



**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)

2018

INTERIM  
REPORT





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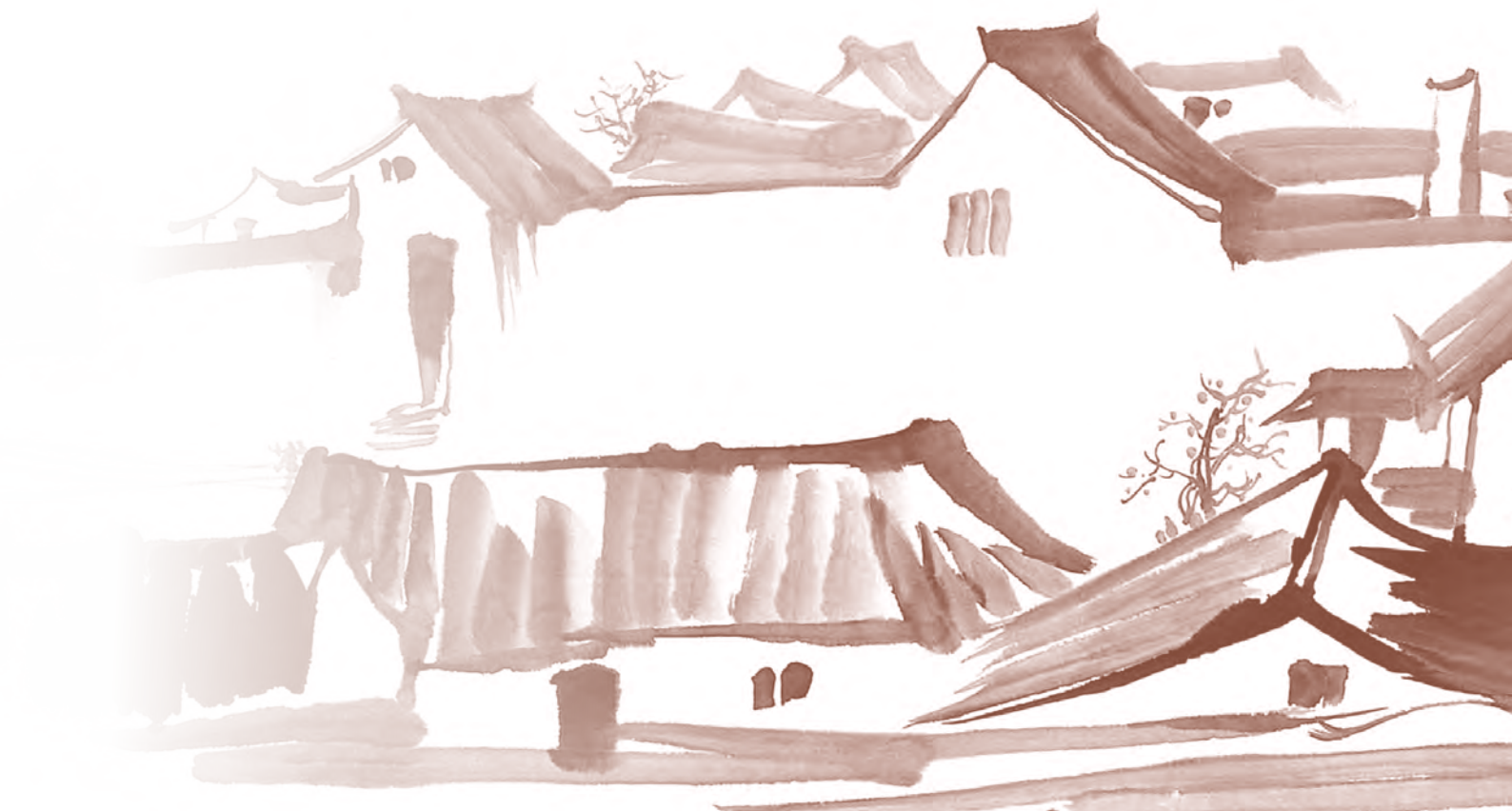
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# CORPORATE INFORMATION

## COMPANY NAME

China Greenland Broad Greenstate Group Company Limited

## PLACE OF LISTING OF SHARES

The Stock Exchange of Hong Kong Limited — main board

## STOCK CODE

1253

## STOCK NAME

GREENLAND BROAD

## BOARD OF DIRECTORS

### Executive Directors

Mr. Wu Zhengping (*Chairman and chief executive officer*)

Ms. Xiao Li (*Deputy general manager*)

Ms. Zhu Wen (*Administrative manager*)

Ms. Chen Min (*Deputy financial controller*)

### Independent Non-executive Directors

Mr. Dai Guoqiang

Dr. Jin Hexian

Dr. Chan Wing Bun

## COMPANY SECRETARY

Ms. Sun Ah Tsang (*Appointed on 1 July 2018*)

## AUTHORIZED REPRESENTATIVES

Ms. Zhu Wen

Ms. Sun Ah Tsang (*Appointed on 1 July 2018*)

## AUDIT COMMITTEE

Dr. Chan Wing Bun (*Chairman*)

Mr. Dai Guoqiang

Dr. Jin Hexian

## REMUNERATION COMMITTEE

Dr. Jin Hexian (*Chairman*)

Mr. Dai Guoqiang

Ms. Zhu Wen

## NOMINATION COMMITTEE

Mr. Dai Guoqiang (*Chairman*)

Ms. Xiao Li

Dr. Jin Hexian

## REGISTERED OFFICE

The offices of Maples Corporate Services Limited

PO Box 309, Ugland House

Grand Cayman, KY1-1104

Cayman Islands

## HEADQUARTERS AND PRINCIPAL PLACE OF BUSINESS IN THE PRC

Floor 8, Block D3, 5th Building, Hongqiao World Center

1588 Lane, Zhuguang Road

Shanghai, PRC

## PLACE OF BUSINESS IN HONG KONG

Level 54, Hopewell Centre

183 Queen's Road East

Hong Kong

## CORPORATE INFORMATION

### AUDITOR

Ernst & Young  
22/F, CITIC Tower  
1 Tim Mei Avenue  
Central  
Hong Kong

### PRINCIPAL BANK

Bank of Shanghai Changning Branch

### COMPANY WEBSITE

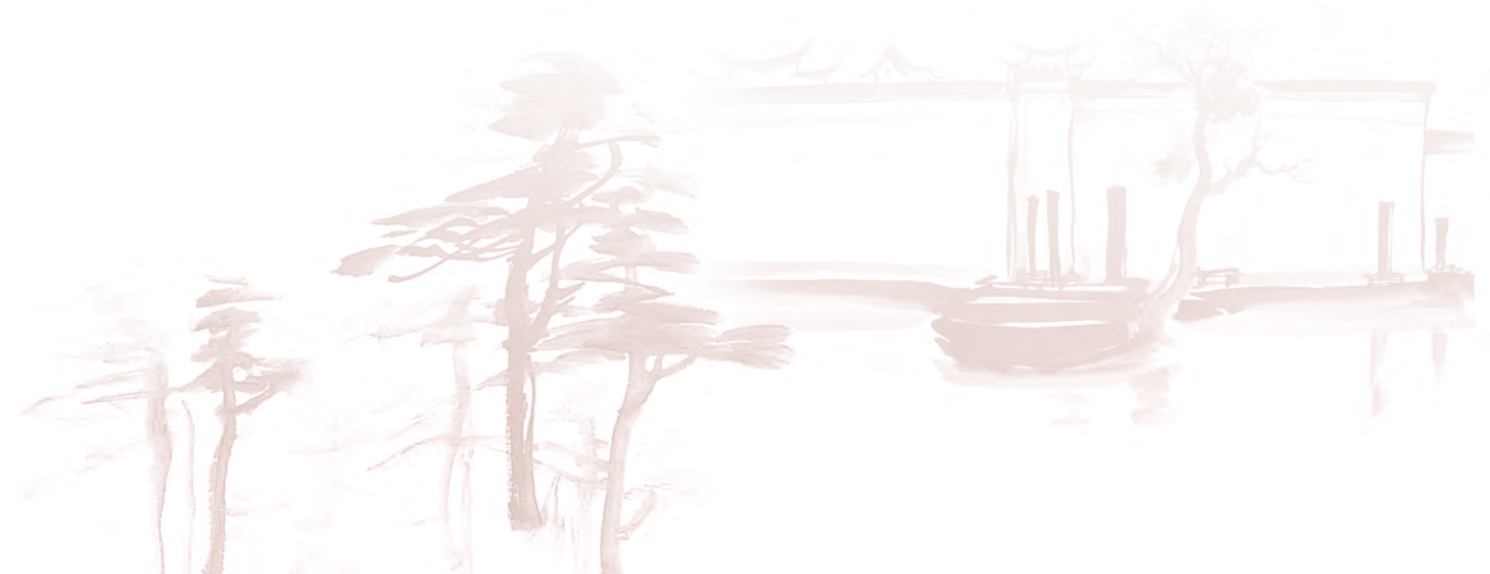
[www.greenland-broadgreenstate.com.cn](http://www.greenland-broadgreenstate.com.cn)

### CAYMAN ISLANDS PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE

Maples Fund Services (Cayman) Limited  
PO Box 1093  
Boundary Hall  
Cricket Square  
Grand Cayman, KY1-1102  
Cayman Islands

### HONG KONG SHARE REGISTRAR AND TRANSFER OFFICE

Tricor Investor Services Limited  
Level 22, Hopewell Centre  
183 Queen's Road East  
Hong Kong



# FINANCIAL SUMMARY

## For the six months ended 30 June

	2018 RMB'000 (Unaudited)	2017 RMB'000 (Unaudited)	Change RMB'000	%
Revenue	617,632	759,197	(141,565)	(18.6)
Gross profit	164,368	213,971	(49,603)	(23.2)
Profit before taxation	84,169	142,260	(58,091)	(40.8)
Net profit attributable to owners of the Parent	65,131	102,746	(37,615)	(36.6)

	30 June 2018 RMB'000 (Unaudited)	31 December 2017 RMB'000 (Audited)	Change RMB'000	%
Total assets	4,302,730	4,015,710	287,020	7.1
Total equity attribute to owners of the Parent	863,853	842,637	21,216	2.5

## For the six months ended 30 June

	2018 (Unaudited)	2017 (Unaudited)
<b>Profit ability ratio (%)</b>		
Gross profit margin	26.6%	28.2%
Net profit margin	10.6%	13.3%
Return on assets	1.5%	3.3%
Return on equity	7.5%	11.9%

	30 June 2018 (Unaudited)	31 December 2017 (Audited)
<b>Working Capital data</b>		
Current ratio (time)	1.1	1.2
Gearing ratio (%)	77.6	74.1



# CHAIRMAN'S STATEMENT

Dear Shareholders,

On behalf of the Board of Directors of China Greenland Broad Greenstate Group Company Limited, and its subsidiaries, I am pleased to present to our shareholders the unaudited consolidated interim results of the Group for the six months ended 30 June 2018. During the Reporting Period, the Group recorded a total revenue of RMB617.6 million. The Group recorded a gross profit and a gross profit margin of RMB164.4 million and 26.6% respectively, and a net profit of RMB65.1 million, which satisfied our expectation and was encouraging.

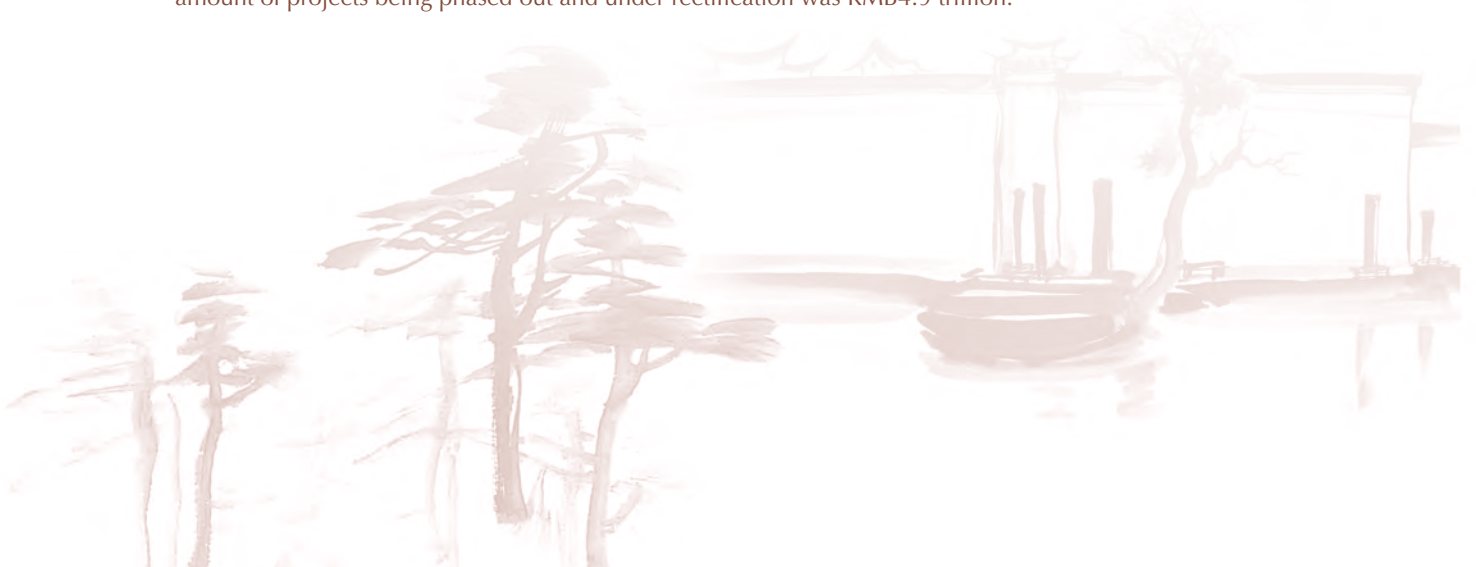
In recent years, while proactively promoting and pushing forward PPP projects, considering that situations occurred during project implementation are not entirely consistent with the policy requirements or intentions, the relevant ministries and commissions have successively promulgated policies and documents in 2017 to rectify and standardize the PPP market. Especially in the second half of 2017, the tightening of financing and regulation at the same time has made business expansion and financing situation extremely severe.

So far, the completion of PPP projects has come to an end. The development of projects will transform from quantitative change to qualitative change, the local debts are expected to decrease, and PPP will finally enter into the normal development track.

With the financing difficulty and strict regulation in the macro-environment, the Group has enhanced project standards, stabilized project operation, balanced the relationship between project development pace and quality, and promoted stable project implementation under regulated market. The results of the Group during the Reporting Period have gradually improved as compared to the second half of last year.

## MARKET REVIEW

Since the Ministry of Finance issued the Notice on Rectifying the Management of PPP Integrated Information Platform of the Government and Social Capital Cooperation (Cai Ban Jin [2017] No. 92) (《關於規範政府和社會資本合作(PPP)綜合信息平台項目庫管理的通知》(財辦金[2017]92號)) in November 2017, the government has strictly regulated the standard for new PPP projects on one hand, and phased out projects in progress on the other hand. In April 2018, on the basis of Notice No. 92, the Ministry of Finance issued the Notice on Further Rectifying the Management of PPP Demonstration Projects of the Government and Social Capital Cooperation (Cai Jin [2018] No. 54) (《關於進一步加強政府和社會資本合作(PPP)示範項目規範管理的通知》(財金[2018]54號)) to further strengthen management of project standardization, enhance information disclosure and build a sound and highly effective management mechanism. As of the first half of 2018, there were accumulatively 1,695 projects under implementation being phased out, involving an investment amount of RMB1.8 trillion, and 2,005 projects being reported for rectification, involving an investment amount of RMB3.1 trillion. The total investment amount of projects being phased out and under rectification was RMB4.9 trillion.





## CHAIRMAN'S STATEMENT

Meanwhile, under the guideline of “structural deleveraging” proposed in the first meeting of the Central Financial and Economic Affairs Commission (中央財經委員會) in April 2018, the central ministries and commissions such as the Ministry of Finance, the State-owned Assets Supervision and Administration Commission of the State Council and Central Bank has issued certain documents in succession, including Notice on Regulating Issues against Financial Behaviors of Local Governments and State-Owned Enterprises by Financial Enterprises (Cai Jin [2018] No. 23) (《關於規範金融企業對地方政府和國有企業投融資行為有關問題的通知》(財金[2018]23號)) and Guidance on Regulating the Asset Management Business of Financial Institutions (Yin Fa [2018] No. 106) (《關於規範金融機構資產管理業務的指導意見》(銀發[2018]106號)). In the near term, the stringent control policies and measures stipulating that funds from liquidation and debts shall not be used as project funds would bring certain effects to the PPP industry.

### Proactive promotion of projects

At present, the Group mainly engaged in ecological construction, actively planning transformation to the ecological construction and promotion of awarded large-scale PPP projects, such as projects under construction in Taiyuan, Xi'an, Quanzhou, Zhaoqing, Nanning, Qishan County and Shanghe Economic Development Zone. On 13 February 2018, the Group, together with The Yellow River Construction Engineering Group Co., Ltd. (黃河建工集團有限公司), an independent third party, has successfully won the bid of the PPP Project for the construction of Nanhu Ecological Cultural Park in Gushi County, with an investment amounting to RMB1.06 billion. The project is expected to commence construction in the third quarter of this year. In addition, while focusing on transformation to the ecological construction, the Group has intensified the promotion of awarded large-scale PPP projects. Currently, the Group's customers mainly consist of local governments and PPP project companies which possess special concession authorized by local governments, accounting for approximately 99% of the Group's total revenue as of 30 June 2018, which was equivalent to the corresponding period in 2017.

### Maintain a favorable relationship of mutual trust among all parties in enhancing financing capacity

With years of hard work in the industry, the Group has established a good reputation and credibility with local governments and state-owned enterprises by winning bids, promoting the implementation of projects and actively cooperating with various organizations. The six major business departments across the country gave full play to their respective regional advantages and explored various possibilities of future cooperation with local authorities so as to exploit the customer resources and plan industries in a reasonable manner. The Group has also carried out the credit financing business with several banks to seek the best financing proposals in order to satisfy the capital requirement of projects through broadening channels for funding.

### Adhere to research and development innovation

During the Reporting Period, on the basis of solid development of construction capacity in ecological construction sector last year, the Group has expanded its environmental restoration business and obtained significant scientific research achievements in a number of environmental restoration technologies, including soil improvement, waste biotechnology and pollutant disposal. Specifically, such achievements are as follows: (1) the Group has developed a comprehensive improvement method for saline soil in Songnen Plains and thus reduced toxic of salinity on plants; (2) the Group has developed a method to prepare seedling substrate from landscaping waste to reduce the toxic of heavy metals on plants. Moreover, in order to better develop the cultural tourism operation of the Group, the research and development department has cultivated new and enhanced quality varieties of seedlings, which not only promoted the uniqueness of the sector, but also reduced the dependence on introduction of foreign plants.





## CHAIRMAN'S STATEMENT

### PROSPECT

The year of 2018 is a transitional year of PPP projects from large-scale development to high-quality development. The scale and development of PPP projects tend to develop in a more rational way during the Reporting Period. The government has also vigorously cracked down on all kinds of violations of discipline, therefore the quality of construction and operation of PPP projects has been further improved.

As of the first half of 2018, the destocking of PPP projects has nearly come to an end. Non-compliant projects have been phased out or required to be rectified, and existing projects basically have meet the requirements. Against the background of “Deleveraging” and “Destocking”, difficulty of financing due to limited bank loan grants, together with high financing costs resulting from high interest rates, have caused adverse effect on the final implementation of some contracted projects and the introduction of new ones. However, it is expected that more optioned situation of “Destocking” will ease the financial strain.

According to statistics, since the introduction of Notice No. 92 until 7 April 2018, a total of 2,011 new PPP projects amounting to an investment of approximately RMB2.8 trillion, and an average of 402 new PPP projects amounting to an investment of RMB550.4 billion per month, have been recorded, representing a growth as compared to both the first half of 2016 and 2017, respectively. High recognition on the PPP project model seen from the market and thus the subsequent PPP projects will bear higher growth potential. In view of the structural change of new PPP projects by industry, the proportion of new PPP projects from ecological environment protection and agriculture were increased correspondingly .

In view of overall planning, the Group's business will basically cover the whole country and focus on the coastal areas due to the great potential of coastal cities either for the development of the “Belt and Road”, the establishment of the “Maritime Silk Road” or the new national environmental protection policies on sponge cities. In addition, the Group will pay close attention to the layout of the northwestern regions, such as Shaanxi Province and the Yunnan, Guizhou and Sichuan regions with abundant tourism resources. The Group has established Shanghai Greenstate Culture and Tourism Co., Ltd.\* (上海綠澤文化旅遊有限公司), a company engaging in cultural and tourism business, hoping to create new revenue sources for traditional landscape PPP projects.

With the strong financial strength and sound customer relationships of Greenland, the Group will continue to deepen its efforts in various cities in the PRC and strive to improve its qualifications to develop a more comprehensive project solution capability and industry competitiveness. The Group will also closely follow the national policy, strengthen and improve its own industrial chain, striving to become an eco-environmental service provider that can provide integrated solutions in the industry by 2020.

**Mr. Wu Zhengping**

*Chairman and Chief Executive Officer*

30 August 2018



# MANAGEMENT DISCUSSION AND ANALYSIS

## INDUSTRY REVIEW

As the report of the 19th CPC National Congress highlighted “speeding up reform of the system for developing an ecological civilization, and building a beautiful China”, the importance of building ecological civilization is evident. In the National Conference on Ecological and Environmental Protection held in May 2018, President Xi Jinping said that the country will channel more energy in promoting ecological civilization and resolve environmental problems, fight a good battle against pollution and push ecological civilization to a new level.

According to the “PPP Blue Book of China: Development Report on PPP Industry in China 2017–2018” debuted in April 2018, 2018 will be an important year for regulated and sustainable development of the PPP model, with “regulated” as the keyword. Although the growth will slow down, the quality will improve gradually; the top-down design of the policies and laws will be accelerated and participation of private capital is encouraged; the PPP financial policies will be improved, while market transparency and information disclosure will be strengthened.

## BUSINESS REVIEW

Local governments and state-owned enterprises remained to be the Group’s major customers. After years of good track record in the industry, the Group is reputable and credible among local governments. The business units and the business development center established by the Group facilitated the PPP projects in full gear together with the investment development department, various relevant industrial entities and the real estate units of Greenland. During the Reporting Period, the Group entered into cooperation framework agreements with Yulin Municipal Government, Zhongxiang Municipal Government, Changyang Municipal Government, Hubei Ecological Protection and Green Development Investment Co., Ltd. and Cultural Tourism Co., Ltd. of Hubei Hongtai Group, etc..

During the Reporting Period, the Group continued to focus on the ecological business, and developed a working plan of “Specializing in the core business of ecological construction, improving the businesses of environmental restoration and cultural tourism operation”. Leveraging on its core competitiveness, the Company fostered strengths and minimized weaknesses based on its actual status and advantages, with a view to improve the operational quality of its projects.

## PROJECTS IN COOPERATING WITH GREENLAND

After Greenland, a Global Fortune 500 Companies, became the Group’s most important strategic shareholder in 2016, the Group is benefited from the industrial synergies brought by the overall strengths in resource of the Greenland. The Group focuses on environmental protection and ecological construction business in the infrastructure construction sector, which are consistent with the main business of Greenland, and, thus, it is able to secure strong financial support for consolidating the Group’s favorable market position. With qualifications granted by municipal governments, construction qualifications and design qualifications as well as strong capital strengths, the Group is capable to secure projects and predominate in the market.



## MANAGEMENT DISCUSSION AND ANALYSIS

### Qualifications and Licenses

Issue authority	Category	License category
Ministry of Housing and Urban-Rural Development of the PRC	Urban landscape construction enterprises qualification certificate	Grade One
Ministry of Housing and Urban-Rural Development of the PRC	General contracting of housing construction works	Special Grade
Ministry of Housing and Urban-Rural Development of the PRC	General contracting of municipal public works construction	Grade One
Ministry of Housing and Urban-Rural Development of the PRC	Professional contracting of steel structure projects	Grade One
Zhejiang Housing and Urban & Rural Construction Department	Professional contracting of mechanical and electrical equipment installation projects	Grade One
Zhejiang Housing and Urban & Rural Construction Department	Professional contracting of construction decoration project	Grade One
Zhejiang Housing and Urban & Rural Construction Department	Professional contracting of foundation projects	Grade One
Ministry of Housing and Urban-Rural Development of the PRC	Scenery landscape design	Grade A
Ministry of Housing and Urban-Rural Development of the PRC	Design qualification for construction engineering professional design	Grade A

### COST CONTROL

For cost control of procurement, with the experience accumulated in the industry in which we have been operating for over a decade since our establishment, the Group is able to source the best suppliers and maintain and optimize cost control in the process of implementing project across the country through searching its information database.

During the Reporting Period, on the basis of maintaining reasonable cost operation model, the Group spent effort to improve its systems and procedures for cost management to have personnel involved in cost contract system well fulfill their respective responsibilities and realize business collaboration, and it also promoted the building of a full life-cycle risk prevention system that covers all processes before, during and after cost control management and contract management. Besides, the Group prioritized the important tasks after overall consideration to ensure business development of the Group are under guarantee by cost contract control management and laws and regulation compliance. Specifically, we prepared a standard guidance checklist for cost inspection and conducted crosscheck regularly; improved the templates of the Group's target cost and contract planning; and established a sound cost database to achieve real-time control over cost. During the Reporting Period, the above mentioned systems and procedures had effectively strengthened the Group's cost control.

### QUALITY CONTROL

Quality safety is extremely essential for ecological construction enterprises as well as for the Group. In the first half of 2018, the Group continued to implement extraordinarily strict control over quality safety on top of regular quality control measures. We improved quality control approval procedure for construction organization and other early stages of project, regulated quality management practices and standards throughout construction process by offering quality control training and other measures, and conducted construction inspection and timely rectification to address management weakness on quality control. As of now, quality management system of the Company has already passed the certification of ISO9001, ISO14001 and OHSAS18001.

## MANAGEMENT DISCUSSION AND ANALYSIS

### RESEARCH AND DEVELOPMENT

Ecological civilization and environment protection cannot sustain without research, development and innovation. During the Reporting Period, the Group continued to promote the synergetic development of the Group's three segments, namely ecological construction, environmental governance and cultural tourism operations. In order to expand its environmental restoration business, the Company has made great scientific progress in various environmental restoration technologies for soil improvement, waste biotechnology, pollutant disposal, and has successfully applied these technologies to various PPP projects, providing a number of solutions to the government while reducing the Company's construction costs. During the Reporting Period, the Group found the solution to improve saline soil condition on Songnen Plain and the solution that utilize garden waste to prepare nursery substrate. In addition, as extension to the latter stages for operating PPP project and in line with the development of the cultural tourism operation segment, the research and development department of the Group cultivates new and superior varieties of seedlings based on specific climate and local culture in different regions of China. Such cultivated plants could elevate uniqueness of our cultural tourism project, reduce our dependence on introduced plants from abroad, improve operational revenue and reduce operational cost.

### FUTURE DEVELOPMENT

In the first half of 2018, the global growth momentum was divided with United States continuing to record strong economic growth, while Europe and Japan recording a reversal in growth momentum. As international economy becomes divided, the Federal Reserve raises interest rate and the trade dispute between United States and China escalates, the economic risks of some emerging market countries increase. Although the economy of China has fallen slightly from the first quarter, and faces uncertainty, the trend of stabilizing and improvement has continued generally with GDP increased by 6.8% compared with the same period of last year.

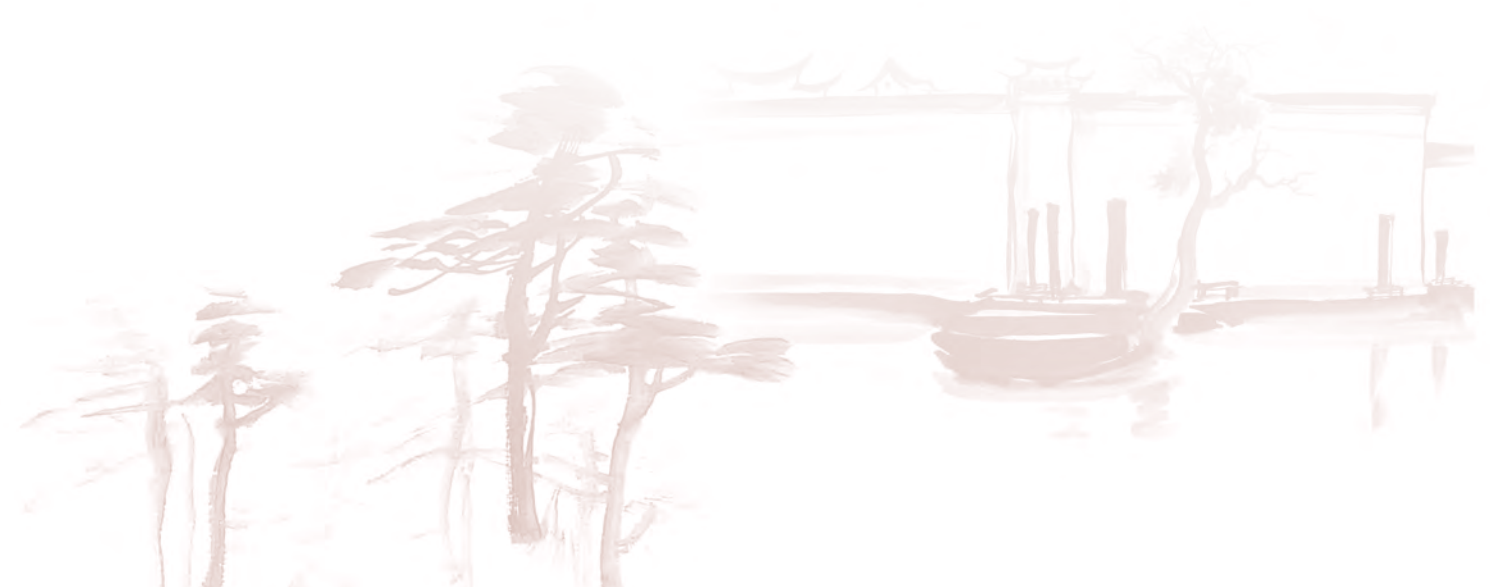
As for the development of PPP, the China PPP Bluebook: "China PPP Industry Development Report (2017–2018)" (the "Bluebook") conveys opinion that the market of state-owned enterprises is broad and the opportunities of private enterprises are prominent in 2018, the connection between the PPP model and the "Belt and Road" initiative becomes closer as the municipal projects decrease and the environmental protection sector warms up, and the requirements for consulting agencies improve. The Bluebook points out that the stable and sustainable development of the PPP model requires enterprises to dedicate to development on the basis of standardization, rationalization and legalization, and suggests to make improvement from four aspects: to improve PPP related laws and regulations, to promote PPP financing through different measures, to strengthen government supervision over PPP projects and to improve the risk prevention mechanism of PPP projects.

Although there is still room for improvement in the PPP market, urban planning policies and such standards as "garden city" and "eco-city" enable local governments to attach importance to ecological landscaping in urban construction. In the future, the Group will continue to take PPP as its major model to expand its business in ecological construction, cultural tourism and environmental governance, as well as promote the awarded large-scale PPP projects. As the regulatory control over PPP projects being reinforced, the Group will select more outstanding PPP projects and implement project precision. In terms of research and development, the Group plans to obtain the relevant qualification for professional contracting of environmental protection projects within five years, and takes soil remediation as its main research and development direction to undertake the construction of soil remediation projects. Meanwhile, the Group has conducted development and research on a number of patented technologies, and made substantial progress in plant cultivation, soil improvement and water ecological treatment. Currently, the Group owns a number of patented technologies and patented products with independent intellectual properties, which is conducive to the further development of the Group's environmental protection business in the future.



## MANAGEMENT DISCUSSION AND ANALYSIS

The steady improvement in economy builds a solid foundation for ecological construction. Since the 19th CPC National Congress, the financial investment and infrastructure construction in China have gradually moved from the originally extensive to more intensive with focus on environmental protection and ecological civilization construction, thus the economy will also gradually change from a medium-to-high speed of growth to steady-state growth. The improvement of the broad environment and people's living standards are crucial to the Group, such an enterprise with ecological construction as its core. In addition, with the increasing urban population and the emerging urbanization issues, the new-type city may become a development trend in the future. In view of the above, the Group expects that many infrastructure facilities will emerge in this area, which provides development opportunities for the Group. By closely following the policy orientation, the Group will be committed to making contribution to the vision of building a beautiful China and achieving technological and environmental protection. After two-year integration, the synergy between the Group and the Greenland will gradually emerge this year, to provide customers with comprehensive "one-stop" ecological construction solutions that contribute to the ecological environment and green development.



# OTHER INFORMATION AND CORPORATE GOVERNANCE HIGHLIGHTS

## CORPORATE INFORMATION AND GLOBAL OFFERING

The Company was incorporated in the Cayman Islands on 22 October 2013 as an exempted company with limited liability, and the Company's Shares were listed on the Main Board of the Stock Exchange on 21 July 2014.

## DIRECTORS' AND CHIEF EXECUTIVES' INTERESTS AND SHORT POSITION IN SHARES, UNDERLYING SHARES AND DEBENTURES

As at 30 June 2018, the interests and short positions of the Directors and the chief executives of the Company in the Shares, underlying Shares or debentures of the Company or its associated corporations (within the meaning of Part XV of the SFO) which were (i) recorded in the register required to be kept under section 352 of the SFO, or (ii) otherwise notified to the Company and the Stock Exchange pursuant to the Model Code were as follows:

Name of Director/ Chief Executive	Nature and Number of Shares/underlying Shares held <sup>(1)</sup>				Approximate Percentage of Issued Share Capital
	Personal interest	Corporate interest	Spouse interest	Total interest	
Mr. Wu Zhengping <sup>(2)(3)(4)</sup>	18,000,000	991,321,041	13,500,000	1,022,821,041	30.60%
Ms. Xiao Li <sup>(2)(3)(4)</sup>	13,500,000	—	1,009,321,041	1,022,821,041	30.60%
Ms. Zhu Wen <sup>(4)</sup>	3,000,000	—	—	3,000,000	0.08%

Notes:

- (1) All the above Shares are held in long position (as defined under Part XV of the SFO).
- (2) Broad Landscape International is owned as to 86.92% and 13.08% by Mr. Wu Zhengping and Ms. Xiao Li and under the SFO, Mr. Wu Zhengping is deemed to be interested in the 991,321,041 Shares by Broad Landscape International.
- (3) Mr. Wu Zhengping is the spouse of Ms. Xiao Li. Under the SFO, Mr. Wu Zhengping is deemed to be interested in the same number of Shares in which Ms. Xiao Li is interested and Ms. Xiao Li is deemed to be interested in the same number of Shares in which Mr. Wu Zhengping is interested.
- (4) The number of underlying Shares in which the Directors hold under the Share Option Scheme are detailed in "Share Option Scheme" section of this interim report.

Save as disclosed above, as of the date of this interim report, so far as is known to any Director or the chief executives of the Company, none of the Directors or the chief executives of the Company had any interests or short positions in the Shares, underlying Shares or debentures of the Company or its associated corporations which were (i) recorded in the register required to be kept under section 352 of the SFO, or (ii) otherwise notified to the Company and the Stock Exchange pursuant to the Model Code.

## OTHER INFORMATION AND CORPORATE GOVERNANCE HIGHLIGHTS

### SUBSTANTIAL SHAREHOLDERS' INTERESTS AND SHORT POSITIONS IN SHARES AND UNDERLYING SHARES

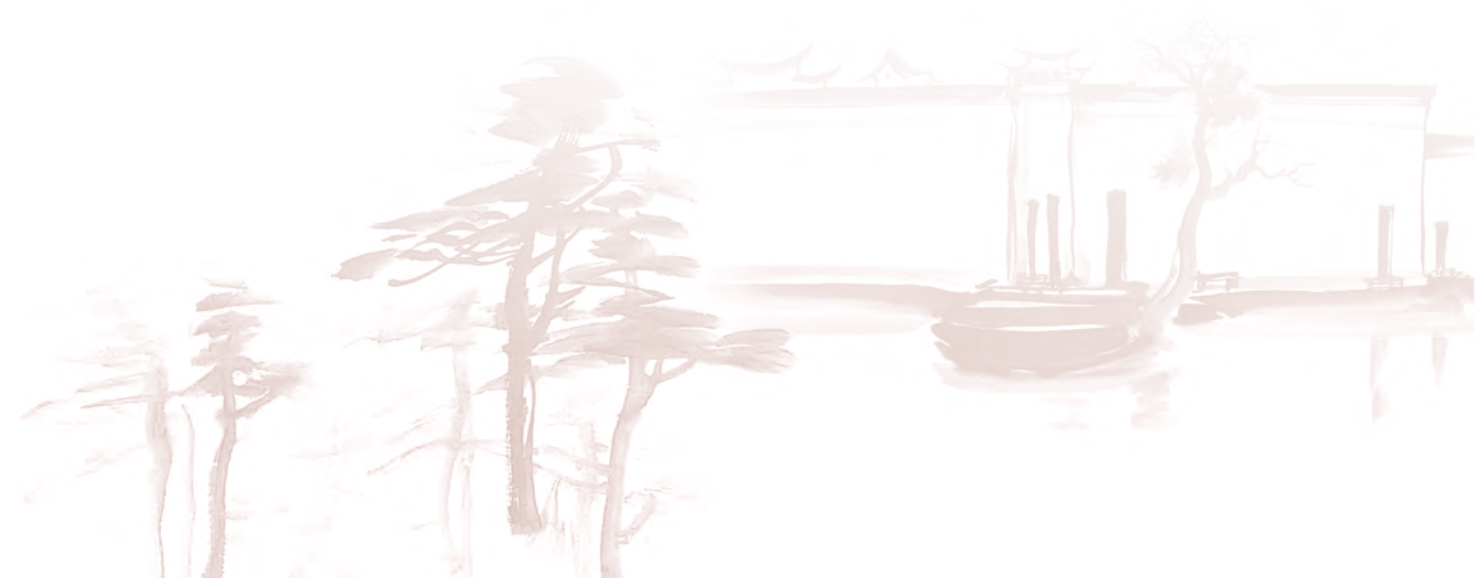
As at 30 June 2018, so far as the Directors are aware, the following persons (not being a Director or chief executive of the Company) had or deemed or taken to have interests or short positions in the Shares or underlying Shares of the Company which would fall to be disclosed under the provisions of Division 2 and 3 of Part XV of the SFO, or which would be required, pursuant to Section 336 of the SFO, to be entered in the register required referred to therein, were as follows:

Name of Shareholder	Nature of Interest	Number of Shares/ underlying Shares held <sup>(1)</sup>	Approximate Percentage of Issued Shares
Broad Landscape International <sup>(2)</sup>	Beneficial owner	991,321,041	29.66%
Eastern Greenstate International <sup>(2)</sup>	Beneficial owner	306,313,662	9.16%
Greenland <sup>(3)</sup>	Interest in a controlled corporation	991,321,041	29.66%
Greenland Financial Holdings Company Limited (綠地金融投資控股集團有限公司) <sup>(3)</sup>	Interest in a controlled corporation	991,321,041	29.66%
Greenland Financial <sup>(3)</sup>	Beneficial owner	991,321,041	29.66%
Cithara Global Multi-Strategy SPC-Series 6 SP	Beneficial owner	235,365,000	7.04%
Cithara Investment International Limited	Investment Manager	236,073,000	7.06%

Notes:

- (1) All the above Shares are held in long position (as defined under Part XV of the SFO).
- (2) Broad Landscape International is owned as to 86.92% and 13.08% by Mr. Wu Zhengping and Ms. Xiao Li and its interest duplicate certain interests of Mr. Wu Zhengping disclosed under the section "Directors' and Chief Executives' Interests and Short Position in Shares, Underlying Shares and Debentures".
- (3) Greenland wholly owns Greenland Financial Holdings Company Limited which in turn wholly owns Greenland Financial so that Greenland and Greenland Financial Holdings Company Limited are deemed to be interested in the Shares in which Greenland Financial is interested for the purpose of Part XV of the SFO.

Save as disclosed above, as of the date of this interim report, the Directors have not been notified by any person (not being the Directors or chief executive of the Company) who had interests or short positions in the Shares or underlying Shares of the Company as recorded in the register required to be kept pursuant to Section 336 of the SFO.



## OTHER INFORMATION AND CORPORATE GOVERNANCE HIGHLIGHTS

### SHARE OPTION SCHEME

The Company conditionally adopted the Share Option Scheme on 25 June 2014, which became effective from the Listing Date.

#### Purpose

The purposes of the Share Option Scheme are to attract and retain the best available personnel, to provide additional incentive to employees, directors, consultants and advisers of the Group and to promote the success of the business of the Group.

#### Participants of the Share Option Scheme

The Board may offer any employee (whether full-time or part-time), Director, consultant or adviser of the Group (the “Eligible Person”) options to subscribe for Shares at a price determined in accordance with the terms of the Share Option Scheme.

#### Maximum number of Shares

The total number of Shares which may be granted under the Share Option Scheme and under any other schemes of the Company shall not in aggregate exceed 10% of the issued share capital of the Company as at the Listing Date, being 306,720,000 Shares (the “Scheme Mandate Limit”) unless Shareholders’ approval has been obtained. Options lapsed in accordance with the Share Option Scheme shall not be counted for the purpose of calculating the Scheme Mandate Limit.

Notwithstanding the foregoing, the Shares which may be issued upon the exercise of all outstanding options granted and yet to be exercised under the Share Option Scheme and any other schemes of the Company shall not exceed 30% of the issued share capital of the Company from time to time.

As at the date of this interim report, a total of 83,702,144 share options, representing 2.50% of the issued share capital of the Company as at the same date, is available for issue under the Share Option Scheme.

#### Maximum entitlement of each participant

Unless approved by the Shareholders in a general meeting in the manner set out in the Share Option Scheme, the total number of Shares issued and to be issued upon the exercise of options granted to each Eligible Person (including exercised, cancelled and outstanding options) in any 12-month period shall not exceed 1% of the relevant class of securities of the Company in issue.

In addition, any options granted to an Eligible Person who is a Director, chief executive or substantial shareholder of the Company or any of their respective associates shall be approved by the independent non-executive Directors (excluding any independent non-executive Director who is proposed to be the grantee). Any options granted to an Eligible Person who is a substantial shareholder, or independent non-executive Director, or their respective associates, which will result in the total number of Shares issued and to be issued upon exercise of all the options granted and to be granted (including options whether exercised, cancelled or still outstanding) to such person in any 12-month period up to and including the date of such grant representing in aggregate over 0.1% of the issued share capital of the Company; and having an aggregate value, based on the closing price of the Shares at the date of each grant, in excess of HK\$5 million, such further grant of options must be approved, in addition to the approval of the independent non-executive Directors, by the Shareholders in general meeting.



## OTHER INFORMATION AND CORPORATE GOVERNANCE HIGHLIGHTS

### Offer period

An offer of grant of an option shall remain open for acceptance by the Eligible person concerned for such period of not less than three business days as determined by the Board, provided that no such offer shall be open for acceptance after the expiry of the Share Option Scheme or after the Share Option Scheme has been terminated in accordance with the provisions thereof. An option may be exercised in whole or in part by the option holder in accordance with the terms of the Share Option Scheme at any time during the exercise period to be notified by the Board to each option holder upon the grant of options, such period shall not exceed ten years from the date of grant of the relevant option.

### Minimum period for which an option must be held before it can be exercised

The Company may specify a minimum holding period and performance conditions which must be satisfied before options can be exercised by the option holders.

### Amount payable for options

Upon acceptance of the option, the grantee shall pay HK\$1.00 to the Company as consideration for the grant, which is in no circumstances be refundable.

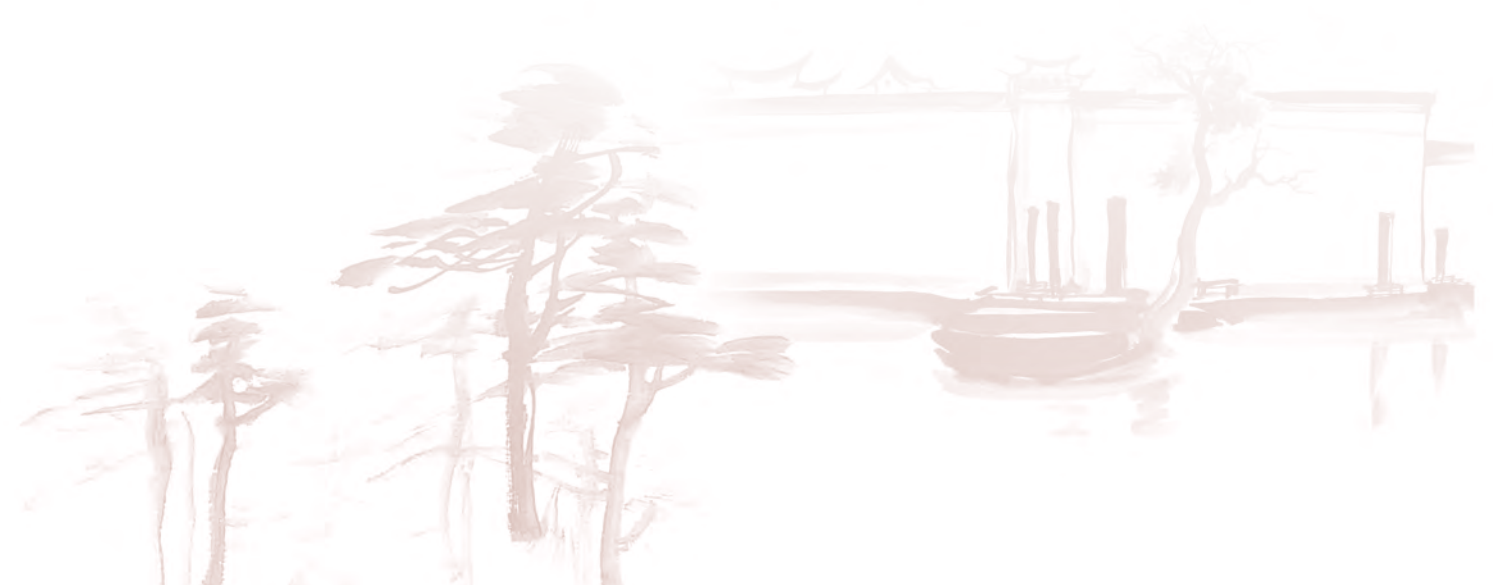
### Basis of determining the exercise price

The amount payable for each Share to be subscribed for under an option pursuant to the Share Option Scheme in the event of the option being exercised shall be determined by the Board and shall be not less than the greater of:

- (i) the closing price of the Shares on the Stock Exchange as stated in the Stock Exchange's daily quotations sheet on the date of grant of the option;
- (ii) the average closing price of the Shares on the Stock Exchange as stated in the Stock Exchange's daily quotations sheets for the five business days immediately preceding the date of grant of the option; and
- (iii) the nominal value of the Shares.

### Life of the Share Option Scheme

The Share Option Scheme will remain in force for a period to be notified by the Board, such period shall not exceed the period of ten (10) years commencing from 25 June 2014. Unless otherwise terminated earlier by the Company by resolution in general meeting or the Board, as at 30 June 2018, the Share Option Scheme has a remaining life of approximately six (6) years.



## OTHER INFORMATION AND CORPORATE GOVERNANCE HIGHLIGHTS

Since the effective date of the Share Option Scheme and up to the end of the Reporting Period, the Company has granted a total of 223,017,856 share options to eligible grantees, including the Company's directors and other employees of the Group, on 1 September 2015 and 12 June 2018, while a total of 36,650,000 shares were lapsed and no share option had been exercised under the Share Option Scheme. Details of the movement in the share options under the Share Option Scheme during the Reporting Period and outstanding as at 30 June 2018 were as follows:

Grantees	Date of grant	Options granted	Number of Options					Held at 30 June 2018	Exercise price per Share (HK\$)	Vesting and Exercise period
			Held at 1 January 2018	Granted during the Reporting Period	Exercised during the Reporting Period	Cancelled/ Forfeited <sup>(1)</sup> during the Reporting Period	Lapsed <sup>(2)</sup> during the Reporting Period			
Wu Zhengping	1 Sept 2015	30,000,000	—	—	—	—	—	1.24	1 Sept 2017–31 Aug 2018	
			6,000,000	—	—	—	6,000,000	—	1 Sept 2018–31 Aug 2019	
			9,000,000	—	—	—	—	9,000,000	—	1 Sept 2019–31 Aug 2020
			9,000,000	—	—	—	—	9,000,000	—	1 Sept 2020–31 Aug 2021
Xiao Li	1 Sept 2015	22,500,000	—	—	—	—	—	1.24	1 Sept 2017–31 Aug 2018	
			4,500,000	—	—	—	4,500,000	—	1 Sept 2018–31 Aug 2019	
			6,750,000	—	—	—	—	6,750,000	—	1 Sept 2019–31 Aug 2020
			6,750,000	—	—	—	—	6,750,000	—	1 Sept 2020–31 Aug 2021
Zhu Wen	1 Sept 2015	5,000,000	—	—	—	—	—	1.24	1 Sept 2017–31 Aug 2018	
			1,000,000	—	—	—	1,000,000	—	1 Sept 2018–31 Aug 2019	
			1,500,000	—	—	—	—	1,500,000	—	1 Sept 2019–31 Aug 2020
			1,500,000	—	—	—	—	1,500,000	—	1 Sept 2020–31 Aug 2021
Zhu Shunshou	12 Jun 2018	6,250,000	1,250,000	—	—	—	—	1.04	12 Jun 2020–11 Jun 2021	
			1,250,000	—	—	—	—	1,250,000	—	12 Jun 2021–11 Jun 2022
			1,875,000	—	—	—	—	1,875,000	—	12 Jun 2022–11 Jun 2023
			1,875,000	—	—	—	—	1,875,000	—	12 Jun 2023–11 Jun 2024
Other employees (in aggregate)	1 Sept 2015	46,250,000	—	—	—	—	—	1.24	1 Sept 2017–31 Aug 2018	
			9,250,000	—	—	4,850,000	4,400,000	—	1 Sept 2018–31 Aug 2019	
			13,875,000	—	—	8,175,000	—	5,700,000	—	1 Sept 2019–31 Aug 2020
			13,875,000	—	—	8,175,000	—	5,700,000	—	1 Sept 2020–31 Aug 2021
	12 Jun 2018	104,017,856	20,803,571	—	—	—	—	20,803,571	1.04	12 Jun 2020–11 Jun 2021
			20,803,571	—	—	—	—	20,803,571	—	12 Jun 2021–11 Jun 2022
			31,205,357	—	—	—	—	31,205,357	—	12 Jun 2022–11 Jun 2023
			31,205,357	—	—	—	—	31,205,357	—	12 Jun 2023–11 Jun 2024

### Notes:

- (1) 21,200,000 share options were forfeited during the Reporting Period.
- (2) As at 30 June 2018, 36,650,000 share options were lapsed, including 15,900,000 shares lapsed during the Reporting Period.
- (3) The closing price of the shares of the Company immediately before the date of grant of options on 12 June 2018 (i.e. 11 June 2018) was HK\$1.01.

## OTHER INFORMATION AND CORPORATE GOVERNANCE HIGHLIGHTS

### DIRECTORS' RIGHTS TO ACQUIRE SHARES OR DEBENTURES

No rights to acquire benefits by means of the acquisition of Shares in or debentures of the Company were granted to any Director or their respective spouse or children under 18 years of age, nor were any such rights exercised by them, nor was the Company or any of its subsidiaries a party to any arrangement to enable the Directors, or their respective spouse or children under 18 years of age, to acquire such rights in any other body corporate throughout the Reporting Period.

### PLEDGE OF SHARES BY CONTROLLING SHAREHOLDER

The 2016 company Facility with Bank of Shanghai (Hong Kong) Limited (the "RMB Lender") has been renewed, pursuant to which the maturity date of the facility of up to RMB75,300,000 shall have a maturity date of 17 May 2019 (the "RMB Facility"), such facility had been entered into between the Company and the RMB Lender for the purpose of financing existing and potential projects, paying final dividend and general working capital of the Company. The RMB Facility will continue to be secured by the Share Charge and the Account Charge.

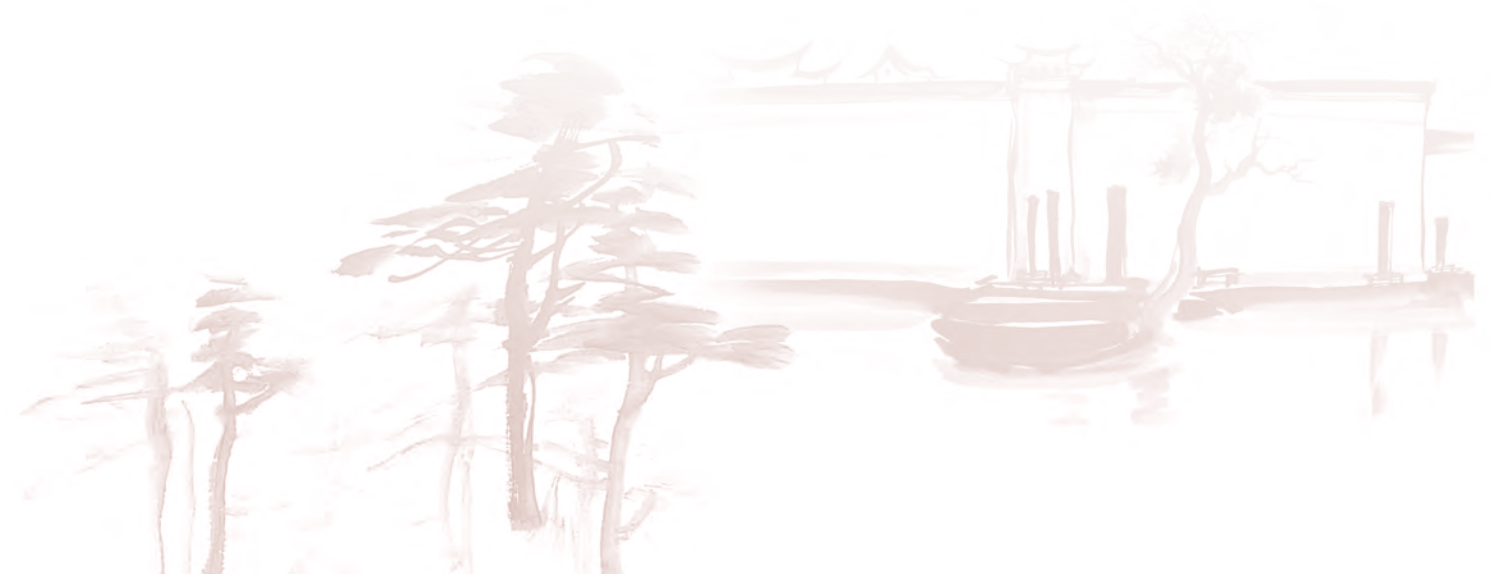
The total number of Shares charged by Broad Landscape International in favour of the RMB Lender to secure the RMB Facility amounts to 350,161,440 Shares, representing approximately 10.47% of the total issued share capital of the Company as at 30 June 2018. As at the date of this interim report, the Share Charge and the Account Charge have not been released.

### 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.

### MATERIAL ACQUISITIONS, DISPOSALS AND SIGNIFICANT INVESTMENTS

During the Reporting Period, the Group had not made any material acquisitions and disposal of subsidiaries and associated companies. As at 30 June 2018, the Group did not hold any significant investments.



## OTHER INFORMATION AND CORPORATE GOVERNANCE HIGHLIGHTS

### 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 its shareholders and to enhance corporate value, accountability and transparency of the Company.

The Company has adopted the principles and code provisions of the CG Code 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 with the exception of code provisions A.2.1 and A.7.1.

Pursuant to code provision A.2.1 of the CG Code, the roles of chairman and the chief executive should be segregated and should not be performed by the same individual. The division of responsibilities between the Chairman and the Chief executive should be clearly established and set out in writing. However, the Company does not have a separate chairman and chief executive officer and Mr. Wu Zhengping currently performs these two roles and accordingly, and there is no written terms setting out the division of responsibilities between the chairman and chief executive. The Board believes that vesting the roles of both chairman and chief executive officer in the same person has the benefit of ensuring consistent leadership within the Group and enables more effective and efficient overall strategic planning for the Group. The Board considers that the balance of power and authority will not be impaired by the present arrangement and this structure will enable the Company to make and implement decisions promptly and effectively. The Board will review the management structure regularly and consider separating the roles of the chairman and chief executive officer if and when appropriate.

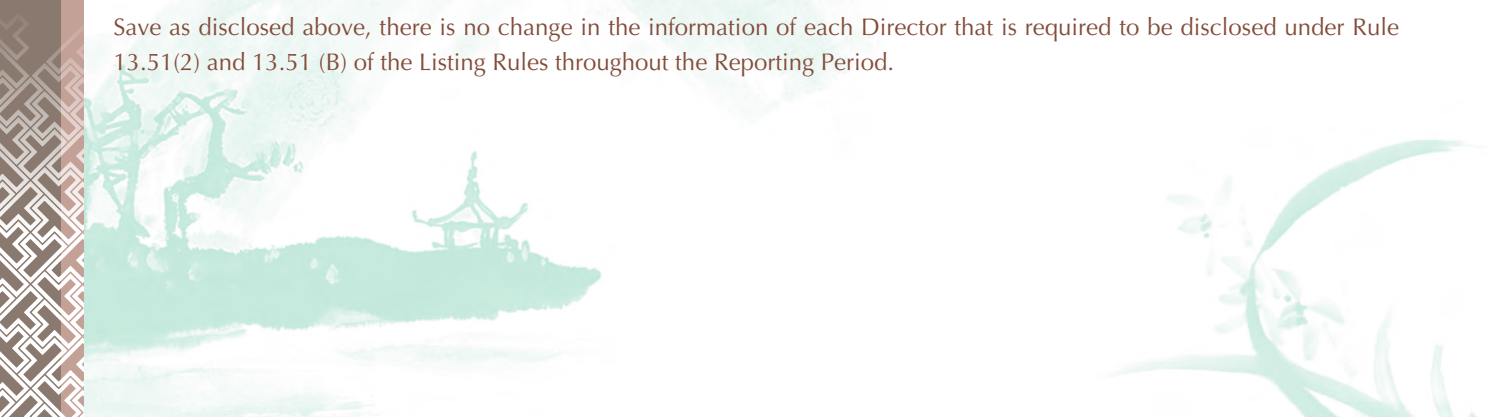
Pursuant to code provision A.7.1 of the CG Code, agenda and full Board papers should be sent to all Directors at least 3 days (or other agreed period) before a regular Board or Board committee meeting. The board papers for the first quarter board meeting of the Company and meetings of the audit, remuneration and nomination committees held on 28 March 2018 approving final results were, however, sent to the Directors less than 3 days before the aforementioned meetings pending the confirmation of some relevant information. Going forward, the Company would arrange to collect the relevant information earlier and ensure that board papers could be dispatched to the Directors in a timely manner.

### UPDATE ON DIRECTORS' INFORMATION

Dr. Chan Wing Bun, an independent non-executive Director of the Company has obtained a license to carry out regulated activities of Type 9 under the Securities and Futures Commission in Hong Kong in June 2018, while the license to carry out regulated activities of Type 1 under the Securities and Futures Commission is revoked.

Dr. Chan has been appointed as Managing Director of Greenland (Asia) Securities (綠地(亞洲)證券公司), a wholly-owned subsidiary of Greenland Financial Holdings Company Limited, a substantial shareholder of the Company with effect from 1 July 2018. In addition, Dr. Chan became a member of the Advisory Committee of China Overseas Security Research Institute (中國海外安全研究所) in May 2018.

Save as disclosed above, there is no change in the information of each Director that is required to be disclosed under Rule 13.51(2) and 13.51 (B) of the Listing Rules throughout the Reporting Period.





## OTHER INFORMATION AND CORPORATE GOVERNANCE HIGHLIGHTS

### EMPLOYEE AND REMUNERATION POLICY

As at 30 June 2018, the Group had 502 full time employees (as at 31 December 2017: 689) in the PRC. During the Reporting Period, the staff cost of the Group was approximately RMB14.3 million (six months ended 30 June 2017: RMB13.7 million).

The employees' remuneration policy is determined by reference to factors such as remuneration information in respect of the local market, the overall remuneration standard in the industry, inflation level, corporate operating efficiency and each employee's qualifications, position, seniority and performance.

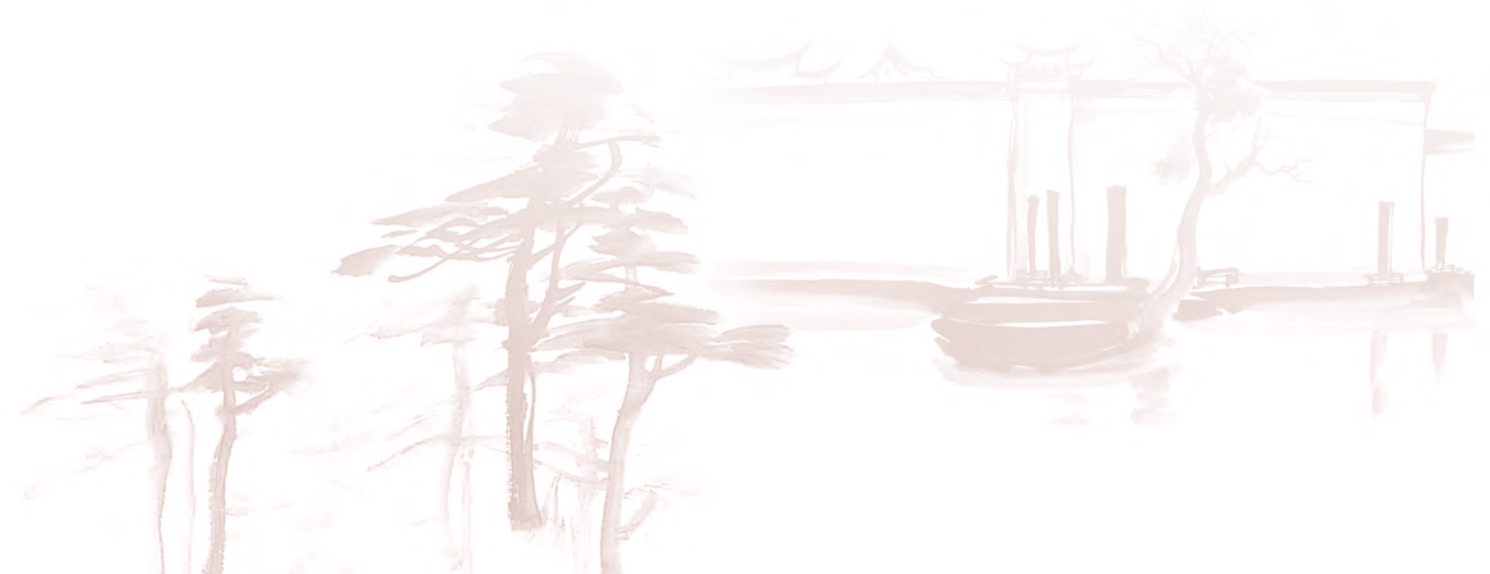
The remuneration package of the employees includes basic wages, allowance, bonuses and other employee benefits. The Group has designed an annual review system to assess the performance of its employees, which forms the basis of determining salary raises, bonuses and promotion.

The Remuneration Committee was set up to establish a formal and transparent procedure for developing policies on remuneration of the Directors and senior management, determine the terms of the specific remuneration package of each executive Director and senior management and review and approve performance-based remuneration by reference to corporate goals and objectives resolved by the Directors from time to time.

### AUDIT COMMITTEE

The Audit Committee was established with terms of reference in compliance with the CG Code, and comprises three members, namely Dr. Chan Wing Bun, 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 unaudited interim results for the Reporting Period and was of the opinion that the preparation of such interim results complied with the applicable accounting standards and requirements and that adequate disclosures have been made.



## OTHER INFORMATION AND CORPORATE GOVERNANCE HIGHLIGHTS

### MODEL CODE FOR SECURITIES TRANSACTIONS

The Company has adopted 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.

### INTERIM DIVIDEND

The Board does not recommend the distribution of any interim dividend for the Reporting Period. (for the six months ended 30 June 2017: nil).



# CONDENSED CONSOLIDATED INTERIM STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the six-month period ended 30 June 2018

	Notes	Six-month period ended 30 June	
		2018 (Unaudited) RMB'000	2017 (Unaudited) RMB'000
<b>REVENUE</b>	5(a)	<b>617,632</b>	759,197
Cost of sales		<b>(453,264)</b>	(545,226)
Gross profit		<b>164,368</b>	213,971
Other income and gains	5(b)	<b>6,638</b>	11,797
Administrative expenses		<b>(60,771)</b>	(61,190)
Finance costs	7	<b>(25,520)</b>	(21,884)
Share of profits and losses of: Joint ventures		<b>(546)</b>	(434)
<b>Profit before tax</b>		<b>84,169</b>	142,260
Income tax expense	8	<b>(18,518)</b>	(41,656)
<b>Profit for the period</b>		<b>65,651</b>	100,604
Attributable to:			
Owners of the Parent		<b>65,131</b>	102,746
Non-controlling interest		<b>520</b>	(2,142)
		<b>65,651</b>	100,604
<b>OTHER COMPREHENSIVE INCOME/(LOSS)</b>			
Other comprehensive income not to be reclassified to profit or loss in subsequent periods:			
Exchange differences on translation of foreign operations		<b>(3,513)</b>	11,112
Net other comprehensive (loss)/income not to be reclassified to profit or loss in subsequent periods		<b>(3,513)</b>	11,112
<b>OTHER COMPREHENSIVE (LOSS)/INCOME FOR THE PERIOD, NET OF TAX</b>		<b>(3,513)</b>	11,112
<b>TOTAL COMPREHENSIVE INCOME FOR THE PERIOD</b>		<b>62,138</b>	111,716
<b>Total comprehensive income attributable to:</b>			
Owners of the parent		<b>61,618</b>	113,858
Non-controlling interests		<b>520</b>	(2,142)
		<b>62,138</b>	111,716
Earnings per share attributable to ordinary equity holders of the Parent:			
Basic and diluted			
— For profit for the period	10	<b>0.02</b>	0.03

The notes on pages 27 to 61 are an integral part of these consolidated financial statements.

# CONDENSED CONSOLIDATED INTERIM STATEMENT OF FINANCIAL POSITION

As at 30 June 2018

	<i>Notes</i>	30 June 2018 (Unaudited) RMB'000	31 December 2017 (Audited) RMB'000
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment	11	35,983	31,934
Investment properties	12	18,715	19,079
Prepaid land lease payments	13	586	594
Goodwill		8,758	8,378
Other intangible assets	14	62,905	64,544
Investment in joint ventures		159,685	108,397
Available-for-sale investments	15	10,237	7,296
Construction contracts	16	487,127	537,618
Prepayments, deposits and other receivables	19	53,523	47,616
Deferred tax assets		18,868	20,117
Pledged deposits		38,718	53,518
<b>Total non-current assets</b>		<b>895,105</b>	899,091
<b>CURRENT ASSETS</b>			
Construction contracts	16	964,308	667,134
Biological assets	17	70,660	40,413
Trade receivables	18	1,813,019	1,640,557
Prepayments, deposits and other receivables	19	353,500	220,720
Pledged deposits		7,500	25,500
Cash and cash equivalents	20	198,638	522,295
<b>Total current assets</b>		<b>3,407,625</b>	3,116,619
<b>CURRENT LIABILITIES</b>			
Corporate bonds	21	262,650	261,609
Trade and bills payables	22	1,882,676	1,736,386
Other payables and accruals	23	337,504	269,887
Interest-bearing bank borrowings	24	292,162	253,069
Tax payable		173,145	156,240
<b>Total current liabilities</b>		<b>2,948,137</b>	2,677,191
<b>NET CURRENT ASSETS</b>		<b>459,488</b>	439,428
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<b>1,354,593</b>	1,338,519



# CONDENSED CONSOLIDATED INTERIM STATEMENT OF FINANCIAL POSITION

As at 30 June 2018

	<i>Notes</i>	30 June 2018 (Unaudited) RMB'000	31 December 2017 (Audited) RMB'000
<b>NON-CURRENT LIABILITIES</b>			
Interest-bearing bank and other borrowings	24	415,200	415,200
Deferred tax liabilities		10,068	10,334
Total non-current liabilities		425,268	425,534
<b>NET ASSETS</b>		<b>929,325</b>	<b>912,985</b>
<b>EQUITY</b>			
<b>Equity attributable to owners of the Parent</b>			
Share capital	25	66,396	66,396
Other reserves	27	797,457	776,241
		863,853	842,637
<b>Non-controlling interests</b>		<b>65,472</b>	<b>70,348</b>
<b>Total equity</b>		<b>929,325</b>	<b>912,985</b>

**Mr. Wu Zhengping**  
Director

**Ms. Xiao Li**  
Director

The notes on pages 27 to 61 are an integral part of these consolidated financial statements.

# CONDENSED CONSOLIDATED INTERIM STATEMENT OF CHANGES IN EQUITY

For the six-month period ended 30 June 2018

	Notes	Attributable to owners of the parent						Non-controlling interests	Total equity	
		Share capital	Share premium account	Share option reserve	Other reserve	Exchange fluctuation reserve	Retained profits			
		RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	
<b>At 1 January 2017</b>		65,602	180,536*	9,528*	3,471*	(27,241)*	419,221*	651,117	900	652,017
Profit for the year		—	—	—	—	—	102,746	102,746	(2,142)	100,604
Other comprehensive income for the year:										
Exchange differences related to foreign operations		—	—	—	—	11,112	—	11,112	—	11,112
<b>Total comprehensive income for the year</b>		—	—	—	—	11,112	102,746	113,858	(2,142)	111,716
Acquisition of a subsidiary		794	44,604	—	—	—	—	45,398	49,939	95,337
Equity-settled share option arrangements	26	—	—	2,429	—	—	—	2,429	—	2,429
Dividend declared	9	—	(35,031)	—	—	—	—	(35,031)	—	(35,031)
Transfer to non-controlling interest		—	—	—	—	—	—	—	20,580	20,580
<b>At 30 June 2017</b>		66,396	190,109*	11,957*	3,471*	(16,129)*	521,967*	777,771	69,277	847,048

\* These reserve accounts comprise the consolidated other reserves of RMB711,375,000 (2016: RMB585,515,000) in the consolidated statement of financial position.

	Notes	Attributable to owners of the parent						Non-controlling interests	Total equity	
		Share capital	Share premium account	Share option reserve	Other reserve	Exchange fluctuation reserve	Retained profits			
		RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	
<b>At 1 January 2018</b>		66,396	190,109*	9,124*	3,471*	(1,303)*	574,840*	842,637	70,348	912,985
Profit for the year		—	—	—	—	—	65,131	65,131	520	65,651
Other comprehensive income for the year:										
Exchange differences related to foreign operations		—	—	—	—	(3,513)	—	(3,513)	—	(3,513)
<b>Total comprehensive income for the year</b>		—	—	—	—	(3,513)	65,131	61,618	520	62,138
Acquisition of a non-controlling interest	28	—	(3,123)	—	—	—	—	(3,123)	(13,372)	(16,495)
Disposal of a subsidiary	29	—	—	—	—	—	—	—	(360)	(360)
Equity-settled share option arrangements	26	—	—	1,221	—	—	—	1,221	—	1,221
2018 Dividend declared	9	—	(38,500)	—	—	—	—	(38,500)	—	(38,500)
Transfer to non-controlling interest		—	—	—	—	—	—	—	8,336	8,336
<b>At 30 June 2018</b>		66,396	148,486*	10,345*	3,471*	(4,816)*	639,971*	863,853	65,472	929,325

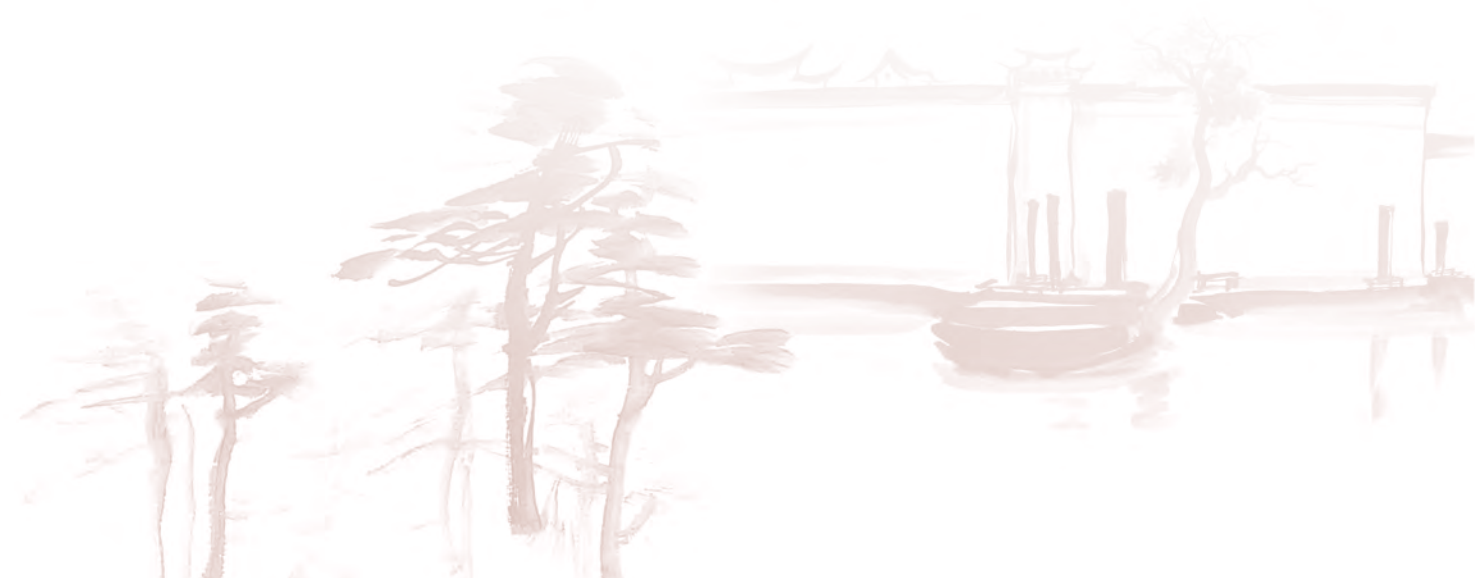
\* These reserve accounts comprise the consolidated other reserves of RMB797,457,000 (2017: RMB711,375,000) in the consolidated statement of financial position.

The notes on pages 27 to 61 are an integral part of these consolidated financial statements.

# CONDENSED CONSOLIDATED INTERIM STATEMENT OF CASH FLOWS

For the six-month period ended 30 June 2018

	Notes	Six-month period ended 30 June	
		2018 (Unaudited) RMB'000	2017 (Unaudited) RMB'000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Profit before tax		84,169	142,260
Adjustments for:			
Share of profits and losses of a joint venture		16	434
Gain on acquisition of a subsidiary	5(b)	—	(9,924)
Depreciation of items of property, plant and equipment	6, 11	2,834	1,116
Depreciation of items of investment properties	6, 12	364	—
Amortisation of other intangible assets	6, 14	1,834	956
Amortisation of prepaid land lease payment	6, 13	8	5
Impairment for trade receivables	18	4,053	18,359
Gain on disposal of items of property, plant and equipment	6	(26)	—
Loss on disposal of a subsidiary	29	530	—
Finance costs	7	25,520	21,884
Equity-settled share option expense	6, 26	1,221	2,429
		<b>120,523</b>	<b>177,519</b>
Decrease/(increase) in trade receivables		(177,034)	215,989
Decrease/(increase) in prepayments, deposits and other receivables		(157,769)	59,629
Decrease/(increase) in biological assets		(479)	395
Increase in construction contracts		(246,683)	(627,025)
Increase in trade payables and bills payables		148,329	198,408
Increase in other payables and accruals		55,609	88,509
		<b>(257,504)</b>	<b>113,424</b>
<b>Cash generated from/(used in) operations</b>		<b>(257,504)</b>	<b>113,424</b>
PRC tax paid		(630)	(5,018)
		<b>(258,134)</b>	<b>108,406</b>
<b>Net cash flows from/(used in) operating activities</b>		<b>(258,134)</b>	<b>108,406</b>



# CONDENSED CONSOLIDATED INTERIM STATEMENT OF CASH FLOWS

For the six-month period ended 30 June 2018

	Notes	Six-month period ended 30 June	
		2018 (Unaudited) RMB'000	2017 (Unaudited) RMB'000
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Purchase of items of property, plant and equipment	11	(8,336)	(4,497)
Purchase of other intangible assets	14	(195)	—
Purchases of available-for-sale investments	15	(2,941)	(4,017)
Proceeds from disposal of items of property, plant and equipment	6, 11	1,454	3,315
Purchase of a shareholding in a joint venture		(56,305)	—
Disposal of a subsidiary net of cash	29	(126)	—
Acquisition of subsidiaries	28	3,447	(35,878)
Acquisition of a non-controlling interest		(7,921)	—
<b>Net cash flows used in investing activities</b>		<b>(70,923)</b>	<b>(41,077)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
New bank loans		182,870	335,553
Repayments of bank loans		(144,065)	(344,358)
Capital contribution from non-controlling interests	28	—	20,580
Dividends paid	9	(38,500)	(35,031)
Interest paid		(27,613)	(17,277)
<b>Net cash flows used in financing activities</b>		<b>(27,308)</b>	<b>(40,533)</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>		<b>(356,365)</b>	<b>26,796</b>
Cash and cash equivalents at beginning of the period		601,313	127,860
Effect of foreign exchange rate changes, net		(92)	—
<b>Cash and cash equivalents at end of the period</b>		<b>244,856</b>	<b>154,656</b>

The notes on pages 27 to 61 are an integral part of these consolidated financial statements.



# NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

For the six-month period ended 30 June 2018

## 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, Uglund House, Grand Cayman KY1-1104, Cayman Islands.

The Company is an investing holding company. During the Reporting Period, 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 companies and the ultimate holding companies of the Company are Broad Landscape International Company Limited ("Broad Landscape International") at the end of the Reporting Period.

Particulars of the Company's principal subsidiaries are as follows:

Name	Place of incorporation/ registration and business	Date of incorporation	Nominal value of issued ordinary/ registered share capital	Percentage of equity attributable to the Company				Principal activities
				31 December 2017		30 June 2018		
				direct	indirect	direct	indirect	
Greenstate Times	BVI	30 October 2013	USD50,000	100%	—	100%	—	Investment holding
Greenstate International	Hong Kong	12 November 2013	HKD10,000	—	100%	—	100%	Investment holding
Shanghai Qianyi <sup>f</sup>	People's Republic of China (The "PRC")/ Mainland China	26 December 2013	USD37,000,000	—	100%	—	100%	Investment holding
Shanghai Qianyi Investing Company Limited <sup>f</sup>	PRC/Mainland China	20 May 2015	RMB2,000,000	—	100%	—	100%	Investment holding
Shanghai Greenstate Business Management Company Limited <sup>f</sup>	PRC/Mainland China	15 June 2004	RMB32,000,000	—	100%	—	100%	Landscaping
Broad Greenstate Ecological <sup>f</sup>	PRC/Mainland China	1 July 1999	RMB1,050,000,000	—	100%	—	100%	Landscaping
Shanghai Greenstate Gardening Company Limited ("Greenstate Gardening") <sup>f</sup>	PRC/Mainland China	17 September 2004	RMB5,000,000	—	100%	—	100%	Landscaping
Shanxi Broad Weiye Landscape Engineering Company Limited <sup>f</sup>	PRC/Mainland China	11 September 2013	RMB2,000,000	—	55%	—	55%	Landscaping

# NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

For the six-month period ended 30 June 2018

## 1. CORPORATE AND GROUP INFORMATION (Continued)

Name	Place of incorporation/ registration and business	Date of incorporation	Nominal value of issued ordinary/ registered share capital	Percentage of equity attributable to the Company				Principal activities
				31 December 2017		30 June 2018		
				direct	indirect	direct	indirect	
Zhejiang Greenstate Ecological Gardening Company Limited <sup>‡</sup>	PRC/Mainland China	14 April 2015	RMB30,000,000	—	100%	—	100%	Landscaping
Shanghai Dongjiang Building Survey and Design Engineering Co., Ltd. <sup>‡</sup>	PRC/Mainland China	26 March 2010	RMB13,000,000	—	100%	—	100%	Design
Shanghai Dongjiang Building Landscape Engineering Co., Ltd. (“Dongjiang Landscape”) <sup>‡</sup>	PRC/Mainland China	25 May 2010	RMB10,000,000	—	100%	—	100%	Landscaping
Shanghai Bifu Investment Center LLP <sup>‡</sup>	PRC/Mainland China	31 December 2015	RMB190,000,000	—	100%	—	100%	Investment holding
Yuzhou Shenhou Old Town Protection Construction Co., Ltd. <sup>‡</sup>	PRC/Mainland China	12 May 2016	RMB50,000,000	—	90%	—	90%	Project management
Hangzhou Xiaoshan Jiangnan Garden Construction Co., Ltd. <sup>‡</sup>	PRC/Mainland China	11 January 1996	RMB100,000,000	—	60%	—	60%	Landscaping
Zhongbo Construction Engineering Group Co., Ltd. <sup>‡</sup>	PRC/Mainland China	16 January 2002	RMB321,000,000	—	51%	—	85%	Landscaping
Shanghai Luyou Investment Center LLP <sup>‡</sup>	PRC/Mainland China	14 October 2015	RMB20,000,000	—	80%	—	80%	Investment Holding
Shanghai Qingfu Business Management Consulting Center LLP <sup>‡</sup>	PRC/Mainland China	17 March 2017	RMB20,000,000	—	96%	—	96%	Investment Holding
Shanghai Zhaofu Business Management Consulting Center LLP <sup>‡</sup>	PRC/Mainland China	30 December 2016	RMB20,000,000	—	100%	—	100%	Investment Holding
Shanghai City Investment Virescence Technology Development LLP <sup>‡</sup>	PRC/Mainland China	10 March 1994	RMB36,000,000	—	15%	—	75%	Landscaping

<sup>‡</sup> Registered as domestic companies with limited liability under the laws of the PRC.

The above table lists the subsidiaries of the Company which, in the opinion of the directors, principally affected the results for the Reporting Period or formed a substantial portion of the net assets of the Group. To give details of other subsidiaries would, in the opinion of the directors, result in particulars of excessive length.

# NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

For the six-month period ended 30 June 2018

## 2.1 BASIS OF PRESENTATION

These unaudited interim condensed consolidated financial statements for the six months ended 30 June 2018 have been prepared in accordance with Hong Kong Accounting Standard 34 Interim financial reporting and the disclosure requirements of the Rules Governing the listing of securities on the Stock Exchange.

The interim condensed consolidated financial statements are presented in Renminbi (“RMB”) and all values are rounded to the nearest thousand except when otherwise indicated. These interim condensed consolidated financial statements have not been audited. These interim condensed consolidated financial statements were approved and authorized for issue by the Board on 30 August 2018.

The interim financial information does not include all the information and disclosures required in the financial statements, and should be read in conjunction with the Group’s audited financial statements for the year ended 31 December 2017, which have been prepared in accordance with Hong Kong Financial Reporting Standards (“HKFRSs”).

## 2.2 SIGNIFICANT ACCOUNTING POLICIES

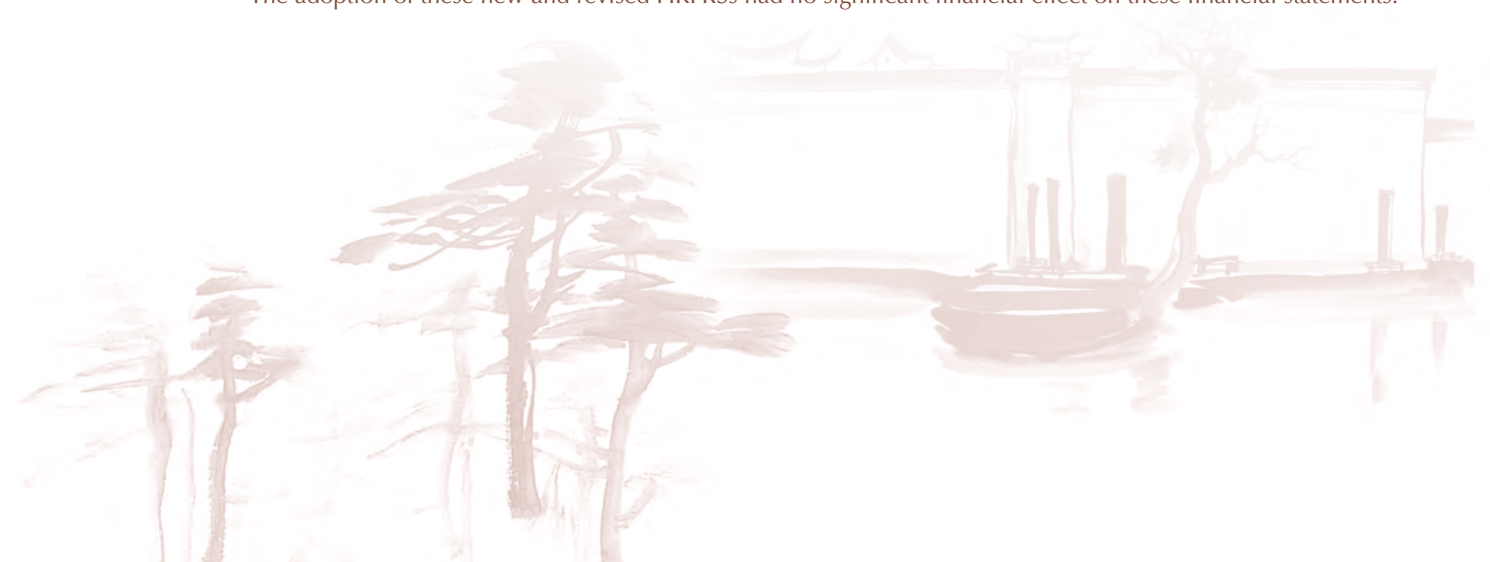
The accounting policies adopted in the preparation of the condensed consolidated financial statements are consistent with those followed in the preparation of the Group’s annual consolidated financial statements for the year ended 31 December 2017, except for the adoption of new standards and interpretations effective as of 1 January 2018.

Taxes on income in the period are accrued using the tax rate that would be applicable to expected total annual earnings.

The following new standard and amendment to standards are mandatory for the first time for the financial year beginning 1 January 2018:

Amendments to HKFRS 2	<i>Classification and Measurement of Share-based Payment Transactions</i>
HKFRS 9	<i>Financial Instruments</i>
HKFRS 15	<i>Revenue from Contracts with Customers</i>
Amendments to HKFRS 15	<i>Clarifications to HKFRS 15 Revenue from Contracts with Customer</i>
Amendments to HKAS 40	<i>Transfers of Investment Property</i>
HK(IFRIC)-Int 22	<i>Foreign Currency Transactions and Advance Consideration</i>
<i>Annual Improvements 2014–2016 Cycle</i>	Amendments to HKFRS 1 and HKAS 28

The adoption of these new and revised HKFRSs had no significant financial effect on these financial statements.



## NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

For the six-month period ended 30 June 2018

### 2.3 ISSUED BUT NOT YET EFFECTIVE HONG KONG FINANCIAL REPORTING STANDARDS

The Group has not applied the following new and revised HKFRSs, that have been issued but are not yet effective, in these financial statements.

Amendments to HKFRS 9	<i>Prepayment Features with Negative Compensation</i> <sup>1</sup>
Amendments to HKFRS 10 and HKAS 28 (2011)	<i>Sale or Contribution of Assets between an Investor and its Associate or Joint Venture</i> <sup>3</sup>
HKFRS 16	<i>Leases</i> <sup>1</sup>
HKFRS 17	<i>Insurance Contracts</i> <sup>2</sup>
Amendments to HKAS 28	<i>Long-term Interests in Associates and Joint Ventures</i> <sup>1</sup>
HK(IFRIC)-Int 23	<i>Uncertainty over Income Tax Treatments</i> <sup>1</sup>
<i>Annual Improvements 2015–2017 Cycle</i>	Amendments to HKFRS 3, HKFRS 11, HKAS 12 and HKAS 23 <sup>2</sup>

<sup>1</sup> Effective for annual periods beginning on or after 1 January 2019

<sup>2</sup> Effective for annual periods beginning on or after 1 January 2021

<sup>3</sup> No mandatory effective date yet determined but available for adoption

The Group is in the process of making an assessment of the impact of these new and revised HKFRSs upon initial application. So far, the Group considers that these new and revised HKFRSs are unlikely to have a significant impact on the Group's results of operations and financial position.

### 3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES

The preparation of condensed consolidated interim financial information requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expenses. Actual results may differ from these estimates.

In preparing these condensed consolidated interim financial information, the significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements for the year ended 31 December 2017.





## NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

For the six-month period ended 30 June 2018

### 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 landscape. No operating segments have been aggregated to form the above reportable operating segment.

#### Information about geographical area

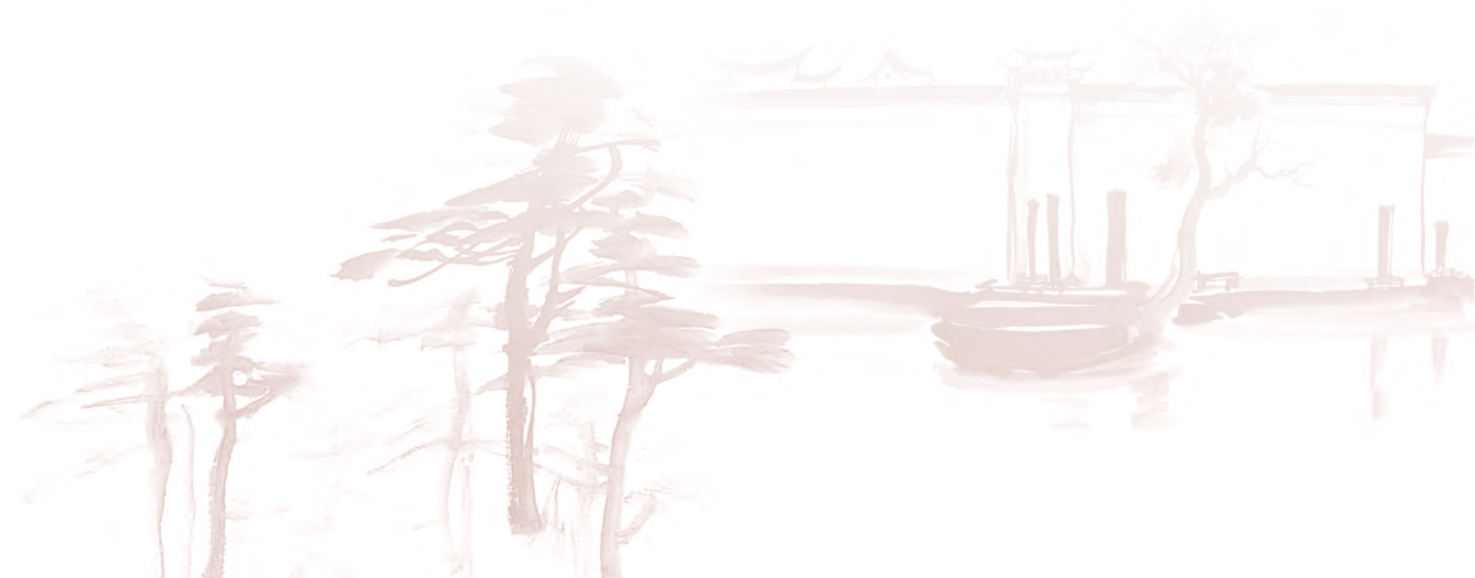
Since over 90% of the Group's revenue and operating profit were generated from Mainland China and over 90% of the Group's identifiable assets and liabilities were located in Mainland China, no geographical information is presented in accordance with HKFRS 8 *Operating Segments*.

#### Information about major customers

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

	Six-month period ended 30 June	
	2018 (Unaudited) RMB'000	2017 (Unaudited) RMB'000
Customer A	241,917	358,643
Customer B	76,087	—
Customer C	*	181,476

\* Less than 10% of the total revenue.



## NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

For the six-month period ended 30 June 2018

### 5. REVENUE, OTHER INCOME AND GAINS

Revenue represents an appropriate proportion of contract revenue of construction contracts and the value of services rendered during the Reporting Period.

An analysis of revenue, other income and gains is as follows:

#### (a) Revenue:

	Six-month period ended 30 June	
	2018 (Unaudited) RMB'000	2017 (Unaudited) RMB'000
Construction contracts	613,085	758,667
Rendering of services	4,547	530
	<b>617,632</b>	<b>759,197</b>

#### (b) Other income and gains:

	Notes	Six-month period ended 30 June	
		2018 (Unaudited) RMB'000	2017 (Unaudited) RMB'000
Bank interest income		1,197	748
Other interest income*		4,782	4,069
Government grants**		965	885
Gain on Acquisition of a subsidiary	28	—	9,924
Foreign exchange difference, net		(343)	(4,022)
Others		37	193
		<b>6,638</b>	<b>11,797</b>

\* The construction revenue is measured at the fair value of the consideration received or receivable which is determined by discounting all future receipts using an imputed rate of interest. The difference between the fair value and the nominal amount of the consideration is recognised as other interest income.

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

## NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

For the six-month period ended 30 June 2018

### 6. PROFIT BEFORE TAX

The Group's profit before tax is arrived after charging:

	Notes	Six-month period ended 30 June	
		2018 (Unaudited) RMB'000	2017 (Unaudited) RMB'000
Cost of construction contracts		452,624	544,719
Cost of services provided		640	507
Employee benefit expenses			
Wages and salaries		12,813	8,354
Pension scheme contribution		4,205	2,879
Share option contributions	26	1,221	2,429
		<b>18,239</b>	13,662
Depreciation of items of property, plant and equipment	11	2,834	1,116
Depreciation of items of investment properties	12	364	—
Amortisation of other intangible assets*	14	1,834	956
Amortisation of prepaid land lease payment	13	8	5
Impairment of trade receivables	18	4,053	18,359
Consulting fees		4,516	1,048
Auditors' remuneration		1,200	852
Gain on disposal of items of property, plant and equipment		(26)	—
Loss on disposal of a subsidiary	29	530	—
Minimum lease payments under operating lease:			
Land and buildings		6,031	2,313

\* The amortisation of other intangible assets for the Reporting Period is included in "Administrative expenses" in the consolidated statement of profit or loss and other comprehensive income.

### 7. FINANCE COSTS

	Six-month period ended 30 June	
	2018 (Unaudited) RMB'000	2017 (Unaudited) RMB'000
Interest on bank loans and other loans	18,604	9,543
Interest on corporate bonds	6,916	12,341
	<b>25,520</b>	21,884

## NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

For the six-month period ended 30 June 2018

### 8. INCOME TAX EXPENSE

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 countries (or jurisdictions) in which the Group operates.

	Six-month period ended 30 June	
	2018 (Unaudited) RMB'000	2017 (Unaudited) RMB'000
Current — PRC		
Charge for the Reporting Period	17,535	46,441
Deferred tax	983	(4,785)
<b>Total tax charge for the Reporting Period</b>	<b>18,518</b>	<b>41,656</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 on any business in the BVI.

On 16 March 2007, the National People's Congress promulgated the Law of the People's Republic of China on Enterprise Income Tax (the "New EIT Law") by order No. 63 of the President of the PRC which became effective from 1 January 2008. On 6 December 2007, the State Council issued the Implementation Regulation of the New EIT Law. Pursuant to the New EIT Law and Implementation Regulation, a uniform income tax rate of 25% was imposed on both domestic and foreign-invested enterprises from 1 January 2008. On 22 April 2009, the State Administration of Taxation issued State Tax Letter No. 203 about preferential income tax rate on new hi-technology enterprises. This letter states that an income tax rate of 15% is imposed on new hi-technology enterprises. Broad Greenstate Ecological applied for the recognition of new hi-technology enterprise, which was approved on 23 November 2017.





## NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

For the six-month period ended 30 June 2018

### 8. INCOME TAX EXPENSE (Continued)

A reconciliation of the tax expense applicable to profit before tax at the statutory rates for the countries (or jurisdiction) in which the Company and the majority of its subsidiaries are domiciled to the tax expense at the effective tax rates is as follows:

	Six-month period ended 30 June	
	2018 (Unaudited) RMB'000	2017 (Unaudited) RMB'000
Profit before tax	84,169	142,260
Tax at the statutory tax rate (25%)	21,042	35,565
Profits and losses attributable to joint ventures	136	109
Lower tax rate enacted by local authority	(7,589)	4,760
Adjustments in respect of current tax of previous periods	631	—
Tax losses not recognised	3,946	938
Expenses not deductible for tax	352	284
Tax charge at the Group's effective rate	18,518	41,656

### 9. DIVIDENDS

	Six-month period ended 30 June	
	2018 (Unaudited) RMB'000	2017 (Unaudited) RMB'000
Proposed and paid final — HK1.4 cents (30 June 2017: HK1.2 cents) per ordinary share	38,500	35,031

The proposed and paid final dividend for the year ended 2017 was approved by the Company's shareholders at the annual general meeting.



## NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

For the six-month period ended 30 June 2018

### 10. EARNINGS PER SHARE ATTRIBUTABLE TO OWNERS OF THE COMPANY

The calculation of the basic earnings per share amounts for the Reporting Period is based on the profit attributable to ordinary equity holders of the Parent, and the weighted average number of ordinary shares of 3,342,536,957 (30 June 2017: 3,333,556,718) in issue during the Reporting Period.

The calculation of the diluted earnings per share amount is based on the profit for the Reporting Period attributable to ordinary equity holders of the parent, adjusted to reflect the interest of equity-settled share options, where applicable. The weighted average number of ordinary shares used in the calculation is the number of ordinary shares in issue during the Reporting 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 exercise of all diluted potential ordinary shares into ordinary shares.

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

	Six-month period ended 30 June	
	2018 (Unaudited) RMB'000	2017 (Unaudited) RMB'000
<b>Earnings</b>		
Profit attributable to ordinary equity holders of the parent, used in the basic earnings per share calculation	65,651	102,746
	Number of shares Six-month period ended 30 June	
	2018	2017
<b>Shares</b>		
Weighted average number of ordinary shares in issue during the Reporting Period used in the basic earnings per share calculation	3,342,536,957	3,333,556,718
Effect of dilution — weighted average number of ordinary shares:		
Share options	7,012,302	13,213,992
Basic earnings per share (RMB)	0.02	0.03
Diluted earnings per share (RMB)	0.02	0.03

## NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

For the six-month period ended 30 June 2018

### 11. PROPERTY, PLANT AND EQUIPMENT

	Buildings RMB'000	Furniture and fixtures RMB'000	Motor vehicles RMB'000	Machinery RMB'000	Leasehold improvements RMB'000	Construction in progress RMB'000	Total RMB'000
<b>Six months ended 30 June 2018 (Unaudited)</b>							
At 1 January 2018, net of accumulated depreciation and impairment	13,856	2,408	11,278	425	2,977	990	31,934
Additions	—	538	1,532	—	6,266	—	8,336
Acquisition of a subsidiary (note 28)	30	25	63	—	—	—	118
Disposal	—	—	(1,428)	—	—	—	(1,428)
Disposal of a subsidiary (note 29)	—	(143)	—	—	—	—	(143)
Depreciation provided for the year (note 6)	(393)	(996)	(201)	(3)	(1,241)	—	(2,834)
At 30 June 2018, net of accumulated depreciation and impairment	13,493	1,832	11,244	422	8,002	990	35,983
<b>Six months ended 30 June 2017 (Unaudited)</b>							
At 1 January 2017, net of accumulated depreciation and impairment	12,135	1,600	6,701	7	—	—	20,443
Acquisition of a subsidiary	10,486	79	498	23	—	—	11,086
Additions	482	425	3,590	—	—	—	4,497
Transfer to investment properties	(8,070)	—	—	—	—	—	(8,070)
Disposal	(3,315)	—	—	—	—	—	(3,315)
Depreciation provided for the year (note 6)	(390)	(249)	(476)	(1)	—	—	(1,116)
At 30 June 2017, net of accumulated depreciation and impairment	11,328	1,855	10,313	29	—	—	23,525

At 30 June 2018, RMB14,980,000 of the Group's building (31 December 2017: RMB7,684,000) was pledged to secure bank loans granted to the Group (note 24).

## NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

For the six-month period ended 30 June 2018

### 12. INVESTMENT PROPERTIES

	30 June 2018 RMB'000 (Unaudited)	30 June 2017 RMB'000 (Unaudited)
Carrying amount at 1 January	19,079	—
Transfer from property, plant and equipment	—	8,070
Depreciation	(364)	—
Carrying amount at 30 June	18,715	8,070

The investment properties are leased to third parties under operating leases, further summary details of which are included in note 31 to the financial statements.

### 13. PREPAID LAND LEASE PAYMENTS

	Six-month period ended 30 June	
	2018 (Unaudited) RMB'000	2017 (Unaudited) RMB'000
Carrying amount at 1 January	594	—
Acquisition of a subsidiary	—	606
Amortisation provided during the Reporting Period	(8)	(5)
Carrying amount at 30 June	586	601

The carrying amount of the Group's prepaid land lease payments represents the carrying amount of land use rights in Mainland China. The Group was in the process of applying for the certificates of land with a carrying amount of RMB586,000 as at 30 June 2018 (31 December 2017: RMB594,000).



## NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

For the six-month period ended 30 June 2018

### 14. OTHER INTANGIBLE ASSETS

	Licenses RMB'000
<b>Six months ended 30 June 2018 (Unaudited)</b>	
Cost at 1 January 2018, net of accumulated amortisation	64,544
Additions	195
Amortisation provided during the Reporting Period (note 6)	(1,834)
At 30 June 2018	62,905
<b>Six months ended 30 June 2017 (Unaudited)</b>	
Cost at 1 January 2017, net of accumulated amortisation	24,646
Acquisition of a subsidiary	42,606
Amortisation provided during the Reporting Period (note 6)	(956)
At 30 June 2017	66,296

The licences represent the general contracting of housing construction works qualification certificate of Special Grade issued by the Ministry of Housing and Urban-Rural Development of the PRC, the urban landscape construction enterprises qualification certificate of Grade One issued by the Ministry of Housing and Urban-Rural Development of the PRC, the scenery landscape design qualification certificate of Grade One issued by the Ministry of Housing and Urban-Rural Development of the PRC, and the design qualification for construction engineering professional design of Grade One issued by the Ministry of Housing and Urban-Rural Development of the PRC, etc.

### 15. AVAILABLE-FOR-SALE INVESTMENTS

	30 June 2018 (Unaudited) RMB'000	31 December 2017 (Audited) RMB'000
Unlisted equity investments, at fair value	10,237	7,296

The above investments consist of investments in an equity investment partnership, representing 5% equity interest in Xi'an Greenland Jue River Wetland Park Development Company Limited\* (西安綠地灤河濕地公園開發有限公司) and 0.57% equity interest in Taiyuan Longcheng Greenland Botanical Garden Company Limited\* (太原龍城綠地植物園有限公司), which were designated as available-for-sale financial assets and have no fixed maturity date or coupon rate.

The Group's investment in the unlisted equity investments is held by Broad Greenstate Ecological, which is a wholly-owned subsidiary of the Company.

## NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

For the six-month period ended 30 June 2018

### 16. CONSTRUCTION CONTRACTS

	30 June 2018 (Unaudited) RMB'000	31 December 2017 (Audited) RMB'000
Current	964,308	667,134
Non-current	487,127	537,618
Gross amount due from contract customers	1,451,435	1,204,752
Contract costs incurred plus recognised profits less recognised losses to date	4,035,634	2,322,353
Less: Progress billings	(2,584,199)	(1,117,601)
	1,451,435	1,204,752

### 17. BIOLOGICAL ASSETS

#### A. Nature of activities

Plants and saplings owned by the Group are held for the future landscape gardening.

#### B. Value of plants and saplings

	30 June 2018 RMB'000 (Unaudited)	31 December 2017 RMB'000 (Audited)
Plants and saplings	70,660	40,413

The principal valuation assumptions adopted in measuring the fair value of plants and saplings are the actual stock on the valuation date and the effective market price in Mainland China.

The valuation of the fair value of biological assets has taken into consideration the transportation costs. The transportation costs for the sales of plants and saplings are not material in the view of the Group's directors.

## NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

For the six-month period ended 30 June 2018

### 17. BIOLOGICAL ASSETS (Continued)

#### C. Fair value hierarchy

The Group uses the following hierarchy for determining and disclosing the fair values of biological assets:

Level 1: fair values measured based on quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: fair values measured based on valuation techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly.

Level 3: fair values measured based on valuation techniques for which any inputs which have a significant effect on the recorded fair value are not based on observable market data (unobservable inputs).

Assets measured at fair value:

As at 30 June 2018

	Fair value measurement using			Total RMB'000
	Level 1 RMB'000	Level 2 RMB'000	Level 3 RMB'000	
Biological assets	70,660	—	—	70,660
	70,660	—	—	70,660

During Reporting Period, there were no transfers of fair value measurements between Level 1 and Level 2 and no transfers into or out of Level 3 for both financial assets and financial liabilities.

As at 31 December 2017

	Fair value measurement using			Total RMB'000
	Level 1 RMB'000	Level 2 RMB'000	Level 3 RMB'000	
Biological assets	40,413	—	—	40,413
	40,413	—	—	40,413

During the year, there were no transfers of fair value measurements between Level 1 and Level 2 and no transfers into or out of Level 3 for both financial assets and financial liabilities.

## NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

For the six-month period ended 30 June 2018

### 18. TRADE RECEIVABLES

	30 June 2018 (Unaudited) RMB'000	31 December 2017 (Audited) RMB'000
Trade receivables	1,863,268	1,686,753
Impairment	(50,249)	(46,196)
	<b>1,813,019</b>	1,640,557

The Group's trading terms with its customers are mainly on credit. The credit period is based on actual projects, ranging from 7 to 180 days (excluding retention money receivable). 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. In view of the aforementioned and the fact that the Group's trade receivables relate to a large number of diversified customers, there is no significant concentration of credit risk. Trade receivables are non-interest-bearing.

An aged analysis of the trade receivables as at the end of the Reporting Period, based on the transaction date and net of provision, is as follows:

	30 June 2018 (Unaudited) RMB'000	31 December 2017 (Audited) RMB'000
Within one year	1,390,138	1,194,100
Over one year but within two years	379,507	393,926
Over two years	43,374	52,531
	<b>1,813,019</b>	1,640,557

## NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

For the six-month period ended 30 June 2018

### 18. TRADE RECEIVABLES (Continued)

The movements in provision for impairment of trade receivables are as follows:

	30 June 2018 (Unaudited) RMB'000	31 December 2017 (Audited) RMB'000
At 1 January 2018	46,196	12,881
Impairment losses recognised (note 6)	4,053	37,771
Impairment losses reversed (note 6)	—	(4,456)
	<b>50,249</b>	46,196

Included in the provision for impairment of trade receivables is a provision for individually impaired trade receivables of RMB50,249,000 (31 December 2017: RMB46,196,000) with a carrying amount before provision of RMB837,824,000 at 30 June 2018 (31 December 2017: RMB784,995,000).

The individually impaired trade receivables relate to customers that were in financial difficulties or were in default in interest and/or principal payments and only a portion of the receivables is expected to be recovered.

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 30 June 2018, retention money held by customers included in trade receivables amounted to approximately RMB74,799,000 as compared to RMB69,694,000 as at 31 December 2017.

### 19. PREPAYMENTS, DEPOSITS AND OTHER RECEIVABLES

	30 June 2018 (Unaudited) RMB'000	31 December 2017 (Audited) RMB'000
<b>Current</b>		
Prepayments	28,747	8,899
Deposits and other receivables	324,753	211,821
	<b>353,500</b>	220,720
<b>Non-current</b>		
Prepayments	53,523	47,616
	<b>407,023</b>	268,336



## NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

For the six-month period ended 30 June 2018

### 19. PREPAYMENTS, DEPOSITS AND OTHER RECEIVABLES (Continued)

Net of prepayments, deposits and other receivables is a provision of RMB3,436,000 (31 December 2017: RMB3,436,000).

The movements in provision for impairment of prepayments, deposits and other receivables is as follows:

	30 June 2018 (Unaudited) RMB'000	31 December 2017 (Audited) RMB'000
At 1 January	3,436	36
Impairment losses recognised	—	3,400
	<b>3,436</b>	<b>3,436</b>

Included in the provision for impairment of prepayments, deposits and other receivables is a provision for individually impaired receivables of RMB3,436,000 (31 December 2017: RMB3,436,000) with a carrying amount before provision of RMB3,436,000 (31 December 2017: RMB3,436,000). The individually impaired receivables relate to a portion of receivables that were not expected to be recovered.

The financial assets included in the remaining balances relate to receivables for which there was no recent history of default.

### 20. CASH AND CASH EQUIVALENTS AND PLEDGED DEPOSITS

	30 June 2018 (Unaudited) RMB'000	31 December 2017 (Audited) RMB'000
Cash and bank balances	198,638	511,292
Time deposits	46,218	90,021
	<b>244,856</b>	<b>601,313</b>
Less: Pledged time deposits:		
Pledged for construction contracts	46,218	79,018
Cash and cash equivalents	<b>198,638</b>	<b>522,295</b>

## NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

For the six-month period ended 30 June 2018

### 20. CASH AND CASH EQUIVALENTS AND PLEDGED DEPOSITS (Continued)

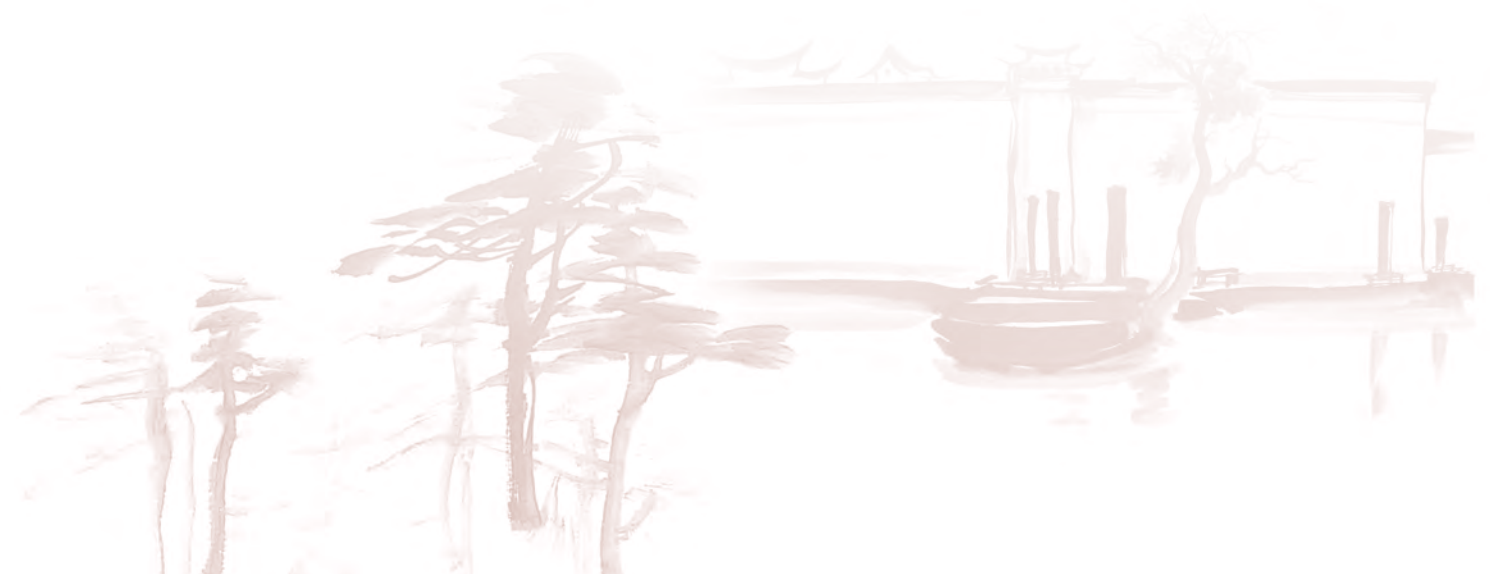
At the end of the Reporting Period, the cash and bank balances of the Group denominated in US dollars (“USD”) amounted to RMB2,213,000 (31 December 2017: RMB2,186,000) and denominated in Hong Kong dollar amounted to RMB246,000 (31 December 2017: RMB244,000). The RMB is not freely convertible into other currencies, however, under Mainland China’s Foreign Exchange Control Regulations and Administration of Settlement, Sale and Payment of Foreign Exchange Regulations, the Group is permitted to exchange RMB for other currencies through banks authorised to conduct foreign exchange business.

Cash at banks earns interest at floating rates based on daily bank deposit rates. The bank balances are deposited with creditworthy banks with no recent history of default. The carrying amounts of the cash and cash equivalents approximate to their fair values.

### 21. CORPORATE BONDS

	30 June 2018 (Unaudited) RMB'000	31 December 2017 (Audited) RMB'000
Current corporate bonds	<b>262,650</b>	261,609

On 15 October 2015, the Company issued corporate bonds to Greenland Financial (related party of a non-controlling interest shareholder) with a face value of USD40,000,000. The bonds are guaranteed by 100,000 shares of Greenstate Times held by the Company directly and indirectly. On 11 October 2016, the Company extended the term of the bonds, where the maturity date of the bonds fell one calendar year after 15 October 2016 on 15 October 2017. On 10 November 2017, the Company signed an agreement with Greenland Financial to agree that the condition to the bond would be amended and restated as set out in a new instrument to be entered into in 2018. In addition, between the period from 15 October 2017 to the date on which the new instrument is issued, the Company shall not bear any interest. On 15 January 2018, the Company announced that it decided to propose the issuance of a redeemable fixed coupon promissory note with a principal amount of USD40,000,000 at the rate of 9.00% per annum to Greenland Financial from 15 November 2017, guaranteed by 50,000 ordinary shares of Greenstate Times and 5,000 ordinary shares of Greenstate International.



## NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

For the six-month period ended 30 June 2018

### 22. TRADE AND BILLS PAYABLES

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

	30 June 2018 (Unaudited) RMB'000	31 December 2017 (Audited) RMB'000
Within one year	1,812,432	1,589,999
Over one year but within two years	17,604	92,162
Over two years	52,640	54,225
	<b>1,882,676</b>	<b>1,736,386</b>

The trade payables are non-interest-bearing and are normally settled on terms of six months.

### 23. OTHER PAYABLES AND ACCRUALS

	30 June 2018 (Unaudited) RMB'000	31 December 2017 (Audited) RMB'000
Other tax payable	94,263	104,657
Other payables	160,784	121,732
Deposits from sub-contractors	67,446	37,938
Staff payroll and welfare payables	2,157	1,856
Interest payable	12,854	3,704
	<b>337,504</b>	<b>269,887</b>

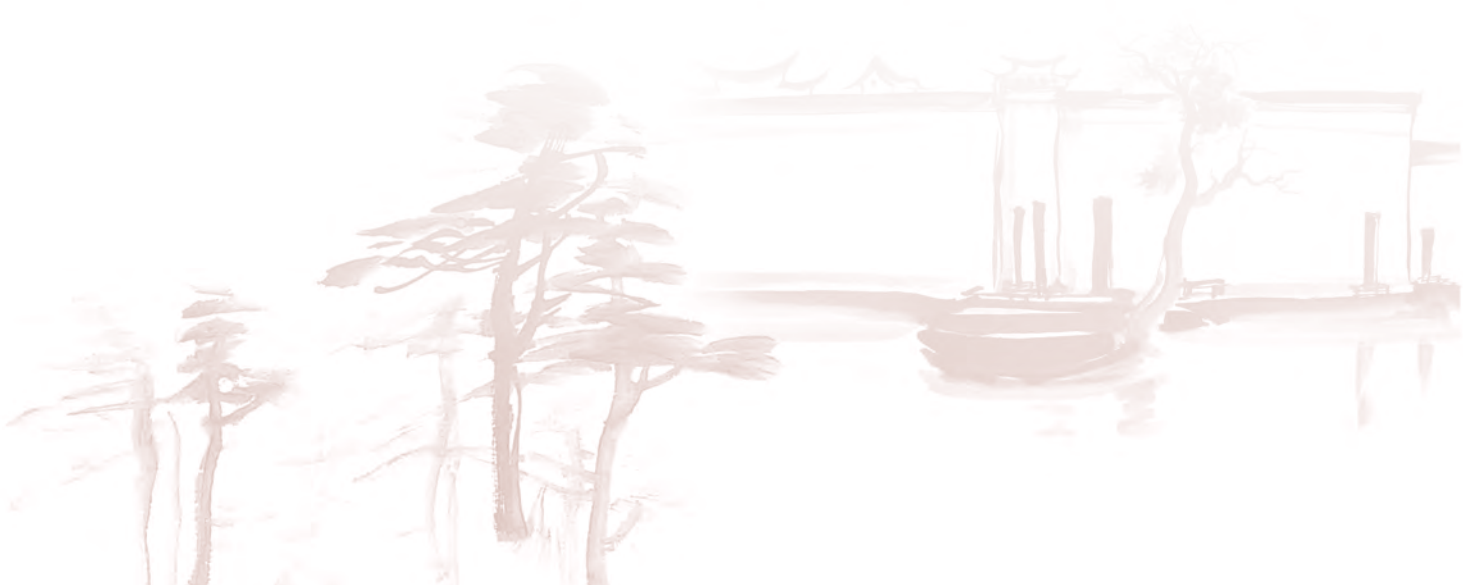
Other payables are non-interest-bearing and are normally settled on terms of three months.

## NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

For the six-month period ended 30 June 2018

### 24. INTEREST-BEARING BANK AND OTHER BORROWINGS

	Notes	30 June 2018 (Unaudited)			31 December 2017 (Audited)		
		Effective interest rate (%)	Maturity	RMB'000	Effective interest rate (%)	Maturity	RMB'000
<b>Current</b>							
Bank loans — secured	(i)	3.24–7.2	2018	90,492	3.24–7.2	2018	212,069
Bank loans — secured	(i)	3.24–7.2	2019	129,500	—	—	—
Bank loans — unsecured		—	—	—	5.87	2018	13,000
Other loans — unsecured		3.47–8.5	2018	25,000	8.5	2018	28,000
Other loans — unsecured	(ii)	3.47–8.5	2019	47,170	—	—	—
				292,162			253,069
<b>Non-current</b>							
Bank loans — secured	(i)	5.74	2028	300,000	5.74	2028	300,000
Other loans — secured	(i)	6.8	2020	115,200	6.8	2020	115,200
				415,200			415,200
				707,362			668,269



## NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

For the six-month period ended 30 June 2018

### 24. INTEREST-BEARING BANK AND OTHER BORROWINGS (Continued)

(i) As at 30 June 2018, bank and other loans secured were as follows:

	Notes	As at 30 June 2018 RMB'000
Share charge over the 441,011,440 shares	(a)	128,117
Pledge of properties	(b)	18,500
Guaranteed by Mr. Wu Zhengping	(c)	20,000
Guaranteed by Hangzhou Xiaoshan Yonghe Landscaping Engineering Co., Ltd. ("Xiaoshan Yonghe") and Mr. Ling Jijiang	(d)	31,600
Guaranteed by Xiaoshan Yonghe, Mr. Ling Jijiang and Ms. Chen Jianfen	(d)	9,800
Guaranteed by Zhejiang Yulin Holding Group Company Limited	(d)	11,975
Pledge of shares of Shanghai Bifu Investment Center	(e)	115,200
Guaranteed by Henan Shenhou Old Town Development Co., Ltd. and the trade receivables of Yuzhou Shenhou Old Town Protection Construction Co., Ltd. (a subsidiary of the Group) from Henan Yuzhou Shenhou Government		300,000
Guaranteed by the trade receivables of Broad Greenstate Ecological Construction Group Co., Ltd. from Quanzhou Haixi Botanic Garden Development Co., Ltd.		47,170
		682,362

(a) The 350,161,440 shares of the Company are held by the holding company and the ultimate holding company was pledged to secure the bank loans of RMB94,300,000;

The share charge over the 90,850,000 shares of the Company held by the holding company and the ultimate holding company was pledged to secure the bank loans of RMB33,817,000;

(b) A mortgage over the Group's building situated in Shanghai, which had an aggregate carrying value at 30 June 2018 of RMB7,045,000, was pledged to secure bank loans of RMB10,000,000;

A mortgage over the Group's investment property situated in Hangzhou, which had an aggregate carrying value at the end of the Reporting Period of RMB18,715,000, was pledged to secure bank loans of RMB8,500,000;

(c) A mortgage over the property belonging to Mr. Wu Zhengping, the executive director of the Group, which is located in Shanghai and had an aggregate fair value of RMB15,030,000 assessed by the appraiser was pledged to secure bank loans of RMB20,000,000;

(d) Except for Xiaoshan Yonghe, which is a third party, Mr. Ling Jijiang, Ms. Chen Jianfen and Zhejiang Yulin Holding Group Company Limited are non-controlling shareholders of Hangzhou Xiaoshan Jiangnan Garden Construction Company Limited;

(e) The shares of Shanghai Bifu Investment Center pledged are held by the Company.

(ii) Except for secured bank loans of HKD40,110,000 which are denominated in HKD, all borrowings are denominated in RMB.



# NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

For the six-month period ended 30 June 2018

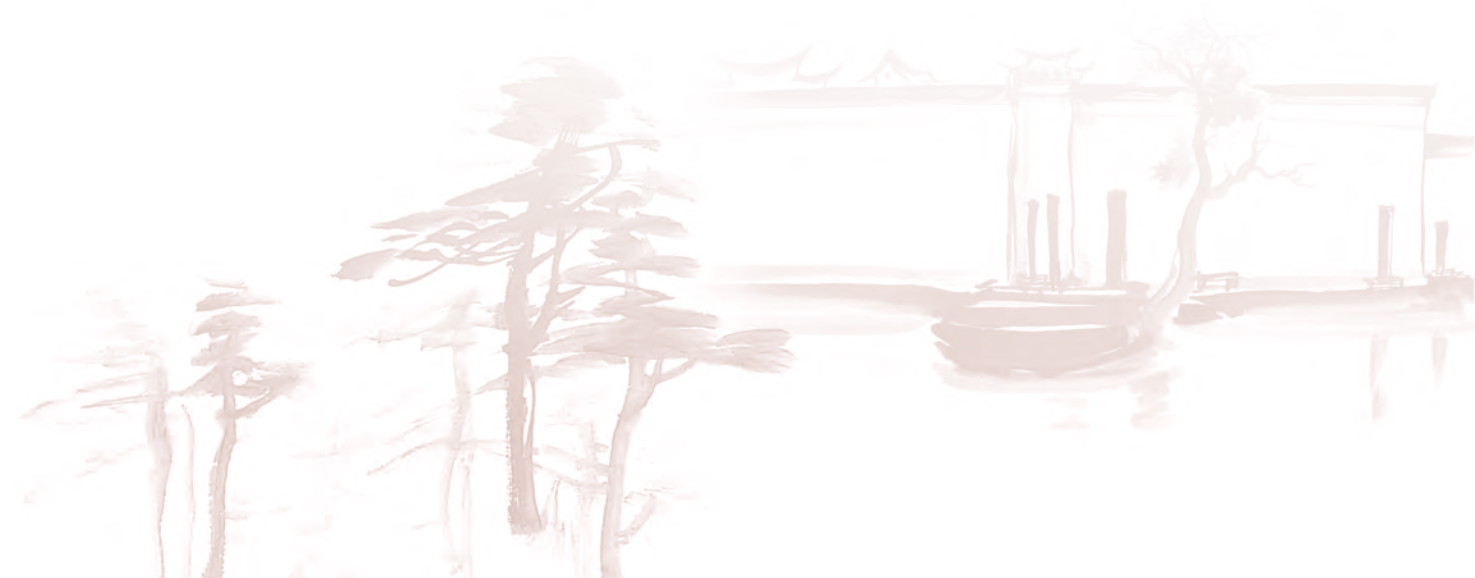
## 25. SHARE CAPITAL

### Shares

	30 June 2018 (Unaudited) RMB'000	31 December 2017 (Audited) RMB'000
Issued and fully paid: 3,342,536,957 (31 December 2017: 3,342,536,957) ordinary shares of HKD0.025 each	<b>66,396</b>	66,396

A summary of movements in the Company's share capital is as follows:

	Number of shares in issue	Share capital RMB'000	Share premium account RMB'000	Total RMB'000
At 31 December 2016 and 1 January 2017	3,306,616,000	65,602	180,536	246,138
Issue of shares (a)	35,920,957	794	44,604	45,398
Dividend declared	—	—	(35,031)	(35,031)
At 31 December 2017 and 1 January 2018	3,342,536,957	66,396	190,109	256,505
Issue of shares				
Acquisition of a subsidiary	—	—	(3,123)	(3,123)
Dividend declared	—	—	(38,500)	(38,500)
As 30 June 2018	3,342,536,957	66,396	148,486	214,882



## NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

For the six-month period ended 30 June 2018

### 26. SHARE OPTION SCHEME

The Company operates share option schemes (the “Scheme”) for the purpose of providing incentives and rewards to eligible participants who contribute to the success of the Group’s operations. Eligible participants of the Scheme include the Company’s directors and other employees of the Group. The Scheme became effective on 1 September 2015 and, unless otherwise cancelled or amended, will remain in force for 6 years from that date.

As at 30 June 2018, the number of share options outstanding under the Scheme is 45,900,000 (31 December 2017: 63,600,000). During the Reporting Period, there are 17,700,000 share options forfeited, and on 12 June 2018, 110,267,856 share options were granted to 76 grantees, which include one connected person and 75 other employees of the Company.

	Weighted average exercise price HK\$	Number of options '000
At 1 January 2018	1.24	63,600
Forfeited during the Reporting Period	1.24	17,700
At 30 June 2018	1.24	45,900

The Group recognised a share option expense of RMB1,220,409 during the Reporting Period.

As at 30 June 2018, the number of share options outstanding under the Scheme is 110,267,856. There is no share options exercised, or expired during the Reporting Period.

	Weighted average exercise price HK\$	Number of options '000
At 1 January 2018	1.04	—
Granted during the Reporting Period	1.04	110,268
At 30 June 2018	1.04	110,268

## NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

For the six-month period ended 30 June 2018

### 27. RESERVES

The amounts of the Group's reserves and the movements therein for the current and prior years are presented in the consolidated statement of changes in equity on pages 25 to 26 of the financial statements.

### 28. BUSINESS COMBINATION

On 28 March 2018, the Group acquired a 60% interest in Shanghai City Investment Virescence Technology Development LLP Construction Company Limited, which is engaged in the Import and export of goods and technology. The acquisition was made as part of the Group's strategy to expand its business scope. The purchase consideration for the acquisition was in the form of cash, with RMB20,385,510 paid.

The Group has elected to measure the non-controlling interest in the Company at the non-controlling interest's proportionate share of Shanghai City Investment Virescence Technology Development LLP Construction Company Limited's identifiable net assets.

The fair values of the identifiable assets and liabilities of Shanghai City Investment Virescence Technology Development LLP Construction Company Limited as at the date of acquisition were as follows:

	Fair value recognized on acquisition (Audited) RMB'000
Property, plant and equipment	118
Biological assets	29,768
Trade receivables	1,250
Prepayments, deposits and other receivables	2,604
Cash and cash equivalents	3,447
Other payables and accruals	(3,843)
<b>Total identifiable net assets at fair value</b>	<b>33,344</b>
<b>Non-controlling interest</b>	<b>(8,336)</b>
<b>Goodwill on acquisition</b>	<b>380</b>
<b>Acquisition amount</b>	<b>20,386</b>
<b>Satisfied by cash</b>	<b>20,386</b>

## NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

For the six-month period ended 30 June 2018

### 28. BUSINESS COMBINATION (Continued)

An analysis of the cash flows in respect of the acquisition of a subsidiary is as follows:

	RMB'000
Cash consideration	(20,386)
Cash and bank balances acquired	3,447
<hr/>	
Net inflow of cash and cash equivalents included in cash flows from investing activities	(16,939)

Since the acquisition, Shanghai City Investment Virescence Technology Development LLP contributed RMB638,000 to the Group's revenue and RMB364,000 to the consolidated loss for the six-month ended 30 June 2018.

Had the combination taken place at the beginning of the year, the revenue from continuing operations of the Group and the profit of the Group for the Reporting Period would have been RMB617,819,000 and RMB66,291,000, respectively.

### 29. DISPOSAL OF A SUBSIDIARY

On 1 January 2018, the Group disposed a 60% interest in Tonglan Environment Protection Technology Company Limited (同藍環保技術有限公司). The disposal consideration was in the form of cash, with RMB10,000 paid at the disposal date.

	Book value on disposal (Unaudited) RMB'000
Net assets disposed of:	
Property, plant and equipment	143
Cash and bank balances	136
Trade receivables	1,769
Prepayments and other receivables	1,300
Trade payables	(2,039)
Accruals and other payables	(409)
<hr/>	
	900
<hr/>	
Proportion of the Group's ownership	60%
Group's share of net assets	540
Loss on disposal of a subsidiary	530
<hr/>	
Disposal amount	10
<hr/>	
Satisfied by:	
Cash	10

## NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

For the six-month period ended 30 June 2018

### 29. DISPOSAL OF A SUBSIDIARY (Continued)

An analysis of the net inflow of cash and cash equivalents in respect of the disposal of a subsidiary is as follows:

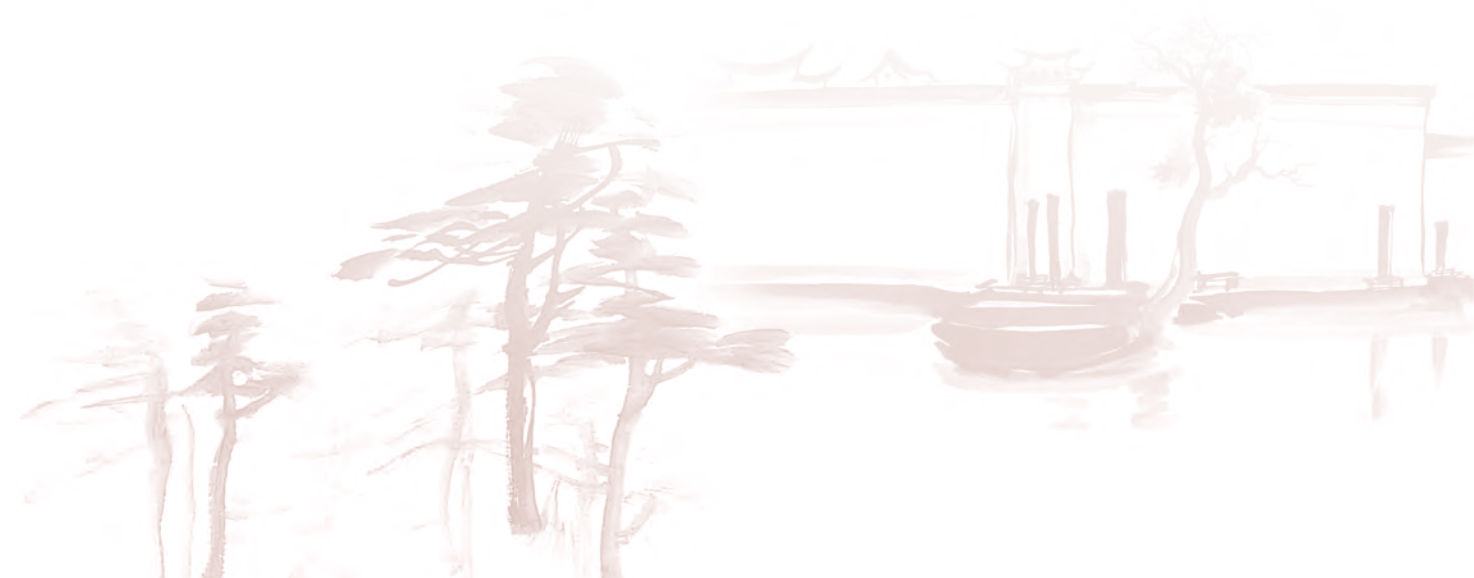
	Book value on disposal (Unaudited) RMB'000
Cash consideration	10
Cash and bank balances disposed of	(136)
<hr/>	
Net inflow of cash and cash equivalents in respect of the disposal of a subsidiary	126

### 30. CONTINGENT LIABILITIES

In addition to the operating lease commitments detailed in note 26 above, the Group had the following capital commitments at the end of the reporting period:

	30 June 2018 (Unaudited) RMB'000	31 December 2017 (Audited) RMB'000
Guarantees given to banks in connection with facilities granted to third parties	<b>226,193</b>	86,193

As at 30 June 2018, the banking facilities guaranteed by the Group to third parties and a joint venture were utilised to the extent of approximately RMB226,193,000 (2017: RMB86,193,000).





## NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

For the six-month period ended 30 June 2018

### 31. OPERATING LEASE ARRANGEMENTS

#### As lessor

The Group leases its investment properties under operating lease arrangements, with leases negotiated for terms ranging from one to five years. The terms of the leases generally also require the tenants to pay security deposits and provide for periodic rent adjustments according to the then prevailing market conditions.

At the end of the Reporting Period, the Group had total future minimum lease receivables under non-cancellable operating leases with its tenants falling due as follows:

	30 June 2018 (Unaudited) RMB'000	31 December 2017 (Audited) RMB'000
Within one year	88	88
In the second to fifth years, inclusive	255	299
	<b>343</b>	387

#### As lessee

The Group leases its office properties under operating lease arrangements. Leases for properties are negotiated for terms ranging between one and twenty years.

At the end of the Reporting Period, the Group had total future minimum lease payments under non-cancellable operating lease payables as follows:

	30 June 2018 (Unaudited) RMB'000	31 December 2017 (Audited) RMB'000
Within one year	9,112	5,752
In the second to fifth years, inclusive	4,915	6,765
After five years	2,788	5,119
	<b>16,815</b>	17,636

## NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

For the six-month period ended 30 June 2018

### 32. COMMITMENTS

In addition to the operating lease commitments detailed in note 31 above, the Group had the following capital commitments at the end of the reporting period:

	30 June 2018 (Unaudited) RMB'000	31 December 2017 (Audited) RMB'000
Contracted, but not provided for:		
Land and buildings	207,977	235,061
Acquisition of a subsidiary	72,000	72,000
	<b>279,977</b>	<b>307,061</b>

### 33. RELATED PARTY TRANSACTIONS

(a) In addition to the transactions detailed elsewhere in these financial statements, the Group had the following transactions with related parties during the Reporting Period:

	Six-month period ended 30 June	
	2018 (Unaudited) RMB'000	2017 (Unaudited) RMB'000
Provide construction services to the fellow related parties*	452,709	414,148
Lease of office from Mr. Wu Zhengping and Ms. Xiao Li	430	400
Guarantees given to banks in connection with facilities granted to a joint venture**	140,000	—
* The above construction services consist of services provided for:		
Xi'an Greenland Jue River Wetland Park Development Company Limited (i)	241,917	358,643
Taiyuan Longcheng Greenland Botanical Garden Company Limited (ii)	—	55,505
Quanzhou Haixi Botanic Garden Development Company Limited (iii)	51,546	—
Qishan Taiping Pagoda Cultural Tourism Development Company Limited (iv)	49,098	—
Shanghe Greenland Broad Greenspring Construction Company Limited (v)	76,087	—
Zhaoqing High-Tech Zone Bureau General Hill Sports Park Investment Development Company Limited (vi)	34,061	—
	<b>452,709</b>	<b>414,148</b>

# NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

For the six-month period ended 30 June 2018

## 33. RELATED PARTY TRANSACTIONS (Continued)

### (a) (Continued)

- (i) Xi'an Greenland Jue River Wetland Park Development Company Limited is a joint venture of Greenland, which is the ultimate holding company of non-controlling interest, and the Company is an associate of Greenland.
  - (ii) Taiyuan Longcheng Greenland Botanical Garden Company Limited is a joint venture of Greenland, and the Company is an associate of Greenland Group.
  - (iii) Quanzhou Haixi Botanic Garden Development Company Limited is a joint venture of the Group.
  - (iv) Qishan Taiping Pagoda Cultural Tourism Development Company Limited is a joint venture of the Group.
  - (v) Shanghe Greenland Broad Greenspring Construction Company Limited is a joint venture of the Group.
  - (vi) Zhaoqing High-Tech Zone Bureau General Hill Sports Park Investment Development Company Limited is a joint venture of the Group.
- \*\* The joint venture is Quanzhou Haixi Botanic Garden Development Company Limited.

### (b) Other transactions with related parties:

- (i) During the Reporting Period, Greenstate Gardening used office premises free of charge with a gross floor area of 100 sq. m. located at Group 17, Zhangqiao Village, Jinshanwei Town, Jinshan District, Shanghai, the PRC, which were owned by Mr. Wu Jie, a close family member of Mr. Wu Zhengping's family.
- (ii) On 10 November 2017, the Company signed an agreement with Greenland Financial to agree that the condition of the corporate bonds (note 21 to the financial statements) would be amended and restated as set out in a new instrument to be entered into in 2018. In addition, between the period from 15 October 2017 to the date on which the new instrument is issued, the Company shall not bear any interest. The interest on corporate bonds to Greenland Financial for the year ended 30 June 2018 was RMB6,916,000 (2017: RMB12,341,000).
- (iii) The Company's holding company and ultimate holding company have charged certain shares of the Company to secure the bank loans. Further details are given in note 24 to the financial statements.

### (c) Compensation of key management personnel of the Group

	Six-month period ended 30 June	
	2018 (Unaudited) RMB'000	2017 (Unaudited) RMB'000
Salaries	1,849	1,748
Pension Scheme contribution	270	225
Equity-settled share option expense	998	1,825
	<b>3,117</b>	<b>3,798</b>

## NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

For the six-month period ended 30 June 2018

### 33. RELATED PARTY TRANSACTIONS (Continued)

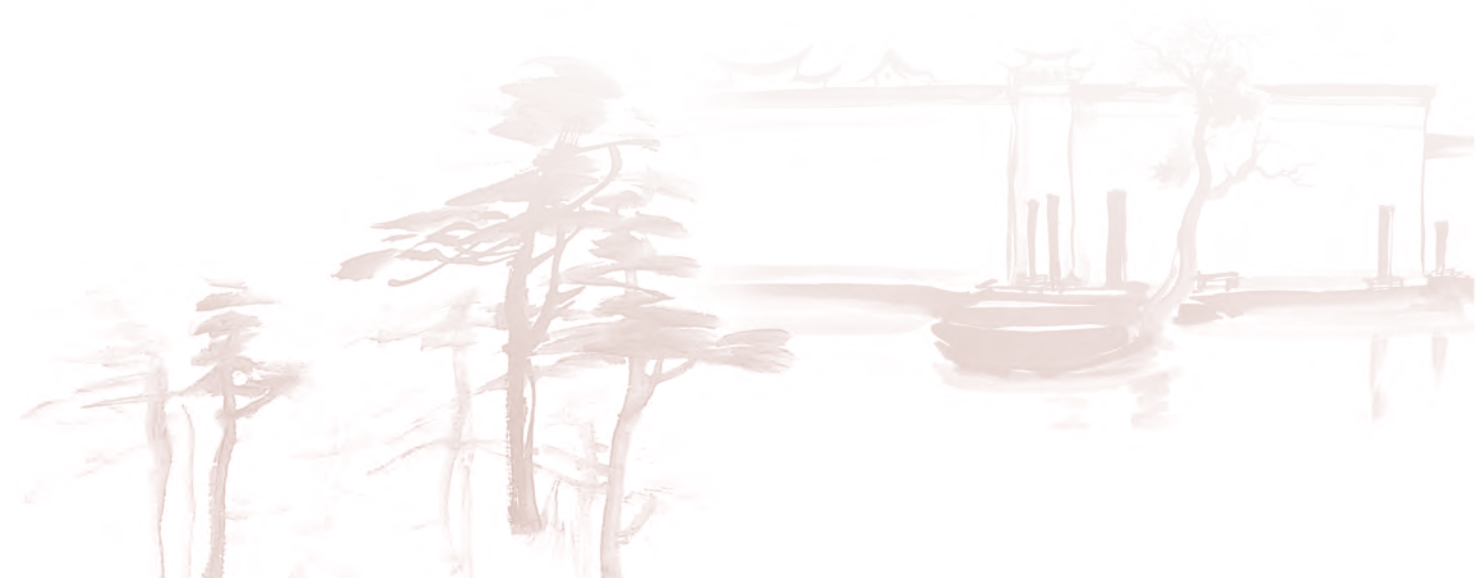
#### (d) Outstanding balances with related parties:

The Group had the following significant balances with its related parties at the end of the Reporting Period:

##### (i) Due from related parties

	30 June 2018 (Unaudited) RMB'000	31 December 2017 (Audited) RMB'000
<b>Trade receivables</b>		
Xi'an Greenland Jue River Wetland Park Development Company Limited	254,171	263,175
Taiyuan Longcheng Greenland Botanical Garden Company Limited	76,182	101,162
Quanzhou Haixi Botanic Garden Development Company Limited	129,926	99,335
Qishan Taiping Pagoda Cultural Tourism Development Company Limited	183,631	134,583
Shanghe Greenland Broad Greenspring Construction Company Limited	76,011	—
Zhaoqing High-Tech Zone Bureau General Hill Sports Park Investment Development Company Limited	18,904	—
	<b>738,825</b>	<b>598,255</b>

Amounts due from related parties and shareholders were interest-free, unsecured and have no fixed terms of repayment.



## NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

For the six-month period ended 30 June 2018

### 34. FINANCIAL INSTRUMENTS BY CATEGORY

The carrying amounts of each of the categories of financial instruments as at the end of the Reporting Period are as follows:

#### 30 June 2018 (Unaudited)

##### Financial assets

	Loans and receivables RMB'000	Available-for- sale financial assets RMB'000	Total RMB'000
Trade receivables	1,813,019	—	1,813,019
Financial assets included in prepayments, deposits and other receivables	324,753	—	324,753
Cash and cash equivalents	198,638	—	198,638
Pledged deposits	46,218	—	46,218
Available-for-sale investments	—	10,237	10,237
	<b>2,382,628</b>	<b>10,237</b>	<b>2,392,865</b>

##### Financial liabilities

	Financial liabilities at amortised cost RMB'000
Corporate bonds	262,650
Trade and bills payables	1,882,676
Financial liabilities included in other payables and accruals	241,084
Interest-bearing bank borrowings	707,362
	<b>3,093,772</b>



## NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

For the six-month period ended 30 June 2018

### 34. FINANCIAL INSTRUMENTS BY CATEGORY (Continued)

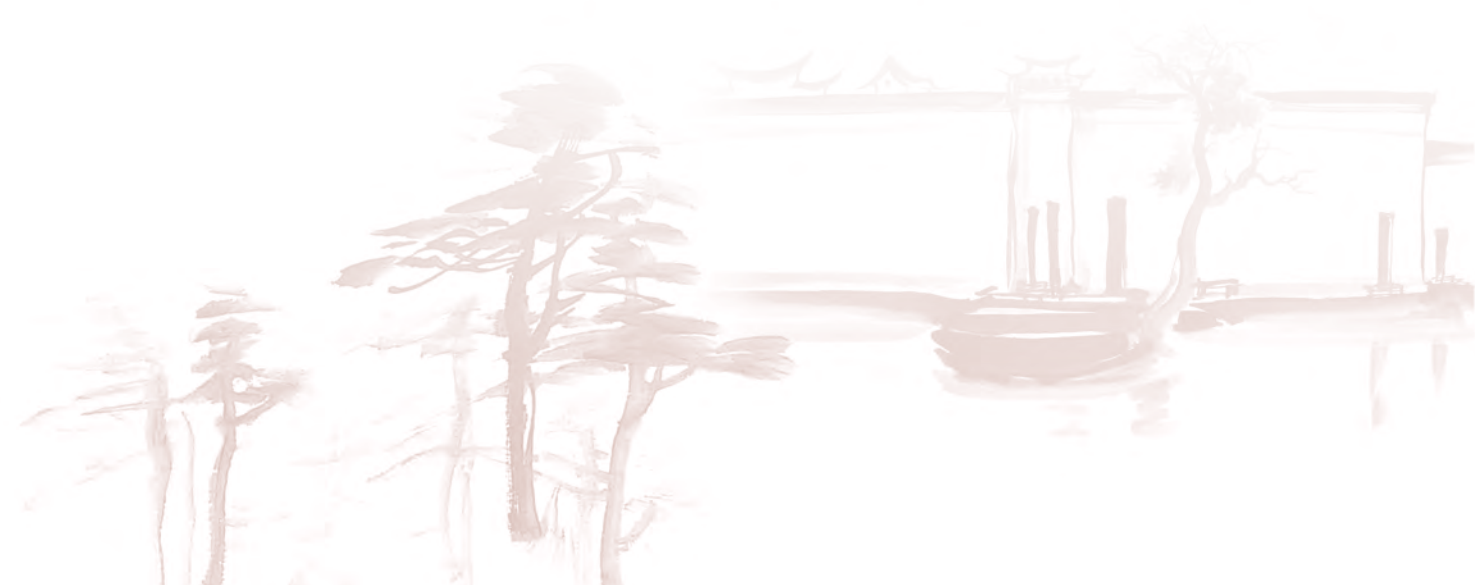
#### 31 December 2017 (Audited)

##### Financial assets

	Loans and receivables RMB'000	Available-for- sale financial assets RMB'000	Total RMB'000
Trade receivables	1,640,557	—	1,640,557
Financial assets included in prepayments, deposits and other receivables	211,821	—	211,821
Cash and cash equivalents	522,295	—	522,295
Pledged deposits	79,018	—	79,018
Available-for-sale investments	—	7,296	7,296
	2,453,691	7,296	2,460,987

##### Financial liabilities

	Financial liabilities at amortised cost RMB'000
Corporate bonds	261,609
Trade and bills payables	1,736,386
Financial liabilities included in other payables and accruals	163,374
Interest-bearing bank borrowings	668,269
	2,829,638



## NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

For the six-month period ended 30 June 2018

### 35. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS

The carrying amounts of the Group's financial instruments approximate to their fair values.

Management has assessed that the fair values of cash and cash equivalents, pledged deposits, trade receivables, financial assets included in prepayments, trade and bills payables, Interest-bearing bank borrowing and financial liabilities included in other payables and accruals approximate to their carrying amounts largely due to the short term maturities of these instruments.

The values of the financial assets and liabilities are included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. The values of these financial instruments have been calculated by discounting the expected future cash flows at prevailing interest rate.

During the Reporting Period, there were no transfers of fair value measurements between Level 1 and Level 2 and no transfers into or out of Level 3 for both financial assets and financial liabilities.

### 36. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The main risks arising from the Group's financial instruments are foreign currency risk, credit risk and liquidity risk. The board of directors reviews and agrees policies for managing each of these risks and they are summarised below.

The condensed consolidated interim financial information does not include all financial risk management information and disclosures required in the annual consolidated financial statements, and should be read in conjunction with the Group's annual consolidated financial statements for the year ended 31 December 2017.

There have been no changes in the risk management department since the year end or in any risk management policies

#### Foreign currency risk

The Group's businesses are located in Mainland China and nearly all transactions are conducted in RMB. As nearly all of the Group's assets and liabilities were denominated in RMB, the Group was not subject to significant foreign currency risk as at 30 June 2018. As at 30 June 2018, the Group's assets and liabilities denominated in USD and HKD were mainly held by the Company and a subsidiary incorporated outside Mainland China which had HKD as their functional currencies. The Company and the subsidiary incorporated outside Mainland China also held corporate bonds denominated in USD and other payable denominated in RMB, from which foreign currency exposure arises.



## NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

For the six-month period ended 30 June 2018

### 36. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

#### Foreign currency risk (Continued)

The following table demonstrates the sensitivity at the end of the reporting period to a reasonably possible change in the USD and HKD exchange rate, with all other variables held constant, of the Group's profit before tax and the Group's equity.

	Increase/ (decrease) in rate %	Increase/ (decrease) in profit before tax RMB'000	Increase/ (decrease) in equity* RMB'000
<b>2018</b>			
If HKD weakens against USD	1	(2,606)	—
If HKD strengthens against USD	(1)	2,606	—
If RMB weakens against HKD	1	(333)	(1,348)
If RMB strengthens against HKD	(1)	333	1,348

\* Excluding retained profits

#### Credit risk

The Group has no significant concentrations of credit risk. The carrying amounts of cash and cash equivalents, trade and other receivables included in the consolidated financial statements represent the Group's maximum exposure to credit risk in relation to its financial assets.

As at the end of the Reporting Period, all cash and cash equivalents were deposited in high quality financial institutions without significant credit risk.

#### Liquidity risk

Compared to the year end, there was no material change in the contractual undiscounted cash out flows for financial liabilities

### 37. EVENTS AFTER THE REPORTING PERIOD

The Group had no material events after the Reporting Period.

### 38. APPROVAL OF FINANCIAL STATEMENTS

The financial statements were approved and authorised for issue by the Board of Directors on 30 August 2018.

## DEFINITIONS

“Account Charge”	On 9 May 2016, Broad Landscape International entered into a charge with Bank of Shanghai (Hong Kong) Limited, pursuant to which Broad Landscape International agreed to charge by way of first fixed charge a bank account of Broad Landscape International with Bank of Shanghai (Hong Kong) Limited, all its present and future rights, title and interest in or to the Account and all moneys (including interest standing to the credit of the Account as security for the 2016 Facility) belong to Bank of Shanghai (Hong Kong) Limited
“Articles of Association”	the articles of association of the Company conditionally adopted on 25 June 2014 and became unconditionally effective on the Listing Date and as amended from time to time
“associates”	has the meaning ascribed to it under the Listing Rules
“Audit Committee”	the audit committee of the Company
“Board” or “Board of Directors”	the Board of directors of the Company
“Broad Greenstate Ecological”	Broad Greenstate Ecological Construction Group Company Limited* (博大綠澤生態建設集團有限公司) (formerly known as Shanghai Broad Landscape Construction and Development Company Limited* (上海博大園林建設發展有限公司)), a company established in the PRC with limited liability on 1 July 1999, which is a wholly-owned subsidiary of Shanghai Qianyi and an indirect wholly-owned subsidiary of our Company
“Broad Landscape International”	Broad Landscape International Company Limited (博大國際有限公司), a company incorporated in BVI on 8 October 2013 and is owned as to 86.92% by Mr. Wu Zhengping (吳正平) and 13.08% by Ms. Xiao Li (肖莉)
“BVI”	the British Virgin Islands
“CG Code”	Corporate Governance Code and Corporate Governance Report as amended from time to time contained in Appendix 14 to the Listing Rules
“China” or the “PRC”	the People’s Republic of China excluding, for the purpose of this report, Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan
“Company”, “Parent”, “we”, “us” or “our”	China Greenland Broad Greenstate Group Company Limited (中國綠地博大綠澤集團有限公司), a company incorporated in the Cayman Islands on 22 October 2013
“connected person(s)”	has the meaning ascribed to it under the Listing Rules
“Controlling Shareholders”	has the meaning ascribed to it under the Listing Rules
“Directors”	director(s) of the Company
“Eastern Greenstate International”	Eastern Greenstate International Company Limited (綠澤東方國際有限公司), a company incorporated in BVI on 9 October 2013, which is owned as to 2.81% by Ms. Zhu Wen (朱雯), and 97.19% by other parties

## DEFINITIONS

“Greenland”	Greenland Holdings Group Corporation Limited (綠地控股集團有限公司), a company incorporated under the laws of the PRC
“Greenland Financial”	Greenland Financial Overseas Investment Group Cp., Ltd. (綠地金融海外投資集團有限公司), a company incorporated under the laws of the British Virgin Islands, an indirectly wholly-owned subsidiary of Greenland
“Greenstate International”	Greenstate International Company Limited (綠澤國際有限公司), a company incorporated in Hong Kong with limited liability on 12 November 2013 and a wholly-owned subsidiary of the Company
“Greenstate Times”	Greenstate Times International Company Limited (綠澤時代國際有限公司), a company incorporated in BVI on 30 October 2013 and a wholly-owned subsidiary of the Company
“Group”	the Company and its subsidiaries
“HK\$” or “HK dollars”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Independent Third Parties”	a person(s) or company(ies) who/which is or are independent of and not connected (within the meaning of the Listing Rules) with the Company and our connected persons
“Listing”	listing of the Shares on the Main Board of the Stock Exchange
“Listing Date”	21 July 2014, the date on which the Shares are listed on the Stock Exchange and from which dealings in the Shares are permitted to take place on the Stock Exchange
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Model Code”	Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix 10 of the Listing Rules
“Nomination Committee”	the nomination committee of the Company
“PPP”	Public-Private Partnership
“Prospectus”	the prospectus of the Company dated 30 June 2014 issued in connection with the initial public offering and listing of shares of the Company on the main board of Stock Exchange on 21 July 2014
“Remuneration Committee”	the remuneration committee of the Company
“Renminbi” or “RMB”	the lawful currency of China
“Reporting Period”	the six month period from 1 January 2018 to 30 June 2018



## DEFINITIONS

“SFO”	Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), as amended, supplemented or otherwise modified from time to time
“Shanghai Qianyi”	Shanghai Qianyi Landscape Engineering Company Limited* (上海千頤景觀工程有限公司), a wholly foreign owned enterprise established in the PRC with limited liability on 26 December 2013, and an indirect wholly-owned subsidiary of the Company
“Share Charges”	Broad Landscape International entered into a share charge with Bank of Shanghai (Hong Kong) Limited on 6 May 2016 pursuant to which Broad Landscape International agreed to charge by way of first mortgage all the rights, title and interest in and to 350,161,440 ordinary shares in the Shares of the Company in favour of the Lender as security for the one year credit loan facility entered into between the Company and Bank of Shanghai (Hong Kong) Limited
“Share Option Scheme”	the share option scheme conditionally approved and adopted by the Company on 25 June 2014 which became unconditionally effective on the Listing Date, the principal terms of which are summarised in the subsection headed “Share Option Scheme — Summary of terms” in Appendix V to the Prospectus
“Shareholders”	holder(s) of our Share(s) from time to time
“Shares”	ordinary shares of HK\$0.025 each in the share capital of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“subsidiary(ies)”	has the meaning ascribed thereto under the Listing Rules

In this interim report, if there is any inconsistency between the Chinese names of the entities or enterprises established in China and their English translations, the Chinese names shall prevail. English translation of company names in Chinese or another language which are marked with “\*” is for identification purpose only.

