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## **China Greenland Broad Greenstate Group Company Limited**

**中國綠地博大綠澤集團有限公司**

*(Incorporated in the Cayman Islands with limited liability)*

**(Stock code: 1253)**

### **UPDATE ON THE ANNUAL RESULTS FOR THE YEAR ENDED 31 DECEMBER 2021**

Reference is made to the announcement of China Greenland Broad Greenstate Group Company Limited (the “**Company**”) dated 30 March 2022 in relation to the unaudited annual results of the Company and its subsidiaries (collectively, the “**Group**”) for the year ended 31 December 2021 (the “**Unaudited Annual Results Announcement**”). Capitalised terms used herein, unless otherwise defined, shall have the same meanings as those defined in the Unaudited Annual Results Announcement.

As stated in the Unaudited Annual Results Announcement, publication of the audited annual results of the Group for the year ended 31 December 2021 was delayed as the auditing process for the annual results of the Group for the year ended 31 December 2021 had not been completed. The Board of Directors is pleased to announce that the auditing process of the consolidated annual results of the Group for the year ended 31 December 2021 has been completed. The audited consolidated annual results for the year ended 31 December 2021 (the “**Reporting Period**”) together with the comparative figures for the year ended 31 December 2020 are as follows:

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

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

*Year ended 31 December 2021*

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

	<i>Notes</i>	<b>2021</b> <b>RMB'000</b> <b>(Audited)</b>	2020 <i>RMB'000</i> <i>(Audited)</i>
<b>OTHER COMPREHENSIVE INCOME</b>			
Other comprehensive income that will not be reclassified to profit or loss in subsequent periods:			
Exchange differences on translation of foreign operations		<u>15,809</u>	<u>33,396</u>
Net other comprehensive income that will not be reclassified to profit or loss in subsequent periods		<u>15,809</u>	<u>33,396</u>
<b>OTHER COMPREHENSIVE INCOME FOR THE YEAR, NET OF TAX</b>		<u>15,809</u>	<u>33,396</u>
<b>TOTAL COMPREHENSIVE INCOME FOR THE YEAR</b>		<u><u>20,063</u></u>	<u><u>111,930</u></u>
Total comprehensive income			
Attributable to:			
Owners of the parent		20,351	111,691
Non-controlling interests		<u>(288)</u>	<u>239</u>
		<u><u>20,063</u></u>	<u><u>111,930</u></u>
<b>EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT:</b>			
Basic			
For profit for the year	9	<u><u>RMB0.14</u></u> <u><u>cents</u></u>	<u><u>RMB0.23</u></u> <u><u>cents</u></u>
Diluted			
For profit for the year	9	<u><u>RMB0.14</u></u> <u><u>cents</u></u>	<u><u>RMB0.23</u></u> <u><u>cents</u></u>

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION

*31 December 2021*

	<i>Notes</i>	<b>2021</b>	2020
		<b>RMB'000</b>	RMB'000
		<b>(Audited)</b>	(Audited)
<b>NON-CURRENT ASSETS</b>			
Property and equipment		<b>125,247</b>	131,022
Right-of-use assets	<i>10(a)</i>	<b>—</b>	1,488
Investment properties		<b>24,024</b>	—
Goodwill		<b>3,060</b>	3,060
Other intangible assets		<b>18,613</b>	20,294
Investments in joint ventures		<b>814,281</b>	699,899
Equity investment at fair value through profit or loss		<b>80,324</b>	65,435
Financial assets at fair value through profit or loss		<b>20,098</b>	20,142
Contract assets	<i>12</i>	<b>244,563</b>	105,265
Prepayments, other receivables and other assets		<b>44,194</b>	44,844
Other non-current asset		<b>19,449</b>	19,449
Deferred tax assets		<b>23,709</b>	25,064
		<hr/>	<hr/>
Total non-current assets		<b>1,417,562</b>	1,135,962
<b>CURRENT ASSETS</b>			
Biological assets		<b>31,972</b>	33,539
Trade receivables	<i>11</i>	<b>467,884</b>	615,641
Contract assets	<i>12</i>	<b>1,069,556</b>	1,190,209
Prepayments, other receivables and other assets		<b>291,536</b>	166,828
Pledged deposits		<b>2,366</b>	1,300
Cash and cash equivalents		<b>77,465</b>	309,292
		<hr/>	<hr/>
Total current assets		<b>1,940,779</b>	2,316,809
<b>CURRENT LIABILITIES</b>			
Corporate bonds		<b>191,413</b>	196,947
Trade and bills payables	<i>13</i>	<b>736,593</b>	953,379
Other payables and accruals		<b>605,987</b>	549,307
Interest-bearing bank and other borrowings		<b>292,460</b>	280,338
Lease liabilities	<i>10(b)</i>	<b>1,439</b>	1,722
Tax payable		<b>167,487</b>	170,645
		<hr/>	<hr/>
Total current liabilities		<b>1,995,379</b>	2,152,338
<b>NET CURRENT (LIABILITIES)/ASSETS</b>		<b>(54,600)</b>	164,471
		<hr/>	<hr/>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<b>1,362,962</b>	1,300,433
		<hr/>	<hr/>

	<i>Notes</i>	<b>2021</b> <b>RMB'000</b> <b>(Audited)</b>	2020 <i>RMB'000</i> <i>(Audited)</i>
<b>NON-CURRENT LIABILITIES</b>			
Interest-bearing bank and other borrowings		<b>285,286</b>	267,610
Lease liabilities	<i>10(b)</i>	<b>22,437</b>	—
Deferred tax liabilities		<b>11,169</b>	8,816
		<u>318,892</u>	<u>276,426</u>
<b>Total non-current liabilities</b>		<b>318,892</b>	276,426
<b>Net assets</b>		<b>1,044,070</b>	1,024,007
<b>EQUITY</b>			
<b>Equity attributable to owners of the parent</b>			
Share capital		<b>66,396</b>	66,396
Other reserves		<b>949,886</b>	929,535
		<u>1,016,282</u>	<u>995,931</u>
<b>Non-controlling interests</b>		<b>27,788</b>	28,076
<b>Total equity</b>		<b>1,044,070</b>	1,024,007

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

### 2. CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

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

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

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

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

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

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

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

### 3. OPERATING SEGMENT INFORMATION

The Group’s principal business is providing landscape design and gardening and related services. 100% of the Group’s revenue and operating profit were generated from providing the service of landscaping. No operating segments have been aggregated to form the above reportable operating segment.

#### Information about geographical areas

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

#### Information about major customers

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

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

\* Less than 10% of the total revenue

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

An analysis of revenue is as follows:

	<b>2021</b> <i>RMB'000</i> (Audited)	2020 <i>RMB'000</i> (Audited)
Revenue from contracts with customers	<b>266,688</b>	671,161
Revenue from other sources		
Rental income	<u>810</u>	<u>—</u>
	<b><u>267,498</u></b>	<b><u>671,161</u></b>

#### Revenue from contracts with customers

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

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

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

	<b>2021</b> <i>RMB'000</i> (Audited)	2020 <i>RMB'000</i> (Audited)
Construction services	<b>48,598</b>	127,036
Design and maintenance services	<u>31</u>	<u>5,472</u>
Total	<b><u>48,629</u></b>	<b><u>132,508</u></b>

**(ii) Performance obligations**

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

*Construction services*

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

*Design and maintenance services*

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

*Management services*

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

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

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

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

	<i>Note</i>	<b>2021</b> <b>RMB'000</b> <b>(Audited)</b>	2020 <i>RMB'000</i> (Audited)
<b>Other income</b>			
Bank interest income		552	4,353
Other interest income arising from contracts with customers*		19,933	6,584
Rental income	10	1,104	826
Others		<u>299</u>	<u>509</u>
		<u><b>21,888</b></u>	<u>12,272</u>
<b>Gains</b>			
Government grants**		2,219	2,328
Fair value (losses)/gains of financial assets at fair value through profit or loss, net		(44)	350
Fair value gains of an equity investment at fair value through profit or loss		14,889	5,368
Fair value losses of biological assets		(1,149)	(787)
Gains on reclassification from an associate to an equity investment		—	4,370
Foreign exchange loss, net		<u>(7,553)</u>	<u>(4,814)</u>
		<u><b>8,362</b></u>	<u>6,815</u>
		<u><b>30,250</b></u>	<u>19,087</u>

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

\*\* Government grants have been received from the local Finance Bureau in Mainland China as financial support to the growth enterprises.

## 5. PROFIT BEFORE TAX

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

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

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

## 6. FINANCE COSTS

		<b>2021</b>	2020
	<i>Note</i>	<b><i>RMB'000</i></b>	<i>RMB'000</i>
		<b>(Audited)</b>	(Audited)
Interest on bank loans and other borrowings		<b>28,640</b>	21,562
Interest on lease liabilities	<i>10(b)</i>	<b>512</b>	122
Interest on corporate bonds		<b><u>23,168</u></b>	<u>25,805</u>
Total interest expense on financial liabilities not at fair value through profit or loss		<b><u><u>52,320</u></u></b>	<u><u>47,489</u></u>

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

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

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

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

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

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

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

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

## 8. INCOME TAX

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

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

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

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

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

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

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

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

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

## **9. 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 (2020: 3,342,536,957) in issue during the year.

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

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

	<b>2021</b>	2020
	<b><i>RMB'000</i></b>	<i>RMB'000</i>
	<b>(Audited)</b>	(Audited)
<b>Earnings</b>		
Profit attributable to ordinary equity holders of the parent, used in the basic earnings per share calculation	<b>4,542</b>	78,295
	<b>Number of shares</b>	
	<b>2021</b>	2020
	<b>(Audited)</b>	(Audited)
<b>Shares</b>		
Weighted average number of ordinary shares in issue during the year used in the basic earnings per share calculation	<b>3,342,536,957</b>	3,342,536,957
Basic earnings per share	<b><u>RMB0.14 cents</u></b>	<u>RMB0.23 cents</u>
Diluted earnings per share	<b><u>RMB0.14 cents</u></b>	<u>RMB0.23 cents</u>

## 10. LEASES

### The Group as a lessee

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

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

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

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

**(b) Lease liabilities**

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

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

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

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

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

**2021 (Audited)**

	<b>Variable payments RMB'000</b>	<b>Total RMB'000</b>
Variable rent only	<u>350</u>	<u>350</u>

**2020 (Audited)**

	Variable payments RMB'000	Total RMB'000
Variable rent only	<u>350</u>	<u>350</u>

**The Group as a lessor**

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

The Group leases its investment properties under operating lease arrangements. The terms of the leases generally require the tenants to pay security deposits and provide for periodic rent adjustments according to the then prevailing market conditions. Rental income recognised by the Group during the year was RMB810,000 (2020: Nil), details of which are included in note 4 to the financial statements.

## 11. TRADE RECEIVABLES

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

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

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

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

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

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

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

	2021 <i>RMB'000</i> (Audited)	2020 <i>RMB'000</i> (Audited)
At beginning of year	147,311	105,776
Impairment losses, net ( <i>note 5</i> )	483	45,099
Amount written off as uncollectible	<u>—</u>	<u>(3,564)</u>
At end of year	<u><b>147,794</b></u>	<u><b>147,311</b></u>

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

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

## 12. CONTRACT ASSETS

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

Contract assets are initially recognised for revenue earned from the provision of construction services as the receipt of consideration is conditional on successful completion of construction. Included in contract assets for construction services are retention receivables. For retention money receivables in respect of construction works carried out by the Group, the respective due dates usually range from one to three years after the completion of the relevant construction work. At 31 December 2021, retention money held by customers included in contract assets amounted to approximately RMB15,854,000 (2020: RMB10,292,000), of which RMB15,854,000 (2020: RMB10,292,000) is expected to be recovered after more than twelve months.

Upon completion of construction and acceptance by the customer, the amounts recognised as contract assets are reclassified to trade receivables. The ending balance of contract assets as at the end of 2021 increased 1% compared to that as at the end of 2020, which is the revenue of construction services recognised this year.

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

During the year ended 31 December 2021, RMB1,239,000 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 11 to the financial statements.

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

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

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

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

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

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

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

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

### 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:

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

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

## **PUBLICATION OF ANNUAL RESULTS**

There are no material differences between this announcement and the Unaudited Annual Results Announcement. The audited consolidated financial statements of the Group for the year ended 31 December 2021 have been reviewed by the Audit Committee of the Company and were approved by the Board on 22 April 2022.

## **SCOPE OF WORK OF THE COMPANY'S AUDITOR**

The figures in respect of the Group's consolidated statement of profit or loss and other comprehensive income, consolidated statement of financial position, and the related notes thereto for the year ended 31 December 2021 as set out in the Unaudited Annual Results Announcement have been agreed by the Company's auditor, Ernst & Young, to the amounts set out in the Group's audited consolidated financial statements for the year ended 31 December 2021. The work performed by Ernst & Young in this respect did not constitute an assurance engagement in accordance with Hong Kong Standards 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 Ernst & Young on the Unaudited Annual Results Announcement or this announcement.

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

22 April 2022

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