

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.



China Greenland Broad Greenstate Group Company Limited

中國綠地博大綠澤集團有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock code: 1253)

INTERIM RESULTS ANNOUNCEMENT FOR THE SIX MONTHS ENDED 30 JUNE 2023

FINANCIAL HIGHLIGHTS		For the six months ended 30 June		
		2023 Unaudited	2022 Unaudited	Change
Revenue	RMB'000	5,267	95,240	(89,973)
Gross profit	RMB'000	40	29,934	(29,894)
Net profit attributable to owners of the Parent	RMB'000	(27,156)	418	(27,574)
Gross profit margin	%	0.8	31.4	(30.6)

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 unaudited consolidated interim results of the Company and its subsidiaries (collectively, the “**Group**”) for the six months ended 30 June 2023 (the “**Reporting Period**” or the “**Period**”), together with unaudited comparative figures for the corresponding period in the year 2022.

INTERIM CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the six months ended 30 June 2023

	<i>Notes</i>	2023 <i>RMB'000</i> (Unaudited)	2022 <i>RMB'000</i> (Unaudited)
REVENUE	3	5,267	95,240
Cost of sales		<u>(5,227)</u>	<u>(65,306)</u>
Gross profit		40	29,934
Other income and gains	3	12,324	21,506
Other expense		(1,806)	—
Administrative expenses		(17,620)	(14,361)
Impairment losses on financial and contract assets		(245)	(15,374)
Finance costs	4	(20,663)	(26,818)
Share of profits and losses of joint ventures		<u>966</u>	<u>6,298</u>
(LOSS)/PROFIT BEFORE TAX	5	(27,004)	1,185
Income tax expense	6	<u>(52)</u>	<u>(584)</u>
(LOSS)/PROFIT FOR THE PERIOD		<u><u>(27,056)</u></u>	<u><u>601</u></u>
Attributable to:			
Owners of the Parent		(27,156)	418
Non-controlling interests		<u>100</u>	<u>183</u>
		<u><u>(27,056)</u></u>	<u><u>601</u></u>
(LOSSES)/EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT			
Basic and diluted	8		
— (Loss)/Profit for the Period		<u><u>RMB(0.81) cents</u></u>	<u><u>RMB0.01 cents</u></u>

**INTERIM CONDENSED CONSOLIDATED STATEMENT OF
COMPREHENSIVE INCOME**

For the six months ended 30 June 2023

	2023	2022
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
(LOSS)/PROFIT FOR THE PERIOD	<u>(27,056)</u>	<u>601</u>
OTHER COMPREHENSIVE (LOSS)/INCOME		
Other comprehensive income that may be reclassified to profit or loss in subsequent periods:		
Exchange differences:		
Exchange differences on translation of foreign operations	<u>—</u>	<u>(25,893)</u>
Net other comprehensive income/(loss) that may be reclassified to profit or loss in subsequent periods	<u>—</u>	<u>(25,893)</u>
OTHER COMPREHENSIVE INCOME/(LOSS) FOR THE PERIOD, NET OF TAX	<u>—</u>	<u>(25,893)</u>
TOTAL COMPREHENSIVE (LOSS)/INCOME FOR THE PERIOD	<u>(27,056)</u>	<u>(25,292)</u>
Attributable to:		
Owners of the Parent	(27,156)	(25,475)
Non-controlling interests	<u>100</u>	<u>183</u>
	<u>(27,056)</u>	<u>(25,292)</u>

INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

30 June 2023

		30 June 2023	31 December 2022
	<i>Notes</i>	RMB'000	RMB'000
		(Unaudited)	(Audited)
NON-CURRENT ASSETS			
Property, plant and equipment		111,159	120,087
Right-of-use assets		—	—
Investment properties		21,252	21,252
Goodwill		3,060	3,060
Other intangible assets		17,091	17,122
Investments in joint ventures		772,595	781,230
Equity investment at fair value through profit or loss		78,810	77,844
Financial assets at fair value through profit or loss		21,872	21,872
Contract assets	<i>14</i>	278,705	271,002
Prepayments, other receivables and other assets		39,398	39,398
Deferred tax assets		83,791	83,791
Other non-current assets		19,449	19,449
		<hr/>	<hr/>
Total non-current assets		1,447,182	1,456,107
CURRENT ASSETS			
Biological assets		30,592	30,412
Trade receivables	<i>9</i>	301,143	302,964
Contract assets	<i>10</i>	840,287	842,865
Prepayments, other receivables and other assets		269,905	267,932
Pledged deposits		29,971	36,069
Cash and cash equivalents		5,994	2,844
		<hr/>	<hr/>
Total current assets		1,477,892	1,483,086

		30 June 2023	31 December 2022
	<i>Notes</i>	RMB'000	RMB'000
		(Unaudited)	(Audited)
CURRENT LIABILITIES			
Corporate bonds		212,891	207,286
Trade and bills payables	<i>11</i>	659,607	702,827
Other payables and accruals		692,344	653,029
Interest-bearing bank and other borrowings		256,805	234,414
Lease liabilities		5,030	4,342
Tax payable		166,068	168,060
		<u>1,992,745</u>	<u>1,969,958</u>
Total current liabilities			
NET CURRENT (LIABILITIES)/ ASSETS		<u>(514,853)</u>	<u>(486,872)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			
		<u>932,329</u>	<u>969,235</u>
NON-CURRENT LIABILITIES			
Interest-bearing bank and other borrowings		334,126	346,802
Lease liabilities		20,911	20,911
Deferred tax liabilities		10,169	10,169
		<u>365,206</u>	<u>377,882</u>
Total non-current liabilities			
Net assets		<u>567,123</u>	<u>591,353</u>
EQUITY			
Equity attributable to owners of the parent			
Share capital		66,396	66,396
Other reserves		472,392	496,722
		<u>538,788</u>	<u>563,118</u>
Non-controlling interests		<u>28,335</u>	<u>28,235</u>
Total equity			
		<u>567,123</u>	<u>591,353</u>

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

30 June 2023

1. BASIS OF PRESENTATION

The interim condensed consolidated financial information for the six months ended 30 June 2023 has been prepared in accordance with HKAS 34 Interim Financial Reporting. The interim condensed consolidated financial information does not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the Group's annual consolidated financial statements for the year ended 31 December 2022.

2. CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

The accounting policies adopted in the preparation of the interim condensed consolidated financial information are consistent with those applied in the preparation of the Group's annual financial information for the year ended 31 December 2022, except for the adoption of the following new and revised Hong Kong Financial Reporting Standards ("HKFRSs") for the first time for the current period's financial information

HKFRS 17	<i>Insurance Contracts</i>
Amendments to HKFRS 17	<i>Insurance Contracts</i>
Amendments to HKFRS 17	<i>Initial Application of HKFRS 17 and HKFRS 9</i> <i>— Comparative Information</i>
Amendments to HKAS 1 and HKFRS Practice Statement 2	<i>Disclosure of Accounting Policies</i>
Amendments to HKAS 8	<i>Definition of Accounting Estimates</i>
Amendments to HKAS 12	<i>Deferred Tax related to Assets and Liabilities arising from a Single Transaction</i>
Amendments to HKAS 12	<i>International Tax Reform — Pillar Two Model Rules</i>

The new and revised standards have had no significant financial effect on these financial statements.

3. REVENUE, OTHER INCOME AND GAINS

An analysis of revenue is as follows:

	For the six months ended 30 June	
	2023	2022
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Revenue from contracts with customers	<u>5,267</u>	<u>95,240</u>

Disaggregated revenue information for revenue from contracts with customers

Types of goods or services

	For the six months ended 30 June	
	2023	2022
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Construction contracts	5,227	89,581
Design and maintenance services	40	3,620
Management services	<u>—</u>	<u>2,039</u>
Total revenue from contracts with customers	<u>5,267</u>	<u>95,240</u>

Timing of revenue recognition

	For the six months ended 30 June	
	2023	2022
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Services transferred over time	<u>5,267</u>	<u>95,240</u>

	For the six months ended 30 June	
	2023	2022
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Other income		
Bank interest income	77	73
Other interest income arising from revenue contracts*	1,754	11,249
Rental income	2,189	42
Others	<u>1,545</u>	<u>431</u>
	<u>5,565</u>	<u>11,795</u>
Gains		
Government grants**	4	649
Gain on disposal of items of property, plant and equipment	6,755	—
Foreign exchange gain, net	<u>—</u>	<u>8,287</u>
	<u>12,324</u>	<u>21,506</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 fiscal bureau in Mainland China as financial support to the growth enterprises.

4. FINANCE COSTS

	For the six months ended 30 June	
	2023	2022
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Interest on bank loans, overdrafts and other borrowings	7,172	14,329
Interest on leasing liabilities	689	702
Interest on corporate bonds	<u>12,802</u>	<u>11,787</u>
Total interest expense on financial liabilities not at fair value through profit or loss	<u>20,663</u>	<u>26,818</u>

5. (LOSS)/PROFIT BEFORE TAX

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

	For the six months ended 30 June	
	2023	2022
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Cost of construction contracts	5,211	58,319
Cost of services provided	16	3,862
Cost of management service	—	1,739
Cost of depreciation of investment properties	—	1,386
Employee benefit expenses		
Wages and salaries	2,579	2,591
Pension scheme contribution	1,645	2,002
	<u>4,224</u>	<u>4,593</u>
Depreciation of items of property, plant and equipment	2,717	2,613
Depreciation of right-of-use assets	—	—
Amortisation of other intangible assets	784	758
Bank interest income	(77)	(73)
Interest income from revenue contracts	(1,754)	(11,249)
Impairment of trade receivables	240	14,114
Impairment of contract assets	5	366
Impairment of financial assets included in prepayment, other receivables and other assets	—	894
Consulting fees	429	467
Auditors' remuneration	1,062	806
Lease payment not included in the measurement of lease liabilities	451	451

6. INCOME TAX

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

	For the six months ended 30 June	
	2023	2022
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Current — the PRC		
Charge for the Period	52	3,366
Deferred	—	(2,782)
	<hr/>	<hr/>
Total tax charge for the Period	<u>52</u>	<u>584</u>

7. DIVIDENDS

	For the six months ended 30 June	
	2023	2022
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Final dividends declared and paid — HK0 cents		
(30 June 2022: HK0 cents) per ordinary share	<u>—</u>	<u>—</u>

The Board does not recommend the distribution of any interim dividend for the Reporting Period (for the six months ended 30 June 2022: nil).

8. (LOSSES)/EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT

The calculation of the basic earnings per share amount is based on the profit for the period attributable to ordinary equity holders of the parent of RMB(27,156,000) (2022: RMB417,000), and the weighted average number of ordinary of 3,342,536,957 (2022: 3,342,536,957) in issue during the period, as adjusted to reflect the rights issue during the period.

The calculation of the diluted earnings per share amounts is based on the profit for the period attributable to ordinary equity holders of the parent, adjusted to reflect the interest on the convertible bonds, where applicable (see below). The weighted average number of ordinary shares used in the calculation is the number of ordinary shares in issue during the period, as used in the basic earnings per share calculation, and the weighted average number of ordinary shares assumed to have been issued at no consideration on the deemed conversion of all dilutive potential ordinary shares into ordinary shares.

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

	For the six months ended 30 June	
	2023	2022
	<i>RMB'000</i>	<i>RMB'000</i>
	(Unaudited)	(Unaudited)
(Losses)/Earnings		
(Losses)/earnings attributable to ordinary equity holders of the parent, used in the basic and diluted (losses)/earnings per share calculations	<u>(27,156)</u>	<u>417</u>
	Number of shares	
	For the six months ended 30 June	
	2023	2022
Shares		
Weighted average number of ordinary shares in issue during the period used in the basic earnings per share calculation	3,342,536,957	3,342,536,957
Basic (losses)/earnings per share	<u>RMB(0.81) cents</u>	<u>RMB0.01 cents</u>
Diluted (losses)/earnings per share	<u>RMB(0.81) cents</u>	<u>RMB0.01 cents</u>

9. TRADE RECEIVABLES

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

	30 June	31 December
	2023	2022
	<i>RMB'000</i>	<i>RMB'000</i>
	(Unaudited)	(Audited)
Within one year	38,423	77,311
Over one year but within two years	92,871	109,555
Over two years but within three years	74,492	40,329
Over three years	<u>95,357</u>	<u>75,769</u>
	<u>301,143</u>	<u>302,964</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.

10. CONTRACT ASSETS

	30 June 2023 RMB'000 (Unaudited)	31 December 2022 RMB'000 (Audited)
Contract assets arising from:		
Construction services	1,365,152	1,360,021
Impairment	(246,160)	(246,154)
	<u>1,118,992</u>	<u>1,113,867</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.

Upon completion of construction and acceptance by the customer, the amounts recognised as contract assets are reclassified to trade receivables. The ending balance of contract assets as at 30 June 2023 was stable compared to that as at the end of 2022.

11. TRADE AND BILLS PAYABLES

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

	30 June 2023 RMB'000 (Unaudited)	31 December 2022 RMB'000 (Audited)
Within one year	46,586	99,277
Over one year but within two years	78,792	68,633
Over two years	<u>534,229</u>	<u>534,917</u>
	<u>659,607</u>	<u>702,827</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.

INDUSTRY REVIEW

Looking back at the first half of 2023, the Chinese economy was on its way to returning to normalised operations with the support of macro policies. Recovery of the service sector and resumption of export growth brought about a revival of China's economy. However, it is important to note that the current economic recovery is still in early stages, and further efforts are needed to stimulate domestic demand. Additionally, the recovery varies across different industries, and the confidence of private enterprises has yet to be boosted. Consolidating the foundation for the overall economic recovery remains a key objective. In this regard, the Eleven Documents (十一道文件) were issued consecutively in July of this year to enhance policy support for private enterprises. Further bolstering these efforts, the State Council has also announced the "Thirty-one Measures" to promote the development and growth of the private economy. China's economy shows potential with long-term growth momentum amid headwinds from complex and grim international environment despite the fact that global economic uncertainty may continue to constrain the growth rate of China's exports in the short term. Looking ahead, the continued introduction of favourable policies in China is expected to unleash the potential of domestic demand, leading to stable economic growth in the future.

Amidst the uncertain economic climate, the green industry continues to flourish. The 14th Five-Year Plan and 2035 Vision Outline underscores the significance of the principle that "lucid waters and lush mountains are invaluable assets" and emphasizes the necessity of combating pollution, improving environmental quality, and promoting comprehensive environmental governance for a better living environment. As a result, the ecological and environmental protection industry is expected to experience sustained and rapid growth in the long term. The China Environmental Protection Industry Development Report (2020), released by the Department of Science, Technology and Finance of the Ministry of Ecology and Environment in collaboration with the China Environmental Protection Industry Association, predicts that the scale of China's environmental protection industry will reach RMB3 trillion by 2025. Favourable policies, coupled with the potential of a multitrillion market size, will bring extensive opportunities for enterprises involved in ecological environmental protection.

BUSINESS REVIEW

The Group remains committed to its core business of ecological construction while also enhancing its environmental restoration and cultural tourism operations. In 2022, despite the challenging domestic and international economic environment, the Group adjusted its business strategy to focus on completing ongoing investment projects and optimizing its management model to achieve comprehensive high-quality development. During the period under review, the Group effectively managed operational risks and maintained stable and sustainable operations through measures such as focusing on digesting the investment already made, optimizing project management, enhancing its strength, and implementing income-generating and cost-saving initiatives. During the Reporting Period, the Group recorded a total revenue of RMB5,267,000 and net loss attributable to owners of the Parent of RMB27,156,000. Gross profit margin was 0.8%, representing a decrease of 30.6 percentage points as compared with the same period last year.

COST CONTROL

The Group adhered to its scientific, rational and economical operation practice to increase revenue and reduce expenditure. Unlike the traditional extensive contracting model of project management in the industry, the Group adopted a refined project cost control model, and established a group-wide unified supplier database and utilised its self-developed project management information platform (“**OA System**”) to ensure that all expenses on projects were strictly managed in accordance with the budget. In the first half of the year, supported by procurement platform for well-known enterprises in China, the Group has comprehensively expanded the supply chain channel and achieved reducing costs while increasing efficiency. In respect of the operation and maintenance in the later stage of the project, the Group also fully utilized the cooperation between its operation management companies and prime operation team to take into account maintenance plans during construction. Additionally, the Group placed great emphasis on project redevelopment, proposing optimization schemes during project implementation and developing resources around the project’s location through well-established friendly cooperative relationships.

RESEARCH AND DEVELOPMENT

The Group is committed to becoming a leading domestic and internationally advanced player in the industry by following the guidance of high-efficiency, energy-saving, and clean green technology and design. The aim is to promote the development of ecological and environmental protection projects through scientific and technological innovation. Building on its existing technology accumulation, project experience, and product advantages, the Group has continuously invested heavily in establishing its technology center, 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 realizing the industrialization of science and technology. Meanwhile, the Group collaborates with excellent technology enterprises in the upstream and downstream industries to achieve technical resource sharing and jointly empower projects. The Group recognizes that scientific research is an important strategy for achieving sustainable development and provides strong technical support through innovation in scientific research.

FUTURE DEVELOPMENT

In the context of strategies such as “carbon neutrality, carbon peaking” and “ecological protection”, ecological environmental protection has become an important part of green economic development and has also gained great concern. Especially in nowadays, where technologies develop rapidly, the role of new technologies in environment governance has become increasingly evident. Environmental protection and ecological civilization construction have also become important indicator systems for beautiful China construction. The ecological civilization construction is not only related to the well-being of the people, but also to the long-term plans for the future of humanity.

Over the years, the Group has been committed to developing the fields of ecological restoration and environment governance, devoting itself to ecological governance, energy conservation and environmental protection, and cultural tourism economy. Since the implementation of the 14th Five-Year Plan, environmental protection has become an issue that cannot be ignored. In future work, the Group will leverage the power of innovation and technology by continuously increasing research investment and applying more new technology solutions to project construction, and shoulder our corporate social responsibility to achieve the national sustainable development goals. The Group will also rely on its rich experience in the field of comprehensive ecological environment governance and the first benchmark under the new asset-light operation model of cultural tourism to continuously improve its professional operation and management capabilities, and strive for better reputation and market share.

In the future, the Group will continue to practice the noble concept of “lucid waters and lush mountains are invaluable assets”, take “building a beautiful China” as its own responsibility, and focus on promoting the development of green economy. Adhering to the overall path of in-depth tackling under the 14th Five-Year Plan, continuous consolidation under the 15th Five-Year Plan, and comprehensive improvement under the 16th Five-Year Plan, the Group will assist in building a continuous and complete urban ecological infrastructure system through ecological industries and energy conservation and environmental protection businesses, thereby making positive contributions to the ecological civilization construction in the new era.

BANK AND OTHER BORROWINGS

As at 30 June 2023, the Group's total outstanding bank and other borrowings amounted to RMB590,931,000 (31 December 2022: RMB581,216,000).

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 SHARES OF THE COMPANY

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

CORPORATE GOVERNANCE HIGHLIGHTS

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

The Company has adopted the principles and code provisions of Corporate Governance Code (the “**CG Code**”) as set out in Appendix 14 of the Rules Governing the Listing of Securities on the Stock Exchange (the “**Listing Rules**”) (as amended from time to time) as the basis of the Company's corporate governance practices since the Listing Date. Throughout the Reporting Period, the Company has been in compliance with all the applicable code provisions of the CG Code and the continuing obligations requirements of a listed issuer pursuant to the Listing Rules with the exception of those disclosed below.

Pursuant to code provision C.2.1 of the CG Code, the roles of chairman and chief executive officer should be separate and should not be performed by the same individual. The division of responsibilities between the chairman and chief executive officer should be clearly established and set out in writing. However, the Company does not have a separate chairman and chief executive officer and Mr. Wu Zhengping (“**Mr. Wu**”) currently performs these two roles and accordingly, there are no written terms setting out the division of responsibilities between the chairman and chief executive officer. The Board believes that vesting the roles of both chairman and chief executive officer in the same person has the benefit of ensuring consistent leadership within the Group and enables more effective and efficient overall strategic planning for

the Group. The Board considers that the balance of power and authority will not be impaired by the present arrangement and this structure will enable the Company to make and implement decisions promptly and effectively. The Board will review the management structure regularly and consider separating the roles of the chairman and chief executive officer if and when appropriate.

On 29 April 2023, Ms. Xiao Li (“**Ms. Xiao**”) has tendered her resignation as an executive Director and ceased to act as a member of the Nomination Committee of the Company; Ms. Zhu Wen (“**Ms. Zhu**”) has tendered her resignation as an executive Director and an authorized representative (the “**Authorised Representative(s)**”) under Rule 3.05 of the Listing Rules, and ceased to act as a member of the Remuneration Committee of the Company. Following the resignations of Ms. Xiao and Ms. Zhu, the Company will result in (i) non-compliance with Rule 3.05 of the Listing Rules which requires an issuer to appoint two Authorised Representatives to act at all times as the company’s principal channel of communication with the Stock Exchange; and (ii) non-compliance with the requirements on minimum number of members of each aforementioned board committees of the Company (the “**Board Committee(s)**”) under their respective terms of reference. The Board is currently identifying suitable candidate(s) to fill the vacancies of the Authorised Representative and the abovementioned members of Board Committees, and endeavours to appoint the suitable candidates as soon as practicable in order to comply with the Listing Rules and terms of reference of the Board Committees. For details, please refer to the announcement of the Company dated 28 April 2023.

MODEL CODE FOR SECURITIES TRANSACTIONS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the “**Model Code**”) as set out in Appendix 10 to the Listing Rules as the code of conduct regarding the Directors’ dealings in the securities of the Company. The provisions under the Listing Rules in relation to compliance with the Model Code by the Directors regarding securities transactions have been applicable to the Company throughout the Reporting Period.

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

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

AUDIT COMMITTEE AND REVIEW OF INTERIM FINANCIAL STATEMENTS

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

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

INTERIM DIVIDEND

The Board does not recommend the distribution of any interim dividend for the Reporting Period (for the six months ended 30 June 2022: nil).

EVENTS AFTER REPORTING PERIOD

There are no significant events subsequent to 30 June 2023 that have material impact on the Group’s operating and financial performance as at the date of this announcement.

PUBLICATION OF INTERIM RESULTS AND 2023 INTERIM 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 2023 interim report of the Company will be dispatched to the Shareholders in due course and will be made available on the websites of the Company and the Stock Exchange in accordance with the requirements of the Listing Rules.

By Order of the Board

China Greenland Broad Greenstate Group Company Limited
WU Zhengping

Chairman and Executive Director

Shanghai, the People’s Republic of China
31 August 2023

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