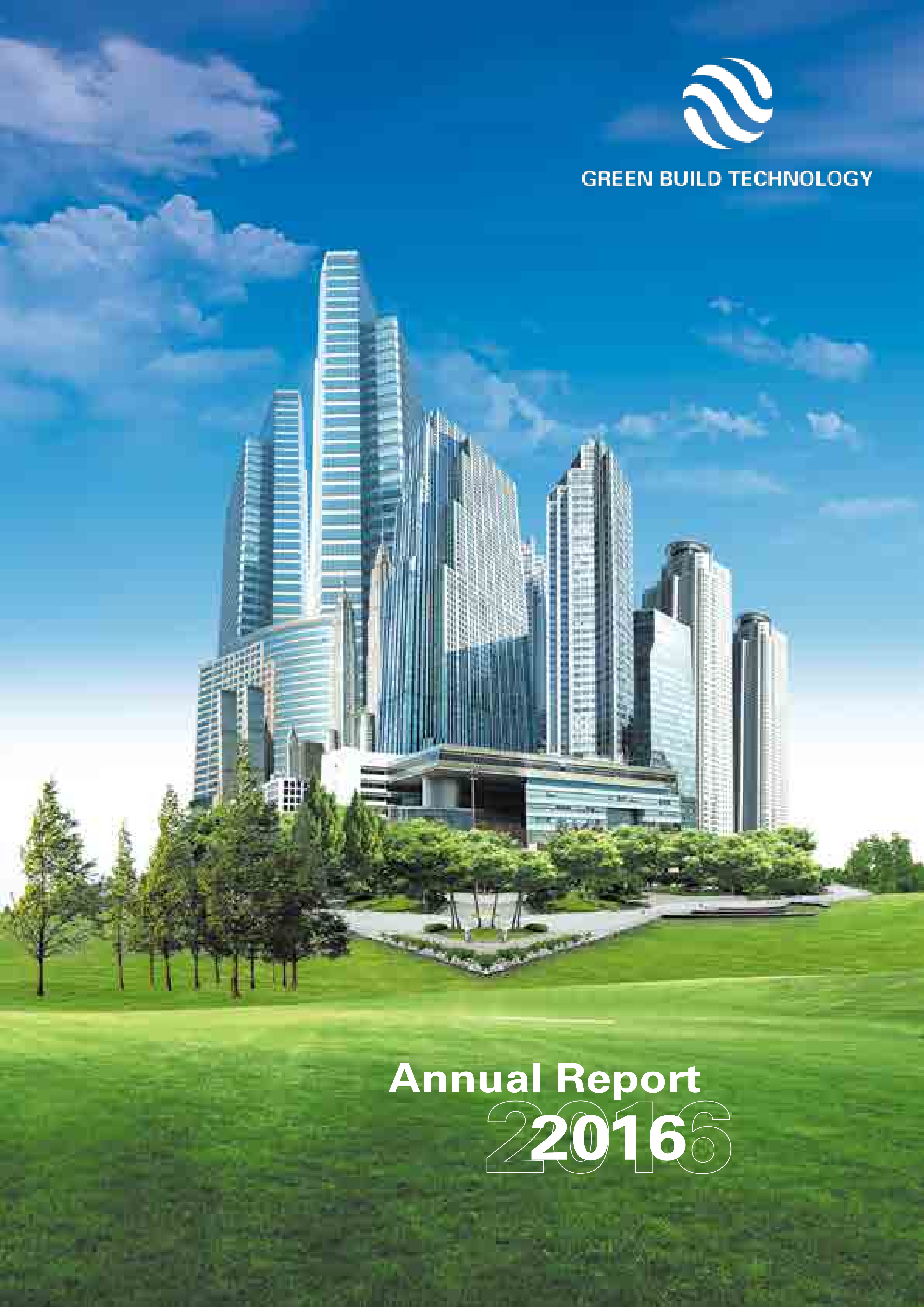

GREEN BUILD TECHNOLOGY

Annual Report 2016

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BOARD OF DIRECTORS :
Zhao Lizhi (Executive Chairman)
Wu Xueying (Executive Director and Chief Executive Officer)
Henry Li Mingyang (Executive Director, appointed on 1 March 2016)
Kuan Cheng Tuck
Gallen Tay Wi Keng (Independent Director, appointed on 1 July 2016)
Dong Congwen (Independent Director, appointed on 1 July 2016)

AUDIT COMMITTEE :
Kuan Cheng Tuck (Chairman)
Gallen Tay Wi Keng
Dong Congwen

NOMINATING COMMITTEE :
Gallen Tay Wi Keng (Chairman)
Kuan Cheng Tuck
Dong Congwen

REMUNERATION COMMITTEE :
Kuan Cheng Tuck (Chairman)
Gallen Tay Wi Keng
Dong Congwen

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Lim Kok Meng, LLB

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Facsimile: (65) 6407 1501

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COMPANY REGISTRATION NUMBER :
200401338W

AUDITOR :
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16 Raffles Quay #22-00
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Partner-in-charge :
Lim Pang Yew, Victor
Appointed since financial year ended
31 December 2016

SHARE REGISTRAR :
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LEGAL ADVISERS :
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PRINCIPAL BANKERS :
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Harbin City, Heilongjiang Province
People's Republic of China

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Harbin City, Heilongjiang Province
People's Republic of China

Agricultural Bank of China, Harbin Branch
18 Fourth Avenue, Daoli District
Harbin City, Heilongjiang Province
People's Republic of China

China Construction Bank, Harbin Branch
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Harbin City, Heilongjiang Province
People's Republic of China

CORPORATE PROFILE

Green Build Technology Limited ("Green Build" or "the Company") was founded on 6 February 2004. Its stock trading code on the Singapore Exchange is Y06. Currently, its subsidiaries in China include Harbin Shengming Energy Saving and Technology Co., Ltd., Harbin Utility Tunnel Construction and Management Co., Ltd., Harbin Prevailing Municipal Engineering Co., Ltd. and Harbin Superior Construction Materials Trading Co., Ltd.. In 2016, the Company completed the disposal of its packaging business to focus on urban infrastructure construction, comprehensive refurbishment of old estates and the investment, management and operation of energy-saving and environmental projects.

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

The Company has one of the best R&D teams in the industry in energy-saving technology. It gathers a legion of industry experts and researchers, working together with the leading R&D units of China Academy of Building Research, Shanghai Research Institute of Building Sciences, Shenzhen Institute of Building Sciences, Nanyang Technological University, Singapore Environment Institute and Harbin Institute of Technology to conduct extensive research into green redevelopment of building, and has obtained relevant patents in this field.

Through years of effort, the Company is now well-recognised and well-regarded by the industry. The Company was invited to participate in the third, fourth and fifth sessions of the "Heilongjiang Provincial People's Congress", presented in the Prevention of Air Pollution seminar in Heilongjiang Province as keynote speaker, organised the "create low-carbon city, build Green Harbin" seminar at the Harbin International Cold Zone Expo. The Company was also the only keynote speaker from Harbin at the Eleventh International Conference of Green Development and Energy Saving to speak on "Countering Smog – Promoting green redevelopment on existing building". The Company also participated in the Green City – Green Industry Forum 2014 in Magdeburg, Germany, and the Heilongjiang Province (Hong Kong) economic and trade cooperation activities 2015. It also organised the "New Norm, New Opportunities, New Model – Public-Private-Partnership ("PPP") and Heilongjiang Economic Development" seminar, which is the first PPP seminar in Heilongjiang.

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

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

CORPORATE PROFILE

企业简介

新加坡绿建科技集团成立于 2004 年 2 月 6 日，股票交易代码 Y06，目前在中国境内有哈尔滨圣明节能技术有限责任公司、哈尔滨市管廊建设管理运营有限公司、哈尔滨既有市政工程有限公司等多家子公司。2016 年公司将原有包装业务成功剥离，专注从事城市基础设施建设、老城区综合改造和节能环保产业项目的投资、管理、运行产业。

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

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

通过多年的努力，在中国行业影响上受到多方肯定，受邀参加“黑龙江省十二届人大三次、四次、五次会议”、出席黑龙江省大气污染防治研讨会并做主旨发言、主办哈尔滨国际寒地博览会“打造低碳城市▪建设绿色哈尔滨高峰论坛”、在第十一届国际绿色建筑与建筑节能大会上的圣明节能作为黑龙江省唯一一家企业代表进行《雾霾时代——全面推进既有建筑绿色化改造》的主题演讲，同时作为企业代表随团参加 2014 德国马格德堡“绿色城市－绿色产业论坛”、2015 黑龙江省(香港)经贸合作交流活动，主办“新常态、新机遇、新模式—PPP 与龙江经济发展”为主题的黑龙江省首个 PPP 模式研讨高峰论坛，引得各方关注。

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

2016 年，是中国“十三五”规划的开局之年，在这一年中，我们竭尽全力做好管廊项目建设，打造国内首批地下综合管廊建设的标杆项目；并精益求精的做好既有建筑一般性节能改造项目，改善居民居住环境，提升城市形象；大力推动了 PPP 模式在我市基础设施建设行业的应用，成为新模式的先驱者；加强了与金融机构的合作，形成全产业发展模式，推动我市经济发展；积极开拓疆土，在城市基础设施建设领域再创辉煌。

CHAIRMAN'S STATEMENT

CHAIRMAN'S STATEMENT

Dear stakeholders,

Thousands of sailboats are competing to win. We are setting sail on a long voyage by ploughing through the winds and riding through the waves.

A progress in one year, a leapfrog development in one year. In 2016, Green Build Technology Limited ("Green Build" or "the Group") had obtained a great achievement through our hardships, passion and determination. In upholding the ancient precept of "as heaven keeps vigor through movement, a gentleman should unremittingly practice self-improvement", the Group also painted grand development with exciting scene through its strengths demonstrated. In the past four years, in endorsing our corporate mission of "improving the urban environment, casting a century enterprise", the Group had built a number of significant projects timely and endlessly; lifted up the backbone of the city for long-term basis; and composed a harmonious movement to improve resident's livelihood in the interest of the society.

To stand at the crest of the era, we must develop courage; and we are not afraid of difficulties because our dreams are firm and strong. We believe every staff will become the driving force for the enterprise's transformation, devoting passion to create a big era with full enthusiasm with the aim of making the Group becoming a respectable enterprise. In 2017, the Group's marching footsteps are still sonorous. We believe that the Group will breakthrough all the difficulties and achieve greater success with the relentless exploration and hard work from all the employees.

Zhao Lizhi
Chairman of the Board of Directors

董事局主席致辞

百舸争流千帆竞
乘风破浪正远航

一年一个台阶，一年一步跨越。在2016年的成绩单上，绿建科技集团收获了满枝硕果，我们有逆水行舟的艰辛，有百舸争流的激越，有千帆竞发的态势。天行健，君子以自强不息，绿建以勇往直前的魄力践行这条古训，也正用实力描绘出一幅幅令人振奋的恢弘发展画卷。

四年来，我们秉承“改善城市环境，铸造百年企业”的企业使命：驰而不息，建成了一批实实在在的重大项目；立志百年，立足长远，托起了一座久久为功的城市脊梁；惠民利民，谱写了一曲改善民生的和谐乐章。

我们不畏惧困难，因为我们的梦想坚定而有力，要站在时代的浪尖，就要拿出湍流激浪的勇气。我们深信，每一位绿建人，都将成为企业转型的动力，以饱满的激情投入到开创大时代的舞台之上，使绿建集团成为一家受人尊敬的企业。2017年，绿建稳健、进发的足音依然铿锵，相信在坚持不懈的探索和耕耘中，绿建必将一路闯关夺隘，一路风正帆悬！

赵立志
董事局主席

BOARD OF DIRECTORS

赵立志
绿建科技集团董事局主席

高级能源管理师，建筑节能专家，节能环保产业知名企业家，黑龙江省土木建筑学会绿色建筑专业委员会委员、哈尔滨市绿色建筑专业委员会秘书长、哈尔滨工业大学、哈尔滨商业大学MBA教育中心、哈尔滨商业大学商业经济研究院等大学特聘教授。二十多年建筑企业管理及工程管理经验，拥有丰富的现代企业管理与资本运营、建筑节能技术开发与工程管理、公共设施建设等先进理论和实践经验。自主研究发明、实用新型、外观设计专利百余项。所创企业先后被评为黑龙江省省级专利工作试点单位、2006年第三批全国企事业知识产权工作试点单位、高新技术企业黑龙江节能门窗产业化基地。全国首创了“专利技术零点输出”的合作模式，为国家节能环保事业做出了重要贡献。自2010年以来，全程参与哈尔滨十大惠民工程项目--既有建筑节能改造工程。2013年，率先以合同能源管理模式在哈尔滨市三沟沿岸LED照明试点工程项目上取得成功。2014年1月6日，受邀参加“黑龙江省十二届人大三次会议企业列席人员座谈会”，并代表企业家发言，提出了针对老城区“关于太阳能结合天然气替代燃煤锅炉供暖”的议题，为雾霾天气的治理提供了新的解决途径，并引起社会各界人士的广泛关注。作为专家代表参加国家标准《既有建筑改造绿色评价标准》的编制工作。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，赵总主导绿建科技明确了未来将立足于绿色建筑产业、城市基础实施建设的战略目标，通过技术创新、管理创新、运营模式创新、资本运作持续提高产品附加值，形成自身核心竞争力，打造品牌，全面提升企业素质，将公司打造成为国际化具有自身经营特色、主营业务突出、持续发展的绿色建筑产业集团。

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

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

He has scored more than 100 of invention patents under his name, which related to new practical models and designs. His business has been chosen as a pioneer for provincial-level patent work in Heilongjiang Province, one of the third batch of pioneer for intellectual property right of national enterprises and institutions and Heilongjiang energy-saving door and window industrialization base for high-tech enterprises in 2006. He has made great contributions to the national energy-saving and environmental protection with the new business mode of “the Patented Technology Zero Point Output” in China.

Since 2010, he has participated in the insulation projects to transform the existing buildings, which are beneficial to the residents. In 2013, he has also undertaken an urban LED lightings project based on the Engineering, Procurement, and Construction (“EPC”) model and has a great achievement. On 6 January 2014, he was invited to attend the “Non-voting Attendee Seminar of the Third Session of Heilongjiang 12th People’s Congress”. In the seminar, he delivered a speech on behalf of all experts and also raised a topic on “the Replacing Coal-fired Boiler-based Heating with Combined Solar Energy and Natural Gas” in the old urban districts which providing a new solution to the control of haze weather conditions and arousing widespread attention. 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 government. He became a prominent figure in the industry.

As the chairman of the board of Green Build Technology Limited, Mr Zhao is leading the group to the future and clear that the green building industry and the urban infrastructure is the strategic objectives. They will be achieved by technological innovation, management innovation, business model innovation, capital efficiency, increase in competitiveness, branding, enterprise quality improvement, and making the group be internationalised, prominent and sustainable.

BOARD OF DIRECTORS

武雪莹
绿建科技集团总裁兼哈尔滨市管廊建设运营管理有限公司总经理

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

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

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，具有强大的行业推动力与影响力。

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

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

She became involved in the energy conservation management industry in 2010, which is a relatively young industry in the PRC. She has participated in the insulation projects to transform the existing buildings from 2010 to 2013, pursuant to which she gained practical experience in managing numerous aspects of projects of such natures. She has outstanding achievements in many fields with profound theoretical foundations and rich practical experiences in corporate management.

Ms Wu delivered an importance speech of "Building energy saving and heating transformation – The effective way for haze control" in Heilongjiang Province Seminar for Atmospheric Pollution Prevention and Control in 2014. Her unique views were unanimously recognised by the experts attending the seminar, and attracted full attentions from society after being reported by the media. She also delivered important speeches on "Vigorously promote the comprehensive transformation of the old urban districts based on the three transitions" and "Develop Green Buildings and Usher in Green Economic Development" in two separate forums on the Harbin International Cold Fair, respectively. It was highly praised by the experts attending the forum, and received exclusive interviews from more than ten media companies including CCTV and Heilongjiang TV, and attracted attention from the Municipal Government and Provincial Government. She delivered work report to the provincial leaders as the only entrepreneur on NPC and CPPCC, and was highly praised by the Secretary of Provincial Party, Mr Wang Xiankui. In 2015, she was the only business representative to speak in 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 in the "New opportunity with new business model - PPP and Longjiang Economic Development Summit Forum 2015". In 2016, she published an article of "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".

BOARD OF DIRECTORS

亨利李
绿建科技集团执行董事

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

Mr Henry Li Mingyang was appointed as an Executive Director of our Company on 1 March 2016. He is in charge of the business development of the Company. 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 of Criminal Law.

关正德
绿建科技集团独立董事

关正德先生在2014年6月10日受聘为绿建集团的独立董事。他是审计委员会和薪酬委员会的主席，也是提名委员会的成员之一。他是新加坡南洋理工大学会计学士学位，新加坡国立大学法学硕士（主修公司及金融服务法）及英国伦敦大学法学荣誉学士学位，新加坡和英国特许会计师。在会计、审计和财务咨询领域逾20年经验，创办自己的财务咨询公司及会计事务所且为数家新加坡及香港上市公司之非执行独立董事。

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

BOARD OF DIRECTORS

郑伟庆
新建科技集团独立董事

郑伟庆是一位特许金融分析师(CFA Charterholder)。2000年毕业于新加坡南洋理工大学。先后在新加坡Bayerische HypoVereinsbank AG 担任MIS亚洲总部负责人；在新加坡Midas Investment Management Limited担任证券投资经理；New Harbour Capital Partners 担任研究分析师；在新加坡政联公司担任企业融资顾问；在Eastern Holdings Limited担任投资经理；现任S.E.A. Asset Management Pte Ltd首席投资官。

Mr Gallen Tay Wi Keng is a chartered financial analyst (CFA Charter holder). He graduated from Nanyang Technological University in Singapore in 2000, and acted as the head of Asian headquarters of MIS in Singapore Bayerische HypoVerinsbank AG; securities investment manager in Midas Investment Management Limited in Singapore; research analyst in New Harbor Capital Partners; corporate financing consultant in Singapore's political union; investment manager in Eastern Holdings Limited, and now he acts as the CIO in S.E.A. Asset Management Pte. Ltd.

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。

Dong Congwen is a professor of the Management College of Harbin University of Commerce, senior professor of MBA of Harbin University of Commerce, master's supervisor of business administration discipline and marketing discipline, he also acts as the vice president of Heilongjiang Counselor Association, head of Management and Advisory Commission of Association for Advancement of WTO of Heilongjiang Province, managing director and director in over 10 social organizations and research communities, such as Heilongjiang Association of Entrepreneurs, Heilongjiang Academy of Management., etc. He mainly focuses in 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 acted as management consultant for dozens of enterprises in Heilongjiang Province, and provided valuable advice to the enterprises.

KEY EXECUTIVES

黎兆坤
绿建科技有限公司 财务总监

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

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

王红
绿建科技集团 常务副总裁

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

在行政管理、活动策划方面具有丰富的实战经验，曾作为哈尔滨电视台都市发现栏目责编，管理栏目记者日常采访分配、评分、分组事宜，年终独立承担优秀新闻片参评的准备工作，同时策划大型直播节目《端午志愿行》、《布拉曼登陆冰城》、《萧红足迹》，都市大篷车等活动，受到社会广泛关注。加入绿建科技后主要负责行政、人事、企划、安监等全面工作，策划集团参加哈尔滨国际寒博会的全部展示活动及承办“打造低碳城市，建设绿色哈尔滨”高峰论坛、新常态新机遇新模式——PPP与龙江经济发展2015高峰论坛，组织集团2014、2015和2016年度盛会，都取得了非常好的宣传效果。其创办的《绿建科技月刊》、《年刊》都得到了广泛的传播，为展示企业形象增添助力。同时在新媒体行业也广有涉猎，在微博微信推广方面具有独到的见解与方法，对企业全方位的数字化宣传、媒介推广、大众传播起到积极的推动作用。

Ms Wang Hong is the Deputy Vice President of our Green Technology Division in charge of the administration, public relations and business development department. Prior to joining our Group in 2014, she served as a reporter of Harbin Television Station for more than 5 years, during which she conducted independent interviews and editing to produce news clips, whereby she obtained lots of media experience and has been granted a honourable title "Top Ten Reporters" for several times. The series reports "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 granted the first prize of 2010 Harbin good news, the special news topic "Whether Money Should Be Paid for Tickets for Job Fairs" was granted the third prize of 2010 Harbin good news and such investigative news 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 widely 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 skill and good interpersonal skill.

KEY EXECUTIVES

With practical experiences in administrative management and event planning, she was tasked to be the editor-in-charge of "City Discovery" Program in Harbin TV Channel, 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 the 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 posed extensive attention. She was put in charge for all the exhibition events of the Group in Harbin International Cold Fair after being employed by Green Build Technology Co., Ltd., 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", organised the annual dinner for the Group with great achievement in promoting the Group's image. The Group's monthly and yearly magazines that in charge by her have been widely spread and also helped to promote the corporate image.

At the same time, she is also familiar with the various new media industry, and has unique insights and experiences in microblogging and Wechat popularization, and played a very positive role in the all-round digital publicity of enterprises, media promotion and mass communication.

蒋喜坤
绿建科技集团 副总裁
哈尔滨圣明节能技术有限责任公司 总经理

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

Mr Jiang Xikun is the Deputy Vice President of our Green Technology Division and General Manager of Harbin Shengming Energy Saving and Technology Co., Ltd. From 1981 to 2013, he serviced as a clerk, vice section chief, office director, director of the dilapidated house office, manager of a real estate development company and director of a housing management department successively, with a senior professional title. From 1995 to 1999, he served as Director of Dilapidated House Office of Daoli Real Estate Management Department, during which he was responsible for the transformation of dilapidated houses located at No. 50 Hongxia Street, No. 7 Tongjiang Street, No. 114 Anning Street, and No. 99 Jianguo Street at Daoli District, with a total transformed area of 150,000 square meters and the renovation of dilapidated houses located at the intersection of Aidemengdun Road and Zhigong Street, with a transformed area of 170,000 square meters. In 2000, he served as Director of Dilapidated House Office of Harbin Housing Group where he conducted tranformation of dilapidated houses located at Taigu Street, Daowai District and at the section of Weixin Street, with a total transformed area of 125,000 square meters. He has been engaged in housing management, heat supply management, project supervision and property management. He also participated in the compilation of the whole book of China Real Estate Encyclopaedia and published 17 thesis in China Real Estate Journal, which state the new ways of economy development by real estate development, intermediate project and construction management, social benefits of urban heat supply and property management and how to tap staff's potential so that they can exert greater roles in work, respectively. He has made a number of speeches to state his opinions and accumulated rich management and service experience through combination of theory and practice. He has a good grasp of team management and has skill effective practical experience.

KEY EXECUTIVES

孙洪磊
绿建科技集团 副总裁
哈尔滨市管廊建设运营管理有限公司 常务副总

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

Mr Sun Honglei is the Deputy Vice President of our Green Technology Division and Deputy General Manager of Harbin Utility Turmell Construction and Management Co., Ltd. He is a National registered construction engineer, senior engineer, Harbin city green building Specialized Committee experts. 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 and also participated as design consultant for numerous other projects in China, such as the design of India style in Guogeli street; Nangang city night landscape renovation project design, decoration business transformation Qiulin architectural design; existing building decoration and energy-saving design to certain major streets including Liushun Street, Garden Street, Wenchang street, Jingwei street; landscape decoration engineering design projects including Wenchang bridge, eight Street bridge tunnel, Wen Zheng Dacheng Street Bridge, bridge, Pioneer Road. At the same time, he acted as technical consultant in many building energy-saving design including Heihe, Tahe, Zhaodong, Qigihar, Mudanjiang, Yilan, Yanji, Inner Mongolia province and overseas. He has strong theoretical foundation and practical experience in such fields as building decoration, energy-saving renovation and upgrading design. Mr Sun has also participated in the preparation of the National Standard for Green Evaluation of Energy-Saving Upgrading of Existing Buildings as private enterprise representative and the preparation of the Guidance on Implementation of the Standard for Green Evaluation of Energy-Saving Upgrading of Existing Buildings.

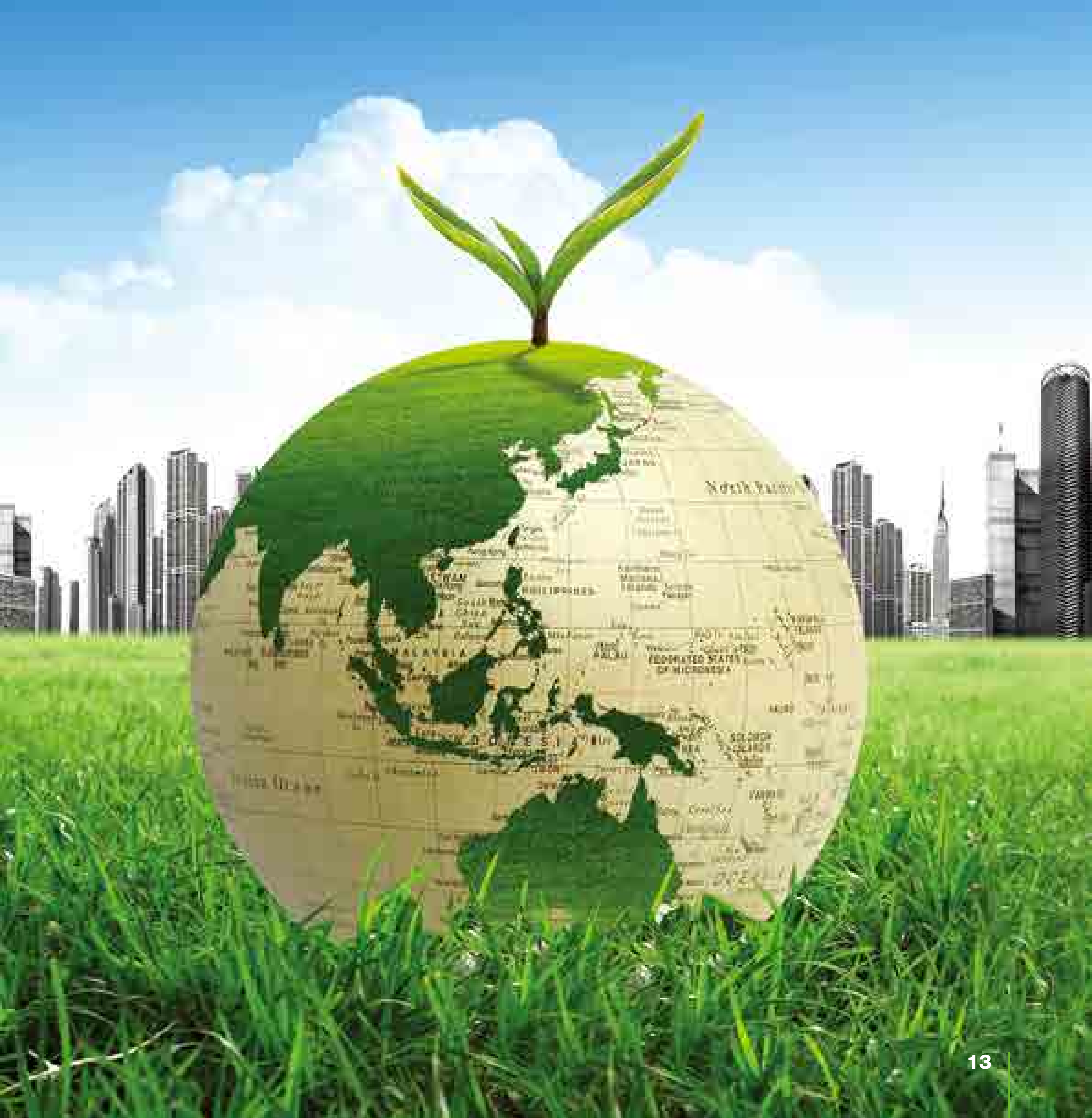
杨笑宇
绿建科技集团 副总裁

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

Mr Yang Xiaoyu is the Deputy Vice President of our Green Technology Division. He 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 achieved his career 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 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, No. 1 comprehensive training center area B and etc. He won several awards, such as 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 engineering construction and supervision, real estate development, coal mine expansion and building energy conservation and etc.

GREEN BUILD TECHNOLOGY

绿建科技



CORPORATE SOCIAL RESPONSIBILITY

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

Commitment to Shareholders

Investor Relations (IR)

As a public-listed company, we abide by the compliance rules in providing transparent, relevant and up-to-date information to our shareholders and the investing community. We make this information available 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 to our Singapore office.

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

In engaging with the investment community, we organised sharing session and meetings with analysts, funds and financial media in 2016. Our Chairman and CEO were present in the meetings with analysts and institutional investors. Through the interaction and discussion during the meeting, the investment community in Singapore were able to understand our business, the nature and progress of our projects and our growth strategies better.

Commitment to Employees

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

At the beginning of 2016, we organised a management retreat to Sanya, Hainan. During the retreat, the top management shared the Group's strategic directions to the various departments,

CORPORATE SOCIAL RESPONSIBILITY

and conducted team building activities to create better synergy among the departments, galvanizing the employees and staff to work toward a common goal.

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

Health & Safety

In conducting the construction work of our projects, we expect our subcontractors to adhere to strict safety protocols and ensure acceptable workplace health and safety. All necessary safety orientations and training are conducted at the worksites. We aim for zero accident at the worksites and is pleased to report that there were no accidents on our project sites in 2016.

Training

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

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

Other than knowledge upgrading training, the Group's CEO also conducted ideological and moral training to the Group's staff to communicate and impart the idea of "attitude decides success or failure".

Welfare

Our employees are important resources and the company need to take care of them to boost their morale and loyalty to the company, and to foster closer working relationships with one another. The company organised an internal recruitment exercise whereby positions will be filled by a competitive selection process in July 2016. This provided the opportunity for those excellent staff to be promoted.

The company also organised its jogging competition in June 2016 to promote healthy lifestyle. Staff and employees of all ages are divided into teams to participate in games to inculcate active living and foster team spirit.

Commitment to Customers

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

Our other customers are the residents of the estates which we upgraded. Our building insulation projects and underground utility tunnel project bring benefits to the residents. 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 so that the residents can have peace of mind.

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

Commitment to Community

Our work is community driven, as spelt in our Corporate Vision, Mission and Values. Apart from bringing benefits to the community through our estate upgrading projects, we also carried out week-long publication activities on topic related to integrity, as well as established the Discipline Inspection Department and strengthened discipline inspection to improve the enterprise's internal control mechanism as part of the enterprise sustainability development.

OPERATING AND FINANCIAL REVIEW

1. Statement of Comprehensive Income

	Group		
	FY2016 RMB'000	FY2015 RMB'000	Increase/ (Decrease) %
Continuing operations:			
Revenue	837,640	90,828	822.2%
Cost of sales	(799,383)	(69,660)	1047.5%
Gross profit	38,257	21,168	80.7%
Other income	12	19	(36.8%)
Administrative expenses	(14,101)	(10,530)	33.9%
Other expenses	(829)	–	N.M
Profit from continuing operations	23,339	10,657	119.0%
Finance income	5,898	743	693.8%
Finance cost	(11,717)	(5,740)	104.1%
Profit before tax from continuing operations	17,520	5,660	209.5%
Income tax expense	(5,489)	(3,544)	54.9%
Net profit for the year from continuing operations	12,031	2,116	468.6%
Discontinued operation:			
Profit for the year from discontinued operations, net of tax	–	2,403	N.M
Net profit after tax for the year	12,031	4,519	166.2%
Net profit/(loss) after tax for the year attributable to:			
Equity holders of the Company			
Profit from continuing operations, net of tax	12,034	2,116	468.7%
Loss from discontinued operations, net of tax	–	(4,515)	N.M
	12,034	(2,399)	N.M
Non-controlling interest			
Loss from continuing operations, net of tax	(3)	–	N.M
Profit from discontinued operations, net of tax	–	6,918	N.M
Net profit after tax for the year	12,031	4,519	166.2%

N.M – Not Meaningful.

OPERATING AND FINANCIAL REVIEW

Performance Review - Overall

The Group was awarded an insulation project and an underground utility tunnel project in FY2015. Both projects are in the form of Public-Private-Partnership ("PPP"). The revenue recognition of these PPP projects is based on the requirements of INT FRS 112.

The revenue from continuing operation contributed positively to both the Group's revenue and profitability for FY2016. The insulation project had been fully completed by December 2016 while the underground utility tunnel project was approximately 68.0% completed as at 31 December 2016. Therefore, the revenue from continuing operation increased to RMB837.6 million in FY2016 from RMB90.8 million in FY2015. Net profit from continuing operation after tax attributable to equity holders of the Company was RMB12.0 million as compared to RMB2.1 million for the corresponding period.

Net profit from continuing operation after tax attributable to equity holders of the Company fell by RMB5.1 million from RMB17.1 million earned during the six months ended 30 June 2016 to RMB12.0 million for the year ended 31 December 2016. This is mainly due to the unanticipated additional costs of RMB55.9 million incurred for the insulation project. The additional costs were incurred for the additional work required in certain districts to fulfil the safety construction standards. Such additional costs are not compensated by any additional subsidies from the government.

Revenue and Gross Profit

Revenue from continuing operation increased to RMB837.6 million in FY2016, mainly driven by the completion of the insulation project and the 68.0% completion of underground utility tunnel project.

The gross profit margin from continuing operation was 4.6% in FY2016 as compared to 23.3% in FY2015. The decrease is mainly due to the additional costs incurred for the insulation project. Besides, the Company made a full provision for a contract work-in-progress associated with a car park development project located in the Hebai estate during the year, amounting to RMB32.0 million. This follows concerns that the project may not be able to be brought to fruition amid local residents' concerns about the impact of the development on the neighbourhood.

Other Profit & Loss Items

The finance income is mainly related to the finance income of RMB5.6 million arising from the service concession arrangements for the insulation and underground utility tunnel projects.

The increase in administrative expenses from continuing operation was mainly due to the directors' remuneration which has increased by RMB1.3 million based on the service agreements with two executive directors starting from 1 July 2016. The administrative expenses also increased by RMB0.9 million and RMB0.5 million in Harbin Superior Construction Materials Trading Co., Ltd and Harbin Utility Tunnel Construction and Management Co., Ltd respectively. These two subsidiaries were incorporated in November 2015.

Finance cost increased by RMB6.0 million in FY2016 was mainly due to the bank borrowings of RMB428 million obtained during the year. The finance cost in FY2015 mainly comprised the interest expense of RMB4.1 million charged on the balances due to the purchaser of the packaging business.

Income tax expenses mainly relate to the profit generated from underground utility tunnel projects.

2. Statement of Financial Position

	Group	
SELECTED DATA	31 Dec 2016 RMB'000	31 Dec 2015 RMB'000
Total assets	813,557	212,322
Contract work-in-progress	–	32,355
Trade receivables	578,047	91,864
Other receivables and prepayments	21,574	84,092
Cash and bank balances	211,659	609
Other assets	2,277	3,402
Total liabilities	746,861	171,417
Trade and bills payables	250,651	38,006
Other payables and accruals	46,408	19,131
Loans and borrowings	433,365	103,316
Other liabilities	16,437	10,964
Total shareholders' equity	64,777	40,905

Trade receivables (non-current and current) were mainly due to receivables from government for the insulation and underground utility tunnel projects. The increase in total trade receivables (both current and non-current) of RMB486.2 million was mainly due to the insulation project which was fully completed in December 2016 and the underground utility tunnel project which was completed by approximately 68.0% as at 31 December 2016. Receivables amounting to RMB240.9 million was classified as non-current, since such amount will only be received from the government after 12 months. As at 31 December 2016, the outstanding amount of RMB50.5 million was due from Heilongjiang Jiuli Construction Co., Ltd ("Jiuli") for the sub-construction work done for them.

The decrease in contract work-in-progress as at 31 December 2016 was due to full provision made for the construction in progress for the car park in Hebai Estate during the year.

The prepayments mainly relate to the advances given to the sub-contractors for the project constructions. It has decreased by RMB32.4 million to RMB17.1 million in FY2016 mainly due to the settlement of balances with sub-contractors by year end.

The decrease in other receivables of RMB30.2 million was mainly due to the settlement of outstanding proceeds from disposal of packaging business and the receipts of government grant for Hebai project amounting to RMB25.0 million and RMB6.7 million respectively in FY2016.

The increase in trade payables and bills payables by RMB212.6 million was in line with the increase in the construction costs.

OPERATING AND FINANCIAL REVIEW

The increase in other payables and accruals by RMB27.3 million was mainly due to the increase in output Value Added Tax ("VAT") of RMB16.6 million for the underground utility tunnel project and the output VAT of RMB10.3 million for the revenue generated in two subsidiaries.

Increase in loan and borrowings relates to the loans drawn down from the banks for working capital purpose and partially offset by the loans from related parties, shareholder and external parties decreased by RMB98.0 million, due to repayments made during the year.

Following another profitable period, the Group's net equity attributable to the shareholders of the Company amounted to RMB64.8 million as at 31 December 2016 as compared to RMB40.9 million as at 31 December 2015. The Group's net current assets position also improved and stood at RMB86.0 million as at 31 December 2016 as compared to RMB38.3 million as at 31 December 2015. The Company was in a net assets position of RMB11.6 million as at 31 December 2016 as compared to RMB6.8 million as at 31 December 2015.

3. Statement of Cash Flow

	Group	
	FY2016 RMB'000	FY2015 RMB'000
Cash used in operating activities	(142,404)	(18,594)
Cash from/(used in) investing activities	13,170	(34,451)
Cash from financing activities	194,102	47,666
Net increase/(decrease) in cash and cash equivalents	64,868	(5,379)
Cash and cash equivalents as at beginning of year	609	5,988
Cash and cash equivalents at end of year	65,477	609

The net increase in cash and cash equivalents for the year ended 31 December 2016 was mainly due to net cash from investing activities of RMB13.2 million and financing activities of RMB194.1 million respectively, and partially offset by net cash used in operating activities of RMB142.4 million.

4. Key Risk Factors & Risk Management

Risk of dependency on the level of the PRC government's spending and involvement in energy conservation management projects. As a significant source of the revenue of the Group's Green Technology 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, manage and operate the insulation project and the underground utility tunnel project over a concession period of 10 and 25 years respectively from 2017. Additional revenue and cash flows are expected during the concession period.

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

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

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

Furthermore, the Group manages its 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 material of

OPERATING AND FINANCIAL REVIEW

acceptable quality and at acceptable price in a timely manner. Further, fluctuations in the prices of these raw materials will have a significant impact on the profit margins and hence the profitability. Such fluctuations has a direct impact on the prices of raw materials. The lack of availability of these raw materials will also have a significant impact on the Group's operations.

Project Expansion Risk

The Group has expanded its business to include those of upgrading existing infrastructure using green architecture and green technology, which is a relatively young industry in the PRC. In October 2015, the Group further announced that it had secured a underground utility tunnel project which involves the construction of underground utility tunnel covering a length of about 12 km in the Southern Harbin Industrial New Town area and the Harbin airport area, and will be entitled to manage and operate the underground utility tunnel project over a concession period of 25 years from 2017. 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.

Credit risk

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

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

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.

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

Liquidity risk

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

OPERATING AND FINANCIAL REVIEW

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

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

Currency risk

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

The Group does not have significant currency exposures.

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

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

Interest rate risk

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

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

5. Returns to Shareholders

After disposal of the packaging business, the Group recorded another year of profitability in FY2016. The earnings per share from continuing operations for FY2016 was RMB 4.91 cents compared to RMB 0.89 cents in FY2015. The net asset value per share for FY2016 was RMB 26.42 cents as compared to RMB 17.13 cents in FY2015.

For the year ended 31 December 2016, the Board of Directors does not recommend any dividends payout as the Group is currently in a rapid expansion phase for its new green technology business and foresees better use of this cash flows being plough back to operations compared to a dividend payout. The Board of Directors will continue to work hard to generate greater shareholder value and returns and is looking forward to continued positive contributions from the new income stream brought in by the Group's green technology business.

6. Prospects & Plans

As at 31 December 2016, the insulation project had been fully completed while the underground utility tunnel project has been completed up to approximately 68.0%. Upon the completion of these two projects, the Group will be entitled to manage and operate the insulation project and the underground utility tunnel project over a concession period of 10 and 25 years respectively from 2017. Additional revenue and cash flows are expected during the concession period.

During the financial year under review, Harbin Shengming Energy Saving and Technology Co., Ltd ("Shengming"), a wholly-owned subsidiary of the Company entered into a strategic framework agreement (the "Strategic Framework Agreement") with Zhongjieneng Liuhe Tianrong Environmental Conservation Technology Co., Ltd ("Zhongjieneng"), a wholly-owned subsidiary of China Energy Conservation and Environmental Protection Group. The Strategic Framework Agreement provides, inter alia, that Zhongjieneng will first set up Zhongjieneng Shengming Intelligence Urban Construction Co., Ltd, a company in the PRC (the "New Entity") to undertake projects in the PRC. Shengming shall be responsible for seeking such projects in the name of the New Entity after its establishment. Under the terms of the Strategic Framework Agreement, any profits or income generated from the new projects awarded to the New Entity pursuant to the terms of the Strategic Framework Agreement will be divided amongst Zhongjieneng and Shengming equally.

Management will continuously source and tender for sustainable development projects in 2017. The Group is optimistic of its green technology business as the market for its energy conservation services and sustainable development solution is immensely huge in China.

CORPORATE GOVERNANCE

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

Good corporate governance is integral to a sound corporation as it promotes corporate transparency and protects and enhances shareholders' interest. This statement outlines the main corporate governance practices and processes that were in place since the financial year beginning on 1 January 2016 and ended on 31 December 2016 ("**FY2016**") and provides the rationale for areas where the Company has deviated from the Code.

(A) BOARD MATTERS

Board's Conduct of its Affairs

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

In FY2016, the Board of Directors (the "**Board**") comprised three (3) Executive Directors and three (3) Non-Executive and Independent Directors, all possessing the right core competencies and diversity of experience which enabled them to effectively contribute to the Group.

Mr Zhao Lizhi, with effect from 1 March 2016, had been re-designated as the Company's Executive Chairman. Mr Li Mingyang, with effect from 1 March 2016, had been appointed as the Chief Business Development Officer and Executive Director. With effect from 8 March 2016, Mr Li Bin resigned as an Executive Director of the Company. Mr Lu King Seng resigned as an Independent Director of the Company with effect from 1 April 2016. Mr Gallen Tay Wi Keng and Mr Dong Congwen, with effect from 1 July 2016, had been appointed as Non-Executive and Independent Directors of the Company. Dr Yao Fengge, with effect from 1 July 2016, had resigned as an Independent Director of the Company. As at the date of this Annual Report, the Board comprises the following members:

Mr Zhao Lizhi (Executive Chairman)
Ms Wu Xueying (Chief Executive Officer and Executive Director)
Mr Li Mingyang (Chief Business Development Officer and Executive Director)
Mr Kuan Cheng Tuck (Non-Executive and Independent Director)
Mr Gallen Tay Wi Keng (Non-Executive and Independent Director)
Mr Dong Congwen (Non-Executive and Independent Director)

The Board is responsible for:

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

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

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

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

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

Board Processes

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

CORPORATE GOVERNANCE

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

Board and Board Committee Meetings held in FY2016

For FY2016, the Board held 3 meetings and the attendance of each Director at the Board and Board Committee meetings is as follows:

<table>
<tr><th rowspan="2">Name</th><th colspan="2">Board</th><th colspan="2">Audit Committee</th><th colspan="2">Nominating Committee</th><th colspan="2">Remuneration Committee</th></tr>
<tr><th>No. of meetings held</th><th>No. of meetings attended</th><th>No. of meetings held</th><th>No. of meetings attended</th><th>No. of meetings held</th><th>No. of meetings attended</th><th>No. of meetings held</th><th>No. of meetings attended</th></tr>
<tr><td>Zhao Lizhi
(Executive Chairman)</td><td rowspan="9">3</td><td>3</td><td rowspan="9">4</td><td>4[1]</td><td rowspan="9">1</td><td>1[1]</td><td rowspan="9">1</td><td>1[1]</td></tr>
<tr><td>Wu Xueying
(Chief Executive Officer and Executive Director)</td><td>3</td><td>4[1]</td><td>1[1]</td><td>1[1]</td></tr>
<tr><td>Kuan Cheng Tuck
(Non-Executive and Independent Director)</td><td>3</td><td>4</td><td>1</td><td>1</td></tr>
<tr><td>Lu King Seng[3]
(Non-Executive and Independent Director)</td><td>1</td><td>2</td><td>1</td><td>1</td></tr>
<tr><td>Li Mingyang[5]
(Chief Business Development Officer and Executive Director)</td><td>2[1]</td><td>2[1]</td><td>1[1]</td><td>1[1]</td></tr>
<tr><td>Gallen Tay Wi Keng[6]
(Non-Executive and Independent Director)</td><td>1</td><td>2</td><td>–</td><td>–</td></tr>
<tr><td>Dong Congwen[7]
(Non-Executive and Independent Director)</td><td>1</td><td>2</td><td>–</td><td>–</td></tr>
<tr><td>Li Bin[2]
(Executive Director)</td><td>–</td><td>–</td><td>–</td><td>–</td></tr>
<tr><td>Yao Fengge[4]
(Non-Executive and Independent Director)</td><td>1</td><td>1</td><td>1</td><td>1</td></tr>
</table>

Notes:

(1) Attendance by invitation. Mr Li Mingyang attended one of the Board meetings by invitation prior to his appointment as an Executive Director on 1 March 2016.

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

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

(4) Dr Yao Fengge resigned as an Independent Director of the Company with effect from 1 July 2016.

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

(6) Mr Gallen Tay Wi Keng was appointed as a Non-Executive and Independent Director of the Company with effect from 1 July 2016.

(7) Mr Dong Congwen was appointed as a Non-Executive and Independent Director of the Company with effect from 1 July 2016.

Matters Requiring Board Approval

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

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

Training of Directors

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

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

Board Composition and Balance

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

As at the date of this Annual Report, the Board comprises six (6) Directors of which three (3) are Independent Directors. The three (3) Independent Directors are Mr Kuan Cheng Tuck, Mr Gallen Tay Wi Keng and Mr Dong Congwen. The criterion of independence is based on the definition given in the Code. The Board and the NC consider a Director to be "**independent**" if he has no relationship with the Company, its related corporations, its 10% shareholders or its officers that could interfere, or be reasonably perceived to interfere, with the exercise of that Director's independent

CORPORATE GOVERNANCE

business judgement with a view to the best interests of the Company. The Board and the NC are of the opinion that the Independent Directors satisfy these criteria. The NC is of the opinion that the Independent Directors are independent in character and judgement and that there are no relationships or circumstances which are likely to affect, or could appear to affect, their judgement. As at the date of this Annual Report, there are no Independent Directors of the Company who sit on the board of any of the Company's principal subsidiaries.

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

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

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

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

With three (3) out of six (6) 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.

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

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

The Board is of the view that its current composition of six (6) Directors is appropriate taking into account the scope and nature of the operations of the Company and of the Group, the requirements of the business and the need to avoid undue disruptions from changes to the composition of the Board and Board Committees.

Other key information on the individual Directors of the Company is set out in pages 6 to 9 of this Annual Report. Their shareholdings in the Company are also disclosed in the Directors' Statement. None of the Directors hold shares in the subsidiaries of the Company.

Executive Chairman

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

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

The Executive Chairman's role is to:

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

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

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

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

(e) ensure effective communication with shareholders;

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

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

(h) promote high standards of corporate governance.

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

As at the date of this Annual Report, Mr Zhao Lizhi is the Executive Chairman of the Company. The Company notes that Mr Zhao had been the Company's Non-executive Chairman from 1 January 2016 to 29 February 2016 in FY2016. However, Mr Zhao had been involved in day-to-day management of the Company and its subsidiaries, and Management had also frequently approached Mr Zhao for his advice in relation to the Group's business. As such, the Company had accordingly re-designated Mr Zhao as the Executive Chairman of the Company on 1 March 2016. In addition, the Company has also appointed Ms Wu Xueying as its Chief Executive Officer. In view of the key position played by the Group's Executive Chairman and the Chief Executive Officer, the Board has appointed 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, or the Financial Controller has failed to resolve the concerns. The Company will review and consider the appointment of a lead Independent Director in future.

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

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

CORPORATE GOVERNANCE

Board Membership

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

At the beginning of FY2016, the NC comprised Mr Kuan Cheng Tuck as the Chairman, and Mr Lu King Seng and Dr Yao Fengge as its members. Following the resignations of Mr Lu King Seng on 1 April 2016 and Dr Yao Fengge on 1 July 2016 as Directors of the Company, as well as and the appointments of Mr Gallen Tay Wi Keng and Mr Dong Congwen as Directors of the Company on 1 July 2016, the NC has been reconstituted to comprise Mr Kuan Cheng Tuck, Mr Gallen Tay and Mr Dong Congwen, with Mr Gallen Tay Wi Keng 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;

(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.

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

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

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

Name of Director	Date of Appointment	Date of Last Re-election	Directorship in Listed Company	
			Present	Past Preceding 3 years
Zhao Lizhi[1]	18 July 2014	21 April 2015	–	–
Wu Xueying	11 March 2014	29 April 2016	–	–
Li Mingyang	1 March 2016	29 April 2016	–	–
Kuan Cheng Tuck[2]	10 June 2014	21 April 2015	CNMC Goldmine Holdings Limited Kori Holdings Limited CW Group Holdings Limited[3]	–
Gallen Tay Wi Keng[4]	1 July 2016	–	–	–
Dong Congwen[5]	1 July 2016	–	–	–

Notes:

(1) Mr Zhao Lizhi was last re-elected on 21 April 2015, therefore in accordance with the Company's Constitution, he will be subject to re-election at this forthcoming AGM.

(2) Mr Kuan Cheng Tuck was last re-elected on 21 April 2015, therefore in accordance with the Company's Constitution, he will be subject to re-election at this forthcoming AGM.

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

(4) Mr Gallen Tay Wi Keng was appointed as a Director of the Company with effect from 1 July 2016, and therefore in accordance with the Company's Constitution, he will be subject to re-appointment at this forthcoming AGM.

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

Board Performance

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

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

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

With respect to FY2016 and after due evaluation, the NC considered the performance of each individual Director and the Board to be satisfactory. For avoidance of doubt, each member of the NC abstains from voting on any resolution in respect of the assessment of his performance or re-nomination as Director.

Access to Information

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

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

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

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

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

(B) REMUNERATION MATTERS

Procedures for Developing Remuneration Policies

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

At the beginning of FY2016, the RC comprised Mr Lu King Seng as the Chairman, and Mr Kuan Cheng Tuck and Dr Yao Fengge as members. Following the resignations of Mr Lu King Seng on 1 April 2016 and Dr Yao Fengge on 1 July 2016 as Directors of the Company, as well as the appointments of Mr Gallen Tay Wi Keng and Mr Dong Congwen as Directors of the Company on 1 July 2016, the RC was re-constituted to comprise Mr Kuan Cheng Tuck, Mr Gallen Tay Wi Keng and Mr Dong Congwen, with Mr Kuan Cheng Tuck appointed as the Chairman of the RC.

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

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

  (i) each Director;

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

  (iii) senior management of the Group; and

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

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

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

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

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

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(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.

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

Level and Mix of Remuneration

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

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

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

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

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

With regard to the remuneration of other key executives, the RC, together with Management, reviews proposals which are made by the Executive Directors. The remuneration policy for the key management executives takes into consideration the Group's performance, and the responsibility and performance of individual key management executives. The latter is measured by goals and objectives set for each key management executive in congruence with the Group's overall goals and objectives. None of the employees in the Company or any of its principal subsidiaries whose remuneration exceed S$50,000 during the year is a relative of a Director or Substantial Shareholder of the Company or any of its principal subsidiaries. In addition, the Group is of the view that there is no requirement to institute contractual provisions to allow the Company to reclaim incentive components of Executive Directors' remuneration paid in prior years in exceptional circumstances of misstatement of financial results, or of misconduct resulting in financial loss as they owe a fiduciary duty to the Company and the Company should be able to avail itself to remedies against the Executive Directors in the event of such breach of fiduciary duties.

Disclosure on Remuneration

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

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

Details of remuneration paid to the Directors and the Group's key executives for FY2016 are set out below:

Remuneration Band and Name	Fees (%)	Salary (%)	Bonus (%)	Others (%)	Total (%)
Directors who are paid between S$150,001 to S$200,000					
Li Mingyang[(1)]	–	100	–	–	100
Wu Xueying	–	93.7	–	6.3	100
Directors who are paid between S$100,001 to S$150,000					
–	–	–	–	–	–
Directors who are paid between S$50,001 to S$100,000					
Kuan Cheng Tuck	100	–	–	–	100
Directors who are paid between S$0 to S$50,000					
Zhao Lizhi	–	–	–	–	–
Dong Congwen[(2)]	100	–	–	–	100
Gallen Tay Wi Keng[(3)]	100	–	–	–	100
Lu King Seng[(4)]	100	–	–	–	100
Yao Fengge[(5)]	–	–	–	–	–
Key Executives who are paid between S$100,001 to S$150,000					
Li Zhao Kun[(6)]	–	83.2	6.0	10.8	100
Key Executives who are paid between S$0 to S$100,000					
Jiang Xikun[(6)]	–	100	–	–	100
Sun Honglei[(6)]	–	77.7	–	22.3	100
Wang Hong[(6)]	–	81.3	–	18.7	100
Yang Xiaoyu[(6)]	–	100	–	–	100

Notes:

(1) Mr Li Mingyang was appointed as a Director of the Company with effect from 1 March 2016, and his total remuneration for FY2016 in the form of a salary amounted to S$180,000.

(2) Mr Dong Congwen was appointed as a Director of the Company with effect from 1 July 2016, and his total remuneration for FY2016 in the form of a fee amounted to S$17,500.

(3) Mr Gallen Tay Wi Keng was appointed as a Director of the Company with effect from 1 July 2016, and his total remuneration for FY2016 in the form of a fee amounted to S$15,000.

(4) Mr Lu King Seng had resigned as an Independent Director of the Company with effect from 1 April 2016, and his total remuneration for FY2016 in the form of a fee amounted to S$10,000.

(5) Dr Yao Fengge had resigned as an Independent Director of the Company with effect from 1 July 2016, and has agreed not to receive any Directors' fees for FY2016.

(6) The total remuneration paid to the top five Key Executives of the Group (who are not directors or the CEO) for FY2016 is approximately S$270,000.00.

(C) ACCOUNTABILITY, AUDIT AND RISK MANAGEMENT

Accountability

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

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

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

Risk Management and Internal Control

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

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

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

The Board and the AC reviews regularly the adequacy and effectiveness of the Group's risk management and internal control systems, including financial, operational, compliance, and information technology controls to ensure that that such systems are sound and adequate to provide reasonable assurance of the adequacy and effectiveness of the internal controls, addressing financial, operational and compliance risks. Based on the internal controls established and maintained by the Group, work performed by the external auditors as well as the internal auditors and reviews performed by Management, the Board, with the concurrence of the AC, is of the opinion that the internal controls, including financial, operational, compliance, and information technology controls, and risk management systems put in place by the Management are reasonably adequate and effective as at 31 December 2016.

The Board has also received the following assurance from the Group's Chief Executive Officer and Financial Controller 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 are effective.

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

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

Audit Committee

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

At the beginning of FY2016, the AC comprised three (3) Independent Directors, Mr Kuan Cheng Tuck as the Chairman, and Mr Lu King Seng and Dr Yao Fengge as members. Following the resignations of Mr Lu King Seng on 1 April 2016 and Dr Yao Fengge on 1 July 2016 as Directors of the Company, and the appointments of Mr Gallen Tay Wi Keng and Mr Dong Congwen as Directors of the Company on 1 July 2016, the AC was re-constituted to comprise Mr Kuan Cheng Tuck, Mr Gallen Tay Wi Keng and Mr Dong Congwen, with Mr Kuan Cheng Tuck appointed as the Chairman of the AC. Mr Kuan Cheng Tuck and Mr Gallen Tay Wi Keng have financial management experience and relevant accounting expertise and experience. Accordingly, the AC is appropriately qualified to discharge its responsibilities. The AC assists the Board in discharging their responsibility to safeguard the assets, maintain adequate accounting records, and develop and maintain effective systems of internal control, with the overall objective of ensuring that Management creates and maintains an effective control environment in the Group. The AC provides a channel of communication between the Board, Management and the external auditors of the Group on matters relating to audit.

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

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

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

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

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

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

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

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

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

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

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

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

(l) review any potential conflicts of interests;

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

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

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

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

(q) evaluate the independence of the external auditors;

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

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

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

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

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

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

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

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

The Group's existing auditors, KPMG LLP, have been the external auditors of the Group since 2016 and Mr Lim Pang Yew, Victor is the current audit partner in charge. For FY2016, the aggregate amount of fees payable to the external auditors is S$254,300 (exclusive of Goods and Services Tax ("**GST**")) with audit related work carried out by the external auditors amounting to fees of S$250,000 and non-audit related work carried out by the external auditors amounting to fees of S$4,300 (exclusive of GST). The AC is satisfied that the external auditors' independence has not been impaired.

The AC also has full access to the external auditors 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 KPMG LLP for re-appointment as external auditor at the forthcoming AGM of the Company.

Internal Audit

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

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

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

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

The Company has outsourced its internal audit function to independent risk advisory and consulting firm, Crowe Horwath First Trust Risk Advisory Pte. Ltd. ("**CHFTRA**"). CHFTRA has conducted its internal audit for the Group in FY2016 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 FY2016. The AC has reviewed CHFTRA's report on internal controls and processes and is satisfied with the adequacy of the same. The AC will annually assess and ensure the adequacy of the internal audit function.

(D) SHAREHOLDERS

Shareholder Rights

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

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

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

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

Communication with Shareholders

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

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

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

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

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

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

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

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

(f) disclosures to the SGX-ST; and

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

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

Conduct of Shareholder Meetings

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

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

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

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

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

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

(E) DEALING IN SECURITIES

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

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

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

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

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

(F) MATERIAL CONTRACTS

There were no material contracts of the Company or its subsidiaries involving the interest of any Director or controlling shareholders subsisting at the end of the reporting year ended 31 December 2016.

CORPORATE GOVERNANCE

(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.

There were no interested person transactions with a value of S$100,000 or more during FY2016.

DIRECTORS' STATEMENT

We are pleased to submit this annual report to the members of the Company together with the audited consolidated financial statements for the financial year ended 31 December 2016.

In our opinion:

(a) the consolidated financial statements set out on pages 45 to 88 are drawn up so as to give a true and fair view of the financial position of the Group and of the Company as at 31 December 2016 and the financial performance, changes in equity and cash flows of the Group for the year ended on that date in accordance with the provisions of the Singapore Companies Act, Chapter 50 and Singapore Financial Reporting Standards; and

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

The Board of Directors has, on the date of this statement, authorised these financial statements for issue.

Directors

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

Zhao Lizhi	Executive Chairman
Wu Xueying	Chief Executive Officer and Executive Director
Li Mingyang	Chief Business Development Officer and Executive Director (Appointed on 1 March 2016)
Kuan Cheng Tuck	Non-Executive and Independent Director
Gallen Tay Wi Keng	Non-Executive and Independent Director (Appointed on 1 July 2016)
Dong Congwen	Non-Executive and Independent Director (Appointed on 1 July 2016)

Directors' interests

According to the register kept by the Company for the purposes of Section 164 of the Companies Act, Chapter 50 (the Act), particulars of interests of directors who held office at the end of the financial year (including those held by their spouses and infant children) in shares, debentures, warrants and share options in the Company and in related corporations (other than wholly owned subsidiaries) are as follows:

	Director interest		**Deemed interest**	
Name of director	**At beginning of the year/date of appointment**	**At end of the year**	**At beginning of the year/date of appointment**	**At end of the year**
The Company				
Ordinary shares				
Zhao Lizhi	67,518,111	67,518,111	30,000,000	30,000,000
Wu Xueying	–	–	8,360,000	8,360,000
Li Mingyang	–	–	45,000,000	45,000,000

DIRECTORS' STATEMENT

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

There were no changes in the above-mentioned interests in the Company between the end of the financial year and 21 January 2017.

Audit Committee

The members of the Audit Committee during the year and at the date of this statement are:

- Kuan Cheng Tuck (Chairman), non-executive director
- Gallen Tay Wi Keng, non-executive director
- Dong Congwen, non-executive director

The Audit Committee performs the functions specified in Section 201B of the Act, the SGX Listing Manual and the Code of Corporate Governance.

The Audit Committee has held three meetings since the last directors' statement. In performing its functions, the Audit Committee met with the Company's external 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 officers to the internal and external 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 has full access to management and is given the resources required for it to discharge its functions. It has full authority and the discretion to invite any director or executive officer to attend its meetings. The Audit Committee also recommends the appointment of the external auditors and reviews the level of audit and non-audit fees.

The Audit Committee is satisfied with the independence and objectivity of the external auditors and has recommended to the Board of Directors that the auditors, KPMG LLP, be nominated for re-appointment as auditors at the forthcoming Annual General Meeting of the Company.

In appointing our auditors for the Company, subsidiaries and significant associated companies, we have complied with Rules 712 and 715 of the SGX Listing Manual.

DIRECTORS' STATEMENT

Auditors

At the Extraordinary General Meeting held on 10 October 2016, KPMG LLP were appointed as auditors of the Company. The auditors, KPMG LLP, have indicated their willingness to accept the appointment.

On behalf of the Board of Directors

Zhao Lizhi
Director

Wu Xueying
Director

31 March 2017

INDEPENDENT AUDITORS' REPORT

MEMBERS OF THE COMPANY
GREEN BUILD TECHNOLOGY LIMITED

Report on the audit of the financial statements

Opinion

We have audited the financial statements of Green Build Technology Limited (the Company) and its subsidiaries (the Group), which comprise the consolidated statement of financial position of the Group and the statement of financial position of the Company as at 31 December 2016, the consolidated statement of profit or loss, consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows of the Group for the year then ended, and notes to the financial statements, including a summary of significant accounting policies as set out on pages 45 to 88.

In our opinion, the accompanying consolidated financial statements of the Group and the statement of financial position of the Company are properly drawn up in accordance with the provisions of the Companies Act, Chapter 50 (the Act) and Financial Reporting Standards in Singapore (FRSs) 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 2016 and of the consolidated financial performance, consolidated changes in equity and consolidated cash flows of the Group 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 *Auditors' 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 *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.

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.

<table>
<tr><td colspan="2">The measurement of revenue from construction contracts

(Refer to Note 16 to the financial statements)</td></tr>
<tr><td>The key audit matter</td><td>How the matter was addressed in our audit</td></tr>
<tr><td>The Group has two service concession arrangements with the Government of Harbin – an underground utilities tunnel project and a public housing insulation project which contribute to 99% of total Group's revenue.

The public housing insulation project was completed during the year while the underground utilities tunnel project was in progress reaching 68% of completion by 31 December 2016.

The projects' stage of completion is estimated using the cost-to-cost method. Significant estimates and judgement in determining the budgeted costs and re-forecasting of costs to complete are required.</td><td>We assessed the management's budget by verifying the budgeted costs to the executed contracts and variation orders with sub-contractors and challenged management for any significant variation. In addition, we reviewed the actual costs incurred to-date for both projects; and assessed the reasonableness of the total estimated costs to complete the underground utilities tunnel project.

Our findings

We found management's determination of the projects' stage of completion to be reasonable, taking into account of the project status and contract performance to-date.</td></tr>
</table>

INDEPENDENT AUDITORS' REPORT

MEMBERS OF THE COMPANY
GREEN BUILD TECHNOLOGY LIMITED

Other matter

The financial statements of the Group and the Company for the year ended 31 December 2015 were audited by another auditor, who expressed an unmodified opinion on those financial statements with an emphasis of matter on 1 April 2016. The emphasis of matter related to the existence of a material uncertainty which might cast significant doubt on the Group's ability to continue as a going concern. The going concern assumption was dependent on continuing support from the Group's bankers, ability to secure cash receipts from ongoing projects and undertakings from related parties not to recall the amounts due to them.

Other information

Management is responsible for the other information. The other information comprises the information included in the annual report, but does not include the financial statements and our auditors' 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 identified above 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.

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 FRSs, 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.

Auditors' 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 auditors' 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 controls.

INDEPENDENT AUDITORS' REPORT

MEMBERS OF THE COMPANY
GREEN BUILD TECHNOLOGY LIMITED

- Obtain an understanding of internal controls 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 controls.

- 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 auditors' 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 auditors' 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.

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 controls 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 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 auditors' report unless the law or regulations preclude 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 those subsidiary corporations incorporated in Singapore of which we are the auditors have been properly kept in accordance with the provisions of the Act.

The engagement partner on the audit resulting in this independent auditors' report is Lim Pang Yew, Victor.

KPMG LLP
Public Accountants and
Chartered Accountants

Singapore
31 March 2017

STATEMENTS OF FINANCIAL POSITION

AS AT 31 DECEMBER 2016

	Note	Group		Company	
		2016	2015	2016	2015
		RMB'000	RMB'000	RMB'000	RMB'000
Assets					
Property, plant and equipment	4	1,087	1,152	6	7
Intangible assets	5	1,096	1,075	–	–
Subsidiaries	6	–	–	–*	–*
Deferred expenditure		–	396	–	–
Trade receivables	9	240,871	–	–	–
Prepayments	10	11,880	–	–	–
Non-current assets		254,934	2,623	6	7
Inventories	7	94	779	–	–
Contract work-in-progress	8	–	32,355	–	–
Trade and other receivables	9	341,641	126,483	22,467	25,219
Prepayments	10	5,229	49,473	8	11
Cash and cash equivalents	11	211,659	609	164	197
Current assets		558,623	209,699	22,639	25,427
Total assets		813,557	212,322	22,645	25,434
Equity					
Share capital	12	124,909	113,179	124,909	113,179
Foreign currency translation reserve	13	1,074	966	1,060	920
Accumulated losses		(61,206)	(73,240)	(114,391)	(107,333)
Equity attributable to equity holders of the Company		64,777	40,905	11,578	6,766
Non-controlling interests		1,919	–	–	–
Total Equity		66,696	40,905	11,578	6,766
Liabilities					
Loans and borrowings	15	274,274	–	–	–
Non-current liabilities		274,274	–	–	–
Trade and other payables	14	297,059	57,137	6,035	2,296
Loans and borrowings	15	159,091	103,316	5,032	16,372
Current tax liabilities		16,437	10,964	–	–
Current liabilities		472,587	171,417	11,067	18,668
Total liabilities		746,861	171,417	11,067	18,668
Total equity and liabilities		813,557	212,322	22,645	25,434

* Amount less than RMB1,000

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

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

YEAR ENDED 31 DECEMBER 2016

	Note	2016 RMB'000	2015 RMB'000
Continuing operation			
Revenue	16	837,640	90,828
Cost of sales		(799,383)	(69,660)
Gross profit		38,257	21,168
Other income		12	19
Administrative expenses		(14,101)	(10,530)
Other expenses		(829)	–
Results from operating activities		23,339	10,657
Finance income	17	5,898	743
Finance costs		(11,717)	(5,740)
Net finance costs		(5,819)	(4,997)
Profit before tax		17,520	5,660
Tax expense	18	(5,489)	(3,544)
Profit from continuing operation		12,031	2,116
Discontinued operation			
Profit from discontinued operation, net of tax	19	–	2,403
Profit for the year	20	12,031	4,519
Profit attributable to:			
Owners of the Company		12,034	(2,399)
Non-controlling interests		(3)	6,918
Profit for the year		12,031	4,519
Earnings per share			
Basic and diluted (cents)	21	4.91	(1.00)
Earnings per share – Continuing operation			
Basic and diluted (cents)	21	4.91	0.89

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

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

YEAR ENDED 31 DECEMBER 2016

	2016 RMB'000	2015 RMB'000
Profit for the year	12,031	4,519
Other comprehensive income		
Items that are or may be reclassified subsequently to profit or loss:		
Foreign currency translation differences – foreign operations	108	26
Realisation of foreign currency translation reserve upon disposal of subsidiaries	–	(1,171)
Other comprehensive income for the year, net of tax	108	(1,145)
Total comprehensive income for the year	12,139	3,374
Total comprehensive income attributable to:		
Owners of the Company	12,142	(3,544)
Non-controlling interests	(3)	6,918
Total comprehensive income for the year	12,139	3,374

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

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

YEAR ENDED 31 DECEMBER 2016

		Attributable to owners of the Company								
	Note	Share capital RMB'000	Reserve funds RMB'000	Enterprise expansion funds RMB'000	Capital reserves RMB'000	Foreign currency translation reserve RMB'000	Accumulated losses RMB'000	Total RMB'000	Non-controlling interests RMB'000	Total equity RMB'000
At 1 January 2016		113,179	–	–	–	966	(73,240)	40,905	–	40,905
Total comprehensive income for the year										
Profit/(Loss) for the year		–	–	–	–	–	12,034	12,034	(3)	12,031
Other comprehensive income										
Foreign currency translation		–	–	–	–	108	–	108	–	108
Total other comprehensive income		–	–	–	–	108	–	108	–	108
Total comprehensive income for the year		–	–	–	–	108	12,034	12,142	(3)	12,139
Issuance of ordinary shares, net	12	11,730	–	–	–	–	–	11,730	–	11,730
Incorporation of a subsidiary with non-controlling interests		–	–	–	–	–	–	–	1,922	1,922
At 31 December 2016		124,909	–	–	–	1,074	(61,206)	64,777	1,919	66,696

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

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

YEAR ENDED 31 DECEMBER 2016

		Attributable to owners of the Company								
	Note	Share capital RMB'000	Reserve funds RMB'000	Enterprise expansion funds RMB'000	Capital reserves RMB'000	Foreign currency translation reserve RMB'000	Accumulated losses RMB'000	Total RMB'000	Non-controlling interests RMB'000	Total equity RMB'000
At 1 January 2015		113,179	3,075	1,439	3,018	2,111	(78,373)	44,449	55,892	100,341
Total comprehensive income for the year										
(Loss)/Profit for the year		–	–	–	–	–	(2,399)	(2,399)	6,918	4,519
Other comprehensive income										
Foreign currency translation		–	–	–	–	26	–	26	–	26
Realisation of foreign currency translation reserve upon disposal of subsidiaries		–	–	–	–	(1,171)	–	(1,171)	–	(1,171)
Total other comprehensive income		–	–	–	–	(1,145)	–	(1,145)	–	(1,145)
Total comprehensive income for the year		–	–	–	–	(1,145)	(2,399)	(3,544)	6,918	3,374
Changes in ownership interests in subsidiaries										
Disposal of subsidiaries	19	–	(3,075)	(1,439)	(3,018)	–	7,532	–	(62,810)	(62,810)
Total changes in ownership interests in subsidiaries		–	(3,075)	(1,439)	(3,018)	–	7,532	–	(62,810)	(62,810)
At 31 December 2015		113,179	–	–	–	966	(73,240)	40,905	–	40,905

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

CONSOLIDATED STATEMENT OF CASH FLOWS

YEAR ENDED 31 DECEMBER 2016

	Note	2016 RMB'000	2015 RMB'000
Cash flows from operating activities			
Profit before tax		17,520	10,638
Adjustments for:			
Depreciation of property, plant and equipment		433	9,862
Amortisation of intangible assets		2	14
Amortisation of land use rights		–	270
Amortisation of deferred expenditure		59	33
Gain on disposal of property, plant and equipment		–	(53)
Loss on sale of discontinued operation, net of tax		–	10,944
Allowance for impairment for contract work-in-progress		32,355	–
Write-off of deferred expenditure		337	–
Interest expense		11,717	8,950
Interest income		(5,898)	(1,166)
Exchange differences		108	(1,146)
Operating profit before changes in working capital		56,633	38,346
Changes in:			
Contract work-in-progress		–	(414)
Inventories		685	(3,811)
Trade and other receivables		(462,027)	(38,389)
Prepayments		32,364	(46,152)
Trade and other payables		241,417	42,538
		(130,928)	(7,882)
Interest paid		(11,717)	(8,950)
Interest income received		257	1,166
Tax paid		(16)	(2,928)
Net cash used in operating activities		(142,404)	(18,594)
Cash flows from investing activities			
Acquisition of property, plant and equipment		(368)	(2,340)
Acquisition of software		(23)	–
Proceeds from sale of property, plant and equipment		–	149
Proceeds from disposal of subsidiaries, net		13,561	–
Acquisition of available-for-sale investment		–	(18,450)
Disposal of discontinued operation, net of cash disposed of	19	–	(13,810)
Net cash from/(used in) investing activities		13,170	(34,451)

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

CONSOLIDATED STATEMENT OF CASH FLOWS

YEAR ENDED 31 DECEMBER 2016

	Note	2016 RMB'000	2015 RMB'000
Cash flows from financing activities			
Proceeds from issuance of ordinary shares, net		11,730	–
Proceeds from borrowings		428,000	149,000
Repayment of borrowings		–	(175,500)
Repayment of loan from a corporate shareholder		–	(5,165)
Repayment of loan from former holding company		–	(2,113)
(Repayment of)/Proceeds from loans from related parties		(60,416)	61,293
(Repayment of)/Proceeds from loan from a shareholder		(940)	940
(Repayment of)/Proceeds from loans from external parties		(36,595)	36,595
(Increase)/Decrease in deposits pledged for bills payables		(50,700)	9,646
Increase in deposits pledged for banker guarantees		(95,482)	–
Decrease in non-trade amount due to former holding company		–	(452)
Decrease in non-trade amount due to a corporate shareholder		–	(25,491)
Decrease in non-trade amount due to a director		(1,495)	(787)
Decrease in non-trade amount due to related parties		–	(300)
Net cash generated from financing activities		194,102	47,666
Net increase/(decrease) in cash and cash equivalents		64,868	(5,379)
Cash and cash equivalents at beginning of year		609	5,988
Cash and cash equivalents at end of year	11	65,477	609

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

NOTES TO THE FINANCIAL STATEMENTS

These notes form an integral part of the financial statements.

The financial statements were authorised for issue by the Board of Directors on 31 March 2017.

1 Corporate information

Green Build Technology Limited (the "Company") is a company incorporated in Singapore. The address of the Company's registered office is 9 Temasek Boulevard, #09-01, Suntec Tower Two, Singapore 038989.

The financial statements of the Group as at and for the year ended 31 December 2016 comprise the Company and its subsidiaries (together referred to as the 'Group' and individually as 'Group entities').

The principal activity of the Company is investment holding. The principal activities of the subsidiaries are disclosed in Note 6 to the financial statements.

2 Basis of preparation

2.1 Statement of compliance

The financial statements have been prepared in accordance with the Singapore Financial Reporting Standards ("FRS").

2.2 Basis of measurement

The financial statements have been prepared on the historical cost basis except as otherwise described in accounting policies below.

2.3 Functional and presentation currency

These financial statements are presented in Chinese Renminbi ("RMB"). The Company's functional currency is Singapore dollars ("SGD"). All financial information presented in RMB have been rounded to the nearest thousand, unless otherwise stated.

2.4 Use of estimates and judgements

The preparation of financial statements in conformity with FRSs requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment within the next financial year are included in the following notes:

- Note 16 – revenue and profit recognition from construction contracts

Information about other judgements made and estimates applied are included in the following note:

- Note 9 – valuation of service concession receivables
- Note 18 – recognition and measurement of current tax payable

NOTES TO THE FINANCIAL STATEMENTS

2 Basis of preparation (cont'd)

2.5 Measurement of fair value

A number of the Group's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities.

Management regularly reviews significant unobservable inputs and valuation adjustments. If third party information, such as broker quotes or pricing services, is used to measure fair values, then management assesses and documents the evidence obtained from the third parties to support the conclusion that such valuations meet the requirements of FRS, including the level in the fair value hierarchy in which such valuations should be classified.

Significant valuation issues are reported to the Audit Committee. When measuring the fair value of an asset or a liability, the Group uses observable market data as far as possible. Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

- Level 1 : quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2 : inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3 : inputs for the asset or liability that are not based on observable market data (unobservable inputs).

If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement (with Level 3 being the lowest).

The Group recognises transfers between levels of the fair value hierarchy as of the end of the reporting period during which the change has occurred.

2.6 Changes in accounting policies

In the current financial year, the Group has adopted all the new and revised FRSs and Interpretations of IRS ("INT FRSs") that are related to its operations and effective for annual periods beginning on 1 January 2016. The adoption of the new and revised FRSs and INT FRSs does not result in substantial changes to the Group's accounting policies and has no material effect on the amounts reported for the current and prior periods.

NOTES TO THE FINANCIAL STATEMENTS

3 Significant accounting policies

The accounting policies set out below have been applied consistently to all periods presented in these financial statements, and have been applied consistently by Group entities.

3.1 Basis of consolidation

(i) Business combinations

Business combinations are accounted for using the acquisition method in accordance with FRS 103 *Business Combinations* as at the date of acquisition, which is the date on which control is transferred to the Group.

The Group measures goodwill at the date of acquisition as:

- the fair value of the consideration transferred; plus
- the recognised amount of any non-controlling interests ("NCI") in the acquiree; plus
- if the business combination is achieved in stages, the fair value of the pre-existing equity interest in the acquire,

over the net recognised amount (generally fair value) of the identifiable assets acquired and liabilities assumed. Any goodwill that arises is tested annually for impairment.

When the excess is negative, a bargain purchase gain is recognised immediately in profit or loss.

The consideration transferred does not include amounts related to the settlement of pre-existing relationships. Such amounts are generally recognised in profit or loss.

Any contingent consideration payable is recognised at fair value at the date of acquisition and included in the consideration transferred. If the contingent consideration that meets the definition of a financial instrument is classified as equity, it is not remeasured and settlement is accounted for within equity. Otherwise, other contingent consideration is remeasured at fair value at each reporting date and subsequent changes to the fair value of the contingent consideration are recognised in profit or loss.

When share-based payment awards (replacement awards) are exchanged for awards held by the acquiree's employees (acquiree's awards) and relate to past services, then all or a portion of the amount of the acquirer's replacement awards is included in measuring the consideration transferred in the business combination. This determination is based on the market-based value of the replacement awards compared with the market-based value of the acquiree's awards and the extent to which the replacement awards relate to past and/or future service.

NCI that are present ownership interests and entitle their holders to a proportionate share of the acquiree's net assets in the event of liquidation are measured either at fair value or at the NCI's proportionate share of the recognised amounts of the acquiree's identifiable net assets, at the date of acquisition. The measurement basis taken is elected on a transaction-by-transaction basis. All other NCI are measured at acquisition-date fair value, unless another measurement basis is required by FRSs.

Costs related to the acquisition, other than those associated with the issue of debt or equity securities, that the Group incurs in connection with a business combination are expensed as incurred.

Changes in the Group's interest in a subsidiary that do not result in a loss of control are accounted for as transactions with owners in their capacity as owners and therefore no adjustments are made to goodwill and no gain or loss is recognised in profit or loss. Adjustments to NCI arising from transactions that do not involve the loss of control are based on a proportionate amount of the net assets of the subsidiary.

3 Significant accounting policies (cont'd)

3.1 Basis of consolidation (cont'd)

(ii) Subsidiaries

Subsidiaries are entities controlled by the Group. The Group controls an entity when it 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. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases.

The accounting policies of subsidiaries have been changed when necessary to align them with the policies adopted by the Group. Losses applicable to the NCI in a subsidiary are allocated to the NCI even if doing so causes the NCI to have a deficit balance.

(iii) Loss of control

Upon the loss of control, the Group derecognises the assets and liabilities of the subsidiary, any NCI and the other components of equity related to the subsidiary. Any surplus or deficit arising on the loss of control is recognised in profit or loss. If the Group retains any interest in the previous subsidiary, then such interest is measured at fair value at the date that control is lost. Subsequently, it is accounted for as an equity-accounted investee or as an available-for-sale financial asset depending on the level of influence retained.

(iv) Transactions eliminated on consolidation

Intra-group balances and transactions, and any unrealised income and expenses arising from intra-group transactions, are eliminated in preparing the consolidated financial statements. Unrealised gains arising from transactions with equity-accounted investees are eliminated against the investment to the extent of the Group's interest in the investee. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

(v) Accounting for subsidiaries

Investments in subsidiaries are stated in the Company's statement of financial position at cost less accumulated impairment losses.

3.2 Foreign currency

(i) Foreign currency transactions

Transactions in foreign currencies are translated to the respective functional currencies of Group entities at exchange rates at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies at the reporting date are translated to the functional currency at the exchange rate at that date. The foreign currency gain or loss on monetary items is the difference between amortised cost in the functional currency at the beginning of the year, adjusted for effective interest and payments during the year, and the amortised cost in foreign currency translated at the exchange rate at the end of the year.

Non-monetary assets and liabilities denominated in foreign currencies that are measured at fair value are translated to the functional currency at the exchange rate at the date that the fair value was determined. Non-monetary items in a foreign currency that are measured in terms of historical cost are translated using the exchange rate at the date of the transaction. Foreign currency differences arising on translation are recognised in profit or loss.

NOTES TO THE FINANCIAL STATEMENTS

3 Significant accounting policies (cont'd)

3.2 Foreign currency (cont'd)

(ii) Foreign operations

The assets and liabilities of foreign operations, excluding goodwill and fair value adjustments arising on acquisition, are translated to RMB at exchange rates at the reporting date. The income and expenses of foreign operations are translated to RMB at exchange rates at the dates of the transactions. Goodwill and fair value adjustments arising on the acquisition of foreign operations are treated as assets and liabilities of the foreign operation and are translated at the exchange rates at the reporting date.

Foreign currency differences are recognised in other comprehensive income ("OCI"), and presented in the foreign currency translation reserve (translation reserve) in equity. However, if the foreign operation is a non-wholly-owned subsidiary, then the relevant proportionate share of the translation difference is allocated to the NCI. When a foreign operation is disposed of such that control, significant influence or joint control is lost, the cumulative amount in the translation reserve related to that foreign operation is reclassified to profit or loss as part of the gain or loss on disposal. When the Group disposes of only part of its interest in a subsidiary that includes a foreign operation while retaining control, the relevant proportion of the cumulative amount is reattributed to NCI.

When the settlement of a monetary item receivable from or payable to a foreign operation is neither planned nor likely to occur in the foreseeable future, foreign exchange gains and losses arising from such a monetary item that are considered to form part of a net investment in a foreign operation are recognised in OCI, and are presented in the translation reserve in equity.

3.3 Financial instruments

(i) Non-derivative financial assets

The Group initially recognises loans and receivables on the date that they are originated. All other financial assets (including assets designated at fair value through profit or loss) are recognised initially on the trade date, which is the date that the Group becomes a party to the contractual provisions of the instrument.

The Group derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows on the financial asset in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred, or it neither transfers nor retains substantially all of the risks and rewards of ownership and does not retain control over the transferred asset. Any interest in transferred financial assets that is created or retained by the Group is recognised as a separate asset or liability.

The Group classifies non-derivative financial assets into loans and receivables.

Loans and receivables

Loans and receivables are financial assets with fixed or determinable payments that are not quoted in an active market. Such assets are initially measured at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, loans and receivables are measured at amortised cost using the effective interest method, less any impairment losses.

Loans and receivables comprise cash and cash equivalents, and trade and other receivables, including service concession receivables.

Cash and cash equivalents comprise cash balances and short-term deposits with maturities of three months or less from the date of acquisition that are subject to an insignificant risk of changes in their fair value, and are used by the Group in the management of its short-term commitments. For the purpose of the statement of cash flows, pledged deposits are excluded whilst bank overdrafts that are repayable on demand and that form an integral part of the Group's cash management are included in cash and cash equivalents.

3 Significant accounting policies (cont'd)

3.3 Financial instruments (cont'd)

(i) Non-derivative financial assets (cont'd)

Service concession receivables

The Group recognises a financial asset arising from the service concession arrangements when it has an unconditional contractual right to receive cash or another financial asset from or at the direction of the grantor for the construction or upgrade services provided. Such financial assets are measured at fair value upon initial recognition. Subsequent to initial recognition, the financial assets are measured at amortised cost.

(ii) Non-derivative financial liabilities

All financial liabilities are recognised initially on the trade date, which is the date that the Group becomes a party to the contractual provisions of the instrument.

The Group derecognises a financial liability when its contractual obligations are discharged, cancelled or expire.

The Group classifies non-derivative financial liabilities into the other financial liabilities category.

Such financial liabilities are recognised initially at fair value less any directly attributable transaction costs. Subsequent to initial recognition, these financial liabilities are measured at amortised cost using the effective interest method.

These financial liabilities comprise trade and other payables, and loans and borrowings.

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

3.4 Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of ordinary shares are recognised as a deduction from equity, net of any tax effects.

3.5 Property, plant and equipment

(i) Recognition and measurement

Items of property, plant and equipment are measured at cost less accumulated depreciation and accumulated impairment losses.

Cost includes expenditure that is directly attributable to the acquisition of the asset. The cost of self-constructed assets includes the cost of materials and direct labour, any other costs directly attributable to bringing the assets to a working condition for their intended use, when the Group has an obligation to remove the asset or restore the site, an estimate of the costs of dismantling and removing the items and restoring the site on which they are located, and capitalised borrowing costs.

Purchased software that is integral to the functionality of the related equipment is capitalised as part of that equipment.

When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

The gain or loss on disposal of an item of property, plant and equipment (calculated as the difference between the net proceeds from disposal and the carrying amount of the item) is recognised in profit or loss.

NOTES TO THE FINANCIAL STATEMENTS

3 Significant accounting policies (cont'd)

3.5 Property, plant and equipment (cont'd)

(ii) Subsequent costs

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. The costs of the day-to-day servicing of property, plant and equipment are recognised in profit or loss as incurred.

(iii) Depreciation

Depreciation is based on the cost of an asset less its residual value. Significant components of individual assets are assessed and if a component has a useful life that is different from the remainder of that asset, that component is depreciated separately.

Depreciation is recognised as an expense in profit or loss on a straight-line basis over the estimated useful lives of each component of an item of property, plant and equipment, unless it is included in the carrying amount of another asset. Leased assets are depreciated over the shorter of the lease term and their useful lives unless it is reasonably certain that the Group will obtain ownership by the end of the lease term.

Depreciation is recognised from the date that the property, plant and equipment are installed and are ready for use, or in respect of internally constructed assets, from the date that the asset is completed and ready for use.

The estimated useful lives for the current and comparative years are as follows:

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

Depreciation methods, useful lives and residual values are reviewed at the end of each reporting period and adjusted if appropriate.

3.6 Intangible assets and goodwill

(i) Goodwill

Goodwill that arises upon the acquisition of subsidiaries is included in intangible assets. For the measurement of goodwill at initial recognition, see note 3.1(i).

Goodwill is subsequently measured at cost less accumulated impairment losses.

3 Significant accounting policies (cont'd)

3.6 Intangible assets and goodwill (cont'd)

(ii) 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 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 subsequently measured at cost less accumulated amortisation and impairment losses.

Amortisation is recognised in profit or loss on a straight-line basis over the estimated useful lives of 3 to 5 years from the date that they are available for use, since this most closely reflects the expected pattern of consumption of the future economic benefits embodied in the assets.

Amortisation methods, useful lives and residual values are reviewed at each reporting period and adjusted if appropriate.

3.7 Leased assets

Leases in terms of which the Group assumes substantially all the risks and rewards of ownership are classified as finance leases. Upon initial recognition, the leased asset is measured at an amount equal to the lower of its fair value and the present value of the minimum lease payments. Subsequent to initial recognition, the asset is accounted for in accordance with the accounting policy applicable to that asset.

Other leases are operating leases and are not recognised in the Group's statement of financial position.

3.8 Inventories

Inventories are measured at the lower of cost and net realisable value. The cost of inventories is based on the first-in first-out principle, and includes expenditure incurred in acquiring the inventories, production or conversion costs 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 estimated costs of completion and estimated costs necessary to make the sale.

Contract work-in-progress

Contract work-in-progress represent the gross unbilled amount expected to be collected from customers for contract work performed to date. It is measured at cost plus profit recognised to date (see Note 3.12) less progress billings and recognised losses. Cost includes all expenditure related directly to specific projects and an allocation of fixed and variable overheads incurred in the Group's contract activities based on normal operating capacity.

Contract work-in-progress is presented in the statement of financial position for all contracts in which costs incurred plus recognised profits exceed progress billings. If progress billings exceed the costs incurred plus recognised profits, then the difference is presented as excess of progress billings over construction contracts-in-progress as part of trade and other payables in the statement of financial position.

NOTES TO THE FINANCIAL STATEMENTS

3 Significant accounting policies (cont'd)

3.9 Impairment

(i) Non-derivative financial assets

A financial asset not carried at fair value through profit or loss is assessed at the end of each reporting period to determine whether there is objective evidence that it is impaired. A financial asset is impaired if objective evidence indicates that a loss event(s) has occurred after the initial recognition of the asset, and that the loss event(s) has an impact on the estimated future cash flows of that asset that can be estimated reliably.

Objective evidence that financial assets are impaired can include default or delinquency by a debtor, restructuring of an amount due to the Group on terms that the Group would not consider otherwise, indications that a debtor or issuer will enter bankruptcy, adverse changes in the payment status of borrowers, and economic conditions that correlate with defaults.

Loans and receivables

The Group considers evidence of impairment for loans and receivables at both a specific asset and collective level. All individually significant loans and receivables are assessed for specific impairment. All individually significant loans and receivables found not to be specifically impaired are then collectively assessed for any impairment that has been incurred but not yet identified. Loans and receivables that are not individually significant are collectively assessed for impairment by grouping together loans and receivables with similar risk characteristics.

In assessing collective impairment, the Group uses historical trends of the probability of default, the timing of recoveries and the amount of loss incurred, adjusted for management's judgement as to whether current economic and credit conditions are such that the actual losses are likely to be greater or less than suggested by historical trends.

An impairment loss in respect of a financial asset measured at amortised cost is calculated as the difference between its carrying amount and the present value of the estimated future cash flows, discounted at the asset's original effective interest rate. Losses are recognised in profit or loss and reflected in an allowance account against loans and receivables. Interest on the impaired asset continues to be recognised. When the Group considers that there are no realistic prospects of recovery of the asset, the relevant amounts are written off. If the amount of impairment loss subsequently decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, then the previously recognised impairment loss is reversed through profit or loss.

(ii) Non-financial assets

The carrying amounts of the Group's non-financial assets, other than inventories, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. For goodwill, and intangible assets that have indefinite useful lives or that are not yet available for use, the recoverable amount is estimated each year at the same time. An impairment loss is recognised if the carrying amount of an asset or its related cash-generating unit ("CGU") exceeds its estimated recoverable amount.

The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs to sell. 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 or CGU. For the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or CGUs. Subject to an operating segment ceiling test, for the purposes of goodwill impairment testing, CGUs to which goodwill has been allocated are aggregated so that the level at which impairment testing is performed reflects the lowest level at which goodwill is monitored for internal reporting purposes. Goodwill acquired in a business combination is allocated to groups of CGUs that are expected to benefit from the synergies of the combination.

3 Significant accounting policies (cont'd)

3.9 Impairment (cont'd)

(ii) Non-financial assets (cont'd)

The Group's corporate assets do not generate separate cash inflows and are utilised by more than one CGU. Corporate assets are allocated to CGUs on a reasonable and consistent basis and tested for impairment as part of the testing of the CGU to which the corporate asset is allocated.

Impairment losses are recognised in profit or loss. Impairment losses recognised in respect of CGUs are allocated first to reduce the carrying amount of any goodwill allocated to the CGU (group of CGUs), and then to reduce the carrying amounts of the other assets in the CGU (group of CGUs) on a *pro rata* basis.

An impairment loss in respect of goodwill is not reversed. In respect of other assets, impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

3.10 Employee benefits

(i) Defined contribution plans

A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution pension plans are recognised as staff costs in profit or loss in the periods during which related services are rendered by employees.

(ii) Short-term employee benefits

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided. A liability is recognised for the amount expected to be paid under short-term cash bonus if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee, and the obligation can be estimated reliably.

3.11 Revenue

(i) Sale of goods

Revenue from the sale of goods in the course of ordinary activities is measured at the fair value of the consideration received or receivable, net of returns, trade discounts and volume rebates. Revenue is recognised when significant risks and rewards of ownership have been transferred to the customer, recovery of the consideration is probable, the associated costs and possible return of goods can be estimated reliably, there is no continuing management involvement with the goods, and the amount of revenue can be measured reliably. If it is probable that discounts will be granted and the amount can be measured reliably, then the discount is recognised as a reduction of revenue as the sales are recognised.

The timing of the transfer of risks and rewards varies depending on the individual terms of the sales agreement.

NOTES TO THE FINANCIAL STATEMENTS

3 Significant accounting policies (cont'd)

3.11 Revenue (cont'd)

(ii) Construction contracts

Contract revenue includes the initial amount agreed in the contract plus any variations in contract work, claims and incentive payments, to the extent that it is probable that they will result in revenue and can be measured reliably. When the outcome of a construction contract can be estimated reliably, contract revenue is recognised in profit or loss in proportion to the stage of completion of the contract. Contract expenses are recognised as incurred unless they create an asset related to future contract activity (see note 3.9).

The stage of completion is assessed by reference to the proportion of contract costs incurred for work performed to date to the estimated total contract costs. When the outcome of a construction contract cannot be estimated reliably, contract revenue is recognised only to the extent of contract costs incurred that are likely to be recoverable. An expected loss on a contract is recognised immediately in profit or loss.

When contract costs incurred to date plus recognised profits less recognised losses exceed progress billings, the surplus representing amounts due from customers is presented as 'construction contracts-in-progress'. For contracts where progress billings exceed contract costs incurred to date plus recognised profits less recognised losses, the surplus representing amounts due to customers is presented as 'progress billings over construction contracts-in-progress'.

(iii) Service concession arrangements

Revenue related to construction or upgrade services under a service concession arrangement is recognised based on the stage of completion of the work performed, consistent with the Group's accounting policy on recognising revenue on construction contracts. Operation or service revenue is recognised in the period in which the services are provided by the Group. When the Group provides more than one service in a service concession arrangement, the consideration received is allocated by reference to the relative fair values of the services delivered when the amounts are separately identifiable.

(iv) Consultancy income

Consultancy income is recognised in profit or loss when the consultancy is rendered.

3.12 Government grants

Government grants are recognised initially as deferred income at fair value when there is reasonable assurance that they will be received and the Group will comply with the conditions associated with the grant. These grants are then recognised in profit or loss on a systematic basis over the useful life of the asset. Grants that compensate the Group for expenses incurred are recognised in profit or loss as 'other income' on a systematic basis in the same periods in which the expenses are recognised.

3.13 Lease payments

Payments made under operating leases are recognised in profit or loss on a straight-line basis over the term of the lease. Lease incentives received are recognised as an integral part of the total lease expense, over the term of the lease.

Minimum lease payments made under finance leases are apportioned between the finance expense and the reduction of the outstanding liability. The finance expense is allocated to each period during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability.

Contingent lease payments are accounted for by revising the minimum lease payments over the remaining term of the lease when the lease adjustment is confirmed.

3 Significant accounting policies (cont'd)

3.13 Lease payments (cont'd)

Determining whether an arrangement contains a lease

At inception of an arrangement, the Group determines whether such an arrangement is or contains a lease. This will be the case if the following two criteria are met:

- the fulfilment of the arrangement is dependent on the use of a specific asset or assets; and

- the arrangement contains a right to use the asset(s).

At inception or upon reassessment of the arrangement, the Group separates payments and other consideration required by such an arrangement into those for the lease and those for other elements on the basis of their relative fair values. If the Group concludes for a finance lease that it is impracticable to separate the payments reliably, then an asset and a liability are recognised at an amount equal to the fair value of the underlying asset. Subsequently, the liability is reduced as payments are made and an imputed finance charge on the liability is recognised using the Group's incremental borrowing rate.

3.14 Finance income and costs

Finance income comprises interest income on funds placed with banks and unwinding of discount on service concession receivables. Interest income is recognised as it accrues in profit or loss, using the effective interest method.

Finance costs comprise interest expense on borrowings. Borrowing costs that are not directly attributable to the acquisition, construction or production of a qualifying asset are recognised in the profit or loss using the effective interest method.

3.15 Tax

Income tax comprises current and deferred tax. Current tax and deferred tax is recognised in profit or loss except to the extent that it relates to a business combination, or items recognised directly in equity or in OCI.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years. The amount of current tax payable or receivable is the best estimate of the tax amount expected to be paid or received that reflects uncertainty related to income taxes, if any.

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised for:

- temporary differences on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss;

- temporary differences related to investments in subsidiaries to the extent that the Group is able to control the timing of the reversal of the temporary difference and it is probable that they will not reverse in the foreseeable future; and

- taxable temporary differences arising on the initial recognition of goodwill.

NOTES TO THE FINANCIAL STATEMENTS

3 Significant accounting policies (cont'd)

3.15 Tax (cont'd)

The measurement of deferred taxes reflects the tax consequences that would follow the manner in which the Group expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities. Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

A deferred tax asset is recognised for unused tax losses, tax credits and deductible temporary differences, to the extent that it is probable that future taxable profits will be available against which they can be utilised. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

In determining the amount of current and deferred tax, the Group takes into account the impact of uncertain tax positions and whether additional taxes and interest may be due. The Group believes that its accruals for tax liabilities are adequate for all open tax years based on its assessment of many factors, including interpretations of tax law and prior experience. This assessment relies on estimates and assumptions and may involve a series of judgements about future events. New information may become available that causes the Group to change its judgement regarding the adequacy of existing tax liabilities; such changes to tax liabilities will impact tax expense in the period that such a determination is made.

3.16 Discontinued operation

A discontinued operation is a component of the Group's business, the operations and cash flows of which can be clearly distinguished from the rest of the Group and which:

- represents a separate major line of business or geographical area of operations;
- is part of a single co-ordinated plan to dispose of a separate major line of business or geographical area of operations; or
- is a subsidiary acquired exclusively with a view to resale.

Classification as a discontinued operation occurs upon disposal or when the operation meets the criteria to be classified as held for sale, if earlier. When an operation is classified as a discontinued operation, the comparative statement of profit or loss is re-presented as if the operation had been discontinued from the start of the comparative year.

3.17 Earnings per share

The Group presents basic and diluted earnings per share data for its ordinary shares. Basic earnings per share is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the year, adjusted for own shares held. Diluted earnings per share is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding, adjusted for own shares held, for the effects of all dilutive potential ordinary shares.

3 Significant accounting policies (cont'd)

3.18 Segment reporting

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Group's other components. All operating segments' operating results are reviewed regularly by the Group's CEO (the chief operating decision maker) to make decisions about resources to be allocated to the segment and to assess its performance, and for which discrete financial information is available.

Segment results that are reported to the Group's CEO include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Unallocated items comprise mainly corporate assets (primarily the Company's headquarters), head office expenses, and tax assets and liabilities.

Segment capital expenditure is the total cost incurred during the year to acquire property, plant and equipment, and intangible assets other than goodwill.

3.19 New standards and interpretations not adopted

A number of new standards and amendments to standards are effective for annual periods beginning after 1 January 2016 and earlier application is permitted; however, the Group has not early applied the following new or amended standards in preparing these statements.

For those new standards and amendments to standards that are expected to have an effect on the financial statements of the Group and the Company in future financial periods, the Group has started to assess the transition options and the potential impact on its financial statements, and to implement these standards. The Group plans to adopt these standards when they become effective.

FRS 115 *Revenue from Contracts with Customers*

FRS 115 establishes a comprehensive framework for determining whether, how much and when revenue is recognised. It also introduces new cost guidance which requires certain costs of obtaining and fulfilling contracts to be recognised as separate assets when specified criteria are met.

When effective, FRS 115 replaces existing revenue recognition guidance, including FRS 18 *Revenue*, FRS 11 *Construction Contracts*, INT FRS 113 *Customer Loyalty Programmes*, INT FRS 115 *Agreements for the Construction of Real Estate*, INT FRS 118 *Transfers of Assets from Customers* and INT FRS 31 *Revenue – Barter Transactions Involving Advertising Services*. FRS 115 is effective for annual periods beginning on or after 1 January 2018, with early adoption permitted.

FRS 115 offers a range of transition options including full retrospective adoption where an entity can choose to apply the standard to its historical transactions and retrospectively adjust each comparative period presented in its 2018 financial statements. When applying the full retrospective method, an entity may also elect to use a series of practical expedients to ease transition.

Based on its initial assessment, the Group does not expect the adoption of the above standard to have a significant impact on the financial statements.

NOTES TO THE FINANCIAL STATEMENTS

3 Significant accounting policies (cont'd)

3.19 New standards and interpretations not adopted (cont'd)

FRS 109 *Financial Instruments*

FRS 109 replaces most of the existing guidance in FRS 39 *Financial Instruments: Recognition and Measurement*. It includes revised guidance on the classification and measurement of financial instruments, a new expected credit loss model for calculating impairment on financial assets, and new general hedge accounting requirements. It also carries forward the guidance on recognition and derecognition of financial instruments from FRS 39.

FRS 109 is effective for annual periods beginning on or after 1 January 2018, with early adoption permitted. Retrospective application is generally required, except for hedge accounting. For hedge accounting, the requirements are generally applied prospectively, with some limited exceptions. Restatement of comparative information is not mandatory. If comparative information is not restated, the cumulative effect is recorded in opening equity as at 1 January 2018.

Based on its initial assessment, the Group does not expect the adoption of the above standard to have a significant impact on the financial statements.

Convergence with International Financial Reporting Standards (IFRS)

In addition, the Accounting Standards Council (ASC) announced on 29 May 2014 that Singapore-incorporated companies listed on the Singapore Exchange (SGX) will apply a new financial reporting framework identical to the International Financial Reporting Standards (referred to as SG-IFRS in these financial statements) for the financial year ending 31 December 2018 onwards.

The Group has performed a preliminary assessment of the impact of SG-IFRS 1 *First-time adoption of International Financial Reporting Standards* for the transition to the new reporting framework. Based on the Group's preliminary assessment, the Group expects that the impact on adoption of SG-IFRS 15 *Revenue from Contracts with Customers* and SG-IFRS 9 *Financial Instruments* will be similar to adopting FRS 115 and FRS 109 as described in this Note.

Other than arising from the adoption of new and revised standards, the Group does not expect to change its existing accounting policies on adoption of the new framework. The Group is currently performing a detailed analysis of the available policy choices, transitional optional exemptions and transitional mandatory exceptions under SG-IFRS 1 and the preliminary assessment may be subject to changes arising from the detailed analyses.

Applicable to 2019 financial statements

FRS 116 *Leases*

FRS 116 eliminates the lessee's classification of leases as either operating leases or finance leases and introduces a single lessee accounting model. Applying the new model, a lessee is required to recognise right-of-use (ROU) assets and lease liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value.

FRS 116 substantially carries forward the lessor accounting requirements in FRS 17 *Leases*. Accordingly, a lessor continues to classify its leases as operating leases or finance leases, and to account for these two types of leases using the FRS 17 operating lease and finance lease accounting models respectively. However, FRS 116 requires more extensive disclosures to be provided by a lessor.

When effective, FRS 116 replaces existing lease accounting guidance, including FRS 17, INT FRS 104 *Determining whether an Arrangement contains a Lease*, INT FRS 15 *Operating Leases – Incentives*, and INT FRS 27 *Evaluating the Substance of Transactions Involving the Legal Form of a Lease*.

FRS 116 is effective for annual periods beginning on or after 1 January 2019, with early adoption permitted if FRS 115 is also applied. The Group does not plan to early adopt this standard.

Based on its initial assessment, the Group does not expect the adoption of the above standard to have a significant impact on the financial statements.

NOTES TO THE FINANCIAL STATEMENTS

4 Property, plant and equipment

	Building RMB'000	Plant and machinery RMB'000	Motor vehicles RMB'000	Office equipment RMB'000	Office renovation RMB'000	Total RMB'000
Group						
Cost						
At 1 January 2015	49,872	92,574	2,832	4,603	446	150,327
Additions	–	1,738	640	556	–	2,934
Disposals	–	(231)	–	(586)	–	(817)
Written off	–	–	–	(44)	–	(44)
Disposals of subsidiaries	(49,872)	(91,999)	(2,474)	(3,662)	(446)	(148,453)
Transferred to contract work-in-progress	–	(2,082)	–	–	–	(2,082)
At 31 December 2015	–	–	998	867	–	1,865
Additions	–	–	324	44	–	368
At 31 December 2016	–	–	1,322	911	–	2,233
Accumulated depreciation						
At 1 January 2015	15,283	50,132	1,868	3,533	148	70,964
Depreciation charge for the year	1,913	7,057	176	658	58	9,862
Disposals	–	(166)	–	(511)	–	(677)
Written off	–	–	–	(44)	–	(44)
Disposals of subsidiaries	(17,196)	(56,825)	(1,726)	(3,240)	(206)	(79,193)
Transferred to construction contracts-in-progress	–	(198)	–	–	–	(198)
Effect of movements in exchange rates	–	–	(1)	–	–	(1)
At 31 December 2015	–	–	317	396	–	713
Depreciation charge for the year	–	–	255	178	–	433
At 31 December 2016	–	–	572	574	–	1,146
Carrying amounts						
At 1 January 2015	34,589	42,442	964	1,070	298	79,363
At 31 December 2015	–	–	681	471	–	1,152
At 31 December 2016	–	–	750	337	–	1,087

NOTES TO THE FINANCIAL STATEMENTS

4 Property, plant and equipment (cont'd)

	Office equipment RMB'000
Company	
Cost	
At 1 January 2015	46
Additions	8
Written off	(46)
At 31 December 2015 and 31 December 2016	8
Accumulated depreciation	
At 1 January 2015	43
Depreciation charge for the year	3
Written off	(44)
Effect of movements in exchange rates	(1)
At 31 December 2015	1
Depreciation charge for the year	1
At 31 December 2016	2
Carrying amounts	
At 1 January 2015	3
At 31 December 2015	7
At 31 December 2016	6

5 Intangible assets

Group	Goodwill RMB'000	Customer relationship RMB'000	Computer software RMB'000	Total RMB'000
Cost				
At 1 January 2015	1,072	2,700	274	4,046
Disposal of subsidiaries	–	(2,700)	(269)	(2,969)
At 31 December 2015	1,072	–	5	1,077
Additions	–	–	23	23
At 31 December 2016	1,072	–	28	1,100
Accumulated amortisation				
At 1 January 2015	–	2,700	257	2,957
Amortisation for the year	–	–	14	14
Disposal of subsidiaries	–	(2,700)	(269)	(2,969)
At 31 December 2015	–	–	2	2
Amortisation for the year	–	–	2	2
At 31 December 2016	–	–	4	4
Carrying amounts				
At 1 January 2015	1,072	–	17	1,089
At 31 December 2015	1,072	–	3	1,075
At 31 December 2016	1,072	–	24	1,096

Amortisation expense

The amortisation of computer software is included in "administrative expenses".

NOTES TO THE FINANCIAL STATEMENTS

6 Subsidiaries

	Company	
	2016	2015
	RMB'000	RMB'000
Unquoted equity shares, at cost	–*	–*

* Amounts less than RMB1,000

Details of the subsidiaries are as follows:

	Name of Company	Principal activities	Country of incorporation and place of business	Percentage of equity held by the Group	
				2016	2015
				%	%
	Held by the Company				
(1)	GBT Investments Pte. Ltd. ("GBTI")	Investment holding	Singapore	100	100
	Held through GBTI				
(2)	Harbin Superior Construction Materials Trading Co, Ltd	Trading of construction materials	People's Republic of China	100	100
(2)	Harbin Shengming Energy Saving and Technology Co., Ltd. ("Harbin Shengming")	Energy conservation services and installation of green technology and architecture	People's Republic of China	100	100
(2)	Harbin Utilities Tunnel Construction and Management Co., Ltd ("HUTCAM")	Construction, operation and management of projects	People's Republic of China	100	100
(2)	Harbin Prevailing Municipal Engineering Co., Ltd ("HPME")	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
(3)	Harbin Vigorous Construction and Engineering Co., Ltd. ("HVCE")	Civil engineering and construction, green landscaping, development of energy-conservation technology	People's Republic of China	51	–

(1) Audited by KPMG LLP, Singapore

(2) Audited by KPMG member firms of KPMG Beijing for the purposes of consolidation

(3) Dormant

NOTES TO THE FINANCIAL STATEMENTS

7 Inventories

	Group	
	2016	2015
	RMB'000	RMB'000
Finished goods	94	779

During the year, the cost of inventories recognised as an expense and included in the cost of sales of the Group amounted to RMB153,433,000 (2015: RMB174,836,000).

8 Contract work-in-progress

	Group	
	2016	2015
	RMB'000	RMB'000
Aggregate amount of costs incurred	25,750	25,750
Attributable profits	6,605	6,605
	32,355	32,355
Less: Allowance for impairment	(32,355)	–
	–	32,355

The contract work-in-progress relates to a car park development project. Allowance for impairment is made during the year as the project may not be able to be brought to fruition amid local residents' concerns about the impact of the development on the neighbourhood.

9 Trade and other receivables

		Group		Company	
	Note	2016	2015	2016	2015
		RMB'000	RMB'000	RMB'000	RMB'000
Non-current:					
Service concession receivables	25	240,871	–	–	–
Current:					
Third parties		54,014	4,131	–	–
Service concession receivables	25	283,162	87,733	–	–
Non-trade amounts due from subsidiaries		–	–	22,445	68
Government grant receivables		1,294	8,000	–	–
Receivables from the disposal of subsidiaries		–	25,040	–	25,040
Other receivables		3,149	757	–	90
Deposits		22	822	22	21
		341,641	126,483	22,467	25,219

Non-trade amounts due from subsidiaries are unsecured, interest-free and repayable on demand. There is no allowance for doubtful debts arising from the outstanding balances.

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

The Group and the Company's exposures to credit and currency risks are disclosed in Note 26.

9 Trade and other receivables (cont'd)

The Group's receivables from the disposal of subsidiaries and other payables due to the purchaser that were offset in 2015 were as follows:

	Group		
	Gross carrying amounts RMB'000	Gross amounts offset in the statement of financial position RMB'000	Net amounts in the statement of financial position RMB'000
Trade and other receivables	38,950	(13,910)	25,040
Trade and other payables	(13,910)	13,910	–

Sources of estimation uncertainty

The Group assesses at the end of each reporting period whether there is any objective evidence that the loans and receivables are impaired. To determine whether there is objective evidence of impairment, the Group considers factors such as the probability of insolvency or significant financial difficulties of the debtor and default or significant delay in payments. Where there is objective evidence of impairment, the amount and timing of future cash flows are estimated based on historical loss experience for debtors with similar credit risk characteristics.

10 Prepayments

	Group		Company	
	2016 RMB'000	2015 RMB'000	2016 RMB'000	2015 RMB'000
Non-current:				
Advance payments to sub-contractors	11,880	–	–	–
Current:				
Prepaid operating expenses	8	1,256	8	11
Advance payments to sub-contractors	5,221	48,217	–	–
	5,229	49,473	8	11

11 Cash and cash equivalents

	Group		Company	
	2016 RMB'000	2015 RMB'000	2016 RMB'000	2015 RMB'000
Cash and cash equivalents	65,477	609	164	197
Fixed deposits	146,182	–	–	–
	211,659	609	164	197
Fixed deposit pledged for bank facilities	(50,700)	–	–	–
Fixed deposit pledged for banker guarantees	(95,482)	–	–	–
Cash and cash equivalents in the statement of cash flows	65,477	609	164	197

12 Share capital

	Company					
	2016			2015		
	No. of shares	S$'000	RMB'000 (equivalent)	No. of shares	S$'000	RMB'000 (equivalent)
Issued and fully paid:						
At beginning of the year	238,859,796	22,851	113,179	238,859,796	22,851	113,179
Issuance for cash	7,818,000	2,380	11,730	–	–	–
At end of the year	246,677,796	25,231	124,909	238,859,796	22,851	113,179

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the Company. All shares rank equally with regard to the Company's residual assets.

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

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 profits. 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 year.

Neither the Company nor any of its subsidiaries are subject to externally imposed capital requirements.

13 Foreign currency translation reserve

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

14 Trade and other payables

	Group		Company	
	2016	2015	2016	2015
	RMB'000	RMB'000	RMB'000	RMB'000
Third parties	199,951	38,006	–	–
Bills payables	50,700	–	–	–
Other payables	19,142	15,117	–	1,094
Accrued operating expenses	27,251	2,504	2,903	908
Non-trade amount due to a director	15	1,510	–	–
Non-trade amount due to a subsidiary	–	–	3,132	294
	297,059	57,137	6,035	2,296

The bills payables are secured over the fixed deposits of RMB 50,700,000.

Non-trade amounts due to a director and a subsidiary are unsecured and are repayable on demand.

The Group and the Company's exposures to currency and liquidity risks related to trade and other payables are disclosed in Note 26.

NOTES TO THE FINANCIAL STATEMENTS

15 Loans and borrowings

	Group		Company	
	2016	2015	2016	2015
	RMB'000	RMB'000	RMB'000	RMB'000
Non-current:				
Loans from banks	274,274	–	–	–
Current:				
Loans from banks	153,726	–	–	–
Loans from related parties	5,365	65,781	5,032	4,777
Loan from a shareholder	–	940	–	–
Loans from external parties	–	36,595	–	11,595
	159,091	103,316	5,032	16,372

Terms and debt repayment schedule

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

				2016		2015	
	Currency	Nominal interest rate	Year of maturity	Face value	Carrying amount	Face value	Carrying amount
		%		RMB'000	RMB'000	RMB'000	RMB'000
Group							
Secured bank loan	RMB	Prime rate + 0.60%	2017 - 2031	391,000	391,000	–	–
Secured bank loan	RMB	Prime rate + 0.60%	2017 - 2024	27,000	27,000	–	–
Secured bank loan	RMB	Prime rate + 0.45%	2017	10,000	10,000	–	–
				428,000	428,000	–	–

The loans from banks are secured over the service concession arrangements with certain government bodies and agencies of the People's Republic of China ("PRC").

The loan from external parties of RMB11.6 million bore interest at 15.37% per annum. The principal and the interest of which had been offset against the consideration receivable arising from the disposal of the packaging business in 2016. The remaining balance of RMB25.0 million related to loans and advances from external parties, which were unsecured, interest-free and were repaid in 2016.

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

Information about the Group's and the Company's exposures to liquidity and interest rate risks are included in Note 26.

NOTES TO THE FINANCIAL STATEMENTS

16 Revenue

	Continuing operation		Discontinued operation	
	2016	2015	2016	2015
	RMB'000	RMB'000	RMB'000	RMB'000
Construction contract revenue	761,348	87,300	–	–
Consultancy income	75,934	–	–	–
Sales of goods	358	3,528	–	211,929
	837,640	90,828	–	211,929

Sources of estimation uncertainty

Construction contract revenue and profit recognition on projects are dependent on estimating the eventual outcome of the construction contract, as well as work done to date. Actual outcome in terms of total costs or revenue may be higher or lower than estimated at the reporting date, which would affect the revenue and profit recognised in future years. As at the reporting date, management considered that all costs to complete and revenue can be reliably estimated.

17 Finance income

	Group	
	2016	2015
	RMB'000	RMB'000
Interest income from banks	257	743
Unwinding of discount on service concession receivables	5,641	–
	5,898	743

18 Tax expense

	Group	
	2016	2015
	RMB'000	RMB'000
Current tax expense		
Current year	15,295	2,926
(Over)/Under provided in prior years	(9,806)	618
Tax attributable to continuing operation	5,489	3,544
Tax attributable to discontinued operation	–	2,575
	5,489	6,119
Reconciliation of effective tax rate		
Profit before tax:		
Continuing operation	17,520	5,660
Discontinued operation	–	15,922
	17,520	21,582
Tax using the PRC tax rate of 25% (2015: 25%)	4,380	5,396
Effect of tax rates in foreign jurisdiction	503	(1,277)
Tax exempt income	(2)	(2,102)
Non-deductible expenses	9,439	1,592
Recognition of previously unrecognised tax losses	(2,976)	–
Deferred tax asset not recognised	3,951	1,892
(Over)/Under provided in prior years	(9,806)	618
	5,489	6,119

The Group's subsidiaries are subject to PRC corporate income tax rate of 25% (2015: 25%). Certain subsidiaries in PRC enjoy concessionary tax rates due to tax incentive schemes.

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

Unrecognised deferred tax assets

Deferred tax assets have not been recognised in respect of the following items:

	Group	
	2016	2015
	RMB'000	RMB'000
Unutilised tax losses	15,812	11,914

The tax losses are subject to agreement by the tax authorities and compliance with tax regulations in the PRC. The tax losses do not expire under current tax legislation. Deferred tax assets have not been recognised by the subsidiaries in respect of these items because it is not probable that future taxable profits will be available against which the Group can utilised the benefits therefrom.

NOTES TO THE FINANCIAL STATEMENTS

19 Discontinued operation

As the Group intends to focus on its green technology business, the Company had in October 2015 entered into a sale and purchase agreement to dispose its packaging business, namely Yourun Packaging Technology (Hangzhou) Co., Ltd.. The legal completion of the disposal occurred in March 2016 but for the purpose of financial reporting, the packaging business was considered disposed in October 2015, the date that control was lost.

	Group 2015 RMB'000
Revenue	211,929
Expenses	(196,007)
Results from operating activities	15,922
Tax expense	(2,575)
Results from operating activities, net of tax	13,347
Loss on sale of discontinued operation	(10,944)
Profit from discontinued operation, net of tax	2,403

For the financial year ended 31 December 2015, the profits from continuing operation and discontinued operation of RMB2,116,000 and RMB2,403,000 respectively were attributable entirely to the owners of the Company.

	Group 2015 RMB'000
Cash flows from (used in) discontinued operation	
Net cash from operating activities	49,999
Net cash used in investing activities	(22,181)
Net cash used in financing activities	(28,783)
Net cash flows for the year	(965)

Effect of disposal on the financial position of the Group

Property, plant and equipment	69,260
Land use rights	12,470
Prepayment for plant and equipment	863
Long term investment	996
Deferred tax assets	1,256
Inventories	29,740
Trade and other receivables	104,153
Available-for-sale investment	18,450
Cash and cash equivalents	13,810
Deferred tax liabilities	(2,632)
Trade and other payables	(81,785)
Loans and borrowings	(52,400)
Current tax payables	(1,477)
Non-controlling interests	(62,810)
Net assets attributable to owners of the Company	49,894
Deferred consideration (receivables)	(38,950)
Loss on disposal	(10,944)
Consideration received	–
Cash and cash equivalents disposed of	(13,810)
Net cash outflow	(13,810)

20 Profit for the year

The following items have been included in arriving at profit for the year:

	Group	
	2016	2015
	RMB'000	RMB'000
Operating lease expenses	570	650
Foreign exchange loss, net	445	1,007
Audit fees paid to		
- auditors of the Company	1,204	1,279
Non-audit fees:		
- auditors of the Company	21	53
Salaries and bonuses	4,017	2,853
Contributions to defined contribution plans	423	391
Write-off of deferred expenditure	337	–
Allowance for impairment for contract work-in-progress	32,355	–
Loss on sales of discontinued operation, net of tax	–	10,944

21 Earnings per share

Basic and diluted earnings per share

The calculation of basic and diluted earnings per share is based on the profit attributable to ordinary shareholders and the weighted-average number of ordinary shares outstanding, calculated as follows:

Profit attributable to ordinary shareholders

	Group	
	2016	2015
	RMB'000	RMB'000
Basic and diluted earnings per share are based on:		
Profit/(loss) attributable to ordinary shareholders	12,034	(2,399)

Weighted-average number of ordinary shares

	No. of shares	
	2016	2015
	'000	'000
Issued ordinary shares at 1 January	238,860	238,860
Effect of placement of shares in March 2016	6,319	–
Weighted average number of ordinary shares during the year	245,179	238,860

NOTES TO THE FINANCIAL STATEMENTS

22 Operating segments

Following the completion of the disposal of its packaging business and analysing the various type of projects in the Green Technology business, the Group re-aligned its operating segments to conform with the new 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 CEO (the chief operating decision maker) reviews internal management reports of each business units at least quarterly.

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

Information about reportable segments

	Insulation RMB'000	Underground Utility Tunnel RMB'000	Project Management RMB'000	Materials Trading RMB'000	Packaging products (Discontinued) RMB'000	Total RMB'000
Group						
2016						
External revenue	209,472	551,876	75,934	358	–	837,640
Inter-segment revenue	–	–	–	153,001	–	153,001
Total revenue of reportable segments	209,472	551,876	75,934	153,359	–	990,641
Finance income	3,215	2,632	51	–	–	5,898
Finance costs	–	(11,711)	–	(6)	–	(11,717)
Depreciation and amortisation	–	43	449	–	–	492
Reportable segment (loss)/profit before income tax	(15,550)	26,777	13,668	(255)	–	24,640
Allowance for impairment for contract work-in-progress and write off of deferred expenditure	–	–	32,692	–	–	32,692
Reportable segment assets	244,873	435,348	78,365	51,715	–	810,301
Capital expenditure	–	117	248	3	–	368
Reportable segment liabilities	16,867	565,124	39,318	119,105	–	740,414
2015 (Restated)						
External revenue	47,455	37,356	2,489	3,528	211,929	302,757
Inter-segment revenue	–	–	–	–	–	–
Total revenue of reportable segments	47,455	37,356	2,489	3,528	211,929	302,757
Finance income	–	–	743	–	423	1,166
Finance costs	–	–	5,740	–	3,204	8,944
Depreciation and amortisation	–	–	561	–	9,582	10,143
Reportable segment profit/(loss) before income tax	15,755	4,639	(6,781)	954	15,922	30,489
Other non-cash expenses	–	–	–	–	1,343	1,343
Reportable segment assets	17,390	7,264	157,033	4,128	–	185,815
Capital expenditure	–	–	709	–	2,217	2,934
Reportable segment liabilities	3,826	2,864	142,462	3,413	–	152,565

NOTES TO THE FINANCIAL STATEMENTS

22 Operating segments (cont'd)

Reconciliations of reportable segment revenue, profit or loss, assets and liabilities and other material items

	Group	
	2016	2015
	RMB'000	RMB'000
		Restated
Revenue		
Total revenue for reportable segments	990,641	302,757
Elimination of inter-segment revenue	(153,001)	–
Elimination of discontinued operation	–	(211,929)
Consolidated revenue	837,640	90,828
Profit or loss before income tax		
Total profit before income tax for reportable segments	24,640	30,489
Other losses	(7,120)	(8,907)
Elimination of discontinued operation	–	(15,922)
Consolidated profit before tax	17,520	5,660
Assets		
Total assets for reportable segments	810,301	185,815
Other assets	3,256	26,507
Consolidated total assets	813,557	212,322
Liabilities		
Total liabilities for reportable segments	740,414	152,565
Other liabilities	6,447	18,852
Consolidated total liabilities	746,861	171,417

Other material items

	Reportable segment totals RMB'000	Adjustments RMB'000	Consolidated totals RMB'000
2016			
Finance income	5,898	–	5,898
Finance costs	11,717	–	11,717
Depreciation and amortisation	492	2	494
Allowance for impairment for contract work-in-progress and write off of deferred expenditure	32,692	–	32,692
Capital expenditure	368	–	368
2015 (Restated)			
Finance income	1,166	–	1,166
Finance costs	8,944	–	8,944
Depreciation and amortisation	10,143	3	10,146
Other non-cash expenses	1,343	–	1,343
Capital expenditure	2,926	8	2,934

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.

NOTES TO THE FINANCIAL STATEMENTS

23 Operating leases

Leases as lessee

Non-cancellable operating lease rentals are payable as follows:

	Group	
	2016	**2015**
	RMB'000	**RMB'000**
Within one year	142	115

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

24 Related party transactions

Key management personnel compensation

Key management personnel of the Group and the Company are those persons having the authority and responsibility for planning, directing and controlling the activities of the entity. The directors and senior management staffs of the Group and the Company are considered as key management personnel.

Key management personnel compensation, included in staff costs comprised:

	Group	
	2016	**2015**
	RMB'000	**RMB'000**
Short term employee benefits	2,704	1,917
Defined contributions plans	191	142
	2,895	2,059

Included in key management personnel compensation is directors' remuneration of the Company of RMB1,593,000 (2015: RMB807,000).

Other related party transactions

	Group	
	2016	**2015**
	RMB'000	**RMB'000**
Operating lease expenses charged by related party	400	350

25 Service concession arrangements

	Group	
	2016	**2015**
	RMB'000	**RMB'000**
Service concession receivables:		
Underground utility tunnel project	295,513	38,643
Insulation project	228,520	49,090
	524,033	87,733

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

During the year, the Group recorded revenue and profit of RMB761,348,000 and RMB6,724,000 respectively (2015: RMB84,811,000 and RMB17,043,000) from the service concession arrangements.

The service concession receivables represent revenue recognised in relation to construction of the projects. Revenue is determined based on the percentage of completion during the year.

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 arrangement	Service concession period
Harbin Utilities Tunnel Construction and Management Co., Ltd ("HUTCAM")	哈尔滨市地下综合管廊项目 (Underground utility tunnel project)	Harbin City, Heilongjiang Province	哈尔滨市城乡建设委员会	PPP (Financial assets)	From 2015 to 2041
Harbin Prevailing Municipal Engineering Co., Ltd ("HPME")	哈尔滨市既有建设一般性节能改造项目 (Insulation project)	Harbin City, Heilongjiang Province	哈尔滨市城乡建设委员会	PPP (Financial assets)	From 2015 to 2026

NOTES TO THE FINANCIAL STATEMENTS

26 Financial risk management

Overview

The Group has exposure to the following risks arising from financial instruments:

- credit risk;
- liquidity risk; and
- market risk

This note presents information about the Group's exposure to each of the above risks, the Group's objectives, policies and processes for measuring and managing risk.

Risk management framework

The Board of Directors has overall responsibility for the establishment and oversight of the Group's risk management framework.

The Group's risk management policies are established to identify and analyse the risks faced by the Group, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Group's activities. The Group, through its training and management standards and procedures, aims to develop a disciplined and constructive control environment in which all employees understand their rules and obligations.

The Audit Committee oversees how management monitors compliance with the Group's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Group.

Credit risk

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

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

Risk management policy

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.

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.

26 Financial risk management (cont'd)

Exposure to credit risk

The maximum exposure to credit risk at the reporting date was as follows:

		Group		Company	
	Note	2016	2015	2016	2015
		RMB'000	RMB'000	RMB'000	RMB'000
Trade and other receivables	9	582,512	126,483	22,467	25,219
Cash and cash equivalents	11	211,659	609	164	197
		794,171	127,092	22,631	25,416

The Group's most significant customer, an agency of the PRC government, accounts for 90% of the carrying amounts of trade and other receivables as at 31 December 2016 (2015: 69%). As at 31 December 2015, the receivables from the disposal of subsidiaries accounted for 99% of the Company's trade and other receivables.

Impairment

The ageing of trade and other receivables that were not impaired at the reporting date was:

	Group		Company	
	2016	2015	2016	2015
	RMB'000	RMB'000	RMB'000	RMB'000
Not past due	581,218	118,483	22,467	25,219
More than 90 days	1,294	8,000	–	–
	582,512	126,483	22,467	25,219

Based on historic default rates, the Group believes that no impairment allowance is necessary.

Liquidity risk

Risk management policy

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 achievement of 68% completion of the utility tunnel project, the Group has received the construction 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 RMB66,000,000 of uncommitted credit facilities that can be drawn down to meet short-term financing needs.

NOTES TO THE FINANCIAL STATEMENTS

26 Financial risk management (cont'd)

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

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 and exclude the impact of netting agreements:

		Contractual cash flows			
	Carrying amount	Total	Within 1 year	Within 2 to 5 years	More than 5 years
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Group					
2016					
Non-derivative financial liabilities					
Trade and other payables	297,059	(297,059)	(297,059)	–	–
Loans and borrowings	433,365	(566,001)	(164,040)	(55,124)	(346,837)
	730,424	(863,060)	(461,099)	(55,124)	(346,837)

		Contractual cash flows	
	Carrying amount	Total	Within 1 year
	RMB'000	RMB'000	RMB'000
Group			
2015			
Non-derivative financial liabilities			
Trade and other payables	57,137	(57,137)	(57,137)
Loans and borrowings	103,316	(103,316)	(103,316)
	160,453	(160,453)	(160,453)
Company			
2016			
Non-derivative financial liabilities			
Trade and other payables	6,035	(6,035)	(6,035)
Loans and borrowings	5,032	(5,032)	(5,032)
	11,067	(11,067)	(11,067)
2015			
Non-derivative financial liabilities			
Trade and other payables	2,296	(2,296)	(2,296)
Loans and borrowings	16,372	(16,372)	(16,372)
	18,668	(18,668)	(18,668)

NOTES TO THE FINANCIAL STATEMENTS

26 Financial risk management (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. 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 the return.

Currency risk

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

The Group does not have significant currency exposures.

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

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

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.

NOTES TO THE FINANCIAL STATEMENTS

26 Financial risk management (cont'd)

Exposure to interest rate risk

At the reporting date, the interest rate profile of the Group's interest-bearing financial instruments, as reported to the management, was as follows:

	Group	
	Nominal amount	
	2016	2015
	RMB'000	RMB'000
Fixed rate instruments		
Cash and cash equivalents	146,182	11,600
Variable rate instruments		
Loans and borrowings	428,000	–

Cash flow sensitivity analysis for variable rate instruments

A change of 100 basis points in interest rates at the reporting date would have increased (decreased) equity and profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular foreign currency exchange rates, remain constant.

	Profit or loss	
	100bp increase	100bp decrease
	RMB'000	RMB'000
Group		
31 December 2016		
Loans and borrowings	(4,280)	4,280

NOTES TO THE FINANCIAL STATEMENTS

26 Financial risk management (cont'd)

Accounting classifications and fair values

The fair values of financial assets and liabilities, together with the carrying amounts shown in the statements of financial position, are as follows:

		Carrying amount			Fair Value
	Note	**Loans and receivables RMB'000**	**Other financial liabilities RMB'000**	**Total RMB'000**	**Total RMB'000**
Group					
31 December 2016					
Trade and other receivables	9	582,512	–	582,512	581,778
Cash and cash equivalents	11	211,659	–	211,659	211,659
		794,171	–	794,171	793,437
Trade and other payables	14	–	(297,059)	(297,059)	(297,059)
Loans and borrowings	15	–	(433,365)	(433,365)	(433,365)
		–	(730,424)	(730,424)	(730,424)
31 December 2015					
Trade and other receivables	9	126,483	–	126,483	126,483
Cash and cash equivalents	11	609	–	609	609
		127,092	–	127,092	127,092
Trade and other payables	14	–	(57,137)	(57,137)	(57,137)
Loans and borrowings	15	–	(103,316)	(103,316)	(103,316)
		–	(160,453)	(160,453)	(160,453)

NOTES TO THE FINANCIAL STATEMENTS

26 Financial risk management (cont'd)

		Carrying amount			Fair Value
	Note	Loans and receivables RMB'000	Other financial liabilities RMB'000	Total RMB'000	Total RMB'000
Company					
31 December 2016					
Trade and other receivables	9	22,467	–	22,467	22,467
Cash and cash equivalents	11	164	–	164	164
		22,631	–	22,631	22,631
Trade and other payables	14	–	(6,035)	(6,035)	(6,035)
Loans and borrowings	15	–	(5,032)	(5,032)	(5,032)
		–	(11,067)	(11,067)	(11,067)
31 December 2015					
Trade and other receivables	9	25,219	–	25,219	25,219
Cash and cash equivalents	11	197	–	197	197
		25,416	–	25,416	25,416
Trade and other payables	14	–	(2,296)	(2,296)	(2,296)
Loans and borrowings	15	–	(16,372)	(16,372)	(16,372)
		–	(18,668)	(18,668)	(18,668)

Determination of fair values

Fair value of non-current financial assets, used for disclosure purposes, are calculated based on discounted expected future cash flows at the market rate of interest at the reporting date.

The carrying amounts of other financial assets and liabilities with maturity of less than one year (including trade and other receivables, cash and cash equivalents, and trade and other payables) are assumed to approximate their fair value because of the short term period to maturity.

27 Comparative information

The comparative figures for the financial year ended 31 December 2015 were audited by another auditor.

SHAREHOLDINGS STATISTICS
AS AT 15 MARCH 2017

SHAREHOLDERS' INFORMATION AS AT 15 MARCH 2017

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

SIZE OF SHAREHOLDINGS	NO. OF SHAREHOLDERS	%	NO. OF SHARES	%
1 - 99	–	–	–	–
100 - 1,000	30	19.23	25,624	0.01
1,001 - 10,000	75	48.08	393,500	0.16
10,001 - 1,000,000	38	24.36	3,601,800	1.46
1,000,001 AND ABOVE	13	8.33	242,656,872	98.37
TOTAL	156	100.00	246,677,796	100.00

SUBSTANTIAL SHAREHOLDERS
(As recorded in the Register of Substantial Shareholders)

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

Note:

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

SHAREHOLDINGS STATISTICS

AS AT 15 MARCH 2017

TWENTY LARGEST SHAREHOLDERS

NO.	NAME	NO. OF SHARES	%
1	BNP PARIBAS NOMINEES SINGAPORE PTE LTD	83,360,000	33.79
2	ZHAO LIZHI	67,518,111	27.37
3	PHILLIP SECURITIES PTE LTD	28,128,500	11.40
4	CHAN MANG GHOON	16,606,000	6.73
5	OCBC SECURITIES PRIVATE LIMITED	9,782,861	3.97
6	JIANG JUNWEI	8,880,000	3.60
7	YU BINYAN	7,166,000	2.91
8	DBS VICKERS SECURITIES (SINGAPORE) PTE LTD	6,637,400	2.69
9	UOB KAY HIAN PRIVATE LIMITED	4,594,000	1.86
10	WANG TENGDA	4,327,000	1.75
11	ZHANG LI	2,194,000	0.89
12	WANG PENGRUI	2,000,000	0.81
13	MAYBANK KIM ENG SECURITIES PTE. LTD.	1,463,000	0.59
14	DERRICK ONG KENG GEE	367,900	0.15
15	CHEN LIPING	312,000	0.13
16	LOH SER SOON	300,000	0.12
17	HL BANK NOMINEES (SINGAPORE) PTE LTD	299,000	0.12
18	ABN AMRO CLEARING BANK N.V.	280,100	0.11
19	GU JIEYING	250,000	0.10
20	TAN LING LEE	200,000	0.08
20	WANG LULU	200,000	0.08
	TOTAL	244,865,872	99.25

PERCENTAGE OF SHAREHOLDINGS IN PUBLIC'S HANDS

35.50% 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 at Shibuya Room at level 4 of TKP Conference Centre, 137 Cecil Street, Singapore 069537 on 27 April 2017 at 10.00 a.m. for the following purposes:

AS ORDINARY BUSINESS

1. To receive and adopt the Audited Accounts for the financial year ended 31 December 2016 together with the Directors' Statement and the Auditors' Report of the Company. ***(Resolution 1)***

2. To approve the payment of Directors' fees of up to S$170,000 or the financial year ending 31 December 2017 to be paid quarterly in arrears. ***(Resolution 2)***

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

   [See Explanatory Note (i)]

4. To re-elect Mr Kuan Cheng Tuck, who is retiring in accordance with Article 91 of the Company's Constitution, as Director of the Company. ***(Resolution 4)***

   [See Explanatory Note (ii)]

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

   [See Explanatory Note (iii)]

6. To re-appoint Mr Dong Congwen, who is retiring in accordance with Article 97 of the Company's Constitution, as Director of the Company. ***(Resolution 6)***

   [See Explanatory Note (iv)]

7. To re-appoint KPMG LLP as Auditors of the Company and to authorise the Directors to fix their remuneration. ***(Resolution 7)***

AS SPECIAL BUSINESS

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

NOTICE OF ANNUAL GENERAL MEETING

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

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

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

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

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

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

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

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

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

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

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

[See Explanatory Note (v)]

NOTICE OF ANNUAL GENERAL MEETING

9. **Renewal of Shareholders' Mandate for Interested Person Transactions** ***(Resolution 9)***

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

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

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

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

[See Explanatory Note (vi)]

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

By Order of the Board

Wu Xueying
Chief Executive Officer

12 April 2017

Explanatory Notes:

(i) Mr Zhao Lizhi will, upon re-election as a Director of the Company, remain as an Executive Chairman of the Company.

(ii) Mr Kuan Cheng Tuck 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 a member of the Nominating Committee. Mr Kuan Cheng Tuck will be considered independent for the purpose of Rule 704(8) of the Listing Manual of SGX-ST.

(iii) Mr Gallen Tay Wi Keng will, upon re-election as a Director of the Company, remain as a Non-Executive and Independent Director of the Company, the Chairman of the Nominating Committee, and a member of the Audit and Remuneration Committees. Mr Gallen Tay Wi Keng will be considered independent for the purpose of Rule 704(8) of the Listing Manual of SGX-ST.

(iv) Mr Dong Congwen will, upon re-election as a Director of the Company, remain as a Non-Executive and Independent Director of the Company, and a member of the Audit, Nominating and Remuneration Committees. Mr Dong Congwen will be considered independent for the purpose of Rule 704(8) of the Listing Manual of SGX-ST

NOTICE OF ANNUAL GENERAL MEETING

(v) Ordinary Resolution 8 proposed in item 8 is to empower the Directors, from the date of the passing of Ordinary Resolution 8 to the date of the next Annual General Meeting, to issue shares in the capital of the Company and to make or grant instruments (such as warrants or debentures) convertible into shares, and to issue shares in pursuance of such instruments, up to an amount not exceeding in total 50% of the issued shares (excluding treasury shares) in the capital of the Company, with a sub-limit of 20% of the issued shares (excluding treasury shares) for issues other than on a pro-rata basis to shareholders.

(vi) The Ordinary Resolution 9 proposed in item 9 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) A member entitled to attend and vote at the Annual General Meeting is entitled to appoint a proxy or proxies (not more than two) to attend and vote on his/her behalf. A proxy need not be a member of the Company.

(2) A member who is a relevant intermediary entitled to attend the meeting and vote is entitled to appoint more than two proxies to attend and vote instead of the member, but each proxy must be appointed to exercise the rights attached to a different Share or Shares held by such member. Where such member appoints more than two proxies, the appointments shall be invalid unless the member specifies the number of Shares in relation to which each proxy has been appointed.

"**Relevant intermediary**" means:

(a) a banking corporation licensed under the Banking Act (Cap. 19) of Singapore or a wholly-owned subsidiary of such a banking corporation, whose business includes the provision of nominee services and who holds shares in that capacity;

(b) a person holding a capital markets services licence to provide custodial services for securities under the Securities and Futures Act (Cap. 289) of Singapore and who holds shares in that capacity; or

(c) the Central Provident Fund Board established by the Central Provident Fund Act (Cap. 36) of Singapore, in respect of shares purchased under the subsidiary legislation made under that Act providing for the making of investments from the contributions and interest standing to the credit of members of the Central Provident Fund, if the Board holds those shares in the capacity of an intermediary pursuant to or in accordance with that subsidiary legislation.

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

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

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

APPENDIX – RENEWAL OF SHAREHOLDERS' MANDATE FOR INTERESTED PERSON TRANSACTIONS

1. Background

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

(a) the notice of the Thirteenth Annual General Meeting of the Company dated 12 April 2017 (the "**Notice**") convening the Thirteenth Annual General Meeting ("**Thirteenth AGM**") of the Company to be held on Thursday, 27 April 2017, which accompanies this annual report of the Company for the financial year ended 31 December 2016 ("**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.

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 Thirteenth AGM, to take effect until the Fourteenth 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:

(a) the review procedures for determining the transaction prices under the Shareholders' Mandate have not changed since the conclusion of the Twelfth Annual General Meeting convened on the 29 April 2016 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.

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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 15 March 2017 can be found on page 39 and 89 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 Thirteenth AGM.

8. Directors' Recommendation

The Directors who are considered independent for the purposes of the proposed renewal of the Shareholders Mandate are Ms Wu Xueying, Mr Li Mingyang, Mr Kuan Cheng Tuck, Mr Gallen Tay Wi Keng and Mr Dong Congwen (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 Thirteenth AGM.

9. Directors' Responsibility Statement

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

10. Action To Be Taken By Shareholders

If a Shareholder is unable to attend the Thirteenth AGM and wishes to appoint a proxy to attend and vote on his/her/their behalf, he/her/they should complete, sign and return the attached Proxy Form in accordance with the instructions printed thereon as soon as possible and, in any event, so as to reach the registered office of the Company at **9 Temasek Boulevard, #09-01 Suntec Tower Four, Singapore 038989 not later than 10.00 a.m. on 25 April 2017**. Completion and return of the Proxy Form by a Shareholder will not prevent him from attending and voting at 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 Thirteenth AGM, as certified by The Central Depository (Pte) Limited to the Company.

11. SGX-ST

The SGX-ST takes no responsibility for the accuracy of any statements or opinions made in this Appendix and the accompanying Annexure.

ANNEXURE – THE SHAREHOLDERS' MANDATE

1. Chapter 9 of the Listing Manual

1.1. Chapter 9 of the listing manual (the "**Listing Manual**") of the Singapore Exchange Securities Trading Limited (the "**SGX-ST**") governs transactions by a listed company, as well as transactions by its subsidiaries and associated companies that are considered to be at risk, with the listed company's interested persons. When this Chapter applies to a transaction and the value of that transaction alone or on aggregation with other transactions conducted with the interested person during the financial year reaches, or exceeds, certain materiality thresholds, the listed company is required to make an immediate announcement, or to make an immediate announcement and seek its shareholders' approval for that transaction.

1.2. Except for certain transactions which, by reason of the nature of such transactions, are not considered to put the listed company at risk to its interested person and hence are excluded from the ambit of Chapter 9 of the Listing Manual, immediate announcement(s), or immediate announcement(s) and shareholders' approval would be required in respect of transactions with interested persons if certain financial thresholds (which are based on the value of the transaction as compared with the listed company's latest audited consolidated net tangible assets ("**NTA**")) are reached or exceeded. In particular, shareholders' approval is required for an interested person transaction of a value equal to, or which exceeds:

(a) 5% of the listed company's latest audited consolidated NTA; or

(b) 5% of the listed company's latest audited consolidated NTA, when aggregated with other transactions entered into with the same interested person (as such term is construed under Chapter 9 of the Listing Manual) during the same financial year.

1.3. Based on the latest audited consolidated accounts of Green Build Technology Limited (the "**Company**") and its subsidiaries (collectively, the Company and its subsidiaries shall hereinafter be referred to as the "**Group**") for the financial year ended 31 December 2016, the consolidated net tangible assets of the Group was approximately RMB 65,624,000. 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 3,281,200.

1.4. Chapter 9 of the Listing Manual permits a listed company, however, to seek a mandate from its shareholders for recurrent transactions of a revenue or trading nature or those necessary for its day-to-day operations such as the purchase and sale of supplies and materials (but not in respect of the purchase or sale of assets, undertakings or businesses) that may be carried out with the listed company's interested persons (the "**Shareholders' Mandate**").

1.5. Under the Listing Manual:-

(a) an "**entity at risk**" means:

(i) the listed company;

(ii) a subsidiary of the listed company that is not listed on the SGX-ST or an approved exchange; or

(iii) an associated company of the listed company that is not listed on the SGX-ST or an approved exchange, provided that the listed company and/or its subsidiaries (the "**listed group**"), or the listed group and its interested person(s), has control over the associated company;

(b) an "**interested person**" means a director, chief executive officer or controlling shareholder of the listed company or an associate of any such director, chief executive officer or controlling shareholder;

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(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

(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 Thirteenth Annual General Meeting of the Company (the "**Thirteenth AGM**") relating to the renewal of the Shareholders' Mandate to be proposed at the Thirteenth AGM to be held on Thursday, 27 April 2017 until the next Annual General Meeting of the Company.

4. Benefits of the Shareholders Mandate

The Shareholders' Mandate (and its subsequent renewal thereafter on an annual basis) will enhance the ability of companies in the EAR Group to pursue business opportunities which are time-sensitive in nature, and will eliminate the need for the Company to announce, or to announce and convene separate general meetings on each occasion to seek Shareholders' prior approval for the entry by the relevant company in the EAR Group into such transactions. This will substantially reduce the expenses associated with the convening of general meetings on an *ad hoc* basis, improve administrative efficacy considerably, and allow manpower resources and time to be channelled towards attaining other corporate objectives.

5. Classes of Interested Persons

5.1. The Shareholders' Mandate will apply to the Group's interested person transactions with Harbin Dali Aluminium Doors & Windows Products Co., Ltd. (the "**Interested Person**").

5.2. Transactions with the Interested Person, which do not fall within the ambit of the proposed Shareholders Mandate, shall be subject to the relevant provisions of Chapter 9 of the Listing Manual.

6. Categories of Interested Person Transactions

The Interested Person Transaction that will be covered by the Shareholders' Mandate refer to the purchase of supplies and materials from Interested Persons.

7. Review Procedures for Interested Person Transactions

7.1. The Group's principal activities include that of upgrading existing housing estates using green architecture and green technology. As part of such upgrading projects, the EAR Group may enter into transactions with the Interested Person in the ordinary course of business to purchase supplies and materials for use in the upgrading projects.

7.2. In general, the EAR Group has internal control procedures to ensure that the Interested Person Transactions are undertaken on an arm's length basis and on normal commercial terms consistent with the EAR Group's usual practices and policies, which (in relation to services or products to be provided to or procured from the Interested Person) are no more favourable than those extended to unrelated third parties. As a general practice, the EAR Group will only enter into transactions with the Interested Person if the terms offered by the Interested Person are no less favourable than that offered by unrelated third parties. The Audit Committee will also review and approve the transactions where applicable, as further described below.

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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;

(b) the Finance Team will maintain a register of transactions carried out with the Interested Person pursuant to the Shareholders' Mandate (recording the basis, including the quotations obtained to support such basis, on which they were entered into) (the "**IPT Register**"). Any discrepancies or significant variances (as determined by the Audit Committee) from the Group's usual business practices and pricing policies will be highlighted to the Audit Committee. The IPT Register will also record any transaction with an Interested Person that is less than S$100,000 in value, though such transactions are not covered under the Shareholders' Mandate;

(c) the Audit Committee shall, at least on a quarterly basis, periodically review the IPT Register to ensure that the Interested Person Transactions are carried out on normal commercial terms and in accordance with the guidelines and review procedures under the Shareholders' Mandate. All relevant non-quantitative factors will also be taken into account, including but not limited to customer requirements, specification compliance, delivery schedules, track record, experience and expertise. The Group's internal and external auditors shall assist the Audit Committee in such review and carry out such tests as they deem necessary;

(d) the Company's annual internal audit plan shall incorporate a review of all Interested Person Transactions, including the established review procedures for monitoring of such Interested Person Transactions, entered into during the current financial year pursuant to the Shareholders' Mandate. The Group's internal auditor shall, on a yearly basis, subject to adjustment in frequency, and depending on factors such as, *inter alia*, substantial increment of aggregate transactional value, report to the Audit Committee on all Interested Person Transactions, and the basis of such transactions, entered into with the Interested Person(s) during the preceding period;

(e) as part of the Group's annual audit, external auditors will review the Interested Person Transactions on a sampling basis. The external auditors 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

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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.

Proxy Form

GREEN BUILD TECHNOLOGY LIMITED

(Incorporated in the Republic of Singapore)
(Company Registration No. 200401338W)

IMPORTANT:

1. This Annual Report is also forwarded to investors who have used their CPF monies to buy shares in the Company at the request of their CPF Approved Nominees, and is sent solely for their information only.
2. This Proxy Form is therefore, not valid for use by CPF investors and shall be ineffective for all intents and purposes if used or purported to be used by them.
3. Relevant intermediaries (as defined in Section 181 of the Companies Act, Cap. 50) may appoint more than two proxies

I/We ____ (Name)

of ____ (Address)

being a member/members of Green Build Technology Limited (the "**Company**") hereby appoint

Name	Address	NRIC/ Passport No.	Proportion of my/our Shareholding	
			No. of shares	%

and/or (delete as appropriate)

Name	Address	NRIC/ Passport No.	Proportion of my/our Shareholding	
			No. of shares	%

failing which, the Chairman of the Meeting, as my/our proxy/proxies to attend and vote for me/us on my/our behalf at the Annual General Meeting of the Company, to be held at Shibuya Room at level 4 of TKP Conference Centre, 137 Cecil Street, Singapore 069537 on 27 April 2017 at 10.00 a.m. and at any adjournment thereof. I/We direct my/our proxy/proxies to vote for or against the Resolutions to be proposed at the Meeting as indicated hereunder. If no specific direction as to voting is given, the proxy/proxies will vote or abstain from voting at his/their discretion, as he/they will on any other matter arising at the Meeting.

(If you wish to exercise all your votes "**For**" or "**Against**", please indicate your vote "**For**" or "**Against**" with "**X**" within the box provided. Alternatively, please indicate the number of votes as appropriate.)

No.	Resolutions Relating To:	For	Against
Ordinary Business			
1.	Adoption of Audited Accounts for the financial year ended 31 December 2016 together with the Directors' Statement and the Auditors' Report of the Company		
2.	Approval of Directors' Fees for the financial year ending 31 December 2017		
3.	Re-election of Mr Zhao Lizhi		
4.	Re-election of Mr Kuan Cheng Tuck		
5.	Re-appointment of Mr Gallen Tay Wi Keng		
6.	Re-appointment of Mr Dong Congwen		
7.	Re-appointment of Messrs KPMG LLP as Auditors		
Special Business			
8.	Authority to allot and issue new shares		
9.	Renewal of Shareholders' Mandate for Interested Person Transactions		

Dated this ____________ day of ____________________ 2017.

Total number of Shares held

____

Signature of Member(s) or Common Seal

Important: Please read notes overleaf

Notes:

1. A member entitled to attend and vote at the Annual General Meeting is entitled to appoint one or two proxies to attend and vote in his stead.

2. Where a member appoints more than one proxy, the appointments shall be invalid unless he specifies the proportion of his holding (expressed as a percentage of the whole) to be represented by each proxy.

3. A member who is a relevant intermediary entitled to attend the meeting and vote is entitled to appoint more than two proxies to attend and vote instead of the member, but each proxy must be appointed to exercise the rights attached to a different Share or Shares held by such member. Where such member appoints more than two proxies, the appointments shall be invalid unless the member specifies the number of Shares in relation to which each proxy has been appointed.

   "**Relevant intermediary**" means:

   (a) a banking corporation licensed under the Banking Act (Cap. 19) of Singapore or a wholly-owned subsidiary of such a banking corporation, whose business includes the provision of nominee services and who holds shares in that capacity;

   (b) a person holding a capital markets services licence to provide custodial services for securities under the Securities and Futures Act (Cap. 289) of Singapore and who holds shares in that capacity; or

   (c) the Central Provident Fund Board established by the Central Provident Fund Act (Cap. 36) of Singapore, in respect of shares purchased under the subsidiary legislation made under that Act providing for the making of investments from the contributions and interest standing to the credit of members of the Central Provident Fund, if the Board holds those shares in the capacity of an intermediary pursuant to or in accordance with that subsidiary legislation.

4. A proxy need not be a member of the Company.

5. A member should insert the total number of shares held. If the member has shares entered against his name in the Depository Register maintained by The Central Depository (Pte) Limited ("**CDP**"), he should insert that number of shares. If the member has shares registered in his name in the Register of Members of the Company, he should insert that number of shares. If the member has shares entered against his name in the said Depository Register and registered in his name in the Register of Members of the Company, he should insert the aggregate number of shares. If no number is inserted, this form of proxy will be deemed to relate to all the shares held by the member.

6. The instrument appointing a proxy or proxies must be deposited at the Company's registered office at **9 Temasek Boulevard Suntec City Tower 2 #09-01, Singapore 038989** not less than 48 hours before the time set for the Annual General Meeting.

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

8. Where an instrument appointing a 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.

9. A corporation which is a member may authorise by resolution of its directors or other governing body such person as it thinks fit to act as its representative at the meeting, in accordance with Section 179 of the Companies Act, Chapter 50 of Singapore.

10. The submission of an instrument or form appointing a proxy by a member of the Company does not preclude him from attending and voting in person at the Annual General Meeting if he is able to do so. Any appointment of a proxy or proxies shall be deemed to be revoked if a member attends the meeting in person, and in such event, the Company reserves the right to refuse to admit any person or persons appointed under the instrument of proxy to the Meeting.

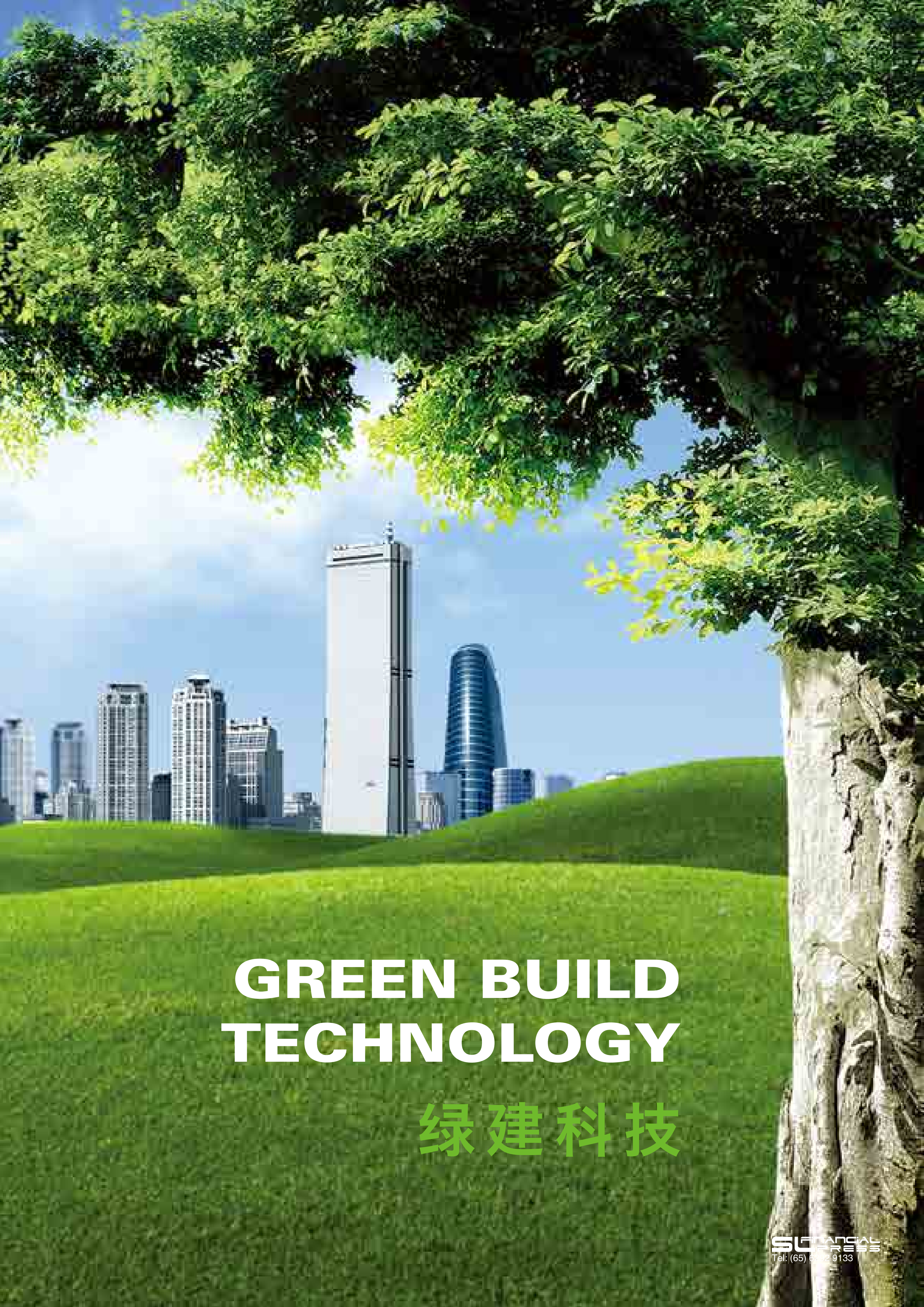
11. The Company shall be entitled to reject a Proxy Form which is incomplete, improperly completed or illegible or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified on the Proxy Form. In addition, in the case of shares entered in the Depository Register, the Company may reject a Proxy Form if the member, being the appointor, is not shown to have shares entered against his name in the Depository Register as at 72 hours before the time appointed for holding the Annual General Meeting, as certified by CDP to the Company.

12. Agent Banks acting on the request of CPF Investors who wish to attend the Annual General Meeting as observers are required to submit in writing, a list with details of the investors' name, NRIC/Passport numbers, addresses and numbers of Shares held. The list, signed by an authorised signatory of the agent bank, should reach the Company Secretary, at the registered office of the Company not later than 48 hours before the time appointed for holding the Annual General Meeting.

13. A Depositor's name must appear in the Depository Register maintained by the Central Depository (Pte) Limited not less than 72 hours before the time appointed for the holding of the Annual General Meeting in order for him to be entitled to vote at the Annual General Meeting.

Personal Data Protection:

By attending the Annual General Meeting and/or any adjournment thereof or submitting an instrument appointing a proxy(ies) and/or representative(s), the member accepts and agrees to the personal data privacy terms set out in the Notice of Annual General Meeting.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