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 2024

FINANCIAL HIGHLIGHTS FOR ANNOUCEMENT

		Year ended 31 December		
		2024	2023	
		Audited	Audited	Change
Revenue	*RMB'000*	**18,396**	26,908	(8,512)
Gross profit	*RMB'000*	**10,885**	12,387	(1,502)
The net loss attributable to owners of the parent company	*RMB'000*	**(145,755)**	(535,918)	390,163
Gross profit margin	%	**59.2**	46.0	13.2

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 2024 (the "**Reporting Period**" or the "**Year under Review**"), together with audited comparative figures for the preceding financial year.

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

Year ended 31 December 2024

	Notes	2024 RMB'000	2023 RMB'000
REVENUE	5	**18,396**	26,908
Cost of sales		**(7,511)**	(14,521)
Gross profit		**10,885**	12,387
Other income and gains	5	**10,148**	72,629
Loss on disposal of joint ventures		**—**	(112,415)
Administrative expenses		**(32,149)**	(80,324)
Impairment losses on financial and contract assets		**(143,943)**	(249,230)
Finance costs	7	**(58,212)**	(63,544)
Share of profits and losses of joint ventures		**35,970**	(96,203)
LOSS BEFORE TAX	6	**(177,301)**	(516,700)
Income tax credit/(expenses)	8	**33,602**	(24,585)
LOSS FOR THE YEAR		**(143,699)**	(541,285)
Attributable to:			
Owners of the parent		**(145,755)**	(535,918)
Non-controlling interests		**2,056**	(5,367)
		(143,699)	(541,285)
LOSS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT:			
		RMB	RMB
Basic and diluted	10	**(2.52) cents**	(16.03) cents

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

Year ended 31 December 2024

	Notes	**2024** *RMB'000*	2023 *RMB'000*
LOSS FOR THE YEAR		**(143,699)**	(541,285)
OTHER COMPREHENSIVE (LOSS)/ INCOME			
Other comprehensive (loss)/income that may not be reclassified to profit or loss in subsequent periods:			
Exchange differences on translation from functional currency to presentation currency		**(20,174)**	11,360
Net other comprehensive (loss)/income that may not be reclassified to profit or loss in subsequent periods		**(20,174)**	11,360
OTHER COMPREHENSIVE (LOSS)/ INCOME FOR THE YEAR, NET OF TAX		**(20,174)**	11,360
TOTAL COMPREHENSIVE (LOSS)/ INCOME FOR THE YEAR		**(163,873)**	(529,925)
Attributable to:			
Owners of the parent		**(165,929)**	(524,558)
Non-controlling interests		**2,056**	(5,367)
		(163,873)	(529,925)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

31 December 2024

	Notes	31 December 2024 RMB'000	31 December 2023 RMB'000
NON-CURRENT ASSETS			
Property and equipment		**105,648**	110,001
Investment properties		**15,708**	18,480
Goodwill		**3,060**	3,060
Other intangible assets		**14,203**	15,659
Investments in joint ventures		**517,872**	483,721
Equity investment at fair value through profit or loss		**53,563**	77,225
Financial assets at fair value through profit or loss		**25,653**	21,330
Contract assets	*12*	**233,359**	247,852
Long-term receivables		**301,896**	349,766
Other non-current assets		**10,499**	15,238
Deferred tax assets		**87,684**	58,640
Total non-current assets		**1,369,145**	1,400,972
CURRENT ASSETS			
Biological assets		**30,336**	31,429
Trade receivables	*11*	**49,797**	156,644
Contract assets	*12*	**460,355**	445,470
Prepayments, other receivables and other assets		**126,897**	59,896
Restricted bank balances		**13,250**	25,400
Cash and cash equivalents		**1,801**	6,227
Total current assets		**682,436**	725,066
CURRENT LIABILITIES			
Corporate bonds		**—**	212,481
Trade and bills payables	*13*	**574,083**	615,968
Other payables and accruals		**357,294**	326,171
Interest-bearing bank and other borrowings		**354,347**	240,478
Lease liabilities		**9,525**	7,967
Tax payable		**165,413**	167,040
Total current liabilities		**1,460,662**	1,570,105
NET CURRENT LIABILITIES		**(778,226)**	(845,039)
TOTAL ASSETS LESS CURRENT LIABILITIES		**590,919**	555,933

	Notes	31 December 2024 RMB'000	31 December 2023 RMB'000
NON-CURRENT LIABILITIES			
Corporate bonds		**113,407**	—
Other non-current liabilities		**92,526**	92,526
Interest-bearing bank and other borrowings		**222,180**	354,999
Lease liabilities		**17,829**	18,576
Deferred tax liabilities		**3,413**	9,671
Total non-current liabilities		**449,355**	475,772
Net assets		**141,564**	80,161
EQUITY			
Equity attributable to owners of the parent			
Share capital		**122,715**	66,396
Other reserves		**(6,075)**	(9,103)
		116,640	57,293
Non-controlling interests		**24,924**	22,868
Total equity		**141,564**	80,161

NOTES TO FINANCIAL STATEMENTS

31 December 2024

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 P. O. Box 31119, Grand Pavilion, Hibiscus Way, 802 West Bay Road, Grand Cayman, KY1 -1205 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 immediate holding company is Greenland Financial Overseas Investment Group Co., Ltd. ("Greenland Financial"), a company incorporated in the BVI, the intermediate holding company is Greenland Digital Technology Co., Ltd. (the "Greenland Digital"), a company incorporated under the laws of the People's Republic of China ("the PRC") and the ultimate holding company is Greenland Holdings Group Corporation Limited, a company incorporated in the PRC.

2. BASIS OF PREPARATION

These financial statements have been prepared in accordance with Hong Kong Financial Reporting Standards ("HKFRSs") (which include all Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards ("HKASs") and Interpretations) issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA") and the disclosure required by the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited and by the Hong Kong Companies Ordinance. They have been prepared under the historical cost convention, except for biological assets, equity investment at fair value through profit or loss and financial assets at fair value through profit or loss which have been measured at fair value. These financial statements are presented in RMB and all values are rounded to the nearest thousand except when otherwise indicated.

Going concern basis

The Group incurred a net loss of approximately RMB143,699,000 during the year ended 31 December 2024. As at 31 December 2024, the Group's current liabilities exceeded its current assets by approximately RMB778,226,000. The Group had total interest-bearing bank and other borrowings of approximately RMB576,527,000, out of which approximately RMB354,347,000 will be due for repayment within the next twelve months and approximately RMB299,584,000 were defaulted during the year due to overdue payment of principal and/or interest, while the Group had unrestricted cash and cash equivalents of approximately RMB1,801,000 only. These events and conditions indicate that a material uncertainty exists that may cast significant doubt on the Group's ability to continue as a going concern.

The directors of the Company have evaluated the sustainable operation ability for not less than 12 months from the end of the reporting period, which is affected by the macroeconomic environment, industry environment and credit environment superimposing the impact of multiple rounds of epidemic and came to an opinion that the liquidity risk of the Company is facing periodic challenges.

Certain plans and measures have been and are being taken to manage its liquidity needs and to improve its financial position which include the following:

(a) The Group will continue to implement measures to speed up the progress of projects and the collection of outstanding trade and other receivables and contract assets;

(b) Subsequent to 31 December 2024, Greenland Digital and Greenland Financial have agreed to provide the Group with sufficient financial support for a period of not less than 12 months from the approval date of the Company's audited consolidated financial statements for the year ended 31 December 2024 so that the Company will be able to meet its financial obligations, and have sufficient working capital to meet its daily operations, and will not result from insufficiency in working capital for viable going concern. The financial support provided by the Greenland Digital and Greenland Financial including the implementation of debt to equity settlement, assets and business injections etc. in order to improve the Group's financial position and performance;

(c) The Group is reviewing the debt structure and looking for external funding opportunities, including equity financing when necessary;

(d) The management of the Group is reviewing the business operation and taking actions to tighten cost controls over various operating expenses and is actively seeking new investments and business opportunities aiming to attain profitable and positive cash flow operations;

(e) The Group has been actively negotiating with various lenders, including renewing the expired undrawn bank facilities and repayment arrangement for outstanding bank and other borrowings; and

(f) The shareholder and related parties have undertaken not to demand repayment for the borrowings and other payables due by the Group as at 31 December 2024, until the Group can meet all the other obligations.

The board of directors have reviewed the Group's cash flow projections prepared by management, which cover a period of not less than twelve months from 31 December 2024. They are of the opinion that, taking into account the above-mentioned plans and measures, the Group will have sufficient working capital to finance its operations and to meet its financial obligations as and when they fall due within twelve months from 31 December 2024. Accordingly, the directors are satisfied that it is appropriate to prepare the consolidated financial statements on a going concern basis.

Notwithstanding the above, since the execution of the above plans and measures are in progress, material uncertainties exist as to whether management of the Group will be able to achieve its plans and measures as described above. Whether the Group will be able to continue as a going concern would depend upon the Group's ability to generate adequate financing and operating cash flows in new future, the negotiation with lenders and obtain the continuous financial support from its immediate and intermediate holding company.

Should the Group be unable to continue as a going concern, adjustments would have to be made to write down the value of assets to their recoverable amounts and to provide for any further liabilities which might arise and to reclassify non-current assets and non-current liabilities as current assets and current liabilities, respectively. The effect to these adjustments has not been reflected in the consolidated financial statements.

3. CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

The group has applied the following new and amended standards for its annual reporting period commencing 1 January 2024:

Amendments to HKAS 1	*Classification of liabilities as Current or Non-current and related amendments to Hong Kong Interpretation 5 (2020)*
Amendments to HKAS 1	*Non-current liabilities with covenants*
Amendments to HKFRS 16	*Lease liability in sales and lease back*
Amendments to HKAS 7 and HKFRS 7	*Supplier finance arrangements*

The adoption of these amendments or annual improvements did not result in any significant impact on the results and financial position of the Group.

HKFRS 18	Presentation and Disclosure in Financial Statements[3]
Amendments to HKAS 21	Lack of Exchangeability[1]
Amendments to HKFRS 9 and HKFRS 7	Amendments to the Classification and Measurement of Financial Instruments[2]
Amendments to HKFRS Accounting Standards	Annual Improvements to HKFRS Accounting Standards — Volume 11[2]
Amendments to HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture[4]

1 Effective for annual periods beginning on or after 1 January 2025.
2 Effective for annual periods beginning on or after 1 January 2026.
3 Effective for annual periods beginning on or after 1 Januar 2027.
4 Effective for annual periods beginning on or after a date to be determined.

The directors of the Company anticipate that the application of the new and amendments to HKFRS Accounting Standards will have no material impact on the results and the financial position of the Group.

4. 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.

Geographical information

Since 100% of the Group's revenue and operating profit were generated in Chinese Mainland and 100% of the Group's identifiable assets and liabilities were located in Chinese Mainland, no further 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:

	2024	2023
	RMB'000	*RMB'000*
Customer A	**2,504**	—*
Customer B	**3,170**	—*
Customer C	**7,476**	—*
Customer D	**—***	8,802
Customer E	**—***	8,771
Customer F	**—***	6,213

* Less than 10% of the total revenue

5. REVENUE, OTHER INCOME AND GAINS

An analysis of revenue is as follows:

	2024	2023
	RMB'000	*RMB'000*
Revenue from contracts with customers	**18,396**	26,908

Revenue from contracts with customers

(a) ***Disaggregated revenue information***

	For the year ended 31 December 2024 ***RMB'000***	For the year ended 31 December 2023 *RMB'000*
Types of services		
Construction services	**15,816**	24,258
Design and maintenance services	**1,581**	1,396
Management service	**999**	1,254
Total	**18,396**	26,908
Timing of revenue recognition		
Services transferred over time	**18,396**	26,908

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:

	2024 ***RMB'000***	2023 *RMB'000*
Construction services	**1,010**	8,802

(b) ***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 1 year 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 2024 and 2023 are as follows:

	2024	2023
	RMB'000	*RMB'000*
Amounts expected to be recognised as revenue:		
Within one year	**45,731**	161,307
After one year	**2,158,732**	2,043,156
	2,204,463	2,204,463

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. All the other amounts transaction prices allocated to the remaining performance obligations are expected to be recognised revenue within one year. The amounts disclosed above do not include variable consideration which is constrained.

	2024	2023
	RMB'000	*RMB'000*
Other income		
Government grants*	**235**	54
Bank interest income	**76**	139
Other interest income arising from contracts with customers**	**30,367**	54,081
Rental income	**3,782**	3,605
Total other income	**34,460**	57,879
(Losses)/Gains		
Fair value gains, net:		
Financial assets at fair value through profit or loss	**4,323**	(542)
An equity investment at fair value through profit or loss	**(23,662)**	(619)
Fair value gains of biological assets	**(1,902)**	1,017
Gain on disposal of items of property and equipment***	**191**	6,916
(Loss)/gain on foreign exchange differences, net	**(3,262)**	7,978
Total (losses)/gains	**(24,312)**	14,750
Total other income and gains	**10,148**	72,629

* Government grants have been received from the local finance bureau in Chinese Mainland as financial support to the growth of enterprises. There are no unfulfilled conditions or contingencies relating to these grants.

** 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.

*** The Group settled the liabilities with its properties and recognised disposal gain with an amount of RMB6,916,000 with non-cash impact for the year ended 31 December 2023.

6. LOSS BEFORE TAX

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

	Notes	2024 RMB'000	2023 RMB'000
Cost of construction contracts services provided		**5,130**	11,362
Cost of design and maintenance services provided		**1,577**	2,378
Cost of management service		**804**	781
Employee benefit expenses:			
Wages and salaries		**4,513**	4,970
Pension scheme contributions		**1,629**	2,353
Total		**6,142**	7,323
Depreciation of items of property and equipment		**3,278**	4,218
Depreciation of investment properties		**2,772**	2,772
Amortisation of other intangible assets		**1,456**	1,463
Research and development costs		**2,336**	2,582
Interest income arising from contracts with customers	*5*	**(30,367)**	(54,081)
Impairment of financial and contract assets, net:			
Impairment of trade receivables, net	*11*	**112,844**	73,516
Impairment of contract assets, net		**22,216**	146,581
Impairment of financial assets included in other receivables and other assets		**8,883**	29,133
(Reversal)/impairment of prepayments		**(3,493)**	2,400
Impairment of other non-current assets*		**4,739**	4,211
Loss on disposal of joint ventures		**—**	112,415
Loss on modifications of financial liabilities that do not result in derecognition		**4,269**	35,866
Auditor's remuneration			
Services rendered by HLB Hodgson Impey Cheng Limited			
— Statutory audit services		**1,500**	—
Services rendered by Ernst & Young			
— Statutory audit services		**—**	1,793
— Non-audit services		**900**	1,062
Gain on disposal of items of property and equipment		**(191)**	(6,916)
Fair value losses/(gains), net			
Financial assets at fair value through profit or loss		**(4,323)**	542
An equity investment at fair value through profit or loss		**23,662**	619
Lease payments not included in the measurement of lease liabilities		**102**	465

* The property acquired by the Group of which the property certificates has not been obtained and was included in other non-current assets as at 31 December 2024 and 2023. Impairment provision of RMB4,739,000 (2023: RMB4,211,000) was made as at 31 December 2024 according to prevailing fair value less cost of disposal.

7. FINANCE COSTS

	2024	2023
	RMB'000	*RMB'000*
Interest on bank loans and other borrowings	**44,804**	35,646
Interest on corporate bonds	**12,597**	26,608
Interest on lease liabilities	**811**	1,290
Total	**58,212**	63,544

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.

	2024	2023
	RMB'000	*RMB'000*
Current — PRC		
Charge for the year	**1,700**	—
Overprovision in prior years	**—**	(68)
Deferred	**(35,302)**	24,653
Total tax (credit)/expenses for the year	**(33,602)**	24,585

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) or carry on any business in the BVI.

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

Broad Greenstate Ecological Construction Group Company Limited , a subsidiary of the Company, was qualified as a "High and New Technology Enterprise" and is entitled to a preferential corporate income tax ("CIT") rate of 15% from 2020 to 2025.

9. DIVIDENDS

No final dividends were paid, declared or proposed for the years ended 31 December 2024 and 2023.

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

The calculation of the basic loss per share amount is based on the loss for the year attributable to ordinary equity holders of the parent, and the weighted average number of ordinary shares of 5,794,714,077 (2023: 3,342,536,957) in issue during the year.

No adjustment has been made to the basic loss per share amounts presented for the years ended 31 December 2024 and 2023 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 2024 (2023: Nil).

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

	2024	2023
	RMB'000	*RMB'000*
Loss		
Loss attributable to ordinary equity holders of the parent, used in the basic and diluted loss per share calculation	**(145,755)**	(535,918)

	Number of shares	
	2024	2023
Shares		
Weighted average number of ordinary shares in issue during the year used in the basic loss per share calculation	**5,794,714,077**	3,342,536,957
Basic loss per share	**RMB(2.52) cents**	RMB(16.03) cents

11. TRADE RECEIVABLES

	2024	2023
	RMB'000	*RMB'000*
Trade receivables	**532,749**	526,752
Impairment	**(482,952)**	(370,108)
Net carrying amount	**49,797**	156,644

The Group's trading terms with its customers are mainly on credit. The credit period is usually one year. 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 does not hold any collateral or other credit enhancements over its trade receivable balances.

Included in the Group's gross trade receivables are amounts due from the Group's joint ventures of RMB98,349,000 (2023: RMB85,701,000), which are repayable on credit terms similar to those offered to the major customers of the Group.

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

	2024	2023
	RMB'000	*RMB'000*
Current	**14,294**	65,710
Past due within 1 year	**23,267**	9,283
Past due 1 to 2 years	**3,363**	27,555
Past due 2 to 3 years	**5,880**	20,090
Past due over 3 years	**2,993**	34,006
Total	**49,797**	156,644

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

	2024	2023
	RMB'000	*RMB'000*
At beginning of year	**370,108**	317,394
Impairment losses, net (note 6)	**112,844**	73,516
Amount written off as uncollectible	**—**	(20,802)
At end of year	**482,952**	370,108

The increase (2023: increase) in the loss allowance of RMB112,844,000 (2023: RMB52,714,000) as result of an increase in historical loss rate (2023: increase in trade receivables which were past due for over three 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 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 2024

		Past due				
	Current	**Less than 1 year**	**1 to 2 years**	**2 to 3 years**	**Over 3 years**	**Total**
Expected credit loss rate	**23.4%**	**64.7%**	**71.7%**	**85.3%**	**99.2%**	
Gross carrying amount	**18,662**	**65,925**	**11,867**	**39,875**	**396,420**	**532,749**
Expected credit losses	**4,368**	**42,658**	**8,504**	**33,995**	**393,427**	**482,952**

As at 31 December 2023

		Past due				
	Current	Less than 1 year	1 to 2 years	2 to 3 years	Over 3 years	Total
Expected credit loss rate	5.5%	21.8%	30.9%	56.4%	90.5%	
Gross carrying amount	69,536	11,867	39,875	46,025	359,449	526,752
Expected credit losses	3,826	2,584	12,320	25,935	325,443	370,108

12. CONTRACT ASSETS

	31 December 2024	**31 December 2023**	**1 January 2023**
	RMB'000	*RMB'000*	*RMB'000*
Contract assets arising from:			
Construction services	1,108,665	1,086,057	1,360,021
Impairment	(414,951)	(392,735)	(246,154)
	693,714	693,322	1,113,867
Less: Non-current portion of Contract assets	233,359	247,852	271,002
Net carrying amount	460,355	445,470	842,865

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. 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 2023 was the result of the increase provision for the impairment at the end of each of years.

Contract assets of RMB332,710,000 (2023: RMB436,324,000) are pledged to secure a bank loan granted.

During the year ended 31 December 2024, RMB22,216,000 (2023: RMB146,581,000) was recognised as an allowance for expected credit losses on contract assets.

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

	2024	2023
	RMB'000	*RMB'000*
Within one year	**460,355**	445,470
More than one year	**233,359**	247,852
Total contract assets	**693,714**	693,322

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

	2024	2023
	RMB'000	*RMB'000*
At beginning of year	**392,735**	246,154
Impairment losses, net	**22,216**	146,581
At end of year	**414,951**	392,735

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 days past due for various customers 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 contract assets using a provision matrix:

	As at 31 December 2024	As at 31 December 2023
Expected credit loss rate	**37.43%**	36.16%
Gross carrying amount (RMB'000)	**1,108,665**	1,086,057
Expected credit losses (RMB'000)	**414,951**	392,735

Included in the Group's contract assets are amounts with the Group's joint ventures of RMB274,715,000 as at 31 December 2023 (31 December 2023: RMB286,738,000).

13. 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:

	2024	2023
	RMB'000	*RMB'000*
Within 1 year	**3,486**	12,115
1 to 2 years	**3,976**	91,054
Over 2 years	**566,621**	512,799
Total	**574,083**	615,968

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.

14. COMPARATIVE FIGURES

Certain other comparative figures have been reclassified to conform with the current year's presentation and disclosures.

MANAGEMENT DISCUSSION AND ANALYSIS

Industry Review

In 2024, China's landscaping industry continued to maintain a steady development propelled by both policy support and market demand. Industry reports indicated that the market size of China's landscaping industry is expected to reach several hundred billion Renminbi by 2028, with an average growth rate of market size remaining at a high level in the next few years. The landscaping industry covers a number of sub-sectors including municipal landscaping, real estate landscaping, ecological restoration landscaping and tourist attraction landscaping, all of which are showing promising development trends. In particular, the ecological restoration and tourist attraction landscaping has witnessed a rising market demand due to increased awareness of environmental protection and the development of tourism industry.

Being considered as an integral part of the development of eco-friendly culture in China, the landscaping industry is strongly supported by national policies. The Opinions on Promoting Urbanisation with Counties as Important Carriers (關於推進以縣城為重要載體的城鎮化建設的意見) issued by the General Office of the China Communist Party's Central Committee and the General Office of the State Council proposed to create blue-green ecological space, improve the ecological green space system, and build ecological green corridors based on natural elements such as mountains, rivers, forests, fields, lakes and grasslands. These policies have provided strong support for the development of the landscaping industry.

As for the key development direction, the landscaping industry is steering towards ecological, intelligent and diversified development. With ecological restoration and environmental management becoming important growth points of the industry, especially in the fields of mine restoration, wetland protection and desertification control, landscape enterprises are playing an increasingly important role. Meanwhile, along with the technological advancement, the landscaping industry is also actively exploring intelligent development paths, such as the use of big data, Internet of Things and other technologies to enhance the efficiency and quality of landscape design, construction and maintenance. In addition, the integration of the landscaping industry with cultural tourism and rural revitalisation has also set a new trend, bringing more development opportunities for the industry.

In terms of industry operations, market competition is fierce due to a huge number of enterprises operating in the landscaping industry. Despite the relatively low concentration of the industry, enterprises with qualification and strength are playing major roles in the market with the standardised development of the market. Some leading enterprises have increased their market share and influence through technological innovation and business expansion.

Similarly, China's green infrastructure and new energy industries have made significant progress under the dual impetus of policies and the market, with the industry landscape further optimised. The National Development and Reform Commission issued the Guiding Opinions on Vigorously Implementing Renewable Energy Substitution Actions (關於大力實施可再生能源替代行動的指導意見) to push forward the construction of industrial green microgrids and promote the direct supply of green electricity, laying a solid foundation for the large-scale application of new energy. The construction of new energy infrastructure has become an industry highlight, with large-scale wind power and photovoltaic power plants continuously emerging, and supporting transmission lines and energy storage facilities being advanced in tandem.

In terms of business pattern, China's new energy industry is accelerating its globalisation, making it the core engine of the country's "domestic circulation" strategy, while providing efficient solutions for global energy transformation. China's green infrastructure and new energy industries remain on course to achieve high-quality development, serving as a key driving force for the global energy transformation.

Business Review

The Group remains committed to its core business of "ecological development while enhancing its environmental restoration and cultural tourism operations" with a focus on municipal and city level landscape projects and offers our customers "one-stop" service solutions, including investment and financing, planning and design, project construction and commercial operation. In recent years, the Group proactively adjusted its business strategy to focus on completing ongoing investment projects, optimising its management and stabilising its cash flow.

The Group strengthened the compliance management of project construction and cooperated with local governments to complete planning adjustments and improve the governmental approval procedures for the corresponding projects. The Company is in the process of communicating and negotiating with local governments with respect to the Guansheng Lake Ecological Wetland PPP Project in Guang'an Lingang Economic Development Zone (廣安臨港經濟開發區官盛湖生態濕地PPP項目), the Broad Greenstate Huiji River Wetland Park PPP Project in Xiangfu District of Kaifeng City (開封市祥符區博大綠澤惠濟河濕地公園PPP項目), the Mianzhu Municipal Tourism Construction PPP Project (綿竹市政旅游建設PPP項目) and the Quanzhou Botanical Garden PPP Project (泉州植物園PPP項目). As of 31 December 2024, the constructions of the above-mentioned projects are under suspension and will be resumed or settled based on the results of the communication. The reasons for the suspension of the aforementioned projects are detailed below:

Name of Project	Remaining Contract Value of Project (RMB)	Latest Status
Guang'an Lingang Economic Development Zone Guansheng Lake Ecological Wetland PPP Project (廣安臨港經濟開發區官盛湖生態濕地PPP 專案)	403,852,637	The project involves performing construction works on protected forestland, which requires the local government to obtain internal approval for the conversion of land use before construction works may commence. As of the date of this submission, the local government is still in the process of obtaining such internal approvals and hence construction works have stalled.
Mianzhu Municipal Tourism Construction PPP Project (綿竹市政旅游建設PPP項目)	1,391,987,470	The project is a key local tourism project involving various local townships and commissions offices, and the Company shall only commence construction works upon obtaining compliance clearance from the relevant township/commission office. As of the date of this submission, the Company had only obtained compliance clearance from some of the relevant township/commission offices (and have completed all construction works on such parts), but can only complete the remaining construction works upon obtaining compliance clearance from the remaining township/commission offices.
Kaifeng City Xiangfu District Broad Greenstate Huiji River Wetland Park PPP Project (開封市祥符區惠濟河濕地公園PPP項目)	237,576,036	The Company is currently in negotiations with the relevant local government with respect to the settlement price for the completed construction works and shall commence the remaining works upon agreeing the settlement price and obtaining all relevant compliance approvals.
Quanzhou Botanical Gargen Project (泉州植物園項目)	171,046,482	As the project involves mass logging of forests, the Company is yet to obtain the required logging licenses. In addition, the project involves the removal of various rural cemeteries, and the local governments are yet to reach a settlement solution with the local villagers.

The management of the Company will monitor the progress of the aforementioned projects regularly in 2025. In the event that the aforementioned projects are terminated, the Company shall use its best endeavours to achieve an amicable settlement with the local governments and recover outstanding payments and project progress payment from the local governments.

During the Year under Review, the Group's portfolio primarily consists of PPP projects, of which five projects have transitioned to operation and maintenance, and the remainder are either under construction or in the preliminary preparation phase. As of 31 December 2024, the Group recorded total revenue of RMB18.4 million and net loss attributable to owners of the Parent of RMB145.8 million. Gross profit margin was 52.9%, representing an increase of 13.2 percentage points as compared with the same period last year.

Cost Control

The Group implemented scientific, rational, and cost-effective practices to boost revenue and cut costs. Rather than relying on the traditional extensive contracting model for project management in the industry, the Group adopted a refined project cost control approach. It established a group-wide supplier database and utilised its self-developed project management information platform ("OA System") to ensure that all project expenses were strictly managed in accordance with the budget. During the Year under Review, supported by procurement platform for renowned enterprises in China, the Group has comprehensively expanded the supply chain channel and achieved reducing costs while increasing efficiency. For project operation and maintenance in the later stage, the Group fully utilised the cooperation between its operation management companies and prime operation teams to consider maintenance plans during construction. Additionally, the Group placed great emphasis on project redevelopment, proposing optimisation schemes during project implementation and developing resources around the project's location through well-established friendly cooperative relationships.

Research and Development

The Group adheres to the guidance of efficient, energy-saving, and clean green technology application and design. It aims to achieve international advancement and domestic leadership while promoting development of ecological and environmental protection projects through technological innovation. Building on its existing technology accumulation, project experience and product advantages, the Group has continuously invested heavily in establishing its technology centre, focusing on independent development, supplemented by the introduction, digestion, and absorption of other technologies. The Group has also strengthened industry, education, and research cooperation and intellectual property rights construction, actively realising the industrialisation of science and technology. In addition, the Group has cooperated with the high-quality technology companies in the upstream and downstream industries to achieve technology resource sharing, jointly empowering the project. The Group recognises that scientific research is an important strategy for achieving sustainable development and provides strong technical support through innovation in scientific research.

Prospects

In 2024, China continued to vigorously promote the construction and restoration of the ecological environment and the construction of "Beautiful China". In January 2024, the State Council issued the Opinions on Comprehensively Promoting the Construction of a Beautiful China (關於全面推進美麗中國建設的意見), which clarified the overall goals and phased tasks of the construction of a "Beautiful China". The document proposed to further promote green and low-carbon development, with the total amount of major pollutant emissions continuing to decrease and the quality of the ecological environment continuing to improve by 2027; and that a green production and lifestyle will be widely formed, the ecological environment will be fundamentally improved, and the goal of "Beautiful China" will be basically achieved by 2035. Going forward, it envisaged to achieve comprehensive enhancement in eco-friendly culture, to fully establish green development mode and lifestyle, and to achieve healthy and beautiful ecological environment by mid-21st century. In November of the same year, China issued the latest report on ecological protection and restoration work, emphasising the implementation of integrated protection and restoration of mountains, rivers, forests, farmlands, lakes, grasslands and deserts, promoting the ecological restoration of abandoned mines left over from the past, and major actions such as marine ecological protection and restoration, demonstrating remarkable results in promoting all-round ecological protection and restoration.

In terms of strategy, China has formulated a number of measures to realise the above goals. Firstly, it will optimise the pattern of land and space development and protection, improve main functional area system, refine land and space planning system, coordinate and optimise the spatial layout of agriculture, ecology, township and others, strictly observe the ecological protection red line, and ensure the ecological function and characteristics not be reduced and remained changed. Secondly, efforts will be made to promote green and low-carbon transformation, accelerate green and low-carbon transformation of energy, industry, transportation, urban and rural construction, agriculture and other areas, strengthen green technological innovation, and promote overall green transformation of economic and social development.

Under the guidance of favourable policies, China will continue to deepen her reform of eco-friendly culture system and promote the comprehensive green transformation of economic and social development. The whole country will strive to fundamentally realise the goal of "Beautiful China" by 2035 through the implementation of establishment of Beautiful China pilot zones and the promotion of key projects such as beautiful sky, beautiful rivers and lakes, beautiful bays, and beautiful mountains and rivers.

Along with the "Beautiful China" theme, new energy, as a leading industry in green transformation, has developed rapidly in recent years. According to data released by the National Energy Administration in January 2025, China's power industry achieved steady growth in both installed capacity and investment in 2024. As of the end of 2024, the installed capacity of solar power generation was approximately 890 million kilowatts, representing a significant year-on-year increase of 45.2%, becoming the fastest growing segment. The installed capacity of wind power was approximately 520 million kilowatts, representing a year-on-year increase of 18.0%. Hydropower and nuclear power grew by 3.2% and 6.9% respectively. These data show that China's power generation structure is continuing to transform towards clean energy. In addition, in 2024, the national green electricity trading volume reached 151.93 billion kWh, representing a year-on-year increase of 233%, and the green certificate trading volume reached 160 million, indicating that market demand for green electricity has increased significantly.

In terms of policy, in August 2024, the National Development and Reform Commission, the National Energy Administration and the National Data Administration jointly issued the Action Plan for Accelerating the Development of New Power Systems (2024–2027)(《加快構建新型電力系統行動方案（2024-2027年）》), aiming to promote the development of the power system towards intelligence and greening, enhance the absorption capacity of renewable energy, and ensure the simultaneous advancement of energy security and low-carbon transformation.

Moving forward, China's power industry will continue to deepen its green and low-carbon transformation. It is expected that the proportion of non-fossil energy power generation installed capacity will increase to about 55%, and the proportion of wind power and solar power generation in the national power generation will reach more than 17% by 2025. The market-oriented reform of the power industry will also be accelerated, and a unified national power market system will be initially established, providing a more favourable market environment for the integration and consumption of new energy.

The Group will uphold the concept of "lucid waters and lush mountains are invaluable assets" and actively explore development opportunities in the areas of green infrastructure and new energy, to promote business transformation and upgrading. We will also be actively involving in the operation of Guoneng Tairui. Building on its existing business of hydropower plant operation and maintenance services, we will deepen our layout in new energy power generation and expand the Group's development direction in the area of new energy. At the same time, through close cooperation with Greenland Group, we will consolidate resources and create synergy effects. Based on industry trends and corporate development, Greenland Group predicts that the scale of the Group's internal landscaping business will reach approximately RMB1 billion in 2025. The Group will rely on its in-depth cooperation with Greenland

Group and actively participate in its municipal landscaping projects to achieve dual growth in business scale and benefits. In addition, in 2024, Shanghai Municipal Government expanded its investment in municipal infrastructure and landscaping, further improving the city's ecological environment quality by increasing green space, improving greenway networks, protecting biodiversity and promoting smart landscaping technology. According to preliminary statistics from industry association, the scale of Shanghai's landscaping business amounted to approximately RMB9 billion in 2024. In the future, Shanghai will continue to promote the construction of an "ecological city". It is expected that the scale of Shanghai's municipal landscaping business will reach RMB12 billion in 2025. The Group will captialise on Greenland Group's local advantages in Shanghai in seizing development opportunities, deeply integrating into Shanghai's municipal landscaping projects, using its professional advantages in landscape design, construction, operation and maintenance, combining smart landscape technology, improving project quality and efficiency, and meeting the citizens' demand for a beautiful ecological environment. At the same time, we will pay attention to policy directions and market trends and adjust our strategic layout in a timely manner to ensure the steady growth and sustainable development of our business.

The Group will strive to create more positive values for the society and the environment, and to realise the long-term, stable and sustainable development of the enterprise and our country.

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 main board of The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**") on 21 July 2014 (the "**Listing Date**").

PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S SHARES

Neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's securities listed on the Stock Exchange (including any sale of treasury shares) during the Reporting Period. The Company did not have any treasury shares as defined under the Listing Rules as of 31 December 2024.

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 good 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 in the meantime.

The Company has adopted the principles and code provisions of Corporate Governance Code (the "**CG Code**") as set out in Appendix C1 of the Rules Governing the Listing of Securities on the Stock Exchange (the "**Listing Rules**") (as amended from time to time) since the Listing Date as the basis of the Company' s corporate governance practices. During the Reporting Period, the Company complied with all the code provisions of the CG Code in force during the year.

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 C3 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, 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

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 together with the management the accounting principles and policies adopted by the Group and the audited consolidated annual results of the Group 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.

AUDITOR

The consolidated financial statements for the year ended 31 December 2024 have been audited by HLB Hodgson Impey Cheng Limited ("**HLB**"). Ernst & Young ("**EY**"), retired as auditor of the Company at the annual general meeting held on 28 June 2024. HLB was appointed as auditor of the Company with effect from 18 October 2024 to fill the casual vacancy following the retirement of EY.

SCOPE OF WORK OF HLB HODGSON IMPEY CHENG LIMITED

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, HLB, to the amounts set out in the Group's audited consolidated financial statements for the Reporting Period. The work performed by HLB 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 HLB on this annual results announcement.

EXTRACT OF INDEPENDENT AUDITOR'S REPORT

The following is an extract of the independent auditor's report on the Group's annual financial statements for the year ended 31 December 2024:

Opinion

In our opinion, the consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 31 December 2024, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with Hong Kong Financial Reporting Standards ("**HKFRSs**") issued by the Hong Kong Institute of Certified Public Accountants ("**HKICPA**") and have been properly prepared in compliance with the disclosure requirements of the Hong Kong Companies Ordinance.

Material uncertainty related to going concern

We draw attention to the Note 2 to the consolidated financial statements, which indicates that the Group incurred a net loss of approximately RMB143,699,000 during the year ended 31 December 2024. As at 31 December 2024, the Group's current liabilities exceeded its current assets by approximately RMB778,226,000. The Group had total interest-bearing bank and other borrowings of approximately RMB576,527,000, out of which approximately RMB354,347,000 will be due for repayment within the next twelve months and approximately RMB299,584,000 were defaulted during the year due to overdue payment of principal and/or interest, while the Group had unrestricted cash and cash equivalents of approximately RMB1,801,000 only. These events and conditions, along with other matters as set forth in Note 2, indicate that a material uncertainty exists that may cast significant doubt on the Group's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

ANNUAL GENERAL MEETING

The annual general meeting of the Company will be held on Friday, 30 May 2025 (the "**2025 AGM**"). A notice of convening the 2025 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 2024 (2023: Nil).

RECORD DATE

For the purpose of determining the Shareholders' eligibility to attend and vote at the 2025 AGM, the record date of the Company will be on Monday, 26 May 2025. In order to be eligible to attend and vote at the 2025 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 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong, no later than 4:30 p.m. on Monday, 26 May 2025.

EVENTS AFTER THE REPORTING PERIOD

On 31 December 2024, the Company and ZDX Energy Development Co., Ltd (the "**Vendor**") entered into a sale and purchase agreement (the "**Agreement**") pursuant to which the acquisition of 51.0% of the total issued shares of ZDX Energy International Co., Ltd (the "**Target Company**") and its subsidiaries (the "**Target Group**") at a consideration of RMB20.4 million. The Target Group is principally engaged in providing comprehensive O&M services for hydroelectric power stations. On 26 March 2025, the acquisition was completed.

PUBLICATION OF ANNUAL RESULTS ANNOUNCEMENT AND 2024 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 2024 annual report of the Company will be dispatched to the Shareholders (if requested) 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
Pei Gang
Chairman and Executive Director

Shanghai, the People's Republic of China
31 March 2025

As at the date of this announcement, the executive Directors are Mr. Pei Gang and Mr. Lin Guangqing, and the independent non-executive Directors are Mr. Dai Guoqiang, Dr. Jin Hexian and Mr. Yang Yuanguang.