



China Greenland Broad Greenstate Group Company Limited

中國綠地博大綠澤集團有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock code : 1253)



INTERIM REPORT **2021**

博大精深

博採眾長
Eclectic

大有作為
Accomplishment

精益求精
Excelsior

深生不息
Continuous



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Corporate Information

COMPANY NAME

China Greenland Broad Greenstate Group Company Limited

PLACE OF LISTING OF SHARES

The Stock Exchange of Hong Kong Limited — main board

STOCK CODE

1253

STOCK NAME

GREENLAND BROAD

BOARD OF DIRECTORS

Executive Directors

Mr. Wu Zhengping (*Chairman and chief executive officer*)

Ms. Xiao Li (*Deputy chief executive officer*)

Ms. Zhu Wen (*Chief financial officer and
Deputy general manager*)

Ms. Chen Min (*Deputy financial controller*)

Independent Non-executive Directors

Mr. Dai Guoqiang

Dr. Jin Hexian

Mr. Yang Yuanguang

COMPANY SECRETARY

Ms. Lo Ka Man

AUTHORIZED REPRESENTATIVES

Ms. Zhu Wen

Ms. Lo Ka Man

AUDIT COMMITTEE

Mr. Yang Yuanguang (*Chairman*)

Mr. Dai Guoqiang

Dr. Jin Hexian

REMUNERATION COMMITTEE

Dr. Jin Hexian (*Chairman*)

Mr. Dai Guoqiang

Ms. Zhu Wen

NOMINATION COMMITTEE

Mr. Dai Guoqiang (*Chairman*)

Ms. Xiao Li

Dr. Jin Hexian

REGISTERED OFFICE

The offices of Maples Corporate Services Limited

PO Box 309, Uglund House

Grand Cayman, KY1-1104

Cayman Islands

HEADQUARTERS AND PRINCIPAL PLACE OF BUSINESS IN THE PRC

Floor 8, Block D3, 5th Building, Hongqiao World Center

1588 Lane, Zhuguang Road

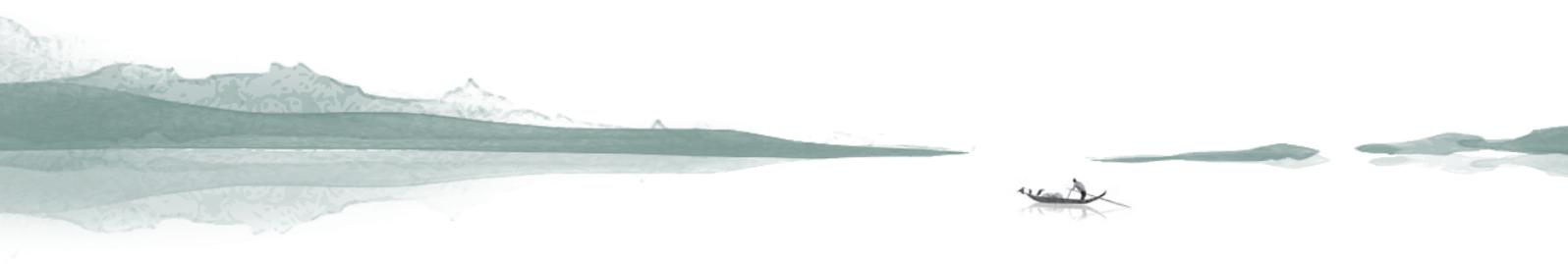
Shanghai, PRC

PLACE OF BUSINESS IN HONG KONG

Level 54, Hopewell Centre

183 Queen's Road East

Hong Kong



Corporate Information (Continued)

AUDITOR

Ernst & Young
27/F, One Taikoo Place
979 King's Road
Quarry Bay, Hong Kong

HONG KONG LEGAL ADVISOR

Jia Yuan Law Office
17/F, No. 238 Des Voeux Road Central
Sheung Wan, Hong Kong

CAYMAN ISLANDS PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE

Maples Fund Services (Cayman) Limited
PO Box 1093
Boundary Hall
Cricket Square
Grand Cayman, KY1-1102
Cayman Islands

HONG KONG BRANCH SHARE REGISTRAR

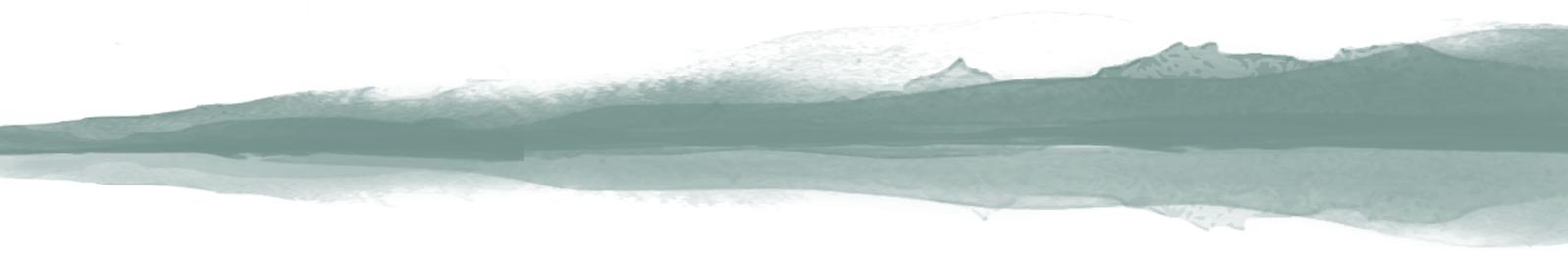
Tricor Investor Services Limited
Level 54, Hopewell Centre
183 Queen's Road East
Hong Kong

PRINCIPAL BANK

Bank of Shanghai Changning Branch

COMPANY WEBSITE

www.greenland-broadgreenstate.com.cn



Financial Summary

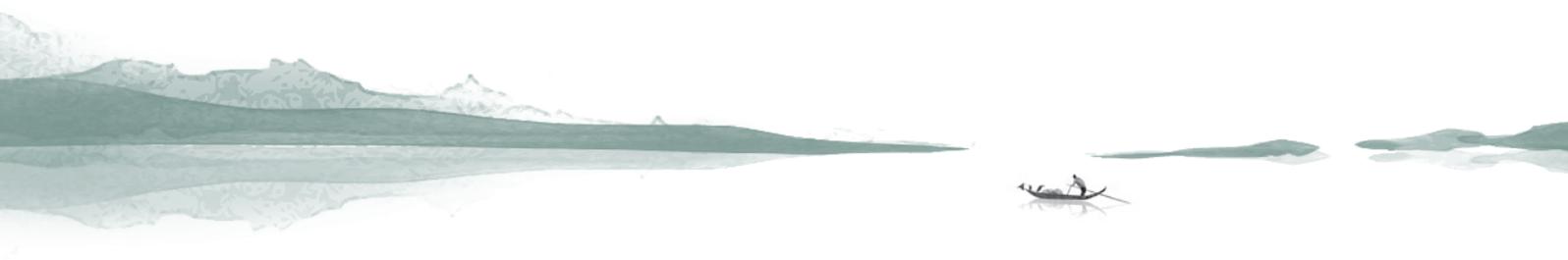
For the six months ended 30 June

	2021 RMB'000	2020 RMB'000	Change RMB'000	%
Revenue	193,289	322,221	(128,932)	(40.0)
Gross Profit	58,483	84,839	(26,356)	(31.1)
Profit before taxation	18,324	59,778	(41,454)	(69)
Net profit attributable to owners of the Parent	15,334	52,839	(37,505)	(71)

	30 June 2021 RMB'000	31 December 2020 RMB'000	Change RMB'000	%
Total assets	3,371,628	3,452,771	(81,143)	(2.4)
Total equity attributable to owners of the Parent	1,017,448	995,931	21,517	2

For the six months ended 30 June

	2021	2020
Profitability ratio (%)		
Gross Profit margin	30.3	26.3
Net profit margin	7.9	16.4
Return on assets	0.5	1.5
Return on equity	1.5	5.6
Working capital ratio (time)	1.0	1.1
Gearing ratio (%)	61.4	64.0



Chairman's Statement

2021 is an extraordinary year, a year that not only a full victory of building a moderately prosperous society in all respects achieved, the centenary of the CPC, but also the starting year of the 14th Five-Year Plan period. The 14th Five-Year Plan not only focuses on the development in the next five years, but also includes the Long-Range Objectives Through the Year 2035, which is crucial to the medium-long term economic development of China.

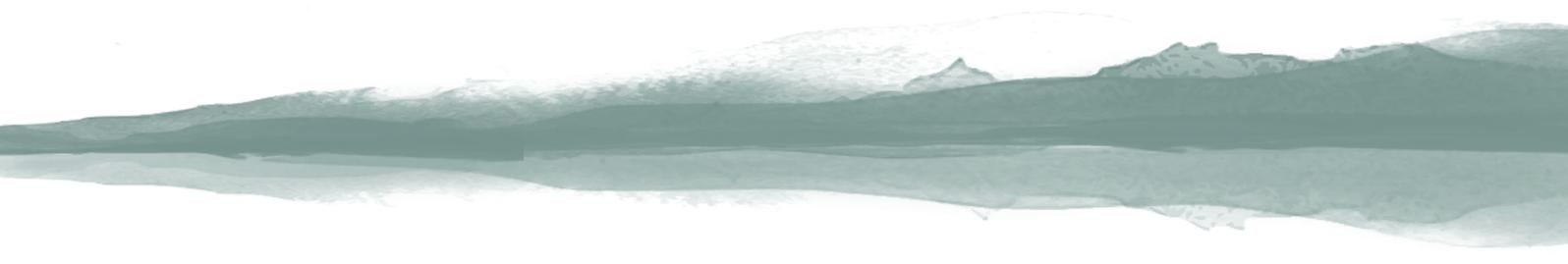
The world today is facing unprecedented transformation in the century, and the outbreak of COVID-19 in 2020 had caused severe impacts on the global economy. To cope with the sophisticated external environment, the prolonged impact of COVID-19 and challenges brought by the transformation and upgrading of China's economy, the Group has redeployed to base the new development stage, uphold the new development concept and construct a new development pattern during the Reporting Period.

In the first half of 2021, the Group has overcome difficulties and maintained a stable and healthy development. As a high-quality ecological garden enterprise, the Group had proactively adjusted its business structure in the past two years and prudently undertook Public-Private partnership ("PPP") projects, while closing existing projects properly to reduce the operational risks, thereby dealing with the project performance risks resulted by the complicated and ever-changing economic condition and the unstable financial situation of local governments. The Group focused on the healthy development of its principal business, various key financial indicators have improved and the gearing ratio has fallen below the average industry level. With the gradual completion of projects in various regions, the number of existing PPP projects has been reduced and the financing for new key projects in various provinces has also been completed gradually. Our Group has been in a virtuous cycle, while the projects in progress with output value run steadily, more efforts are invested in the preliminary work of incremental projects and the reserve projects are carried out orderly. With the continual optimization of its management model, the Group had further enhanced its comprehensive competitiveness.

As of 30 June 2021, the Group recorded a total revenue of approximately RMB193.3 million, and recorded a profit for the period of approximately RMB58.5 million and net profit attributable to owners of the Parent of approximately RMB15.3 million with a gross profit margin of 30.3% and a net profit margin of 7.9%, thus achieving a steady development in the face of adversity.

MARKET REVIEW

The landscape industry is recognized as the "sunrise industry", and building a good living environment represents the wish of human beings and the trend of urban development. Our government also introduced a series of national policies to support the development of the landscape industry. For example, the Ministry of Housing and Urban-Rural Development issued *Regulations on Urban Greening Planning and Construction Indicators* (《城市綠化規劃建設指標的規定》) and *Guiding Opinions on Promoting the Healthy Development of Urban Greening* (《關於促進城市園林綠化事業健康發展的指導意見》), the National Development and Reform Commission ("NDRC") encouraged the development of urban greening and ecological community construction industry, and cities stepped up efforts to build "landscape city", "ecological city", "scenic city", "forest city" and "livable city", all of which provided enormous opportunities for the accelerated development of the landscape industry. In addition, the central bank, the NDRC and other core government departments have recently continued to promote the implementation and refinement of carbon peaking and carbon neutrality strategies, whose medium- and long-term goals are also expected to boost the medium- and long-term demand for the landscape industry. The landscape industry has a promising prospect in future development.



Chairman's Statement (Continued)

PPP projects will be developed in a more stable and orderly manner as “promoting PPP in a standardized and orderly way” was included in the 14th Five-Year Plan and the Long-Range Objectives Through the Year 2035. From 2014 to 30 June 2021, there were 10,126 PPP projects with an investment amount of RMB15.7 trillion. In the first half of 2021, 308 new projects were obtained with an investment amount of RMB572.6 billion, and the top five sectors in terms of the net increase in the investment of projects were transportation, municipal engineering, urban development, education, ecological construction and environmental protection. In addition, PPP has made further progress in assisting counties that out of poverty to facilitate rural revitalization development, and many counties that out of poverty have explored to apply the PPP model to support poverty alleviation and rural revitalization. In the first half of 2021, there were 70 new projects with an investment amount of RMB49.8 billion and 65 contractually implemented projects with an investment amount of RMB60.6 billion.

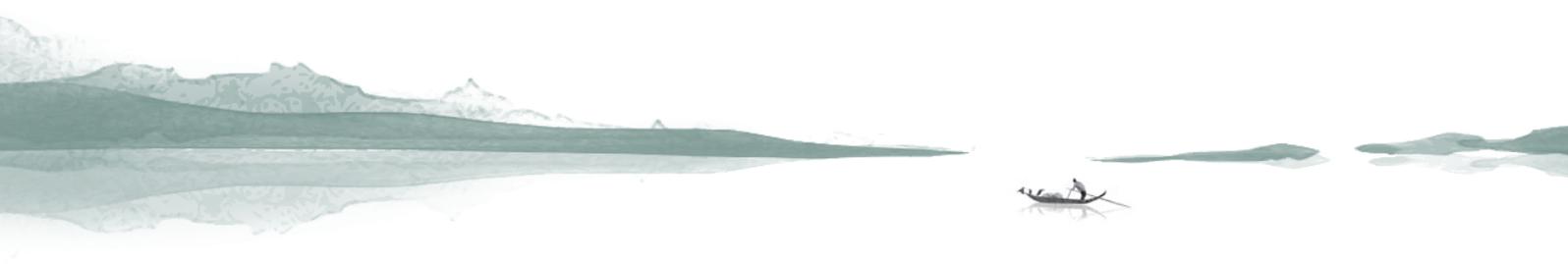
Focus on Digesting Orders in Hand, Facilitate Urban Renewal and Region Upgrade

In the first half of 2021, although the domestic epidemic has been controlled and economic business has basically returned to normal, the overall number of new signing orders of the landscape industry was still at a low level, and most of the companies in the landscape industry saw a year-on-year decrease in the number of new signing orders, mainly due to the large amount of PPP projects signed in the early stage, and the decline of Engineering Procurement Construction (“EPC”) and other tendering due to the impact of the epidemic in the early stage, especially the further slowing down of the promotion of major projects. The Group responded calmly during the Reporting Period, focusing on sorting out and digesting existing projects, keeping the scale of the PPP business within a controllable range, and laying a good foundation for the undertaking of subsequent incremental projects.

With the decline of demographic dividend, the increasing reduction of new construction land resources and the constraint on local government debt, it is urgent to optimize the urban spatial structure, enhance urban functions and improve the urban living environment through urban renewal. In recent years, the Group has been enhancing its own comprehensive ability through qualification upgrade as well as mergers and acquisitions. With some businesses extending into second- and third-tier cities, the Group has been actively facilitating urban updating and regional development, integrating its advantages on resource, capital and policy, and enhancing urban sustainability, livability and competitiveness, so as to boost urban vitality and promote urban prosperity and development.

Stick to Posts and Continue to Explore Broader Development Space

During the Reporting Period, the Group continued to deploy in six major sectors, including project investment, design planning, project construction, business operation, seedling research and cultural tourism management, insisting on providing professional technology and management services and striving to become a new driver for regional sustainable development. During the Reporting Period, the business of the Group has been extended to the whole country, with projects gradually transforming from small-scale real estate landscape projects to large-scale municipal ecological construction projects. In addition to being based in Shanghai, where the headquarter is located, our projects have been spread to 15 provinces and municipalities across the country. The Group has established a good reputation and credibility in local governments. Through the national project department layout, the Group gave full play to the respective advantages in each region, actively explored opportunities for cooperation with the local government and sought other potential customers, and actively expanded the EPC business sector with better cash flow to strive for steady development.



Chairman's Statement (Continued)

Enhance Management, Increase Revenue, Reduce Expenditure and Cultivate Internal Strength

Facing the changing business environment, the Group has substantially completed the target of completing the orders on hand and achieved steady and sustainable development through a series of reform measures such as enhancing management, increasing revenue and reducing expenditure, and cultivating internal strength during the past three years, and officially embarked on a new journey toward the target of “comprehensive and high-quality development” in 2021. The Group will more strictly select projects to undertake, with robust cash flow as the guidance, and existing projects as a starting point, taking root in the region of our projects; At the same time, the Group will actively practice the philosophy of “implementing strategies with policies, precise operation, intensified management, and benefit sharing”, actively revitalize existing projects, increase the payment collection of the projects in hand, strictly control the quality of the projects, so as to cope with the challenges and grasp opportunities of the market with more competitive comprehensive strength.

PROSPECT

Since 2020, China has achieved remarkable results in stabilizing growth and shoring up of weakness. The fundamentals of construction and infrastructure have been continued to improve with increasing market share. Since 2021, thanks to industry recovery, various major projects in domestic have commenced, coupled with promoting accelerated performance, driving China's overall economic recovery. Against the backdrop of the gradual improvement of epidemic prevention and control and brighter economic development prospects, the “14th Five-Year Plan”, “Carbon Neutrality” and “Carbon Peak Emissions” and other major favorable policies will accelerate the promotion of China's medium- and long-term green and low carbon transformation and upgrading, and the landscape industry will usher in new development opportunities.

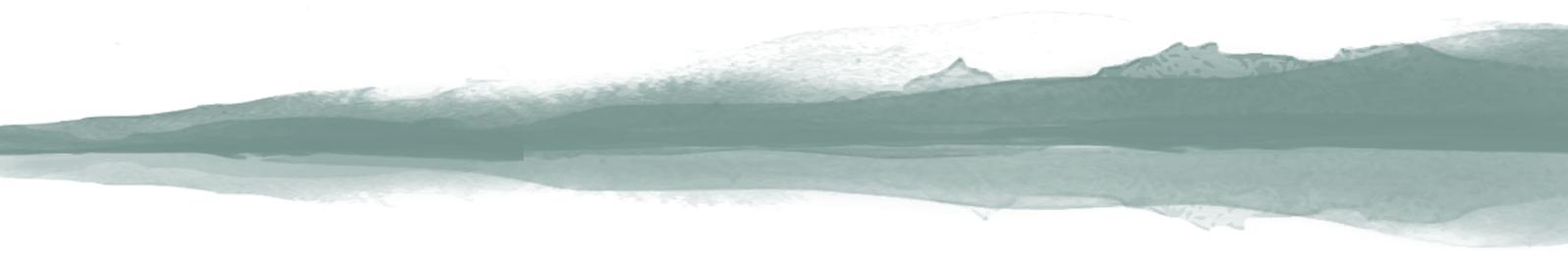
As a core force in ecological civilization and Beautiful China construction, the Group sets its business mission as “a leader in ecological and humanity homeland construction, a pioneer of development of sustainable environment”. It adheres to the enterprise spirit of “kindness, fortitude, cooperation and dedication”, and fulfils its social responsibility of “beautiful China nourishes our future generations” with practical actions. The Group strives to achieve its strategic vision of “enhance the regional core values with first-class ecological environment and to promote the harmonious upgrading of our homelands with deep humanities construction”. The Group endeavours to become an advocate and practitioner of the ecological and humanistic environment construction.

2021 is the year in which the Group will complete its reform and transformation, and it is also the year in which it will be prepared for taking a leap forward. Based on its development position and its actual business conditions, the Group will proactively focus on the development of the industry and national strategies, strive to give full play to the Group's advantages in the layout of the whole industrial chain, actively expand the market, steadfastly deepen reform, spare no effort to optimize management, and strive to write a new chapter of the Group's high-quality development in seeking new opportunities and making a fresh start.

Mr. Wu Zhengping

Chairman and Chief Executive Officer

25 August 2021



Management Discussion and Analysis

INDUSTRY REVIEW

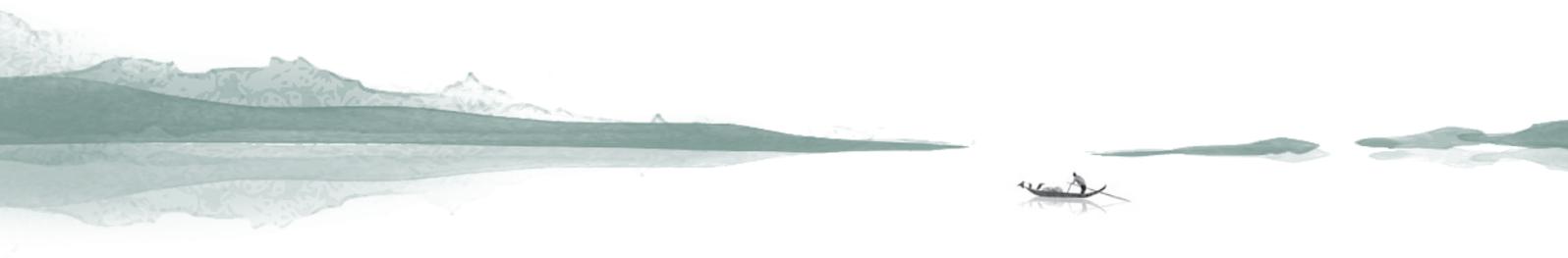
China is the first major economy in the world to recover from the COVID-19 epidemic, with industrial and commercial activities as well as consumption activity back to the situation before the epidemic. Despite in the face of various challenges on the road of economic development in the post-epidemic period, China maintained a steady and progressive momentum of development in the first half of 2021, with a significant GDP growth of 18.3% in the first quarter of 2021. Against the backdrop of accelerating economic recovery, a variety of landscape construction projects are also gradually resuming their operation, leading to a rebound in the performance of landscape enterprises.

After years of exploration, China's PPP has gone through a process of development from "active promotion" to "clean-up and regulation", and further to "orderly promotion", and China has become the world's largest PPP market, and its development has been included in the "14th Five-Year Plan" and the Long-Range Objectives Through the Year 2035. Among others, the NDRC has encouraged social capital to actively participate in the construction of the new infrastructure, new urbanization initiatives, transportation, water conservancy and other major projects and projects of shoring up weak spots. In addition to PPP models, Real Estate Investment Trusts ("**REITs**") in the field of infrastructure are actively launched in order to encourage the community to actively explore the combined development of PPP+REITs, so as to stimulate innovative social investment to drive infrastructure investment. There are still numerous uncertainties in domestic and international economic development, thus "maintaining stability in investment and economy and shoring up our weak spots" will remain to be the main task of the country this year. PPP, as a mode of operation to encourage social capital to participate in public infrastructure construction, will become an inevitable option for China to effectively cope with various risk and challenges. PPP will also enter a new stage of high quality and sustainable development.

BUSINESS REVIEW

The Group has always adhered to the principle of "specializing in the core business of ecological construction, improving the businesses of environmental restoration and cultural tourism operation". Confronting the severe economic situation brought by the COVID-19 epidemic, but grasping the opportunities brought by national policies in response to the epidemic in a timely manner, the Group successfully secured financing to ensure the normal operation of various projects. The Group also adjusted its business strategy in a timely manner to focus on developing investment projects in previous years and actively optimized the Company's management model, so as to officially step into the stage of comprehensive high-quality development in 2021.

During the Reporting Period, the Group recorded a total revenue of RMB193.3 million and net profit attributable to owners of the Parent of RMB15.3 million. Gross profit margin was 30.3%, representing an increase of 4.0 percentage points as compared with last year. Such figures proves that various reform measures of the Group, such as optimizing management model, enhancing strength, income-generating and cost-saving measures, have achieved a certain level of result in controlling operating risks and achieving stable and sustainable operations.



Management Discussion and Analysis (Continued)

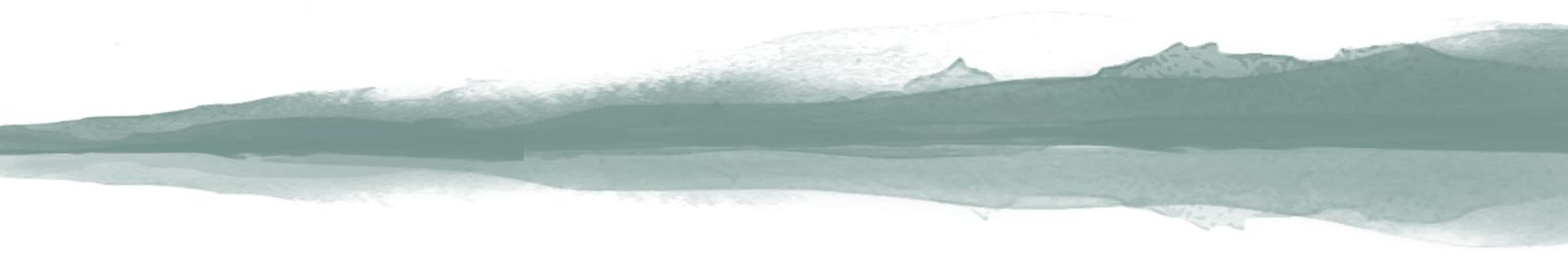
Qualifications and Licenses

Issue authority	Category	Qualification level
Ministry of Housing and Urban-Rural Development of the PRC	General contracting of housing construction works	Special Grade
Ministry of Housing and Urban-Rural Development of the PRC	General contracting of municipal public works construction	Grade One
Ministry of Housing and Urban-Rural Development of the PRC	Professional contracting of steel structure projects	Grade One
Zhejiang Housing and Urban & Rural Construction Department	Professional contracting of mechanical and electrical equipment installation project	Grade One
Zhejiang Housing and Urban & Rural Construction Department	Professional contracting of construction decoration project	Grade One
Zhejiang Housing and Urban & Rural Construction Department	Professional contracting of foundation projects	Grade One
Ministry of Housing and Urban-Rural Development of the PRC	Scenery landscape design	Grade A
Ministry of Housing and Urban-Rural Development of the PRC	Design qualification certificate for construction engineering professional design	Grade A
Shanghai Housing and Urban-Rural Development Management Committee	Professional contracting of ancient architecture project	Grade One

COST CONTROL

The Group adhered to its scientific, rational and economical operation practice to increase revenue and reduce expenditure. Unlike the traditional extensive contracting model of project management in the industry, the Group adopted a refined project cost control model, and established a group-wide unified supplier database and utilised its self-developed project management information platform (“**OA System**”) to ensure that all expenses on projects were strictly managed in accordance with the budget. During the Reporting Period, the Group also completed the preparation and trial operation on a procurement platform for well-known enterprises in China, comprehensively expanding the supply chain channel.

Benefiting from the above cost control model, the Group has maintained industry-leading gross margin levels over the years. During the Reporting Period, the Group has made progress in cost control with the application of the above measures.



Management Discussion and Analysis (Continued)

QUALITY CONTROL

Being a group company with ecological construction as its core business, quality control has always been the utmost importance for the Group. The Group values its brand building and undertakes key government projects for the most part. Except for optimizing operational processes and improving collaborative efficiency, the Group also established Special Purpose Vehicle (“SPV”) company at place where the project is located to further strengthen internal control management, so as to supervise the engineering quality strictly and to achieve steady development of the Company. The Group also set up a linkage mechanism between functional departments and each of the project departments through the online OA system to improve the internal control and management system and to strengthen collaboration. In addition, the Group sets specialized quality control position in each project department for the routine monitoring of the project quality. The management of the Group also carried out project inspections from time to time, aiming to guarantee the project construction quality and construction progress.

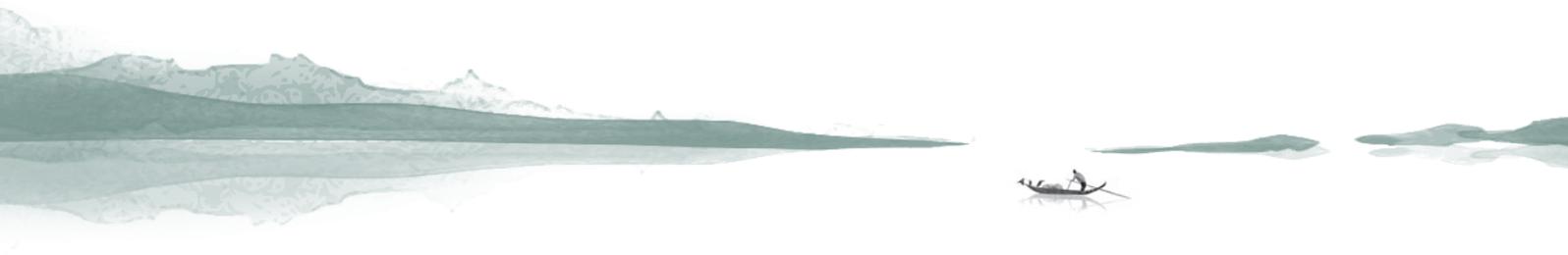
The Group has conducted quality control in three aspects, which include policy, system and manpower: as for the policy and system, the Group established a sound and comprehensive policy for processes, coupled with optimized systems for quality control. We carried out the inspection of projects quality and safety and implemented the projects inspection and assessment system with the methods of system as the standard, quality engineering as the goal, strictly checking as the practice; as for manpower, well-experienced project managers were employed to control engineering quality on a comprehensive basis, the appraisal system of project managers was improved and the inspection of quality and safety was fully implemented. On the group level, the quality control department has adopted a standard quality control system for those construction enterprises which are under cooperation and newly cooperated with. The quality management system of the Group has been recognized by the certification of ISO 9001, ISO 14001 and OHSAS 18001.

RESEARCH AND DEVELOPMENT

As a service provider and investment operator with high potential in the fields of ecological construction, cultural tourism, and environmental governance in China, the Group strives to become an internationally advanced and domestic leading player in the industry by adhering to the guidance of applying high-efficiency, energy-saving and clean green technology and design so as to promote its development through scientific and technological innovation. Based on currently available technology accumulation, project experience and product advantages, the Group has continuously invested a large amount of funds in establishing its technology center, adhering to independent development, with the introduction, digestion and absorption of other technologies as a supplement, as well as constantly strengthened the cooperation of industry, education and research, and the construction of intellectual property rights, and actively realized the industrialization of science and technology. The Group keeps regarding scientific research as an important strategy to achieve sustainable development, and provides strong technical support for the Group through scientific research innovation, so as to secure its healthy development.

The Group has been constantly carrying out projects while conducting development and research in respect of a number of patented technologies, and successfully made substantial progress in plant cultivation, soil improvement and water ecological treatment. Currently, the Group has owned a number of patented technologies and patented products with independent intellectual property rights, and acquired core technologies in the field of ecological construction, which contributes strong competitive advantages in the industry.

The Group has a total of three invention patents, 59 utility model patents, five trademark copyrights, three software copyrights, one exclusive right of integrated circuit layout design, one invention patent under application, ten utility model patents under application and three new cultivars at the reproductive stage, all of which relate to sewage treatment, saline-alkali land restoration, ecological restoration, garden plants, construction and other fields.

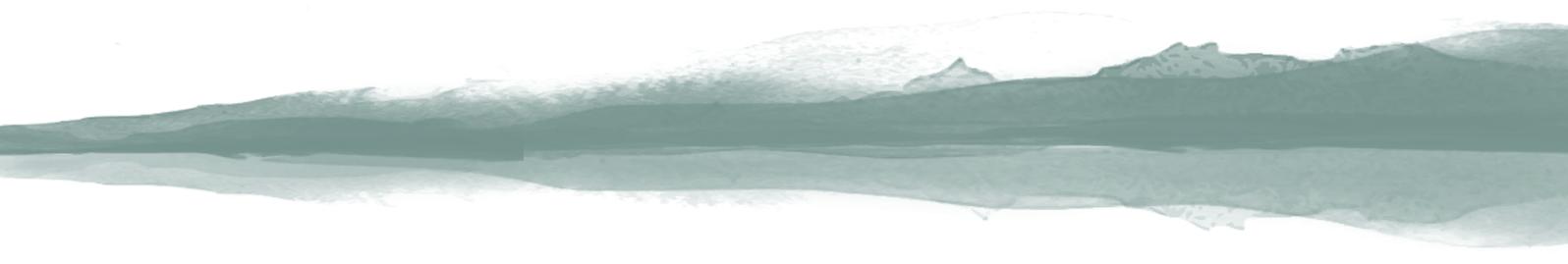


Management Discussion and Analysis (Continued)

FUTURE DEVELOPMENT

The year 2021 is the beginning year for the 14th Five-Year Plan, during which the regional government work reports continued to focus on stabilizing infrastructure and expanding domestic demand. With the acceleration of the construction of major projects in various regions, it is expected that the investment in infrastructure construction will also speed up in the second half of the year, and the size of the issue of infrastructure special debt in various regions may increase accordingly. The 14th Five-Year Plan proposes to optimize the investment structure, focuses on making up for shortcomings in infrastructure, promotes the construction of major projects, and advocates developing green buildings. In the future, building efficiency improvement, energy saving and emission reduction, and green development will become new trends. At the same time, “Carbon Neutrality” and “Carbon Peak Emissions” were officially included in the government work report, which became a central concern of policy. Carbon emission reduction projects are expected to have tremendous growth. After adjustment in recent years, the landscape engineering industry has gradually standardized. Under the guidance of policies such as “Carbon Neutrality” and “Green and Low-Carbon Development”, the implementation scale and progress of ecological projects can be expected. Meanwhile, with the continuous improvement and refinement of the management mechanisms and policies to forestry carbon sequestration projects based on the market in the future, the landscape industry is expected to usher in new development opportunities. Quality landscape enterprises may fully capitalise on the new development opportunities, and the industry is also expected to take advantage of these opportunities to further show its huge potential.

Looking ahead, the Group will actively respond to the call of the state and is more inclined to undertake major projects of energy-efficient and environmentally friendly and green development, while more energy-efficient and environmentally friendly equipment will be used in the construction of existing projects. The later stages for operating the project will also adopt a greener and more energy-saving approach. The Group will learn from each other’s strengths in the model of PPP and Engineering Procurement Construction going hand in hand, which continues to be adopted. In addition, the Group will improve the precision of business projects and speed up the conversion of the projects’ output value, further accelerate the completion of existing projects, strengthen operation management, layout the whole industrial chain to promote business development, accelerate the consolidation of its own strategic advantages, and continue to deepen its brand image, lay a solid foundation, so as to contribute to the construction of a beautiful China.



Management Discussion and Analysis (Continued)

FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The main risks arising from the Group's financial instruments are foreign currency risk, credit risk and liquidity risk. The Board of Directors reviews and agrees policies for managing each of these risks and they are summarised below.

The condensed consolidated interim financial information does not include all financial risk management information and disclosures required in the annual consolidated financial statements, and should be read in conjunction with the Group's annual consolidated financial statements for the year ended 31 December 2020.

There have been no changes in the risk management department during the Reporting Period or in any risk management policies

Foreign currency risk

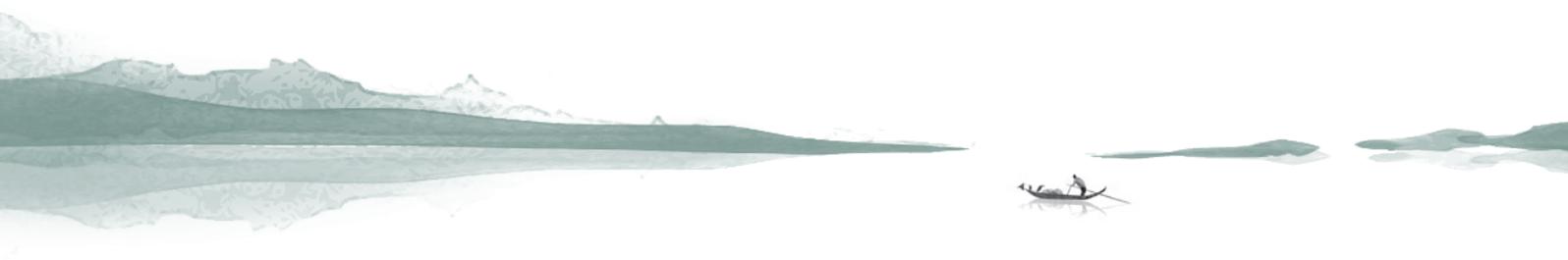
The Group's businesses are located in Mainland China and nearly all transactions are conducted in RMB. As nearly all of the Group's assets and liabilities were denominated in RMB, the Group was not subject to significant foreign currency risk as at 30 June 2021. As at 30 June 2021, the Group's assets and liabilities denominated in US dollars ("USD") and Hong Kong dollars ("HKD") were mainly held by the Company and a subsidiary incorporated outside Mainland China which had HKD as their functional currencies. The Company and the subsidiary incorporated outside Mainland China also held corporate bonds denominated in USD and other payable denominated in RMB, from which foreign currency exposure arises.

The following table demonstrates the sensitivity at the end of the Reporting Period to a reasonably possible change in the USD and HKD exchange rate, with all other variables held constant, of the Group's profit before tax and the Group's equity.

	Increase/ (decrease) in rate %	Increase/ (decrease) in profit before tax RMB'000	Increase/ (decrease) in equity* RMB'000
2021			
If RMB weakens against USD	1	(2,618)	—
If RMB strengthens against USD	(1)	2,618	—
If RMB weakens against HKD	1	—	—
If RMB strengthens against HKD	(1)	—	—

* Excluding retained profits

During the Reporting Period, the Group did not use any derivative financial instruments to hedge against the volatility associated with foreign currency transactions and other financial assets and liabilities arising in the ordinary course of business. The Group's management monitors foreign exchange exposure closely and will consider hedging significant foreign currency exposure should the need arise.



Management Discussion and Analysis (Continued)

Credit risk

The Group's trade receivables and contract assets are mainly from government authorities. The carrying amounts of cash and cash equivalents, trade and other receivables and contract assets included in the consolidated financial statements represent the Group's maximum exposure to credit risk in relation to its financial assets.

As at the end of the Reporting Period, all cash and cash equivalents were deposited in high quality financial institutions without significant credit risk.

Liquidity risk

Compared to the year ended 31 December 2020, there was no material change in the contractual undiscounted cash out flows for financial liabilities.

Capital management

The primary objectives of the Group's capital management are to safeguard the Group's ability to continue as a going concern and to maintain healthy capital ratios in order to support its business and maximise shareholders' value.

The Group monitors capital using a gearing ratio, which is net debt divided by the capital plus net debt. Net debt includes interest-bearing bank and other borrowings, corporate bonds, trade and bills payables, other payables and accruals, less cash and cash equivalents. Capital includes total equity. The gearing ratios as at the end of the Reporting Period were as follows:

	30 June 2021 RMB'000 (Unaudited)	31 December 2020 RMB'000 (Audited)
Interest-bearing bank and other borrowings	560,543	547,948
Corporate bonds	194,166	196,947
Trade and bills payables	789,440	953,379
Other payables and accruals	120,982	127,795
Less: Cash and cash equivalents	(43,971)	(309,292)
Net debt	1,621,160	1,516,777
Equity attributable to owners of the Parent	1,017,448	995,931
Capital and net debt	2,638,608	2,512,708
Gearing ratio	61%	60%

Management Discussion and Analysis (Continued)

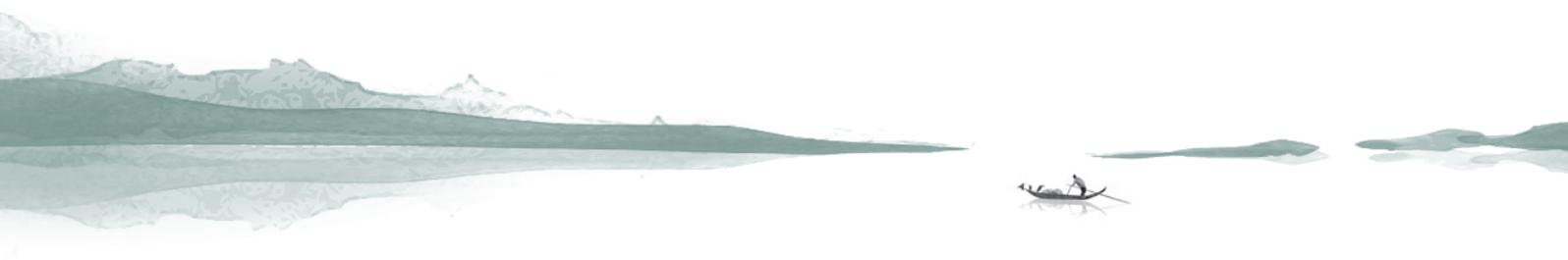
CASH AND CASH EQUIVALENTS AND PLEDGED DEPOSITS

	30 June 2021 RMB'000 (Unaudited)	31 December 2020 RMB'000 (Audited)
Cash and cash equivalents	43,971	309,292
Time deposits	800	1,300
	44,771	310,592
Less: Pledged time deposits		
Pledged for construction contracts	800	(1,300)
Pledged for bank loans	—	—
Cash and cash equivalents	43,971	309,292

At the end of the Reporting Period, the cash and cash equivalents of the Group denominated in USD amounted to RMB1,722,252 (31 December 2020: RMB1,646,827) and the cash and bank balances denominated in HKD amounted to RMB8,028 (31 December 2020: RMB8,033).

The RMB is not freely convertible into other currencies, however, under Mainland China's Foreign Exchange Control Regulations and Administration of Settlement, Sale and Payment of Foreign Exchange Regulations, the Group is permitted to exchange RMB for other currencies through banks authorised to conduct foreign exchange business.

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



Management Discussion and Analysis (Continued)

CONTINGENT LIABILITIES

At the end of the Reporting Period, contingent liabilities not provided for in the financial statements were as follows:

	30 June 2021 RMB'000 (Unaudited)	31 December 2020 RMB'000 (Audited)
Guarantees given to a bank in connection with facilities granted to joint ventures	624,250	566,800
	624,250	566,800

The facilities of RMB624,250,000 are granted to joint ventures (Quanzhou Haixi Botanic Garden Development Company Limited (“**Quanzhou Haixi**”), Qishan Taiping Pagoda Cultural Tourism Development Company Limited (“**Qishan Taiping**”), Gushi Greenland Broad Greenstate Nanhu Cultural Company Limited (“**Gushi Nanhu**”) and Zhaoqing High-Tech Zone Bureau General Hill Sports Park Investment Development Company Limited (“**Zhaoqing Park**”). As the bank borrowings of the joint ventures were secured by their contract assets, trade receivables and the rights to payment from their customers, the expected credit loss is not material.

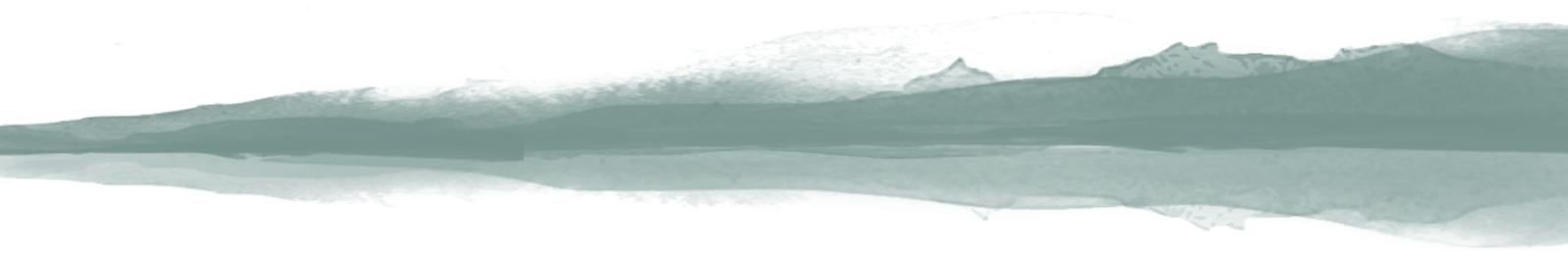
BANK AND OTHER BORROWINGS

As at 30 June 2021, the Group’s total outstanding bank and other borrowings amounted to RMB560,543,000 (31 December 2020: RMB547,948,000).

CORPORATE NOTES

The 2015 Note Instrument

On 20 August 2015, the Company entered into the Note Purchase Agreement with Greenland Leasing pursuant to which the Company conditionally agreed to issue and sell, and Greenland Leasing conditionally agreed to purchase a redeemable fixed coupon promissory note due 2016 with a principal amount of US\$40,000,000 (equivalent to approximately RMB258.4 million based on the conversion rate of US\$1 to RMB6.46) at the rate of 9.00% per annum. On 11 September 2015, the Company entered into the Deed of Novation with Greenland Leasing and Greenland Financial pursuant to which Greenland Leasing shall novate all its rights, obligations and liabilities under the Note Purchase Agreement to Greenland Financial.



Management Discussion and Analysis (Continued)

As security of the 2015 Notes, the Company, as legal and beneficial owner, has agreed to charge by way of a first fixed charge all rights, entitlements, interests and benefits in the Company Charged Shares and all derived interests to be made by the Company in favor of Greenland Financial and Greenstate Times, as legal and beneficial owner, has agreed to charge by way of a first fixed charge all rights, entitlements, interests and benefits in the Greenstate Times Charged Shares and all derived interests to be made by Greenstate Times in favor of Greenland Financial. The Notes shall mature one year from the closing date of the issue of the Notes. Closing of the issue of the Notes took place on 15 October 2015.

Pursuant to the terms and conditions of the 2015 Notes, Greenland Financial has served an extension notice and the Company has acknowledged and agreed to such extension notice, whereby the maturity date of the notes shall be extended by one calendar year from 15 October 2016 to 15 October 2017.

The 2017 Note Instrument

On 15 November 2017, the Company and Greenland Financial entered into the 2017 Deed of Consent pursuant to which the parties conditionally agreed, among other things, that (i) Greenland Financial shall execute the 2017 Note Instrument and release and discharge the Company from all of its present and future covenants, liabilities and obligations owing and/or payable to Greenland Financial under the 2015 Note Instrument and any further obligations that the Company may have under the 2015 Note Instrument, and (ii) Greenland Financial shall release the 2015 Company Share Charge and the 2015 Greenstate Times Share Charge by way of deeds of release and enter into the 2017 Share Charges as security of the Notes. Closing of the Reissue of the Notes took place on 15 January 2018.

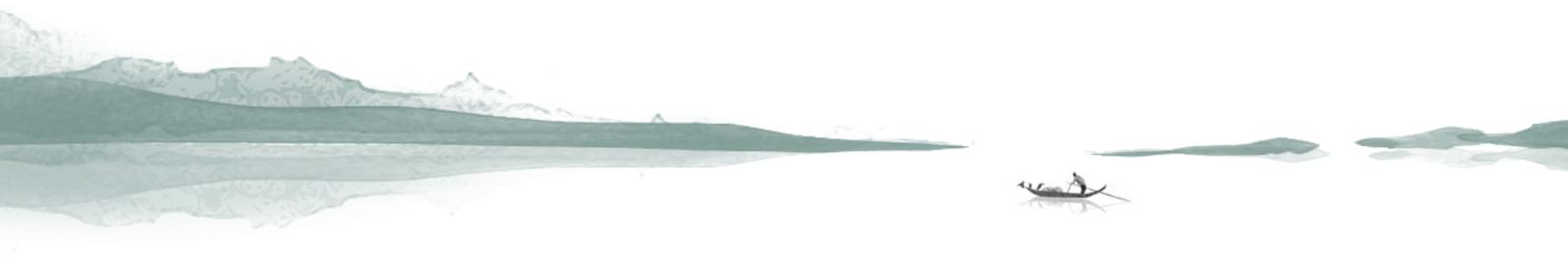
Pursuant to the terms and conditions of the Notes, Greenland Financial has served an extension notice and the Company has acknowledged and agreed to such extension notice, whereby the maturity date of the notes shall be extended by one calendar year from 15 January 2019 to 15 January 2020.

The 2019 Note Instrument

On 4 December 2019, the Company and Greenland Financial entered into the 2019 Deed of Consent pursuant to which the parties conditionally agreed, among other things, that (i) Greenland Financial shall execute the 2019 Note Instrument and release and discharge the Company from all of its present and future covenants, liabilities and obligations owing and/or payable to Greenland Financial under the 2017 Note Instrument and any further obligations that the Company may have under the 2017 Note Instrument, and (ii) Greenland Financial shall release the 2017 Share Charges by way of deeds of release and enter into the 2019 Share Charges as security of the 2019 Notes.

Pursuant to the terms and conditions of the 2019 Notes, the maturity date of the 2019 Notes is 14 July 2020 (unless previously redeemed, or purchased and cancelled or extended) and the term of 2019 Notes may be extended for an additional six months with the same interest coupon, terms and conditions as described under the 2019 Note Instrument.

For further details, please refer to the announcements of the Company dated 15 November 2017, 15 January 2019 and 4 December 2019 and the circulars of the Company dated 28 December 2017 and 6 January 2020.



Other Information and Corporate Governance Highlights

CORPORATE INFORMATION AND GLOBAL OFFERING

The Company was incorporated in the Cayman Islands on 22 October 2013 as an exempted company with limited liability, and the Company's Shares were listed on the Main Board of the Stock Exchange on 21 July 2014.

DIRECTORS' AND CHIEF EXECUTIVES' INTERESTS AND SHORT POSITION IN SHARES, UNDERLYING SHARES AND DEBENTURES

As at 30 June 2021, the interests and short positions of the Directors and the chief executives of the Company in the Shares, underlying Shares or debentures of the Company or its associated corporations (within the meaning of Part XV of the SFO) which were (i) recorded in the register required to be kept under section 352 of the SFO, or (ii) otherwise notified to the Company and the Stock Exchange pursuant to the Model Code were as follows:

Name of Director/ Chief Executive	Nature and Number of Shares/underlying Shares held ⁽¹⁾				Approximate Percentage of Issued Share Capital
	Personal interest	Corporate interest	Spouse interest	Total interest	
Mr. Wu Zhengping ⁽²⁾⁽³⁾	—	991,321,041	—	991,321,041	29.65%
Ms. Xiao Li ⁽²⁾⁽³⁾	—	—	991,321,041	991,321,041	29.65%

Notes:

- (1) All the above Shares are held in long position (as defined under Part XV of the SFO).
- (2) Broad Landscape International is owned as to 86.92% and 13.08% by Mr. Wu Zhengping and Ms. Xiao Li respectively and under the SFO, Mr. Wu Zhengping is deemed to be interested in the 991,321,041 Shares by Broad Landscape International.
- (3) Mr. Wu Zhengping is the spouse of Ms. Xiao Li. Under the SFO, Ms. Xiao Li is deemed to be interested in the same number of Shares in which Mr. Wu Zhengping is interested.

Save as disclosed above, as of 30 June 2021, so far as is known to any Director or the chief executive of the Company, none of the Directors or the chief executives of the Company had any interests or short positions in the Shares, underlying Shares or debentures of the Company or its associated corporations which were (i) recorded in the register required to be kept under section 352 of the SFO, or (ii) otherwise notified to the Company and the Stock Exchange pursuant to the Model Code.

Other Information and Corporate Governance Highlights (Continued)

SUBSTANTIAL SHAREHOLDERS' INTERESTS AND SHORT POSITIONS IN SHARES AND UNDERLYING SHARES

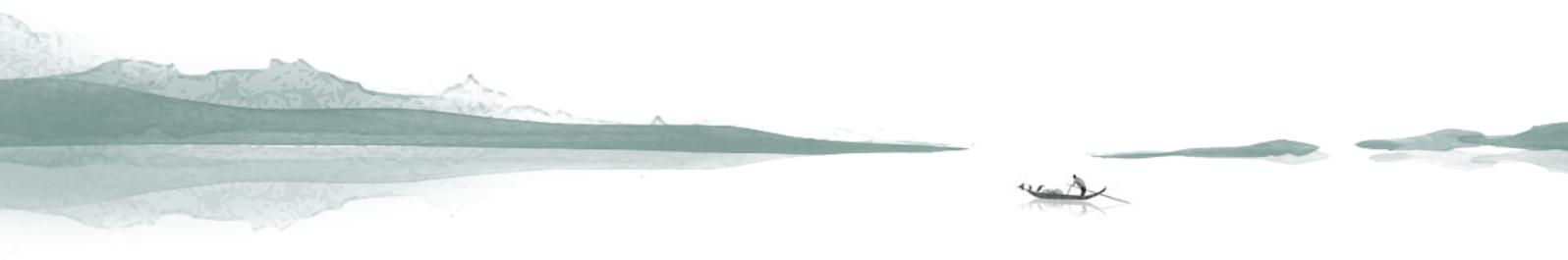
As at 30 June 2021, so far as the Directors are aware, the following persons (not being a Director or chief executive of the Company) had or deemed or taken to have interests or short positions in the Shares or underlying Shares of the Company which would fall to be disclosed under the provisions of Division 2 and 3 of Part XV of the SFO, or which would be required, pursuant to Section 336 of the SFO, to be entered in the register required referred to therein, were as follows:

Name of Shareholder	Nature of Interest	Number of Shares/ underlying Shares held ⁽¹⁾	Approximate Percentage of Issued Shares
Broad Landscape International ⁽²⁾	Beneficial owner	991,321,041	29.65%
Eastern Greenstate International	Beneficial owner	306,313,662	9.16%
Greenland ⁽³⁾	Interest in a controlled corporation	991,321,041	29.65%
Greenland Financial Holdings Company Limited (綠地金融投資控股集團有限公司) ⁽³⁾	Interest in a controlled corporation	991,321,041	29.65%
Greenland Financial ⁽³⁾	Beneficial owner	991,321,041	29.65%
Wholeking Holdings Limited (“ Wholeking ”) ⁽⁴⁾	Beneficial owner	235,392,000	7.04%
Hope Empire Limited (“ Hope Empire ”) ⁽⁴⁾	Interest in a controlled corporation	235,392,000	7.04%
Silverland Assets Limited (“ Silverland ”) ⁽⁴⁾	Interest in a controlled corporation	235,392,000	7.04%
HSBC International Trustee Limited ⁽⁴⁾	Trustee	235,392,000	7.04%
Cai Kui ⁽⁵⁾	Founder of a discretionary trust	235,392,000	7.04%

Notes:

- (1) All the above Shares are held in long position (as defined under Part XV of the SFO).
- (2) Broad Landscape International is owned as to 86.92% and 13.08% by Mr. Wu Zhengping and Ms. Xiao Li respectively and its interest duplicate certain interests of Mr. Wu Zhengping disclosed under the section “Directors’ and Chief Executives’ Interests and Short Position in Shares, Underlying Shares and Debentures”.
- (3) Greenland wholly owns Greenland Financial Holdings Company Limited which in turn wholly owns Greenland Financial so that Greenland and Greenland Financial Holdings Company Limited are deemed to be interested in the Shares in which Greenland Financial is interested for the purpose of Part XV of the SFO.
- (4) Wholeking is wholly-owned by Hope Empire, which in turn wholly-owned by Silverland. Silverland is wholly-owned by HSBC International Trustee Limited (“**HSBC Trustee**”). By virtue of the SFO, HSBC Trustee, Silverland and Hope Empire are deemed to be interested in the 235,392,000 Shares held by Wholeking.
- (5) Mr. Cai Kui has acquired 235,392,000 Shares, representing 7.04% of the Shares of the Company.

Save as disclosed above, as of 30 June 2021, the Directors have not been notified by any person (not being the Directors or chief executive of the Company) who had interests or short positions in the Shares or underlying Shares of the Company as recorded in the register required to be kept pursuant to Section 336 of the SFO.



Other Information and Corporate Governance Highlights (Continued)

SHARE OPTION SCHEME

The Company conditionally adopted the Share Option Scheme on 25 June 2014, which became effective from the Listing Date.

Purpose

The purposes of the Share Option Scheme are to attract and retain the best available personnel, to provide additional incentives to employees, directors, consultants and advisers of the Group and to promote the success of the business of the Group.

Participants of the Share Option Scheme

The Board may offer any employee (whether full-time or part-time), Director, consultant or adviser of the Group (the “**Eligible Person**”) options to subscribe for Shares at a price determined in accordance with the terms of the Share Option Scheme.

Maximum number of Shares

The total number of Shares which may be granted under the Share Option Scheme and under any other schemes of the Company shall not in aggregate exceed 10% of the issued share capital of the Company as at the Listing Date, being 306,720,000 Shares (the “**Scheme Mandate Limit**”) unless Shareholders’ approval has been obtained. Options lapsed in accordance with the Share Option Scheme shall not be counted for the purpose of calculating the Scheme Mandate Limit.

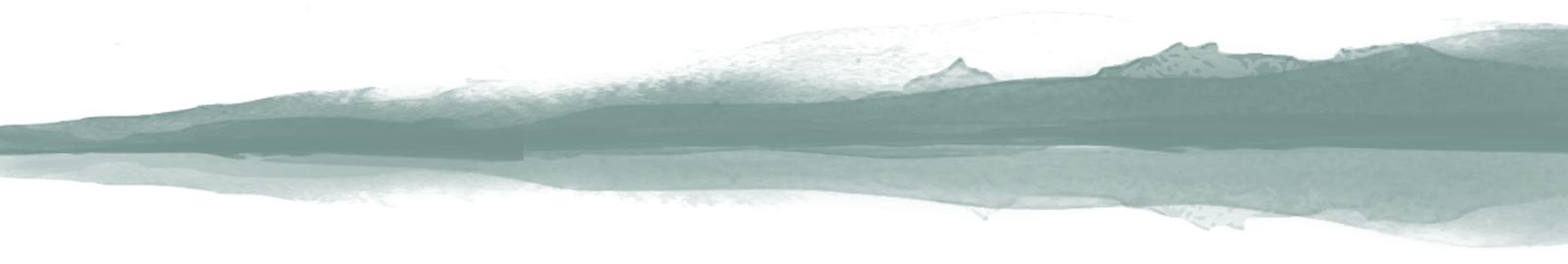
Notwithstanding the foregoing, the Shares which may be issued upon the exercise of all outstanding options granted and yet to be exercised under the Share Option Scheme and any other schemes of the Company shall not exceed 30% of the issued share capital of the Company from time to time.

As at the date of this interim report, a total of 39,482,142 share options, representing approximately 1.18% of the issued share capital of the Company, is available for issue under the Share Option Scheme.

Maximum entitlement of each participant

Unless approved by the Shareholders in a general meeting in the manner set out in the Share Option Scheme, the total number of Shares issued and to be issued upon the exercise of options granted to each Eligible Person (including exercised, cancelled and outstanding options) in any 12-month period shall not exceed 1% of the relevant class of securities of the Company in issue.

In addition, any options granted to an Eligible Person who is a Director, chief executive or substantial shareholder of the Company or any of their respective associates shall be approved by the independent non-executive Directors (excluding any independent non-executive Director who is proposed to be the grantee). Any options granted to an Eligible Person who is a substantial shareholder, or independent non-executive Director, or their respective associates, which will result in the total number of Shares issued and to be issued upon exercise of all the options granted and to be granted (including options whether exercised, cancelled or still outstanding) to such person in any 12-month period up to and including the date of such grant representing in aggregate over 0.1% of the issued share capital of the Company; and having an aggregate value, based on the closing price of the Shares at the date of each grant, in excess of HK\$5 million, such further grant of options must be approved, in addition to the approval of the independent non-executive Directors, by the Shareholders in general meeting.



Other Information and Corporate Governance Highlights (Continued)

Offer period

An offer of grant of an option shall remain open for acceptance by the Eligible person concerned for such period of not less than three business days as determined by the Board, provided that no such offer shall be open for acceptance after the expiry of the Share Option Scheme or after the Share Option Scheme has been terminated in accordance with the provisions thereof. An option may be exercised in whole or in part by the option holder in accordance with the terms of the Share Option Scheme at any time during the exercise period to be notified by the Board to each option holder upon the grant of options, such period shall not exceed ten years from the date of grant of the relevant option.

Minimum period for which an option must be held before it can be exercised

The Company may specify a minimum holding period and performance conditions which must be satisfied before options can be exercised by the option holders.

Amount payable for options

Upon acceptance of the option, the grantee shall pay HK\$1.00 to the Company as consideration for the grant, which is in no circumstances be refundable.

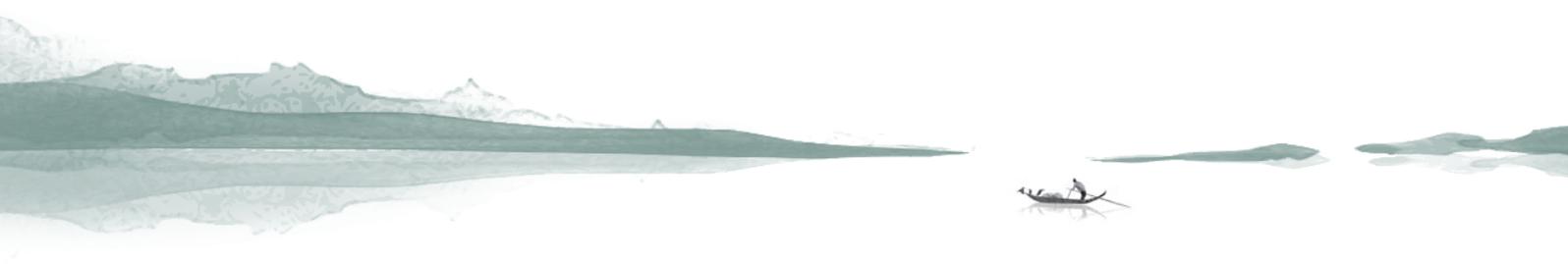
Basis of determining the exercise price

The amount payable for each Share to be subscribed for under an option pursuant to the Share Option Scheme in the event of the option being exercised shall be determined by the Board and shall be not less than the greater of:

- (i) the closing price of the Shares on the Stock Exchange as stated in the Stock Exchange's daily quotations sheet on the date of grant of the option;
- (ii) the average closing price of the Shares on the Stock Exchange as stated in the Stock Exchange's daily quotations sheets for the five business days immediately preceding the date of grant of the option; and
- (iii) the nominal value of the Shares.

Life of the Share Option Scheme

The Share Option Scheme will remain in force for a period to be notified by the Board, such period shall not exceed the period of ten (10) years commencing from 25 June 2014. Unless otherwise terminated earlier by the Company by resolution in general meeting or the Board, as at 30 June 2021, the Share Option Scheme has a remaining life of approximately three (3) years.



Other Information and Corporate Governance Highlights (Continued)

Since the effective date of the Share Option Scheme and up to the end of the Reporting Period, the Company has granted a total of 223,017,856 share options to eligible grantees, including the Company's Directors and other employees of the Group, on 1 September 2015 and 12 June 2018, while a total of 183,535,714 share options were lapsed and no share option had been exercised under the Share Option Scheme. Details of the movement in the share options under the Share Option Scheme during the Reporting Period and outstanding as at 30 June 2021 were as follows:

Grantees	Date of grant	Options granted	Number of Options					Held at 30 June 2021	Exercise price per Share (HK\$)	Vesting and Exercise period
			Held at 1 January 2021	Granted during the Reporting Period	Exercised during the Reporting Period	Cancelled/ Forfeited ⁽¹⁾ during the Reporting Period	Lapsed ⁽²⁾ during the Reporting Period			
Wu Zhengping	1 Sept 2015	30,000,000	—	—	—	—	—	—	1.24	1 Sept 2017–31 Aug 2018
			—	—	—	—	—	—		1 Sept 2018–31 Aug 2019
			—	—	—	—	—	—		1 Sept 2019–31 Aug 2020
			—	—	—	—	—	—		1 Sept 2020–31 Aug 2021
Xiao Li	1 Sept 2015	22,500,000	—	—	—	—	—	—	1.24	1 Sept 2017–31 Aug 2018
			—	—	—	—	—	—		1 Sept 2018–31 Aug 2019
			—	—	—	—	—	—		1 Sept 2019–31 Aug 2020
			—	—	—	—	—	—		1 Sept 2020–31 Aug 2021
Zhu Wen	1 Sept 2015	5,000,000	—	—	—	—	—	—	1.24	1 Sept 2017–31 Aug 2018
			—	—	—	—	—	—		1 Sept 2018–31 Aug 2019
			—	—	—	—	—	—		1 Sept 2019–31 Aug 2020
			—	—	—	—	—	—		1 Sept 2020–31 Aug 2021
Other employees (in aggregate)	1 Sept 2015	55,250,000	—	—	—	—	—	—	1.24	1 Sept 2017–31 Aug 2018
			—	—	—	—	—	—		1 Sept 2018–31 Aug 2019
			—	—	—	—	—	—		1 Sept 2019–31 Aug 2020
			—	—	—	—	—	—		1 Sept 2020–31 Aug 2021
	12 Jun 2018	110,267,856	—	—	—	—	—	1.04	12 Jun 2020–11 Jun 2021	
			13,160,714	—	—	—	13,160,714	—	12 Jun 2021–11 Jun 2022	
			19,741,071	—	—	—	—	19,741,071	—	12 Jun 2022–11 Jun 2023
			19,741,071	—	—	—	—	19,741,071	—	12 Jun 2023–11 Jun 2024

Notes:

(1) No share options were cancelled/forfeited during the Reporting Period.

(2) 13,160,714 share options were lapsed during the Reporting Period.

Other Information and Corporate Governance Highlights (Continued)

DIRECTORS' RIGHTS TO ACQUIRE SHARES OR DEBENTURES

No rights to acquire benefits by means of the acquisition of Shares in or debentures of the Company were granted to any Director or their respective spouse or children under 18 years of age, nor were any such rights exercised by them, nor was the Company or any of its subsidiaries a party to any arrangement to enable the Directors, or their respective spouse or children under 18 years of age, to acquire such rights in any other body corporate throughout the Reporting Period.

DIRECTORS' INTERESTS IN COMPETING BUSINESS

During the Reporting Period, none of the Directors had any interest in any businesses which compete or are likely to compete, either directly or indirectly, with the businesses of the Group.

PLEDGE OF SHARES BY CONTROLLING SHAREHOLDER

As at 30 June 2021, none of the controlling shareholders pledged any of the Company's securities listed on the Stock Exchange throughout the Reporting Period.

PURCHASE, SALE OR REDEMPTION OF SHARES OF THE COMPANY

Neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's securities listed on the Stock Exchange throughout the Reporting Period.

MATERIAL ACQUISITIONS, DISPOSALS AND SIGNIFICANT INVESTMENTS

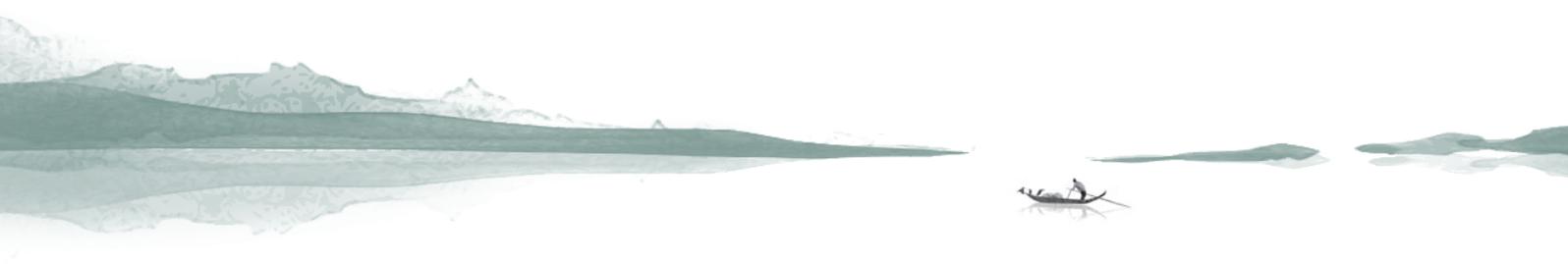
As at 30 June 2021, Shanghai Qianyi has held 4.3 million shares of Shanghai H-fast Electronic Technology Co., Ltd. with a shareholding of 10.04% at a cost of RMB51,600,000.

Save as disclosed above, during the Reporting Period, the Group had not made any material acquisitions and disposal of subsidiaries and associated companies. As at 30 June 2021, the Group did not hold any significant investments.

CORPORATE GOVERNANCE HIGHLIGHTS

The Company believes that maintaining high standards of corporate governance is the foundation for effective management and successful business growth. The Company is committed to developing and maintaining robust corporate governance practices to safeguard the interests of its shareholders and to enhance corporate value, accountability and transparency of the Company.

The Company has adopted the principles and code provisions of the CG Code as set out in Appendix 14 of the Listing Rules (as amended from time to time) as the basis of the Company's corporate governance practices since the Listing Date. Throughout the Reporting Period, the Company has been in compliance with all the applicable code provisions of the CG Code with the exception of code provisions A.2.1 and E.1.2.



Other Information and Corporate Governance Highlights (Continued)

Pursuant to code provision A.2.1 of the CG Code, the roles of chairman and the chief executive should be segregated and should not be performed by the same individual. The division of responsibilities between the chairman and the chief executive should be clearly established and set out in writing. However, the Company does not have a separate chairman and chief executive officer and Mr. Wu Zhengping (“**Mr. Wu**”) currently performs these two roles and accordingly, and there is no written terms setting out the division of responsibilities between the chairman and chief executive. The Board believes that vesting the roles of both chairman and chief executive officer in the same person has the benefit of ensuring consistent leadership within the Group and enables more effective and efficient overall strategic planning for the Group. The Board considers that the balance of power and authority will not be impaired by the present arrangement and this structure will enable the Company to make and implement decisions promptly and effectively. The Board will review the management structure regularly and consider separating the roles of the chairman and chief executive officer if and when appropriate.

Pursuant to code provision E.1.2 of the CG Code, the chairman of the Board should attend the annual general meeting. On the annual general meeting of the Company held on 21 May 2021 (“**2021 AGM**”), Mr. Wu, the chairman of the Board and chief executive officer of the Company was unable to attend the 2021 AGM due to other business commitments. The Board had arranged for Ms. Xiao Li, an executive Director, the deputy chief executive officer and a member of the Nomination Committee of the Company, who was well versed in all business activities and operations of the Group, to attend and chair the 2021 AGM on behalf of Mr. Wu and to respond to questions from Shareholders. The Company will adopt a more flexible schedule in order to facilitate the chairman to attend future annual general meeting of the Company.

UPDATE ON DIRECTORS’ INFORMATION

There is no change in the information of each Director that is required to be disclosed under Rule 13.51(2) and 13.51(B) of the Listing Rules throughout the Reporting Period.

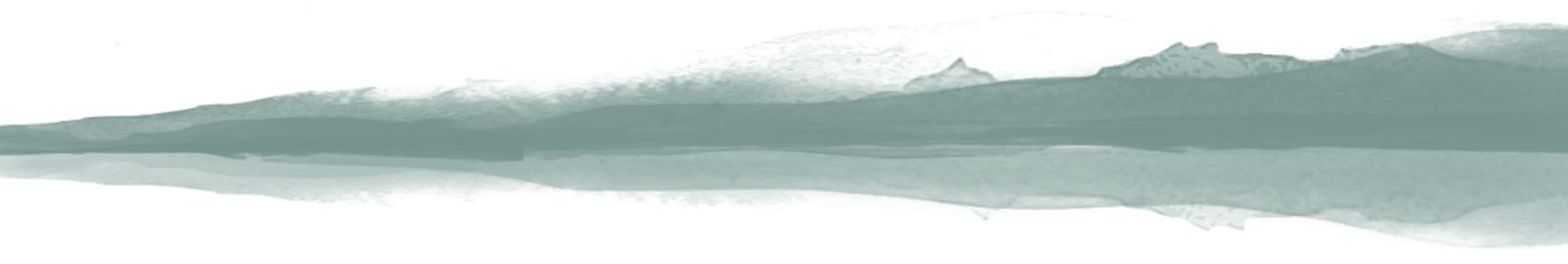
EMPLOYEE AND REMUNERATION POLICY

As at 30 June 2021, the Group had 238 full time employees (as at 31 December 2020: 256) in the PRC. During the Reporting Period, the staff cost of the Group was approximately RMB8.16 million (six months ended 30 June 2020: RMB11.01 million).

The employees’ remuneration policy is determined by reference to factors such as remuneration information in respect of the local market, the overall remuneration standard in the industry, inflation level, corporate operating efficiency and each employee’s qualifications, position, seniority and performance.

The remuneration package of the employees includes basic wages, allowance, bonuses and other employee benefits. The Group has designed an annual review system to assess the performance of its employees, which forms the basis of determining salary raises, bonuses and promotion.

The Remuneration Committee was set up to establish a formal and transparent procedure for developing policies on remuneration of the Directors and senior management, determine the terms of the specific remuneration package of each executive Director and senior management and review and approve performance-based remuneration by reference to corporate goals and objectives resolved by the Directors from time to time.



Other Information and Corporate Governance Highlights (Continued)

AUDIT COMMITTEE AND REVIEW OF INTERIM FINANCIAL STATEMENTS

The Audit Committee was established with terms of reference in compliance with the CG Code, and comprises three members, namely Mr. Yang Yuanguang (*Chairman*), Mr. Dai Guoqiang and Dr. Jin Hexian.

The Audit Committee has reviewed together with the management the accounting principles and policies adopted by the Group, the interim report and the unaudited consolidated interim results for the Reporting Period and was of the opinion that the preparation of such interim report and unaudited consolidated interim results complied with the applicable accounting standards and requirements and that adequate disclosures have been made.

MODEL CODE FOR SECURITIES TRANSACTIONS

The Company has adopted the Model Code as the code of conduct regarding the Directors' dealings in the securities of the Company. The provisions under the Listing Rules in relation to compliance with the Model Code by the Directors regarding securities transactions have been applicable to the Company throughout the Reporting Period.

Specific enquiry has been made to all the Directors and the Directors have confirmed that they have complied with the Model Code throughout the Reporting Period.

The Company has also adopted the Model Code as the written guidelines for securities transactions by employees who are likely to be in possession of unpublished inside information of the Company. No incident of non-compliance of the Model Code by the employees was noted by the Company throughout the Reporting Period.

INTERIM DIVIDEND

The Board has resolved not to declare an interim dividend for the Reporting Period (for the six months ended 30 June 2020: nil).

CHARGE ON GROUP ASSETS

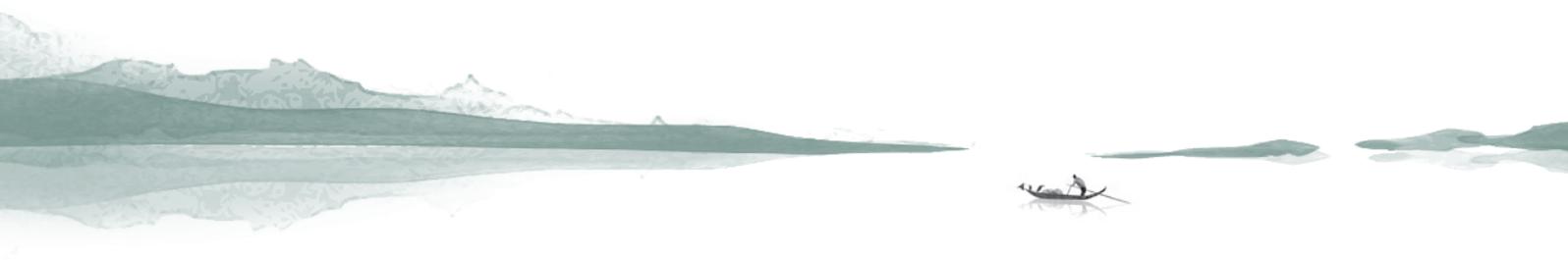
During the Reporting Period, apart from those disclosed in the note 23 to Interim condensed consolidated financial information, no other Group's assets were charged to financial institution.

FUTURE PLANS FOR MATERIAL INVESTMENT OR CAPITAL ASSETS

The Group did not have any plans for material investments or capital assets during the Reporting Period.

ISSUE FOR CASH OF EQUITY SECURITIES

During the Reporting Period, the Company did not issue for cash of equity securities (including securities convertible into equity securities).



Interim Condensed Consolidated Statement of Profit or Loss

For the six months ended 30 June 2021

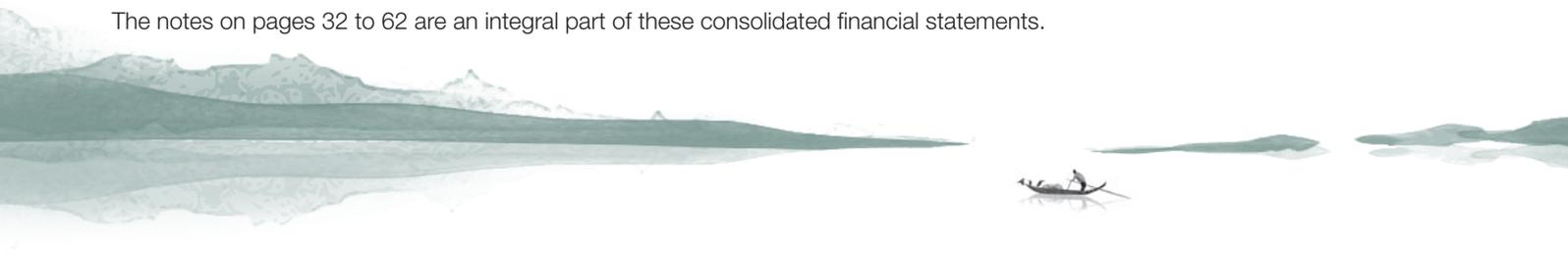
	Notes	2021 RMB'000 (Unaudited)	2020 RMB'000 (Unaudited)
REVENUE	5	193,289	322,221
Cost of sales		(134,806)	(237,382)
Gross profit		58,483	84,839
Other income and gains	5	14,595	7,665
Other expense		(2,686)	(4,589)
Administrative expenses		(30,682)	(30,115)
Impairment losses on financial and contract assets		(25,917)	(2,300)
Finance costs	6	(18,121)	(26,880)
Share of profits and losses of:			
Joint ventures		22,652	30,154
An associate		—	1,004
PROFIT BEFORE TAX	7	18,324	59,778
Income tax expense	8	(2,670)	(6,771)
PROFIT FOR THE PERIOD		15,654	53,007
Attributable to:			
Owners of the Parent		15,334	52,839
Non-controlling interests		320	168
		15,654	53,007
EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT	10		
Basic and diluted			
— For profit for the Period		RMB0.005	RMB0.016

Interim Condensed Consolidated Statement of Comprehensive Income

For the six months ended 30 June 2021

	2021 RMB'000 (Unaudited)	2020 RMB'000 (Unaudited)
PROFIT FOR THE PERIOD	15,654	53,007
OTHER COMPREHENSIVE INCOME/(LOSS)		
Other comprehensive income/(loss) that may be reclassified to profit or loss in subsequent periods:		
Exchange differences:		
Exchange differences on translation of foreign operations	6,183	(10,704)
Net other comprehensive income/(loss) that may be reclassified to profit or loss in subsequent periods	6,183	(10,704)
OTHER COMPREHENSIVE INCOME/(LOSS) FOR THE PERIOD, NET OF TAX	6,183	(10,704)
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	21,837	42,303
Attributable to:		
Owners of the Parent	21,517	42,135
Non-controlling interests	320	168
	21,837	42,303

The notes on pages 32 to 62 are an integral part of these consolidated financial statements.



Interim Condensed Consolidated Statement of Financial Position

30 June 2021

	Notes	30 June 2021 RMB'000 (Unaudited)	31 December 2020 RMB'000 (Audited)
NON-CURRENT ASSETS			
Property, plant and equipment	11	127,934	131,022
Right-of-use assets		744	1,488
Goodwill		3,060	3,060
Other intangible assets		19,413	20,294
Investments in joint ventures	12	827,537	699,899
Equity investment at fair value through profit or loss	13	65,435	65,435
Financial assets at fair value through profit or loss	14	20,142	20,142
Contract assets	18	129,511	105,265
Prepayments, other receivables and other assets	15	61,315	44,844
Deferred tax assets		28,834	25,064
Other non-current assets		19,449	19,449
Total non-current assets		1,303,374	1,135,962
CURRENT ASSETS			
Biological assets	16	33,802	33,539
Trade receivables	17	545,519	615,641
Contract assets	18	1,185,105	1,190,209
Prepayments, other receivables and other assets	15	259,057	166,828
Pledged deposits		800	1,300
Cash and cash equivalents	19	43,971	309,292
Total current assets		2,068,254	2,316,809
CURRENT LIABILITIES			
Corporate bonds	20	194,166	196,947
Trade and bills payables	21	789,440	953,379
Other payables and accruals	22	601,899	549,307
Interest-bearing bank and other borrowings	23	295,010	280,338
Lease liabilities		838	1,722
Tax payable		170,121	170,645
Total current liabilities		2,051,474	2,152,338
NET CURRENT ASSETS		16,780	164,471
TOTAL ASSETS LESS CURRENT LIABILITIES		1,320,154	1,300,433

Interim Condensed Consolidated Statement of Financial Position (Continued)

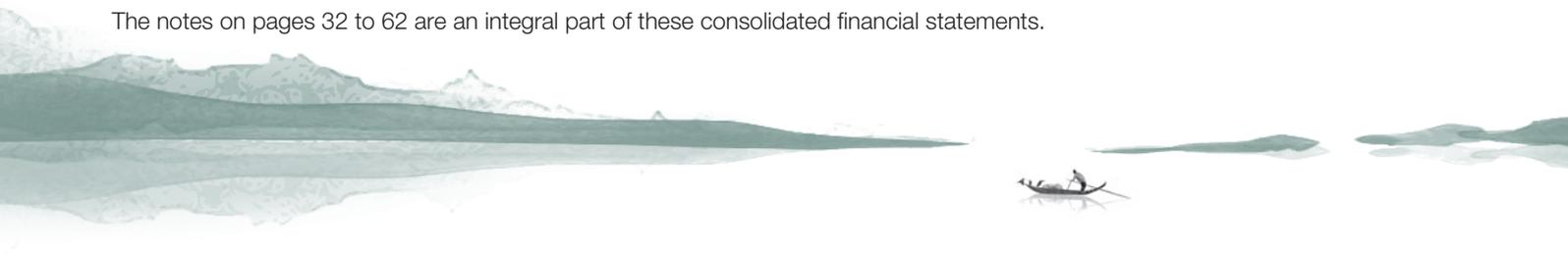
30 June 2021

	Notes	30 June 2021 RMB'000 (Unaudited)	31 December 2020 RMB'000 (Audited)
NON-CURRENT LIABILITIES			
Interest-bearing bank and other borrowings	23	265,533	267,610
Deferred tax liabilities		8,777	8,816
Total non-current liabilities		274,310	276,426
Net assets		1,045,844	1,024,007
EQUITY			
Equity attributable to owners of the Parent			
Share capital	24	66,396	66,396
Other reserves		951,052	929,535
Non-controlling interests		1,017,448	995,931
Total equity		28,396	28,076
		1,045,844	1,024,007

Wu Zhengping
Director

Xiao Li
Director

The notes on pages 32 to 62 are an integral part of these consolidated financial statements.



Interim Condensed Consolidated Statement of Changes in Equity

For the six months ended 30 June 2021

Note	Attributable to owners of the Parent							Non-controlling interests RMB'000	Total equity RMB'000
	Share capital RMB'000	Share premium account RMB'000	Share option reserve RMB'000	Other reserve RMB'000	Exchange fluctuation reserve RMB'000	Retained profits RMB'000	Total RMB'000		
At 1 January 2021 (audited)	66,396	151,609*	—*	23,577*	(281)*	754,630*	995,931	28,076	1,024,007
Profit for the Period	—	—	—	—	—	15,334	15,334	320	15,654
Other comprehensive profit for the Period:									
Exchange differences on translation of foreign operations	—	—	—	—	6,183	—	6,183	—	6,183
Total comprehensive income for the Period	—	—	—	—	6,183	15,334	21,517	320	21,837
Transfer from retained profits	—	—	—	664	—	(664)	—	—	—
At 30 June 2021 (unaudited)	66,396	151,609*	—*	24,241*	5,902*	769,300*	1,017,448	28,396	1,045,844

* These reserve accounts comprise the consolidated other reserves of RMB951,052,000 (2020: RMB929,535,000) in the consolidated statement of financial position.

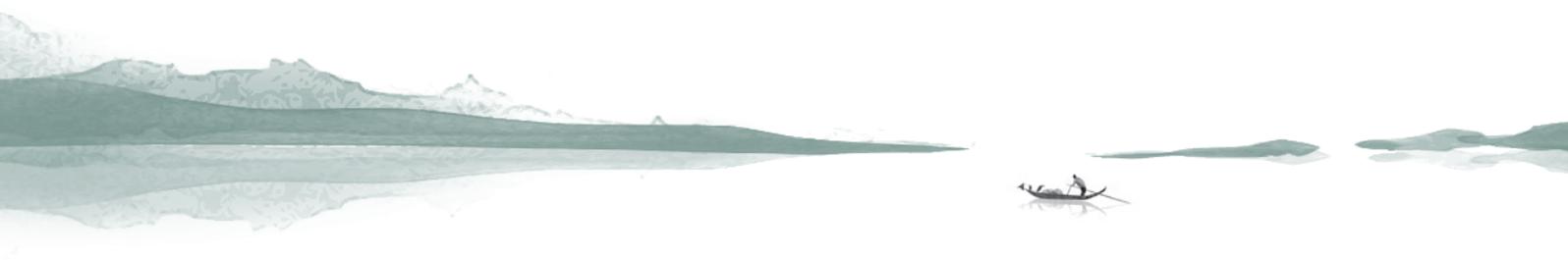
Note	Attributable to owners of the Parent							Non-controlling interests RMB'000	Total equity RMB'000
	Share capital RMB'000	Share premium account RMB'000	Share option reserve RMB'000	Other reserve RMB'000	Exchange fluctuation reserve RMB'000	Retained profits RMB'000	Total RMB'000		
At 1 January 2020 (audited)	66,396	151,609*	—*	15,220*	(33,677)*	684,692*	884,240	18,655	902,895
Profit for the Period	—	—	—	—	—	52,839	52,839	168	53,007
Other comprehensive Loss for the Period:									
Exchange differences on translation of foreign operations	—	—	—	—	(10,704)	—	(10,704)	—	(10,704)
Total comprehensive income for the Period	—	—	—	—	(10,704)	52,839	42,135	168	42,303
Transfer from retained profits	—	—	—	4,824	—	(4,824)	—	—	—
Capital injection from non-controlling shareholders of subsidiaries	—	—	—	—	—	—	—	9,182	9,182
At 30 June 2020 (unaudited)	66,396	151,609*	—*	20,044*	(44,381)*	732,707*	926,375	28,005	954,380

The notes on pages 32 to 62 are an integral part of these consolidated financial statements.

Interim Condensed Consolidated Statement of Cash Flows

For the six months ended 30 June 2021

Notes	2021 RMB'000 (Unaudited)	2020 RMB'000 (Unaudited)
CASH FLOWS USED IN OPERATING ACTIVITIES		
Profit before tax:	18,324	59,778
Adjustments for:		
Finance costs	18,121	26,880
Share of profits and losses of joint ventures	(22,652)	(30,154)
Share of profits and losses of an associate	—	(1,004)
Gain on disposal of items of property, plant and equipment	(14)	(66)
Depreciation of property, plant and equipment	3,230	4,343
Depreciation of right-of-use assets	744	744
Amortisation of other intangible assets	888	869
Impairment of trade receivables	23,747	1,551
Impairment of financial and contract asset	2,170	749
	44,558	63,690
Decrease in trade receivables	46,375	84,610
Increase in prepayments, deposits and other receivables	(73,959)	(190,844)
Increase in biological assets	(263)	(265)
Increase in contracts assets	(19,701)	(74,744)
(Decrease)/increase in trade and bills payables	(163,939)	26,839
Decrease in pledged deposits for contract assets	500	8,370
Increase in other payables and accruals	56,869	14,446
	(109,560)	(67,898)
Cash used in operations	(109,560)	(67,898)
PRC tax paid	(7,003)	(9,006)
	(116,563)	(76,904)
CASH FLOWS (USED IN)/FROM INVESTING ACTIVITIES		
Purchase of items of property, plant and equipment	(150)	(853)
Purchase of intangible assets	(7)	(1)
Purchase of financial assets at fair value through profit or loss	—	(2,412)
Proceeds from disposal of items of property, plant and equipment	22	846
Capital injection in joint ventures	(104,986)	(21,500)
Advances of loans to related parties	(29,049)	—
Decrease in time deposits with original maturity of more than three months	—	208,400
	(134,170)	184,480
Net cash flows (used in)/from investing activities	(134,170)	184,480



Interim Condensed Consolidated Statement of Cash Flows (Continued)

For the six months ended 30 June 2021

	Notes	2021 RMB'000 (Unaudited)	2020 RMB'000 (Unaudited)
CASH FLOWS USED IN FINANCING ACTIVITIES			
New bank and other loans		171,900	401,138
Repayments of bank and other loans		(158,600)	(392,430)
Decrease in an amount due to related parties		(2,236)	(4,887)
Contribution from non-controlling shareholders		—	9,182
Repayment of bonds		(13,588)	(31,136)
Principal portion of lease payments		(851)	(1,566)
Interest paid		(11,229)	(22,143)
Net cash used in financing activities		(14,604)	(41,842)
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS			
Cash and bank balances at beginning of the Period		309,292	229,905
Effect of foreign exchange rate changes, net		16	(24)
CASH AND BANK BALANCES AT END OF PERIOD	19	43,971	295,615
ANALYSIS OF BALANCES OF CASH AND CASH EQUIVALENTS			
Cash and cash equivalents as stated in the statement of financial position	19	44,771	295,945
Less: Time deposits with original maturity of less than three months, when acquired, pledged as security for construction contracts	19	800	330
CASH AND CASH EQUIVALENTS AS STATED IN THE STATEMENT OF CASH FLOWS	19	43,971	295,615

The notes on pages 32 to 62 are an integral part of these consolidated financial statements.

Notes to Interim Condensed Consolidated Financial Information

30 June 2021

1. CORPORATE AND GROUP INFORMATION

The Company is an exempted company incorporated in the Cayman Islands with limited liability under the Companies Law of the Cayman Islands. The registered office address of the Company is PO BOX 309, Ugland House, Grand Cayman KY1-1104, Cayman Islands.

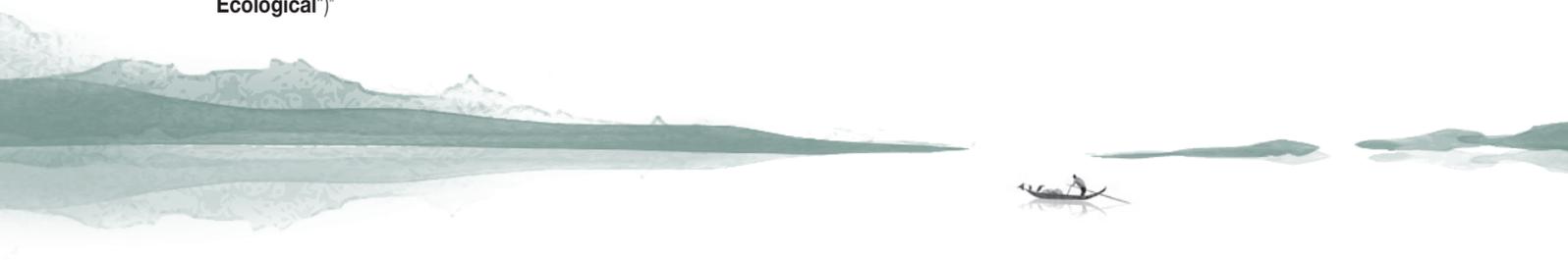
The Company is an investment holding company. For the six months ended 30 June 2021 (the “**Reporting Period**”, “**Period**”), the Company’s subsidiaries were principally engaged in the services of landscape design and gardening and the related services.

In the opinion of the directors, the holding company and the ultimate holding company of the Company is Broad Landscape International Company Limited (“**Broad Landscape International**”), which is incorporated in the British Virgin Islands (“**BVI**”).

Information about subsidiaries

Particulars of the Company’s principal subsidiaries are as follows:

Name	Place of incorporation/ registration and business	Nominal value of issued ordinary/ registered share capital	Percentage of equity attributable to the Company		Principal activities
			direct	indirect	
Greenstate Times International Company Limited (“ Greenstate Times ”)	British Virgin Islands	USD50,000	100%	—	Investment holding
Greenstate International Company Limited (“ Greenstate International ”)	Hong Kong	HKD10,000	—	100%	Investment holding
Shanghai Qianyi Landscape Engineering Company Limited [#]	The People’s Republic of China (The “ PRC ”)/Mainland China	USD37,000,000	—	100%	Investment holding
Shanghai Qianyi Investing Management Company Limited [#]	PRC/Mainland China	RMB2,000,000	—	100%	Investment holding
Shanghai Greenstate Business Management Company Limited (“ Greenstate Business ”) [#]	PRC/Mainland China	RMB32,000,000	—	100%	Landscaping
Broad Greenstate Ecological Construction Group Company Limited (“ Broad Greenstate Ecological ”) [#]	PRC/Mainland China	RMB1,050,000,000	—	100%	Landscaping



Notes to Interim Condensed Consolidated Financial Information (Continued)

30 June 2021

1. CORPORATE AND GROUP INFORMATION (Continued)

Information about subsidiaries (Continued)

Name	Place of incorporation/ registration and business	Nominal value of issued ordinary/ registered share capital	Percentage of equity attributable to the Company		Principal activities
			direct	indirect	
Shanghai Jiazhuan Industrial Co., Ltd.#	PRC/Mainland China	RMB78,500,000	—	100%	Investment holding
Shanghai Greenstate Gardening Company Limited ("Greenstate Gardening")#	PRC/Mainland China	RMB5,000,000	—	100%	Landscaping
Changxing Greenstate Ecological Gardening Company Limited#	PRC/Mainland China	RMB5,600,000	—	100%	Landscaping
Shanghai Dongjiang Building Survey and Design Engineering Co., Ltd. ("Shanghai Dongjiang")#	PRC/Mainland China	RMB13,000,000	—	100%	Design
Shanghai Dongjiang Building Landscape Engineering Co., Ltd. ("Dongjiang Landscape")#	PRC/Mainland China	RMB10,000,000	—	100%	Landscaping
Shanghai Bifu Investment Center LLP	PRC/Mainland China	RMB190,000,000	—	100%	Investment holding
Shanghai Zhubai Enterprise Management Co., Ltd#	PRC/Mainland China	RMB1,000,000	—	100%	Investment holding
Shanghai Chengtuo Virescence Technology Development Co.,Ltd ("Shanghai Chengtuo")#	PRC/Mainland China	RMB36,000,000	—	75%	Landscaping
Shanghai Luyou Investment Center LLP#	PRC/Mainland China	RMB20,000,000	—	80%	Investment holding
Shanghai Qingfu Business Management Consulting Center LLP ("Shanghai Qingfu")	PRC/Mainland China	RMB20,000,000	—	96%	Investment holding

Notes to Interim Condensed Consolidated Financial Information (Continued)

30 June 2021

1. CORPORATE AND GROUP INFORMATION (Continued)

Information about subsidiaries (Continued)

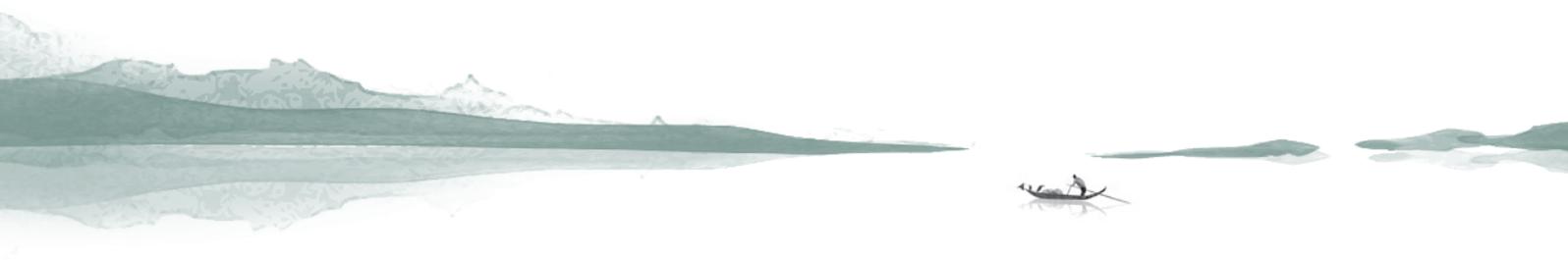
Name	Place of incorporation/ registration and business	Nominal value of issued ordinary/ registered share capital	Percentage of equity attributable to the Company		Principal activities
			direct	indirect	
Shanghai Zhaofu Business Management Consulting Center LLP	PRC/Mainland China	RMB20,000,000	—	100%	Investment holding
Shanghe Greenland Broad Green Spring Construction Company Limited [#]	PRC/Mainland China	RMB100,452,400	—	88%	Project management
Kaifeng City Xiangfu District Broad Greenstate Huiji River Wetland Park Company Limited [#]	PRC/Mainland China	RMB153,034,100	—	95%	Project management
Yangjiang Two Rivers & Four Shores Construction and Investment Development Co., Ltd. [#]	PRC/Mainland China	RMB9,500,000	—	95%	Project management

[#] Registered as domestic companies with limited liability under the laws of the PRC.

The above table lists the subsidiaries of the Company which, in the opinion of the directors, principally affected the results for the Period or formed a substantial portion of the net assets of the Group. To give details of other subsidiaries would, in the opinion of the directors, result in particulars of excessive length.

2. BASIS OF PRESENTATION

The interim condensed consolidated financial information for the six months ended 30 June 2021 has been prepared in accordance with HKAS 34 Interim Financial Reporting. The interim condensed consolidated financial information does not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the Group's annual consolidated financial statements for the year ended 31 December 2020.



Notes to Interim Condensed Consolidated Financial Information (Continued)

30 June 2021

3. CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

The accounting policies adopted in the preparation of the interim condensed consolidated financial information are consistent with those applied in the preparation of the Group's annual consolidated financial statements for the year ended 31 December 2020, except for the adoption of the following revised Hong Kong Financial Reporting Standards ("HKFRSs") for the first time for the current period's financial information.

Amendments to HKFRS 9, HKAS 39 and HKFRS 7, HKFRS 4 and HKFRS 16	Interest Rate Benchmark Reform — Phase 2
Amendment to HKFRS 16	Covid-19-Related Rent Concessions beyond 30 June 2021 (early adopted)

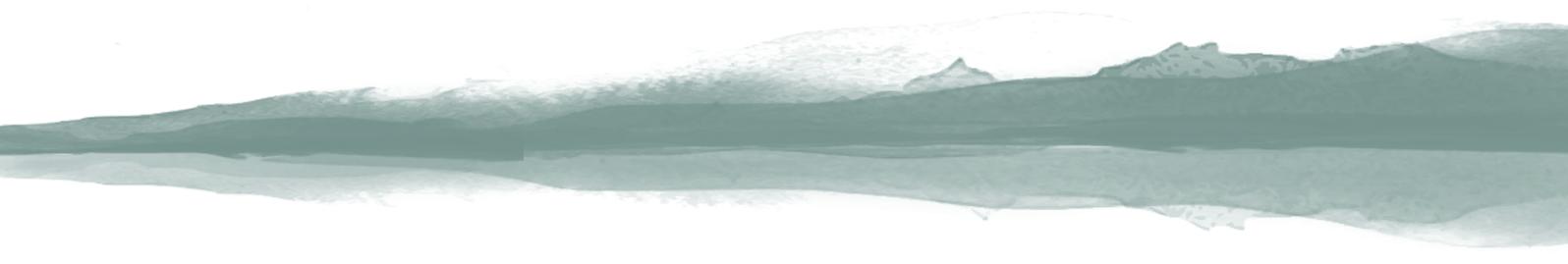
The nature and impact of the revised HKFRSs are described below:

- (a) Amendments to HKFRS 9, HKAS 39, HKFRS 7, HKFRS 4 and HKFRS 16 address issues not dealt with in the previous amendments which affect financial reporting when an existing interest rate benchmark is replaced with an alternative risk-free rate ("**RFR**"). The phase 2 amendments provide a practical expedient to allow the effective interest rate to be updated without adjusting the carrying amount of financial assets and liabilities when accounting for changes in the basis for determining the contractual cash flows of financial assets and liabilities, if the change is a direct consequence of the interest rate benchmark reform and the new basis for determining the contractual cash flows is economically equivalent to the previous basis immediately preceding the change. In addition, the amendments permit changes required by the interest rate benchmark reform to be made to hedge designations and hedge documentation without the hedging relationship being discontinued. Any gains or losses that could arise on transition are dealt with through the normal requirements of HKFRS 9 to measure and recognise hedge ineffectiveness. The amendments also provide a temporary relief to entities from having to meet the separately identifiable requirement when an RFR is designated as a risk component. The relief allows an entity, upon designation of the hedge, to assume that the separately identifiable requirement is met, provided the entity reasonably expects the RFR risk component to become separately identifiable within the next 24 months. Furthermore, the amendments require an entity to disclose additional information to enable users of financial statements to understand the effect of interest rate benchmark reform on an entity's financial instruments and risk management strategy.

During the six months ended 30 June 2021, the amendment did not have any impact on the financial position and performance of the Group.

- (b) Amendment to HKFRS 16 issued in April 2021 extends the availability of the practical expedient for lessees to elect not to apply lease modification accounting for rent concessions arising as a direct consequence of the covid-19 pandemic by 12 months. Accordingly, the practical expedient applies to rent concessions for which any reduction in lease payments affects only payments originally due on or before 30 June 2022, provided the other conditions for applying the practical expedient are met. The amendment is effective retrospectively for annual periods beginning on or after 1 April 2021 with any cumulative effect of initially applying the amendment recognised as an adjustment to the opening balance of retained profits at the beginning of the current accounting period. Earlier application is permitted.

During the six months ended 30 June 2021, the amendment did not have any impact on the financial position and performance of the Group.



Notes to Interim Condensed Consolidated Financial Information (Continued)

30 June 2021

4. OPERATING SEGMENT INFORMATION

The Group's principal business is providing landscape design and gardening and related services. Except for the corporate bond disclosed in Note 20, 100% of the Group's revenue and operating profit were generated from providing the service of landscaping. No operating segments have been aggregated to form the above reportable operating segment.

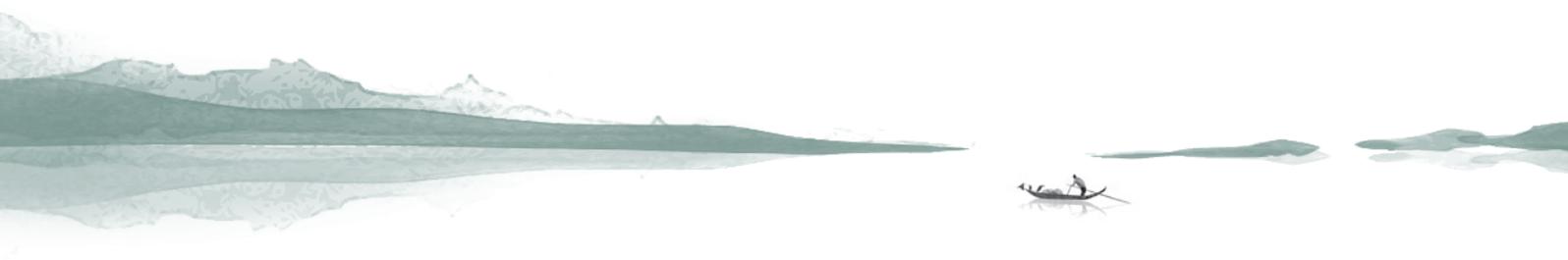
Information about geographical area

Since 100% of the Group's revenue and operating profit were generated from Mainland China and 100% of the Group's identifiable assets and liabilities were located in Mainland China, no geographical information is presented in accordance with HKFRS 8 *Operating Segments*.

Information about major customers

Revenue from each of the major customers, which individually accounted for 10% or more of the Group's total revenue, is set out below:

	For the six months ended 30 June	
	2021 RMB'000 (Unaudited)	2020 RMB'000 (Unaudited)
Customer A	57,737	44,516
Customer B	42,242	85,875
Customer C	36,791	44,672
Customer D	26,092	38,253



Notes to Interim Condensed Consolidated Financial Information (Continued)

30 June 2021

5. REVENUE, OTHER INCOME AND GAINS

An analysis of revenue is as follows:

	For the six months ended 30 June	
	2021 RMB'000 (Unaudited)	2020 RMB'000 (Unaudited)
Revenue from contracts with customers	193,289	322,221

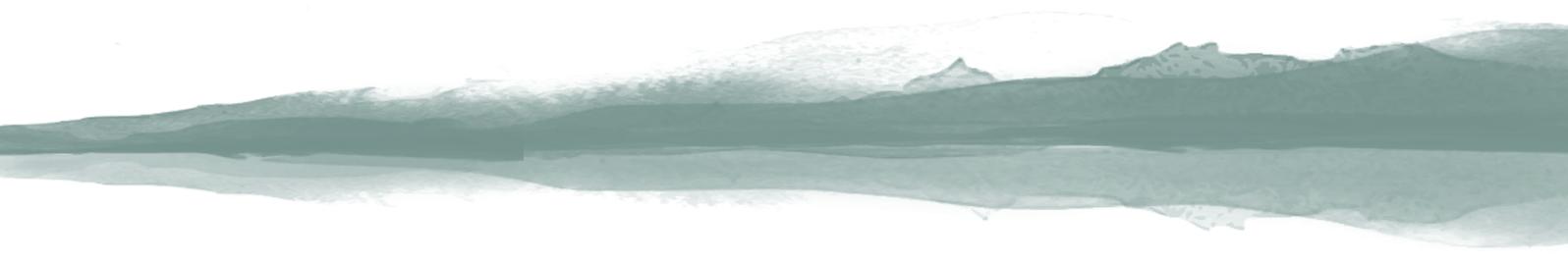
Disaggregated revenue information for revenue from contracts with customers

Types of goods or services

	For the six months ended 30 June	
	2021 RMB'000 (Unaudited)	2020 RMB'000 (Unaudited)
Construction contracts	190,761	318,941
Design and maintenance services	2,528	3,280
Total revenue from contracts with customers	193,289	322,221

Timing of revenue recognition

	For the six months ended 30 June	
	2021 RMB'000 (Unaudited)	2020 RMB'000 (Unaudited)
Services transferred over time	193,289	322,221



Notes to Interim Condensed Consolidated Financial Information (Continued)

30 June 2021

5. REVENUE, OTHER INCOME AND GAINS (Continued)

Disaggregated revenue information for revenue from contracts with customers (Continued)

Timing of revenue recognition (Continued)

	For the six months ended 30 June	
	2021 RMB'000 (Unaudited)	2020 RMB'000 (Unaudited)
Other income		
Bank interest income	224	4,206
Other interest income arising from revenue contracts*	12,793	2,560
Rental income	698	253
Others	15	66
	13,730	7,085
Gains		
Government grants**	865	580
	14,595	7,665

* Other interest income arises from contracts with customers which provide the customers with a significant benefit of financing the transfer of construction services to the customers. The promised amounts of consideration for construction services are adjusted using the discount rates that reflect the credit characteristics of the customers.

** Government grants have been received from the local fiscal bureau in Mainland China as financial support to the growth enterprises.

6. FINANCE COSTS

	For the six months ended 30 June	
	2021 RMB'000 (Unaudited)	2020 RMB'000 (Unaudited)
Interest on bank loans, overdrafts and other borrowings	6,430	13,669
Interest on leasing liabilities	33	71
Interest on corporate bonds	11,658	13,140
Total interest expense on financial liabilities not at fair value through profit or loss	18,121	26,880

Notes to Interim Condensed Consolidated Financial Information (Continued)

30 June 2021

7. PROFIT BEFORE TAX

The Group's profit before tax from continuing operations is arrived at after charging/(crediting):

	For the six months ended 30 June	
	2021 RMB'000 (Unaudited)	2020 RMB'000 (Unaudited)
Cost of construction contracts	131,813	234,718
Cost of services provided	2,993	2,664
Employee benefit expenses		
Wages and salaries	6,174	8,955
Pension scheme contribution	1,984	2,052
	8,158	11,007
Depreciation of items of property, plant and equipment	3,230	2,760
Depreciation of right-of-use assets	744	744
Amortisation of other intangible assets	888	869
Impairment of trade receivables	23,747	1,551
Impairment of contract assets	559	749
Impairment of financial assets included in prepayment, other receivables and other assets	1,611	—
Consulting fees	4,730	6,573
Auditors' remuneration	1,100	1,075
Gain on disposal of items of property, plant and equipment	(14)	(66)
Lease payment not included in the measurement of lease liabilities	50	—

Notes to Interim Condensed Consolidated Financial Information (Continued)

30 June 2021

8. INCOME TAX

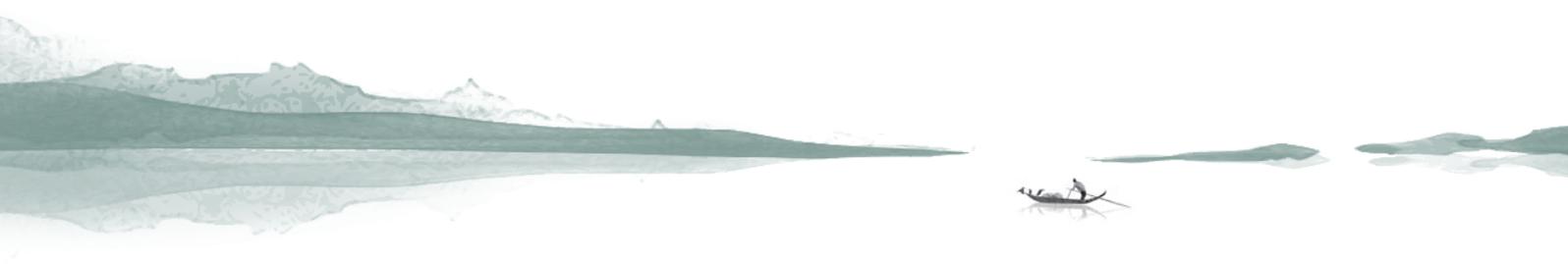
No provision for Hong Kong profits tax has been made as the Group had no assessable profits derived from or earned in Hong Kong during the Reporting Period. Taxes on profits assessable elsewhere have been calculated at the rates of tax prevailing in the jurisdictions in which the Group operates.

	For the six months ended 30 June	
	2021 RMB'000 (Unaudited)	2020 RMB'000 (Unaudited)
Current — PRC Charge for the Period	6,479	6,955
Deferred	(3,809)	(184)
Total tax charge for the Period	2,670	6,771

9. DIVIDENDS

	For the six months ended 30 June	
	2021 RMB'000 (Unaudited)	2020 RMB'000 (Unaudited)
Final dividends declared and paid — HK0 cents (30 June 2020: HK0 cents) per ordinary share	—	—

The Board does not recommend the distribution of any interim dividend for the Reporting Period (for the six months ended 30 June 2020: nil).



Notes to Interim Condensed Consolidated Financial Information (Continued)

30 June 2021

10. EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT

The calculation of the basic earnings per share amount is based on the profit for the period attributable to ordinary equity holders of the Parent of RMB15,333,672 (2020: RMB52,839,167), and the weighted average number of ordinary of 3,342,536,957 (2020: 3,342,536,957) in issue during the Period, as adjusted to reflect the rights issue during the Period.

The calculation of the diluted earnings per share amount is based on the profit for the period attributable to ordinary equity holders of the Parent of RMB15,333,672 (2020: RMB52,839,167), adjusted to reflect the expense of equity-settled share options, where applicable. The weighted average number of ordinary shares used in the calculation is the number of ordinary shares of 3,342,536,957 (2020: 3,342,536,957) in issue during the period, as used in the basic earnings per share calculation, and the weighted average number of ordinary shares of 3,342,536,957 (2020: 3,342,536,957) assumed to have been issued at no consideration on the deemed conversion of all dilutive potential ordinary shares into ordinary shares.

The calculations of basic and diluted earnings per share are based on:

	For the six months ended 30 June	
	2021 RMB'000 (Unaudited)	2020 RMB'000 (Unaudited)
Earnings		
Profit attributable to ordinary equity holders of the Parent, used in the basic and diluted earnings per share Calculations	15,334	52,839
	Number of shares For the six months ended 30 June	
	2021	2020
Shares		
Weighted average number of ordinary shares in issue during the period used in the basic earnings per share calculation	3,342,536,957	3,342,536,957
Basic earnings per share (RMB)	0.005	0.016
Diluted earnings per share (RMB)	0.005	0.016

11. PROPERTY, PLANT AND EQUIPMENT

During the six months ended 30 June 2021, the Group acquired assets at a cost of RMB150,748 (30 June 2020: RMB852,802), excluding property, plant and equipment acquired through a business combination.

Asset (other than those classified as held for sale) with a net book value of RMB8,028 was disposed by the Group during the six months ended 30 June 2021 (30 June 2020: RMB779,858), resulting in a net gain of disposal of RMB14,000 (30 June 2020: a net gain of RMB65,889).

Notes to Interim Condensed Consolidated Financial Information (Continued)

30 June 2021

12. INVESTMENT IN JOINT VENTURES

	30 June 2021 RMB'000 (Unaudited)	31 December 2020 RMB'000 (Audited)
Share of net assets	827,537	699,899

Particulars of the Group's joint ventures are as follows:

Name	Particulars of registered capital held	Place of registration and business	Percentage of			Principal activities
			Ownership interest	Voting power	Profit sharing	
Quanzhou Haixi Botanic Garden Development Company Limited (" Quanzhou Haixi ")	RMB105,000,000	PRC/ Mainland China	79.50%	40.00%	79.50%	Project management
Qishan Taiping Pagoda Cultural Tourism Development Company Limited (" Qishan Taiping ")	RMB87,900,000	PRC/ Mainland China	79.78%	57.14%*	100%	Project management
Zhaoqing High-Tech Zone Bureau General Hill Sports Park Investment Development Company Limited (" Zhaoqing Park ")	RMB10,000,000	PRC/ Mainland China	80.00%	40.00%	54.48%	Project management
Gushi Greenland Broad Greenstate Nanhu Cultural Company Limited (" Gushi Nanhu ")	RMB320,000,000	PRC/ Mainland China	68.75%	40.00%	100%	Project management
Mianzhu Greenstate Culture Tourism Development Company Limited (" Mianzhu Greenstate ")	RMB100,000,000	PRC/ Mainland China	90.00%	40.00%	90.82%	Project management
Zhenping County Broad Greenstate Ecological Development Company Limited (" Zhenping Greenstate ")	RMB11,129,660,000	PRC/ Mainland China	89.75%	40.00%	100%	Project management

* In the decision process, each resolution shall be adopted with a two-thirds majority of the Broad of directors.

Notes to Interim Condensed Consolidated Financial Information (Continued)

30 June 2021

12. INVESTMENT IN JOINT VENTURES (Continued)

- (a) The investment in Quanzhou Haixi is directly held by Shanghai Jiazhuan Industrial Co., Ltd. and Broad Greenstate Ecological, both of which are wholly-owned subsidiaries of the Company.

Quanzhou Haixi is considered one of the material joint ventures of the Group in Mainland China and is accounted for using the equity method.

- (b) The investment in Qishan Taiping is directly held by Shanghai Qingfu, Broad Greenstate Ecological, Zhongbo Construction and Shanghai Dongjiang. Both Broad Greenstate Ecological and Shanghai Dongjiang are wholly-owned subsidiaries of the Company while Shanghai Qingfu is a partly-owned subsidiary and Zhongbo Construction is a joint venture of the Group.

Qishan Taiping is considered one of the material joint ventures of the Group in Mainland China and is accounted for using the equity method.

- (c) The investment in Zhaoqing Park is indirectly held by Broad Greenstate Ecological, directly held by Zhongbo Construction, which is a joint venture of the Group.

Zhaoqing Park is considered one of the material joint ventures of the Group in Mainland China and is accounted for using the equity method.

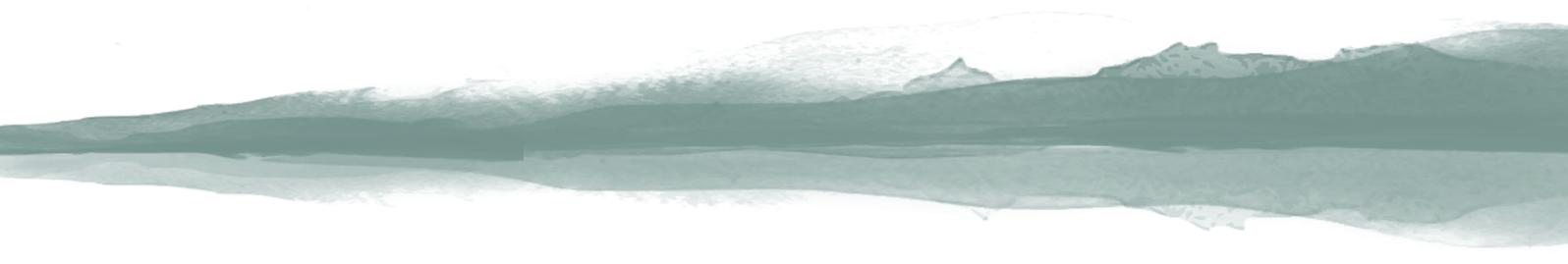
- (d) The investment in Gushi Nanhu is directly held by Broad Greenstate Ecological, which is a wholly-owned subsidiary of the Company.

- (e) The investment in Mianzhu Greenstate is directly held by Shanghai Luwu Business Management Consulting Center LLP, Broad Greenstate Ecological and Shanghai Dongjiang. Both Broad Greenstate Ecological and Shanghai Dongjiang are wholly-owned subsidiaries of the Company, while Shanghai Luwu Business Management Consulting Center LLP is a partly-owned subsidiary of the Company.

Mianzhu Greenstate is considered one of the material joint ventures of the Group in Mainland China and is accounted for using the equity method.

- (f) The investment in Zhenping Greenstate is directly held by Broad Greenstate Ecological, Zhongbo Construction and Shanghai Zhuchen Business Management Consulting Center LLP. Broad Greenstate Ecological is a wholly-owned subsidiary of the Company, Zhongbo Construction is a joint venture of the Group and Shanghai Zhuchen Business Management Consulting Center LLP is a partly-owned subsidiary of the Company.

Zhenping Greenstate is considered one of the material joint ventures of the Group in Mainland China and is accounted for using the equity method.



Notes to Interim Condensed Consolidated Financial Information (Continued)

30 June 2021

13. EQUITY INVESTMENT AT FAIR VALUE THROUGH PROFIT OR LOSS

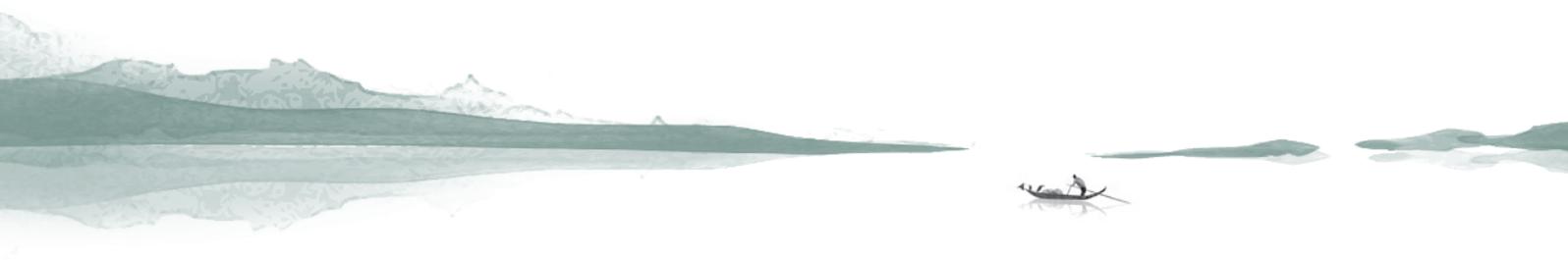
	30 June 2021 RMB'000 (Unaudited)	31 December 2020 RMB'000 (Audited)
Equity investment		
Listed financial assets investments at fair value through profit or loss		
Shanghai H-fast Electronic Technology Co., Ltd. (“ Shanghai H-fast ”)	65,435	65,435
Total	65,435	65,435

Particulars of the associate is as follows:

Name	Particulars of registered capital held	Place of registration and business	Percentage of ownership interest attributable to the Group	Principal activities
Shanghai H-fast	RMB42,817,270	PRC/Mainland China	10.04%	Semiconductor

14. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	30 June 2021 RMB'000 (Unaudited)	31 December 2020 RMB'000 (Audited)
Financial assets		
Unlisted financial assets investments at fair value through profit or loss		
Xi'an Greenland Jue River Wetland Park Development Company Limited (“ Xi'an Greenland ”)	15,345	15,345
Taiyuan Longcheng Greenland Botanical Garden Company Limited (“ Taiyuan Longcheng ”)	4,797	4,797
Total	20,142	20,142



Notes to Interim Condensed Consolidated Financial Information (Continued)

30 June 2021

15. PREPAYMENTS, OTHER RECEIVABLES AND OTHER ASSETS

	30 June 2021 RMB'000 (Unaudited)	31 December 2020 RMB'000 (Audited)
Current		
Prepayments	73,067	64,311
Deposits and other receivables	204,789	119,704
Impairment	(18,798)	(17,187)
	259,058	166,828
Non-current		
Other receivables	61,314	44,844
Impairment	—	—
	61,314	44,844
	320,372	211,672

Included in the provision for impairment of prepayments, other receivables and other assets is a provision for individually impaired receivables of RMB18,798,000 (2020: RMB17,187,000) with a carrying amount before provision of RMB27,465,000 (2020: RMB27,465,000). The individually impaired receivables relate to a portion of receivables that were not expected to be recovered.

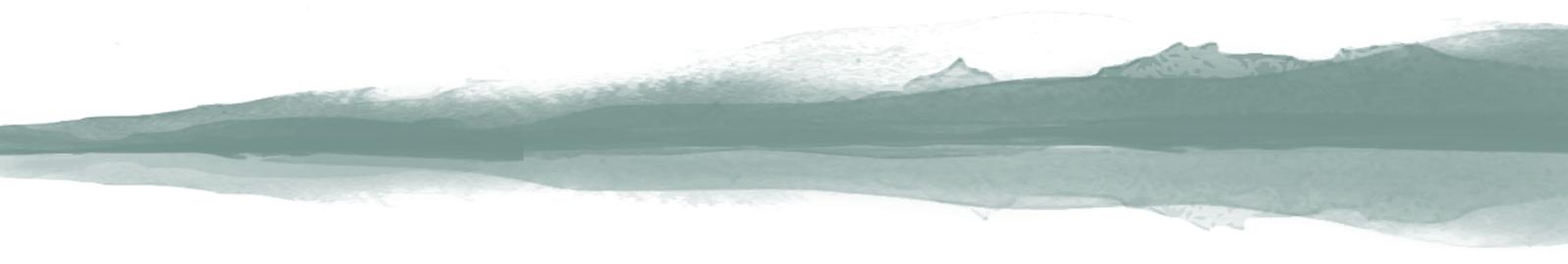
Deposits and other receivables mainly represent deposits with suppliers. Expected credit losses are estimated by considering the credit risk stage, the payment term arrangement and the collateral provided.

Receivables resulted from disposal of a subsidiary was RMB20,000,000 at cost, and it was secured by 35,920,957 shares of the Company which were held by the debtors. A provision amounting to RMB11,332,000 (2020: RMB9,721,000) was accrued.

16. BIOLOGICAL ASSETS

A. Nature of activities

Plants and saplings owned by the Group are held for future landscape gardening.



Notes to Interim Condensed Consolidated Financial Information (Continued)

30 June 2021

16. BIOLOGICAL ASSETS (Continued)

B. Value of plants and saplings

The value of plants and saplings at 30 June 2021 was:

	30 June 2021 RMB'000 (Unaudited)	31 December 2020 RMB'000 (Audited)
Plants and saplings	33,802	33,539

The Group's plants and saplings were independently valued by a firm of independent professionally qualified valuers not connected with the Group, who has appropriate qualifications and recent experiences in the valuation of biological assets at the end of each Reporting Period and valued by management at medium term. The fair value less costs to sell of the plants and saplings is determined based on the market-determined prices as at the end of each Reporting Period adjusted with reference to the species, age, diameter and cost incurred.

The principal valuation assumptions adopted in measuring the fair value of plants and saplings are the actual stock on the valuation date and the effective market price in Mainland China.

The valuation of the fair value of biological assets has taken into consideration the transportation costs. The transportation costs for the sales of plants and saplings are not material in the view of the Group's directors.

C. Fair value hierarchy

The Group uses the following hierarchy for determining and disclosing the fair values of biological assets:

- Level 1: fair values measured based on quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: fair values measured based on valuation techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly.
- Level 3: fair values measured based on valuation techniques for which any inputs which have a significant effect on the recorded fair value are not based on observable market data (unobservable inputs).

Assets measured at fair value:

As at 30 June 2021

	Fair value measurement using			Total RMB'000
	Quoted prices in active markets (Level 1) RMB'000	Significant observable inputs (Level 2) RMB'000	Significant unobservable inputs (Level 3) RMB'000	
Biological assets	—	33,802	—	33,802

Notes to Interim Condensed Consolidated Financial Information (Continued)

30 June 2021

16. BIOLOGICAL ASSETS (Continued)

C. Fair value hierarchy (Continued)

Assets measured at fair value: (Continued)

As at 31 December 2020

	Fair value measurement using			Total RMB'000
	Quoted prices in active markets (Level 1) RMB'000	Significant observable inputs (Level 2) RMB'000	Significant unobservable inputs (Level 3) RMB'000	
Biological assets	—	33,539	—	33,539

During the Period, there were no transfers of fair value measurements between Level 1 and Level 2 and no transfers into or out of Level 3 for both financial assets and financial liabilities.

17. TRADE RECEIVABLES

An ageing analysis of the trade receivables as at the end of the Reporting Period, based on the invoice date and net of loss allowance, is as follows:

	30 June 2021 RMB'000 (Unaudited)	31 December 2020 RMB'000 (Audited)
Within one year	281,634	298,554
Over one year but within two years	171,098	271,405
Over two years	92,787	45,682
	545,519	615,641

The Group's trading terms with its customers are mainly on credit. The credit period is usually two months. The Group seeks to maintain strict control over its outstanding receivables and has a credit control department to minimise credit risk. Overdue balances are reviewed regularly by senior management. The Group's trade receivables are mainly due from government authorities, and the rest are due from real estate companies. The Group does not hold any collateral or other credit enhancements over its trade receivable balances.

Notes to Interim Condensed Consolidated Financial Information (Continued)

30 June 2021

18. CONTRACT ASSETS

	30 June 2021 RMB'000 (Unaudited)	31 December 2020 RMB'000 (Audited)
Contract assets arising from:		
Construction services	1,329,016	1,309,315
Impairment	(14,400)	(13,841)
	1,314,616	1,295,474

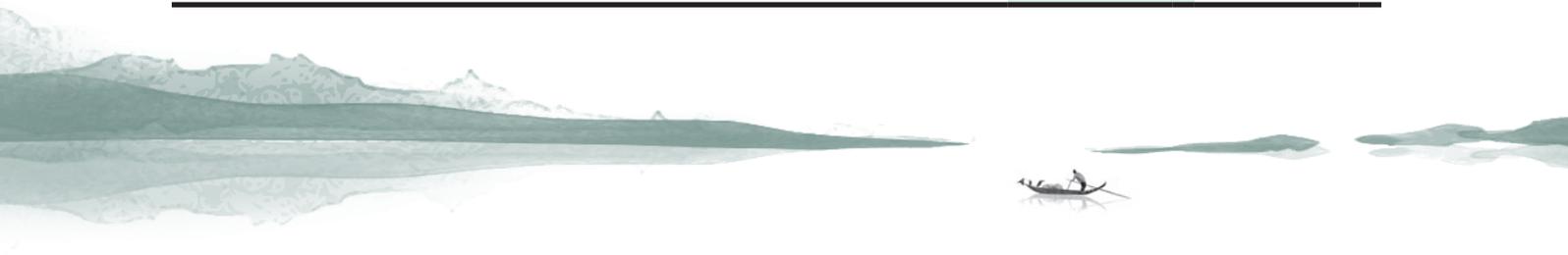
Contract assets are initially recognised for revenue earned from the provision of construction services as the receipt of consideration is conditional on successful completion of construction. Included in contract assets for construction services are retention receivables. For retention money receivables in respect of construction works carried out by the Group, the respective due dates usually range from one to three years after the completion of the relevant construction work. At 30 June 2021, retention money held by customers included in contract assets amounted to approximately RMB10,291,610 (2020: RMB10,291,610), of which RMB10,291,610 (2020: RMB10,291,610) is expected to be recovered after more than twelve months.

Upon completion of construction and acceptance by the customer, the amounts recognised as contract assets are reclassified to trade receivables. The ending balance of contract assets as at 30 June 2021 was stable compared to that as at the end of 2020.

During the Reporting Period, RMB559,000 was recognised as an allowance for expected credit losses on contract assets. The Group's trading terms and credit policy with customers are disclosed in note 17 to the financial statements.

19. CASH AND BANK BALANCES AND PLEDGED DEPOSITS

	30 June 2021 RMB'000 (Unaudited)	31 December 2020 RMB'000 (Audited)
Cash and bank balances	43,971	309,292
Time deposits	800	1,300
	44,771	310,592
Less: Pledged time deposits		
Pledged for construction contracts	800	1,300
Cash and cash equivalents	43,971	309,292



Notes to Interim Condensed Consolidated Financial Information (Continued)

30 June 2021

19. CASH AND BANK BALANCES AND PLEDGED DEPOSITS (Continued)

At the end of the Reporting Period, the cash and bank balances of the Group denominated in USD amounted to RMB1,722,252 (2020: RMB1,646,827) and denominated in HKD amounted to RMB8,028 (2020: RMB8,033).

The RMB is not freely convertible into other currencies, however, under Mainland China's Foreign Exchange Control Regulations and Administration of Settlement, Sale and Payment of Foreign Exchange Regulations, the Group is permitted to exchange RMB for other currencies through banks authorised to conduct foreign exchange business.

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

20. CORPORATE BONDS

	30 June 2021 RMB'000 (Unaudited)	31 December 2020 RMB'000 (Audited)
Current corporate bonds	194,166	196,947

The 2015 Note instrument

On 15 October 2015, the Company issued corporate bond to Greenland Financial Overseas Investment Group Co., Ltd. ("**Greenland Financial**", a related party of a non-controlling shareholder) with a face value of USD40,000,000. The bond was guaranteed by 100,000 shares of Greenstate Times International Company Limited and 10,000 shares of Greenstate International Company Limited held by the Company directly and indirectly. On 11 October 2016, the Company extended the term of the bonds, where the maturity date of the bonds fell one calendar year after 15 October 2016 on 15 October 2017.

The 2017 Note Instrument

On 10 November 2017, the Company signed an agreement with Greenland Financial to agree that the condition to the bonds would be amended and restated as set out in a new instrument agreement to be entered into in 2018. In addition, during the period from 15 October 2017 to the date on which the new instrument is issued, the Company shall not bear any interest. On 15 January 2018, the Company announced that it decided to propose the issuance of a redeemable fixed coupon promissory note with a principal amount of USD40,000,000 at the rate of 9.00% per annum to Greenland Financial from 15 November 2017, guaranteed by 50,000 ordinary shares of Greenstate Times International Company Limited and 5,000 ordinary shares of Greenstate International Company Limited. On 15 January 2019, the Company extended the term of the bonds to 15 January 2020. The other terms and conditions remain unchanged.

Notes to Interim Condensed Consolidated Financial Information (Continued)

30 June 2021

20. CORPORATE BONDS (Continued)

The 2019 Note Instrument

On 4 December 2019, the Company and Greenland Financial entered into the 2019 Deed of Consent pursuant to which the parties conditionally agreed that (i) Greenland Financial shall execute the 2019 Note Instrument and release and discharge the Company from all of its present and future covenants, liabilities and obligation owing and/or payable to Greenland Financial under the 2017 Note Instrument, and (ii) Greenland Financial shall release all share charges under the 2017 Note Instrument and enter into the share charges under the 2019 Note Instrument as security of the Notes. The principal amount of the 2019 Note instrument is USD35,000,000 with an interest rate of 12.00% per annum. The 2019 Note Instrument is guaranteed by 43,000 ordinary shares of Greenstate Times International Company Limited and 4,300 ordinary shares of Greenstate International Company Limited. On 20 January 2020, the issuance has been conducted and the due date will be 14 July 2020 (unless previously redeemed, or purchased and cancelled or extended) and the term of Notes may be extended for an additional six months with the same interest coupon, terms and conditions as described under the 2019 Note Instrument. In January 2020, the Company has repaid USD5,000,000 of the principal amount plus all interests accrued under the 2017 Note Instrument.

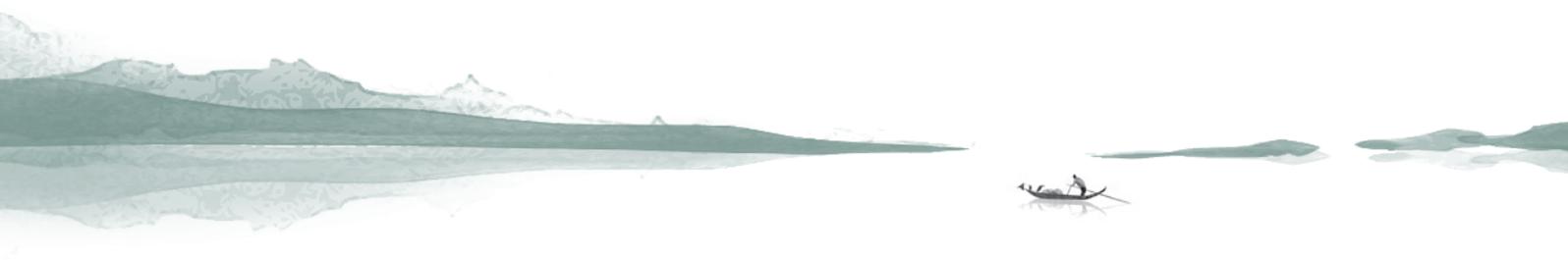
On 14 July 2020, the Group extended the term of the bonds by 6 months to 14 January 2021 as stated in the 2019 Note Instrument, with the other terms and conditions unchanged. The balance of the principal amount of the 2019 Note Instrument was USD30,000,000 at 31 December 2020 as the Group repaid the principal amounting to USD1,000,000 and USD4,000,000 in August and October 2020 separately.

21. TRADE AND BILLS PAYABLES

An ageing analysis of the trade and bills payables as at the end of the Reporting Period, based on the invoice date, is as follows:

	30 June 2021 RMB'000 (Unaudited)	31 December 2020 RMB'000 (Audited)
Within one year	256,560	411,930
Over one year but within two years	407,655	403,380
Over two years	125,225	138,069
	789,440	953,379

The trade payables are non-interest-bearing and are normally partially settled on terms of six months according to the progress of completion. A certain percentage of payment is retained until the end of the retention period.



Notes to Interim Condensed Consolidated Financial Information (Continued)

30 June 2021

22. OTHER PAYABLES AND ACCRUALS

	Notes	30 June 2021 RMB'000 (Unaudited)	31 December 2020 RMB'000 (Audited)
Contract liabilities	(a)	335,015	295,587
Other tax payable		144,652	124,486
Amounts due to related parties		58,629	60,865
Other payables	(b)	44,338	47,411
Interest payable		13,553	15,290
Deposits from sub-contractors		4,462	4,229
Staff payroll and welfare payables		1,250	1,439
		601,899	549,307

(a) Details of contract liabilities as at 30 June 2021 and 31 December 2020 are as follows:

	30 June 2021 RMB'000 (Unaudited)	31 December 2020 RMB'000 (Audited)
<i>Short-term advances received from customers</i>		
Construction services	335,015	295,587
Total contract liabilities	335,015	295,587

Contract liabilities include short-term advances received to render construction services. The increase in contract liabilities in 2021 was mainly due to the increase in short-term advances received from customers in relation to the provision of construction services at the end of Period.

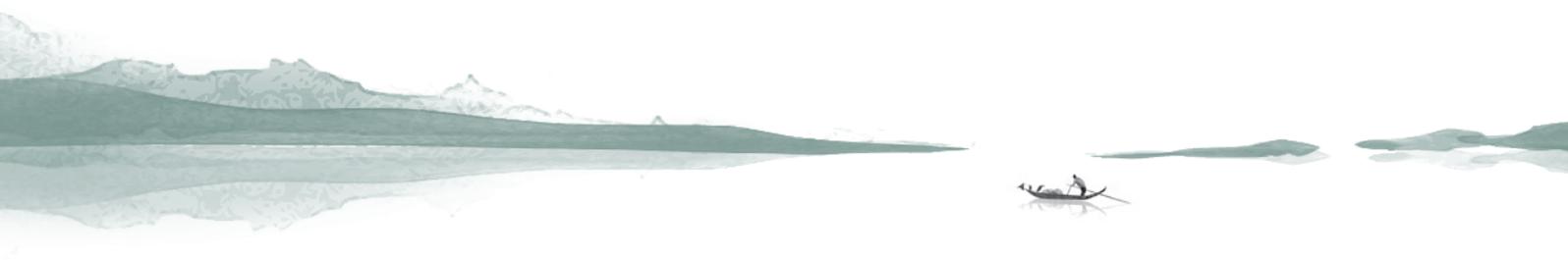
(b) Other payables are non-interest-bearing and are normally settled on demand.

Notes to Interim Condensed Consolidated Financial Information (Continued)

30 June 2021

23. INTEREST-BEARING BANK AND OTHER BORROWINGS

	Notes	30 June 2021 (Unaudited)			31 December 2020 (Audited)		
		Effective interest rate (%)	Maturity	RMB'000	Effective interest rate (%)	Maturity	RMB'000
Current							
Bank loans — secured and guarantee	(a)i	3.9	2021	7,900	—	—	—
Bank loans — secured	(b)	4.47	2021	104,110	4.5	2021	55,100
Other loans — unsecured	(c)	—	—	—	11.2	2021	70,238
Other loans — unsecured		—	2021	181,000	—	2021	152,000
				293,010			277,338
Current portion of long-term							
Bank loans — secured and guaranteed	(a)ii	7.5	2021	2,000	7.5	2021	2,000
Bank loans — secured		—	—	—	4.3	2021	1,000
				2,000			3,000
				295,010			280,338
Non-current							
Bank loans — secured and guaranteed	(a)ii	7.5	2030	196,000	7.5	2030	197,000
Bank loans — secured		—	—	—	4.3	2022	70,610
Other loans — unsecured	(c)	11.2	2022	69,533	—	—	—
				265,533			267,610
				560,543			547,948



Notes to Interim Condensed Consolidated Financial Information (Continued)

30 June 2021

23. INTEREST-BEARING BANK AND OTHER BORROWINGS (Continued)

Notes:

- (a) Certain of the Group's bank borrowings were secured and guaranteed by:
- i. Certain bank borrowing of the Group amounting to RMB7,900,000 was secured by a mortgaged building held by Mr. Wu Zhengping and Ms. Xiao Li and a mortgaged building of Broad Greenstate Ecological with a carrying amount of RMB6,157,000, and guaranteed by Ms. Zhu Wen and Shanghai Policy Financing Guarantee Fund Management Center for Micro, Small and Medium-sized Enterprises.
 - ii. Certain bank borrowing of the Group amounting to RMB198,000,000 was secured by trade receivables, and guaranteed by Kaifeng Eastern New Town Infrastructure Construction Investment Company. An amount of RMB2,000,000 of the borrowings would be due within one year.
- (b) Certain bank borrowing of the Group amounting to RMB104,110,000 was secured by a mortgaged building of Broad Greenstate Ecological with a carrying amount of RMB114,351,000.
- (c) Certain other borrowings from Eastern Greenstate International Company Limited, a shareholder of the Company, are unsecured.

24. SHARE CAPITAL

Shares

	30 June 2021 RMB'000 (Unaudited)	31 December 2020 RMB'000 (Audited)
Issued and fully paid: 3,342,536,957 (31 December 2020: 3,342,536,957) ordinary shares of HKD0.025 each	66,396	66,396

Notes to Interim Condensed Consolidated Financial Information (Continued)

30 June 2021

25. SHARE OPTION SCHEME

The Company operates a share option scheme for the purpose of providing incentives and rewards to eligible participants who contribute to the success of the Group's operations.

For the first Series which became effective on 1 September 2015 and has forfeited on 31 March 2020.

For the second series of the share option scheme (the "**Series II**"), eligible participants of the Series II include a connected person and other employees of the Group. The Series II became effective on 12 June 2018 and, unless otherwise cancelled or amended, will remain in force for 6 years from that date.

The maximum number of unexercised share options currently permitted to be granted under the Series II is an amount equivalent, upon the exercise, to 3.30% of the shares of the Company in issue at any time. The maximum number of shares issuable under share options to each eligible participant in the Series II within any 12-month period is limited to 1% of the shares of the Company in issue at any time. Any further grant of share options in excess of this limit is subject to shareholders' approval in a general meeting.

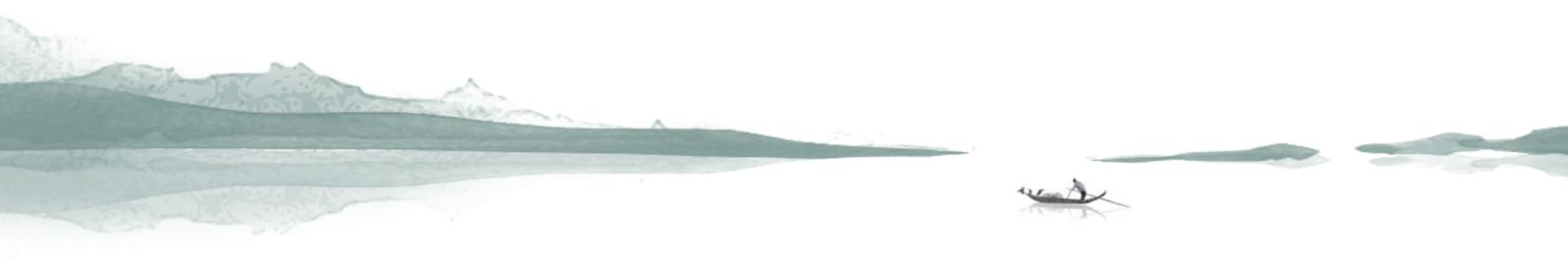
Share options granted to a director, chief executive or substantial shareholder of the Company, or to any of their associates, are subject to approval in advance by the independent non-executive directors. In addition, any share options granted to a substantial shareholder or an independent non-executive director of the Company, or to any of their associates, in excess of 0.1% of the shares of the Company in issue at any time or with an aggregate value (based on the price of the Company's shares at the date of grant) in excess of HKD5 million, within any 12-month period, are subject to shareholders' approval in advance in a general meeting.

The offer of a grant of share options may be accepted within one month from the date of offer, upon payment of a nominal consideration of HKD1 in total by the grantee. The exercise period of the share options granted is determinable by the directors, and commences after a vesting period of one year and ends on a date which is not later than five years from the date of offer of the share options or the expiry date of the two series, if earlier.

The exercise price of share options is determinable by the directors, but may not be less than the higher of (i) the Stock Exchange closing price of the Company's shares on the date of offer of the share options; and (ii) the average Stock Exchange closing price of the Company's shares for the five trading days immediately preceding the date of offer.

Share options do not confer rights on the holders to dividends or to vote at shareholders' meetings.

No share options were granted or exercised during the Period.



Notes to Interim Condensed Consolidated Financial Information (Continued)

30 June 2021

26. CONTINGENT LIABILITIES

At the end of the Reporting Period, contingent liabilities not provided for in the financial statements were as follows:

	30 June 2021 RMB'000 (Unaudited)	31 December 2020 RMB'000 (Audited)
Guarantees given to a bank in connection with facilities granted to joint ventures	624,250	566,800

The Group's guarantees given to banks in connection with facilities of RMB624,250,000 are granted to joint ventures (Quanzhou Haixi, Qishan Taiping, Gushi Nanhu, and Zhaoqing Park). As the bank borrowings of joint ventures were secured by the contract assets, trade receivables and the rights to payment from their customer, the Company's trade receivables and contract assets are due from government authorities, which is greater than the borrowing, and the government finance increases steadily. Thus, the expected credit loss of it was Nil.

The Group does not provide financial guarantees except for limited circumstances. All guarantees are approved by the Executive Directors.

The credit exposure of the financial guarantee contracts is classified as stage 1. During the Reporting Period, there were no transfers between stages.

27. COMMITMENTS

The Group had the following capital commitments at the end of the Reporting Period:

	30 June 2021 RMB'000 (Unaudited)	31 December 2020 RMB'000 (Audited)
Contracted, but not provided for: Capital injection of joint ventures	228,767	255,452

Notes to Interim Condensed Consolidated Financial Information (Continued)

30 June 2021

28. RELATED PARTY TRANSACTIONS

- (a) In addition to the transactions detailed elsewhere in this financial information, the Group had the following transactions with related parties during the Period:

	For the six months ended 30 June	
	2021 RMB'000 (Unaudited)	2020 RMB'000 (Unaudited)
Providing construction services to related parties*	143,732	270,708
Borrowings from Eastern Greenstate International Company Limited**	56,064	62,155
Guarantees given to banks in connection with facilities granted to joint ventures***	624,250	129,450

* The above construction services consist of services provided for:

	For the six months ended 30 June	
	2021 RMB'000 (Unaudited)	2020 RMB'000 (Unaudited)
Guang'an Broad Greenstate Guanshenghu Development Company Limited ("Guangan Guanshenghu")	57,737	44,867
Xi'an Greenland (ii)	42,242	85,884
Qishan Taiping (i)	36,791	46,370
Zhaoqing Park (i)	6,962	45,926
Gushi Nanhu (i)	—	47,661
	143,732	270,708

(i) These Companies are joint ventures of the Group.

(ii) Xi'an Greenland is a joint venture of Greenland Group and the Company is an associate of Greenland Group.

** Eastern Greenstate International Company Limited is a shareholder of the Company

*** The above guarantees given to banks provided for:

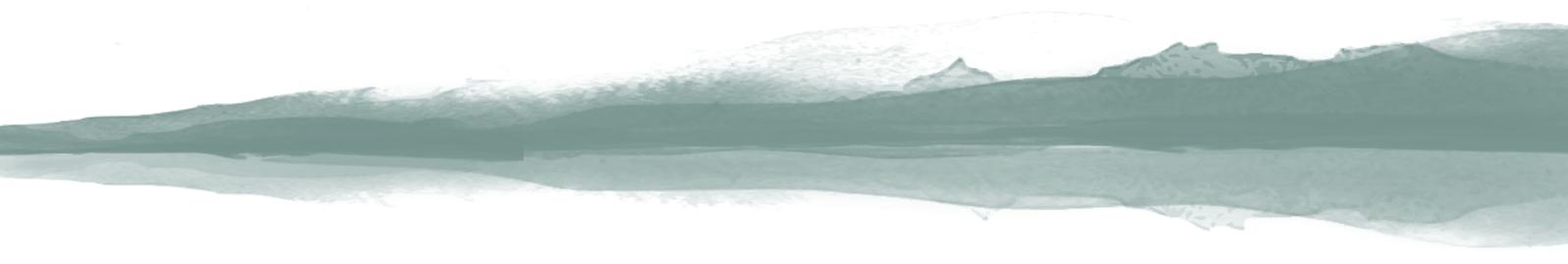
	For the six months ended 30 June	
	2021 RMB'000 (Unaudited)	2020 RMB'000 (Unaudited)
Qishan Taiping	250,000	—
Quanzhou Haixi	140,000	—
Zhaoqing Park	125,900	20,000
Gushi Nanhu	108,350	109,450
	624,250	129,450

Notes to Interim Condensed Consolidated Financial Information (Continued)

30 June 2021

28. RELATED PARTY TRANSACTIONS (Continued)

(b) Other transactions with related parties:

- (i) During the Reporting Period, Greenstate Gardening used office premises free of charge with a gross floor area of 100 square metres, located at Group 17, Zhangqiao Village, Jinshanwei Town, Jinshan District, Shanghai, the PRC, which were owned by Mr. Wu Jie, a close family member of Mr. Wu Zhengping.
 - (ii) The interest on corporate bonds to Greenland Financial for the Reporting Period is RMB11,658,000 (2020: RMB13,140,000).
 - (iii) Certain bank loans were secured by the Company's shares held by the Company's holding company and guaranteed by Mr. Wu Zhengping, Ms. Xiao Li and Ms. Zhu Wen. Further details are given in note 23 to the financial statements.
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Notes to Interim Condensed Consolidated Financial Information (Continued)

30 June 2021

28. RELATED PARTY TRANSACTIONS (Continued)

(c) Outstanding balances with related parties:

The Group had the following significant balances with its related parties at the end of the Reporting Period:

(i) Due from related parties

	30 June 2021 RMB'000 (Unaudited)	31 December 2020 RMB'000 (Audited)
Trade receivables		
Yuzhou Shenhui Old Town Protection Construction Co., Ltd. ("Yuzhou Shenhui")	101,777	129,127
Qishan Taiping	85,455	48,701
Mianzhu Greenstate	80,006	80,006
Taiyuan Longcheng	46,838	48,101
Gushi Nanhu	39,375	39,375
Zhenping Greenstate	16,072	16,072
Quanzhou Haixi	13,380	14,047
Greenland Group Chengdu Qingyang Real-estate Development Co., Ltd.	1,763	500
Guangan Guanshenghu	—	53,451
	384,666	429,380
Contract assets		
Guiding Yangbaoshan Cultural Company Limited ("Guiding Yangbaoshan")	259,556	259,556
Xi'an Greenland	141,712	135,467
Zhaoqing Park	90,013	86,262
Quanzhou Haixi	87,688	87,688
Gushi Nanhu	64,544	64,544
Mianzhu Greenstate	39,532	39,532
Qishan Taiping	31,270	27,523
Guangan Guanshenghu	17,314	8,654
Taiyuan Longcheng	10,890	10,890
Zhenping Greenstate	10,410	10,410
	752,929	730,526

Notes to Interim Condensed Consolidated Financial Information (Continued)

30 June 2021

28. RELATED PARTY TRANSACTIONS (Continued)

(c) Outstanding balances with related parties: (Continued)

(i) Due from related parties (Continued)

	30 June 2021 RMB'000 (Unaudited)	31 December 2020 RMB'000 (Audited)
Prepayments, deposits and other receivables		
Gushi Nanhu	39,191	38,952
Shandong Greenland Spring Biological Industrial Company Limited	34,788	34,788
Qishan Taiping	18,561	—
Zhongbo Construction	10,659	961
Shanghai Kaitai Real Estate Development Co., Ltd.	3,382	3,382
Zhaoqing Park	910	630
Broad Landscape International Company Limited	530	536
Mianzhu Greenstate	458	342
Quanzhou Haixi	293	132
	108,772	79,723

(ii) Due to related parties

	30 June 2021 (Unaudited) RMB'000	31 December 2020 (Audited) RMB'000
Other payables		
Shandong Greenland Spring Biological Industrial Company Limited	33,783	33,783
Shanghai Zhubo Enterprise Management Consulting Center GP	16,900	17,050
Shanghai Qianlu Investment and Management Company Limited	7,400	—
Greenland Financial Investment	291	295
Broad Landscape International Company Limited	255	258
Qishan Taiping	—	1,479
Yuzhou Shenhou	—	8,000
	58,629	60,865

Notes to Interim Condensed Consolidated Financial Information (Continued)

30 June 2021

28. RELATED PARTY TRANSACTIONS (Continued)

(c) Outstanding balances with related parties: (Continued)

(ii) Due to related parties (Continued)

	30 June 2021 (Unaudited) RMB'000	31 December 2020 (Audited) RMB'000
Contract liabilities		
Gushi Nanhu	127,712	142,150
Zhaoqing Park	91,527	2,166
Xi'an Greenland	85,302	78,478
Mianzhu Greenstate	18,000	18,000
Zhenping Greenstate	1,000	1,000
	323,541	241,794

Amounts due from related parties were interest-free, unsecured and have no fixed terms of repayment.

(d) Compensation of key management personnel of the Group

	For the six months ended 30 June	
	2021 RMB'000 (Unaudited)	2020 RMB'000 (Unaudited)
Short term employee benefits	1,556	1,945
Post-employment benefits	204	295
Total compensation paid to key management personnel	1,760	2,240

29. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS

The carrying amounts of the Group's financial instruments approximate to their fair values.

Management has assessed that the fair values of cash and bank balances, the current portion of pledged deposits, trade receivables, financial assets included in prepayments, other receivables and other assets, trade and bills payables and financial liabilities included in other payables and accruals approximate to their carrying amounts largely due to the short term maturities of these instruments.

The fair values of the financial assets and liabilities are included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. The fair values of these financial instruments have been calculated by discounting the expected future cash flows at prevailing interest rates.

Notes to Interim Condensed Consolidated Financial Information (Continued)

30 June 2021

29. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS (Continued)

The fair values of the non-current portion of pledged deposits, and interest-bearing bank and other borrowings have been calculated by discounting the expected future cash flows using rates currently available for instruments with similar terms, credit risk and remaining maturities. The fair value of the liability portion of the corporate bonds is estimated by discounting the expected future cash flows using an equivalent market interest rate of a similar corporate bond with consideration of the Group's own non-performance risk.

During the Period, there were no transfers of fair value measurements between Level 1 and Level 2 and no transfers into or out of Level 3 for both financial assets and financial liabilities.

30. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The main risks arising from the Group's financial instruments are foreign currency risk, credit risk and liquidity risk. The board of directors reviews and agrees policies for managing each of these risks and they are summarised below.

The condensed consolidated interim financial information does not include all financial risk management information and disclosures required in the annual consolidated financial statements, and should be read in conjunction with the Group's annual consolidated financial statements for the year ended 31 December 2020.

There have been no changes in the risk management department during the Reporting Period or in any risk management policies.

Foreign currency risk

The Group's businesses are located in Mainland China and nearly all transactions are conducted in RMB. As nearly all of the Group's assets and liabilities were denominated in RMB, the Group was not subject to significant foreign currency risk as at 30 June 2021. As at 30 June 2021, the Group's assets and liabilities denominated in USD and HKD were mainly held by the Company and a subsidiary incorporated outside Mainland China which had HKD as their functional currencies. The Company and the subsidiary incorporated outside Mainland China also held corporate bonds denominated in USD and other payable denominated in RMB, from which foreign currency exposure arises.

The following table demonstrates the sensitivity at the end of the Reporting Period to a reasonably possible change in the USD and HKD exchange rate, with all other variables held constant, of the Group's profit before tax and the Group's equity.

	Increase/ (decrease) in rate %	Increase/ (decrease) in profit before tax RMB'000	Increase/ (decrease) in equity* RMB'000
2021			
If HKD weakens against USD	1	(2,618)	—
If HKD strengthens against USD	(1)	2,618	—
If RMB weakens against HKD	1	—	—
If RMB strengthens against HKD	(1)	—	—

* Excluding retained profits

Notes to Interim Condensed Consolidated Financial Information (Continued)

30 June 2021

30. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

Credit risk

The Group's trade receivables and contract assets are mainly from government authorities. The carrying amounts of cash and cash equivalents, trade and other receivables and contract assets included in the consolidated financial statements represent the Group's maximum exposure to credit risk in relation to its financial assets.

As at the end of the Reporting Period, all cash and cash equivalents were deposited in high quality financial institutions without significant credit risk.

Liquidity risk

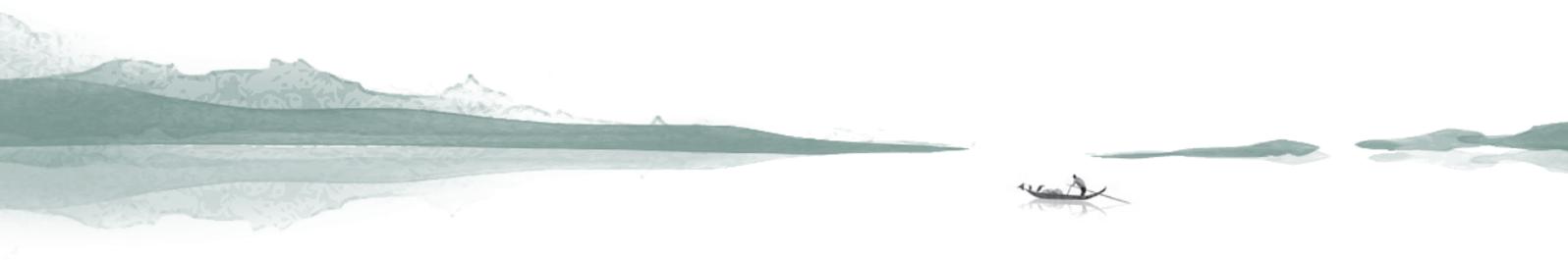
The Group monitors its risk to a shortage of funds using a recurring liquidity planning tool. This tool considers the maturity of both its financial instruments and financial assets (e.g., trade receivables) and projected cash flows from operations.

The maturity profile of the Group's financial liabilities as at the end of the Reporting Period, based on the contractual undiscounted payments, was as follows:

	30 June 2021 RMB'000 (Unaudited)	31 December 2020 RMB'000 (Audited)
Interest-bearing bank and other borrowings	560,543	547,948
Corporate bonds	194,166	196,947
Trade and bills payables	789,440	953,379
Other payables and accruals	120,982	127,795
Less: Cash and cash equivalents	(43,971)	(309,292)
Net debt	1,621,160	1,516,777
Equity attributable to owners of the Parent	1,017,448	995,931
Capital and net debt	2,638,608	2,512,708
Gearing ratio	61%	60%

31. EVENTS AFTER THE REPORTING PERIOD

The Group had no material events after the Reporting Period.

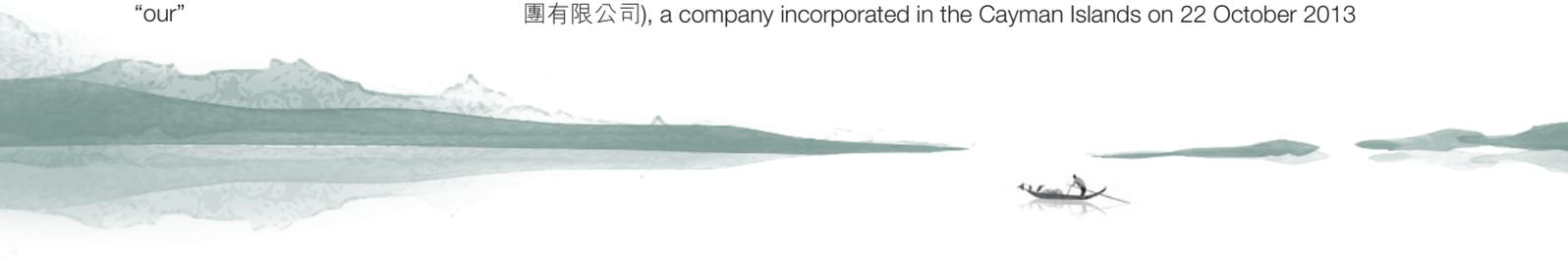


Definitions

“2015 Company Share Charge”	the share charge entered into between the Company and Greenland Financial on 15 October 2015 in relation to the charge of all rights, entitlements, interests and benefits in the entire issued share capital of Greenstate Times, in favour of Greenland Financial
“2015 Greenstate Times Share Charge”	the share charge entered into between Greenstate Times and Greenland Financial on 15 October 2015 in relation to the charge of all rights, entitlements, interests and benefits in the entire issued share capital of Greenstate International, in favor of Greenland Financial
“2015 Note Instrument”	the instrument issued by the Company on 15 October 2015 for the creation and issue of the 2015 Notes in favour of Greenland Financial
“2015 Notes”	the redeemable fixed coupon promissory note with a principal amount of US\$40,000,000 at the rate of 9.00% per annum issued pursuant to the terms and conditions set out in the 2015 Note Instrument
“2015 Share Charge”	the 2015 Company Share Charge and the 2015 Greenstate Times Share Charge
“2017 Company Share Charge”	the charge of all rights, entitlements, interests and benefits in 50,000 ordinary shares of Greenstate Times, representing 50% of the entire issued share capital of Greenstate Times, legally and beneficially held by the Company as at the date of the 2017 Deed of Consent and charged in favor of Greenland Financial
“2017 Deed of Consent”	the deed of consent entered into between the Company and Greenland Financial on 15 November 2017 in relation to, among others, the execution of 2017 Note Instrument and 2017 Share Charges
“2017 Greenstate Times Share Charge”	the charge of all rights, entitlements, interests and benefits in 5,000 ordinary shares of Greenstate International, representing 50% of the entire issued share capital of Greenstate International, legally and beneficially held by Greenstate Times as at the date of the 2017 Deed of Consent and charged in favor of Greenland Financial
“2017 Note Instrument”	the instrument executed by the Company on 15 January 2018 for the reissue of the 2017 Notes in favor of Greenland Financial pursuant to the 2017 Deed of Consent
“2017 Notes”	the redeemable fixed coupon promissory note with a principal amount of US\$40,000,000 at the rate of 9.00% per annum issued pursuant to the terms and conditions set out in the 2015 Note Instrument and reissued pursuant to the terms and conditions set out in the 2017 Note Instrument
“2017 Share Charges”	the 2017 Company Share Charge and the 2017 Greenstate Times Share Charge
“2019 Company Share Charge”	the charge of all rights, entitlements, interests and benefits in 43,000 ordinary shares of Greenstate Times, representing 43% of the entire issued share capital of Greenstate Times, legally and beneficially held by the Company as at the date of the 2019 Deed of Consent and charged in favour of Greenland Financial

Definitions (Continued)

“2019 Deed of Consent”	the deed of consent entered into between the Company and Greenland Financial on 4 December 2019 in relation to, among others, the execution of 2019 Note Instrument and 2019 Share Charges
“2019 Greenstate Times Share Charge”	the charge of all rights, entitlements, interests and benefits in 4,300 ordinary shares of Greenstate International, representing 43% of the entire issued share capital of Greenstate International, legally and beneficially held by Greenstate Times as at the date of the 2019 Deed of Consent and charged in favour of Greenland Financial
“2019 Note Instrument”	the instrument executed by the Company on 4 December 2019 for the reissue of the 2019 Notes in favor of Greenland Financial pursuant to the 2019 Deed of Consent
“2019 Notes”	the redeemable fixed coupon promissory note with a principal amount of US\$35,000,000 at the rate of 12.00% per annum reissued pursuant to the terms and conditions set out in the 2019 Note Instrument
“2019 Share Charges”	the 2019 Company Share Charge and the 2019 Greenstate Times Share Charge
“Articles of Association”	the articles of association of the Company conditionally adopted on 25 June 2014 and became unconditionally effective on the Listing Date and as amended from time to time
“associates”	has the meaning ascribed to it under the Listing Rules
“Audit Committee”	the audit committee of the Company
“Board” or “Board of Directors”	the board of directors of the Company
“Broad Greenstate Ecological”	Broad Greenstate Ecological Construction Group Company Limited* (博大綠澤生態建設集團有限公司), a company established in the PRC with limited liability on 1 July 1999, which is a wholly-owned subsidiary of Shanghai Qianyi and an indirect wholly-owned subsidiary of our Company
“Broad Landscape International”	Broad Landscape International Company Limited (博大國際有限公司), a company incorporated in BVI on 8 October 2013 and is owned as to 86.92% by Mr. Wu Zhengping (吳正平) and 13.08% by Ms. Xiao Li (肖莉)
“BVI”	the British Virgin Islands
“CG Code”	Corporate Governance Code and Corporate Governance Report as amended from time to time contained in Appendix 14 to the Listing Rules
“China” or the “PRC”	the People’s Republic of China excluding, for the purpose of this report, Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan
“Company”, “Parent”, “we”, “us” or “our”	China Greenland Broad Greenstate Group Company Limited (中國綠地博大綠澤集團有限公司), a company incorporated in the Cayman Islands on 22 October 2013



Definitions (Continued)

“Company Charged Shares”	100,000 ordinary shares of Greenstate Times, representing the entire issued share capital of Greenstate Times, legally and beneficially held by the Company as at the date of the Note Purchase Agreement and to be charged in favor of Greenland Financial under the Company Share Charge
“connected person(s)”	has the meaning ascribed to it under the Listing Rules
“Controlling Shareholder(s)”	has the meaning ascribed to it under the Listing Rules
“Deed of Novation”	the deed of novation entered into on 11 September 2015 between the Company, Greenland Leasing and Greenland Financial, pursuant to which Greenland Leasing shall novate all its rights, obligations and liabilities under the Note Purchase Agreement to the Purchaser
“Director(s)”	director(s) of the Company
“Eastern Greenstate International”	Eastern Greenstate International Company Limited (綠澤東方國際有限公司), a company incorporated in BVI on 9 October 2013, which is owned as to 2.81% by Ms. Zhu Wen (朱雯), and 97.19% by other parties
“Greenland”	Greenland Holdings Group Corporation Limited (綠地控股集團股份有限公司), a company incorporated under the laws of the PRC
“Greenland Financial”	Greenland Financial Overseas Investment Group Cp., Ltd. (綠地金融海外投資集團有限公司), a company incorporated under the laws of the British Virgin Islands, an indirectly wholly-owned subsidiary of Greenland
“Greenland Leasing”	Greenland Financial Leasing Co., Ltd. (綠地融資租賃有限公司), a company incorporated under the laws of the PRC, an indirectly wholly-owned subsidiary of Greenland
“Greenstate Times”	Greenstate Times International Company Limited (綠澤時代國際有限公司), a company incorporated in BVI on 30 October 2013 and a wholly-owned subsidiary of the Company
“Greenstate Times Charged Shares”	10,000 ordinary shares of Greenstate International, representing the entire issued share capital of Greenstate International, legally and beneficially held by Greenstate Times as the date of the Note Purchase Agreement and to be charged in favor of Greenland Financial under a share charge to be made by Greenstate Times
“Group”	the Company and its subsidiaries
“HK\$” or “HKD”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Listing”	listing of the Shares on the Main Board of the Stock Exchange

Definitions (Continued)

“Listing Date”	21 July 2014, the date on which the Shares are listed on the Stock Exchange and from which dealings in the Shares are permitted to take place on the Stock Exchange
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Model Code”	Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix 10 of the Listing Rules
“Nomination Committee”	the nomination committee of the Company
“PPP”	Public-Private Partnership
“Reissue of Notes”	the reissue of the Notes by the Company to Greenland Financial on the terms and subject to the conditions set out in the 2017 Note Instrument
“Remuneration Committee”	the remuneration committee of the Company
“Renminbi” or “RMB”	the lawful currency of China
“Reporting Period”	the six-month period from 1 January 2021 to 30 June 2021
“SFO”	Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), as amended, supplemented or otherwise modified from time to time
“Shanghai Qianyi”	Shanghai Qianyi Landscape Engineering Company Limited* (上海千頤景觀工程有限公司), a wholly foreign owned enterprise established in the PRC with limited liability on 26 December 2013, and an indirect wholly-owned subsidiary of the Company
“Share Option Scheme”	the share option scheme conditionally approved and adopted by the Company on 25 June 2014 which became unconditionally effective on the Listing Date, the principal terms of which are summarised in the subsection headed “Share Option Scheme — Summary of terms” in Appendix V to the Prospectus
“Shareholders”	holder(s) of our Share(s) from time to time
“Shares”	ordinary shares of HK\$0.025 each in the share capital of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“subsidiary(ies)”	has the meaning ascribed thereto under the Listing Rules

In this interim report, if there is any inconsistency between the Chinese names of the entities or enterprises established in China and their English translations, the Chinese names shall prevail. English translation of company names in Chinese or another language which are marked with “*” is for identification purpose only.

