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## 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)

### UNAUDITED ANNUAL RESULTS ANNOUNCEMENT FOR THE YEAR ENDED 31 DECEMBER 2021

FINANCIAL HIGHLIGHTS				
		Year ended 31 December		Change
		2021	2020	
		Unaudited	Audited	
Revenue	RMB'000	267,498	676,161	(408,663)
Gross Profit	RMB'000	80,259	190,611	(110,352)
Net profit attributable to owners of the Parent	RMB'000	4,542	78,295	(73,753)
Gross Profit margin	%	30.0	28.2	1.8
Net profit margin	%	1.7	11.6	(9.9)

In this announcement, “we”, “us” and “our” refer to the Company (as defined below) and, where the context otherwise requires, the Group (as defined below).

For the reasons explained below under “REVIEW OF UNAUDITED ANNUAL RESULTS BY THE AUDIT COMMITTEE”, the auditing process for the annual results of China Greenland Broad Greenstate Group Company Limited (the “**Company**” or the “**Parent**”) and its subsidiaries (collectively the “**Group**”) has not been completed. In the meantime, the board of directors (the “**Board**”) of the Company is pleased to announce the unaudited annual results of the Group for the year ended 31 December 2021 (the “**Reporting Period**”) together with audited comparative figures for the preceding financial year as follows:

**UNAUDITED ANNUAL RESULTS OF THE GROUP FOR THE REPORTING PERIOD**

**CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME**

*Year ended 31 December 2021*

	<i>Notes</i>	<b>2021</b> <i>RMB'000</i> <b>(Unaudited)</b>	2020 <i>RMB'000</i> (Audited)
<b>REVENUE</b>	4	<b>267,498</b>	676,161
Cost of sales		<u><b>(187,239)</b></u>	<u>(485,550)</u>
Gross profit		<b>80,259</b>	190,611
Other income and gains	4	<b>30,250</b>	19,087
Administrative expenses		<b>(51,122)</b>	(54,699)
Impairment losses on financial and contract assets		<b>(4,237)</b>	(58,205)
Finance costs	6	<b>(52,320)</b>	(47,489)
Share of profits and losses of:			
Joint ventures		<b>8,886</b>	42,588
An associate		<u>—</u>	<u>2,153</u>
<b>PROFIT BEFORE TAX</b>	5	<b>11,716</b>	94,046
Income tax expense	8	<u><b>(7,462)</b></u>	<u>(15,512)</u>
<b>PROFIT FOR THE YEAR</b>		<u><b>4,254</b></u>	<u>78,534</u>
Attributable to:			
Owners of the parent		<b>4,542</b>	78,295
Non-controlling interests		<u><b>(288)</b></u>	<u>239</u>
		<u><b>4,254</b></u>	<u>78,534</u>

	<i>Notes</i>	<b>2021</b> <b>RMB'000</b> <b>(Unaudited)</b>	2020 <b>RMB'000</b> <b>(Audited)</b>
<b>OTHER COMPREHENSIVE INCOME</b>			
Other comprehensive income that will not be reclassified to profit or loss in subsequent periods:			
Exchange differences on translation of foreign operations		<u>15,809</u>	<u>33,396</u>
Net other comprehensive income that will not be reclassified to profit or loss in subsequent periods		<u>15,809</u>	<u>33,396</u>
<b>OTHER COMPREHENSIVE INCOME FOR THE YEAR, NET OF TAX</b>		<u>15,809</u>	<u>33,396</u>
<b>TOTAL COMPREHENSIVE INCOME FOR THE YEAR</b>		<u><u>20,063</u></u>	<u><u>111,930</u></u>
Total comprehensive income			
Attributable to:			
Owners of the parent		20,351	111,691
Non-controlling interests		<u>(288)</u>	<u>239</u>
		<u><u>20,063</u></u>	<u><u>111,930</u></u>
<b>EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT:</b>			
Basic			
For profit for the year	<i>10</i>	<u><u>0.0014</u></u>	<u><u>0.0234</u></u>
Diluted			
For profit for the year	<i>10</i>	<u><u>0.0014</u></u>	<u><u>0.0234</u></u>

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION

31 December 2021

	<i>Notes</i>	<b>2021</b> <b>RMB'000</b> <b>(Unaudited)</b>	2020 <b>RMB'000</b> <b>(Audited)</b>
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment		125,247	131,022
Right-of-use assets	11(a)	—	1,488
Investment properties		24,024	—
Goodwill		3,060	3,060
Other intangible assets		18,613	20,294
Investments in joint ventures		814,281	699,899
Equity investment at fair value through profit or loss		80,324	65,435
Financial assets at fair value through profit or loss		20,098	20,142
Contract assets	13	244,563	105,265
Prepayments, other receivables and other assets		44,194	44,844
Other non-current asset		19,449	19,449
Deferred tax assets		<u>23,709</u>	<u>25,064</u>
 Total non-current assets		 <u>1,417,562</u>	 <u>1,135,962</u>
<b>CURRENT ASSETS</b>			
Biological assets		31,972	33,539
Trade receivables	12	467,884	615,641
Contract assets	13	1,069,556	1,190,209
Prepayments, other receivables and other assets		291,536	166,828
Pledged deposits		2,366	1,300
Cash and cash equivalents		<u>77,465</u>	<u>309,292</u>
 Total current assets		 <u>1,940,779</u>	 <u>2,316,809</u>
<b>CURRENT LIABILITIES</b>			
Corporate bonds		191,413	196,947
Trade and bills payables	14	736,593	953,379
Other payables and accruals		605,987	549,307
Interest-bearing bank and other borrowings		292,460	280,338
Lease liabilities	11(b)	1,439	1,722
Tax payable		<u>167,487</u>	<u>170,645</u>
 Total current liabilities		 <u>1,995,379</u>	 <u>2,152,338</u>
 <b>NET CURRENT (LIABILITIES)/ASSETS</b>		 <u><b>(54,600)</b></u>	 <u>164,471</u>
 <b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		 <u><b>1,362,962</b></u>	 <u>1,300,433</u>

	<i>Notes</i>	<b>2021</b> <b>RMB'000</b> <b>(Unaudited)</b>	2020 <i>RMB'000</i> <i>(Audited)</i>
<b>NON-CURRENT LIABILITIES</b>			
Interest-bearing bank and other borrowings		<b>285,286</b>	267,610
Lease liabilities	<i>11(b)</i>	<b>22,437</b>	—
Deferred tax liabilities		<b>11,169</b>	8,816
		<u><b>318,892</b></u>	<u>276,426</u>
<b>Total non-current liabilities</b>		<u><b>318,892</b></u>	<u>276,426</u>
<b>Net assets</b>		<u><b>1,044,070</b></u>	<u>1,024,007</u>
<b>EQUITY</b>			
<b>Equity attributable to owners of the parent</b>			
Share capital		<b>66,396</b>	66,396
Other reserves		<b>949,886</b>	929,535
		<u><b>1,016,282</b></u>	<u>995,931</u>
<b>Non-controlling interests</b>		<u><b>27,788</b></u>	<u>28,076</u>
<b>Total equity</b>		<u><b>1,044,070</b></u>	<u>1,024,007</u>

## NOTES TO FINANCIAL STATEMENTS

31 December 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. During the year, 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**"), who is incorporated in the British Virgin Islands ("**BVI**").

### 2. CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

The Group has adopted the following revised HKFRSs for the first time for the current year's financial statements.

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

The nature and the 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 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.

Since the Group did not have any interest-bearing bank and other borrowings denominated in Hong Kong dollars based on the Hong Kong Interbank Offered Rate (“**HIBOR**”) and United States dollars based on the London Interbank Offered Rate (“**LIBOR**”), the amendments 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.

The Group has early adopted the amendment on 1 January 2021. However, the Group has not received covid-19-related rent concessions and plans to apply the practical expedient when it becomes applicable within the allowed period of application.

### 3. OPERATING SEGMENT INFORMATION

The Group’s principal business is providing landscape design and gardening and related services. 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 areas

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

#### 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:

	<b>2021</b> <i>RMB’000</i> <b>(Unaudited)</b>	2020 <i>RMB’000</i> (Audited)
Customer A	<b>86,315</b>	*
Customer B	<b>60,012</b>	227,532
Customer C	<b>41,636</b>	85,875
Customer D	<b>36,791</b>	78,688
Customer E	*	*

\* Less than 10% of the total revenue

#### 4. REVENUE, OTHER INCOME AND GAINS

An analysis of revenue is as follows:

	<b>2021</b> <i>RMB'000</i> (Unaudited)	2020 <i>RMB'000</i> (Audited)
Revenue from contracts with customers	<b>266,688</b>	671,161
Revenue from other sources		
Gross rental income from investment property operating leases	<u>810</u>	<u>—</u>
	<u><b>267,498</b></u>	<u>671,161</u>

#### Revenue from contracts with customers

##### (i) *Disaggregated revenue information*

	<b>2021</b> <i>RMB'000</i> (Unaudited)	2020 <i>RMB'000</i> (Audited)
<b>Types of services</b>		
Construction services	<b>262,890</b>	664,561
Design and maintenance services	<b>3,520</b>	11,600
Management service	<u>278</u>	<u>—</u>
Total	<u><b>266,688</b></u>	<u>676,161</u>
<b>Timing of revenue recognition</b>		
Services transferred over time	<u><b>266,688</b></u>	<u>676,161</u>

The following table shows the amounts of revenue recognised in the current reporting period that were included in the contract liabilities at the beginning of the reporting period and recognised from performance obligations satisfied in previous periods:

	<b>2021</b> <i>RMB'000</i> (Unaudited)	2020 <i>RMB'000</i> (Audited)
Construction services	<b>48,598</b>	127,036
Design and maintenance services	<u>7,000</u>	<u>5,472</u>
Total	<u><b>55,598</b></u>	<u>132,508</u>



**(ii) Performance obligations**

Information about the Group's performance obligations is summarised below:

*Construction services*

The performance obligation is satisfied over time as services are rendered and payment is generally due within two months from the date of billing. A certain percentage of payment is retained by customers until the end of the retention period as the Group's entitlement to the final payment is conditional on the satisfaction of the service quality by the customers over a certain period as stipulated in the contracts.

*Design and maintenance services*

The performance obligation is satisfied over time as services are rendered and short-term advances are normally required before rendering the services. Design and maintenance service contracts are for periods of one year or less, and are billed based on the time incurred.

*Management services*

The performance obligation is satisfied over time as services are rendered and short-term advances are normally required before rendering the services. Management service contracts are for periods of one year to nine years, and are billed based on the time incurred.

The amounts of transaction prices allocated to the remaining performance obligations (unsatisfied or partially unsatisfied) as at 31 December 2021 and 2020 are as follows:

	<b>2021</b>	2020
	<b><i>RMB'000</i></b>	<i>RMB'000</i>
	<b>(Unaudited)</b>	(Audited)
Amounts expected to be recognised as revenue:		
Within one year	<b>783,779</b>	1,067,950
After one year	<b><u>3,193,479</u></b>	<u>3,066,163</u>
	<b><u><u>3,977,258</u></u></b>	<u><u>4,134,113</u></u>

The remaining performance obligations expected to be recognised in more than one year related to construction services that are to be satisfied within 3 years. All the other remaining performance obligations are expected to be recognised within one year. The amounts disclosed above do not include variable consideration which is constrained.

	<i>Note</i>	<b>2021</b> <b>RMB'000</b> <b>(Unaudited)</b>	2020 <b>RMB'000</b> <b>(Audited)</b>
<b>Other income</b>			
Bank interest income		552	4,353
Other interest income arising from contracts with customers*		19,933	6,584
Rental income	<i>11</i>	1,104	826
Others		<u>299</u>	<u>509</u>
		<u><b>21,888</b></u>	<u>12,272</u>
<b>Gains</b>			
Government grants**		2,219	2,328
Fair value (losses)/gains of financial assets at fair value through profit or loss, net		(44)	350
Fair value gains of an equity investment at fair value through profit or loss		14,889	5,368
Fair value losses of biological assets		(1,149)	(787)
Gains on reclassification from an associate to an equity investment		—	4,370
Foreign exchange loss, net		<u>(7,553)</u>	<u>(4,814)</u>
		<u><b>8,362</b></u>	<u>6,815</u>
		<u><b>30,250</b></u>	<u>19,087</u>

\* 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 Finance Bureau in Mainland China as financial support to the growth enterprises.

## 5. PROFIT BEFORE TAX

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

	<i>Notes</i>	<b>2021</b> <b>RMB'000</b> <b>(Unaudited)</b>	2020 <i>RMB'000</i> (Audited)
Cost of construction contracts		<b>180,510</b>	481,194
Cost of services provided		<b>5,533</b>	4,356
Cost of depreciation of investment properties		<b>924</b>	—
Cost of management service		<b>272</b>	—
Employee benefit expenses (including directors' and chief executive's remuneration as set out in note 7):			
Wages and salaries		<b>7,188</b>	10,668
Pension scheme contributions		<b>3,710</b>	3,781
		<b>10,898</b>	14,449
Depreciation of items of property, plant and equipment		<b>5,920</b>	6,675
Depreciation of right-of-use assets	<i>11(a)</i>	<b>1,488</b>	1,488
Amortisation of other intangible assets*		<b>1,688</b>	1,705
Bank interest income	<i>4</i>	<b>(552)</b>	(4,353)
Interest income arising from contracts with customers	<i>4</i>	<b>(19,933)</b>	(6,584)
Gain on reclassification from an associate to equity investment	<i>4</i>	—	(4,370)
Impairment of financial and contract assets:			
Impairment of trade receivables	<i>12</i>	<b>483</b>	45,099
Impairment of contract assets	<i>13</i>	<b>(1,239)</b>	2,758
Impairment of financial assets included in prepayments, other receivables and other assets		<b>4,993</b>	10,348
Consulting fees		<b>3,875</b>	7,317
Auditor's remuneration (non-audit fee: Nil)		<b>2,180</b>	2,200
Gain on disposal of items of property, plant and equipment		<b>(188)</b>	(387)
Lease payments not included in the measurement of lease liabilities	<i>11(c)</i>	<b>902</b>	1,141

\* The amortisation of licenses and software for the year is included in "Administrative expenses" in the consolidated statement of profit or loss and other comprehensive income.

## 6. FINANCE COSTS

		<b>2021</b>	2020
	<i>Note</i>	<b><i>RMB'000</i></b>	<i>RMB'000</i>
		<b>(Unaudited)</b>	(Audited)
Interest on bank loans and other borrowings		<b>28,640</b>	21,562
Interest on lease liabilities	<i>11(b)</i>	<b>512</b>	122
Interest on corporate bonds		<b>23,168</b>	25,805
		<hr/>	<hr/>
Total interest expense on financial liabilities not at fair value through profit or loss		<b>52,320</b>	47,489
		<hr/> <hr/>	<hr/> <hr/>

## 7. DIRECTORS' AND CHIEF EXECUTIVE'S REMUNERATION

Directors' and chief executive's remuneration for the year, disclosed pursuant to the Listing Rules, section 383(1)(a), (b), (c) and (f) of the Hong Kong Companies Ordinance and Part 2 of the Companies (Disclosure of Information about Benefits of Directors) Regulation, is as follows:

		<b>Group</b>	
		<b>2021</b>	2020
		<b><i>RMB'000</i></b>	<i>RMB'000</i>
		<b>(Unaudited)</b>	(Audited)
Fees		<b>240</b>	240
		<hr/>	<hr/>
Other emoluments:			
Salaries, allowances and benefits in kind		<b>2,783</b>	3,500
Pension scheme contributions		<b>455</b>	561
		<hr/>	<hr/>
		<b>3,478</b>	4,301
		<hr/> <hr/>	<hr/> <hr/>

The remuneration of each executive director and non-executive director is set out below:

	Fees <i>RMB'000</i>	Salaries, allowances and benefits in kind <i>RMB'000</i>	Pension scheme contributions <i>RMB'000</i>	Total <i>RMB'000</i>
<b>2021 (Unaudited)</b>				
<i>Executive directors</i>				
Mr. Wu Zhengping	—	960	130	1,090
Ms. Xiao Li	—	960	130	1,090
Ms. Chen Min	—	263	65	328
Ms. Zhu Wen	—	600	130	730
<i>Non-executive directors</i>				
Mr. Dai Guoqiang	80	—	—	80
Dr. Jin Hexian	80	—	—	80
Mr. Yang Yuanguang	80	—	—	80
Total	<u>240</u>	<u>2,783</u>	<u>455</u>	<u>3,478</u>

There was no arrangement under which a director or the chief executive waived or agreed to waive any remuneration during the year.

Mr. Wu Zhengping is the chief executive of the Group.

	Fees <i>RMB'000</i>	Salaries, allowances and benefits in kind <i>RMB'000</i>	Pension scheme contributions <i>RMB'000</i>	Total <i>RMB'000</i>
<b>2020 (Audited)</b>				
<i>Executive directors</i>				
Mr. Wu Zhengping	—	960	118	1,078
Ms. Xiao Li	—	960	118	1,078
Ms. Chen Min	—	530	118	648
Ms. Zhu Wen	—	600	118	718
<i>Non-executive directors</i>				
Mr. Dai Guoqiang	80	—	—	80
Dr. Chan Wing Bun	33	—	—	33
Dr. Jin Hexian	80	—	—	80
Mr. Yang Yuanguang	47	—	—	47
Total	<u>240</u>	<u>3,050</u>	<u>472</u>	<u>3,762</u>

## 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 year. Taxes on profits assessable elsewhere have been calculated at the rates of tax prevailing in the jurisdictions in which the Group operates.

	<b>2021</b>	2020
	<i>RMB'000</i>	<i>RMB'000</i>
	<b>(Unaudited)</b>	(Audited)
Current — PRC		
Charge for the year	<b>3,754</b>	19,798
Deferred	<u><b>3,708</b></u>	<u>(4,286)</u>
Total tax charge for the year	<u><b>7,462</b></u>	<u>15,512</u>

Pursuant to Section 6 of the Tax Concessions Law (1999 Revision) of the Cayman Islands, the Company has obtained an undertaking from the Governor-in-Council that no law which is enacted in the Cayman Islands imposing any tax to be levied on profits, income, gain or appreciation shall apply to the Company or its operations.

The subsidiary incorporated in the BVI is not subject to income tax as the subsidiary does not have a place of business (other than a registered office only) or carry out any business in the BVI.

A uniform income tax rate of 25% was imposed on both domestic and foreign-invested enterprises from 1 January 2008.

On 22 April 2009, the State Administration of Taxation issued State Tax Letter No. 203 about the preferential income tax rate on new hi-technology enterprises pursuant to which an income tax rate of 15% is imposed on new hi-technology enterprises. Broad Greenstate Ecological Construction Group Company Limited applied for the recognition of new hi-technology enterprise, which was approved by the relevant authorities on 23 November 2017 and the preferential rate was effective for three years from 2017 to 2019. Therefore, the preferential income tax rate of 15% was applied during the years from 2017 to 2019 for Broad Greenstate Ecological Construction Group Company Limited.

On 12 November 2020, the certificate of new hi-technology enterprises was renewed, which is effective from 2020 to 2022, and the preferential income tax rate of 15% is applied during the years from 2020 to 2022.

A reconciliation of the tax expense applicable to profit before tax at the statutory rate for the jurisdiction in which the majority of the Company's subsidiaries are domiciled to the tax expense at the effective tax rate is as follows:

	<b>2021</b>	2020
	<b>RMB'000</b>	RMB'000
	<b>(Unaudited)</b>	(Audited)
Profit before tax	<u><b>11,716</b></u>	<u>94,046</u>
Tax at the statutory tax rate (25%)	<b>2,929</b>	23,512
Lower tax rates for specific provinces or enacted by local authority	<b>(1,864)</b>	(7,516)
Additional deductible allowance for qualified research and development costs	<b>(4,744)</b>	(4,153)
Profits and losses attributable to joint ventures	<b>(2,211)</b>	(10,735)
Income not subject to income tax	<b>(1)</b>	(1)
Expenses not deductible for tax	<b>428</b>	406
Tax losses not recognised	<u><b>12,925</b></u>	<u>13,999</u>
Tax charge at the Group's effective rate	<u><b>7,462</b></u>	<u>15,512</u>
Tax charge from continuing operations at the Group's effective rate	<u><b>7,462</b></u>	<u>15,512</u>

## 9. DIVIDENDS

The board of directors does not recommend any payment of dividend for the year ended 31 December 2021 (2020: Nil).

## 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 year attributable to ordinary equity holders of the parent, and the weighted average number of ordinary shares of 3,342,536,957 (unaudited) (2020: 3,342,536,957) in issue during the year.

No adjustment has been made to the basic earnings per share amounts presented for the years ended 31 December 2021 and 2020 in respect of a dilution at no consideration on the deemed exercise of all dilutive potential ordinary shares with no dilutive effect, during the year ended 31 December 2021 (2020: Nil).

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

	<b>2021</b>	2020
	<b><i>RMB'000</i></b>	<i>RMB'000</i>
	<b>(Unaudited)</b>	(Audited)
<b>Earnings</b>		
Profit attributable to ordinary equity holders of the parent, used in the basic earnings per share calculation	<b>4,542</b>	78,295
	<b>Number of shares</b>	
	<b>2021</b>	2020
	<b>(Unaudited)</b>	(Audited)
<b>Shares</b>		
Weighted average number of ordinary shares in issue during the year used in the basic earnings per share calculation	<b>3,342,536,957</b>	3,342,536,957
Basic earnings per share (RMB)	<b><u>0.0014</u></b>	<u>0.0234</u>
Diluted earnings per share (RMB)	<b><u>0.0014</u></b>	<u>0.0234</u>

## 11. LEASES

### The Group as a lessee

The Group has lease contracts for various items of property, plant and machinery and other equipment used in its operations. Leases of properties generally have lease terms between 1 and 9 years, while plant and machinery generally have lease terms within a year. Other equipment generally has lease terms of 12 months or less and/or is individually of low value. Generally, the Group is restricted from assigning and subleasing the leased assets outside the Group. There are several lease contracts that include extension and termination options and variable lease payments, which are further discussed below.

#### (a) *Right-of-use assets*

The carrying amount of the Group's right-of-use asset and the movements during the year are as follows:

	<b>Property</b>
	<i>RMB'000</i>
As at 1 January 2020 (Audited)	2,976
Depreciation charge	<u>(1,488)</u>
As at 31 December 2020 (Audited) and 1 January 2021 (Unaudited)	1,488
Additions	—
Depreciation charge	<u>(1,488)</u>
As at 31 December 2021 (Unaudited)	<u>—</u>



**(b) Lease liabilities**

The carrying amount of lease liabilities and the movements during the year are as follows:

	<b>2021</b>	2020
	<b>Lease liabilities</b>	Lease liabilities
	<b>RMB'000</b>	RMB'000
	<b>(Unaudited)</b>	(Audited)
Carrying amount at 1 January	<b>1,722</b>	3,281
New leases	<b>23,408</b>	—
Accretion of interest recognised during the year	<b>512</b>	122
Payments	<b>(1,766)</b>	(1,681)
	<b>23,876</b>	1,722
Carrying amount at 31 December	<b>23,876</b>	1,722
Analysed into:		
Current portion	<b>1,439</b>	1,722
Non-current portion	<b>22,437</b>	—

**(c)** The amounts recognised in profit or loss in relation to leases are as follows:

	<b>2021</b>	2020
	<b>RMB'000</b>	RMB'000
	<b>(Unaudited)</b>	(Audited)
Interest on lease liabilities	<b>512</b>	122
Depreciation charge of right-of-use assets	<b>1,488</b>	1,488
Expense relating to short-term leases (included in administrative expenses)	<b>433</b>	784
Expense relating to leases of low-value assets (included in administrative expenses)	<b>119</b>	7
Variable lease payments not included in the measurement of lease liabilities (included in cost of sales)	<b>350</b>	350
	<b>2,902</b>	2,751
Total amount recognised in profit or loss	<b>2,902</b>	2,751

- (d) The Group has lease contract for a piece of land located in Changxing County that includes a term regarding variable payments based on the rice price announced by the County's Agricultural Bureau. This term is negotiated by management for the piece of land that is used for planting biological assets. The following provides information on the Group's variable lease payments:

**2021 (Unaudited)**

	<b>Fixed payments RMB'000</b>	<b>Variable payments RMB'000</b>	<b>Total RMB'000</b>
Fixed rent	—	—	—
Variable rent with minimum payment	—	—	—
Variable rent only	—	<b>350</b>	<b>350</b>
	<u>—</u>	<u><b>350</b></u>	<u><b>350</b></u>

**2020 (Audited)**

	Fixed payments RMB'000	Variable payments RMB'000	Total RMB'000
Fixed rent	—	—	—
Variable rent with minimum payment	—	—	—
Variable rent only	—	<b>350</b>	<b>350</b>
	<u>—</u>	<u><b>350</b></u>	<u><b>350</b></u>

**The Group as a lessor**

The Group leases its property which is a building located in Shanghai under operating lease arrangements, which terminated as at 31 December 2021. The terms of the leases generally require the tenants to pay security deposits and provide for periodic rent adjustments according to the then prevailing market conditions. Rental income recognised by the Group during the year was RMB1,104,000 (unaudited) (2020: RMB826,000), details of which are included in note 4 to the financial statements.

The Group subleases the stores in Qishan, which leased from Qishan Taiping Pagoda Cultural Tourism Development Company Limited (“**Qishan Taiping**”) under an operating contract, to individual tenants under operating lease arrangements. The terms of the leases generally require the tenants to pay security deposits and provide for periodic rent adjustments according to the then prevailing market conditions. Rental income recognised by the Group during the year was RMB810,000 (unaudited) (2020: Nil), details of which are included in note 4 to the financial statements.

## 12. TRADE RECEIVABLES

	2021 <i>RMB'000</i> (Unaudited)	2020 <i>RMB'000</i> (Audited)
Trade receivables	615,678	762,952
Impairment	<u>(147,794)</u>	<u>(147,311)</u>
	<u><b>467,884</b></u>	<u><b>615,641</b></u>

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.

Included in the Group's trade receivables are amounts due from the Group's joint ventures of RMB253,457,000 (unaudited) (2020: RMB380,779,000), which are repayable on credit terms similar to those offered to the major customers of the Group.

No trade receivables were pledged to secure bank loans granted (2020: Nil).

An ageing analysis of the trade receivables as at the end of the reporting period, based on the transaction date and net of loss allowance, is as follows:

	2021 <i>RMB'000</i> (Unaudited)	2020 <i>RMB'000</i> (Audited)
Within one year	134,196	298,554
Over one year but within two years	65,196	271,405
Over two years but within three years	210,912	45,682
Over three years	<u>57,580</u>	<u>—</u>
	<u><b>467,884</b></u>	<u><b>615,641</b></u>

The movements in the loss allowance for impairment of trade receivables are as follows:

	2021 <i>RMB'000</i> (Unaudited)	2020 <i>RMB'000</i> (Audited)
At beginning of year	147,311	105,776
Impairment losses recognised ( <i>note 5</i> )	26,229	45,635
Impairment losses reversed ( <i>note 5</i> )	(25,746)	(536)
Amount written off as uncollectible	<u>—</u>	<u>(3,564)</u>
At end of year	<u><b>147,794</b></u>	<u><b>147,311</b></u>

Increase in the loss allowance of RMB483,000 (unaudited) (2020: RMB41,535,000) is due to an increase in trade receivables of RMB16,975,000 (unaudited) (2020: RMB201,799,000) which were past due for over 1 year.

An impairment analysis is performed at each reporting date using a provision matrix to measure expected credit losses. The provision rates are based on days past due for groupings of various customer segments with similar loss patterns (i.e., by customer type and rating). The calculation reflects the probability-weighted outcome, the time value of money and reasonable and supportable information that is available at the reporting date about past events, current conditions and forecasts of future economic conditions.

### 13. CONTRACT ASSETS

	<b>31 December 2021 RMB'000 (Unaudited)</b>	31 December 2020 RMB'000 (Audited)	1 January 2020 RMB'000 (Audited)
Contract assets arising from:			
Construction services	<b>1,326,721</b>	1,309,315	1,029,377
Impairment	<u><b>(12,602)</b></u>	<u>(13,841)</u>	<u>(11,083)</u>
	<u><b>1,314,119</b></u>	<u>1,295,474</u>	<u>1,018,294</u>

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 31 December 2021, retention money held by customers included in contract assets amounted to approximately RMB15,854,000 (unaudited) (2020: RMB10,292,000), of which RMB15,854,000 (unaudited) (2020: RMB10,292,000) 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 the end of 2021 increased 1% compared to that as at the end of 2020, which is the revenue of construction services recognised this year.

Contract assets of RMB342,418,000 (unaudited) (2020: Nil) are pledged to secure a bank loan granted.

During the year ended 31 December 2021, RMB1,239,000 (unaudited) 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 12 to the financial statements.

The expected timing of recovery or settlement for contract assets as at 31 December was subject to the specific contract terms and the progress of the performance obligations, which is as follows:

	<b>2021</b> <i>RMB'000</i> (Unaudited)	2020 <i>RMB'000</i> (Audited)
Within one year	<b>1,069,556</b>	1,190,209
More than one year	<u><b>244,563</b></u>	<u>105,265</u>
Total contract assets	<u><b>1,314,119</b></u>	<u>1,295,474</u>

The movements in the loss allowance for impairment of contract assets are as follows:

	<b>2021</b> <i>RMB'000</i> (Unaudited)	2020 <i>RMB'000</i> (Audited)
At beginning of year	<b>13,841</b>	11,083
Impairment losses	<u><b>(1,239)</b></u>	<u>2,758</u>
At end of year	<u><b>12,602</b></u>	<u>13,841</u>

An impairment analysis is performed at each reporting date using a provision matrix to measure expected credit losses. The provision rates for the measurement of the expected credit losses of the contract assets are based on those of the trade receivables as the contract assets and the trade receivables are from the same customer bases. The provision rates of contract assets are based on the estimated loss rate of trade receivables that are not past due. The calculation reflects the probability-weighted outcome, the time value of money and reasonable and supportable information that is available at the reporting date about past events, current conditions and forecasts of future economic conditions.

Set out below is the information about the credit risk exposure on the Group's contract assets using a provision matrix:

	<b>As at</b> <b>31 December</b> <b>2021</b> (Unaudited)	As at 31 December 2020 (Audited)
Expected credit loss rate	<b>0.95%</b>	1.06%
	<i>RMB'000</i>	<i>RMB'000</i>
Gross carrying amount	<b>1,326,721</b>	1,309,315
Expected credit losses	<b>12,602</b>	13,841

Included in the Group's contract assets are amounts due from the Group's joint ventures of RMB523,385,000 (unaudited) (2020: RMB584,169,000).

#### 14. TRADE AND BILLS PAYABLES

An ageing analysis of the trade and bills payables as at the end of reporting period, based on the transaction date, is as follows:

	<b>2021</b> <i>RMB'000</i> <b>(Unaudited)</b>	2020 <i>RMB'000</i> (Audited)
Within one year	<b>91,963</b>	411,930
Over one year but within two years	<b>279,060</b>	403,380
Over two years	<b><u>365,570</u></b>	<u>138,069</u>
	<b><u><u>736,593</u></u></b>	<u><u>953,379</u></u>

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.

## MANAGEMENT DISCUSSION AND ANALYSIS

### Industry Review

According to the *Plan for Green Development of Industry during the “14th Five-Year Plan” period*, the output value of the green industry in China is expected to reach RMB11 trillion in 2025. To respond to the national sustainable development policy of “Dual Carbon”, the whole landscape industry of China has been going through the green and low carbon transformation, representing an opportunity for giants in the green industry to speed up their growths. In 2021, China’s GDP recorded an unexpected growth of 8.1%. 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.

The market size of urban landscaping in China is expected to increase from RMB215.8 billion in 2020 to RMB426.6 billion in 2027, with a CAGR of 11.01% from 2021 to 2027. The market size of China’s urban landscape architecture service industry will still maintain an average growth rate of 7% despite the harsh business environment and is expected to reach RMB350 billion in 2022.

According to the *Opinions on Encouraging and Supporting Social Capital in Ecological Protection and Restoration* by the General Office of the State Council issued at the end of 2021, social capital is encouraged and supported to engage into the investment, design, restoration, management and maintenance and other parts in ecological protection and restoration projects; activities such as the ecological products development, industrial development, technological innovation, and technical services will be carried out around ecological protection and restoration, which represents that Public-Private Partnership (“PPP”) projects for ecological and environmental protection will embrace a new round of development opportunities. According to statistics from the PPP Center of the Ministry of Finance, there was an accumulation of 5,861 PPP projects in China relating to pollution prevention and low-carbon with an investment amount of RMB5.7 trillion as of September 2021; among which, 4,228 projects with an investment of RMB4.4 trillion, had been signed, and 2,629 projects with an investment of RMB2.5 trillion were in construction. As ecological environmental protection is a rigid demand of local governments, it will still be the key area for PPP to promote.

However, there are still numerous uncertainties in domestic and international economic development, thus “stabilising investment and economy and fixing shortcomings” will remain 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 risks and challenges. PPP will also enter a new stage of high quality and sustainable development.

## Business Review

The Group has continuously adhered to the principle of “specializing in ecological construction as the core business, improving the businesses of environmental restoration and cultural tourism operation”. Taking the opportunity of the introduction of “14th Five-Year Plan” in the green development and national policy of “Dual Carbon”, the Group made keen efforts to enhance its advantages in order to cope with the economic uncertainty brought by the unstable impact of COVID-19 pandemic. In 2021, the Group fully committed to promoting high quality development through adjusting its business strategy timely by focusing on digesting investment projects in progress and optimising the Group’s management model.

During the Reporting Period, the Group has achieved a certain level of result in controlling operating risks and achieving stable and sustainable operations through various reform measures, such as optimizing management model, enhancing strength, income-generating and cost-saving measures. During the Reporting Period, the Group recorded a total revenue of RMB267.5 million (unaudited) and net profit attributable to owners of the Parent of RMB4.5 million (unaudited). Gross profit margin was 30.0% (unaudited), representing an increase of 1.8 percentage points (unaudited) as compared with last year.

## Qualifications and Licenses

Issue authority	Category	Qualification level
Ministry of Housing and Urban-Rural Development of the PRC	Urban landscape construction enterprises qualification certificate	Grade One
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



<b>Issue authority</b>	<b>Category</b>	<b>Qualification level</b>
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 adopted a refined project cost control model in line with its scientific, rational and economical operation practice. By establishing a group-wide unified supplier database, it utilised its self-developed online project management information platform (the “**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 supply chain channels.

In respect of the operation and maintenance in the later stage of the project, the Group also fully utilised the cooperation between its operation management companies and prime operation team to take into account maintenance plans during construction. At the same time, a great importance is attached to the project redevelopment, thus the Group proposes optimisation scheme during the implementation of the project and develops resources around the place where the project is located through the well-established friendly cooperative relationship.

The aforesaid cost control enabled the Group to maintain industry-leading gross margin levels over the years. During the Reporting Period, the adoption of the above measures has been effective in cost control.

### **Quality Control**

As an ecological and environmental service provider and developer with promising prospect and good reputation in China, the Group mainly undertakes key government projects, and the quality control and brand building are therefore always the top priority of the Group. In order to optimize operational process and improve synergy, the Group established Special Purpose Vehicle (SPV) company at the project location to further strengthen internal control management, stringently supervise construction quality in order to achieve stable and healthy development of the Company. The Group

also set up a linkage mechanism between functional departments and each of the project department through the online OA system to improve the internal control and management system and to strengthen collaboration between each department.

The Group continued to conduct quality control in three aspects, which include policy, system and manpower. As for the policy and system, the Group established 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 by the Group 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. The quality control department on the group level 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**

In response to the national green and low-carbon policy, the Group is striving 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 the development of ecological and environmental protection projects 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 R&D 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 currently has a total of two invention patents, 59 utility model patents, five trademark copyrights, three software copyrights, one exclusive right of integrated circuit layout design, two invention patents under application and three new cultivars at the reproductive stage, all of which relate to sewage treatment, saline-alkali land restoration, ecological restoration, landscape plants and architecture, etc.

## **FUTURE DEVELOPMENT**

The “14th Five-Year Plan” not only delineates the future direction of China’s green development, but also specifies “the theme of promoting high-quality development”, the implementation of the “Dual Carbon” strategy as the main tune of pursuing sustainable development and harmonious coexistence of human and nature. As a company primarily engaging in landscape construction, such opportunity is the lifeblood of the Group’s development. In the future, the Group will follow the trend and firmly grasp the huge opportunities brought by the policy.

With the gradual tightening of the PPP policy and the background of local government’s hidden liabilities investigation and control, the trend of rapid transformation and expansion of garden enterprises has slowed down, however, the development of the national industry chain and investment-driven expansion of scale is still an important thrust to break the bottleneck of enterprise development. Facing the environment of both opportunities and challenges that exist in the industry, the Group will take the lead in maintaining stability and taking a defensive approach to maintain the orderly progress of its projects by strengthening the compliance management of its existing projects; the Group will also strengthen its foundation strengths and focus on its core technologies in the field of ecological construction to form a unique competitiveness and enhance its industry position and risk resistance, so that the Group will be able to undertake projects with larger amounts and further improve its profit margin and return on net assets.

The Group will enhance technological innovation in green areas related to “Dual Carbon” and integrate carbon reduction, zero carbon and negative carbon technologies within the construction sector to promote energy saving and emission reduction on project sites. Meanwhile, the Group will strive to integrate cutting-edge technologies such as big data and artificial intelligence to improve business energy efficiency, reduce energy costs and promote an efficient, clean and sustainable operation model.

As the revenue of the Group’s PPP projects is mainly generated from government fees, feasibility gap subsidies and user fees during the operation and maintenance period of the projects, the payback period is relatively long, which is a great challenge to the full-cycle management capability of the enterprise. The Group will actively explore the transition from PPP to Engineering Procurement Construction (“EPC”), EPC+Finance (EPC+F) and EPC+Operation (EPC+O) models. Overall, the Group seeks to strengthen

its overall competitive advantages, optimize its asset allocation and achieve more robust and long-term development, thus contributing to the future environmental, economic and social sustainability of China.

## **CORPORATE INFORMATION**

The Company was incorporated in the Cayman Islands on 22 October 2013 as an exempted company with limited liability, and the shares (“**Shares**”) of the Company were listed on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) on 21 July 2014.

## **EVENTS AFTER THE REPORTING PERIOD**

There are no significant events subsequent to 31 December 2021 that have material impact on the Group’s operating and financial performance as at the date of this announcement.

## **PURCHASE, SALE OR REDEMPTION OF THE COMPANY’S LISTED SECURITIES**

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

## **CORPORATE GOVERNANCE**

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 shareholders of the Company (the “**Shareholders**”) and to enhance corporate value, accountability and transparency of the Company.

The Company has adopted the principles and code provisions of Corporate Governance Code (the “**CG Code**”) as set out in Appendix 14 of the Rules Governing the Listing of Securities on the Stock Exchange (the “**Listing Rules**”) (as in effect from time to time) as the basis of the Company’s corporate governance practices. Throughout the Reporting Period, the Company complied with all the code provisions of the CG Code in force during the year, with the exception of code provisions A.2.1 and E.1.2.

Pursuant to code provision A.2.1 of the CG Code, the roles of chairman and chief executive should be separate and should not be performed by the same individual. The division of responsibilities between the chairman and 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, 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. The chairman of the board shall also invite the chairmen of the audit committee, remuneration committee, nomination committee and any other committee (as appropriate) to attend the annual general meeting. In their absence, the chairman of the board should invite another committee member (or failing this, his duly appointed delegate) to attend. Such individuals shall attend the annual general meeting and answers questions.

At 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.

## **MODEL CODE FOR SECURITIES TRANSACTIONS**

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the “**Model Code**”) as set out in Appendix 10 to the Listing Rules 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.

Having made specific enquiry with all the Directors and all 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.

## **REVIEW OF UNAUDITED ANNUAL RESULTS BY THE AUDIT COMMITTEE**

An audit committee (the “**Audit Committee**”) was established by the Company with terms of reference in compliance with the CG Code. As at the date of this announcement, it comprises three members, namely Mr. Yang Yuanguang (*Chairman*), Mr. Dai Guoqiang and Dr. Jin Hexian.

The Audit Committee has reviewed the unaudited consolidated annual results of the Group for the Reporting Period.

Due to the implementation of the COVID-19 pandemic prevention and control quarantine measures in certain cities in the Mainland China, including delay in sending and receiving audit confirmations to and from banks, suppliers and customers due to delays in postal services, and suspension of work and closure of some of the companies’ offices in the PRC due to lockdown measures in Mainland China which affected the preparation and gathering process of necessary documents and information required for the audit work, the audit of the financial statements of the Group for the year ended 31 December 2021 has not been completed as of today. The unaudited annual results for the year ended 31 December 2021 contained herein have not been agreed with the Company’s auditor as required under Rule 13.49(2) of the Listing Rules. Therefore, the unaudited financial information may be adjusted to meet the needs of the completion of the audit.

Following the completion of the auditing process, which is currently expected to be on or before 22 April 2022, the Company will issue further announcement(s) in relation to the audited results for the year ended 31 December 2021 as agreed by the auditor of the Company and the material differences (if any) as compared with the unaudited annual results contained herein. In addition, the Company will issue further announcement as and when necessary if there are other material developments in the completion of the auditing process.

## **ANNUAL GENERAL MEETING**

The annual general meeting of the Company will be held on Thursday, 2 June 2022 (“**2022 AGM**”). A notice convening the 2022 AGM will be published and dispatched to the Shareholders in accordance with the requirements of the Listing Rules in due course.

## **FINAL DIVIDEND**

The Board does not recommend payment of final dividend for the year ended 31 December 2021 (2020: Nil).

## **RECORD DATE**

For the purpose of determining the Shareholders' eligibility to attend and vote at the 2022 AGM, the record date will be on Friday, 27 May 2022. In order to be eligible to attend and vote at the 2022 AGM, all transfer of Shares accompanied by the relevant share certificates must be lodged with the Company's Hong Kong branch share registrar and transfer office, Tricor Investor Services Limited, at Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong, no later than 4:30 p.m. on Friday, 27 May 2022.

## **PUBLICATION OF UNAUDITED ANNUAL RESULTS AND 2021 ANNUAL REPORT**

This announcement is published on the websites of the Company (<http://www.greenland-broadgreenstate.com.cn>) and the Stock Exchange (<http://www.hkexnews.hk>). The 2021 annual report of the Company will be dispatched to the Shareholders and will be made available on the websites of the Company and the Stock Exchange in accordance with the requirements of the Listing Rules.

**The financial information contained herein in respect of the annual results of the Group has not been audited and has not been agreed with the auditor. Shareholders and potential investors of the Company are advised to exercise caution when dealing in the securities of the Company.**

By order of the Board  
**China Greenland Broad Greenstate Group Company Limited**  
**Wu Zhengping**  
*Chairman and Executive Director*

Shanghai, the People's Republic of China  
30 March 2022

*As at the date of this announcement, our executive Directors are Mr. Wu Zhengping, Ms. Xiao Li, Ms. Zhu Wen and Ms. Chen Min and our independent non-executive Directors are Mr. Dai Guoqiang, Dr. Jin Hexian and Mr. Yang Yuanguang.*