(83,889)	83.3%
Gross profit	12,237	12,619	(3.0%)
Other income	21	402	(94.8%)
Finance income	41,782	42,077	(0.7%)
Expenses			
Administrative expenses	(10,925)	(11,504)	(5.0%)
Impairment losses on financial assets	(16,798)	(2,750)	510.8%
Interest expenses on borrowings	(39,636)	(23,128)	71.4%
Loss on change in estimates of the fair value of the consideration under service concession arrangements	(2,600)	(4,427)	(41.3%)
Share of results of an associated company	2	1	100.0%
(Loss)/profit before tax	(15,917)	13,290	N.M
Income tax expense	(975)	(1,085)	(10.1%)
Net (loss)/profit for the year, attributable to owners of the Company	(16,892)	12,205	N.M

N.M - Not Meaningful

Operating And Financial Review

Performance Review - Overall

For FY2019, the Group's revenue was mainly contributed by (i) the variation order for the installation of electrical wires and corbel in phase one of the underground utility tunnel project; and (ii) the trading of construction materials. The net loss after tax attributable to equity holders of the Company was RMB16.9 million for FY2019 as compared to a net profit of RMB12.2 million for FY2018.

Revenue and Gross Profit

Revenue of RMB166.0 million in FY2019 was derived mainly from the following sources:-

- (1) the installation of electrical wires and corbel from the variation order for phase one of the underground utility tunnel project; and
- (2) the trading of construction materials.

The significant increase in revenue in FY2019 as compared to FY2018 was mainly due to the following reasons:

- (1) a higher percentage of completion of the variation order for phase one of the underground utility tunnel project in FY2019 as compared to FY2018; and
- (2) an increase in revenue from the trading of construction materials in FY2019.

The decrease in gross profit margin from 13.1% in FY2018 to 7.3% in FY2019 was mainly due to higher costs incurred in the installation of electrical wires and corbel for phase one of the underground utility tunnel project.

Other Profit & Loss Items

The finance income was mainly related to the unwinding of discount on the service concession receivables and contract assets from the Group's insulation and underground utility tunnel projects.

The decrease in administrative expenses of RMB0.6 million in FY2019 was mainly due to effective cost controls implemented to reduce the overheads of the Group.

The increase in impairment losses on financial assets of RMB14.1 million in FY2019 was mainly due to impairment loss (non-cash in nature) of RMB17.5 million provided on the carrying amount of service concession receivables from the Group's insulation project in FY2019. Such impairment loss was provided on the basis that the collections of certain receivables from the residents of the project by the government on behalf of the Group may be doubtful.

Interest expenses on borrowings increased by RMB16.5 million in FY2019 mainly due to an increase in interest expense as a result of the increase in bank borrowings from RMB317.3 million as at 31 December 2018 to RMB584.0 million as at 31 December 2019.

Loss on change in estimate of the fair value of the consideration under service concession arrangements decreased by RMB1.8 million due to lower fair value loss adjustment (non-cash in nature) of RMB2.6 million to the carrying amount of the contract assets from phase one of the underground utility tunnel project in FY2019.

Income tax expense for FY2019 was mainly due to the profit generated from the trading of construction materials.

Operating And Financial Review

2. Consolidated Statement of Financial Position

	31 Dec 2019	31 Dec 2018
	RMB'000	RMB'000
Total assets	984,929	871,070
Contract assets	742,463	563,977
Service concession receivables	171,578	182,246
Trade and other receivables	51,329	69,353
Cash and bank balances	765	3,289
Other assets	18,794	52,205
Total liabilities	926,483	799,277
Trade and other payables	315,040	375,434
Loans and borrowings	589,927	404,304
Other liabilities	21,516	19,539
Total shareholders' equity	56,527	69,874

Service concession receivables is mainly related to the receivable from the government for the insulation project. Service concession receivables of RMB148.3 million was classified as non-current, as such amounts will be received from the government after 12 months from 31 December 2019. The net decrease in service concession receivables (current and non-current portion) in FY2019 by RMB10.7 million was mainly due to collections of service concession from the government and the impairment loss (non-cash nature) provided on the carrying amount of the service concession receivables, being offset by the increase in finance income of RMB9.4 million and management revenue of RMB1.4 million from the insulation project.

Contract assets is mainly related to the receivable from the government for the underground utility tunnel projects. The increase in contract assets (current and non-current portion) by RMB178.5 million was mainly attributable to additional work carried out on the variation order for phase one of the underground utility tunnel project. Contract assets of RMB700.9 million was classified as non-current, as such amounts will be received from the government after 12 months from 31 December 2019.

The decrease in trade and other receivables by RMB18.0 million in FY2019 was mainly due to the collections from trade debtors.

The decrease in other assets by RMB33.4 million was mainly due to the work that is associated with prepayments, being carried out on the variation order for phase one of the underground utility tunnel project in FY2019.

The decrease in trade and other payables of RMB60.4 million in FY2019 was mainly due to the settlement of trade and other payables pertaining to (i) suppliers of phase one of the underground utility tunnel project of RMB81.9 million, (ii) suppliers of phase two of the underground utility tunnel project of RMB5.8 million, (iii) suppliers of insulation project of RMB10.1 million, (iv) suppliers of project management business of RMB6.3 million and (v) non-trade amount due to a director of RMB6.1 million, which was partially offset by the increase in (i) trade payables in materials trading business of RMB8.3 million, and (ii) accruals for construction costs for phase one of the underground utility tunnel of RMB38.2 million.

The increase in loans and borrowings (current and non-current) by RMB185.6 million was due mainly to the new long-term loan with principal sum of RMB564.0 million and final maturity in 2041 obtained in FY2019. This loan was used to refinance existing term loans of RMB285.9 million and repayment of other borrowings amounting to RMB81.1 million with the remaining loan proceeds disbursed for the construction of the underground utility tunnel project and working capital needs. As a result of the net loss incurred for the year, the Group's net equity attributable to the shareholders of the Company decreased to RMB56.5 million as at 31 December 2019 (31 December 2018: RMB69.9 million).

Operating And Financial Review

3. Consolidated Statement of Cash Flows

	FY2019 RMB'000	FY2018 RMB'000
Cash (used in)/ from operating activities	(144,991)	45,126
Cash from investing activities	12	5,281
Cash from/(used in) financing activities	142,455	(48,381)
Net (decrease)/ increase in cash and cash equivalents	(2,524)	2,026
Cash and cash equivalents at beginning of year	3,289	1,263
Cash and cash equivalents at end of year	765	3,289

The Group reported a net decrease in cash and bank balances of RMB2.5 million from RMB3.3 million as at 31 December 2018 to RMB0.8 million as at 31 December 2019. The decrease is mainly due to net cash used in operating activities of RMB145.0 million which is partially offset by cash inflow from financing activities of RMB142.5 million.

4. Key Risk Factors & Risk Management

Risk of dependency on the level of the People's Republic of China (the "PRC") government's spending and involvement in energy conservation management projects

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

Various factors would affect the nature, scale, location and timing of the PRC governments' public investment plans in the energy conservation management sector in the PRC. These factors include the government's policy and priorities regarding different regional economies across the PRC and the general condition and prospects of the overall economy of the PRC. Any significant reduction in the PRC governments' budgets relating to such energy conservation management sector, will lead to a decline in revenue arising from a smaller number of projects, lower contract value for the projects and/or a decline in profit margin due to competition to secure available projects.

This could have a material and adverse effect on the green technology business. As such, the Group will try, as far as possible, to source and tender for sustainable development projects. In addition, after the completion of the insulation project and the underground utility tunnel projects, the Group will manage and operate these projects over a concession period of 10 and 25 years respectively whereby additional revenue and cash flows are expected to be generated.

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

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

Operating And Financial Review

Furthermore, depending on situations, the Group manages its cash flows partially by structuring the projects such that the third-party contractors will finance or obtain financing for the construction activities and the Group will only make payment to these third-party contractors in agreed tranches upon satisfactory completion of such activities. 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 materials of acceptable quality and at acceptable price in a timely manner. Further, fluctuations in the prices of these raw materials will have a significant impact on the profit margins and hence the profitability. Such fluctuations have a direct impact on the prices of raw materials. The lack of availability of these raw materials will also have a significant impact on the Group's operations.

Project Expansion Risk

The Group has expanded its business to include those of upgrading existing infrastructure using green architecture and green technology, which is a relatively young industry in the PRC. Besides the projects announced previously, the Group had secured a second phase of underground utility tunnel project in September 2017 which involves the construction of underground utility tunnel covering a length of about 12.6 km in the Southern Harbin Industrial New Town area and the Harbin airport area, and will be entitled to manage and operate the underground utility tunnel project over a concession period of 20 years from 2021. This rapid expansion brings along certain associated risks and may put a strain on the Group's resources. However, the Group is confident that its strong management team and its quality third party sub-contractors will ensure that the Group will always be able to continue to strengthen the core competencies and adopt a strategy of cautious expansion. It is also believed that the ability to obtain and/or refinance the appropriate level of financing in due course, among others, would be crucial in ensuring the smooth undertaking of such projects.

Credit risk

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

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

The Group's exposure to credit risk arises primarily from trade and other receivables. The Group and the Company minimise credit risk by dealing exclusively with high credit rating counterparties.

Operating And Financial Review

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

See Note 26(b) to the financial statements for more details.

Liquidity risk

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

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

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

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

The Group relies on continuing financial support from the Group's bankers and certain related parties (entities in which the executive chairman has substantial financial interests). 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, KEB Hana Bank (China), Industrial Bank, Agricultural Bank of China, Daqing Rural Commercial Bank and Harbin Bank etc. so as to provide the Group with the flexibility to meet working capital and capital investment needs.

See Note 26(b) to the financial statements for more details.

Currency risk

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

The Group does not have significant currency exposures.

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

Operating And Financial Review

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 deems it necessary. The unhedged exposure is reviewed and monitored closely on an ongoing basis and management will consider hedging any material exposure where appropriate.

See Note 26(b) to the financial statements for more details.

Interest rate risk

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

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

See Note 26(b) to the financial statements for more details.

5. Returns to Shareholders

As a result of the net loss incurred for the year, the loss per share for FY2019 was RMB6.85 as compared to the earnings per share of RMB4.95 cents in FY2018. The net asset value per share for FY2019 was RMB22.92 cents as compared to RMB28.33 cents in FY2018.

For the year ended 31 December 2019, the Board of Directors does not recommend any dividends payout as the Group incurred net loss for the year as well as to conserve resources to fund current projects and future potential sustainable development projects. The Board of Directors will continue to work hard to generate greater shareholder value and returns and is looking forward to continued positive contributions from the new income stream brought in by the Group's green technology business.

6. Prospects & Plans

As at 31 December 2019, phase one of the underground utility tunnel project (including its variation order) has been substantially completed. Barring any unforeseen circumstances, the Group anticipates that the project acceptance and cost finalisation from the respective government bodies for this project to be completed in 2020. Upon its acceptance and cost finalisation, the Group will manage and operate the underground utility tunnel project over a concession period of 25 years.

The Group has commenced some construction work on phase two of the underground utility tunnel project while waiting to obtain the necessary financing from banks for this project.

Management will continuously source and tender for sustainable development projects in 2020. While the Group is optimistic of its green technology business and projects as the market for its energy conservation services and sustainable development solution is immensely huge in China, it believes that the ability to obtain and/or refinance the appropriate level of financing in due course and the successful containment of COVID-19, among others, would be crucial in securing and ensuring the smooth undertaking of such projects.

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

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

Corporate Governance Report

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

Good corporate governance is integral to a sound corporation as it promotes corporate transparency and protects and enhances shareholders’ interest. This statement outlines the main corporate governance practices and processes that were in place since the financial year beginning on 1 January 2019 and ended on 31 December 2019 (“**FY2019**”).

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

(A) BOARD MATTERS

Board’s Conduct of its Affairs

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

As at the date of this Annual Report, the Board comprises the following Directors:

Mr Zhao Lizhi (Executive Chairman)
 Ms Wu Xueying (Chief Executive Officer and Executive Director)
 Mr Soh Yeow Hwa (Non-Executive and Independent Director)
 Mr Ng Poh Khoon (Non-Executive and Independent Director)
 Mr Dong Congwen (Non-Executive and Independent Director)

In addition to statutory duties and responsibilities, the Board’s duties, including the key matters to be approved by the Board are set out as follows:

- (a) reviewing and approving the Group’s key business strategies and financial objectives (taking into consideration sustainability issues) and objectives of the Group;
- (b) overseeing the conduct of the Group’s business to evaluate whether the business is being properly managed;
- (c) ensuring that the Group has adequate internal controls, risk management, financial reporting and compliance as well as evaluating the same;
- (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 ensure smooth operations, facilitate decision-making and ensure proper controls, the Board has delegated some of its powers to its committees and Management. In particular, the Board has set up three committees to assist it in effectively discharging its duties. These three committees are the Audit Committee (“**AC**”), Nominating Committee (“**NC**”), and Remuneration Committee (“**RC**”) (collectively, the “**Board Committees**”).

Each of the Board Committee are given specific responsibilities and they are empowered by the Board to deal with matters within the limits of authority set out in the terms of reference, which are reviewed on a regular basis by the Board. The Board Committees thus facilitate the Board’s oversight of the Group.

Corporate Governance Report

The Board currently holds scheduled meetings at least twice a 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, where applicable and relevant. 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.

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

Board and Board Committee Meetings held in FY2019

During FY2019, the Board and the Board Committees held 3 Board meetings, 3 AC meetings, 1 NC meeting and 1 RC meeting. The attendance of each Director at the Board and Board Committee meetings is set out 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
Present Directors								
Zhao Lizhi (Executive Chairman)		3		3*		1*		1*
Wu Xueying (Chief Executive Officer and Executive Director)		3		3*		1*		1*
Dong Congwen (Non-Executive and Independent Director)	3	2	3	2	1	1	1	1
Soh Yeow Hwa ⁽¹⁾ (Non-Executive and Independent Director)		-		-		-		-
Ng Poh Khoon ⁽²⁾ (Non-Executive and Independent Director)		-		-		-		-
Past Directors								
Kuan Cheng Tuck ⁽³⁾ (Non-Executive and Independent Director)	3	3	3	3	1	1	1	1
Gallen Tay Wi Keng ⁽⁴⁾ (Non-Executive and Independent Director)		3		3		1		1

* By invitation

Corporate Governance Report

Notes:

- (1) Mr Soh Yeow Hwa was appointed as a Non-Executive and Independent Director on 3 October 2019.
- (2) Mr Ng Poh Khoon was appointed as a Non-Executive and Independent Director on 4 October 2019.
- (3) Mr Kuan Cheng Tuck resigned as a Non-Executive and Independent Director on 3 October 2019.
- (4) Mr Gallen Tay Wi Keng resigned as a Non-Executive and Independent Director on 3 October 2019.

Matters Requiring Board Approval

The Company has clear and specific guidelines setting forth the matters reserved for the Board's decision and clear directions to Management on matters that must be approved by the Board. The Board's approval is required for matters such as corporate restructuring, mergers and acquisitions, major investments, material acquisitions and disposals of assets, major corporate policies on key areas of operations, the release of the Group's 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 in 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. The Company's new Directors, Mr Soh Yeow Hwa and Mr Ng Poh Khoon, have undergone the orientation programme by Management. 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; 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. This is overseen by the NC. Directors are also informed of regulatory changes affecting the Group. In addition, the Board encourages its members to participate in seminars and receive training to improve themselves in the discharge of their duties as Directors of a listed entity. The Company understands that some of the Independent Directors have participated in seminars and receive training to improve themselves in the discharge of their duties as Directors. The Company will also share its industry-specific knowledge with Directors as appropriate and in relation to first-time Directors, shall require that such Directors undergo training in the roles and responsibilities of a listed company director.

Access to Information

Directors receive a regular supply of complete, adequate information, 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.

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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 adequate information flow 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.

The Directors have separate and independent access to Management and the Company Secretary of the Company. The Company Secretary and/or the representatives from the Company Secretary’s office attend all meetings of the Board and Board Committees and prepare the minutes of such meetings. The minutes are thereafter circulated to the Board and Board Committees. The Company Secretary further advises the Board on governance matters and ensures that meetings are conducted in accordance with the Constitution and terms of reference and all applicable rules and regulations.

Board Composition and Guidance

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

As at the date of this Annual Report, the Board comprises five (5) Directors of which three (3) are Independent Directors. The three (3) Independent Directors are Mr Soh Yeow Hwa, Mr Dong Congwen and Mr Ng Poh Khoon.

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 substantial shareholders, or its officers that could interfere, or be reasonably perceived to interfere, with the exercise of that Director’s independent business judgement with a view to the best interests of the Company. The Board and the NC are of the opinion that the Independent Directors satisfy these criteria. 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

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

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

With three (3) out of five (5) Directors deemed to be independent, the Board is able to exercise independent judgment on corporate affairs and provide Management with a diverse and objective perspective on issues. 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.

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 caliber and number and their views to be of sufficient weight that no individual or small group can dominate the Board's decision-making processes. The Independent Directors have no financial or contractual interests in the Group other than by way of their fees as set out in this statement.

The Board is of the view that its current composition of five (5) Directors, with its current diversity and mix of skills, knowledge and experience, 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.

Other key information on the individual Directors of the Company are set out in pages 6 to 12 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.

Chairman and Chief Executive Officer

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

The roles of Executive Chairman and Chief Executive Officer are held separately by two persons in order to ensure a clear separation of roles and responsibilities, and to ensure that there is an appropriate balance of power. This further promotes accountability from Management and allows the Board to exercise its independence when deliberating matters with Management.

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. Throughout FY2019 and as at the date of this Annual Report, Mr Zhao Lizhi is the Executive Chairman of the Company.

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

- (a) lead the Board to ensure its effectiveness on all aspects of its role;
- (b) set the agenda and ensure that adequate time is available for discussion of all agenda items, in particular strategic issues;

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- (c) promote a culture of openness and debate at the Board;
- (d) ensure that the Directors receive complete, adequate and timely information;
- (e) ensure effective communication with shareholders;
- (f) encourage constructive relations within the Board and between the Board and Management;
- (g) facilitate the effective contribution of Independent and Non-Executive Directors in particular; and
- (h) promote high standards of corporate governance.

Ms Wu Xueying is the Chief Executive Officer (“CEO”) throughout FY2019 and as at the date of this Annual Report. The CEO has full executive responsibilities over the operational decisions in the day-to-day management of the Group. The CEO’s responsibilities pertaining to the Board include, *inter alia*, the following:

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

In view of the key positions played by the Group’s Executive Chairman and the Chief Executive Officer, the Board has appointed three (3) 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 has failed to resolve the concerns. As the Executive Chairman and CEO’s roles are clearly defined and separate, and the majority of the Board consists of independent directors, the Board is of the view that no lead independent director is required to be appointed as of now. The Company will review and consider the appointment of a lead independent director in future.

Board Membership

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

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

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 (for example, attendance, preparedness, participation and candour) including, if applicable, whether he remains independent in the case of the Independent Directors and the balance between Executive and Non-Executive Directors appointed to the Board;
- (b) to regularly review the Board structure, size and composition and make recommendations to the Board with regards to any adjustments that are deemed necessary;

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- (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 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.

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The Directors submit themselves for re-nomination and re-election at regular intervals of at least once every three (3) years. Regulation 91 of the Company's Constitution provides that one-third (1/3) of the Board or the number nearest to but not less than one third (1/3) is to retire by rotation and be subject to re-election at every Annual General Meeting ("AGM"). In addition, Regulation 97 of the Company's Constitution also provides that newly appointed Directors are required to submit themselves for re-nomination and re-appointment at the next AGM of the Company.

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 within the permitted confines of the legislation.

The dates of the appointment and last re-election of each current 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 ⁽¹⁾	18 July 2014	27 April 2017	–	–
Wu Xueying ⁽²⁾	11 March 2014	30 April 2018	–	–
Soh Yeow Hwa ⁽³⁾	3 October 2019	-	Ace Achieve Infocom Limited	Hu An Cable Holdings Ltd
Ng Poh Khoon ⁽⁴⁾	4 October 2019	-	China Star Food Group Limited Nutryfarm International Limited	–
Dong Congwen	1 July 2016	31 May 2019	–	–

Notes:

- (1) Zhao Lizhi was last re-elected on 27 April 2017, therefore in accordance with the Company's Constitution, he will be subject to re-election at this forthcoming AGM.
- (2) Wu Xueying was last re-elected on 30 April 2018, therefore in accordance with the Company's Constitution, she will be subject to re-election at this forthcoming AGM.
- (3) Soh Yeow Hwa was appointed on 3 October 2019 after the last AGM, therefore in accordance with the Company's Constitution, he will be subject to re-election at this forthcoming AGM.
- (4) Ng Poh Khoon was appointed on 4 October 2019 after the last AGM, therefore in accordance with the Company's Constitution, he will be subject to re-election at this forthcoming AGM.

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Board Performance

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

The NC has established a process for assessing the effectiveness of the Board as a whole and its Board Committees and for assessing the contribution by the 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. No external facilitator was engaged in FY2019. If required, the NC has full authority to engage an external facilitator with the evaluation process.

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

With respect to FY2019 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 renomination as Director.

(B) REMUNERATION MATTERS

Procedures for Developing Remuneration Policies

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

As at the date of this Annual Report, the RC comprises of Mr Soh Yeow Hwa, Mr Ng Poh Khoo and Mr Dong Congwen. Mr Soh Yeow Hwa is the Chairman of the RC. All members of the RC are independent.

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;

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

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

If necessary, the RC should seek expert advice inside and/or outside the Company on remuneration of all Directors. For FY2019, no external remuneration consultant was engaged.

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

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Level and Mix of Remuneration

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

A significant 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 as at 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.

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

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

The 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.

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Details of remuneration paid to the Directors and the Group's key executives for FY2019 are set out below:

Remuneration Band and Name	Fees (%)	Salary (%)	Bonus (%)	Others (%)	Total (%)
<i>Directors who are paid between S\$50,001 to S\$100,000</i>					
Wu Xueying	–	82.41	–	17.59	100
Kuan Cheng Tuck ⁽²⁾	100	–	–	–	100
<i>Directors who are paid between S\$0 to S\$50,000</i>					
Zhao Lizhi	–	–	–	–	–
Dong Congwen	100	–	–	–	100
Gallen Tay Wi Keng ⁽³⁾	100	–	–	–	100
Soh Yeow Hwa ⁽⁴⁾	100	–	–	–	100
Ng Poh Khoon ⁽⁵⁾	100	–	–	–	100
<i>Key Executives who are paid between S\$250,001 to S\$300,000</i>					
Li Mingyang ⁽¹⁾	–	100	–	–	100
<i>Key Executives who are paid between S\$100,001 to S\$150,000</i>					
<i>Key Executives who are paid between S\$0 to S\$100,000</i>					
Li Zhao Kun ⁽¹⁾⁽⁶⁾	–	94.00	–	6.00	100
Sun Honglei ⁽¹⁾	–	81.36	–	18.64	100
Wang Hong ⁽¹⁾	–	79.57	–	20.43	100
Yang Xiaoyu ⁽¹⁾	–	73.76	–	26.24	100
Xu Mei ⁽⁷⁾	–	100	–	–	100
Xu Xiaoying ⁽⁸⁾	–	100	–	–	100
Zhang Xiaohui	–	82.30	–	17.70	100
Wan Deqiang ⁽⁹⁾	–	100	–	–	100

- (1) Remuneration paid to the top five Key Executives of the Group (who are not directors or the CEO) for FY2019 is approximately S\$361,000.
- (2) Mr Kuan Cheng Tuck resigned as a Non-Executive and Independent Director on 3 October 2019 and accordingly his remuneration has been paid on a pro-rata basis.
- (3) Mr Gallen Tay Wi Keng resigned as a Non-Executive and Independent Director on 3 October 2019 and accordingly his remuneration has been paid on a pro-rata basis.
- (4) Mr Soh Yeow Hwa was appointed as a Non-Executive and Independent Director on 3 October 2019 and accordingly his remuneration has been paid on a pro-rata basis.
- (5) Mr Ng Poh Khoon was appointed as a Non-Executive and Independent Director on 4 October 2019 and accordingly his remuneration has been paid on a pro-rata basis.
- (6) Mr Li Zhao Kun resigned on 12 February 2019
- (7) Ms Xu Mei resigned in July 2019
- (8) Ms Xu Xiaoying resigned in April 2020
- (9) Mr Wan Deqiang resigned in October 2019

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(C) ACCOUNTABILITY AND AUDIT

Risk Management and Internal Controls

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

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

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 such systems are sound and adequate to provide reasonable assurance of the adequacy and effectiveness of the internal controls, addressing financial, operational and compliance risks. The Board further ensures that Management regularly reviews and improves the Group's internal controls and implement effective risk management policies to control and mitigation any identified areas of significant business and operational risks.

Based on the internal controls established and maintained by the Group, work performed by the independent 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 reasonably adequate and effective as at 31 December 2019.

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

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.

While the Company does not currently have a Chief Financial Officer, the Group's Finance Department which is based in the Group's place of operation, is headed by a finance manager. The aforesaid finance manager reports directly to the CEO, and the CEO with the concurrence of the finance manager, provided assurance to the AC that the financial records have been properly maintained and all the financial statements give a true and fair view of the Company's operations and finances. In assessing the CEO's assurance, the AC took into consideration the simple structure of the Group and the few main projects that the Group was predominantly engaged in. The AC has accepted the CEO's assurance and has recommended the same to the Board.

The Board has considered and accepted the following assurance from the CEO that:

- (a) the financial records have been properly maintained and the financial statements give a true and fair view of the Group's operations and finances; and
- (b) the Group's risk management and internal controls system (including financial, operational, compliance and information technology controls) are adequate and effective.

The Company wishes to state that it is currently looking for a suitable candidate to be the Company's Chief Financial Officer.

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Audit Committee

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

As at the date of this Annual Report, the AC comprises of the Independent Directors, namely Mr Soh Yeow Hwa, Mr Ng Poh Khoon and Mr Dong Congwen. Mr Soh Yeow Hwa is the Chairman of the AC. Mr Soh Yeow Hwa and Mr Ng Poh Khoon have financial management experience and relevant accounting expertise and experience. Accordingly, the AC is appropriately qualified to discharge its responsibilities. None of the committee members of the AC are former partners or directors of the Company's existing audit firm:

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

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 independent 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 independent auditors and the internal auditors, their scope of work and the results of the independent auditors' examination and the internal auditors' evaluation of the Group's internal accounting control systems;
- (c) review the Group's annual consolidated financial statements and the independent auditors' report on those financial statements, and discuss any significant adjustments, major risk areas, changes in accounting policies, compliance with Singapore Financial Reporting Standards (International), concerns and issues arising from their audits including any matters which the auditors may wish to discuss in the absence of Management, where necessary, before submission to the Board for approval;
- (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 independent and internal auditors, any suspected fraud, irregularity or infringement of any relevant laws, rules or regulations, which has or is likely to have a material impact on the Group's operating results or financial position and Management's response;
- (f) review the co-operation given by the Group's management and officers to the independent 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;

Corporate Governance Report

- (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 independent auditors and matters relating to the resignation or dismissal of the independent auditors and approving the remuneration and terms of engagement of the independent auditors;
- (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 independent 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 Group's existing auditor, Baker Tilly TFW LLP, have been appointed as the independent auditor of the Group on 11 February 2019 and Mr Lim Kok Heng is the current audit partner in charge. For FY2019, the aggregate amount of fees payable to the independent auditor is S\$85,000 (exclusive of Goods and Services Tax ("GST")) with audit related work carried out by the independent auditor amounting to fees of S\$85,000 and no non-audit related work carried out by the independent auditor. The AC is satisfied that the independent auditor's independence has not been impaired.

Corporate Governance Report

The AC also has full access to the independent 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 Baker Tilly TFW LLP for re-appointment as independent auditor at the forthcoming AGM of the Company.

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 risk advisory and consulting firm, Ruihua Certified Public Accountants LLP ("RHCPA"). RHCPA has conducted its internal audit for the Group in FY2019 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 FY2019. The AC has reviewed RHCPA'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.

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.

Based on the internal controls and processes established and maintained by the Group, the work performed by the internal and independent auditors and reviews carried out by Management, the AC and the Board, the Board in concurrence with the AC, is of the view that the Group's internal control and risk management systems were adequate and effective for FY2019. The AC is also satisfied with the adequacy of the Group's accounts and financial reporting resources and the performance of the Group's Finance Department.

This is further supported by the assurances that the Board and the AC had received from the CEO that:

- (a) the financial records have been properly maintained and the financial statements give a true and fair view of the Group's operations and finances; and
- (b) the Group's risk management and internal controls system (including financial, operational, compliance and information technology controls) are adequate and effective.

Corporate Governance Report

(D) SHAREHOLDERS RIGHTS AND ENGAGEMENT

Shareholder Rights and Conduct of General Meetings

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

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

The Board considers general meetings a good opportunity to communicate directly with shareholders, and for that shareholders have the opportunity to participate effectively in and vote at such general meetings. Therefore, shareholders are encouraged to attend the general meetings of the Company to gain a better understanding of the Group's business activities, strategies and goals. The Company dispatches its notices of general meetings at least 14 days before the meeting if ordinary businesses are to be transacted, or at least 21 days before the meeting if there are special businesses to be transacted at the meeting.

General meetings of the Company are chaired by the Executive Chairman and are also attended by other Directors, Management, the Company Secretary and if necessary, the independent and internal auditors. At all general meetings, shareholders are given the opportunity to air their views and to ask the Chairman, the individual Directors and the Chairmen of the Board Committees questions regarding the Company. The independent auditors are also present to assist the Board in answering the shareholders' queries, if necessary.

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

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.

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

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

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).

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 shall, moving forward, publish its minutes of general meetings of shareholders on its corporate website.

The Company does not have a fixed dividend policy. The form, frequency and amount of dividends will depend on the Company's earnings, general financial condition, results of operations, capital requirements, cash flow, general business condition, development plans and other factors as the Directors may deem appropriate. The Board, having deliberated the same, has decided not to recommend that the Company declare any dividends for FY2019 as the Group has incurred a net loss for the year, and the Board is of the view that the financial resources should be conserved for the purpose of funding the Group's current projects and future potential sustainable development projects.

Corporate Governance Report

Engagement with Shareholders

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

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

Engagement with Stakeholders

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

The Group recognises the importance of maintaining communications with its material stakeholders. Stakeholders have been identified as those who are impacted by the Group's business and operations and those whose actions may have a material impact on the Group's business and operations. Further details of the stakeholders, its sustainability efforts and performance are set out in the Company's Sustainability Report, which is published in accordance with Rule 711A of the Mainboard Rules.

The Company also welcomes any comments, queries and feedback from its stakeholders through its corporate website and strives to engage and maintain such relationships with its stakeholders.

Corporate Governance Report

(E) DEALING IN THE COMPANY'S 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 2019.

(G) INTERESTED PERSON TRANSACTIONS

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

The Company has obtained a general mandate pursuant to Rule 920 of the Listing Manual in relation to interested persons transactions during its AGM held on 29 April 2016 which was renewed in the last AGM held on 31 May 2019. There was no IPT conducted under the aforesaid mandate.

The following interested person transactions with a value of S\$100,000 or more took place during FY2019:

Name of Interested Person	Nature of Transaction	IPT Value RMB'000
Heilongjiang Jiuli Municipal Construction Project Co., Ltd. ("黑龙江省久利市政建筑工程有限公司")	Sale of construction materials	1,077

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

Directors' Statement

The directors hereby present their statement to the members together with the audited consolidated financial statements of Green Build Technology Limited (the "Company") and its subsidiaries (the "Group") and the statement of financial position and statement of changes in equity of the Company for the financial year ended 31 December 2019.

In the opinion of the directors:

- (i) the consolidated financial statements of the Group and the statement of financial position and statement of changes in equity of the Company as set out on pages 55 to 108 are properly drawn up so as to give a true and fair view of the financial position of the Group and the Company as at 31 December 2019 and of the financial performance, changes in equity and cash flows of the Group and changes in equity of the Company for the financial year then ended in accordance with the provisions of the Companies Act, Chapter 50 (the "Act") and Singapore Financial Reporting Standards (International); and
- (ii) at the date of this statement, having regard to those factors described in Note 3 to the financial statements, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they fall due.

Directors

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

Zhao Lizhi
 Wu Xueying
 Dong Congwen
 Soh Yeow Hwa (appointed on 3 October 2019)
 Ng Poh Khoon (appointed on 4 October 2019)

Arrangement to enable directors to acquire benefits

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

Directors' interest in shares or debentures

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

Name of directors and companies in which interests are held	Number of ordinary shares			
	Shareholdings registered in their own names		Shareholdings in which a director is deemed to have an interest	
	At 1.1.2019	At 31.12.2019	At 1.1.2019	At 31.12.2019
The Company				
Zhao Lizhi	97,518,111	97,518,111	–	–
Wu Xueying	8,360,000	8,360,000	–	–

By virtue of Section 7(4) of the Act, Mr. Zhao Lizhi, is deemed to have an interest in the shares or paid-up capital (as the case may be) of all the subsidiaries to the extent of the equity interest that is held directly or indirectly by the Company.

The directors' interest in the ordinary shares of the Company and subsidiary corporations as at 21 January 2020 were the same as those as at 31 December 2019.

Directors' Statement

Share options

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

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

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

Audit Committee

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

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

The Audit Committee carried out its functions in accordance with Section 201B(5) of the Act, the Singapore Exchange Limited ("SGX") Listing Manual and the Code of Corporate Governance. Their functions are detailed in the Report on Corporate Governance in the Annual Report 2019.

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

The Audit Committee also reviewed the following:

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

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

Independent auditor

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

On behalf of the Board of Directors

Zhao Lizhi
Director

Wu Xueying
Director

2 June 2020

Independent Auditor's Report

To the Members of Green Build Technology Limited

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of Green Build Technology Limited (the "Company") and its subsidiaries (the "Group") as set out on pages 55 to 108, which comprise the statements of financial position of the Group and the Company as at 31 December 2019, and the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows of the Group and the statement of changes in equity of the Company for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements of the Group and the statement of financial position and statement of changes in equity of the Company are properly drawn up in accordance with the provisions of the Companies Act, Chapter 50 (the "Act") and Singapore Financial Reporting Standards (International) ("SFRS(I)") so as to give a true and fair view of the consolidated financial position of the Group and the financial position of the Company as at 31 December 2019 and of the consolidated financial performance, consolidated changes in equity and consolidated cash flows of the Group and of the changes in equity of the Company for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with Singapore Standards on Auditing ("SSAs"). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Group in accordance with the Accounting and Corporate Regulatory Authority (ACRA) *Code of Professional Conduct and Ethics for Public Accountants and Accounting Entities* (ACRA Code) together with the ethical requirements that are relevant to our audit of the financial statements in Singapore, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ACRA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material Uncertainty Related to Going Concern

We draw attention to Note 3 to the financial statements with respect to the Group's ability to continue as a going concern. During the financial year ended 31 December 2019, the Group incurred loss for the year of RMB16,892,000. As at 31 December 2019, the Group's current liabilities exceeded its current assets by RMB257,959,000 (2018: RMB313,798,000). In addition, the COVID-19 pandemic has brought about uncertainties to the Group's operating environment and has impacted the Group's operations in the People's Republic of China and its financial performance, cash flows and liquidity subsequent to the financial year end as disclosed in Note 29 to the financial statements.

These factors indicate the existence of a material uncertainty that may cast significant doubt on the Group's ability to continue as a going concern and to realise its assets and discharge its liabilities in the ordinary course of business. Nevertheless, for the reasons disclosed in Note 3 to the financial statements, the management of the Company is of the view that it is appropriate for the financial statements of the Group to be prepared on a going concern basis. Our opinion is not modified in respect of this matter.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. In addition to the matters described in the *Material Uncertainty Related to Going Concern* section, we have determined the matters described below to be the key audit matters to be communicated in our report.

Independent Auditor's Report

To the Members of Green Build Technology Limited

Report on the Audit of the Financial Statements (cont'd)

Key Audit Matters (cont'd)

1. Accounting for service concession arrangements and revenue recognition with respect to arrangement under the scope of SFRS(I) INT 12

The Group enters into service concession arrangements with a government agency of the People's Republic of China to construct and operate underground utility tunnel on Public-Private Partnership ("PPP") basis ("project"). Management determines the service concession arrangements fall within the scope of SFRS(I) INT 12 *Service Concession Arrangements* ("SFRS(I) INT 12"). The Group applies SFRS(I) 15 *Revenue from Contracts with Customers* in its recognition of revenue from service concession arrangements, which includes revenue relating to construction service, operation income and finance income.

The Group recognised construction service revenue over time by reference to completion of the specific transaction assessed on the basis of the contract costs incurred up to the end of the reporting period as a percentage of the estimated total contract costs for each project. The Group used discounted cash flows for re-measurement of the fair value of the consideration under service concession arrangements, taking into consideration the latest developments of the construction status under service concession arrangements. The progress of the construction is subject to the regulatory inspections and approval, which can affect the timing of the disbursement from the Government.

The accounting policies for revenue recognition are set out in Note 2(o) to the financial statements and disclosures with respect to revenue recognised, change in estimate of the fair value of the consideration and associated assets under service concession arrangements are included in Notes 4, 6 and 14 to the financial statements.

We considered this to be a key audit matter due to significance of the amounts of revenue recognised and associated assets under service concession arrangements to the Group's consolidated financial performance and financial position. In addition, there are significant judgement and estimation applied by management in the following:

- identification and application of the appropriate accounting treatment for recording revenue and associated assets under SFRS(I) INT 12 and SFRS(I) 15;
- the contract costs incurred and the estimated total contract costs; and
- forecasting and discounting expected future cash flows for re-measurement of the fair value of the consideration.

Our procedures to address the key audit matter

In the course of our Group audit, we evaluated the independence, objectivity, capabilities and competence of the component auditor of the subsidiaries. We evaluated the adequacy and appropriateness of the audit work performed and evidence obtained by the component auditor in respect of the service concession arrangements and revenue recognition. We assessed the appropriateness of the Group's revenue recognition policies, evaluated the Group's process in assessing the applicability of SFRS(I) INT 12, reviewed the associated agreements to assess whether these agreements are appropriately identified as service concession arrangements to be within the scope of SFRS(I) INT 12. We reviewed the revenue are appropriately recognised over time in accordance with the Group's accounting policies.

We obtained an understanding of management's process in estimating total contract costs and their monitoring of progress of the project. We reviewed the actual contract costs incurred to-date against the project status and assessed the reasonableness of the estimated total contract costs to complete the project.

We obtained an understanding of management's process in estimating the timing of expected future cash flows and assumptions applied in the discounted cash flows. We reviewed the discounted cash flows for re-measurement of the fair value of the consideration under service concession arrangements, taking into consideration the latest developments of the construction status under service concession arrangements, and assessed the appropriateness of the assumptions, especially on the timing of expected future cash flows applied by management.

Independent Auditor's Report

To the Members of Green Build Technology Limited

Report on the Audit of the Financial Statements (cont'd)

Key Audit Matters (cont'd)

1. Accounting for service concession arrangements and revenue recognition with respect to arrangement under the scope of SFRS(I) INT 12 (con't)

Our procedures to address the key audit matter (cont'd)

We also considered the adequacy and appropriateness of the disclosures related to service concession arrangements and revenue recognition with respect to arrangement under the scope of SFRS(I) INT 12 in the financial statements.

2. Collectability of service concession receivables

As disclosed in Note 14 to the financial statements, the Group recognised impairment loss on service concession receivables amounted to RMB17,480,000 during the financial year ended 31 December 2019.

As disclosed in Note 14 to the financial statements, the Group's service concession receivables as at 31 December 2019 totalled RMB171,578,000 (2018: RMB182,246,000) and accounted for approximately 17% (2018: 21%) of the Group's total assets as at 31 December 2019.

We considered this to be a key audit matter because of the significance of service concession receivables to the Group's total assets and the expected credit loss assessment requires management to assess the financial condition of the counterparty and exercise judgement and make estimates with respect to the probability of default and loss given default.

Our procedures to address the key audit matter

We evaluated management's expected credit loss assessment of the service concession receivables and assessed the reasonableness of management's judgement and assumptions applied in the assessment.

We also considered the adequacy and appropriateness of the disclosures related to the collectability of service concession receivables in the financial statements.

Other Information

Management is responsible for the other information. The other information comprises the information included in the Annual Report 2019, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Independent Auditor's Report

To the Members of Green Build Technology Limited

Report on the Audit of the Financial Statements (cont'd)

Responsibilities of Management and Directors for the Financial Statements

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

In preparing the financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The directors' responsibilities include overseeing the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SSAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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 Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

Independent Auditor's Report

To the Members of Green Build Technology Limited

Report on the Audit of the Financial Statements (cont'd)

Auditor's Responsibilities for the Audit of the Financial Statements (cont'd)

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

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 the subsidiary corporations incorporated in Singapore of which we are the auditors have been properly kept in accordance with the provisions of the Act.

The engagement partner on the audit resulting in this independent auditor's report is Lim Kok Heng.

Baker Tilly TFW LLP
Public Accountants and
Chartered Accountants
Singapore

2 June 2020

Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the financial year ended 31 December 2019

	Note	Group	
		2019 RMB'000	2018 RMB'000
Revenue	4	166,020	96,508
Cost of sales		(153,783)	(83,889)
Gross profit		12,237	12,619
Other income		21	402
Finance income	5	41,782	42,077
Expenses			
Administrative expenses		(10,925)	(11,504)
Impairment losses on financial assets		(16,798)	(2,750)
Interest expenses on borrowings		(39,636)	(23,128)
Loss on change in estimates of the fair value of the consideration under service concession arrangements	6	(2,600)	(4,427)
Share of results of associated company		2	1
(Loss)/profit before tax	7	(15,917)	13,290
Tax expense	8	(975)	(1,085)
(Loss)/profit for the year		(16,892)	12,205
Other comprehensive income for the year, net of tax:			
<i>Items that are or may be reclassified subsequently to profit or loss:</i>			
Currency translation differences arising on consolidation, net of tax		36	52
Total comprehensive (loss)/income for the year		(16,856)	12,257
(Loss)/profit for the year attributable to:			
Equity holders of the Company		(16,892)	12,205
Non-controlling interests		-	-
		(16,892)	12,205
Total comprehensive (loss)/income for the year attributable to:			
Equity holders of the Company		(16,856)	12,257
Non-controlling interests		-	-
		(16,856)	12,257
(Losses)/earnings per share for (loss)/profit for the year attributable to equity holders of the Company			
Basic and diluted (cents per share)	9	(6.85)	4.95

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

Statements of Financial Position

At 31 December 2019

	Note	Group		Company	
		2019 RMB'000	2018 RMB'000	2019 RMB'000	2018 RMB'000
ASSETS					
Non-current assets					
Property, plant and equipment	10	655	992	–	3
Intangible assets	11	1,086	1,095	–	–
Investments in subsidiaries	12	–	–	–*	–*
Investment in associated company	13	248	246	–	–
Service concession receivables	14	148,295	135,466	–	–
Contract assets	14	700,861	541,673	–	–
Prepayments	15	7,260	9,240	–	–
Total non-current assets		858,405	688,712	–	3
Current assets					
Inventories	16	–	94	–	–
Service concession receivables	14	23,283	46,780	–	–
Contract assets	14	41,602	22,304	–	–
Trade and other receivables	17	51,329	69,353	17,831	18,782
Prepayments	15	9,545	40,538	–	13
Cash and cash equivalents	18	765	3,289	124	54
Total current assets		126,524	182,358	17,955	18,849
Total assets		984,929	871,070	17,955	18,852
EQUITY AND LIABILITIES					
Equity					
Share capital	19	124,909	124,909	124,909	124,909
Currency translation reserve	20	1,362	1,326	1,397	1,344
Accumulated losses		(69,744)	(56,361)	(125,785)	(124,886)
Equity attributable to equity holders of the Company, total		56,527	69,874	521	1,367
Non-controlling interests		1,919	1,919	–	–
Total equity		58,446	71,793	521	1,367
LIABILITIES					
Non-current liability					
Borrowings	21	542,000	303,121	–	–
Current liabilities					
Trade and other payables	22	315,040	375,434	12,027	12,206
Contract liabilities	23	1,557	–	–	–
Borrowings	21	47,927	101,183	5,407	5,279
Tax payable		19,959	19,539	–	–
Total current liabilities		384,483	496,156	17,434	17,485
Total liabilities		926,483	799,277	17,434	17,485
Total equity and liabilities		984,929	871,070	17,955	18,852

* Amount less than RMB1,000.

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

Consolidated Statement of Changes in Equity

For the financial year ended 31 December 2019

	Attributable to equity holders of the Company					Total equity RMB'000
	Share capital RMB'000	Currency translation reserve RMB'000	Accumulated losses RMB'000	Total RMB'000	Non-controlling interests RMB'000	
Group						
Balance at 1.1.2018	124,909	1,274	(68,566)	57,617	1,919	59,536
Profit for the year	–	–	12,205	12,205	–	12,205
<i>Other comprehensive income</i>						
Currency translation differences arising on consolidation, net of tax	–	52	–	52	–	52
Total comprehensive income for the year	–	52	12,205	12,257	–	12,257
Balance at 31.12.2018	124,909	1,326	(56,361)	69,874	1,919	71,793
Loss for the year	–	–	(16,892)	(16,892)	–	(16,892)
<i>Other comprehensive income</i>						
Currency translation differences arising on consolidation, net of tax	–	36	–	36	–	36
Total comprehensive income/(loss) for the year	–	36	(16,892)	(16,856)	–	(16,856)
Forgiveness of debt and non-trade balance by a shareholder	–	–	3,509	3,509	–	3,509
Balance at 31.12.2019	124,909	1,362	(69,744)	56,527	1,919	58,446

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

Statement of Changes in Equity

For the financial year ended 31 December 2019

	Share Capital RMB'000	Currency translation reserve RMB'000	Accumulated losses RMB'000	Total equity RMB'000
Company				
Balance at 1.1.2018	124,909	1,269	(120,576)	5,602
Loss for the year	–	–	(4,310)	(4,310)
<i>Other comprehensive income</i>				
Currency translation differences arising from translation into the presentation currency, net of tax	–	75	–	75
Total comprehensive income/(loss) for the year	–	75	(4,310)	(4,235)
Balance at 31.12.2018	124,909	1,344	(124,886)	1,367
Loss for the year	–	–	(4,408)	(4,408)
<i>Other comprehensive income</i>				
Currency translation differences arising from translation into the presentation currency, net of tax	–	53	–	53
Total comprehensive income/(loss) for the year	–	53	(4,408)	(4,355)
Forgiveness of debt and non-trade balance by a shareholder	–	–	3,509	3,509
Balance at 31.12.2019	124,909	1,397	(125,785)	521

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

Consolidated Statement of Cash Flows

For the financial year ended 31 December 2019

	Group	
	2019 RMB'000	2018 RMB'000
Cash flows from operating activities		
(Loss)/profit before tax	(15,917)	13,290
Adjustments for:		
Depreciation of property, plant and equipment	357	410
Amortisation of intangible assets	9	9
Share of results of associated company	(2)	(1)
Interest income	(32)	(1,458)
Interest expense	39,636	23,128
Loss on change in estimates of the fair value of the consideration under service concession arrangements	2,600	4,427
Impairment losses on financial assets	16,798	2,750
Unwinding of discount on service concession receivables and contract assets	(41,750)	(40,619)
Operating profit before working capital changes	1,699	1,936
Change in operating assets and liabilities:		
Service concession receivables and contract assets	(146,148)	30,222
Trade and other receivables	18,706	(12,055)
Prepayments	32,973	(33,304)
Inventories	94	–
Contract liabilities	1,557	(30,000)
Trade and other payables	(53,353)	88,251
Currency translation adjustments	36	52
Cash (used in)/generated from operating activities	(144,436)	45,102
Income tax (paid)/refunded	(555)	24
Net cash (used in)/generated from operating activities	(144,991)	45,126
Cash flows from investing activities		
Purchase of property, plant and equipment	(20)	(418)
Investment in associated company	–	(245)
Purchase of intangible assets	–	(15)
Interest income received	32	5,959
Net cash generated from investing activities	12	5,281

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

Consolidated Statement of Cash Flows (cont'd)

For the financial year ended 31 December 2019

	Note	Group	
		2019 RMB'000	2018 RMB'000
Cash flows from financing activities			
Proceeds from bank borrowings		564,000	–
Repayment of bank borrowings		(297,269)	(363,029)
Deposits released from pledged		–	300,000
(Repayment of)/proceeds from amount due to a director		(6,064)	7,297
(Repayment of)/proceeds from loans from related parties		(81,108)	40,018
Loan from a shareholder		2,532	–
Interest paid		(39,636)	(32,667)
Net cash generated from/(used in) financing activities		142,455	(48,381)
Net (decrease)/increase in cash and cash equivalents		(2,524)	2,026
Cash and cash equivalents at beginning of financial year		3,289	1,263
Cash and cash equivalents at end of financial year	18	765	3,289

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

Notes to the Financial Statements

For the financial year ended 31 December 2019

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

1 Corporate information

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

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

The principal activity of the Company is that of investment holding. The principal activities of the significant subsidiaries are disclosed in Note 12.

2 Summary of significant accounting policies

a) Basis of preparation

The financial statements are presented in Chinese Renminbi ("RMB"). The Company's functional currency is Singapore dollar ("SGD"). All financial information presented in RMB are rounded to the nearest thousand (RMB'000) except when otherwise indicated. The financial statements have been prepared in accordance with the provisions of the Companies Act, Chapter 50 and Singapore Financial Reporting Standards (International) ("SFRS(I)"). The financial statements have been prepared under the historical cost convention except as disclosed in the accounting policies below.

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

Use of estimates and judgements

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

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

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

New and revised standards

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

Notes to the Financial Statements

For the financial year ended 31 December 2019

2 Summary of significant accounting policies (cont'd)

a) Basis of preparation (cont'd)

New and revised standards (cont'd)

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

New standards, amendments to standards and interpretations that have been issued at the end of the reporting period but are not yet effective for the financial year ended 31 December 2019 have not been applied in preparing these financial statements. None of these are expected to have a significant effect on the financial statements of the Group and the Company.

b) Basis of consolidation

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

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

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

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

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

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

Notes to the Financial Statements

For the financial year ended 31 December 2019

2 Summary of significant accounting policies (cont'd)

b) Basis of consolidation (cont'd)

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

c) Subsidiaries

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

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

d) Associated company

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

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

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

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

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

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

Notes to the Financial Statements

For the financial year ended 31 December 2019

2 Summary of significant accounting policies (cont'd)

e) Goodwill

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

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

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

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

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

f) Property, plant and equipment

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

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

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

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

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

Motor vehicles	5 years
Office equipment	3 to 5 years

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

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

Notes to the Financial Statements

For the financial year ended 31 December 2019

2 Summary of significant accounting policies (cont'd)

g) Intangible assets

Computer software

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

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

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

h) Impairment of non-financial assets excluding goodwill

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

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

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

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

i) Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is determined on a first-in, first-out basis. The cost of inventories includes expenditure incurred in acquiring the inventories and other costs incurred in bringing them to their existing location and condition. Net realisable value is the estimated selling price in the ordinary course of business, less the costs of completion and selling expenses.

Notes to the Financial Statements

For the financial year ended 31 December 2019

2 Summary of significant accounting policies (cont'd)

j) Financial assets

Recognition and derecognition

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

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

Classification and measurement

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

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

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

Subsequent measurement

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

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

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

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

Notes to the Financial Statements

For the financial year ended 31 December 2019

2 Summary of significant accounting policies (cont'd)

j) Financial assets (cont'd)

Impairment

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

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

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

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

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

Offset

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

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

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

Notes to the Financial Statements

For the financial year ended 31 December 2019

2 Summary of significant accounting policies (cont'd)

l) Financial liabilities

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

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

m) Provisions for other liabilities

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

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

n) Share capital

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

o) Revenue recognition

Service concession arrangements

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

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

Notes to the Financial Statements

For the financial year ended 31 December 2019

2 Summary of significant accounting policies (cont'd)

o) Revenue recognition (cont'd)

Service concession arrangements (cont'd)

Construction service revenue

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

Operation revenue

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

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

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

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

Interest income and finance income from service concession arrangements

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

Notes to the Financial Statements

For the financial year ended 31 December 2019

2 Summary of significant accounting policies (cont'd)

o) Revenue recognition (cont'd)

Revenue from sale of goods

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

Revenue from services - project management fees

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

Payment for project management services is not due from the customer until the services are complete and therefore a contract asset is recognised over the period in which the services are performed representing the Group's right to consideration for the services performed to date. The period between the transfer of the promised service and payment by the customer may exceed one year. For such contracts, there is no significant financing component present as the payment terms is an industry practice to protect the performing entity from the customers' failure to adequately complete some or all of its obligations under the contract. As a consequence, the Group does not adjust any of the transaction prices for the time value of money.

p) Employee benefits

Employee leave entitlements

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

Defined contribution plans

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

Notes to the Financial Statements

For the financial year ended 31 December 2019

2 Summary of significant accounting policies (cont'd)

q) Borrowing costs

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

r) Income taxes

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

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

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

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

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

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

s) Foreign currencies

Functional and presentation currency

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

Notes to the Financial Statements

For the financial year ended 31 December 2019

2 Summary of significant accounting policies (cont'd)

s) Foreign currencies (cont'd)

Transactions and balances

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

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

Translation of Group entities' financial statements

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

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

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

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

t) Segment reporting

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

Notes to the Financial Statements

For the financial year ended 31 December 2019

3 Critical accounting judgements and key sources of estimation uncertainty

Estimates, assumptions concerning the future and judgements are made in the preparation of the financial statements. They affect the application of the Group's accounting policies, reported amounts of assets, liabilities, income and expenses, and disclosures made. They are assessed on an on-going basis and are based on experience and relevant factors, including expectations of future events that are believed to be reasonable under the circumstances.

Critical judgements in applying the Group's accounting policies

In the process of applying the Group's accounting policies, which are described in Note 2, management has made the following judgements that have the most significant effect on the amounts recognised in the financial statements (apart from those involving estimations, which are dealt in the preceding paragraphs).

Going concern assumption

During the financial year ended 31 December 2019, the Group incurred loss for the year of RMB16,892,000. As at 31 December 2019, the Group's current liabilities exceeded its current assets by RMB257,959,000 (2018: RMB313,798,000). In addition, the COVID-19 pandemic has brought about uncertainties to the Group's operating environment and has impacted the Group's operations in PRC and its financial performance, cash flows and liquidity subsequent to the financial year end as disclosed in Note 29.

These factors indicate the existence of a material uncertainty that may cast significant doubt on the Group's ability to continue as a going concern and to realise its assets and discharge its liabilities in the ordinary course of business.

Nevertheless, the management of the Company believes that the use of the going concern assumption in the preparation and presentation of the financial statements for the financial year ended 31 December 2019 is appropriate after taking into consideration the following factors:

- (i) As disclosed in Note 21, the Group successfully renewed a bank loan of RMB40,000,000 in April 2020. The renewed bank loan has progressive repayment term and final maturity on 14 April 2023.
- (ii) Certain related parties (entities in which the executive chairman has substantial financial interests) have agreed to unconditionally provide continuous financial assistance to the Group to enable it to meet its obligations and to carry on its business for a period of not less than fifteen months from 24 April 2020.
- (iii) As disclosed in Note 29, the Group has been and will be monitoring closely with the government agency of the PRC on the collections pursuant to service concession agreements (Note 14).

The financial statements have been prepared on the assumptions that the Group will continue as a going concern. If the Group is unable to continue in operational existence for the foreseeable future, the Group may be unable to realise its assets and discharge its liabilities in the normal course of business and adjustments may have to be made to reflect the situation that assets may need to be realised other than in the normal course of business and at amounts which could differ significantly from the amounts at which they are currently recorded in the statements of financial position. In addition, the Group may have to provide for further liabilities that might arise, and to reclassify non-current assets and liabilities as current assets and liabilities, respectively. No such adjustments have been made to these financial statements.

Notes to the Financial Statements

For the financial year ended 31 December 2019

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

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

Functional currency

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

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

Key sources of estimation uncertainty

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

Construction service revenue

The Group recognised construction service revenue over time by reference to completion of the specific transaction assessed on the basis of the contract costs incurred up to the end of the reporting period as a percentage of the estimated total contract costs for each project.

Significant judgement and estimations involved in the determining the contract costs incurred and the estimated total contract costs. In making these estimates, the Group relied on past experience and knowledge of the project management team. Details of construction service revenue recognised during the financial year and the carrying value of service concession receivables and contract assets at the end of the reporting period are disclosed in Notes 4 and 14 respectively.

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

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

Probability of default constitutes a key input in measuring ECL. Probability of default is an estimate of the likelihood of default over a given time horizon, the calculation of which includes historical data, assumptions and expectations of future conditions. As the calculation of loss allowance on trade and other receivables, service concession receivables and contract assets is subject to assumptions and forecasts, any changes to these estimations will affect the amounts of loss allowance recognised and the carrying amounts of trade and other receivables, service concession receivables and contract assets. Details of ECL measurement and carrying value of trade and other receivables, service concession receivables and contract assets at the end of the reporting period are disclosed in Note 26(b).

Notes to the Financial Statements

For the financial year ended 31 December 2019

4 Revenue

	Group	
	2019 RMB'000	2018 RMB'000
Construction service revenue	143,893	84,319
Project management fees	708	7,360
Sales of goods	20,021	2,730
Operation revenue	1,398	2,099
	166,020	96,508

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

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

	Underground				Total RMB'000
	Utility Tunnel RMB'000	Project Management RMB'000	Materials Trading RMB'000	Insulation RMB'000	
2019					
At a point in time	–	–	20,021	–	20,021
Over time	143,893	708	–	1,398	145,999
	143,893	708	20,021	1,398	166,020
2018					
At a point in time	–	–	2,730	–	2,730
Over time	84,319	7,360	–	2,099	93,778
	84,319	7,360	2,730	2,099	96,508

5 Finance income

	Group	
	2019 RMB'000	2018 RMB'000
Interest income from banks	32	1,458
Unwinding of discount on service concession receivables and contract assets	41,750	40,619
	41,782	42,077

Notes to the Financial Statements

For the financial year ended 31 December 2019

6 Loss on change in estimates of the fair value of the consideration under service concession arrangements

Loss on change in estimates of the fair value of the consideration under service concession arrangements arose from the re-measurement of the fair value of the consideration mainly as a result of actual collections from the government agency of the PRC were not in accordance with the expected cash flows due to changes in the timing of the completion of the construction service under the service concession arrangements. The amount and timing of the expected future cash flows are estimated based mainly on the latest developments of the construction status under the service concession arrangements.

7 (Loss)/profit before tax

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

	Group	
	2019	2018
	RMB'000	RMB'000
Fees payable/paid to independent auditor of the Company		
- Audit	405	492
- Non-audit services	-	-
Fee payable/paid to other auditors*		
- Audit	430	481
- Non-audit services	-	-
Impairment losses/(reversal of impairment losses) on financial assets (Note 26(b))		
- Service concession receivables	17,480	-
- Trade receivables	(682)	2,750
Amortisation of intangible assets (Note 11)	9	9
Depreciation of property, plant and equipment (Note 10)	357	410
Foreign exchange loss, net	336	437
Operating lease expenses	-	149
	4,788	6,524
Staff costs (inclusive of directors' remuneration):		
- Salaries and bonuses	3,490	5,028
- Defined contribution plans	678	833
- Directors' fees	620	663
	4,788	6,524

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

Notes to the Financial Statements

For the financial year ended 31 December 2019

8 Tax expense

	Group	
	2019 RMB'000	2018 RMB'000
Tax expense attributable to losses/profits is made up of:		
Income tax		
- current year	975	926
- under provision in respect of prior years	-	159
	975	1,085

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

	Group	
	2019 RMB'000	2018 RMB'000
(Loss)/profit before tax	(15,917)	13,290
Tax at the domestic rates applicable to (losses)/profits in the countries where the Group operates	(3,629)	3,691
Expenses not deductible for tax purposes	769	810
Income not subject to tax	(2)	(4,152)
Deferred tax asset not recognised	3,837	577
Under provision of income tax in respect of prior years	-	159
	975	1,085

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

The Company and its Singapore subsidiaries

The Company and its Singapore subsidiaries have no taxable income during the financial year. The statutory income tax rate applicable to the Company and its Singapore subsidiaries is 17% (2018: 17%).

The PRC subsidiaries

The Group's PRC subsidiaries are subject to PRC corporate income tax rate of 25% (2018: 25%). Certain PRC subsidiaries enjoy concessionary tax rates due to tax incentive schemes. Pursuant to *Notice of the Ministry of Finance and the State Administration of Taxation on Promoting the Development of Value-Added Tax, Business Tax and Corporate Income Tax Policies for Energy-Saving Service Industry (Cai Shui[2010]110)*, energy saving service companies which implement contract energy management projects could enjoy a corporate income tax exemption for the first three years since the first operating income and a 50% reduced in corporate income tax for the next three years.

Notes to the Financial Statements

For the financial year ended 31 December 2019

8 Tax expense(cont'd)

The PRC subsidiaries (cont'd)

At the end of the reporting period, the Group has unrecognised tax losses of RMB41,198,000 (2018: RMB25,847,000) that are available for carry forward to offset against future taxable profits/income of the PRC subsidiaries in which the tax losses arose, subject to agreement of the tax authorities and compliance with tax regulations in the PRC in which the PRC subsidiaries operate. Deferred tax assets have not been recognised by the PRC subsidiaries in respect of these tax losses because it is not probable that future taxable profits/income will be available in these PRC subsidiaries against which the Group can utilise the benefits therefrom.

The unrecognised tax losses of the PRC subsidiaries amounting to RMB41,198,000 (2018: RMB25,847,000) are available for carry forward up to five years from the year of loss against future taxable profits/income of the PRC subsidiaries in which the tax losses arose. There were no unrecognised tax losses of the PRC subsidiaries expired during the financial year.

9 (Losses)/earnings per share

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

	Group	
	2019	2018
(Loss)/profit for the year attributable to equity holders of the Company (RMB'000)	(16,892)	12,205
Weighted average number of ordinary shares for basic and diluted (losses)/earnings per shares ('000)	246,678	246,678
Basic and diluted (losses)/earnings per share (RMB cents)	(6.85)	4.95

Notes to the Financial Statements

For the financial year ended 31 December 2019

10 Property, plant and equipment

	Motor Vehicles RMB'000	Office equipment RMB'000	Total RMB'000
Group			
2019			
Cost			
At 1.1.2019	1,756	1,277	3,033
Additions	–	20	20
At 31.12.2019	1,756	1,297	3,053
Accumulated depreciation			
At 1.1.2019	1,043	998	2,041
Depreciation charge	261	96	357
At 31.12.2019	1,304	1,094	2,398
Net carrying value			
At 31.12.2019	452	203	655
2018			
Cost			
At 1.1.2018	1,356	1,259	2,615
Additions	400	18	418
At 31.12.2018	1,756	1,277	3,033
Accumulated depreciation			
At 1.1.2018	824	807	1,631
Depreciation charge	219	191	410
At 31.12.2018	1,043	998	2,041
Net carrying value			
At 31.12.2018	713	279	992

Notes to the Financial Statements

For the financial year ended 31 December 2019

10 Property, plant and equipment (cont'd)

	Office equipment RMB'000
Company	
2019	
Cost	
At 1.1.2019 and 31.12.2019	<u>8</u>
Accumulated depreciation	
At 1.1.2019	5
Depreciation charge	<u>3</u>
At 31.12.2019	<u>8</u>
Net carrying value	
At 31.12.2019	<u>–</u>
2018	
Cost	
At 1.1.2018 and 31.12.2018	<u>8</u>
Accumulated depreciation	
At 1.1.2018	3
Depreciation charge	<u>2</u>
At 31.12.2018	<u>5</u>
Net carrying value	
At 31.12.2018	<u>3</u>

Notes to the Financial Statements

For the financial year ended 31 December 2019

11 Intangible assets

	Group	
	2019 RMB'000	2018 RMB'000
Goodwill arising on business combination (Note a)	1,072	1,072
Computer software	14	23
	1,086	1,095

(a) Goodwill arising on business combination

	Group	
	2019 RMB'000	2018 RMB'000
Cost		
At 1 January and 31 December	1,072	1,072
Accumulated impairment losses		
At 1 January and 31 December	-	-
Net carrying amount		
At 31 December	1,072	1,072

Impairment test for goodwill

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

Notes to the Financial Statements

For the financial year ended 31 December 2019

11 Intangible assets (cont'd)

(b) Computer software

	Group	
	2019	2018
	RMB'000	RMB'000
Cost		
At 1 January	43	28
Additions	–	15
At 31 December	43	43
Accumulated amortisation		
At 1 January	20	11
Amortisation charge	9	9
At 31 December	29	20
Net carrying amount		
At 31 December	14	23

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

12 Investments in subsidiaries

	Company	
	2019	2018
	RMB'000	RMB'000
Unquoted equity shares, at cost		
Balance at beginning and end of financial year	–*	–*

*Amount less than RMB1,000

Notes to the Financial Statements

For the financial year ended 31 December 2019

12 Investments in subsidiaries (con't)

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

Name of subsidiary	Principal activity	Country of incorporation	Proportion of ownership interest	
			2019 %	2018 %
<u>Held by the Company</u>				
GBT Investments Pte. Ltd. ("GBTI") ^(a)	Investment holding	Singapore	100	100
Future City Development and Management Group Pte. Ltd. ("FCDMG") ^(c)	Investment holding	Singapore	100	–
Republic Property Management Group Pte. Ltd. ^(c)	Investment holding	Singapore	100	–
<u>Held by FCDMG</u>				
Harbin Superior Construction Materials Trading Co., Ltd. ^(b)	Trading of construction materials	People's Republic of China	100	–
<u>Held by GBTI</u>				
Harbin Superior Construction Materials Trading Co., Ltd. ^(b)	Trading of construction materials	People's Republic of China	–	100
Harbin Shengming Energy Saving and Technology Co., Ltd. ("Harbin Shengming") ^(b)	Energy conservation services and installation of green technology and architecture	People's Republic of China	100	100
<u>Held by Harbin Shengming</u>				
Harbin Utility Tunnel Construction and Management Co., Ltd. ^(b)	Construction, operation and management of projects	People's Republic of China	100	100

Notes to the Financial Statements

For the financial year ended 31 December 2019

12 Investments in subsidiaries (cont'd)

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

Name of subsidiary	Principal activity	Country of incorporation	Proportion of ownership interest	
			2019 %	2018 %
<u>Held by Harbin Shengming (Con't)</u>				
Harbin Prevailing Municipal Engineering Co., Ltd. ^(b)	The provision of architectural design and construction services for government projects, promotion of energy conservation and investment in construction business	People's Republic of China	100	100
Harbin Utility Tunnel Phase Two Construction and Management Co., Ltd. ^(b)	Construction, operation and management of projects	People's Republic of China	100	100
Harbin Vigorous Construction and Engineering Co., Ltd. ^(c)	Civil engineering and construction, green landscaping, development of energy-conservation Technology	People's Republic of China	51	51

(a) Audited by Baker Tilly TFW LLP.

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

(c) Not required to be audited for the financial year ended 31 December 2019 by law of country of incorporation.

(b) Incorporation of subsidiaries

During the financial year, the Company incorporated two subsidiaries, Future City Development and Management Group Pte. Ltd. and Republic Property Management Group Pte. Ltd. with registered paid up share capital of \$2 respectively.

(c) Group restructuring

During the financial year ended 31 December 2019, GBT Investments Pte. Ltd. ("GBTI") disposed 100% equity interest of Harbin Superior Construction Materials Trading Co., Ltd. ("HSCMTCL") to a related company, Future City Development and Management Group Pte. Ltd..

(d) Significant restrictions

Cash and cash equivalents of RMB625,000 (2018: RMB3,233,000) are held in the People's Republic of China and are subject to local exchange control regulations. These regulations place restrictions on the amount of currency being exported from the country.

Notes to the Financial Statements

For the financial year ended 31 December 2019

12 Investments in subsidiaries (cont'd)

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

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

Name of subsidiary	Principal place of business/ Country of incorporation	Ownership interests held by NCI
31 December 2019:		
Harbin Vigorous Construction and Engineering Co., Ltd.	People's Republic of China	49%
31 December 2018:		
Harbin Vigorous Construction and Engineering Co., Ltd.	People's Republic of China	49%

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

Summarised Statement of Financial Position

	Harbin Vigorous Construction and Engineering Co., Ltd.	
	2019 RMB'000	2018 RMB'000
Non-current assets	–	–
Current assets	3,915	3,915
Non-current liabilities	–	–
Current liabilities	–	–
Net assets	3,915	3,915
Net assets attributable to NCI	1,919	1,919

The summarised statement of comprehensive income and statement of cash flows of Harbin Vigorous Construction and Engineering Co., Ltd. are not disclosed because there are no significant movements during the financial years ended 31 December 2019 and 31 December 2018.

13 Investment in associated company

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

	Group	
	2019 RMB'000	2018 RMB'000
<u>Carrying amount:</u>		
Zhongjieneng Shengming Intelligence Construction Co., Ltd.	248	246

Notes to the Financial Statements

For the financial year ended 31 December 2019

13 Investment in associated company (con't)

Details of associated company:

Name of associated company	Principal activity	Country of Incorporation	Proportion of ownership interest	
			2019 %	2018 %
<u>Held by Harbin Shengming</u> Zhongjieneng Shengming Intelligence Construction Co., Ltd. ^(a)	Investment holding	People's Republic of China	49	49

^(a) Not required to be audited for the financial year ended 31 December 2019 by law of country of incorporation.

14 Service concession receivables and contract assets

	Group	
	2019 RMB'000	2018 RMB'000
<i>Non-current assets</i>		
Service concession receivables	165,775	135,466
Less: Allowance for expected credit losses	(17,480)	–
	148,295	135,466
Contract assets	700,861	541,673
	849,156	677,139
<i>Current assets</i>		
Service concession receivables	23,283	46,780
Contract assets	41,602	22,304
	64,885	69,084
Net carrying amount	914,041	746,223

Notes to the Financial Statements

For the financial year ended 31 December 2019

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

	Group	
	2019 RMB'000	2018 RMB'000
Representing:		
Service concession receivables	171,578	182,246
Contract assets	742,463	563,977
	914,041	746,223

The maturity analysis of service concession receivables:

Not later than one financial year	23,283	46,780
Later than one financial year but not later than five financial years	126,601	94,603
Later than five financial years	21,694	40,863
	171,578	182,246

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

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

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

Notes to the Financial Statements

For the financial year ended 31 December 2019

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

At 31 December 2019, the phase one of underground utility tunnel project has substantially completed. Barring any unforeseen circumstances, the Group anticipates that the project acceptance and cost finalisation from the respective government bodies for this project to be completed in 2020. For phase two of the underground utility tunnel project, the Group has commenced some construction work while waiting to obtain the necessary financing from banks for this project. As a result, the underground utility tunnel projects are not 100% completed as at 31 December 2019. Consequently, contract assets are recognised over the construction period. Contract assets are transferred to service concession receivables when the Group has unconditional contractual right to consideration when the construction services are completed.

The service concession receivables represent amounts due from grantors (except for RMB17,480,000 due from residents) in respect of the Insulation project which the construction period has been completed in 2016.

The fair values of the non-current portion of consideration under service concession arrangements approximate their carrying values, as management is of the opinion that the effective interest rates used ranging from 5.08% to 6.68% per annum (2018: 5.16% to 7.09% per annum) are appropriate.

During the financial year, loss on change in estimates of the fair value of the consideration under service concession arrangements recognised as an expense amounted to RMB2,600,000 (2018: RMB4,427,000) arose from the re-measurement of the fair value of the consideration mainly as a result of actual collections from the government agency of the PRC were not in accordance with the expected cash flows due to changes in the timing of the completion of the construction service under the service concession arrangements. The amount and timing of the expected future cash flows are estimated based mainly on the latest developments of the construction status under the service concession arrangements. The progress of the construction is subject to the regulatory inspections and approval, which can affect the timing of the disbursement from the government agency of the PRC.

During the financial year, the Group recognised impairment loss on service concession receivables amounted to RMB17,480,000 mainly due to credit-impaired receivables from residents of RMB14,707,000 and the revisions in the timing of the expected future cash flows from the grantors of RMB2,773,000 in respect of the Insulation project (Note 26(b)).

As at 31 December 2019, the Group's concession rights of the Insulation and underground utility tunnel projects (comprising service concession receivables and contract assets) with aggregate carrying amounts of RMB914,041,000 (2018: RMB746,223,000) were pledged to secure banking facilities granted to the Group (Note 21).

During the financial year, the Group recorded revenue and (loss)/profit after tax of RMB145,291,000 and (RMB13,853,000) respectively (2018: RMB86,418,000 and RMB18,609,000) from the service concession arrangements.

Construction service revenue recognised during the financial year from the service concession arrangements comprises:

	Group	
	2019	2018
	RMB'000	RMB'000
Performance obligations satisfied or partially satisfied in previous periods	143,893	84,319

Notes to the Financial Statements

For the financial year ended 31 December 2019

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

The table below discloses construction service revenue expected to be recognised in the future related to performance obligations that are unsatisfied (partially satisfied) related to service concession arrangements at the end of the reporting period:

	Group	
	2019 RMB'000	2018 RMB'000
Expected to be recognised within one financial year	354,056	497,949
Expected to be recognised after one financial year	747,197	747,197
Total transaction price allocated to the unsatisfied performance obligations	1,101,253	1,245,146

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

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

	31.12.2019 RMB'000	31.12.2018 RMB'000	1.1.2018 RMB'000
Contract assets	742,463	563,977	508,318

Contract assets increased significantly mainly due to construction service revenue and unwinding of discount on contract assets recognised are higher than collections from grantors during the financial year.

15 Prepayments

	Group		Company	
	2019 RMB'000	2018 RMB'000	2019 RMB'000	2018 RMB'000
Non-current asset: Advance payments to sub-contractors	7,260	9,240	–	–
Current assets: Prepaid operating expenses	–	13	–	13
Advance payments to sub-contractors	9,545	40,525	–	–
	9,545	40,538	–	13

Notes to the Financial Statements

For the financial year ended 31 December 2019

16 Inventories

	Group	
	2019 RMB'000	2018 RMB'000
Finished goods	–	94

During the financial year, the cost of inventories recognised as an expense and included in the cost of sales of the Group amounted to RMB26,378,000 (2018: RMB13,942,000).

17 Trade and other receivables

	Group		Company	
	2019 RMB'000	2018 RMB'000	2019 RMB'000	2018 RMB'000
Trade receivables				
- Third parties	17,707	58,598	–	–
- Related party	18,407	–	–	–
Less: Allowance for expected credit losses (Note 26(b))	(2,068)	(2,750)	–	–
	34,046	55,848	–	–
Non-trade amounts due from subsidiaries	–	–	17,815	18,782
Other receivables	14,632	13,505	–	–
Deposits	2,651	–	16	–
	17,283	13,505	17,831	18,782
	51,329	69,353	17,831	18,782

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

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

18 Cash and cash equivalents

	Group		Company	
	2019 RMB'000	2018 RMB'000	2019 RMB'000	2018 RMB'000
Cash at bank and on hand	765	3,289	124	54

Notes to the Financial Statements

For the financial year ended 31 December 2019

18 Cash and cash equivalents (con't)

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

	Group	
	2019	2018
	RMB'000	RMB'000
Cash and bank balances, representing cash and cash equivalents per consolidated statement of cash flows	765	3,289

19 Share capital

	Group and Company			
	2019		2018	
	Number	Issued share	Number	Issued share
	of issued	capital	of issued	capital
	Shares	RMB'000	shares	RMB'000
Issued and fully paid				
At 1 January and				
31 December	246,677,796	124,909	246,677,796	124,909

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

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

20 Currency translation reserve

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

Notes to the Financial Statements

For the financial year ended 31 December 2019

21 Borrowings

	Group		Company	
	2019 RMB'000	2018 RMB'000	2019 RMB'000	2018 RMB'000
Non-current liability				
Loans from banks	542,000	303,121	–	–
Current liabilities				
Loans from banks	42,000	14,148	–	–
Loans from related parties	5,927	87,035	5,407	5,279
	47,927	101,183	5,407	5,279

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

	Currency	Interest rate %	Year of maturity	2019 RMB'000	2018 RMB'000
Group					
Secured bank loan	RMB	Prime rate + 0.60%	2018 - 2031	–	240,866
Secured bank loan	RMB	Prime rate + 0.60%	2019 - 2024	–	27,000
Secured bank loan	RMB	Prime rate + 0.45%	2018 - 2019	–	1,403
Secured bank loan	RMB	Prime rate	2020	40,000	48,000
Secured bank loan	RMB	Prime rate +0.35%	2018 - 2041	544,000	–
				584,000	317,269

The secured bank loans of the Group are secured over the service concession arrangements with a government agency of the PRC (Note 14).

At 31 December 2018, the secured bank loans of RMB240,866,000 and RMB27,000,000 have been refinanced by a new secured loan from another bank in January 2019 (the "2019 Bank Loan"). The 2019 Bank Loan is repayable progressively with final maturity due in 2041.

At 31 December 2019, the secured bank loan of RMB40,000,000 is repayable progressively with final maturity in 2020. On 15 April 2020, this secured bank loan has been renewed with progressively repayment term and final maturity on 14 April 2023.

The loans from related parties are interest-free, unsecured and repayable on demand.

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

Notes to the Financial Statements

For the financial year ended 31 December 2019

21 Borrowings (cont'd)

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

	Loan from a Shareholder RMB'000	Loans from banks RMB'000	Loans from related parties RMB'000	Loan from a director (Note 22) RMB'000	Total RMB'000
Balance at 1.1.2018	–	680,298	47,017	1,530	728,845
Changes from financing cash flows:					
- Proceeds from drawdown	–	–	40,018	7,297	47,315
- Repayments	–	(363,029)	–	–	(363,029)
- Interest paid	–	(32,667)	–	–	(32,667)
Non-cash changes:					
- Interest expense	–	23,128	–	–	23,128
Changes in interest payables	–	9,539	–	–	9,539
Balance at 31.12.2018	–	317,269	87,035	8,827	413,131
Changes from financing cash flows:					
- Proceeds from drawdown	2,532	564,000	–	–	566,532
- Repayments	–	(297,269)	(81,108)	(6,064)	(384,441)
- Interest paid	–	(39,636)	–	–	(39,636)
Non-cash changes:					
- Interest expense	–	39,636	–	–	39,636
Forgiveness of debt by a shareholder	(2,532)	–	–	–	(2,532)
Balance at 31.12.2019	–	584,000	5,927	2,763	592,690

Notes to the Financial Statements

For the financial year ended 31 December 2019

22 Trade and other payables

	Group		Company	
	2019 RMB'000	2018 RMB'000	2019 RMB'000	2018 RMB'000
Trade payables	215,305	311,175	–	–
Other payables	7,751	7,775	–	–
Accrued operating expenses	86,534	43,279	3,445	2,443
Loan from a director	2,763	8,827	871	361
Non-trade amount due to a shareholder	1,242	2,923	1,242	2,923
Non-trade amount due to director	1,445	1,455	1,445	1,455
Non-trade amount due to a subsidiary	–	–	5,024	5,024
	315,040	375,434	12,027	12,206

Loan from a director and non-trade amounts due to a director and a subsidiary are unsecured and repayable on demand.

Non-trade amount due to a shareholder is unsecured and repayable on demand. During the financial year, the shareholder waived off a debt amounting to RMB977,000.

23 Contract liabilities

At 31 December 2019, contract liabilities relate to advance consideration of RMB1,557,000 received from customers for the sales of goods.

24 Related party transactions

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

	Group	
	2019 RMB'000	2018 RMB'000
(Repayment to)/Advances from a director	(6,064)	7,297
(Repayment to)/Advances from related parties	(81,108)	40,018
Sales of construction materials to a related party	1,077	–
Loan from a shareholder	2,532	–
Forgiveness of non-trade balance by a shareholder	3,509	–

Other related party transactions

The Group benefited from the rent-free lease of the office premises from a related party for the 2 financial year 2018 and 2019.

Related parties refer to companies in which the executive chairman has substantial financial interests.

Notes to the Financial Statements

For the financial year ended 31 December 2019

24 Related party transactions (cont'd)

Key management personnel compensation

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

	Group	
	2019 RMB'000	2018 RMB'000
Directors' fees	620	663
Short-term employee benefits	2,310	3,145
Defined contributions plans	190	325
	3,120	4,133

Included in key management personnel compensation is directors' remuneration (including directors' fees paid/payable to directors) of the Company amounting to RMB883,000 (2018: RMB1,900,000).

25 Segment information

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

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

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

Notes to the Financial Statements

For the financial year ended 31 December 2019

25 Segment information (cont'd)

Group 2019	Underground		Project Management	Materials		Total RMB'000
	Insulation RMB'000	Utility Tunnel RMB'000		Trading RMB'000	Others RMB'000	
External revenue	1,398	143,893	708	20,021	–	166,020
Inter-segment revenue	–	–	1,320	12,592	–	13,912
Total revenue of reportable segments	1,398	143,893	2,028	32,613	–	179,932
Finance income	9,412	32,364	–	6	–	41,782
Interest expenses on borrowings	3,486	36,150	–	–	–	39,636
Loss on change in estimates of the fair value of the consideration under service concession arrangements	–	2,600	–	–	–	2,600
Depreciation and amortisation	–	9	341	14	2	366
Impairment losses/(reversal of impairment losses) on financial assets	17,480	–	(682)	–	–	16,798
Reportable segment (loss)/profit before income tax	(11,542)	(2,311)	(1,498)	3,901	(4,467)	(15,917)
Reportable segment assets	171,172	757,530	52,081	995	3,151	984,929
Reportable segment liabilities	43,266	787,779	32,855	49,538	13,045	926,483
Capital expenditure	–	–	20	–	–	20
2018						
External revenue	2,099	84,319	7,360	2,730	–	96,508
Inter-segment revenue	–	–	1,980	11,699	–	13,679
Total revenue of reportable segments	2,099	84,319	9,340	14,429	–	110,187
Finance income	12,130	28,494	1,453	–	–	42,077
Interest expenses on borrowings	4,923	14,166	4,039	–	–	23,128
(Gain)/loss on change in estimates of the fair value of the consideration under service concession arrangements	(9,528)	13,955	–	–	–	4,427
Depreciation and amortisation	–	33	370	14	2	419
Impairment losses on financial assets	–	–	2,750	–	–	2,750
Reportable segment profit/(loss) before income tax	16,335	3,200	(569)	(1,241)	(4,435)	13,290
Reportable segment assets	194,197	606,967	63,366	3,473	3,067	871,070
Reportable segment liabilities	62,816	557,163	127,472	38,795	13,031	799,277
Capital expenditure	–	12	421	–	–	433

Notes to the Financial Statements

For the financial year ended 31 December 2019

25 Segment information (cont'd)

Geographical information

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

Information about major customers

Revenue of approximately RMB145,291,000 (2018: RMB86,418,000) which amounts to more than 10% of the Group's revenue are derived from 1 (2018: 1) external customer from Underground Utility Tunnel and Insulation segment.

26 Financial instruments

a) Categories of financial instruments

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

	Group		Company	
	2019 RMB'000	2018 RMB'000	2019 RMB'000	2018 RMB'000
<i>Financial assets</i>				
Financial assets at amortised cost	223,672	254,888	17,955	18,836
<i>Financial liabilities</i>				
Financial liabilities at amortised cost	904,967	779,738	17,434	17,485

b) Financial risk management

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

Credit risk

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

The Group's most significant customer, a government agency of the PRC, accounts for 95% (2018: 91%) of the carrying amounts of total receivables and contract assets as at 31 December 2019.

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

Notes to the Financial Statements

For the financial year ended 31 December 2019

26 Financial instruments (cont'd)

b) Financial risk management (cont'd)

Credit risk (cont'd)

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

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

Significant increase in credit risk

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

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

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

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

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

Notes to the Financial Statements

For the financial year ended 31 December 2019

26 Financial instruments (cont'd)

b) Financial risk management (cont'd)

Credit risk (cont'd)

Significant increase in credit risk (cont'd)

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

Definition of default

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

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

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

Credit-impaired financial assets

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

Estimation techniques and significant assumptions

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

Notes to the Financial Statements

For the financial year ended 31 December 2019

26 Financial instruments (cont'd)

b) Financial risk management (cont'd)

Estimation techniques and significant assumptions (cont'd)

Movements in allowance for expected credit losses are as follows:

	Service Concession Receivables RMB'000	Trade receivables RMB'000	Total RMB'000
Group			
2019			
Balance at 1 January 2019	–	2,750	2,750
Loss allowance measured/(reversed):			
Lifetime ECL - simplified approach	–	(682)	(682)
Lifetime ECL - credit-impaired	17,480	–	17,480
Balance at 31 December 2019	17,480	2,068	19,548
2018			
Balance at 1 January 2018	–	–	–
Loss allowance measured:			
Lifetime ECL - simplified approach	–	2,750	2,750
Balance at 31 December 2018	–	2,750	2,750

Trade receivables

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

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

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

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

Notes to the Financial Statements

For the financial year ended 31 December 2019

26 Financial instruments (cont'd)

c) Financial risk management (cont'd)

Credit risk (cont'd)

Trade receivables (con't)

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

- (i) related party of RMB18,407,000, who has engaged in a repayment plan with the Group and payment of the amount is guaranteed by the executive chairman; and
- (ii) debtor of RMB7,542,000 (2018: RMB7,542,000) who is also the Group's supplier and the amounts due from are lower than amounts due to the same counterparty at the Group level.

Management assessed that credit risk exposure in relation to above-mentioned Group's trade receivables under FRS 109 as at 31 December 2019 and 31 December 2018 is not material, and accordingly no allowance for impairment is recognised as at 31 December 2019 and 31 December 2018.

The Group's credit risk exposure in relation to remaining trade receivables under FRS 109 as at 31 December 2019 are set out as below:

	Within 1 year RMB'000	1 to 2 years RMB'000	Past due 2 to 3 years RMB'000	More than 3 years RMB'000	Total RMB'000
2019					
<i>Expected loss rate</i>	0%	20%	20%	100%	
Total gross receivables	1,397	7,363	970	435	10,165
Total loss allowance	–	(1,439)	(194)	(435)	(2,068)
Net carrying amount	1,397	5,924	776	–	8,097
2018					
<i>Expected loss rate</i>	0%	15%	0%	100%	
Total gross receivables	37,333	12,973	–	750	51,056
Total loss allowance	–	(2,000)	–	(750)	(2,750)
Net carrying amount	37,333	10,973	–	–	48,306

Service concession receivables and contract assets

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

Notes to the Financial Statements

For the financial year ended 31 December 2019

26 Financial instruments (cont'd)

b) Financial risk management (cont'd)

Credit risk (cont'd)

Service concession receivables and contract assets (Con't)

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

The remaining outstanding service concession receivables and contract assets under service concession arrangements as at 31 December 2019 relate to consideration receivables from a government agency of the PRC, the associated credit risk is not significant. During the financial year, certain collections from the government agency of the PRC were delayed and not in accordance with the expected cash flows. Accordingly, the Group recognised impairment loss of RMB2,773,000 on service concession receivables as a result of the revisions in the timing of the expected future cash flows from the grantors in respect of the Insulation project.

Other than above-mentioned, the Group believes that there is no further loss allowance is required on the service concession receivables and contract assets under service concession arrangements as at 31 December 2019.

Notes to the Financial Statements

For the financial year ended 31 December 2019

26 Financial instruments (cont'd)

b) Financial risk management (cont'd)

Financial assets at amortised cost and contract assets

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

Group	12-month or lifetime ECL	Gross carrying amount RMB'000	Loss allowance RMB'000	Net carrying amount RMB'000
2019				
Trade receivables	Lifetime ECL	36,114	(2,068)	34,046
Service concession receivables	12-month ECL	171,578	–	171,578
Service concession receivables	Lifetime ECL	17,480	(17,480)	–
Contract assets	12-month ECL	742,463	–	742,463
Other receivables and deposits	12-month ECL	17,283	–	17,283
Cash and cash equivalents with financial institutions	N.A. Exposure Limited	765	–	765
2018				
Trade receivables	Lifetime ECL	58,598	(2,750)	55,848
Service concession receivables	12-month ECL	182,246	–	182,246
Contract assets	12-month ECL	563,977	–	563,977
Other receivables	12-month ECL	13,505	–	13,505
Cash and cash equivalents with financial institutions	N.A. Exposure Limited	3,289	–	3,289

Notes to the Financial Statements

For the financial year ended 31 December 2019

26 Financial instruments (cont'd)

b) Financial risk management (cont'd)

Credit risk (cont'd)

Financial assets at amortised cost and contract assets (cont'd)

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

Company	12-month or lifetime ECL	Gross carrying amount RMB'000	Loss allowance RMB'000	Net carrying amount RMB'000
2019				
Non-trade amounts due from subsidiaries	12-month ECL	17,815	–	17,815
Deposits	N.A. Exposure Limited	16	–	16
Cash and cash equivalents with financial institutions	N.A. Exposure Limited	124	–	124
2018				
Non-trade amounts due from subsidiaries	12-month ECL	18,782	–	18,782
Cash and cash equivalents with financial institutions	N.A. Exposure Limited	54	–	54

Credit risk exposure in relation to financial assets at amortised cost (except for trade receivables and service concession receivables) under FRS 109 as at 31 December 2019 and 31 December 2018 is not material, and accordingly no allowance for impairment is recognised as at 31 December 2019 and 31 December 2018.

Liquidity risk

Risk management policy

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

As at 31 December 2019, the Group's current liabilities exceeded its current assets by RMB257,959,000 (2018: RMB313,798,000), which stems mainly from the mismatch between the maturity of liabilities and receipt of service concession receivables from the government agency of the PRC. Having regard to those factors described in Note 3, management believes that the Group will be able to pay its debts as and when they fall due.

Notes to the Financial Statements

For the financial year ended 31 December 2019

26 Financial instruments (cont'd)

b) Financial risk management (cont'd)

Liquidity risk (cont'd)

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

Exposure to liquidity risk

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

	Carrying Amount RMB'000	Contractual cash flows			More than 5 years RMB'000
		Total RMB'000	Within 1 year RMB'000	Within 2 to 5 years RMB'000	
Group					
2019					
Trade and other payables	315,040	315,040	315,040	–	–
Borrowings	589,927	1,185,890	85,368	190,949	909,573
	904,967	1,500,930	400,408	190,949	909,573
2018					
Trade and other payables	375,434	375,434	375,434	–	–
Borrowings	404,304	496,421	111,277	132,972	252,172
	779,738	871,855	486,711	132,972	252,172
Company					
2019					
Trade and other payables	12,027	12,027	12,027	–	–
Borrowings	5,407	5,407	5,407	–	–
	17,434	17,434	17,434	–	–
2018					
Trade and other payables	12,206	12,206	12,206	–	–
Borrowings	5,279	5,279	5,279	–	–
	17,485	17,485	17,485	–	–

Notes to the Financial Statements

For the financial year ended 31 December 2019

26 Financial instruments (cont'd)

b) Financial risk management (cont'd)

Liquidity risk (cont'd)

Exposure to liquidity risk (cont'd)

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

Market risk

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

Currency risk

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

Interest rate risk

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

The Group's borrowings at variable rates on which effective hedges have not been entered into, are denominated in RMB. If the RMB interest rates increase/decrease by 100 (2018: 100) basis points with all other variables, in particular foreign currency exchange rate being held constant, the effects on the (loss)/profit after tax are as follows:

	Group	
	Increase/(decrease) in	
	Loss after tax	Profit after tax
	2019	2018
	RMB'000	RMB'000
Interest rate		
- Increase by 100 basis points	5,840	(3,173)
- Decrease by 100 basis points	(5,840)	3,173

Notes to the Financial Statements

For the financial year ended 31 December 2019

27 Fair value of assets and liabilities

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

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

28 Capital management

The Board's policy is to maintain a sound capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. Capital consists of share capital, reserves, and accumulated (losses)/profits on the statement of financial position. The Board of Directors monitors the return on capital as well as the level of dividends to ordinary shareholders.

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

29 Subsequent events

The emergence of COVID-19 since early 2020 has brought about uncertainties to the Group's operating environment and has impacted the Group's operations in PRC and its financial performance, cash flows and liquidity subsequent to the financial year end.

The closure of the Group's physical office in PRC for an extended Chinese New Year break as a result of the COVID-19 pandemic has impacted the Group's operations in PRC. The impact includes, inter alia, the following: (i) delay to the project acceptance and cost finalisation of phase one of the Group's underground utility tunnel project by the respective government bodies; (ii) the continuation of the construction of phase two of the Group's underground utility tunnel project; and (iii) uncertainty in securing and undertaking of new sustainable development projects in light of project owners choosing to delay commencement of such projects during this period.

From late March 2020, the government is slowly allowing business owners to commence business again, and accordingly the Group has gradually resumed its operations in line with the government's directives. However, the Group wishes to caution that, as at 29 April 2020, there was an increase in new cases of COVID-19 in the Heilongjiang province where the Group's business operates. As a result, the government departments in the province are not fully operational as at the date when these financial statements were approved for issue by the Board of Directors. This may affect the Group's collections from the government agency of the PRC for its Insulation project in 2020 and phase one of the underground utility tunnel project following the project acceptance and cost finalisation in 2020, which may in turn affect the fulfilment of the Group's upcoming obligations. The Group has been and will be monitoring closely with the government agency of the PRC on the collections pursuant to service concession agreements (Note 14).

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

The Group will continuously assess the situation, work closely with the local authorities in PRC to support their efforts in containing the spread of COVID-19, and put in place measures to minimise impact to our business. As the situation is still evolving, the full effect of the outbreak is subject to uncertainty and could not be ascertained yet.

Notes to the Financial Statements

For the financial year ended 31 December 2019

30 Authorisation of financial statements

The consolidated financial statements of the Group and statement of financial position and statement of changes in equity of the Company for the financial year ended 31 December 2019 were authorised for issue in accordance with a resolution of the directors dated 2 June 2020.

Shareholdings Statistics

SHAREHOLDERS' INFORMATION AS AT 29 May 2020

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.

STATISTICS OF SHAREHOLDINGS

DISTRIBUTION OF SHAREHOLDINGS

<u>SIZE OF SHAREHOLDINGS</u>	<u>NO. OF SHAREHOLDERS</u>	<u>%</u>	<u>NO. OF SHARES</u>	<u>%</u>
1 - 99	-	-	-	-
100 - 1,000	30	17.05	25,624	0.01
1,001 - 10,000	73	41.48	386,000	0.16
10,001 - 1,000,000	58	32.95	9,420,500	3.82
1,000,001 AND ABOVE	15	8.52	236,845,672	96.01
TOTAL	176	100.00	246,677,796	100.00

SUBSTANTIAL SHAREHOLDERS

(As recorded in the Register of Substantial Shareholders)

Substantial Shareholders	Direct Interest	
	No. of Shares	%
Zhao Lizhi	97,518,111	39.53
Li Mingyang	45,000,000	18.24
Chan Mang Ghoon	16,606,000	6.73

Shareholdings Statistics

SHAREHOLDERS' INFORMATION AS AT 29 May 2020

TWENTY LARGEST SHAREHOLDERS

<u>NO.</u>	<u>NAME</u>	<u>NO. OF SHARES</u>	<u>%</u>
1	ZHAO LIZHI	97,518,111	39.53
2	LI MINGYANG	45,000,000	18.24
3	UOB KAY HIAN PRIVATE LIMITED	23,705,600	9.61
4	CHAN MANG GHUON	16,606,000	6.73
5	PHILLIP SECURITIES PTE LTD	14,655,800	5.94
6	WU XUEYING	8,360,000	3.39
7	SUN HAIWEN	7,166,000	2.91
8	OCBC SECURITIES PRIVATE LIMITED	6,081,861	2.47
9	WANG TENGDA	4,327,000	1.75
10	DBS NOMINEES (PRIVATE) LIMITED	2,768,300	1.12
11	FU XINGJIA	2,500,000	1.01
12	SKY ASSOCIATES HOLDINGS PTE. LTD.	2,500,000	1.01
13	ZHANG LI	2,194,000	0.89
14	WANG PENG Rui	2,000,000	0.81
15	MAYBANK KIM ENG SECURITIES PTE. LTD.	1,463,000	0.59
16	JIANG JUNWEI	1,000,000	0.41
17	SUN HUI	870,000	0.35
18	WANG YI	709,000	0.29
19	JIANG HAIYANG	657,000	0.27
20	MA SHANSHAN	546,000	0.22
TOTAL		240,627,672	97.54

PERCENTAGE OF SHAREHOLDINGS IN PUBLIC'S HANDS

32.11% of the Company's shares are held in the hands of public. Accordingly, the Company has complied with Rule 723 of the Listing Manual of the SGX-ST.

Notice of Annual General Meeting

NOTICE IS HEREBY GIVEN that the Annual General Meeting of **GREEN BUILD TECHNOLOGY LIMITED** will be held on Friday, 26 June 2020 at 10.00 a.m. by electronic means to transact the following business:

AS ORDINARY BUSINESS

1. To receive and adopt the Audited Financial Statements for the financial year ended 31 December 2019 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\$80,000 for the financial year ending 31 December 2020, to be paid quarterly in arrears. **(Resolution 2)**

3. To re-elect Mr Zhao Lizhi as Director of the Company in accordance with Regulation 91 of the Company's Constitution. **(Resolution 3)**

[See Explanatory Note (i)]

4. To re-elect Ms Wu Xueying as Director of the Company in accordance with Regulation 91 of the Company's Constitution. **(Resolution 4)**

[See Explanatory Note (ii)]

5. To re-elect Mr Soh Yeow Hwa as Director of the Company in accordance with Regulation 97 of the Company's Constitution. **(Resolution 5)**

[See Explanatory Note (iii)]

6. To re-elect Mr Ng Poh Khoon as Director of the Company in accordance with Regulation 97 of the Company's Constitution. **(Resolution 6)**

[See Explanatory Note (iv)]

7. To re-appoint Messrs Baker Tilly TFW LLP as Independent Auditor of the Company and to authorise the Directors to fix their remuneration. **(Resolution 7)**

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

AS SPECIAL BUSINESS

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

9. **Authority to issue shares** **(Resolution 8)**

"That, pursuant to Section 161 of the Companies Act, Chapter 50 (the "**Act**") and Rule 806(2) of the Listing Manual (the "**Listing Manual**") of the Singapore Exchange Securities Trading Limited (the "**SGX-ST**"), the Directors of the Company be authorised and empowered to:

 - (a) (i) issue shares in the capital of the Company ("**shares**") whether by way of rights, bonus or otherwise; and/or

Notice of Annual General Meeting

- (ii) subscribe for or purchase shares (collectively, “**Instruments**”) including but not limited to the creation and issue of warrants, debentures or other instruments convertible into shares; and
 - (iii) issue additional Instruments arising from adjustments made to the number of Instruments previously issued in the event of rights, bonus or capitalisation issues; and
- (b) (notwithstanding that the authority conferred by the shareholders may have ceased to be in force) issue shares pursuant to any Instrument made or granted by the Directors of the Company while this Resolution was in force, provided always that:

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:

- (i) new shares arising from the conversion or exercise of convertible securities,
 - (ii) new shares arising from exercising share options or vesting of share awards which are outstanding or subsisting at the time of the passing of this Resolution, provided that the share options or share awards were granted in compliance with Part VIII of Chapter 8 of the Listing Manual; and
 - (iii) any subsequent bonus issue, consolidation or subdivision of shares;
- (c) such authority shall, unless revoked or varied by the Company at a general meeting, continue in force until the conclusion of the next Annual General Meeting or the date by which the next Annual General Meeting of the Company is required by law to be held, whichever is earlier.”

[See Explanatory Note (v)]

Notice of Annual General Meeting

10. Renewal of Shareholders' Mandate for Interested Person Transactions

(Resolution 9)

"That for the purposes of Chapter 9 of the Listing Manual of the SGX-ST:

- (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 (vi)]

By Order of the Board

Wu Xueying
Chief Executive Officer and Executive Director

11 June 2020

Explanatory Notes:

- (i) *Mr Zhao Lizhi will, upon re-election as a Director of the Company, remain as an Executive Director of the Company.*
- (ii) *Ms Wu Xueying will, upon re-election as a Director of the Company, remain as the Chief Executive Officer and an Executive Director of the Company.*
- (iii) *Mr Soh Yeow Hwa will, upon re-election as a Director of the Company, remain as a Non-Executive and Independent Director, the Chairman of the Audit and Remuneration Committees and member of the Nominating Committee. Mr Soh Yeow Hwa will be considered independent for the purpose of Rule 704(8) of the Listing Manual of the SGX-ST.*
- (iv) *Mr Ng Poh Khoon will, upon re-election as a Director of the Company, remain as a Non-Executive and Independent Director, the Chairman of the Nominating Committee, and member of the Audit and Remuneration Committees. Mr Ng Poh Khoon will be considered independent for the purpose of Rule 704(8) of the Listing Manual of the SGX-ST.*
- (v) *Ordinary Resolution 8 proposed in item 9 is to empower the Directors, from the date of the passing of Ordinary Resolution 8 to the date of the next Annual General Meeting, to issue shares in the capital of the Company and to make or grant instruments (such as warrants or debentures) convertible into shares, and to issue shares in pursuance of such instruments, up to an amount not exceeding in total 50% of the total number of 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.*

Notice of Annual General Meeting

- (vi) *The Ordinary Resolution 9 proposed in item 10 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) The Annual General Meeting is being convened, and will be held, by electronic means pursuant to the COVID-19 (Temporary Measures) (Alternative Arrangements for Meetings for Companies, Variable Capital Companies, Business Trusts, Unit Trusts and Debenture Holders) Order 2020.
- (2) **Due to the current COVID-19 restriction orders in Singapore, a member of the Company will not be able to attend the Annual General Meeting in person.** Alternative arrangements relating to attendance at the Annual General Meeting via electronic means (including arrangements by which the meeting can be electronically accessed via live audio-visual webcast or live audio-only stream), submission of questions to the Chairman of the Meeting in advance of the Annual General Meeting, addressing of substantial and relevant questions at the Annual General Meeting and voting by appointing the Chairman of the Meeting as proxy at the Annual General Meeting, are set out in the accompanying Company's announcement dated 11 June 2020. This announcement may be accessed on the SGX website at the URL <https://www.sgx.com/securities/company-announcements>.
- (3) A member of the Company (including a Relevant Intermediary*) must appoint the Chairman of the AGM as his/her/their proxy to vote on his/her/their behalf at the Annual General Meeting if such member wishes to exercise his/her/their voting rights at the Annual General Meeting. The accompanying proxy form for the Annual General Meeting may be accessed from the SGX website at the URL <https://www.sgx.com/securities/company-announcements>.
- ***"Relevant Intermediary"** has the same meaning ascribed to it in section 181 of the Companies Act, Chapter 50.
- (4) The instrument appointing the Chairman of the AGM as a proxy must be under the hand of the appointor or of his/her attorney duly authorised in writing. Where the instrument appointing a proxy is executed by a corporation, it must be executed either under its seal or under the hand of an officer or attorney duly authorised.
- (5) The instrument appointing the Chairman of the AGM as proxy must be submitted in the following manner:
- submitted by post, be lodged with the Company's Share Registrar at 50 Raffles Place, #32-01, Singapore Land Tower, Singapore 048623; or
 - submitted by way of email to greenbuildagm@gmail.com,
- in either case not less than 48 hours before the time set for the Annual General Meeting.
- (6) 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 AGM in order for him to be entitled to vote at the AGM.

Personal Data Privacy:

By submitting an instrument appointing the Chairman of the Meeting to attend, speak and vote at the Annual General Meeting and / or any adjournment thereof, a member of the Company consents to the collection, use and disclosure of the member's personal data by the Company (or its agents or service providers) for the purpose of the processing, administration and analysis by the Company (or its agents or service providers) of the appointment of the Chairman of the Meeting as proxy 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 or service providers) to comply with any applicable laws, listing rules, take-over rules, regulations and / or guidelines.

Appendix

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 Sixteenth Annual General Meeting of the Company dated 11 June 2020 (the "**Notice**") convening the Sixteenth Annual General Meeting ("**Sixteenth AGM**") of the Company to be held on Friday, 26 June 2020 which accompanies this annual report of the Company for the financial year ended 31 December 2019 ("**Annual Report**"); and
- (b) Resolution 9 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. The Shareholders' Mandate was renewed during the Fifteenth AGM.

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 Sixteenth AGM, to take effect until the Seventeenth 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 (the "**Annexure**").

5. Audit Committee Statement

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

Appendix

- (a) the review procedures for determining the transaction prices under the Shareholders' Mandate have not changed since the conclusion of the Fifteenth Annual General Meeting convened on 31 May 2019 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 29 May 2020 can be found on page 109 and 110 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 9 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 Sixteenth AGM.

8. Directors' Recommendation

The Directors who are considered independent for the purposes of the proposed renewal of the Shareholders Mandate are, Mr Soh Yeow Hwa, Mr Dong Congwen and Mr Ng Poh Khoon (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 9, being the Ordinary Resolution relating to the proposed renewal of the Shareholders' Mandate at the Sixteenth AGM.

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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

In view of the current COVID-19 situation and the related safe distancing measures, Shareholders who wish to vote at the Sixteenth AGM should appoint the Chairman of the meeting to vote on his/her/their behalf. He/She/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 Company's Share Registrar by post at 50 Raffles Place, #32-01, Singapore Land Tower, Singapore 048623 or by email to greenbuildagm@gmail.com **not less than** 48 hours before the time appointed for the meeting. Completion and return of the Proxy Form by a Shareholder will not prevent him from attending the AGM if he so wishes. 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 Sixteenth 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.

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- 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 2019, the consolidated net tangible assets of the Group was approximately RMB 57,360,000. 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 2,868,000.
- 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;

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- (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
- (e) 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

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- (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 9 as stipulated in the notice of the Fifteenth Annual General Meeting of the Company (the “**Sixteenth AGM**”) relating to the renewal of the Shareholders’ Mandate to be proposed at the Sixteenth AGM to be held on Friday, 26 June 2020 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**”).

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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 (2) 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;

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- (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 independent 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, independent auditor will review the Interested Person Transactions on a sampling basis. The independent 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 that all Interested Person Transactions are conducted on normal commercial terms;
- (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.

Disclosure of Information on Directors Seeking Re-election

Mr. Zhao Lizhi, Ms. Wu Xueying, Mr. Soh Yeow Hwa and Mr. Ng Poh Khoon are the Directors seeking re-election at the forthcoming Annual General Meeting of the Company to be convened on 26 June 2020 (“AGM”) (collectively, the “Retiring Directors” and each a “Retiring Director”).

Pursuant to Rule 720(6) of the Listing Manual of the Singapore Exchange Securities Trading Limited (“SGX-ST”), the following is the information relating to the Retiring Directors as set out in Appendix 7.4.1 to the Listing Manual of the SGX-ST is set out below:

Name	Zhao Lizhi	Wu Xueying
Date of Appointment	18 July 2014	11 March 2014
Date of last re-appointment	27 April 2017	30 April 2018
Age	52	39
Country of principal residence	People’s Republic of China	People’s Republic of China
The Board’s comments on this appointment (including rationale, selection criteria, and the search and nomination process)	The Board, having considered the recommendation of the Nominating Committee and assessed the qualifications and experience of Mr. Zhao Lizhi, is of the view that he has the requisite experience and capabilities to assume the duties and responsibilities as the Executive Chairman and Executive Director of the Company.	The Board, having considered the recommendation of the Nominating Committee and assessed the qualifications and experience of Ms. Wu Xueying, is of the view that she has the requisite experience and capabilities to assume the duties and responsibilities as an Executive Director and Chief Executive Officer of the Company.
Whether appointment is executive, and if so, the area of responsibility	Executive. Responsible for oversight and management of the Group’s corporate developments, and to formulate the overall business and corporate strategies for the Group.	Executive. Responsible for the operational decisions in the day-to-day management of the Group.
Job Title (e.g. Lead ID, AC)	<ul style="list-style-type: none"> ● Executive Chairman ● Executive Director 	<ul style="list-style-type: none"> ● Executive Director ● Chief Executive Officer
Professional qualifications	Mr. Zhao graduated from Northeast Forestry University with a degree in Civil Engineering, Industrial and Civil Architecture in 1991.	Ms. Wu graduated from Harbin University of Commerce with a degree in marketing in 2004. She is currently obtaining a post graduate degree in Administration Management.

Disclosure of Information on Directors Seeking Re-election

Name	Zhao Lizhi	Wu Xueying
Working experience and occupation(s) during the past 10 years	<ul style="list-style-type: none"> • August 2000 to present: Director, Harbin Dali Aluminium Doors and Windows Products Co., Ltd. • 2003 to present: Legal Representative, Heilongjiang Chuangmeng Construction Energy Conservation Institute • March 2003 to present: Director, Heilongjiang Haitian House Demolition Co., Ltd • 2005 to 2008: Director, Heilongjiang Renda Advertisement Co., Ltd • November 2005 to present: Director, Heilongjiang Dali Construction Energy Conservation Technology Development Co., Ltd • July 2013 to present: Director, City Green Build Technology Pte Ltd • November 2013 to November 2014 Adjunct Lecturer, Harbin University of Commerce Institute of Business Economics • December 2013 to December 2014 Adjunct Lecturer, Harbin University of Commerce MBA Education Centre • January 2014 to January 2015 Adjunct Lecturer, Harbin Institute of Technology • 2014 to 2015: Non-Executive Chairman, Green Build Technology Limited • May 2014 to present: Director, Harbin Lvjian Investment Management (Group) Co., Limited • 2015 to present: Executive Chairman, Executive Director, Green Build Technology Limited • August 2016 to present: Director, Zhongjieneng Shengming (Harbin) Smart City Construction Co., Ltd • September 2019 to present: Director, Heilongjiang Jiuli Municipal Construction Project Co., Ltd 	<ul style="list-style-type: none"> • 2008 to present: Adjunct Lecturer, MBA Education Centre of Harbin Commerce University • 2008 to present: Adjunct Lecturer, Longjiang Forum • September 2010 to April 2013: Deputy General Manager, Heilongjiang Weisheng Construction Energy Saving and Technology Development Co., Ltd. • May 2013 to present: Chief Executive Officer and Executive Director, Green Build Technology Limited • September 2014 to present: Legal Representative, Harbin Shengming Energy Saving and Technology Co., Ltd • October 2015 to present: Legal representative, Harbin Utility Tunnel Construction and Management Co., Ltd • September 2017 to present: Legal representative, Harbin Utility Tunnel Phase Two Construction and Management Co., Ltd.

Disclosure of Information on Directors Seeking Re-election

Name	Zhao Lizhi	Wu Xueying
Shareholding interest in the listed issuer and its subsidiaries	97,518,111 (39.53%)	8,360,000 (3.39%)
Any relationship (including immediate family relationships) with any existing director, existing executive officer, the issuer and/or substantial shareholder of the listed issuer or of any of its principal subsidiaries	None	None
Conflict of Interest (including any competing business)	None	None
Undertaking (in the format set out in Appendix 7.7) under Rule 720(1) has been submitted to the listed issuer	Yes	Yes
Other Principal Commitments* Including Directorships# Past (for the last 5 years)	<ul style="list-style-type: none"> • Anxue (Beijing) International Education Consulting and Service Centre • (USA) Chwisdom Technology LLC • (USA) Harbin Germen Trading LLC • Heilongjiang Chuangmeng Construction Energy Conservation Institute • Heilongjiang Chuangmeng Public Facilities Service Management Co., Ltd. 	None

Disclosure of Information on Directors Seeking Re-election

Name	Zhao Lizhi	Wu Xueying
<p>Other Principal Commitments* Including Directorships#</p> <p>Present</p>	<ul style="list-style-type: none"> • Green Build Technology Limited • GBT Investments Pte. Ltd. • Future City Development and Management Grp Pte Ltd • Republic Property Management Grp Pte Ltd • Harbin Lvjian Investments Management Co., Ltd. • Harbin Dali Aluminium Doors and Windows Products Co., Ltd • Harbin Superior Construction Materials Trading Co., Ltd • Harbin Shengming Energy Saving and Technology Co., Ltd • Harbin Utility Tunnel Construction and Management Co., Ltd • Harbin Prevailing Municipal Engineering Co., Ltd • Harbin Utility Tunnel Phase Two Construction and Management Co., Ltd • Harbin Vigorous Construction and Engineering Co, Ltd • Heilongjiang Jiuli Municipal Construction Project Co., Ltd 	<ul style="list-style-type: none"> • Green Build Technology Limited • GBT Investments Pte. Ltd. • Future City Development and Management Grp Pte Ltd • Republic Property Management Grp Pte Ltd • Harbin Superior Construction Materials Trading Co., Ltd • Harbin Shengming Energy Saving and Technology Co., Ltd • Harbin Utility Tunnel Construction and Management Co., Ltd • Harbin Prevailing Municipal Engineering Co., Ltd • Harbin Utility Tunnel Phase Two Construction and Management Co., Ltd • Harbin Vigorous Construction and Engineering Co, Ltd

Disclosure of Information on Directors Seeking Re-election

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

Disclosure of Information on Directors Seeking Re-election

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

Disclosure of Information on Directors Seeking Re-election

Name	Zhao Lizhi	Wu Xueying
Disclosure applicable to the appointment of Director only		
<p>Any prior experience as a director of a listed company?</p> <p>If yes, please provide details of prior experience.</p> <p>If no, please state if the director has attended or will be attending training on the roles and responsibilities of a director of a listed issuer as prescribed by the Exchange.</p> <p>Please provide details of relevant experience and the nominating committee's reasons for not requiring the director to undergo training as prescribed by the Exchange (if applicable).</p>	<p>Yes</p> <p>Mr Zhao Lizhi is currently the Executive Chairman and Executive Director of the Company and as such, is familiar with his duties in relation to this current position.</p>	<p>Yes</p> <p>Ms Wu Xueying is currently the Executive Director of the Company and as such, is familiar with her duties in relation to this current position.</p>

Disclosure of Information on Directors Seeking Re-election

Name	Soh Yeow Hwa	Ng Poh Khoon
Date of Appointment	3 October 2019	4 October 2019
Date of last re-appointment	N.A.	N.A.
Age	53	53
Country of principal residence	Singapore	Singapore
The Board's comments on this appointment (including rationale, selection criteria, and the search and nomination process)	The Board has considered and accepted the Nominating Committee's recommendation to appoint Mr Soh Yeow Hwa as an Independent Director of the Company, after reviewing his educational background, professional qualifications and extensive working experience, on which the Company will be able to leverage to its benefit.	The Board has considered and accepted the Nominating Committee's recommendation to appoint Mr Ng Poh Khoon as an Independent Director of the Company, after reviewing his educational background, professional qualifications and extensive working experience, on which the Company will be able to leverage to its benefit.
Whether appointment is executive, and if so, the area of responsibility	Non-executive	Non-executive
Job Title (e.g. Lead ID, AC Chairman, AC Member etc.)	<ul style="list-style-type: none"> • Independent Director • Chairman of the Audit and Remuneration Committees • Member of the Nominating Committee 	<ul style="list-style-type: none"> • Independent Director • Chairman of the Nominating Committee • Member of the Audit and Remuneration Committees
Professional qualifications	<ul style="list-style-type: none"> • Mr Soh Yeow Hwa graduated from Griffith University, Australia, with a Bachelor of Commerce in 1992. • Chartered Accountant, Singapore (CA, Singapore) • Chartered Accountant, Australia (CA, Australia) 	<ul style="list-style-type: none"> • Chartered Accountant, member of Institute of Singapore Chartered Accountant • Member of Singapore Institute of Directors • Fellow member of the Association of Chartered Certified Accountants, United Kingdom

Disclosure of Information on Directors Seeking Re-election

Name	Soh Yeow Hwa	Ng Poh Khoon
Working experience and occupation(s) during the past 10 years	<ul style="list-style-type: none"> • July 2011 to January 2016: Group Financial Controller and Corporate Secretary of Renewable Energy Asia Group Limited • July 2009 to July 2011: Group Financial Controller and Corporate Secretary of Asia Environment Holdings Limited • October 2006 to July 2009: Financial Controller of China Angel Food Limited 	<ul style="list-style-type: none"> • November 2016 to the present: Project Director - Guangdong Chengde Financial Advisory Co Ltd • July 2013 to September 2015: Chief Financial Officer - Asia Fashion Holdings Limited • November 2012 to June 2013: Director, IR - Youbisheng Green Paper AG • January 2012 to October 2012: Director, Export Sales - Passion Group of Companies • November 2008 to December 2011: Chief Financial Officer - Passion Holdings Limited
Shareholding interest in the listed issuer and its subsidiaries	None	None
Any relationship (including immediate family relationships) with any existing director, existing executive officer, the issuer and/or substantial shareholder of the listed issuer or of any of its principal subsidiaries	None	None
Conflict of Interest (including any competing business)	None	None
Undertaking (in the format set out in Appendix 7.7) under Rule 720(1) has been submitted to the listed issuer	Yes	Yes

Disclosure of Information on Directors Seeking Re-election

Name	Soh Yeow Hwa	Ng Poh Khoon
<p>Other Principal Commitments* Including Directorships#</p> <p>Past (for the last 5 years)</p>	<ul style="list-style-type: none"> • Renewable Energy Asia Power Pte Ltd • Environmental Infrastructure Resources Pte Ltd • SNG International Pte Ltd • Auric 3 Pte Ltd • General Pacific Power Pte Ltd • Hu An Electric Singapore Pte Ltd • Hu An Cable Limited 	<ul style="list-style-type: none"> • Star Pharmaceutical Limited
<p>Present</p>	<ul style="list-style-type: none"> • Yixing Jeffcon Pte Ltd • HQ Environment Pte Ltd. • Golden Sands Seafood Pte Ltd 	<ul style="list-style-type: none"> • China Star Food Group Limited • Nutryfarm International Limited

Disclosure of Information on Directors Seeking Re-election

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

Disclosure of Information on Directors Seeking Re-election

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

Disclosure of Information on Directors Seeking Re-election

Name	Soh Yeow Hwa	Ng Poh Khoon
<p>(j) Whether he has ever, to his knowledge, been concerned with the management or conduct, in Singapore or elsewhere, of the affairs of:–</p> <p>i. any corporation which has been investigated for a breach of any law or regulatory requirement governing corporations in Singapore or elsewhere; or</p> <p>ii. any entity (not being a corporation) which has been investigated for a breach of any law or regulatory requirement governing such entities in Singapore or elsewhere; or</p> <p>iii. any business trust which has been investigated for a breach of any law or regulatory requirement governing business trusts in Singapore or elsewhere; or</p> <p>iv. any entity or business trust which has been investigated for a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere in connection with any matter occurring or arising during that period when he was so concerned with the entity or business trust?</p> <p>(k) Whether he has been the subject of any current or past investigation or disciplinary proceedings, or has been reprimanded or issued any warning, by the Monetary Authority of Singapore or any other regulatory authority, exchange, professional body or government agency, whether in Singapore or elsewhere?</p>	<p>No</p> <p>No</p>	<p>No</p> <p>No</p>
Disclosure applicable to the appointment of Director only		
<p>Any prior experience as a director of a listed company? If yes, please provide details of prior experience.</p> <p>If no, please state if the director has attended or will be attending training on the roles and responsibilities of a director of a listed issuer as prescribed by the Exchange.</p> <p>Please provide details of relevant experience and the nominating committee's reasons for not requiring the director to undergo training as prescribed by the Exchange (if applicable).</p>	<p>Yes</p> <p>Mr Soh Yeow Hwa was the Independent Director of</p> <ul style="list-style-type: none"> Ace Achieve Infocom Limited 7 June 2018 to 11 August 2018 and 31 August 2018 to present Hu An Cable Holdings Ltd. from 4 May 2015 to 18 September 2019. 	<p>Yes</p> <p>Mr Ng Poh Khoon is currently the Independent Director of the following companies listed on the SGX-ST:</p> <ul style="list-style-type: none"> China Star Food Group Limited; and Nutryfarm International Limited.

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

PROXY FORM
ANNUAL GENERAL MEETING

(Please see notes overleaf before completing this Form)

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

I/We _____ (full name in capital letters),
NRIC/Passport Number/Company Registration No. _____
of _____ (full 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	%
Chairman of the Annual General Meeting				

as my/our proxy to attend and vote for me/us on my/our behalf at the Annual General Meeting ("AGM") of the Company, to be held by **electronic means** on **Friday, 26 June 2020 at 10.00 a.m.**, and at any adjournment thereof. I/We direct my/our proxy to vote for or against, or abstain from voting the Resolutions to be proposed at the AGM as indicated hereunder. If no specific direction as to voting is given in respect of a resolution, the appointment of the Chairman of the AGM as your proxy for that resolution will be treated as invalid. The authority herein includes the right to demand or to join in demanding a poll and to vote on a poll.

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

Resolutions Relating To:		For	Against	Abstain
Ordinary Business				
1.	Adoption of Audited Financial Statements for the financial year ended 31 December 2019 together with the Directors' Statement and the Auditors' Report of the Company			
2.	Approval of Directors' Fees of up to S\$80,000 for the financial year ending 31 December 2020 to be paid quarterly in arrears			
3.	Re-election of Mr Zhao Lizhi pursuant to Regulation 91 of the Company's Constitution			
4.	Re-election of Ms Wu Xueying pursuant to Regulation 91 of the Company's Constitution			
5.	Re-election of Mr Soh Yeow Hwa pursuant to Regulation 97 of the Company's Constitution			
6.	Re-election of Mr Ng Poh Khoon pursuant to Regulation 97 of the Company's Constitution			
7.	Re-appointment of Messrs Baker Tilly TFW LLP as Independent Auditor			
Special Business				
8.	Authority to allot and issue new shares			
9.	Renewal of Shareholders' Mandate for Interested Person Transactions			

Dated this _____ day of _____ 2020.

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

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

Important: Please read notes overleaf

IMPORTANT:

- The Annual General Meeting is being convened, and will be held, by way of electronic means pursuant to the COVID-19 (Temporary Measures) (Alternative Arrangements for Meetings for Companies, Variable Capital Companies, Business Trusts, Unit Trusts and Debenture Holders) Order 2020.
- Alternative arrangements relating to, among others, attendance, submission of questions in advance and/or voting by proxy at the AGM, are set out in the accompanying Company's announcement dated 11 June 2020 (the "Announcement"), which has been uploaded together with the Notice of AGM dated 11 June 2020 on SGXNet on the same day. The Announcement may be accessed on the SGX website at the URL <https://www.sgx.com/securities/company-announcements>.
- Due to the current Covid-19 restriction orders in Singapore, a member will not be able to attend the Annual General Meeting in person. A member (including a Relevant Intermediary) must appoint the Chairman of the AGM as his/her/their proxy to vote on his/her/their behalf at the Annual General Meeting if such member wishes to exercise his/her/their voting rights at the Annual General Meeting. In appointing the Chairman of the AGM as proxy, a member of the Company (including a Relevant Intermediary) must give specific instructions as to voting, or abstentions from voting, in the form of proxy, failing which the appointment will be treated as invalid.
- CPF/SRS investors who wish to appoint the Chairman of the AGM as proxy should approach their respective CPF Agent Banks or SRS Operators to submit their votes at least seven (7) working days before the AGM in order to allow sufficient time for their respective CPF Agent Banks or SRS Operators to in turn submit a proxy form to appoint the Chairman of the AGM to vote on their behalf by the cut-off date.



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, this proxy form shall be deemed to relate to all the shares held by you.
2. **Due to the current COVID-19 restriction orders in Singapore, a member of the Company will not be able to attend the AGM in person.** If a member of the Company (including a Relevant Intermediary*) wishes to exercise his/her/their voting rights at the AGM, he/she/they must appoint the Chairman of the AGM as his/her/their proxy to vote on his/her/their behalf at the AGM. In appointing the Chairman of the AGM as proxy, a member of the Company (whether individual or corporate and including a Relevant Intermediary*) must give specific instructions as to voting, or abstentions from voting, in respect of a resolution in the form of proxy, failing which the appointment of the Chairman of the AGM as proxy for that resolution will be treated as invalid.

***“Relevant Intermediary”** has the same meaning ascribed to it in section 181 of the Companies Act, Chapter 50.
3. The instrument appointing the Chairman of the AGM as proxy must be, if submitted by post, be lodged with the Company’s Share Registrar at **50 Raffles Place, #32-01, Singapore Land Tower, Singapore 048623**, or submitted by way of email to **greenbuildagm@gmail.com** not less than 48 hours before the time set for the AGM.
4. The instrument appointing the Chairman of the AGM as proxy must be under the hand of the appointor or of his attorney duly authorised in writing. Where the instrument appointing the Chairman as proxy is executed by a corporation, it must be executed either under its common seal or under the hand of its attorney or a duly authorised officer.
5. Where an instrument appointing the Chairman of the AGM as proxy is signed on behalf of the appointor by an attorney, the power of attorney or a duly certified copy thereof must (failing previous registration with the Company) be lodged with the instrument of proxy; failing which the instrument may be treated as invalid.
6. CPF/SRS investors who wish to appoint the Chairman of the AGM as proxy should approach their respective CPF Agent Banks or SRS Operators to submit their votes at least seven (7) working days before the AGM in order to allow sufficient time for their respective CPF Agent Banks or SRS Operators to in turn submit a proxy form to appoint the Chairman of the AGM to vote on their behalf by the cut-off date.
7. The Company shall be entitled to reject a proxy form if it is incomplete, improperly completed, illegible or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified in the proxy form. In addition, in the case of shares entered in the Depository Register, the Company may reject a proxy form lodged if the member, being the appointor, is not shown to have shares entered against his/her/their name in the Depository Register as at 72 hours before the time appointed for holding the AGM (or at any adjournment thereof), as certified by The Central Depository (Pte) Limited to the Company.

Personal Data Protection:

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

改善城市环境 铸造百年企业

IMPROVING THE URBAN ENVIRONMENT
CREATING A CENTENNIAL ENTERPRISE



GREEN BUILD TECHNOLOGY LIMITED

WWW.WEBGBT.COM

China: 7 Hongjun Street, Nangang District,
Harbin, Heilongjiang, P.R. China

Singapore: 24 Raffles Place #20-03, Clifford Centre,
Singapore 048621