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)

ANNUAL RESULTS ANNOUNCEMENT FOR THE YEAR ENDED 31 DECEMBER 2019

FINANCIAL HIGHLIGHTS

		Year ended 31 December		
		2019	2018	Change
		Audited	Audited	
Revenue	*RMB'000*	**949,088**	889,548	59,540
Gross Profit	*RMB'000*	**211,291**	222,870	–11,579
Net profit attributable to owners of the Parent	*RMB'000*	**71,383**	59,243	12,140
Gross Profit margin	%	**22.3**	25.1	–2.8%
Net profit margin	%	**7.5**	6.7	0.9%

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).

The board (the "**Board**") of directors (the "**Directors**") of China Greenland Broad Greenstate Group Company Limited (the "**Company**" or the "**Parent**") is pleased to announce the audited annual results of the Company and its subsidiaries (collectively, the "**Group**") for the year ended 31 December 2019 (the "**Reporting Period**"), together with audited comparative figures for the preceding financial year.

AUDITED ANNUAL RESULTS OF THE GROUP FOR THE REPORTING PERIOD

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

Year ended 31 December 2019

	Notes	2019 RMB'000	2018 RMB'000
REVENUE	4	**949,088**	889,548
Cost of sales		**(737,797)**	(666,678)
Gross profit		**211,291**	222,870
Other income and gains	4	**39,351**	51,069
Administrative expenses		**(86,875)**	(93,947)
Impairment losses on financial and contract assets		**(63,012)**	(60,983)
Finance costs	6	**(53,969)**	(67,757)
Share of profits and losses of:			
Joint ventures		**32,463**	13,133
An associate		**1,944**	—
PROFIT BEFORE TAX	5	**81,193**	64,385
Income tax expense	8	**(10,979)**	(22,295)
PROFIT FOR THE YEAR		**70,214**	42,090
Attributable to:			
Owners of the parent		**71,383**	59,243
Non-controlling interests		**(1,169)**	(17,153)
		70,214	42,090

	Notes	2019 RMB'000	2018 RMB'000
OTHER COMPREHENSIVE LOSS			
Other comprehensive loss that may be reclassified to profit or loss in subsequent periods:			
Exchange differences on translation of foreign operations		**(29,745)**	(2,629)
Net other comprehensive loss that may be reclassified to profit or loss in subsequent periods		**(29,745)**	(2,629)
OTHER COMPREHENSIVE LOSS FOR THE YEAR, NET OF TAX		**(29,745)**	(2,629)
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		**40,469**	39,461
Total comprehensive income Attributable to:			
Owners of the parent		**41,638**	56,614
Non-controlling interests		**(1,169)**	(17,153)
		40,469	39,461

	Notes	2019 RMB	2018 RMB
EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT:			
Basic			
— For profit for the year	*10*	**0.02**	0.02
Diluted			
— For profit for the year	*10*	**0.02**	0.02

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

31 December 2019

	Notes	2019 RMB'000	2018 RMB'000
NON-CURRENT ASSETS			
Property, plant and equipment		**136,485**	144,791
Right-of-use assets	*11(a)*	**2,976**	—
Goodwill		**3,060**	3,060
Other intangible assets		**21,631**	61,091
Investments in joint ventures		**632,031**	248,415
Investment in an associate		**53,544**	—
Financial assets at fair value through profit or loss		**17,380**	12,410
Contract assets	*13*	**24,194**	513,571
Prepayments, other receivables and other assets		**7,482**	—
Pledged deposits		**—**	450
Deferred tax assets		**17,915**	6,709
Total non-current assets		**916,698**	990,497
CURRENT ASSETS			
Biological assets		**33,427**	31,017
Trade receivables	*12*	**815,052**	1,146,346
Contract assets	*13*	**994,100**	593,131
Prepayments, other receivables and other assets		**161,620**	189,744
Pledged deposits		**213,203**	13,500
Cash and bank balances		**229,905**	431,093
Total current assets		**2,447,307**	2,404,831
CURRENT LIABILITIES			
Corporate bonds		**282,132**	289,752
Trade and bills payables	*14*	**965,861**	1,003,068
Other payables and accruals		**527,543**	340,056
Interest-bearing bank and other borrowings		**500,722**	385,550
Lease liabilities	*11(b)*	**1,722**	—
Tax payable		**161,554**	156,671
Total current liabilities		**2,439,534**	2,175,097
NET CURRENT ASSETS		**7,773**	229,734

	Notes	2019 RMB'000	2018 RMB'000
TOTAL ASSETS LESS CURRENT LIABILITIES		**924,471**	1,220,231
NON-CURRENT LIABILITIES			
Interest-bearing bank and other borrowings		**14,064**	327,600
Lease liabilities	*11(b)*	**1,559**	—
Deferred tax liabilities		**5,953**	5,465
Total non-current liabilities		**21,576**	333,065
NET ASSETS		**902,895**	887,166
EQUITY			
Equity attributable to owners of the parent			
Share capital		**66,396**	66,396
Other reserves		**817,844**	778,552
		884,240	844,948
Non-controlling interests		**18,655**	42,218
Total equity		**902,895**	887,166

NOTES TO FINANCIAL STATEMENTS

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**"), which is incorporated in the British Virgin Islands ("**BVI**").

2. CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

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

Amendments to HKFRS 9	*Prepayment Features with Negative Compensation*
HKFRS 16	*Leases*
Amendments to HKAS 19	*Plan Amendment, Curtailment or Settlement*
Amendments to HKAS 28	*Long-term Interests in Associates and Joint Ventures*
HK(IFRIC)-Int 23	*Uncertainty over Income Tax Treatments*
Annual Improvements to HKFRSs 2015–2017 Cycle	Amendments to HKFRS 3, HKFRS 11, HKAS 12 and HKAS 23

Except for the amendments to HKFRS 9 and HKAS 19, and *Annual Improvements to HKFRSs 2015–2017 Cycle*, which are not relevant to the preparation of the Group's financial statements, the nature and the impact of the new and revised HKFRSs are described below:

(a) HKFRS 16 replaces HKAS 17 Leases, HK(IFRIC)-Int 4 *Determining whether an Arrangement contains a Lease*, HK(SIC)-Int 15 *Operating Leases — Incentives* and HK(SIC)-Int 27 *Evaluating the Substance of Transactions Involving the Legal Form of a Lease*. The standard sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to account for all leases under a single on-balance sheet model to recognise and measure right-of-use assets and lease liabilities, except for certain recognition exemptions. Lessor accounting under HKFRS 16 is substantially unchanged from HKAS 17. Lessors will continue to classify leases as either operating or finance leases using similar principles as in HKAS 17.

HKFRS 16 did not have any significant impact on leases where the Group is the lessor.

The Group has adopted HKFRS 16 using the modified retrospective method with the date of initial application of 1 January 2019. Under this method, the standard has been applied retrospectively with the cumulative effect of initial adoption recognised as an adjustment to the opening balance of retained profits at 1 January 2019, and the comparative information for 2018 was not restated and continued to be reported under HKAS 17 and related interpretations.

New definition of a lease

Under HKFRS 16, a contract is, or contains, a lease if the contract conveys a right to control the use of an identified asset for a period of time in exchange for consideration. Control is conveyed where the customer has both the right to obtain substantially all of the economic benefits from use of the identified asset and the right to direct the use of the identified asset. The Group elected to use the transition practical expedient allowing the standard to be applied only to contracts that were previously identified as leases applying HKAS 17 and HK(IFRIC)-Int 4 at the date of initial application. Contracts that were not identified as leases under HKAS 17 and HK(IFRIC)-Int 4 were not reassessed. Therefore, the definition of a lease under HKFRS 16 has been applied only to contracts entered into or changed on or after 1 January 2019.

As a lessee — Leases previously classified as operating leases

Nature of the effect of adoption of HKFRS 16

The Group has lease contracts for various items of property, machinery, motor vehicles and other equipment. As a lessee, the Group previously classified leases as either finance leases or operating leases based on the assessment of whether the lease transferred substantially all the rewards and risks of ownership of assets to the Group. Under HKFRS 16, the Group applies a single approach to recognise and measure right-of-use assets and lease liabilities for all leases, except for two elective exemptions for leases of low-value assets (elected on a lease-by-lease basis) and leases with a lease term of 12 months or less ("short-term leases") (elected by class of underlying asset). Instead of recognising rental expenses under operating leases on a straight-line basis over the lease term commencing from 1 January 2019, the Group recognises depreciation (and impairment, if any) of the right-of-use assets and interest accrued on the outstanding lease liabilities (as finance costs).

Impact on transition

Lease liabilities at 1 January 2019 were recognised based on the present value of the remaining lease payments, discounted using the incremental borrowing rate at 1 January 2019 and included in interest-bearing bank and other borrowings. The right-of-use assets were measured at the amount of the lease liability, adjusted by the amount of any prepaid or accrued lease payments relating to the lease recognised in the statement of financial position immediately before 1 January 2019.

All these assets were assessed for any impairment based on HKAS 36 on that date. The Group elected to present the right-of-use assets separately in the statement of financial position. No lease assets recognised previously under finance leases were reclassified from property, plant and equipment.

For the leasehold land and buildings (that were held to earn rental income and/or for capital appreciation) previously included in investment properties and measured at fair value, the Group has continued to include them as investment properties at 1 January 2019. They continue to be measured at fair value applying HKAS 40.

The Group has used the following elective practical expedients when applying HKFRS 16 at 1 January 2019:

- Applying the short-term lease exemptions to leases with a lease term that ends within 12 months from the date of initial application

- Using hindsight in determining the lease term where the contract contains options to extend/terminate the lease

As a lessee — Leases previously classified as finance leases

The Group did not change the initial carrying amounts of recognised assets and liabilities at the date of initial application for leases previously classified as finance leases. Accordingly, the carrying amounts of the right-of-use assets and the lease liabilities at 1 January 2019 were the carrying amounts of the recognised assets and liabilities (i.e., finance lease payables) measured under HKAS 17.

Financial impact at 1 January 2019

The impact arising from the adoption of HKFRS 16 at 1 January 2019 was as follows:

	RMB'000
Assets	
Increase in right-of-use assets	5,062
Increase in deferred tax asset	720
Increase in total assets	5,782
Liabilities	
Increase in lease liabilities	(4,802)
Increase in deferred tax liabilities	(759)
Increase in total liabilities	(5,561)
Increase in retained earnings	221

The lease liabilities as at 1 January 2019 reconciled to the operating lease commitments as at 31 December 2018 is as follows:

	RMB'000
Operating lease commitments as at 31 December 2018	11,157
Less:	
Commitments relating to short-term leases and leases of low-value assets	(94)
	11,063
Weighted average incremental borrowing rate as at 1 January 2019	4.75%
Discounted operating lease commitments at 1 January 2019	4,802
Lease liabilities as at 1 January 2019	4,802

(b) Amendments to HKAS 28 clarify that the scope exclusion of HKFRS 9 only includes interests in an associate or joint venture to which the equity method is applied and does not include long-term interests that in substance form part of the net investment in the associate or joint venture, to which the equity method has not been applied. Therefore, an entity applies HKFRS 9, rather than HKAS 28, including the impairment requirements under HKFRS 9, in accounting for such long-term interests. HKAS 28 is then applied to the net investment, which includes the long-term interests, only in the context of recognising losses of an associate or joint venture and impairment of the net investment in the associate or joint venture. The Group assessed its business model for its long-term interests in associates and joint ventures upon adoption of the amendments on 1 January 2019 and concluded that the long-term interests in associates and joint ventures continued to be measured at amortised cost in accordance with HKFRS 9. Accordingly, the amendments did not have any impact on the financial position or performance of the Group.

(c) HK(IFRIC)-Int 23 addresses the accounting for income taxes (current and deferred) when tax treatments involve uncertainty that affects the application of HKAS 12 (often referred to as "uncertain tax positions"). The interpretation does not apply to taxes or levies outside the scope of HKAS 12, nor does it specifically include requirements relating to interest and penalties associated with uncertain tax treatments. The interpretation specifically addresses (i) whether an entity considers uncertain tax treatments separately; (ii) the assumptions an entity makes about the examination of tax treatments by taxation authorities; (iii) how an entity determines taxable profits or tax losses, tax bases, unused tax losses, unused tax credits and tax rates; and (iv) how an entity considers changes in facts and circumstances. Upon adoption of the interpretation, the Group considered whether it has any uncertain tax positions arising from the transfer pricing on its intergroup sales. Based on the Group's tax compliance study, the Group determined that it is probable that its transfer pricing policy will be accepted by the tax authorities. Accordingly, the interpretation did not have any impact on the financial position or performance of the Group.

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 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:

	2019	2018
	RMB'000	*RMB'000*
Customer A	**259,556**	*
Customer B	**136,751**	*
Customer C	**97,683**	331,758
Customer D	**95,320**	*

* Less than 10% of the total revenue

4. REVENUE, OTHER INCOME AND GAINS

An analysis of revenue is as follows:

	2019	2018
	RMB'000	*RMB'000*
Revenue from contracts with customers	**949,088**	889,548

Revenue from contracts with customers

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

	2019	2018
	RMB'000	*RMB'000*
Type of services		
Construction services	**928,427**	875,562
Design and maintenance services	**20,661**	13,986
Total	**949,088**	889,548
Timing of revenue recognition		
Services transferred overtime	**949,088**	889,548

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:

	2019	2018
	RMB'000	*RMB'000*
Construction services	**35,990**	4,729
Design and maintenance services	**1,019**	—
Total	**37,009**	4,729

(ii) ***Performance obligation***

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, or 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 are as follows:

	2019	2018
	RMB'000	*RMB'000*
Amounts expected to be recognised as revenue:		
Within one year	**856,118**	433,374
After one year	**3,276,026**	891,318
	4,132,144	1,324,692

The amounts of transaction prices allocated to the remaining performance obligations which are expected to be recognised as revenue after one year relate to construction services, of which the performance obligations are to be satisfied within two years. All the other amounts of transaction prices allocated to the remaining performance obligations are expected to be recognised as revenue within one year. The amounts disclosed above do not include variable consideration which is constrained.

		2019	2018
	Notes	***RMB'000***	*RMB'000*
Other income			
Bank interest income		**6,265**	1,536
Interest income arising from revenue contracts*		**24,011**	44,958
Rental income	*11*	**286**	627
Others		**(44)**	(990)
		30,518	46,131
Gains			
Gains on disposal of subsidiaries		**3,618**	6,829
Government grants**		**2,285**	2,712
Fair value losses, net			
Unlisted financial assets investments at fair value through profit or loss		**(1)**	(4)
Biological assets		**1,048**	676
Loss on disposal of investment property		**—**	(4,822)
Foreign exchange gain/(loss), net		**1,883**	(453)
		8,833	4,938
		39,351	51,069

* 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.

5. PROFIT BEFORE TAX

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

	Notes	2019 RMB'000	2018 RMB'000
Cost of construction contracts		**729,383**	658,340
Cost of services provided		**8,414**	8,338
Employee benefit expenses (including directors' and chief executive's remuneration as set out in note 7)			
Wages and salaries		**11,155**	15,212
Forfeit of equity-settled share option arrangements		**(5,690)**	(3,434)
Pension scheme contributions		**7,851**	9,720
		13,316	21,498
Depreciation of items of property, plant and equipment		**7,934**	6,229
Depreciation of right-of-use assets	*11(a)*	**2,086**	—
Amortisation of other intangible assets*		**3,051**	3,663
Amortisation of prepaid land lease payments		**—**	12
Bank interest income	*4*	**(6,265)**	(1,536)
Interest income from revenue contracts	*4*	**(24,011)**	(44,958)
Gain on disposal of subsidiaries	*4*	**(3,618)**	(6,829)
Loss on disposal of investment property		**—**	4,822
Impairment of financial and contract assets:			
Impairment of trade receivables	*12*	**73,085**	44,635
Impairment of contract assets	*13*	**4,215**	526
Impairment of financial assets included in prepayments, other receivables and other assets		**(14,288)**	15,822
Consulting fees		**6,740**	8,770
Auditor's remuneration		**2,150**	2,200
(Loss)/gain on disposal of items of property, plant and equipment		**(50)**	3
Minimum lease payments under operating leases		**—**	6,782
Lease payments not included in the measurement of lease liabilities	*11(c)*	**1,380**	—

* 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

	Notes	**2019** **RMB'000**	2018 *RMB'000*
Interest on bank loans, overdrafts and other borrowings		**26,764**	41,181
Interest on lease liabilities	*11(b)*	**204**	—
Interest on corporate bonds		**27,001**	26,576
Total interest expense on financial liabilities not at fair value through profit or loss		**53,969**	67,757

7. DIRECTORS' AND CHIEF EXECUTIVE'S REMUNERATION

	Group	
	2019	2018
	RMB'000	*RMB'000*
Fees	**240**	224
Other emoluments:		
Salaries, allowances and benefits in kind	**3,650**	3,479
Equity-settled share option expense	**—**	—
Pension scheme contributions	**525**	450
	4,415	4,153

The remuneration of the executive directors and non-executive directors is set out below:

	Fees *RMB'000*	**Salaries, allowances and benefits in kind** *RMB'000*	**Pension scheme contributions** *RMB'000*	**Total** *RMB'000*
2019				
Executive directors				
Mr. Wu Zhengping	**—**	**960**	**105**	**1,065**
Ms. Xiao Li	**—**	**960**	**105**	**1,065**
Ms. Chen Min	**—**	**530**	**105**	**635**
Ms. Zhu Wen	**—**	**600**	**105**	**705**
Non-executive directors				
Mr. Dai Guoqiang	**80**	**—**	**—**	**80**
Dr. Chan Wing Bun	**80**	**—**	**—**	**80**
Dr. Jin Hexian	**80**	**—**	**—**	**80**
Total	**240**	**3,050**	**420**	**3,710**

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.

The remuneration of the executive directors and non-executive directors is set out below:

	Fees *RMB'000*	Salaries, allowances and benefits in kind *RMB'000*	Pension scheme contributions *RMB'000*	Total *RMB'000*
2018				
Executive directors				
Mr. Wu Zhengping	—	960	90	1,050
Ms. Xiao Li	—	960	90	1,050
Ms. Chen Min	—	359	90	449
Ms. Zhu Wen	—	600	90	690
Non-executive directors				
Mr. Dai Guoqiang	80	—	—	80
Dr. Chan Wing Bun	64	—	—	64
Dr. Jin Hexian	80	—	—	80
Total	224	2,879	360	3,463

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.

	2019	2018
	RMB'000	*RMB'000*
Current — the People's Republic of China ("**PRC**")		
Charge for the year	**23,806**	22,733
Deferred	**(12,827)**	(438)
Total tax charge for the year	**10,979**	22,295

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 on any business in the BVI.

On 16 March 2007, the National People's Congress promulgated the Law of the People's Republic of China on Enterprise Income Tax (the "**New EIT Law**") by order No. 63 of the President of the PRC which became effective from 1 January 2008. On 6 December 2007, the State Council issued the Implementation Regulation of the New EIT Law. Pursuant to the New EIT Law and Implementation Regulation, 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 preferential income tax rate on new hi-technology enterprises. This letter states that an income tax rate of 15% is imposed on new hi-technology enterprises. Broad Greenstate Ecological applied for the recognition of new hi-technology enterprise, which was approved on 23 November 2017 and was effective for three years from 2017 to 2019 by the relevant authorities. Therefore, the preferential income tax rate of 15% was applied during the years from 2017 to 2019 for Broad Greenstate Ecological.

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

	2019	2018
	RMB'000	*RMB'000*
Profit before tax	**81,193**	64,385
Tax at the statutory tax rate (25%)	**20,298**	16,096
Lower tax rate(s) for specific provinces or enacted by local authority	**(1,604)**	(9,054)
Adjustments in respect of current tax of previous periods	**(70)**	1,704
Additional deductible allowance for qualified research and development costs	**(4,999)**	(2,051)
Profits and losses attributable to joint ventures	**(7,546)**	(3,283)
Income not subject to income tax	**(763)**	(1,707)
Expenses not deductible for tax	**1,621**	12,838
Tax losses utilised from previous periods	**(2,477)**	(1,120)
Tax losses not recognised	**6,519**	8,872
Tax charge at the Group's effective rate	**10,979**	22,295
Tax charge from continuing operations at the Group's effective rate	**10,979**	22,295

9. DIVIDENDS

	2019	2018
	RMB'000	*RMB'000*
No final dividend for the year ended 31 December 2019 was recommended (2018: Nil)	**—**	—

The Board does not recommend any payment of dividend for the year ended 31 December 2019 (2018: 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 (2018: 3,342,536,957) in issue during the year.

The calculation of the diluted earnings per share amount is based on the profit for the year attributable to ordinary equity holders of the parent, 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 in issue during the year, as used in the basic earnings per share calculation, and the weighted average number of ordinary shares assumed to have been issued at no consideration on the deemed exercise of all diluted potential ordinary shares into ordinary shares.

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

	2019	2018
	RMB'000	*RMB'000*
Earnings		
Profit attributable to ordinary equity holders of the parent, used in the basic and diluted earnings per share calculations	**71,383**	59,243

	Number of shares	
	2019	2018
Shares		
Weighted average number of ordinary shares in issue during the year used in the basic earnings per share calculation	**3,342,536,957**	3,342,536,957
Effect of dilution — weighted average number of ordinary shares:		
Share options	**—**	—
	3,342,536,957	3,342,536,957
Basic earnings per share (RMB)	**0.02**	0.02
Diluted earnings per share (RMB)	**0.02**	0.02

11. LEASES

The Group as a lessee

The Group has lease contracts for various items of property, plant and machinery, motor vehicles and other equipment used in its operations. Leases of property generally have lease terms between 1 and 3 years, while plant and machinery as well as motor vehicles 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 amounts of the Group's right-of-use assets and the movements during the year are as follows:

	Property
	RMB'000
As at 1 January 2019	5,062
Depreciation charge	(2,086)
As at 31 December 2019	2,976

(b) ***Lease liabilities***

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

	2019
	Lease liabilities
	RMB'000
Carrying amount at 1 January	4,802
Accretion of interest recognised during the year	204
Payments	(1,725)
Carrying amount at 31 December	3,281
Analysed into:	
Current portion	1,722
Non-current portion	1,559

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

	2019
	RMB'000
Interest on lease liabilities	**204**
Depreciation charge of right-of-use assets	**2,086**
Expense relating to short-term leases and other leases with remaining lease terms ended on or before 31 December 2019 (included in administrative expenses)	**1,026**
Expense relating to leases of low-value assets (included in administrative expenses)	**4**
Variable lease payments not included in the measurement of lease liabilities (included in cost of sales)	**350**
Total amount recognised in profit or loss	**3,670**

(d) The Group has lease contracts for a piece of land located in Changxing County that contain variable payment 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:

2019

	Fixed payments	**Variable payments**	**Total**
	RMB'000	*RMB'000*	*RMB'000*
Fixed rent	—	—	—
Variable rent with minimum payment	—	—	—
Variable rent only	—	350	350
	—	350	350

The Group as a lessor

The Group leases its property which is a building located in Shanghai 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 RMB286,000 (2018: RMB627,000), details of which are included in note 4 to the financial statements.

12. TRADE RECEIVABLES

	2019	2018
	RMB'000	*RMB'000*
Trade receivables	**920,828**	1,181,949
Impairment	**(105,776)**	(35,603)
	815,052	1,146,346

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 RMB381,568,000 (2018: RMB120,767,000), which are repayable on credit terms similar to those offered to the major customers of the Group.

The Group has pledged trade receivables of approximately RMB26,198,000 (2018: RMB58,229,000) to secure a bank loan granted.

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:

	2019	2018
	RMB'000	*RMB'000*
Within one year	**643,449**	1,012,579
Over one year but within two years	**121,172**	108,733
Over two years but within three years	**50,431**	25,034
	815,052	1,146,346

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

	2019	2018
	RMB'000	*RMB'000*
At beginning of year	**35,603**	50,756
Impairment losses recognised *(note 5)*	**73,085**	44,635
Disposal of subsidiaries	**(2,912)**	(59,788)
At end of year	**105,776**	35,603

Increase in the loss allowance of RMB70,173,000 (2018: RMB13,265,000) as a result of an increase in trade receivables RMB100,851,000 (2018: RMB87,510,000) which were past due for over 1 years.

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.

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

As at 31 December 2019 (RMB'000):

		Past due				
	Current	**Less than 1 year**	**1 to 2 years**	**2 to 3 years**	**Over 3 years**	**Total**
Expected credit loss rate	**1.08%**	**4.48%**	**22.34%**	**46.37%**	**100.00%**	**11.49%**
Gross carrying amount	**211,295**	**454,820**	**156,032**	**94,037**	**4,644**	**920,828**
Expected credit losses	**(2,276)**	**(20,390)**	**(34,860)**	**(43,606)**	**(4,644)**	**(105,776)**

As at 31 December 2018 (RMB'000):

		Past due			
	Current	Less than 1 year	1 to 2 years	Over 2 years	Total
Expected credit loss rate	0.62%	4.79%	7.04%	32.15%	3.01%
Gross carrying amount	808,580	219,507	116,966	36,896	1,181,949
Expected credit losses	(4,993)	(10,515)	(8,233)	(11,862)	(35,603)

13. CONTRACT ASSETS

	31 December 2019 *RMB'000*	31 December 2018 *RMB'000*
Contract assets arising from:		
Construction services	**1,029,377**	1,113,570
Impairment	**(11,083)**	(6,868)
	1,018,294	1,106,702

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 2019, retention money held by customers included in contract assets amounted to approximately RMB15,623,000 (2018: RMB10,292,000), of which RMB15,623,000 (2018: 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 decrease in contract assets in 2019 and 2018 were the combined results of the disposal of subsidiaries and increase in the provision of construction services at the end of each of the years.

During the year ended 31 December 2019, RMB4,215,000 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 12 to the financial statements.

The expected timing of recovery or settlement for contract assets as at 31 December is as follows:

	2019 *RMB'000*	2018 *RMB'000*
Within one year	**1,004,920**	593,131
More than one year	**24,457**	513,571
Total contract assets	**1,029,377**	1,106,702

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

	2019 *RMB'000*	2018 *RMB'000*
At beginning of year	**6,868**	6,342
Impairment losses	**4,215**	526
At end of year	**11,083**	6,868

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:

	As at 31 December 2019	As at 31 December 2018
Expected credit loss rate	**1.08%**	0.62%
	RMB'000	*RMB'000*
Gross carrying amount	**1,029,377**	1,113,570
Expected credit losses	**11,083**	6,868

Included in the Group's contract assets are amounts due from the Group's joint ventures of RMB503,650,000 (2018: RMB122,380,000), which are repayable on credit terms similar to those offered to the major customers of the Group.

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:

	2019	2018
	RMB'000	*RMB'000*
Within one year	**596,730**	421,755
Over one year but within two years	**185,389**	549,296
Over two years	**183,742**	32,017
	965,861	1,003,068

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

After five years of development, the Private-public Partnership ("**PPP**") model that has attracted more than RMB13.5 trillion of investment has progressed into a critical period of operation and implementation. The development of PPP will be more rational and focus more on the quality and sustainability. In light of the financial deleveraging during the period from 2017 to 2018, PPP projects financing continued to be tightened, and the municipal infrastructure industry experienced a funding crisis. However, landscape enterprises have begun to adjust their operations and indebtedness with the gradual improvement of financing environment since 2019. In 2019, sectors such as transportation, municipal engineering, comprehensive urban development, ecological construction and environmental protection have received top rankings in terms of the net increase in the number of projects and the net increase in investment. Therefore, it shows that PPP plays a significant role in shoring up weak links in infrastructure and mobilizing private investment.

In the second half of 2019, with the central government's measures to stabilise investment, accelerate the issuance of local government special bonds and release in advance certain new quotas for special bonds for 2020, investment in infrastructure construction and environmental governance has been accelerated and its future development has great potential.

Business Review

The National Two Sessions (i.e. National People's Congress and Chinese People's Political Consultative Conference) for 2019 reiterated the insistence of ecological priorities and green development. With a series of achievements, the development of China's green finance has begun the transformation from focusing on the growth of scale to in-depth, professional, high-quality development in each segment and subdivision. As a diversified and full industry chain investment platform heavily focusing on the eco-construction, the Group adopted the operation model of the full industry chain from research, planning to construction and operation, and has been operating in six sectors comprising project investment, design planning, project construction, business operation, seedling research and cultural tourism management across 15 provinces and municipalities in the PRC, receiving high recognition from local governments for its high-quality projects.

During the Reporting Period, the Group recorded a total revenue of RMB949.1 million and net profit attributable to owners of the Parent of RMB71.4 million, representing an increase of 6.69% and 20.49% respectively as compared with last year. Such an increase was mainly attributed to the Group's efforts to size up the situation, actively revitalize the projects in stock, enhance payment collection of the projects in hand, and strictly control the quality of projects, as well as strengthen the decision-making control process on the basis of evaluating the feasibility of new projects for the selection of superior partners to complete projects in stock.

Expected to embrace new opportunities for PPP

On 7 March 2019, the Ministry of Finance of the PRC issued the "Implementation Opinions on Promoting the Standardized Development of Government-and-Social-Capital Cooperation" (《關於推進政府和社會資本合作規範發展的實施意見》), setting forth requirements for seven aspects, including encouraging private capital and foreign capital participation, increasing financing support and focusing on key areas. As foreign capital enjoys various advantages such as long-term stability, mature capital and low cost, it could make up for the shortcomings of the current domestic PPP model and effectively revitalize the asset liquidity of PPP projects.

Hong Kong's capital market enjoys diversified financing channels, abundant capital supply and comprehensive legal system. As a company listed on the Main Board of The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**"), the Group has advantages of seeking high-quality foreign resources as compared to industry peers, which is more conducive to alleviating the current severe financing situation and provides a strong financial support for the construction and operation of the Group's projects.

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
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 adopts meticulous cost control model on projects where it clarifies project evaluation standards, makes detailed bidding preparations, compiles project fund schedules and takes into account maintenance plans during construction. At the same time, the Group focuses on the project redevelopment and cost saving in a reasonable manner. In respect of policy, the Group issues corresponding policies and puts them in place; in respect of system, the Group establishes a uniform database of suppliers and utilizes an internally developed project information management platform (namely the OA system) to ensure all project expenditures being strictly in compliance with budget management; in respect of manpower, the Group established a team of management personnel with rich experiences in procurement and engineering management, which strengthens process management and cost supervision.

Quality Control

The Group has conducted quality control in three aspects, which include policy, system and manpower.

As for the policy and system, sound and comprehensive processes were established, 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. The quality control department on the group level has adopted a standard quality control system for those construction enterprise which are under cooperation and newly cooperated with. As of the date of this announcement, the quality management system of the Group has been recognized by the certification of ISO9001, ISO14001 and OHSAS18001.

Research and Development

Innovation and development are the sources for progress for an enterprise. Targeting to be an internationally advanced and domestically leading player in the industry, the Group, persistently being oriented by the application and design of efficient, energy-saving, clean and green technology, promotes its development through scientific and technological innovation. The Group has a total number of 4 invention patents, 20 provincial and ministerial construction methods, 46 utility model patents and 3 software copyrights. In addition, the Group has 2 invention patents under application and 3 new cultivars at the reproductive stage. The above professional and intellectual properties involve sewage treatment, saline-alkali land restoration, ecological restoration, garden plants, construction and other fields.

The Group actively carries out in-depth cooperation with universities and scientific research institutions, which can provide continuous technical and intellectual support for the Company's development by utilizing their top ranked scientific research and talent force in the fields of ecology, environmental protection and cultural tourism. With rich technical reserves in various professional fields such as construction of various theme parks, scenic spots upgrading, repair and protection of antique towns, characteristic towns and beautiful rural construction, sponge cities, environmental protection and ecological restoration, the Group has formed a mature development model of "capital + technology + full industry chain".

FUTURE DEVELOPMENT

Looking back at 2019, China showed a slowdown of economic growth (i.e the GDP) of 6.1%. Such spotlight indicator slipped to the lowest level in the nearly past three decades due to trade and business confidence facing pressure. Despite of the complicated domestic and foreign environment, the economy might show a stabilizing trend with improvement in 2020. The Central Economic Work Conference held in December 2019 specified the steadiness as priority. It is expected that infrastructure development will be further boosted by the macroeconomic countercyclical regulatory policy.

PPP model is the development model of infrastructure and public utility projects vigorously promoted by Chinese government during the 13th Five-Year Plan period, which has received positive responses of governments and various social capital due to its notable effect in improvement of remedying weaknesses in infrastructure and mobilization of private investment. Recently, a new local government debt quota in 2020 of RMB848 billion was released by Ministry of Finance of the PRC in advance, in addition to the special debt of RMB1 trillion issued early, representing that a total of RMB1.848 trillion local government debt quota in 2020 has been newly released in advance. As 2020 marks the last year of 13th Five-Year Plan, financial support on infrastructure construction will be further strengthened by the government and the payment cycle will be accelerated accordingly. Under the shadow of Coronavirus Disease 2019 ("**COVID-19**"), infrastructure development is expected to become a major approach to stabilize economic growth once again.

Despite most of landscaping enterprises facing tight capital pressure and receiving less orders, the Group has been adopting the development strategy of "seeking innovation", according to which it screens projects cautiously, makes reasonable investment and controls capital expense, so as to ensure the Group's success in bid for new projects of high quality. Looking forward to 2020, the Group will proactively promote its regional layout business expansion in line with the country's strategy and adjust its business development model in a prudent way, with an aim to deliver a healthy and sustainable development in future through shoring up weak links in various dimensions, keeping innovation and enhancing its own integral capabilities.

It is inevitable that changes in the international economic environment will affect infrastructure investment and construction, but undoubtedly, in the future, the Group will continue to uphold the principle of "specializing in the core business of ecological construction, improving the businesses of environmental restoration and cultural tourism operation", and with a focus on technological competitiveness and on the basis of its actual situation and development trend, establish crisis awareness, actively seek for cooperation with high-quality partners, foster strengths, minimize weaknesses and move in line with trends, so as to provide customers with comprehensive "one-stop" ecological construction solutions that contribute to the ecological environment and green development.

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 on 21 July 2014.

EVENTS AFTER THE REPORTING PERIOD

The Group would like to update the following:

(a) The outbreak of the COVID-19 across China since January 2020 is causing challenging situation to all companies in landscaping industry, such as the suspension of construction during the first two months of 2020 and a lack of workers on site due to the limitation of travelling permission in the country. For the Group, construction services have been gradually recovered from the beginning of March and all business will get back on the track in the foreseeable future. The Group will closely monitor the collection of receivables from customers and financing progress for its PPP projects. On the other hand, in light of the COVID-19, it is expected that the government will implement encouraging policies and provide financial support to the infrastructure industry to stimulate the economy.

(b) On 20 January 2020, the Company repaid USD 5,000,000 of the principal amount of the 2017 Notes, plus all interests accrued thereon. For details, please refer to the announcements of the Company dated 4 December 2019 and 30 December 2019 and the circular of the Company dated 6 January 2020.

Save and except for the disclosed above, there are no significant events subsequent to 31 December 2019 which would material affect 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 its 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 and Corporate Governance Report (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 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.

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.

On the annual general meeting of the Company held on 24 May 2019 ("**2019 AGM**"), Mr. Wu, the chairman of the Board and chief executive officer of the Company was unable to attend the 2019 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 (the "**Nomination Committee**"), who is familiar with all business activities and operations of the Group, to attend and chair the 2019 AGM on behalf of Mr. Wu and to respond to questions from Shareholders. The Company will arrange for a more flexible schedule in order to facilitate the chairman of the Board to attend future annual general meeting of the Company. While the chairman of the audit committee (the "**Audit Committee**") of the Company, remuneration committee of the Company and Nomination Committee, or in their absence, their duly appointed delegates attended the 2019 AGM to answer questions. Auditors of the Company also attended the Company's 2019 AGM pursuant to code provision E.1.2.

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 ANNUAL RESULTS BY THE AUDIT COMMITTEE

The Audit Committee was established with terms of reference in compliance with the CG Code. As at the date of this annual results announcement, it comprises three members, namely Dr. Chan Wing Bun, Mr. Dai Guoqiang and Dr. Jin Hexian.

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

SCOPE OF WORK OF MESSRS. ERNST & YOUNG

The figures in respect of the Group's consolidated statement of profits or loss and other comprehensive income, consolidated statement of financial position and the related notes thereto for the Reporting Period as set out in this annual results announcement have been agreed by the Company's auditor, Messrs. Ernst & Young, to the amounts set out in the Group's audited consolidated financial statements for the Reporting Period. The work performed by Messrs. Ernst & Young in this respect did not constitute an assurance engagement in accordance with Hong Kong Standard on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the Hong Kong Institute of Certified Public Accountants and consequently no assurance has been expressed by Messrs. Ernst & Young on this annual results announcement.

ANNUAL GENERAL MEETING

The annual general meeting of the Company will be held on Friday, 22 May, 2020 ("**2020 AGM**"). A notice convening the 2020 AGM will be published and dispatched to the shareholders of the Company ("**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 2019 (2018: Nil).

RECORD DATE

For the purpose of determining the Shareholders' eligibility to attend and vote at the 2020 AGM, the record date will be on Friday, 15 May 2020. In order to be eligible to attend and vote at the 2020 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, 15 May 2020.

PUBLICATION OF ANNUAL RESULTS AND 2019 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 2019 annual report 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.

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
31 March 2020

* *for identification purposes only*

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 Dr. Chan Wing Bun.