绿博生态
GREEN BROAD

China Green Broad Ecological Technology Company Limited

中國綠博生態科技集團有限公司

(Incorporated in the Cayman Islands with limited liability)

Stock code : 1253

ANNUAL REPORT 2025


博大精深
博採眾長
Eclectic
大有作為
Accomplishment
精益求精
Excelsior
深生不息
Continuous

Contents

Corporate Information

Company Name

China Green Broad Ecological Technology Company Limited

Place of Listing of Shares

The Stock Exchange of Hong Kong Limited — main board

Stock Code

1253

Stock Name

GREEN BROAD

Board of Directors

Executive Directors

Mr. Lin Guangqing *(Chairman and chief executive officer)* *(appointed as Chairman on 5 August 2025)*
Mr. Wang Yaoming *(appointed on 8 August 2025)*
Mr. Pei Gang *(Chairman) (resigned on 5 August 2025)*

Independent Non-executive Directors

Mr. Dai Guoqiang
Mr. Yang Yuanguang
Ms. Zhang Rui *(appointed on 8 August 2025)*
Dr. Jin Hexian *(resigned on 8 August 2025)*

Joint Company Secretaries

Mr. Wang Zhikai
Ms. Lee Mei Yi

Authorized Representatives

Mr. Lin Guangqing *(appointed on 5 August 2025)*
Ms. Lee Mei Yi
Mr. Pei Gang *(resigned on 5 August 2025)*

Audit Committee

Mr. Yang Yuanguang *(Chairman)*
Mr. Dai Guoqiang
Ms. Zhang Rui *(appointed on 8 August 2025)*
Dr. Jin Hexian *(resigned on 8 August 2025)*

Remuneration Committee

Ms. Zhang Rui *(Chairman) (appointed on 8 August 2025)*
Mr. Lin Guangqing *(appointed on 5 August 2025)*
Mr. Dai Guoqiang
Mr. Pei Gang *(resigned on 5 August 2025)*
Dr. Jin Hexian *(Chairman) (resigned on 8 August 2025)*

Nomination Committee

Mr. Dai Guoqiang *(Chairman)*
Mr. Lin Guangqing *(appointed on 5 August 2025)*
Ms. Zhang Rui *(appointed on 8 August 2025)*
Dr. Jin Hexian *(resigned on 8 August 2025)*
Mr. Pei Gang *(resigned on 5 August 2025)*

Registered Office

P.O. Box 31119, Grand Pavilion
Hibiscus Way, 802 West Bay Road
Grand Cayman, KY1-1205 Cayman Islands

Headquarters and Principal Place of Business in the People's Republic of China

Floor 8, Block D3, 5th Building
Hongqiao World Center, 1588 Lane
Zhuguang Road
Shanghai, People's Republic of China

Place of Business in Hong Kong

Room 1920, 19/F
Lee Garden One
33 Hysan Avenue
Causeway Bay, Hong Kong

Auditor

HLB Hodgson Impey Cheng Limited
Certified Public Accountants
Registered Public Interest Entity Auditor
31/F Gloucester Tower, The Landmark
11 Pedder Street, Central, Hong Kong

Hong Kong Legal Advisor

Jia Yuan Law Office
Suites 3502–03, 35/F,
One Exchange Square,
8 Connaught Place, Central,
Hong Kong

Cayman Islands Principal Share Registrar and Transfer Office

Vistra (Cayman) Limited
P.O. Box 31119, Grand Pavilion
Hibiscus Way, 802 West Bay Road
Grand Cayman, KY1-1205 Cayman Islands

Hong Kong Branch Share Registrar

Tricor Investor Services Limited
17/F, Far East Finance Centre
16 Harcourt Road, Hong Kong

Principal Bank

Bank of Shanghai Changning Branch

Company Website

www.greenbroad-ecological.com.cn

Financial Highlights

	For the year ended 31 December			
	2025 RMB'000	2024 RMB'000	Change RMB'000	%
Revenue	**59,718**	24,885	34,833	139.98
Gross profit	**13,753**	14,285	(532)	(3.72)
Loss before tax	**(175,525)**	(179,364)	3,839	2.14
Net loss attributable to owners of the parent	**(141,081)**	(147,606)	6,525	4.42

	31 December			
	2025 RMB'000	2024 RMB'000	Change RMB'000	%
Total assets	**2,029,091**	2,091,017	(61,926)	(2.96)
Total equity attributable to owners of the parent	**(1,484)**	144,035	(145,519)	(101.03)

	For the year ended 31 December	
	2025	2024
Profitability ratio (%)		
Gross profit margin	**23.0**	57.4
Net loss margin	**(236.2)**	(593.2)
Return on assets	**(7.0)**	(7.1)
Return on equity	**(523.4)**	(86.1)
Working capital ratio (time)	**0.5**	0.5
Gearing ratio (%)	**N/A**	91

Five-Year Financial Summary

	For the year ended 31 December				
	2025	2024	2023	2022	2021
Profitability					
Revenue	**59,718**	24,885	26,908	109,275	267,498
Gross profit	**13,753**	14,285	12,387	25,396	80,259
(Loss)/profit before tax	**(175,525)**	(179,364)	(516,700)	(482,776)	11,716
Net (loss)/profit attributable to owners of the parent	**(141,081)**	(147,606)	(535,918)	(422,794)	4,542
Profitability ratio (%)					
Gross profit margin	**23.0**	57.4	46.0	23.2	30.0
Net (loss)/profit margin	**(236.2)**	(593.2)	(1,991.7)	(386.9)	1.7
Assets and liabilities (RMB'000)					
Non-current assets	**1,265,047**	1,369,357	1,400,972	1,456,107	1,417,562
Current assets	**764,044**	721,660	725,066	1,483,086	1,940,779
Current liabilities	**1,557,157**	1,472,703	1,570,105	1,969,958	1,995,379
Non-current liabilities	**444,763**	449,355	475,772	377,882	318,892
Total equity attributable to owners of the parent	**(1,484)**	144,035	57,293	563,118	1,016,282
Working capital					
Current ratio (time)	**0.5**	0.5	0.5	0.8	1.0
Gearing ratio (%)	**N/A**	91	96.5	74.4	60.5

Chairman's Statement

Dear Shareholders,

On behalf of the Board of Directors of China Green Broad Ecological Technology Company Limited (the "Company") and its subsidiaries (hereinafter collectively referred to as the "Group"), I am pleased to present you with the audited consolidated annual results of the Group for the year ended 31 December 2025 (the "Year under Review").

Dear Shareholders,

On behalf of the Board of Directors of China Green Broad Ecological Technology Company Limited (the "**Company**") and its subsidiaries (hereinafter collectively referred to as the "**Group**"), I am pleased to present you with the audited consolidated annual results of the Group for the year ended 31 December 2025 (the "**Year under Review**").

Market Review

In 2025, China's economy demonstrated resilience amid escalating global trade tensions and a complex international environment. It not only sustained steady domestic growth but also contributed to global economic stability. According to the National Bureau of Statistics of China and the General Administration of Customs, China's gross domestic product (GDP) reached RMB140.19 trillion in 2025, exceeding RMB140 trillion for the first time and representing a year-on-year increase of 5.0%. Total imports and exports amounted to RMB45.47 trillion in 2025, representing a year-on-year increase of 5.0% and marking the 9th consecutive year of growth. The key objectives and tasks set out under the 14th Five-Year Plan for economic and social development were successfully achieved, with further progress made in high-quality development, laying a solid foundation for the commencement of the 15th Five-Year Plan.

During the Year under Review, the landscaping and greening industry continued to focus on territorial greening, urban renewal and ecosystem restoration, with ongoing efforts to enhance ecological quality and carbon sequestration capacity while advancing green development. In 2025, China completed 127 million mu of territorial greening, including 53.45 million mu of afforestation and 73.90 million mu of grassland restoration and rehabilitation. National forest coverage reached 25.09%, with forest stock volume totalling 20.988 billion cubic metres. Areas affected by desertification and sandification continued to decline, making China the first country in the world to achieve zero net growth in land degradation. During the 14th Five-Year Plan period, over 1,000 wetland conservation projects were implemented, 903 national wetland parks were established, and 4.34 million mu of wetlands were restored. China's total wetland area reached 834 million mu, ranking 1st in Asia and 4th globally. In urban renewal, more than 4,700 "pocket parks" and over 5,800 kilometres of urban greenways were completed nationwide in 2025, contributing to a continued improvement in the urban living environment.

Since the introduction of the "dual carbon" goals in 2020, China has made notable progress in advancing its green transition. In 2025, total installed power generation capacity reached 3.89 billion kilowatts, representing a year-on-year increase of 16.1%. Among this, installed solar power capacity reached 1.2 billion kilowatts, up 35.4% year-on-year, while installed wind power capacity reached 640 million kilowatts, an increase of 22.9% year-on-year.

On 24 September 2025, President Xi Jinping delivered a video address at the United Nations Climate Change Summit, announcing China's updated Nationally Determined Contributions (NDCs). By 2035, China aims to reduce net greenhouse gas emissions across the economy by 7% — 10% from peak levels, with efforts to achieve further reductions. The share of non-fossil energy consumption is expected to exceed 30%, while the combined installed capacity of wind and solar power is projected to increase to more than six times the 2020 level, with a target of up to 3.6 billion kilowatts. Forest stock volume is expected to exceed 24 billion cubic metres, new energy vehicles are set to become the mainstream of new vehicle sales, the national carbon emissions trading market will expand to cover major high-emission industries, and a climate-resilient society will be largely established. These updated NDC targets underscore China's vision and commitment to further advancing high-quality development in the new energy sector.

Strengthening Core Businesses and Expanding the Industrial Chain

While continuing to advance the management of existing projects, the Group placed strong emphasis on unlocking the value of our existing resources and enhancing their efficient integration. By optimising resource allocation and improving utilisation efficiency, the Group revitalised our asset base and operational resources, thereby stimulating internal growth momentum. At the same time, we actively expanded into diversified business areas, further extended our industrial chain, and continuously strengthened our core competitiveness and sustainable development capabilities.

On 15 August 2025, the Company announced the acquisition of 100% equity interests in Shanghai Greenland Senmao Landscaping Engineering Co., Ltd. (上海綠地森茂綠化工程有限公司). This acquisition enables the effective integration of both parties' resources and technical expertise in landscaping, ecological development and municipal engineering, significantly enhancing the Group's overall competitiveness and market presence in these sectors. It also reflects the strong support of our controlling shareholder, Greenland Group, for the Group's ongoing development. Through this strategic initiative, the Group will further strengthen our industrial chain and support the long-term, stable and sustainable development of the Company.

A New Chapter of Growth Following the Change of Company Name and Share Consolidation

During the Year under Review, the Group completed a share consolidation to enhance trading liquidity and broaden our shareholder base. Under the consolidation, every 10 issued and unissued existing shares of HK$0.025 each were consolidated into one share of HK$0.25 each. At the same time, to better reflect the Group's strategic focus and future direction as an independent and specialised business, the Company changed our Chinese name from "中國綠地博大綠澤集團有限公司" to "中國綠博生態科技集團有限公司", and our English name from "China Greenland Broad Greenstate Group Company Limited" to "China Green Broad Ecological Technology Company Limited". The Chinese stock short name was also changed from "中國綠地博大綠澤" to "綠博生態", and the English stock short name from "GREENLAND BROAD" to "GREEN BROAD".

The change of Company name and the share consolidation mark an important milestone in the Group's development, signifying our transition into a new phase of growth. These changes position the Group to better respond to evolving market dynamics and capture opportunities in the ecological technology sector. With renewed determination and confidence, we will continue to advance our green and low-carbon transformation and strengthen independent innovation in ecological technologies.

Green Momentum Powering Economic Growth

The green economy has become a key driver of high-quality development. As green development becomes increasingly integrated across industries, the green industrial value chain continues to expand and evolve. From the development and utilisation of green energy, to the manufacturing of green products, and the provision of green services, each segment is interconnected and mutually reinforcing, forming a comprehensive green industrial ecosystem. This not only creates new sources of economic growth, but also lays a solid foundation for achieving the "dual carbon" goals of carbon peaking and carbon neutrality. An increasing number of enterprises are stepping up investment in green technologies, promoting their development and application. By adopting energy-efficient and environmentally friendly production processes and equipment, they are reducing energy consumption and emissions while improving resource efficiency.

Green development underpins high-quality growth, and new quality productive forces are inherently green in nature. China will continue to pursue a path of green development, fully harnessing green momentum to drive economic progress and contribute to both high-quality growth and sustained environmental improvement. Green Broad firmly believes that, by staying on this path, we will embrace a brighter future — one defined by economic prosperity, a thriving ecological environment, and harmonious coexistence between humanity and nature.

Prospects

The period of the 15th Five-Year Plan will mark a critical stage in laying a solid foundation for, and making concerted progress towards, the basic realisation of socialist modernisation, serving as an important bridge in advancing China's modernisation process. During this period, achieving significant new progress in building a "Beautiful China" has been identified as a key objective for economic and social development, further embedding ecological conservation into the core of the national modernisation agenda. China will accelerate the comprehensive green transformation of its economy and society, deepen efforts in pollution prevention and control, strengthen ecosystem protection and restoration, and enhance ecological functions. Simultaneously, it will expedite the development of a modern energy system with new energy as a central pillar, vigorously expand renewable energy, optimise the energy mix and improve energy efficiency. On this basis, China will advance its carbon peaking initiatives in a proactive and orderly manner, implementing emission reduction measures in a phased and sector-specific approach to ensure timely achievement of its carbon peaking targets. Through coordinated policy support, technological innovation and broad public participation, green production methods will be further promoted and green lifestyles more widely adopted, contributing meaningfully to the building of a Beautiful China and the safeguarding of global ecological sustainability.

Looking ahead, the Group will steadfastly implement the new development philosophy, focusing on the "dual carbon" goals and the strategic priorities of the 15th Five-Year Plan. We will accelerate the development of a high-quality growth model centred on ecological technology, underpinned by landscape greening and driven by new energy applications as a key area of breakthrough. In the landscape greening segment, we will consolidate our market position, enhance project quality and service standards, and actively participate in major national initiatives such as urban renewal, ecological restoration and rural revitalisation, delivering more high-quality ecological landscape projects. In the field of new energy applications, we will capitalise on the opportunities arising from the sector's high-quality development and proactively expand into photovoltaic power, energy storage systems and other new energy projects. At the same time, leveraging our expertise in ecological technology, the Group will explore deeper integration between ecological technology and new energy, and continue to develop innovative and competitive green products and services.

Mr. Lin Guangqing
Chairman of the Board
31 March 2026

Management Discussion and Analysis

Industry Review

In 2025, China's landscaping and greening industry closely aligned with national development strategies, actively embracing the concept of green development. With ecology as its foundation and technology as its driving force, the industry continued to advance toward greater intelligence, refinement, and low-carbon transformation. The industry has shifted from a singular focus on visual landscape effects to an emphasis on ecological value. By promoting the integrated development of landscaping with multiple industries, it has created new highlights in the integration of culture and tourism, injecting momentum into the enhancement of urban quality. During the year, the "Park+" model was widely implemented across numerous cities nationwide, giving rise to innovative scenarios such as "Park + Commercial," "Park + Sports," "Park + Cultural and Creative," and "Park + Educational Programs". Through the organic integration of parks with diverse business formats, this model not only enhances the quality of urban ecological environments but also meets the increasingly diversified needs of citizens. It injects new impetus and vitality into urban development, further promoting green and sustainable urban growth while bringing renewed experiences to both urban construction and residents' daily lives.

During the Year under Review, with the rapid expansion in the scale of new energy, the pressure on its consumption and grid integration continued to increase. The National Development and Reform Commission and the National Energy Administration introduced a series of policy measures, including the "Notice on Matters pertaining to the Orderly Advancement of Direct Green Power Connection" (《關於有序推動綠電直連發展有關事項的通知》, the "Guiding Opinions on Promoting Energy Consumption and Grid Regulation" (《關於促進能源消納和調控 的指導意見》) and the "Guiding Opinions on Promoting the Integrated and Coordinated Development of New Energy" (《關於促進新能源集成融合發展的指導意見》), with the aim of addressing enterprises' demand for green electricity. These policies seek to promote the efficient consumption and systematic application of new energy amid large-scale development, while strengthening the coordinated integration and unified development of multiple energy sources. They further facilitate the deep integration and coordinated optimisation of new energy with industrial structures, and actively explore new pathways and opportunities for the coupled development of new energy and industry. Such policy initiatives have created a sound policy environment and institutional support for the healthy and sustainable development of the new energy sector, effectively enabling improvements in quality and efficiency alongside continued expansion in scale.

Business Review

During the Year under Review, the Group conducted a comprehensive and systematic review of all existing projects, analysing each project in detail to identify potential issues and risk exposures. Throughout this process, we maintained close communication with government authorities and other relevant stakeholders, actively coordinating resources to eliminate obstacles and unblock bottlenecks that may arise in project execution. At the same time, the Group continued to strengthen the refined management of its existing projects by optimising management processes and improving operational efficiency. By adopting a multi-pronged approach, we also strived to accelerate cash collection and ensure timely fund recovery, thereby providing strong support for the Group's stable and sound development.

In the new energy sector, we have maintained a close watch on global energy transition trends and continuously explored and captured development opportunities within the industry. Through active participation in the daily operations and management of Sichuan Guoneng Tairui Electromechanical Co., Ltd.* (四川國能泰瑞機電有限公司) ("**Guoneng Tairui**"), we have gained an in-depth understanding of the industry dynamics while accumulating practical experience and technical expertise, thereby providing strong support for the Group's future business expansion and innovation. In parallel, the Group has proactively advanced its established development strategy by conducting in-depth exploration across key areas such as photovoltaic power generation and energy storage technologies. These efforts have continuously driven technological upgrades and the deepening of application scenarios, further accelerating the Group's green transformation and sustainable development.

During the Year under Review, the Group's portfolio primarily consists of PPP projects, of which 5 projects have transitioned to operation and maintenance, and the remainder are either under construction or in the preliminary preparation phase. As of 31 December 2025, the Group recorded total revenue of RMB59.7 million and net loss attributable to owners of the Parent of RMB141.1 million. Gross profit margin was 23%, representing an decrease of 34 percentage points as compared with the same period last year.

In 2026, the Group continued to make steady progress on its existing PPP projects. To date, the settlement and cash collection for completed projects have been carried out in an orderly manner in accordance with the established schedule, with overall progress remaining largely consistent with prior periods and key milestones broadly in line with expectations. For projects that remain on hold due to incomplete prior approvals, the Group has continued to actively communicate and engage with the relevant authorities, working diligently to supplement and complete the necessary approval documentation to create the conditions required for subsequent construction. For projects that are unlikely to complete the requisite procedures within the next year and are therefore not in a position to proceed, the Group will, in full compliance with applicable laws and regulations, actively negotiate with relevant parties to consider signing project termination agreements, thereby effectively managing potential risks and optimising resource allocation.

Project	Time at which project was commenced	Time at which project was suspended	Project receivables (RMB'000)	Settlement received since project commenced (RMB'000)	Accumulated impairment (RMB'000)	Percentage of completion	Latest status
Huiji River Project	March, 2019	November, 2022	546,426	–	(199,351)	58%	Negotiations are currently being conducted with the local government regarding the settlement price for the completed portion of the project. Concurrently, the compliance approval documents required for the remaining portion of the project are being actively supplemented and improved. Should the relevant formalities fail to be completed by the end of 2026, the signing of a project termination agreement will be prudently considered by the Company in 2027.
Boshan Project	August, 2019	August, 2019	259,556	–	(94,693)	36%	The project has been partially suspended due to land use planning adjustments. The Company has been in communication with the relevant local government, and the settlement price for the completed construction works has been mutually agreed upon between the Company and the local government. For the remaining portion of the project, which remains suspended as a result of land planning adjustments, the Company will, through further communication with the local government, either (i) supplement the relevant approval procedures in accordance with the new land planning, or (ii) negotiate alternative arrangements. Active efforts will be made to secure the continuation of construction for the remaining part of the project. If the relevant procedures cannot be completed by 2026, the signing of a project termination agreement will be prudently considered by the Company in 2027.

Project	Time at which project was commenced	Time at which project was suspended	Project receivables (RMB'000)	Settlement received since project commenced (RMB'000)	Accumulated impairment (RMB'000)	Percentage of completion	Latest status
Shanghe Project	March, 2018	November, 2019	123,832	9,400	(45,177)	42%	The settlement price for the completed portion of the project has been agreed upon with the local government by the Company, and the recovery of project payments is being actively advanced. With respect to the remaining part of the project, which has been suspended due to land planning adjustments, supplementary approval procedures will be discussed by the Company with the local government on the basis of the new land planning, or alternative methods will be negotiated, and the construction of the remaining project will be actively pursued. If the relevant procedures cannot be completed by 2026, the signing of a project termination agreement will be prudently considered by the Company in 2027.
Nanchang Project	April, 2014	November, 2015	151,564	205,291	(155,452)	100%	The Project has been completed. The Group is currently in negotiations with the relevant local government regarding the settlement price for the completed construction works. The Company will accelerate the negotiation process. Upon finalisation of the project settlement, the collection of the remaining project payments will be carried out immediately.
Guansheng Lake Project	June, 2020	November, 2021	13,383	175,371	(9,181)	26%	The Group is currently following up on the internal government approval process required for the land use conversion of the project, and is supplementing the relevant approval materials as requested. If the relevant procedures cannot be completed by 2026, the signing of a project termination agreement will be prudently considered by the Company in 2027.
Mianzhu Project	April, 2019	December, 2021	77,750	65,540	(74,792)	8%	The Group is currently actively handling the compliance approval procedures with the township/committee offices required for the remaining projects, in order to advance the construction of these projects. If the relevant procedures cannot be completed by 2026, the signing of a project termination agreement will be prudently considered by the Company in 2027.
Quanzhou Project	May, 2017	December, 2017	0	384,800	0	63%	The Group is currently actively advancing the process of obtaining the necessary logging permits for the project; regarding the relocation of rural cemeteries involved in the project, the Group is collaborating with the local government to negotiate a settlement plan with the villagers. If the logging permits are still not obtained by 2026, and no agreement is reached with the villagers on the relevant matters, the signing of a project termination agreement will be prudently considered by the Company in 2027.

Note: The total amount of construction payments received for the Quanzhou Project (i.e. RMB384,880,000) included "advance payments for construction" (i.e. RMB61,542,000).

The latest business update on other projects currently in progress are detailed below:

Projects	Parties	Date of contract	Duration	Nature of transaction	Contract Sum RMB'000	Revenue generated in 2025 RMB'000
Xi'an Xixian New District Energy International Financial Center Project B Block Landscape Engineering*(西安市西鹹新區能源國際金融中心項目B地塊景觀工程)	Greenland Group Xixian New District Haofeng Real Estate Co., Ltd.*(綠地集團西鹹新區浩澧置業有限公司)and Shanghai Greenland Senmao Landscaping Engineering Co., Ltd., (上海綠地森茂綠化工程有限公司)("**Senmao**"), which was acquired by the Company in 2025	July 2025	To be completed by August 2027	construction	9,110	2,241
Lanzhou New District Greenland World Center Project Phase 1 (DK1) North District Landscape Engineering*(蘭州新區綠地世界中心項目1分期(DK1)北區景觀工程)	Lanzhou New District Greenland Huanhu Real Estate Co., Ltd.*(蘭州新區綠地環湖置業有限公司) and Senmao	1 August 2025	To be completed by December 2026	construction	9,450	5,179
Landscape engineering for the first section of Phase 2 of the Greenland Heart residential project in Xi'an Economic Development Zone*(西安市經開區綠地之心住宅項目2分期一標段景觀工程)	Greenland Group Xi'an Shangji Real Estate Co., Ltd.*(綠地集團西安尚稷置業有限公司) and Senmao	August 2025	To be completed by August 2026	construction	14,422	8,115
Hankou Meihu Villa District Model Area Garden Landscape Project*(漢口美湖別墅區樣板區園林景觀工程)	Wuhan Greenland Meihu Real Estate Co., Ltd.*(武漢綠地美湖置業有限公司)and Senmao	28 March 2025	To be completed by December 2026	construction	3,344	2,618
Wuhan Tianhe Project Community Landscape Project (H12 plot)*(武漢天河項目小區景觀工程(H12地塊))	Wuhan Shenlu Guozhan Industrial Co., Ltd.*(武漢申綠國展實業有限公司)and Senmao	April 2025	To be completed by October 2026	construction	5,732	2,844
Greenland Health Care Sanatorium Renovation Project*(綠地康養療養院裝修工程)	Shanghai Greenland Qingcheng Real Estate Co.,Ltd.*(上海綠地青城置業有限公司)and Senmao	March 2025	Completed in January 2026	construction	15,600	15,600
Hunan Changsha Intercity Space Station Project Garden Landscape Engineering(Three Development Zone)*(湖南長沙城際空間站項目園林景觀工程(三開區))	Changsha Greenland New Milestone Real Estate Co.,Ltd.(長沙綠地新里程置業有限公司)and Senmao	March 2025	To be completed by December 2027	construction	16,500	– (not yet commence)
Mudanjiang XL–14–2 Plot landscape project*(牡丹江XL–14–2地塊景觀工程)	Greenland Group Northeast Real Estate Division*(綠地集團東北房地產事業部)	June 2025	To be completed by December 2027	construction	8,000	– (not yet commence)
Dalian Bay Super High-Rise Apartment Landscape Project(tentative name)*(大連灣超高層公寓景觀工程(暫定名))	Greenland Group Northeast Real Estate Division*(綠地集團東北房地產事業部) and Senmao	June 2025	To be completed by December 2027	construction	8,000	– (not yet commence)
				Total	90,157	36,597

On business development, the Group has presented the Board with a dedicated report on its future strategic direction. Taking into account the current financial position, available resources and market environment, the Group aims to steadily expand its business scope while consolidating its traditional non-PPP landscape and gardening operations. On one hand, the Group will continue to deepen its presence in the landscaping sector, leveraging its existing project experience and professional expertise to maintain business stability and continuity; on the other hand, it will actively seek synergistic development opportunities with high-quality partners, including large state-owned enterprises, and is cautiously exploring the renewable energy sector. The Group has now commenced projects in photovoltaic power, hydropower, and large-scale energy storage, and will further optimise its project portfolio based on project maturity, funding arrangements and risk management, thereby accumulating new momentum for its medium- to long-term growth.

Cost Control

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

Research and Development

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

Outlook

The new energy industry is at a critical stage of rapid transformation and development, with technological innovation and policy support jointly driving its comprehensive upgrade. Given the accelerating transition of the global energy mix, the application scenarios for new energy technologies will continue to diversify — from distributed energy systems and large-scale energy storage facilities to the development of smart grids — as the industry is gradually building an efficient, flexible, and sustainable energy ecosystem. Meanwhile, the deep integration of digitalisation and intelligent technologies has injected new momentum into the new energy sector. Through the extensive application of big data analytics, artificial intelligence optimisation, and Internet of Things technologies, the efficiency of energy production, transmission, and consumption has been significantly enhanced.

Looking ahead, the new energy industry will further advance towards high-quality development, with greater synergies across the upstream and downstream segments of the industrial chain. In the photovoltaic sector, the research, development, and promotion of high-efficiency cell technologies will emerge as a key focus, while the wind power sector will concentrate on large-scale offshore wind development and technological breakthroughs. In addition, hydrogen energy, as an emerging clean energy carrier, is poised to make significant progress in its production, storage, and application technologies, potentially becoming an important component of future energy systems. In this process, companies will need to continuously strengthen their technological capabilities and market competitiveness to address increasingly complex international competition and evolving market demands.

The Group will remain attuned to industry development trends and deepen its presence in the new energy sector, with particular focus on increasing investment in photovoltaic power generation and energy storage technologies. By integrating internal and external resources and promoting the close alignment of technological research and development with practical applications, we strive to develop more benchmark projects with demonstrative effects, contributing to the optimisation of the national energy structure and the achievement of green and low-carbon objectives. At the same time, the Group will actively explore models for integrating new energy with other industries, creating new growth drivers and laying a solid foundation for the Group's long-term sustainable development.

Corporate Governance Report

The board (the "**Board**") of directors (the "**Directors**") of the Company is pleased to report to the shareholders of the Company (the "**Shareholders**") on the corporate governance of the Company for the year ended 31 December 2025.

Corporate Governance Culture and Purpose

The Company is committed to ensuring that its affairs are conducted in accordance with high business ethical standards. This reflects its belief that, in the achievement of its long-term objectives, it is imperative to act with probity, transparency and accountability. By so acting, the Company believes that Shareholder wealth will be maximised in the long term and that its employees, those with whom it does business and the communities in which it operates will all benefit.

Purpose: *being a leader in ecological and humanistic homeland construction, and a pioneer in sustainable environmental development*
Value: *enhancing the regional core values through first-class ecological environments and promoting the harmonious upgrading of our homelands through deep humanistic construction*
Strategy: *a strategy centering on ecological construction, with environmental restoration and cultural tourism as complementary components*
Spirits: *kindness, fortitude, cooperation, and dedication*

Corporate governance is the process by which the Board instructs management of the Group to conduct its affairs with a view to ensuring that its objectives are met. The Board is committed to maintaining and developing robust corporate governance practices that are intended to ensure:

— *satisfactory and sustainable returns to Shareholders;*
— *that the interests of those who deal with the Company are safeguarded;*
— *that overall business risk is understood and managed appropriately;*
— *the delivery of high-quality products and services to the satisfaction of customers; and*
— *that high standards of ethics are maintained.*

The Company acts as an investment holding company and the principal activities of the Group include to develop the whole industry chain with the main focus on ecological construction in China Strategic business layout. As a group with diversified businesses, by recognising the importance of stakeholders at the Board level and throughout the Group, we strive to provide high quality and reliable products and services, and to create values to the stakeholders through sustainable growth and continuous development.

The Board has set out the following values to provide guidance on employees' conduct and behaviours as well as the business activities, and to ensure they are embedded throughout the Company's vision, mission, policies and business strategies:

(a) *Talent — the foundation of everything;*
(b) *Integrity — the inherent driving force of our development;*
(c) *Quality — our ultimate pursuit;*
(d) *Accountability — we are accountable for delivering on our commitments;*
(e) *Empathy — we care about our stakeholders — employees, customers, supply chain and the community; and*
(f) *Sustainability — we are committed to a sustainable future*

The Group will continuously review and adjust, if necessary, its business strategies and keep track of the changing market conditions to ensure prompt and proactive measures will be taken to respond to the changes and meet the market needs to foster the sustainability of the Group.

Corporate Governance Practices

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 set out in Appendix C1 of the Listing Rules (as amended from time to time) as the basis of the Company's corporate governance practices since the Listing Date. Throughout the Reporting Period, the Company has complied with all the applicable code provisions of the CG Code.

Model Code for Securities Transactions

The Company has adopted the Model Code as set out in Appendix C3 of the Listing Rules as its own code of conduct regarding securities transactions of the Directors. Having made specific enquiries with the Directors, all the Directors have confirmed that they have complied with the required standard as set out in 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 throughout the Reporting Period.

Board of Directors

The Company is headed by an effective Board which oversees the Group's businesses, strategic decisions and performance and takes decisions objectively in the best interests of the Company.

The Board should regularly review the contribution required from a Director to perform his responsibilities to the Company, and whether the Director is spending sufficient time performing them.

Composition

As at the date of this annual report, the Board currently comprises five members, consisting of two executive Directors and three independent non-executive Directors.

The composition of the Board is set out below:

Executive Directors:

Mr. Lin Guangqing *(Chairman and chief executive officer) (appointed as Chairman on 5 August 2025)*
Mr. Wang Yaoming *(appointed on 8 August 2025)*
Mr. Pei Gang *(Chairman) (resigned on 5 August 2025)*

Independent Non-executive Directors:

Mr. Dai Guoqiang
Mr. Yang Yuanguang
Ms. Zhang Rui *(appointed on 8 August 2025)*
Dr. Jin Hexian *(resigned on 8 August 2025)*

Mr. Wang Yaoming and Ms. Zhang Rui, who were appointed to the board on 8 August 2025, had obtained legal advice from an external law firm as required under Rule 3.09D of the Listing Rules on 6 August 2025. Each of them has confirmed his/her understanding of the obligations as a director of the Company.

Save for the disclosures in the biographies of the Directors as set out in the section headed "Directors and Senior Management" of this annual report, there is no relationship (including financial, business, family or other material/relevant relationships) among the members of the Board.

Chairman and Chief Executive Officer

Pursuant to code provision C.2.1 of the CG Code, the roles of chairman and chief executive should be separate and should not be performed by the same individual. The division of responsibilities between the chairman and chief executive should be clearly established and set out in writing.

On 5 August 2025, Mr. Lin Guangqing ("**Mr. Lin**") was appointed as the chairman of the Board, subsequently, Mr. Lin served as dual roles of the chairman of the Board and the chief executive officer of the Company. After evaluation of the current situation of the Company and taking into account of the experience and past performance of Mr. Lin, the Board is of the opinion that it is appropriate at the present stage for Mr. Lin to hold both positions as the chairman of the Board and the chief executive officer of the Company as it ensures the stability of the operations of the Company with consistent leadership and policy formulation, enhancing the efficiency and flexibility of decision-making, and enabling the Company to swiftly respond to market changes and capture strategic opportunities. In addition, under the supervision by the current Board which consists of three independent non-executive Directors, the interests of the Shareholders will be adequately and fairly represented. Also, as all major decisions are made in consultation with and approved by the members of the Board, the Board believes that this arrangement will not have negative influence on the balance of power and authorization between the Board and the management of the Company. Therefore, the Board considers the deviation from code provision C.2.1 of the CG Code is appropriate under such circumstances. The Board will review the management structure regularly and consider separating the roles of the chairman and chief executive officer if and when appropriate.

Independent Non-executive Directors

During the Reporting Period, the Board at all times met the requirements of the Listing Rules relating to the appointment of at least three independent non-executive Directors representing one-third of the Board with one of whom possessing appropriate professional qualifications or accounting or related financial management expertise.

The Company has received written annual confirmation from each of the independent non-executive Directors in respect of his/her independence in accordance with the independence guidelines set out in Rule 3.13 of the Listing Rules. The Company is of the view that all independent non-executive Directors are independent throughout the Reporting Period.

Re-election of Directors

Code provision B.2.2 states that every director, including those appointed for a specific term, should be subject to retirement by rotation at least once every three years.

In accordance with the Articles of Association, Mr. Lin Guangqing, Mr. Wang Yaoming and Ms. Zhang Rui will retire and being eligible, have offered themselves to be re-elected and re-appointed at the forthcoming annual general meeting of the Company.

Responsibilities, Accountabilities and Contributions of the Board and Management

The Board is responsible for leadership and control of the Company and oversees the Group's businesses, strategic decisions and performance and is collectively responsible for promoting the success of the Company by directing and supervising its affairs. Directors of the Board shall take decisions objectively in the interests of the Company.

The Board directly, and indirectly through its committees, leads and provides direction to management by laying down strategies and overseeing their implementation, monitors the Group's operational and financial performance, and ensures that sound internal control and risk management systems are in place.

All Directors, including independent non-executive Directors, have brought a wide spectrum of valuable business experience, knowledge and professionalism to the Board for its efficient and effective functioning. The independent non-executive Directors are also responsible for ensuring a high standard of regulatory reporting of the Company and providing a balance in the Board for bringing effective independent judgement on corporate actions and operations.

All Directors have full and timely access to all the information of the Company as well as the services and advice from the company secretary and senior management. The Directors may, upon request, seek independent professional advice in appropriate circumstances, at the Company's expenses for discharging their duties to the Company.

The Directors have disclosed to the Company details of other offices held by them and the Board has regularly reviewed the contribution required from each Director to perform his responsibilities to the Company.

The Board reserves for its decision all major matters relating to policy matters, strategies and budgets, internal control and risk management, material transactions (in particular those that may involve conflict of interests), financial information, appointment of Directors and other significant operational matters of the Company. Responsibilities relating to implementing decisions of the Board, directing and coordinating the daily operation and management of the Company are delegated to the management.

Continuous Professional Development of Directors

Directors shall keep abreast of responsibilities as a Director of the Company and of the conduct, business activities and development of the Company.

Every newly appointed Director will receive formal, comprehensive and tailored induction on the first occasion of his/her appointment to ensure appropriate understanding of the business and operations of the Company and full awareness of Director's responsibilities and obligations under the Listing Rules and relevant statutory requirements. Such induction shall be supplemented by visits to the Company's branches in the People's Republic of China and meetings with senior management of the Company.

Directors should participate in appropriate continuous professional development to develop and refresh their knowledge and skills to ensure that their contribution to the Board remains informed and relevant. Internally-facilitated briefings for Directors will be arranged and reading material on relevant topics will be issued to Directors where appropriate. All Directors are encouraged to attend relevant training courses at the Company's expenses.

During the Reporting Period, the Directors of the Company have studied the reading materials and attending trainings or seminars conducted by the qualified professionals/the Stock Exchange on relevant topics, such as the corporate governance and directors' attendance at meetings and dividend policy, weighted voting rights issuers' corporate governance requirements. In addition, the Company has provided legal and regulatory update to the Directors as part of the continuous professional development for the Directors' reference and studying.

All Directors have provided the Company with a record of the training they received for the Reporting Period and such records were maintained by the Company.

The record of continuous professional development relating to director's duties and regulatory and business development that have been received by the Directors for the Reporting Period is summarized as follows:

Directors	Type of Training[Note]
Executive Directors	
Mr. Lin Guangqing	A, B
Mr. Wang Yaoming *(appointed on 8 August 2025)*	A, B
Mr. Pei Gang *(resigned on 5 August 2025)*	A, B
Independent Non-executive Directors	
Mr. Dai Guoqiang	
Mr. Yang Yuanguang	A, B
Ms. Zhang Rui *(appointed on 8 August 2025)*	A, B
Dr. Jin Hexian *(resigned on 8 August 2025)*	A, B

Note:

Types of Training

A: Attending training sessions, including but not limited to, briefings, seminars, conferences and workshops

B: Reading relevant news alerts, newspapers, journals, magazines and relevant publications

Board Committees

The Board has established three committees, namely the Audit Committee, Remuneration Committee and Nomination Committee, for overseeing particular aspects of the Company's affairs. All Board committees of the Company are established with defined written terms of reference. The terms of reference of these committees are posted on the websites of the Company and the Stock Exchange and are available to Shareholders upon request.

Audit Committee

The Audit Committee currently comprises three members, namely Mr. Yang Yuanguang, Mr. Dai Guoqiang and Ms. Zhang Rui. All of them are independent non-executive Directors. It is currently chaired by Mr. Yang Yuanguang.

The roles and functions of the Audit Committee are set out in its terms of reference which are of no less exacting terms than those set out in the CG Code. The main duties of the Audit Committee are to assist the Board in reviewing the financial information and reporting process, risk management and internal control systems, effectiveness of the internal audit function, appointment of external auditors, audit plan and relationship with external auditors, and arrangements to enable employees of the Company to raise, in confidence, concerns about possible improprieties in financial reporting, internal control or other matters of the Company.

During the Reporting Period, the Audit Committee reviewed the annual results and annual report for the year ended 31 December 2024, interim financial results and interim report for the six months ended 30 June 2025, significant issues on the financial reporting procedures and arrangements for employees to raise concerns about possible improprieties, the effectiveness of the risk management and internal control systems. The Audit Committee considered the matters relating to the re-appointment of the external auditor and also reviewed the internal audit function and the audit progress/plan in relation to the 2025 annual results submitted by the external auditors. The requirements for Environment, Social and Reporting were duly noted by the Audit Committee.

The Audit Committee held four meetings with the external auditors during the Reporting Period without the presence of the executive Directors.

Remuneration Committee

The Remuneration Committee currently comprises three members, namely Ms. Zhang Rui, Mr. Dai Guoqiang and Mr. Lin Guangqing. Majority of them are independent non-executive Directors. It is currently chaired by Ms. Zhang Rui.

The roles and functions of the Remuneration Committee are set out in its terms of reference. The primary duties of the Remuneration Committee are to make recommendations to the Board on the remuneration policy and remuneration packages of individual executive Directors and senior management, the establishment of a formal and transparent procedure for developing such remuneration policy to ensure that no Director or any of his/her associates will participate in deciding his/her own remuneration, determine the terms of the specific remuneration package of each executive Director and senior management as well as review and approve performance-based remuneration by reference to corporate goals and objectives resolved by the Board from time to time.

During the Reporting Period, the Remuneration Committee reviewed and made recommendation to the Board on the remuneration policy and structure of the Company, remuneration packages of the executive Directors and senior management and the evaluation system for the performance of executive Directors. The Remuneration Committee also reviewed and approved the terms of service contracts and the remuneration package for the newly appointed directors.

The Remuneration Committee met twice during the Reporting Period.

The biographical details of the senior management (the number of the senior management of the Group (excluding executive Directors) is nil, whose remuneration is nil) are included in section headed “Directors and Senior Management” of this annual report.

Nomination Committee

The Nomination Committee currently comprises three members, namely Mr. Dai Guoqiang, Ms. Zhang Rui and Mr. Lin Guangqing. Majority of them are independent non-executive Directors. It is currently chaired by Mr. Dai Guoqiang.

The roles and functions of the Nomination Committee are set out in its terms of reference. The principal duties of the Nomination Committee are to review the structure, size and composition of the Board on a regular basis, develop and formulate relevant procedures for the nomination and appointment of Directors, assess the independence of the independent non-executive Directors and make recommendations to the Board on the appointment or re-appointment of the Directors and succession plan of the Board.

In assessing the Board composition and identifying and selecting suitable candidates for directorships, the Nomination Committee would take into account various aspects and criteria set out in the board diversity policy (the "**Board Diversity Policy**") and the directors' nomination policy (the "**Directors' Nomination Policy**") adopted by the Board on 28 August 2014 and 13 November 2018 respectively, summaries of which are detailed in the sections of "Board Diversity Policy" and "Director Nomination Policy". The Nomination Committee would discuss and agree on measurable objectives for achieving diversity on the Board, where necessary, and recommend them to the Board for adoption.

During the Reporting Period, the Nomination Committee reviewed the Board Diversity Policy, structure, size and composition of the Board and the independence of the independent non-executive Directors and reviewed Directors' Nomination Policy. The Nomination Committee also evaluated the Board candidates and, after consideration and approval, made recommendations to the Board for relevant appointments.

The Nomination Committee met twice during the Reporting Period.

Board Diversity Policy

The Board Diversity Policy was adopted by the Company pursuant to the Board resolution passed on 28 August 2014. The Board Diversity Policy aims to set out the approach to diversity on the Board of the Company and to achieve a sustainable and balanced development.

The Nomination Committee had reviewed the Board Diversity Policy and discussed the measurable objectives for achieving diversity of the Board and recommended them to the Board for adoption, as appropriate, to ensure the effectiveness of this Board Diversity Policy.

All Board appointments will be based on meritocracy, and candidates will be considered against appropriate criteria, having due regard for the benefits of diversity on the Board.

Selection of candidates will be based on a range of diversity perspectives, including but not limited to gender, age, cultural background and ethnicity, in addition to educational background, professional experience, skills, knowledge and industry and regional experience. The ultimate decision will be based on merit and contribution that the selected candidates will bring to the Board.

The Directors have a balanced mixed of knowledge and skills, including but not limited to overall business management and strategic development, finance and accounting, research and development, and investment. They obtained degrees in various majors including engineering, economics and business administration. Furthermore, the Board has 4 male Directors and 1 female Director with a relatively wide range of ages, ranging from 45 years old to 73 years old. The Board of Directors is of the view that the Board satisfies the Board Diversity Policy.

Gender Diversity

The Company values gender diversity across all levels of the Group. The following table sets out the gender ratio in the workforce of the Group, including the Board and senior management as at the date of this annual report:

	Female	Male
Board	1% (1)	4% (4)
Other employees	28% (32)	67% (76)
Overall workforce	29% (33)	71% (80)

The Nomination Committee and the Board are of the view that the current composition of the Board has achieved the objectives set in the Board Diversity Policy.

The Nomination Committee will review the Board Diversity Policy on an annual basis to ensure its continued effectiveness.

Directors' Nomination Policy

The Directors' Nomination Policy sets out the criteria and process in the nomination and appointment of directors of the Company. The Directors' Nomination Policy applied to ensure that the Board has a balance of skills, experience and diversity of perspectives appropriate to the Company as well as Board continuity and appropriate leadership at Board level.

A summary of the Directors' Nomination Policy is set out below:

Criteria adopted for selection and recommendation for directorship

In evaluating and selecting any candidate for directorship, the following criteria should be considered:

- Character and integrity.
- Qualifications including professional qualifications, skills, knowledge, and experience that are relevant to the Company's business and corporate strategy, and diversity aspects under the Board Diversity Policy.
- Any measurable objectives adopted for achieving diversity on the Board.
- Requirement for the Board to have independent non-executive directors in accordance with the Listing Rules and whether the candidate would be considered independent with reference to the independence guidelines set out in the Listing Rules.
- Any potential contributions the candidate can bring to the Board in terms of professional qualifications, skills, experience, independence and gender diversity.

- Willingness and ability to devote adequate time to discharge duties as a member of the Board and/or Board committee(s) of the Company.

- Such other perspectives that are appropriate to the Company's business and succession plan and where applicable, may be adopted and/or amended by the Board and/or the Nomination Committee from time to time for nomination of directors and succession planning.

Nomination process

(a) Appointment of New Director

(i) The Nomination Committee and/or the Board should, upon receipt of the proposal on appointment of new director and the biographical information (or relevant details) of the candidate, evaluate such candidate based on the criteria as set out above to determine whether such candidate is qualified for directorship.

(ii) If the process yields one or more desirable candidates, the Nomination Committee and/or the Board should rank them by order of preference based on the needs of the Company and reference check of each candidate (where applicable).

(iii) The Nomination Committee should then recommend to the Board to appoint the appropriate candidate for directorship, as applicable.

(iv) For any person that is nominated by a shareholder for election as a director at the general meeting of the Company, the Nomination Committee and/or the Board should evaluate such candidate based on the criteria as set out above to determine whether such candidate is qualified for directorship.

Where appropriate, the Nomination Committee and/or the Board should make recommendation to shareholders in respect of the proposed election of director at the general meeting.

(b) Re-election of Director at General Meeting

(i) The Nomination Committee and/or the Board should review the overall contribution and service to the Company of the retiring director and the level of participation and performance by him/her on the Board.

(ii) The Nomination Committee and/or the Board should also review and determine whether the retiring director continues to meet the criteria as set out above.

(iii) The Nomination Committee and/or the Board should then make recommendation to shareholders in respect of the proposed re-election of director at the general meeting.

Where the Board proposes a resolution to elect or re-elect a candidate as director at the general meeting, the relevant information of the candidate will be disclosed in the circular to shareholders and/or explanatory statement accompanying the notice of the relevant general meeting in accordance with the Listing Rules and/or applicable laws and regulations.

As delegated by the Board, the Nomination Committee will, in addition to conducting regular review on the structure, size and composition of the Board, also conduct regular review on the Directors' Nomination Policy and where appropriate, make recommendations on changes to the Board to complement the Company's corporate strategy and business needs.

Corporate Governance Functions

The Board is responsible for performing the functions set out in the code provision A.2.1 of the CG Code.

The Board reviewed the Company's corporate governance policies and practices, training and continuous professional development of Directors and senior management, the Company's policies and practices on compliance with legal and regulatory requirements and the compliance of the Model Code, and the Company's compliance with the CG Code and disclosure in this Corporate Governance Report.

Board Meetings

The Directors are continually updated with the regulatory requirements, business activities and development of the Company to facilitate the discharge of their responsibilities. Through regular Board meetings, all Directors are kept abreast of the conduct, business activities and development of the Company.

Annual meeting schedules and draft agenda of each meeting are normally made available to Directors in advance.

Notice of regular Board meetings is served to all Directors at least 14 days before the meeting. For other Board and committee meetings, reasonable notice is generally given.

Board papers together with all appropriate, complete and reliable information are sent to all Directors at least 3 days before each Board meeting or committee meeting to keep Directors apprised of the latest developments and financial position of the Company and to enable them to make informed decisions.

The Board and each Director also have separate and independent access to the senior management where necessary.

The joint company secretaries (or their delegate(s)) are responsible for taking and keeping minutes of all Board meetings and committee meetings respectively. Draft minutes are normally circulated to Directors for comment within a reasonable time after each meeting and final versions are open for Directors' inspection.

The Articles of Association contain provisions requiring Directors to abstain from voting and not to be counted in the quorum at meetings for approving transactions in which such Directors or any of their associates have a material interest.

All divisions/departments conduct internal control assessment regularly to identify risks that potentially impact the business of the Group and various aspects including key operational and financial processes, regulatory compliance and information security. Self-evaluation has been conducted annually to confirm that control policies are properly complied with by each division/department.

The management, in coordination with division/department heads, assessed the likelihood of risk occurrence, provide treatment plans, and monitor the risk management progress, and reported to the Audit Committee and the Board on all findings and the effectiveness of the systems.

The management has confirmed to the Board and the Audit Committee on the effectiveness of the risk management and internal control systems for the Reporting Period.

The Internal Auditor is responsible for performing independent review of the adequacy and effectiveness of the risk management and internal control systems. The Internal Auditor examined key issues in relation to the accounting practices and all material controls and provided its findings and recommendations for improvement to the Audit Committee.

The Board, as supported by the Audit Committee as well as the management report, reviewed the risk management and internal control systems, including the financial, operational and compliance controls, for the Reporting Period, and considered that such systems are effective and adequate. The annual review also covered the financial reporting and internal audit function and staff qualifications, experiences and relevant resources, and also considered such resources are effective and adequate.

The Company has developed its disclosure policy which provides a general guide to the Company's Directors, officers, senior management and relevant employees in handling confidential information, monitoring information disclosure and responding to enquiries.

Directors' Responsibility in Respect of the Financial Statements

The Directors have acknowledged their responsibility for preparing the financial statements of the Company for the Reporting Period.

The Directors have not been aware of any material uncertainties relating to events or conditions that may cast significant doubt upon the Company's ability to continue as a going concern.

The statement of the independent auditors of the Company about their reporting responsibilities on the financial statements is set out in the Independent Auditor's Report on pages 89 to 93 of this annual report.

Auditor's Remuneration

The audit service conducted by HLB Hodgson Impey Cheng Limited ("**HLB**") is the Group audit. Non-audit services provided by HLB Hodgson Impey Cheng Limited include agreed-upon procedures for preliminary annual result announcement. The Group also engaged some local auditors as its subsidiaries' statutory auditors. For the year ended 31 December 2025, the external auditors received the following remuneration for audit and non-audit services provided to the Group:

	2025 RMB'000	2024 RMB'000
Auditor's remuneration		
Services rendered by HLB		
— Statutory audit services	**1,700**	1,500
— Non-audit services	**–**	–
Services rendered by Ernst & Young		
— Non-audit services	**–**	900

Joint Company Secretaries

The joint company secretaries of the Company supports the Board and Board committees and facilitates good information flow between them and the Company's management. Mr. Wang Zhikai ("**Mr. Wang**") of the Company and Ms. Lee Mei Yi ("**Ms. Lee**") of Tricor Services Limited, an external service provider, are the joint company secretaries of the Company (the "**Joint Company Secretaries**").

All Directors have access to the advice and services of the joint company secretary on corporate governance and board practices and matters.

During the Reporting Period, Mr. Wang and Ms. Lee both complied with the training requirement as stipulated in the Listing Rules.

Shareholders' Rights

To safeguard Shareholders' interests and rights, a separate resolution is proposed for each substantially separate issue at general meetings, including the election of individual Directors. All resolutions put forward at general meetings will be voted on by poll pursuant to the Listing Rules and poll results will be posted on the websites of the Company and of the Stock Exchange after each general meeting.

Attendance Record of Directors and Committee Members

The attendance record of each Director at the Board and Board Committee meetings and the general meeting of the Company held for the Reporting Period is set out in the table below:

	Number of Actual Attendance/Number of Meetings				
Name of Director	**Board**	**Nomination Committee**	**Remuneration Committee**	**Audit Committee**	**General Meeting**
Mr. Lin Guangqing	4/4	1/1	1/1	N/A	2/2
Mr. Pei Gang *(resigned on 5 August 2025)*	1/1	1/1	1/1	N/A	1/1
Mr. Wang Yaoming *(appointed on 8 August 2025)*	2/2	N/A	N/A	N/A	1/1
Mr. Dai Guoqiang	4/4	2/2	2/2	4/4	2/2
Mr. Yang Yuanguang	4/4	N/A	N/A	4/4	2/2
Ms. Zhang Rui *(appointed on 8 August 2025)*	2/2	0/0	0/0	2/2	1/1
Dr. Jin Hexian *(resigned on 8 August 2025)*	2/2	2/2	2/2	2/2	1/1

Apart from Board meetings, the Chairman also met once with independent non-executive Directors without the presence of other executive Directors during the Reporting Period.

Risk Management and Internal Controls

The Board acknowledged its responsibility for the risk management and internal control systems and reviewed their effectiveness. Such systems are designed to manage rather than eliminate the risk of failure to achieve business objectives, and can only provide reasonable and not absolute assurance against material misstatement or loss.

The Board has the overall responsibility for evaluating and determining the nature and extent of the risks it is willing to take in achieving the Company's strategic objectives, and establishing and maintaining appropriate and effective risk management and internal control systems.

The Audit Committee assisted the Board in leading the management and overseeing their design, implementation and monitoring of the risk management and internal control systems.

The Company's risk management and internal control systems were developed based on the Company's Risk Management and Internal Control System Policies (《風險管理內部控制制度》) with the following principles, features and processes:

Principles of Risk Management

Risk management is an advanced management technique based on the internal control system of the Company and requires the participation of the Board, the management and the employees of the Company. It is a risk control process applying to the Company's strategic development planning, each process and function of its internal operation for the purpose of identifying matters that may have potential impacts on the Company and controlling risks according to its risk appetite, which in turn provides the Company with reasonable assurance to achieve its business objectives.

The objectives of the Company's risk management and internal control are as follows:

1. identifying matters that may have potential impacts on the Company and controlling risks according to its risk appetite; and

2. providing the Board and the management of the Company with reasonable assurance to achieve the Company's business objectives. This includes but not limited to: utilising resources in an efficient and effective way; preventing the loss of assets; maintaining the reliability and integrity of information; ensuring consistency between policies, plans, procedures, laws and regulations.

Features and Processes of Risk Management and Internal Control

The risk management and internal control system of the Company can be divided into five parts as follows:

1. Setting up objectives: setting up objectives for the Company and classifying them into various objectives, including strategic objective, business objective, reporting objective and compliance objective allows the Board and the management of the Company to identify and manage risks in different aspects.

2. Identifying and dealing with matters: management of the Company will identify matters with uncertainties and decide the degree of risks therefrom. We have comprehensive procedures in place for dealing with specific risks such as demand risk, technical risk, resource risk, management risk, communication risk and environmental risk.

3. Risk assessment: the Company identifies risks from a long-term perspective and assesses different risk parameters while analysing relevant information collected for this purpose.

4. Critical risk control points of internal control in each business segment: the Company carries out its risk management based on its other internal control systems and strictly complies with the internal control system of each business segment while implementing measures for each risk control points.

5. Accounting control: the Company rigorously conforms to the Hong Kong Financial Reporting Standards, accounting principles generally accepted in Hong Kong, the disclosure requirement of the Hong Kong Companies Ordinance, the Accounting Standards for Business Enterprises and major accounting policies of the Company, so as to ensure the safety and integrity of its assets and give a true view of its financial position.

Management will identify uncertainties and take actions to seize opportunities arising from events with positive impacts to the Company and will focus on events with negative impacts during the risk assessment and response period.

The Company instructs its dedicated policy researchers to identify the trend of policy change with an aim to minimise the political influence on our principal business. We will also conduct research on laws, regulations and industrial standards to predict potential changes and consult relevant experts when necessary. To provide decision support and cope with risks, the Company shall study the macro economy including economic conditions, economic cycles and industrial trends.

The Company identifies risks from a long-term perspective instead of only focusing on short and medium term risks. Risk assessment will be conducted based on risk parameters such as the possibility and hazard of the risk, critical point that triggers the risk control measures and the priority of risk control, etc. The management will also collect relevant information during the risk assessment to classify and identify source of risk and make reasonable estimates to the probability of the risk as well as the loss it may generate. The management will as well decide the risk level acceptable to each business and project on the basis of their past experience and, thereby, determine the key point of risk control.

Procedures for Shareholders to Convene an Extraordinary General Meeting

Article 12.3 of the Articles of Association provides that general meetings shall be convened on the written requisition of the following members of the Company deposited at the principal place of business of the Company in Hong Kong at Room 1920, 19/F, Lee Garden One, 33 Hysan Avenue, Causeway Bay, Hong Kong specifying the objects of the meeting and signed by the requisitionist(s), provided that such requisitionist(s) held as at the date of deposit of the requisition not less than one-tenth of the paid up capital of the Company which carries the right of voting at general meetings of the Company:

- Any two or more members; or

- Any one member which is a recognized clearing house (or its nominee(s))

If the Directors of the Company do not within 21 days from the date of deposit of the requisition proceed duly to convene the meeting to be held within a further 21 days, the requisitionist(s) themselves or any of them representing more than one-half of the total voting rights of all of them, may convene the general meeting in the same manner, as nearly as possible, as that in which meetings may be convened by the Directors of the Company provided that any meeting so convened shall not be held after the expiration of three months from the date of deposit of the requisition, and all reasonably expenses incurred by the requisitionist(s) as a result of the failure of the Board shall be reimbursed to them by the Company.

Note: Any such written requisition from the Shareholders should be marked "Shareholders' Communication" on the envelope.

Procedures for Shareholders to Propose a Person for Election as a Director

Shareholders may propose a person for election as Director, the procedures for which are available in the section of "Corporate Governance" under the column of "Investor Relations" on the Company's website (http://www.greenbroad-ecological.com.cn).

Procedures for Shareholders to Put Forward Proposals at General Meeting

Within 10 days of the date on which a notice (the "**Notice**") is deemed to be received by Shareholders in respect of any general meeting of the Company (the "**Relevant General Meeting**"), two or more Shareholders holding at least one-tenth of the paid up capital of the Company which carries the right of voting at general meetings of the Company may together, by written notice to the Company at Room 1920, 19/F, Lee Garden One, 33 Hysan Avenue, Causeway Bay, Hong Kong for the attention of the Joint Company Secretaries, propose a resolution to be proposed and considered at the Relevant General Meeting in addition to the resolutions set out in the Notice. Such written notice shall be accompanied by a statement in no more than 1,000 words explaining the matters referred to, and the reasons for, any such proposed resolution. Following the receipt of such written notice and accompanying statement by the Company, the Company may, in the Company's absolute discretion (taking into account, without limitation, legal, regulatory and practical considerations relating to the issue of any supplemental notice to all Shareholders in relation to the Relevant General Meeting), include the proposed resolution in the business of (i) the Relevant General Meeting or (ii) in a general meeting of the Company that is subsequent to the Relevant General Meeting.

The Company will circulate a revised Notice including any proposed resolution and the accompanying statement to all Shareholders in accordance with the Articles of Association provided that if, in the Company's sole opinion (without have to give reasons therefore), the above process is being abused in any way whatsoever, the Company has absolute discretion to not include such proposed resolution in the business of the Relevant General Meeting or a subsequent general meeting of the Company.

Note: Any such written notice from the Shareholders should be marked "Shareholders' Communication" on the envelope.

Procedures for Shareholders to Put Forward Enquiries to the Board

For putting forward any enquiries to the Board of the Company, Shareholders may send written enquiries to the Company. The Company will not normally deal with verbal or anonymous enquiries.

Contact Details

Shareholders may send their enquiries or requests as mentioned above to the following:

Address:	Floor 8, Block D3, 5th Building Hongqiao World Center 1588 Lane, Zhuguang Road Shanghai, the People's Republic of China For the attention of Mr. Wang Zhikai
Email:	ir@broad-greenstate.cn

For the avoidance of doubt, Shareholder(s) must deposit and send the original duly signed written requisition, notice or statement, or enquiry (as the case may be) to the above address and provide their full name, contact details and identification in order to given effect thereto. Shareholders' information may be disclosed as required by law.

Communication with Shareholders and Investors

The Company believes that providing regular communications to its Shareholders and the market is important to ensure they have the available information reasonably required to make informed assessments of the Company's strategy, operations and financial performance. The Company is committed to maintaining effective and timely dissemination of the Company's information to its Shareholders and the market.

The Company endeavours to maintain an on-going dialogue with Shareholders and in particular, through general meetings, which provide an opportunity for communication between the Shareholders and the Board.

Pursuant to code provision F.1.2 of the CG Code, the chairman of the board should attend the annual general meeting. The chairman of the board should also invite the chairmen of the audit, remuneration, nomination and any other committee (as appropriate) to attend. In their absence, the chairman of the board should invite another member of the committee or failing this, his duly appointed delegate, to attend. These persons should be available to answer questions at the annual general meeting.

Separate resolutions are proposed at Shareholders' meetings on each substantial issue, including the election of individual Directors.

Shareholders' Communication Policy

The Company has in place a Shareholders' Communication Policy. The policy aims at promoting effective communication with Shareholders and other stakeholders, encouraging Shareholders to engage actively with the Company and enabling Shareholders to exercise their rights as Shareholders effectively. The Board reviewed the implementation and effectiveness of the Shareholders' Communication Policy and the results were satisfactory.

The Company has established a number of channels for maintaining an on-going dialogue with its Shareholders as follows:

(a) Corporate Communication

"Corporate Communication" as defined under the Listing Rules refers to any document issued or to be issued by the Company for the information or action of holders of any of its securities, including but not limited to the following documents of the Company: (a) the Directors' report, annual accounts together with a copy of the auditor's report and, where applicable, its summary financial report; (b) the interim report and, where applicable, its summary interim report; (c) a notice of meeting; (d) a listing document; (e) a circular; and (f) a proxy form. The Corporate Communication of the Company will be published on the Stock Exchange's website (www.hkex.com.hk) in a timely manner as required by the Listing Rules. Corporate Communication will be provided to Shareholders and non-registered holders of the Company's securities in both English and Chinese versions or where permitted, in a single language, in a timely manner as required by the Listing Rules. Shareholders and non-registered holders of the Company's securities shall have the right to choose the language (either English or Chinese) or means of receipt of the Corporate Communication (in printed form or through electronic means).

(b) Announcements and Other Documents pursuant to the Listing Rules

The Company shall publish announcements (on inside information, corporate actions and transactions etc.) and other documents (e.g. Memorandum and Articles of Association) on the Stock Exchange's website in a timely manner in accordance with the Listing Rules.

(c) Corporate Website

Any information or documents of the Company posted on the Stock Exchange's website will also be published on the Company's website (www.greenbroad-ecological.com.cn). Other corporate information about the Company's business developments, goals and strategies, corporate governance and risk management will also be available on the Company's website.

(d) Shareholders' Meetings

The annual general meeting and other general meetings of the Company are primary forum for communication between the Company and its Shareholders. The Company shall provide Shareholders with relevant information on the resolutions(s) proposed at a general meeting in a timely manner in accordance with the Listing Rules. The information provided shall be reasonably necessary to enable Shareholders to make an informed decision on the proposed resolution(s). Shareholders are encouraged to participate in general meetings or to appoint proxies to attend and vote at the meetings for and on their behalf if they are unable to attend the meetings. Where appropriate or required, the Chairman of the Board and other Board members, the chairmen of board committees or their delegates, and the external auditors should attend general meetings of the Company to answer Shareholders' questions (if any). The chairman of the independent board committee (if any) should also be available to answer questions at any general meeting to approve a connected transaction or any other transaction that is subject to independent Shareholders' approval.

(e) Shareholders' Enquiries

Enquiries about Shareholdings

Shareholders should direct their enquiries about their shareholdings to the Company's branch share registrar, Tricor Investor Services Limited, or go in person to its public counter at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong.

Enquiries about Corporate Governance or Other Matters to be put to the Board and the Company

The Company will not normally deal with verbal or anonymous enquiries. Shareholders may send any enquiries to the Board by email: ir@broad-greenstate.cn or by post to Floor 8, Block D3, 5th Building, Hongqiao World Center, 1588 Lane, Zhuguang Road, Shanghai, PRC for the attention of Mr. Wang Zhikai. Shareholders may call the Company at 862152751811 for any assistance.

(f) Webcast

Webcasts of the Company's interim and annual results briefings are available.

(g) Other Investor Relations Communication Platforms

Media interviews, marketing activities for investors and specialist industry forums etc. will be launched on a required basis.

Dividend Policy

Other than maintaining an effective communication with the Shareholders, the Company also protects the Shareholders' interest through the development of a sustainable dividend policy. The Board adopted a dividend policy on 13 November 2018 which sets out the principle and guidelines of the Company regarding the declaration of its net profits as dividends to the Shareholders. The Company has implemented a continuous and stable profit distribution policy. The Company's profit distribution emphasizes reasonable investment returns to investors and takes into account the sustainable development of the Company. Profit distribution may be made in the form of cash, shares, a combination of cash and shares, or in any other manner permitted by laws and regulations. The declaration and payment of dividends by the Company is also subject to any applicable laws and regulations.

Constitutional Documents

During the Reporting Period, the Company adopted the new Articles of Association on 7 November 2025 by way of passing a special resolution for the purpose of (i) reflecting the proposed share consolidation and change in board lot size; and (ii) change of Company name. The new Articles of Association came into effect on 7 November 2025. For details of the new Articles of Association, please refer to the Company's announcement dated 29 August 2025 and the Company's circular dated 20 October 2025. Other than as disclosed above, there were no changes to the Company's Articles of Association during the Reporting Period.

Environmental, Social and Governance Report

About the Group

China Green Broad Ecological Technology Company Limited (the "**Company**"), together with its subsidiaries, (collectively referred to as "**Group**" or "**Green Broad**" or "**We**") is an enterprise that develops in the diversified industry chain with a primary focus on ecological construction, with high-level integrated operational capacity in investment and financing, planning and design, project construction and commercial operation. Seizing the great opportunity in national ecological construction, cultural tourism and other aspects, Green Broad has accumulated an abundance of technical skill reserves in various fields such as theme park construction, repair and protection of ancient towns, construction of characteristic towns and beautiful countryside, sponge city, environmental protection and ecological restoration, thus developing a pattern of development featuring "Capital + Technology + Whole Industry Chain". We actively advance "the integration of strategies into policies, precision in operations, refinement in management and the sharing of benefits", with an aim to achieve a win-win situation with governments, customers and society. At the same time, Green Broad responds proactively to the national "dual carbon" strategy, continuously deepens its commitment to green development and actively expands into the new energy sector, striving to build a clean, low-carbon, safe and efficient energy system. Through a dual-track development strategy, the Company continues to broaden its business scope and enhance its core competitiveness, thereby injecting strong momentum into its sustainable development and green transformation.

Green Broad consistently upholds the principle that "lucid waters and lush mountains are invaluable assets", integrating ecological value transformation throughout the entire process of ecological governance, the full value chain of green energy and the full lifecycle of value realisation. With the strategic positioning as a "green and low-carbon ecological operator", we are committed to building an integrated capability system encompassing ecological asset operation, green energy services and low-carbon technology integration; actively participating in the planning and development of zero-carbon industrial parks; promoting the deep integration and synergistic enhancement of ecological, economic and social benefits.

As a key contributor to the development of ecological civilisation and the "Beautiful China", Green Broad undertakes the corporate mission of serving as a leader in ecological and cultural living environments and a pioneer in sustainable development. Upholding its corporate values of integrity, resilience, collaboration and dedication, Green Broad is fulfilling its social responsibility of contributing to the "Beautiful China" for the benefit of future generations through concrete actions. We strive to enhance regional core value through first-class ecological environments and to promote harmonious community development through strong cultural foundations, positioning ourselves as both an advocate and practitioner of ecological and cultural environment development.

Looking ahead, Green Broad will continue to focus on ecological development and the new energy sector with unwavering commitment, driven by technological innovation to advance industrial upgrading and sustainable development. We will continue to increase investment in research and development, strengthen our core competitiveness and build a trusted brand through excellence in quality. By optimising industrial layout and expanding market opportunities, Green Broad aims to become a leading enterprise in China's ecological technology industry, contributing further to the realisation of national ecological civilisation goals and green, low-carbon development pathways, and supporting the development of the "Beautiful China" and global climate governance efforts.

About the Environmental, Social and Governance Report

This Environmental, Social and Governance Report (the "**ESG Report**") aims to provide an overview of the management philosophy, practices, development plans and performance in relation to environmental, social and governance ("**ESG**") matters of China Green Broad Ecological Technology Company Limited, and demonstrates the Group's long-term commitment to sustainable development.

Reporting Period

The ESG Report covers the relevant information of the Group in relation to its management approaches, strategies and related practices on ESG from 1 January 2025 to 31 December 2025 (the "**Reporting Period**" or "**2025**").

Reporting Scope

The scope of disclosure of the ESG Report includes the management offices of the Group's headquarters, production facilities and all its offices of subordinate projects under construction during the Reporting Period. The Group's principal operating structure and locations remained generally stable during the Reporting Period, with no material changes in scope except for the completion of acquisition of 51% equity interest in ZDX Energy International Co., Ltd. The acquisition included Sichuan Guoneng Tairui Electromechanical Co., Ltd.* (四川國能泰瑞機電有限公司), being its wholly-owned subsidiary engaged in the comprehensive operation and maintenance services of hydroelectric power stations. The relevant entities have been included within the scope of the ESG Report from the date of completion of the acquisition. Apart from the scope described above, the ESG Report does not include operational activities and data that are separately undertaken and managed by contractors or other third parties.

Reporting Framework

The ESG Report is prepared in compliance with the "Environmental, Social and Governance Reporting Guide" (the "**ESG Reporting Guide**") as set out in Appendix C2 to the Rules Governing the Listing of Securities on the Main Board of the Stock Exchange of Hong Kong Limited (the "**Stock Exchange**") for the purpose of enabling stakeholders to understand the Group's policies, measures and performance in environmental, social and governance aspects and beyond financial performance.

In preparing the ESG Report, the Group has complied with the Reporting Principles set out in the aforementioned ESG Reporting Guide as follows:

Materiality: During the Reporting Period, the Group conducted a materiality assessment to identify ESG issues that are most significant to its business and stakeholders, and has adopted the identified material issues as the key focus in the preparation of the ESG Report. The materiality of these issues has been reviewed and confirmed by the Board and the ESG Working Group. For further details, please refer to the sections headed "Stakeholders Engagement" and "Materiality Assessment" in this report.

Quantitative: For the key performance indicators ("**KPIs**") disclosed in the ESG Report, the standards, methodologies and relevant assumptions adopted in their calculation have been explained or annotated in the appropriate sections.

Consistency: Unless otherwise stated, the preparation approach of the ESG Report was consistent with the previous year for meaningful comparison, and the Group will provide appropriate explanations in this report should there be any changes in the scope of disclosure or calculation methodologies which might affect comparability with historical data.

Balance: The ESG Report presents the Group's ESG performance during the Reporting Period in an objective and impartial manner, with a view to providing stakeholders with a comprehensive and balanced understanding of the Group's overall ESG performance.

ESG Strategies and Approaches

By preparing and presenting the ESG Report, the Group aims to convey its management philosophy, strategic direction and practical achievements in pursuit of sustainability developments to both internal and external stakeholders.

The Group has been committed to operating its business in a sustainable manner, creating long-term value across economic, social and environmental aspects, and providing support for environmental protection and the communities where it operates. The Group delivers quality products and services to its customers through prudent business management and sound decision-making processes. At the same time, the Group has maintained ongoing and constructive conversations with key stakeholders such as shareholders, customers, employees, suppliers, creditors, regulators and the general public, striving to balance the expectations and interests of various stakeholders with a view to setting and advancing the course for long-term prosperity.

Statement of the Board

The Board understands the importance of environmental, social and governance ("ESG") matters to the Group's long-term, stable operations and sustainable development, and bears ultimate responsibility for overseeing Green Broad's ESG strategy, governance structure, as well as related risks and opportunities. The ESG governance at Green Broad is led by the Board, with management responsible for driving and implementing relevant initiatives, and employees across the Group participating in the execution of ESG measures, thereby forming a top-down, coordinated ESG management framework.

The ESG Working Group has been established to drive the Group's ESG initiatives effectively. The ESG Working Group consists of at least one executive director of the Group (the "**Director(s)**") and two members of the Group. The Board may from time to time appoint other members with relevant qualifications and experience to join the ESG Working Group as it thinks fit. Members of the ESG Working Group will be reviewed by the Board once a year.

The ESG Working Group is responsible for identifying, evaluating, prioritising and managing the Group's important ESG-related issues, as well as for supporting the Board in setting ESG-related targets and KPIs, and in formulating and implementing ESG-related strategies, frameworks and policies. The ESG Working Group also reports regularly to the Board on the progress and effectiveness of ESG initiatives, and, in accordance with applicable laws, rules and regulations, reviews and provides recommendations to the Board on the preparation and disclosure of the ESG Report for the Board's approval.

In addition, the Audit Committee of the Group holds at least 2 special meetings every year of which the report of the internal audit department and the review of the effectiveness of the internal control system are included in the meeting agenda. The internal audit function also holds a summary meeting every quarter, at which quarterly reports from various departments and project departments are presented, and risks (including those related to ESG) are identified and relevant mitigation measures are provided. The management will report the Group's operating conditions to the Board in a designated Board meeting and listen to the opinions of the Board.

The Board identifies and evaluates ESG-related risks and opportunities on an ongoing basis in the course of corporate governance, examination and approval of major issues, and management of operational risks, including, amongst others, diversity of Board composition, taking ESG performance into consideration when approving major capital expenditures, paying attention to the potential impact of extreme weather on the promotion of projects, and assess the opportunities and challenges of emerging technological and industrial progresses on the future development of the Group.

For identified ESG matters, the Group mainly evaluates their potential risks and impacts to the Group from the following aspects:

1. Determine the business scope covered by ESG information;
2. Select appropriate ESG KPIs to be included in the evaluation;
3. Evaluate branches and subsidiaries;
4. Apply appropriate and consistent statistical methods;
5. Review the reliability and accuracy of ESG information.

After obtaining the basic ESG information, the Group will carry out trend analysis on the ESG-related data so collected, to further identify ways for potential improvement, and to set reasonable and feasible management objectives for ESG according to its actual operation. Such objectives will be submitted to the Board for approval and confirmation.

After assessing the risks of ESG matters through the above methods, the Group formulates ESG management approaches, management objectives and general implementation requirements and incorporates such content in the Comprehensive Management Manual. This helps ensure relevant risk management and internal control systems would be implemented appropriately and effectively through the effective allocation of resources within the Group.

In addition, the Group continues to integrate ESG principles into its daily operation and management, establishing an internal collaborative framework and developing an integrated data management platform covering multiple areas, including the supply chain, human resources and administrative management. This platform facilitates the transition of ESG information management from mere data “collection” to systematic “management”, enabling the Group to more effectively identify, evaluate and manage its ESG-related initiatives in an orderly manner. For ESG issues that may have a material impact on the Group, the Group adopts structured and planned control measures to enhance its overall risk management capabilities and operational performance, thereby supporting continuous improvement and development.

While establishing its ESG information management system and related mechanisms, the Group has also put in place corresponding data tracking, evaluation and feedback mechanisms on the basis of ensuring the reliability and accuracy of information collection, with a view to continuously enhancing the effectiveness of ESG management.

The Group’s ESG achievements not only support compliance with relevant risk management and disclosure requirements, but also fully exemplify Green Broad’s core values of “talent, integrity and quality”. Talent forms the foundation of Green Broad’s sustainable development, integrity underpins its sound operations, and quality remains the core principle to which the Group consistently adheres and continuously strives.

The Board has reviewed and approved the ESG Report and confirmed that the contents of this report reflect the Group’s ESG management approaches, measures and performance during the Reporting Period.

Stakeholders Engagement

Green Broad places great emphasis on communication and engagement with various stakeholders, and, through continuous and constructive communication mechanisms, seeks to understand and appropriately respond to stakeholders’ views and expectations so as to safeguard their legitimate rights and interests, and provide reference for the formulation of the Group’s long-term development strategies.

The Group has identified its key stakeholders as including governments and regulators, customers, suppliers, employees, shareholders and investors, communities in which it operates, non-governmental organisations (“**NGOs**”), potential customers, and the public and media. To better understand the priorities of different stakeholders, the Group has arranged for management and staff of relevant departments to review the Group’s operations within their respective functional areas, identify ESG issues relevant to the business, and assess the importance and relevance of such issues to the Group’s business development. Stakeholder feedback also serves as an important reference for the Group in conducting its materiality assessment and formulating its ESG management strategies.

An overview of the key stakeholder groups, their areas of concern and the typical communication channels adopted by the Group is set out below:

Stakeholders	Major areas of concern	Communication channels
Governments and regulators	• Compliance in operation • Compliance with laws and regulations • Internal examination • Occupational health and safety in the workplace	• Financial report/announcement/circular • Direct communication via e-mail and telephone
Customers	• Product and service quality • Product safety and liability • Technological development • Market trends • Suitable suppliers	• Customer visit • Satisfaction survey • Meetings and communications
Suppliers	• Regulation compliance • Environmental standards and requirements • Respectful and fair procurement	• Evaluation and investigation • Site visits • Supplier review
Employees	• Training and career development possibility • Compensation and welfare • Working environment • Health and safety • Career development and promotion opportunities	• Staff activities • Employee notice board • Regular memorandum of employees • Direct communication with employees to collect opinions • Staff training, seminars and briefings • Corporate cultural activities such as team building
Shareholders and investors	• Return on investment • Information disclosure and transparency • Protection of shareholders' rights and Interests • Improving corporate governance • Compliance in business operation and anti-corruption and integrity promotion	• Financial report, announcement, notice and other public information • Information disclosure of the listed company • Roadshow/conference call/meeting with investors/shareholders • Investor on-site visits • Information disclosure on the websites of the Stock Exchange and the Group
Local communities, NGOs, potential customers and the public	• Job opportunities • Eco-environment protection • Community development • Community and charitable participation • Reduction of pollutant emissions and waste	• Charitable activities and donations • Community investment and services • Stakeholder participation • Environmental protection activities
Media	• Information transparency • Good media relations	• Information disclosure on the websites of the Stock Exchange and the Group • Financial report, announcement, notice and other public information

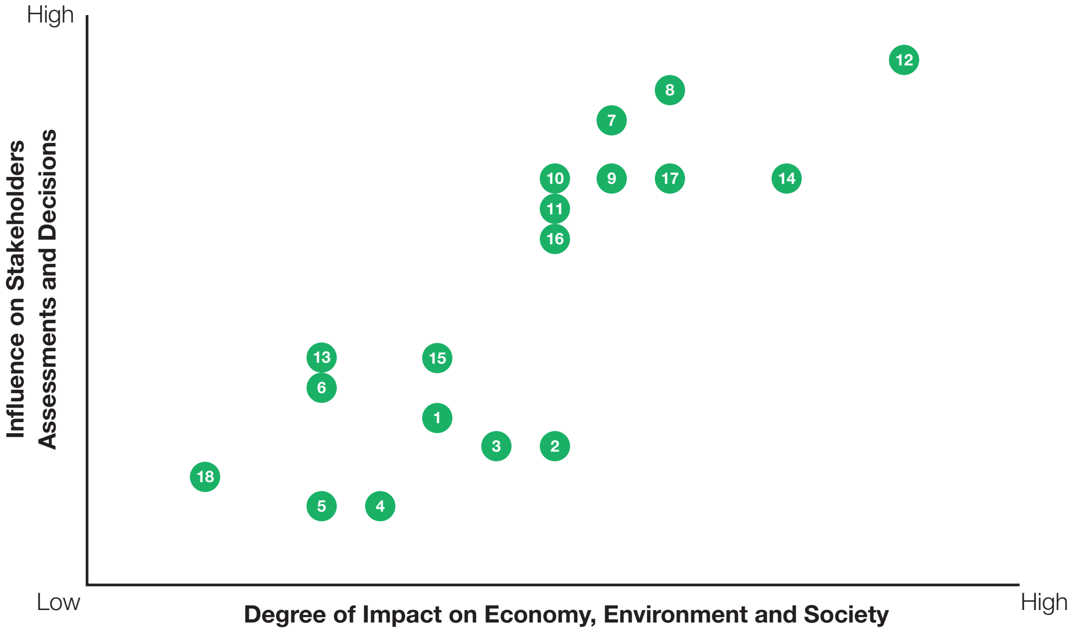
Materiality Assessment

During the Reporting Period, in addition to identifying potential ESG-related issues through the aforesaid stakeholder engagement channels by the Group, the Board also took into account changes in the external environment and industry development trends to identify ESG-related risks and opportunities faced by the Group, and evaluated their potential impact on the Group's operations and development.

The Group conducted a multi-dimensional materiality assessment and prioritisation of the identified ESG issues based on two principal dimensions: firstly, the significance of the potential impact of the relevant ESG issues on the economy, environment and society; secondly, the level of concern and degree of impact of such ESG issues on key stakeholders.

For ESG issues that had a significant impact on both the Group's business development and stakeholders, priority was given in the formulation and implementation of relevant management measures. The Group would have carried out additional measures such as due diligence and engagement of third-party professional evaluation when necessary, and ongoing reports on the management progress and effectiveness of such matters were made to the Board until the relevant material risks have been effectively mitigated or eliminated.

Materiality Assessment Matrix



Environmental	Employment and Labour Practices	Operating Practices	Community
1. Greenhouse gas ("**GHG**") emissions 2. Air pollution 3. Waste management 4. Energy consumption 5. Water consumption 6. Climate change	7. Employment practices 8. Health and safety 9. Training and development 10. Corporate culture and employee communication 11. Working environment	12. Safety quality 13. Complaints handling 14. Intellectual property rights 15. Supply chain management 16. Anti-corruption and bribery	17. Brand reputation 18. Community public welfare

Based on the results of the above materiality assessment, the Group will continue to enhance its ESG performance to respond to stakeholders' expectations and to effectively address the relevant risks encountered in the course of its operations. During the Reporting Period, the Group disclosed its key initiatives and performance indicators in accordance with the disclosure requirements set out in the Environmental, Social and Governance Reporting Guide, and based on ESG issues considered relevant and material to Green Broad's operations. The relevant disclosures are structured around the following four thematic areas: "Environmental", "Employment and Labour Practices", "Operating Practices" and "Community".

Contact Us

The Group welcomes comments and suggestions from all stakeholders regarding the ESG Report and the Group's performance in sustainable development. Stakeholders are welcome to contact us through the following channels:

Mailing Address:	Floor 8, Block D3, 5th Building, Hongqiao World Centre, 1588 Lane, Zhuguang Road, Shanghai, PRC
Telephone:	(86) 21 5275 2311
Email:	ir@broad-greenstate.cn

Environmental

A1. Emissions

Green Broad focuses on the layout of green plants for landscaping as its core business in horticultural projects, striving to improve the ecological environment and enhance quality of human life. During project execution, the Group strictly selects engineering subcontractors with strong environmental performance and sound safety records. Nevertheless, certain construction activities inevitably generate dust, noise and waste during the course of works. To minimise environmental impact, the Group strengthens on-site management and ensures that all subcontractors comply with applicable environmental protection and safety laws and regulations in the project locations. At the same time, the Group monitors the environmental impact of its projects through the collection and analysis of ESG-related data, and refines its Ecology and Environmental Protection System accordingly to continuously reduce the potential environmental impact of its operations.

The Group pays close attention to and strictly complies with environmental laws and regulations of China, including but not limited to the Law of the People's Republic of China on Environmental Protection, the Law of the People's Republic of China on Environmental Protection Tax, the Law of the People's Republic of China on Prevention and Control of Water Pollution, the Law of the People's Republic of China on Prevention and Control of Atmospheric Pollution and the Law of the People's Republic of China on Prevention and Control of Environmental Pollution Caused by Solid Waste. The Group had no material non-compliance cases relating to such environmental laws and regulations during the Reporting Period.

Air Emissions

The air emissions produced by the Group primarily arise from nitrogen oxides and particulate matter generated by the consumption of gasoline and liquefied petroleum gas by its self-owned vehicles during operation, as well as sulfur oxides generated from gasoline consumption.

In order to reduce air emissions, the Group has established air emission management targets aimed at progressively lowering emission intensity, and continuously reviews its emission performance. To achieve these targets, the Group enhances vehicle management, promotes efficient vehicle allocation and reduces unnecessary travel. It also implements measures such as regular vehicle maintenance and improved energy efficiency to gradually reduce air pollutant emissions during operations.

The air emissions[1] of Green Broad during the Reporting Period are as follows:

Air emissions	Sources	Unit	2025	2024
Nitrogen oxides (NO_X)	Self-owned vehicles	Kg	**24.66**	14.58
Sulfur oxides (SO_X)	Self-owned vehicles	Kg	**0.09**	0.97
Particulate matter (PM)	Self-owned vehicles	kg	**2.21**	1.31

1 *The calculation of air emissions data has referenced How to Prepare An ESG Report-Appendix 2 Reporting Guidance on Environmental KPIs issued by the Stock Exchange and the Technical Guidelines for Compilation of Air Pollutant Emission Inventories from Road Motor Vehicles (Trial) issued by the Ministry of Ecology and Environment of the People's Republic of China.*

GHG Emissions

During the Reporting Period, the Group's total GHG emissions amounted to 93.31 tonnes of carbon dioxide equivalent ("**tCO_2e**"), comprising 18.35 tCO_2e of Scope 1 direct emissions and 74.96 tCO_2e of Scope 2 energy indirect emissions. Scope 1 emissions primarily arose from gasoline and liquefied petroleum gas consumption by the Group's vehicles, while Scope 2 emissions were mainly attributable to purchased electricity consumption. The Group's GHG emission intensity was approximately 0.83 tCO_2e per employee, representing a decrease of approximately 34.1% from 1.26 tCO_2e per employee in 2024. Although total GHG emissions increased during the Reporting Period compared to 2024, the overall per capita emission intensity decreased due to an increase in the total number of employees.

The Group's GHG emission levels are influenced by various factors, including business scale, project progress, vehicle usage frequency and energy consumption. During the Reporting Period, changes in vehicle fuel consumption and electricity usage contributed to an overall increase in GHG emissions. Moreover, the Group might encounter certain limitations in data collection across construction projects, such as difficulties in obtaining certain data or incomplete data where costs are borne by subcontractors. The presence and extent of such limitations vary across projects and might have an impact on the emission data for the Reporting Period. Meanwhile, as the Group's horticultural projects primarily involve greening and landscaping with extensive planting, they contribute to carbon absorption. However, as these projects are conducted on a contract basis, the Group did not offset its own GHG emissions with carbon absorption by the green plants planted in the projects. For further details of environmental protection measures, please refer to the section headed "Environmental Protection Measures" in this report.

In response to the strategic goal of "peaking carbon emissions by 2030 and achieving carbon neutrality by 2060" of China and the direction of green and low-carbon transformation set out in the "Opinions on Comprehensively Promoting the Building of a "Beautiful China"", the Group will actively cooperate with the government's emission reduction policy and continue to strengthen its control of GHG emissions. We are committed to promoting the integration of energy saving and emission reduction with urban greening construction. Through optimising project design, introducing green technologies, enhancing management in vehicle use and energy consumption efficiency, we will gradually reduce the emission intensity and consolidate the foundation of sustainable operation. In context of the new requirements of ecological civilisation and refined urban management, the Group will also continue to strengthen the concept of natural resources conservation such as mountains, water, forests, fields, lakes, grasses and sands, and contribute to formation of green production and lifestyles, so as to contribute to the realisation of the "Beautiful China" and the dual-carbon target.

Different types of GHG emissions[2] by the Group during the Reporting Period are summarised as follows:

Scopes of GHG emission	Sources	Unit	2025	2024
Scope 1 Direct emission	Self-owned vehicles	tonnes CO_2e[3]	**18.35**	10.82
Scope 2 Energy indirect emission	Purchased electricity	tonnes CO_2e	**74.96**	70.07
Total GHG emissions (Scope 1 & Scope 2)			**93.31**	80.89
Total GHG emissions intensity[4]		**tonnes CO_2e/employee**	**0.83**	1.26

2 *To enhance the accuracy of data disclosure and alignment with the latest applicable standards, the calculation of GHG emissions in this report has referenced How to Prepare An ESG Report — Appendix 2: Reporting Guidance on Environmental KPIs issued by the Stock Exchange, the Notice on the Release of 2023 Electricity Carbon Dioxide Emission Factors issued by the Ministry of Ecology and Environment of the People's Republic of China, and the Guidelines for Urban GHG Accounting Tools issued by the World Resources Institute. As the reference basis for electricity emission factors differs from that used in 2024, the comparability of the relevant data may be affected.*

3 *Carbon dioxide equivalent is a metric based on the greenhouse effect produced by carbon dioxide, so as to compare the greenhouse effect of different GHGs.*

4 *Emission intensity is calculated by dividing total emissions by the total number of 113 employees as of 31 December 2025.*

Sewage Discharge

Given the nature of the Group's business, there is no industrial wastewater generated from the operation, but only domestic sewage. Accordingly, sewage treatment and related management measures are disclosed in the section headed "Water Management" of the ESG Report.

Waste Management

The Group adheres to waste management principles and is committed to the proper management and disposal of waste generated from its business activities, while maintaining waste reduction requirements. The Group has established the Ecology and Environmental Protection System, under which the Procedures on Waste Management explicitly set out requirements for waste classification, recycling, venue set-up and management practices to guide on-site operations. The Group has also established waste reduction targets focusing on improving recycling rates, reducing office and domestic waste, and promoting waste reduction at source. Through measures such as waste segregation and recycling, standardised waste collection and transportation, classified management of domestic waste and strengthened on-site supervision, the Group continues to implement waste reduction initiatives.

Hazardous wastes

During the Reporting Period, no hazardous waste was generated from the Group's operations. Given the absence of such waste, the Group has not set separate quantitative reduction targets for hazardous waste, but will continue to implement standardised management and preventive measures to avoid its generation and minimise potential environmental risks.

Non-hazardous wastes

Construction activities at horticultural and landscaping project sites inevitably generate a certain amount of construction waste, which is classified as non-hazardous waste. As construction works are generally undertaken by professional subcontractors, the waste generated is managed by such subcontractors, and the Group is therefore unable to obtain relevant data. Accordingly, the Group's waste disclosures cover only operational activities directly controlled and managed by the Group, and do not include waste management undertaken independently by subcontractors. Nevertheless, the Group continues to establish waste reduction targets focusing on improving recycling rates, reducing office waste and promoting waste reduction at source, while strengthening supervision over waste management at construction sites. The Group designates on-site administrative staff to take charge of overseeing contractors' conduct on-site, requiring them to implement waste classification management, maximise recycling and reuse, minimise secondary pollution, and maintain environmental hygiene at construction and office areas.

In addition, the Group generates domestic waste during daily operations, which is collected and disposed of by municipal sanitation authorities. As the volume of such waste is not significant, it is not quantified. The headquarter of Green Broad implements waste classification in accordance with the Shanghai Municipality's Regulations on the Management of Domestic Waste, categorising waste into recyclable waste, hazardous waste, wet waste and dry waste, and assumes the responsibility of domestic waste producers. Employees at the headquarter and project sites are encouraged to participate in green living initiatives, reduce the generation of domestic waste and comply with waste segregation requirements.

During the Reporting Period, the Group did not receive any complaints from individuals or relevant authorities regarding environmental matters, nor did it incur any penalties or costs for non-compliance with environmental laws and regulations. The Group was not involved in any material non-compliance incidents relating to environmental laws and regulations during the Reporting Period. To further reduce waste, the Group has implemented a series of long-term environmental protection measures, details of which are set out in the section headed "Environmental Protection Measures".

A2. Use of Resources

The Group strictly complies with national laws and regulations relating to environmental protection and has established the Ecology and Environmental Protection System, under which the sections headed Energy Consumption Policy and Water Conservation Management clearly set out relevant management measures and implementation requirements. The Group regularly reviews resource utilisation in the course of its operations and continuously optimises energy and water management to enhance resource efficiency. Relevant measures include the prudent use of water and electricity, reducing or avoiding the use of resource-intensive and environmentally harmful products, improving energy efficiency, and minimising unnecessary resource consumption.

Through these initiatives, the Group strives to achieve energy conservation and reduce consumption, thereby mitigating the potential environmental impact of its operations.

Energy Management

During the Reporting Period, the total energy consumption of Green Broad's headquarters and project offices increased compared to 2024, primarily due to an increase in the number of employees and the expansion of business activities. Notwithstanding the increase in total energy consumption, the Group's energy consumption intensity decreased by approximately 5.17% as the workforce expanded, reflecting continuous optimisation in energy management and improved energy efficiency. The Group will continue to review and enhance the methods and scope of ESG data collection, with a view to providing stakeholders with accurate and comprehensive information.

The Group has established energy efficiency targets aimed at progressively reducing energy consumption intensity while continuously improving energy efficiency. To achieve these targets, the Group will continue to monitor energy usage in line with its business operations and optimise energy management measures at offices and project sites to reduce unnecessary consumption. The Group attaches great importance to energy management and integrates energy-saving principles into its daily operations. In addition to requiring employees to use energy responsibly in daily operations, the Group has set energy efficiency targets and is progressively implementing energy-saving measures, including, where practicable, replacing lighting equipment with energy-efficient alternatives such as LED, and optimising the energy mix to reduce consumption intensity. Furthermore, the Group organises internal communication and training activities on an annual basis (such as thematic seminars) to enhance employees' awareness of energy conservation and to promote a culture of green office practices and low-carbon operations.

Details of Green Broad's energy efficiency initiatives are further described in the section headed "Environmental Protection Measures".

A summary of the Group's energy consumption during the Reporting Period is as follows:

Energy	**Unit**[5]	**2025 Consumption**	2024 Consumption
Direct energy consumption			
Unleaded gasoline[6]	Kilowatt-hour (kWh)	**57,066.67**	35,029.86
LPG[7]	Kilowatt-hour (kWh)	**5,291.92**	4,375.97
Indirect energy consumption			
Purchased electricity	Kilowatt-hour (kWh)	**136,291.05**	79,238.98
Total energy consumption	Kilowatt-hour (kWh)	**198,649.64**	118,644.81
Total energy consumption intensity[8]	Kilowatt-hour (kWh)/employee	**1,757.96**	1,853.83

5 *The calculation of unit conversion refers to the Energy Statistics Manual issued by the International Energy Agency.*

6 *The consumption of unleaded gasoline during the Reporting Period was approximately 6,420 L.*

7 *The consumption of LPG during the Reporting Period was approximately 753 L.*

8 *Intensity is calculated by dividing total consumption by 113 employees as of 31 December 2025.*

Water Management

The Group's horticultural landscape projects require the use of water resources during construction, primarily for construction activities and maintenance of green plants. Such water usage mainly occurs at project sites and is undertaken by professional contractors, with water sourced from groundwater and surface water (such as rivers). In the process of construction, the Group advocates the recycling of water for both construction and domestic use on-site and encourages contractors to adopt water-saving measures where practicable to reduce water consumption. At the same time, the Group also promotes water conservation among employees in office environments to minimise unnecessary waste.

During the Reporting Period, the Group's total water consumption increased, mainly due to growth in staff headcount and business activities. Despite the increase in total consumption, water consumption intensity decreased by approximately 2.6%, reflecting continuous optimisation in water consumption management. The Group's offices also use a certain amount of water; however, as water charges for some office premises are included in property management fees or borne collectively by property management, this ESG Report only accounts for office water consumption directly borne by the Group. The Group has established water efficiency targets aimed at progressively reducing water consumption intensity and enhancing water use efficiency. To achieve these targets, the Group will continue to strengthen water management in office premises, encourage employees to develop water-saving habits, and promote water recycling at project sites, while encouraging contractors to adopt water-saving measures where practicable.

As the Group's principal operating locations are not in areas experiencing significant water stress, it has not encountered any material issues in sourcing water fit for purpose. In addition, the Group displays water conservation posters and reminders at its operating locations to encourage employees to develop good water-saving habits.

During the Reporting Period, the Group's water consumption performance was as follows:

Resources	Unit	**2025 Consumption**	2024 Consumption
Total water consumption	Tonnes	**9,476.65**	5,509.68
Total water consumption intensity[9]	Tonnes/employee	**83.86**	86.09

9 *Intensity is calculated by dividing total consumption by 113 employees as of 31 December 2025.*

Packaging Materials Consumption

The production and operation of Green Broad do not involve the use of packaging materials; accordingly, disclosures relating to packaging materials are not applicable. The Group advocates the efficient use of resources, encourages the reuse of resources where practicable, and implements classified management of recyclable materials, which are handed over to appropriate recycling establishments or recyclers for processing. Details of Green Broad's resource conservation measures are set out in the section headed "Environmental Protection Measures".

A3. Environment and Natural Resources

Green Broad's principal business focuses on ecological development and landscaping. Apart from the resource usage described above, the Group's daily operations do not result in any material adverse impact on the environment or significant consumption of natural resources. While advancing its business development, the Group continues to monitor potential environmental impacts and reduce its impact on the environment and natural resources through institutional management, technological application and operational controls.

Environmental Management Principles

The Group conducts its operations in accordance with the principles of environmental protection and efficient resource utilisation, and continuously promotes environmental management through the establishment and implementation of its *Ecology and Environmental Protection System*. Relevant management measures cover energy conservation, water resource management, waste classification and pollution prevention.

At the same time, the Group actively promotes green office and green construction practices in both project execution and daily operations. Through enhancing employees' environmental awareness, optimising resource management and promoting energy-saving and environmentally friendly measures, the Group continues to improve its environmental management standards and minimise the impact of its operations on the environment and natural resources.

Environmental Protection Measures

The environmental protection measures of the Group are primarily taken on two aspects, namely office space and project sites.

Office space

1. Display environmental awareness notices in bulletin boards and public areas, such as reminders to reduce paper usage, to enhance environmental awareness among staff and visitors.
2. Set up waste sorting and recycling bins in offices and remind staff to separate recyclable and non-recyclable waste.
3. Promote digital office systems to minimise unnecessary travel. Where business travel is required, economy class is generally preferred; for journeys within 800 kilometres, high-speed rail or train is prioritised; carpooling is encouraged where practicable to reduce carbon emissions.
4. Require procurement departments to prioritise energy-efficient and environmentally friendly products, such as energy-saving motors, lighting and air-conditioning systems; employees are also required to switch off electronic devices when not in use.
5. Encourage our staff to turn off electronic equipment when leaving office areas to conserve energy and resources.
6. Gradually adopt LED lighting where practicable to improve energy efficiency.
7. Arrange regular inspection and maintenance of electrical equipment to ensure safe and efficient operation.

Project site

1. Assign dedicated personnel at each project to oversee environmental management, including dust, noise and water pollution, and implement measures such as washing transport vehicles, covering fine particulate materials and preventing spillage during transportation.
2. Install site hoardings to separate construction and non-construction areas, and ensure wastewater generated at sites is treated before discharge, while promoting water recycling where practicable.
3. The Group conducts regular inspections of dust, noise and water pollution control measures to ensure due performance of responsibility and effective implementation.
4. Centralise material and component selection processes where possible, and adopt samples or images to reduce unnecessary travels; where site visits are required, control the number of participants appropriately.

Green Technology Research and Application

To further achieve environmental protection objectives, Green Broad continues to carry out research and development and related studies alongside project implementation, and has achieved results across various fields.

Soil Remediation

Based on variations in soil structure and natural environments across different regions, the Group has developed and applied a range of soil improvement technologies. For example, in the ecological restoration of inland saline-alkali land, materials such as organic fertilisers, gypsum and peat are used to develop suitable cultivation media systems, thereby establishing remediation technologies for saline-alkali greening soil. These technologies combine physical and chemical improvement methods to enhance soil structure, increase organic content and mitigate salt-alkali hazards, effectively addressing soil-related challenges in wetland park construction. The Group has completed research and engineering applications relating to soil remediation of saline-alkali areas and key technologies for improving salt prevention and drainage.

Water Ecological Treatment

In water ecological treatment, the Group adheres to ecological principles and natural laws, conducting research at multiple scales, including urban, regional and watershed levels. The technologies integrate water resource management, water safety assurance and ecosystem restoration, while combining urban planning, hydrology, landscape architecture and ecological science to achieve coordinated development of ecological restoration and urban environmental improvement. The Group has completed R&D and demonstration application of key technologies related to the ecological restoration of water environment in constructed wetlands and ecological treatment of polluted water areas and the construction of aquatic plant communities in urban near-natural wetlands, technological research on biological treatment technology of garden organic waste, and other research projects.

Ecological Development and Environmental Value Creation

As an enterprise engaged in ecological development, Green Broad remains committed to advancing green development principles and enhancing the ecological value of its projects. Through landscaping, ecological restoration and environmental management projects, the Group continuously improves urban and regional ecological environments and promotes harmonious coexistence between humans and nature. During project implementation, the Group emphasises environmental protection and sustainable development, leveraging scientific planning, technological innovation and green construction practices to deliver long-term ecological benefits and contribute to regional green development and ecological civilisation.

At the same time, the Group actively participates in environmental protection initiatives and public awareness activities. On 3 June 2025, the main event of June 5 Environment Day (上海市六五環境日) 2025 jointly organised by the Shanghai Municipal Bureau of Ecology and Environment and the Huangpu District People's Government under the theme "Lead the Way for the Beautiful China" (美麗中國我先行), was held at the World Expo Museum. The Group was invited to participate in the "Beautiful Shanghai Corporate Carnival", showcasing its innovative practices in green and low-carbon development and promoting sustainable development concepts to the public.

At the event, Green Broad presented its achievements in ecological technology innovation and green ecological development. As the first landscaping company listed on Hong Kong Stock Exchange, the Company has long been dedicated to green landscaping services and has accumulated extensive experience in areas such as theme park development, restoration of historic towns, sponge city construction, rural revitalisation and ecological restoration, continuously leveraging its professional expertise to support ecological civilisation and urban green development.

A4. Climate Change

As a provider of ecological development and landscaping services, the Group's business inherently delivers certain ecological restoration benefits, and its overall negative environmental impact is relatively controllable. Nevertheless, climate change has led to an increased frequency and intensity of extreme weather events, coupled with factors such as the low-carbon transition trend, increasingly stringent regulatory requirements and evolving market preferences, which may pose challenges to the Group's project delivery, construction safety, operational efficiency, cost control and compliance disclosures. In light of this, the Group places great importance on identifying and mitigating the potential impacts arising from climate change.

With reference to the recommendations of the Task Force on Climate-related Financial Disclosures ("**TCFD**") under the Financial Stability Board, the Group has assessed climate-related risks and opportunities that may affect its business operations and has incorporated climate risks into its ESG risk management framework. Through continuous identification, assessment, response and monitoring, the Group seeks to strengthen its management of climate-related risks while capitalizing on related opportunities.

Governance

The Group has integrated climate-related issues into its ESG management framework and continues to enhance the relevant management mechanisms, treating them as an integral component of its ESG risk management system. These are aligned with operational and project management processes, forming a closed-loop management mechanism of "identification — assessment — response — monitoring — improvement". The Board is responsible for overseeing the overall direction of climate-related risk and opportunity management, while the management is responsible for coordinating climate-related matters. Relevant functional departments collaborate in implementing risk identification, formulation and execution of measures, supervision and inspection, as well as information disclosure, ensuring that climate risk management is embedded into daily operations and major project management.

Risk Management

Taking into account the climatic characteristics of project locations, project types and key elements of the supply chain, the Group regularly identifies climate-related risk factors and dynamically updates its risk register based on changes in the external environment and internal operations. The Group also assesses and classifies such risks based on dimensions including likelihood of occurrence, severity of impact, controllability, and potential effects on safety, project timelines, costs and compliance, and assigns priorities to key risks with clear accountability.

For the key risks, the Group formulates preventive, mitigation and contingency measures, and enhances organisational resilience and responsiveness through training and drills, resource allocation and alternative supply chain arrangements. In addition, the Group continuously monitors the key risks and the implementation of critical measures, and conducts timely post-incident reviews following major events to summarise experience and improve systems and processes, thereby enhancing the effectiveness of risk management and consistency of disclosures.

Strategy

Physical Risks

The increasing occurrence of extreme weather such as hurricanes or typhoons, rainstorms and heavy rainfall and natural disaster events may not only cause damage to the Group's projects, delay project schedules and disrupt construction activities, but also increase the risk of on-site safety incidents, thereby affecting operational efficiency, revenue recognition and supply chain stability. To mitigate potential losses and impacts arising from natural disasters, the Group closely monitors weather alerts and guidance issued by local governments and coordinates with emergency arrangements to minimise losses and injuries.

Following discussions with professional teams, the Group has developed and continues to refine a range of response measures, including regular inspection and maintenance of drainage facilities and flood prevention systems to ensure their effective operation; organising our staff to participate in emergency evacuation and routine emergency response drills to enhance their ability to respond to natural disasters, thereby reducing accident risks and preventing disorder; and establishing alternative procurement and emergency dispatch plans to strengthen supply chain resilience and ensure the availability of critical supplies. The Group will continue to regularly identify potential risks arising from climate change and assess and prioritise their impacts to facilitate the adoption of appropriate preventive and mitigation measures.

Transition Risks

In order to achieve the goals of carbon neutrality and transition to low carbon economy, the ecological development industry is accelerating its green and low-carbon transformation to align with global decarbonisation trends. The continued penetration of green concepts in the market has led customers and business partners to impose higher requirements on green construction and ecological quality. At the same time, stock exchanges and regulatory authorities have also continued to strengthen disclosure requirements relating to climate change and environmental resource consumption for listed companies, which may present greater challenges to the Group in areas such as compliance management, information disclosure, cost control and management resources.

In response to potential transition risks, the Group continues to monitor changes in the regulatory environment, disclosure requirements and market demand, and enhances its internal management and operational arrangements in a timely manner to ensure that its products and services meet the needs of customers and the expectations of regulators. During the Reporting Period, the Group entered into a memorandum of cooperation at the 20th Eco Expo (國際環保博覽) with the Greater Bay Area Carbon Neutrality Association (大灣區碳中和協會), Allied Environmental Consultants Limited (沛然環保顧問有限公司), Greenland Financial Technology Group Limited. (綠地金創科技集團有限公司) and WebZ Technology Lab Limited to jointly promote carbon neutrality in the Greater Bay Area. This collaboration helps strengthen exchanges and synergies among the parties in green and low-carbon development, promote regional low-carbon transformation, and further enhance the Group's participation and influence in the field of green and sustainable development.

Metrics and Targets

The Group continues to monitor its performance against climate-related metrics and has incorporated greenhouse gas emissions management into its climate-related risk management framework. For details of the Group's Scope 1 direct emissions, Scope 2 energy indirect emissions, total greenhouse gas emissions and emission intensity, please refer to the section headed "GHG Emissions" in this report. The Group has adopted the gradual reduction of emission intensity as the direction for its GHG management and will continue to review its emissions performance in light of its business operations, data foundation and management needs, and refine its targets, measures and disclosures as appropriate.

Overall Assessment

In assessing these matters as a whole, potential extreme weather conditions, persistent high temperatures, changes in environment-related regulations and shifts in customer preferences are not expected to have a material adverse impact on the Group's operations in the short term. Nevertheless, the Group will remain cautious and prudent, continuously monitor climate-related risks and implement corresponding management measures to minimise the potential impacts arising from both physical and transition risks. As an active participant in the development of ecological civilisation, the Group will closely monitor developments in the business environment and national policies, adapt to economic trends and adjust its business operations in a timely manner to enhance its competitiveness and sustainable development capabilities. We will also enhance our regional core values with high-quality ecological environmental services, promote green transformation of the industry, and continue to explore the organic integration of sustainable development and business models, thereby fulfilling its corporate social responsibility of its corporate social responsibility of "benefiting future generations" through practical actions.

Employment and Labour Practices

B1. Employment

Green Broad upholds the core value of being “people-oriented” and regards employees as an essential resource for driving our sustainable development. The Group is committed to providing all employees with a fair, harmonious, healthy, and safe working environment, and protecting employee rights through a comprehensive human resources management system.

Green Broad strictly complies with applicable laws and regulations, including the Labour Law of the People’s Republic of China and the Labour Contract Law of the People’s Republic of China, ensuring that employees’ legal rights are fully protected and that employees of different nationalities, ethnicities, genders, and ages are treated equally. Through institutional frameworks and daily management practices, the Group prevents and eliminates discriminatory behaviours in recruitment and employment processes, while continuously standardising employment management to safeguard employees’ lawful rights. During the Reporting Period, no material violations related to labour or employment practices occurred at Green Broad.

The Group has also established a comprehensive talent development and management system, providing market-competitive remuneration and benefits, and conducting diversified staff activities to strengthen staff engagement and team cohesion. Relevant details are provided below.

Remuneration

To strengthen and regulate the Group’s remuneration management system, and to enhance both incentive and accountability mechanisms, Green Broad has established and implements the Remuneration Management System. Employees’ basic salaries are adjusted in accordance with business performance, job value, and individual performance appraisal results. Performance bonuses and incentive arrangements are determined in consideration of the prevailing economic environment, achievement of business objectives, and individual employee performance. The Group also promotes awareness and understanding of remuneration structures and entitlements through internal communications, thereby enhancing transparency and fairness in remuneration management.

Recruitment and Promotion

In order to attract and retain talented employees, Green Broad continuously develops a growth-oriented platform and has established the Employment Management System, which clearly sets out recruitment procedures, employment standards, and compliance requirements. The Group adheres to the principles of openness, fairness, and impartiality in recruitment, strictly selecting candidates based on job requirements and qualifications. The human resources management department and the employment department enforce these policies rigorously, strengthening oversight and preventing nepotism or arbitrary appointments, thereby ensuring the integrity and transparency of the employment process.

For staff promotions, the Group has formulated the Performance Appraisal Management System, which defines appraisal cycles, methods, scope, and scoring criteria. Appraisal results form a key basis for position adjustments, promotions, and incentives. The Group has also established a Remuneration and Performance Committee, which is composed of the President Office of the Group and is responsible for reviewing the overall principle and direction of performance appraisal, examining and approving the management system related to performance appraisal and the annual objective responsibility letters, guiding and supervising the performance appraisal work, resolving disputes or issues during appraisals, reviewing the performance appraisal results, and handling related appeals or complaints, thereby ensuring the fairness and standardisation of performance management.

Staff Welfare

To regulate and strengthen employee benefits management and fully leverage their protective and incentivising functions, the Group has formulated the Staff Welfare Management System. Employee benefits include statutory benefits and corporate benefits. In accordance with applicable laws, including the Labour Law and the Social Insurance Law of the People's Republic of China, the Group provides social insurance contributions and statutory benefits such as high-temperature allowances. Additionally, the Group offers various corporate benefits, including festival gifts, birthday gifts, communication subsidies, traffic subsidies, meal subsidies, health examination, group activities for staff and marriage gifts, etc., to enhance employees' sense of belonging and satisfaction.

Working Hours and Leaves

In order to regulate the staff attendance management and maintain effective management of staff, and in accordance with relevant national labour laws and regulations, we have established the Attendance and Leave Management System, which states that staff are entitled to various forms of leave, including casual leave, sick leave, medical leave, maternity leave, marital leave, funeral leave, home leave and paid annual leave etc. The Group encourages employees to improve work efficiency and complete their work during normal working hours, and does not advocate working overtime to complete tasks. If overtime is required due to work, the employee shall submit a written overtime application signed and approved by the person in charge of the department or the borrowing unit to the overtime approver in advance and the overtime approver shall sign and approve it. The overtime confirmed in the aforesaid overtime approval procedure is considered the effective overtime arranged by the Group for employees. For the effective overtime of staff, the Group will arrange for compensatory leave or pay overtime fees to staff in accordance with the law.

Equal Opportunities and Diversity

Green Broad is committed to fostering a diverse, inclusive and discrimination-free workplace. The Group adheres to the principles of fairness and equality in recruitment, promotion, training and remuneration management, and does not make any unreasonable distinctions based on employees' gender, age, ethnicity, religious beliefs, marital status or other personal backgrounds. Through well-established human resources management systems and internal oversight mechanisms, the Group continues to promote equal employment opportunities and diversity, striving to provide employees with fair opportunities for development.

In addition, the Group respects the individual values and development needs of its employees and encourages them to leverage their strengths within a diverse working environment, thereby enhancing the team's innovation capabilities and overall competitiveness.

Employee Communication and Care

Green Broad places great importance on communication and engagement with its employees, and collects their opinions and suggestions through various channels to continuously improve the working environment and management practices. The Group facilitates communication between management and employees through staff meetings, internal communication platforms and day-to-day management interactions, enabling it to understand employees' needs in a timely manner and respond to their concerns. By establishing a proactive and open communication mechanism, the Group is committed to building a stable, harmonious and cohesive workforce.

Structure of Our Workforce

As of 31 December 2025, Green Broad had a total of 113 full-time employees (2024: 64), all of whom were based in China. During the Reporting Period, the Group completed the acquisition of a 51% equity interest in Guoneng Tairui, which has since become a non-wholly owned subsidiary of the Group. The employees of this company have been included in the Group's employee statistics following the completion of the acquisition, resulting in an increase in the total number of employees compared to the previous year.

Detailed breakdown of the employee profile is set out in the table below:

Category	Number of employees	Percentage
By gender		
Male	80	71%
Female	33	29%
By type of employment		
Full-time	113	100%
Part-time	0	0%
By age		
Below 30 years old	14	12%
31–40 years old	44	39%
41–50 years old	29	26%
51 years old or above	26	23%
By region		
Chinese Mainland and Hong Kong	113	100%

Employee Turnover

During the Reporting Period, the Group's total turnover rate of employees is approximately 11.43%. The percentage of employee turnover rate categorised by gender, age and region are shown below:

Category	Percentage[10]
By gender	
Male	11.29%
Female	11.32%
By age	
Below 30 years old	47.62%
31–40 years old	17.14%
41–50 years old	4.26%
51 years old or above	0%
By region	
Chinese Mainland and Hong Kong	11.43%

[10] *Employee turnover rate is calculated for each category by dividing the number of employees who left during the Reporting Period by the average of the headcount at the beginning of the year and the consolidated year-end headcount for that category. As the Group completed the acquisition of Guoneng Tairui during the Reporting Period, the headcount of relevant employees has been included on a consolidated basis; no employee turnover occurred at Guoneng Tairui during the Reporting Period.*

B2. Health and Safety

Green Broad places high importance on employee rights and on maintaining a safe and healthy working environment. The Group is committed to protecting employees from occupational injuries and hazards through robust safety management systems and occupational safety training, thereby fostering a secure and healthy workplace.

The Group strictly complies with applicable laws and regulations, including the Labour Law of the People's Republic of China, Law of the People's Republic of China on the Prevention and Treatment of Occupational Diseases and Production Safety Law of the People's Republic of China. To safeguard employee rights, the Group contributes to social insurance, including medical insurance, in accordance with the law. For personnel who are not eligible for statutory social insurance (such as rehired retirees and trainees), the Group purchases business accident insurance to ensure coverage in case of unforeseen incidents. Meanwhile, the Group arranges annual health check-ups for employees to help them understand their health status and raise awareness of personal health management.

Workplace Safety

To strengthen safety management at project sites, Green Broad has established the Trial Measures for Standardised Construction Site, which regulate the placement of signage, safety facilities, and access routes, requiring sites to display safety and civilised construction signs to remind staff to maintain vigilance.

In order to further implement the production safety approach of "safety first, precaution crucial, comprehensive management", the Group has formulated the Production Safety Management Manual, defining responsibilities and procedures for safety management. The Engineering Project Department designate a project manager as the first person in-charge for work safety, supported by a safety management team comprising the deputy project manager, technical lead, and safety officers. The team is responsible for inspecting and supervising the implementation of safety measures on-site. Regular inspections are conducted, records are maintained, and violations of safety regulations are promptly addressed to ensure effective execution of safety measures.

A production safety accountability system has also been established: the project manager serves as the first person in-charge for work safety; the deputy project manager in charge of construction production is the direct person in charge of production safety; and the general project engineer oversees labour protection and technical works in relation to production safety. The safety leadership group of the Project Department is headed by the person in charge of production safety and responsible for on-site safety management, while each construction team assumes relevant safety management responsibilities to ensure the enforcement of safety measures.

As the supervisor for production safety management, the Engineering Department of the Group conducts regular site inspections on production safety management works and issues demands for rectification of ascertained problems and with prescribed time limits.

A Healthy Office Environment

For the sake of the health of our office staffs, the Group regularly organises health promotion activities, including Chinese medical consultation to relief their shoulder and neck indisposition caused by prolonged desk work, sedentariness and lack of exercise through methods such as massage, cupping therapy and warming moxibustion. In addition, the Group's headquarters enforces a comprehensive no-smoking policy, designating all office areas as smoke-free zones with corresponding management rules and penalties. Regular inspections are conducted to ensure compliance, safeguarding employee health and maintaining a safe office environment.

Health and Safety Performance

During the past three years (including the Reporting Period), the Group did not register any incidents of work-related death. The number and rate of work-related deaths remain at zero. During the Reporting Period, there were no lost workdays due to occupational injuries. Furthermore, the Group has not identified any material non-compliance with laws or regulations related to occupational health and safety.

B3. Development and Training

To standardise and facilitate the continuous implementation of training across the Group, and to enhance employees' vocational competence and professional skills through the accumulation, dissemination and application of knowledge, experience and capabilities, Green Broad has formulated the Training Management System, the objective of which is building a systematic talent development mechanism and providing employees with continuous learning and development opportunities.

The Group's Human Resources Department is in charge of the establishment and improvement of the Training Management System, its related regulations and resource platform, and is also responsible for study on training needs, formation of annual training programmes, implementation of training and conclusion on training. It is also responsible for guiding, supervising, coordinating and tracking the implementation of training activities across various departments. Based on the requirements of different roles and functions, the Group provides targeted training programmes for our staff. Training contents are primarily designed and delivered around areas such as corporate policies and procedures, job responsibilities and professional skills. The training sessions of the Group cover a range of aspects including, amongst others, safe and civilised construction, construction techniques, engineering management, operation administration, corporate cultures. Training forms mainly include internal training (by internal lecturer), internal training (by external lecturer) and external training (in other companies).

In terms of training management, each year in December, the Group, through the Human Resources Department, conducts a comprehensive assessment and analysis of training needs and formulates the Annual Training Plan for the following year, to be implemented upon approval by the President Office. Training management units of respective departments will then prepare a Monthly Training Implementation Form (for the following month) at the end of each month by reference to the Annual Training Plan and actual training needs, which will be filed with the Human Resources Department for record and implementation thereafter.

To ensure training quality and effectiveness, the Group conducts post-training evaluations after each session. Evaluation methods include training assessments, questionnaires and on-the-job follow-up feedback. Results are used to continuously optimise training content and delivery methods and serve as an important reference for evaluating and incentivising participants, trainers and organising units.

Case Study of Training Practice

During the Reporting Period, the Group continued to strengthen staff training and management capability development. On 18 July 2025, the Group convened the "Mid-Year Conference and Middle-to-Senior Management Training Session for the Ecological Technology Segment", during which thematic training and exchanges were conducted on topics such as business development, operational management and strategic planning. The programme focused on enhancing the management team's professional capabilities in areas including green finance, carbon management and sustainable development practices, thereby providing talent and capability support for the Group's steady business development and green transformation.

During the Reporting Period, the Group continued to provide training to its staff across different levels and positions. The number of trained employees accounted for 100% of the total number of employees, with approximately 451 training hours completed in aggregate and an average of approximately 3.99 training hours per employee. To more comprehensively reflect training coverage and effectiveness, the Group discloses the percentage of trained employees and average training hours by gender and employee category. Details of our training are shown in the following table:

Employee category	Male	Female
Senior management		
Percentage of employees trained	100%	—
Average training hours	6.25	—
Middle management		
Percentage of employees trained	100%	100%
Average training hours	4.5	5
Other employees		
Percentage of employees trained	100%	100%
Average training hours	3.4	3.67

B4. Labour Standards

Green Broad strictly complies with applicable laws and regulations, including the Labour Law of the People's Republic of China, the Labour Contract Law of the People's Republic of China and the Provisions on the Prohibition of Using Child Labour. It firmly prohibits the use of child labour or forced labour in any of its business activities.

During recruitment and employment management processes, the Group rigorously verifies candidates' identity documents and age information, and standardises labour contract procedures to ensure that all employment arrangements are based on the genuine consent of employees, thereby preventing risks relating to child labour and forced labour. It also requires external contractors and business partners to comply with relevant labour standards and prohibits the illegal employment of child labour or the use of forced labour. If any suspected cases of child labour, forced labour or other unlawful employment practices are identified, the Group will immediately terminate the relevant arrangements, conduct investigations and implement corrective measures. In case of any violations of laws or regulations, the Group will handle such matters in accordance with applicable laws and, where necessary, report them to the relevant authorities. At the same time, the Group will review and enhance its internal policies and control measures to prevent recurrence.

During the Reporting Period, the Group did not record any material non-compliance incidents relating to child labour, forced labour or other breaches of labour standards.

B5. Supply Chain Management

As a diversified investment holding group with ecological construction at its core, Green Broad operates across a range of sectors including theme park construction, scenery enhancement, preservation and restoration of ancient towns and cities, construction of featured towns and beautiful villages, sponge city projects, and ecological restoration. The Group attaches great importance to project quality and fully recognises the critical role that high-quality suppliers play in ensuring project standards and operational efficiency. Accordingly, the Group manages its supply chain responsibly, giving priority to suppliers that offer safe, environmentally responsible and reliable products in forming partnerships.

The Group regulates supplier management and tendering procedures in accordance with the Administrative Measures for Procurement and Bidding, and the Implementation Measures for Qualified Supplier Admission. Prior to being included in the Group's supplier database for tendering, suppliers must pass qualification checks, on-site inspections and a comprehensive evaluation. The assessment includes reviewing business licences, relevant qualification certificates, and safety production permits. On-site inspections cover construction sites, company offices, and production facilities. Upon completion, a Supplier Inspection Report shall be submitted and jointly reviewed and confirmed by the Project Department, the Procurement Department and the Engineering Department, and only upon completion of which such supplier may then be included in the list of qualified suppliers. During the Reporting Period, the Group conducted access reviews and management requirements for all 216 qualified suppliers, all of whom were subject to qualification checks and comprehensive evaluations.

As of 31 December 2025, the Group has a total of 216 qualified suppliers. All suppliers came from China. Supplier categories include civil engineering materials, utility materials, greening materials, seedlings, decoration materials, etc. Before execution of a specific project, each of the project departments selects contracting partners based on the principle of "competing openly and cooperating honestly at reasonably low price" from the list of qualified suppliers, to take part in the bidding process, through which suitable contracting partner(s) will be determined under the supervision of the engineering department.

In procurement management, the Group adheres to a scientific, rational and resource-efficient approach, strengthening cost control through refined project cost management. The Group has established a centralised supplier database and utilises its self-developed project management information platform (OA system) to manage procurement and expenses, ensuring that all expenditures comply with budgetary requirements. Meanwhile, the Group actively explores online procurement models and has prepared and trialled operations on leading domestic procurement platforms to expand supply chain channels and improve procurement efficiency.

In respect of the operation in the later stage of the project, the Group leverages its operating management companies and professional operations teams to coordinate maintenance and landscaping works concurrently with construction. The Group also places significant emphasis on post-project development and resource integration, establishing strong partnerships to fully realise the value of project sites and surrounding resources.

In environmental protection, the Group integrates ESG principles into supply chain management, prioritising suppliers with environmental awareness and those providing environmentally preferable products and services. To achieve energy-saving and emission-reduction objectives, the Group gives priority to geographically proximate suppliers where feasible, minimising energy consumption and emissions during transport. Simultaneously, the Group actively utilises third-party procurement platforms for sourcing construction materials to enhance efficiency and reduce resource waste.

To ensure safe working environments on subcontracted projects, the Group has formulated the Trial Measures for Standardised Construction Site and the Design Subcontracting Management Measures, which establish standards for on-site safety management, office area management, and construction safety protection. In selecting subcontractors, the Group will also assess their environmental and social risks, and require subcontractors to comply with relevant trade laws and regulations, as well as environmental and social responsibility standards. Furthermore, the Group maintains a zero tolerance policy towards corruption and commercial bribery. Prior to signing agreements with suppliers, they are required to submit declarations or relevant documents confirming the absence of commercial bribery. To further strengthen integrity management, subcontractors must sign the Letter of Commitment for Integrity in Construction by Construction Unit during the tendering and construction process, committing to comply strictly with contract terms, implement sound integrity management systems, and refrain from offering gifts or valuable items to project personnel in any form.

B6. Product Responsibility

Quality Control

As a company primarily engaged in landscape construction, engineering quality management has always been a key component of the Group's operational oversight. The Group strictly adheres to relevant laws and regulations, including the Tendering and Bidding Law of the People's Republic of China, throughout procurement and project management. During the Reporting Period, no material non-compliance incidents relating to product or service quality were identified. Since the Group's business mainly involves landscape construction, ecological restoration, and related engineering services, and does not include sold consumer products, there were no product recalls for health or safety reasons during the Reporting Period, and such disclosures are therefore not applicable.

In terms of quality management, the Group continuously strengthens quality control through institutional development, management systems, and personnel oversight. In respect of policy and management system, Green Broad has formulated the Engineering Quality Control Manual and Management Procedures on Laws and Regulations and other Requirements, establishing a robust engineering quality management system and compliance management process. By reinforcing quality control throughout the construction lifecycle, the Group continuously improves its accountability mechanisms for project quality. As for manpower management, experienced project managers are appointed to oversee project quality throughout construction. The Group also applies standardised quality management requirements to cooperating and newly engaged subcontractors, ensuring construction quality meets relevant standards and project requirements.

During the Reporting Period, the quality management system of the Group continued to maintain certification under ISO9001 certification for quality management systems, ISO14001 certification for environmental management systems and OHSAS18001 certification for occupational health and safety management system, ensuring the continuous effectiveness of its management systems. No major quality or safety issues led to project rejection during the Reporting Period. The Group also holds multiple qualifications related to construction and design to ensure its operations are conducted in full compliance with applicable laws and regulations. Our major qualifications and licenses are as follows:

Issue Authority	Category	Qualification Level
Ministry of Housing and Urban-Rural Development of the People's Republic of China	General contracting of housing construction works	Special Grade
Ministry of Housing and Urban-Rural Development of the People's Republic of China	General contracting of municipal public works construction	Grade One
Ministry of Housing and Urban-Rural Development of the People's Republic of China	Professional contracting of steel structure projects	Grade One
Zhejiang Housing and Urban & Rural Construction Department	Professional contracting of mechanical and electrical equipment installation project	Grade One
Zhejiang Housing and Urban & Rural Construction Department	Professional contracting of construction decoration project	Grade One
Zhejiang Housing and Urban & Rural Construction Department	Professional contracting of foundation projects	Grade One
Ministry of Housing and Urban-Rural Development of the People's Republic of China	Scenery landscape design	Grade A
Ministry of Housing and Urban-Rural Development of the People's Republic of China	Design qualification certificate for construction industry (construction engineering)	Grade A
Shanghai Housing and Urban-Rural Development Management Committee	Professional contracting of ancient architecture project	Grade One

To ensure effective identification and control of non-conformity occurring in various phases of the landscaping construction and maintenance service, and prevent the unexpected usage, conversion or delivery, Green Broad formulated the Non-Conformity Output Management Procedures and Improvement Management Procedures. These procedures clearly assign responsibility to the Group's engineering quality management personnel to identify non-conformities occurring during construction and maintenance services and to continuously monitor the outcomes of related corrective actions. For unqualified purchased materials or unqualified products, the Group promptly implements corrective and improvement measures, investigates the root causes, and prevents recurrence, thereby driving continuous improvement of the integrated management system.

According to the Improvement Management Procedures, the Group determines appropriate improvement measures based on a comprehensive assessment of related interests, risks, and costs. For general service issues, the Human Resources ("HR") Administration Department issues a Corrective and Improvement Measures Handling Form to the responsible department, which then formulates, implements, and records the improvement measures. For service issues with broader scope or greater impact, the HR Administration Department coordinates relevant departments to jointly develop an improvement plan, clearly specifying methods, implementation steps, responsibilities, and deadlines, and submits it for the General Manager approval prior to implementation. Environmental or safety-related issues are addressed under the leadership of the Engineering Department, which coordinates relevant departments to carry out rectification work.

Technological Innovation and R&D

Green Broad is striving to promote the application and design of efficient, energy-saving, and clean green technologies, with the development goal of becoming an internationally advanced and domestic leading player in the industry, driving the development of ecological and environmental protection projects through technological innovation.

The Group has invested in the establishment of a technology center focused on in-house research and development (R&D), complemented by technology introduction and absorption. It also strengthens industry-academia-research cooperation and intellectual property development to promote the industrialisation of technological achievements. The Group has established an Academician Workstation and collaborates with research institutions (e.g. Tongji University) to provide technical support for relevant research projects based on patented technologies in ecological restoration and ecological construction.

As one of the key components of the Group's sustainable development strategy, scientific innovation provides ongoing technological support for business development and facilitates the Group's long-term stable growth.

Customer Satisfaction Management

While delivering high-quality projects and products to clients, Green Broad also pays great attention to customer communication and feedback management. The Group conducts regular customer visits and satisfaction surveys to understand client needs promptly and continuously improve construction and service quality.

To this end, Green Broad has formulated the Customer Satisfaction Monitoring and Measurement Management Procedures, which periodically surveys and studies customer satisfaction regarding the Group's landscaping construction and maintenance services to collect market information and client feedback. The information is used to assess the performance of the Group's quality management system and continuously enhance customer satisfaction.

The procedures cover the collection and measurement of customer satisfaction information and specify the responsibilities of relevant departments. The Engineering Department collects on-site feedback during project implementation, while the Marketing Department conducts satisfaction surveys for completed projects and subsequent maintenance services, using methods such as telephone interviews, fax responses, on-site visits, and face-to-face communication. The Marketing Department is also responsible for collecting and compiling customer complaints, coordinating relevant departments to analyse issues, identifying responsible departments, and supervising the implementation of corrective actions. The results of these processes are recorded in the Customer Feedback Processing Sheet, with timely feedback provided to customers on the improvements made.

During the Reporting Period, the Group had not received any customer complaints. In the event of customer feedback or complaints, the Group will follow established procedures for registration, analysis, follow-up, and response, while ensuring that relevant departments implement corrective and improvement measures.

Intellectual Property Protection

Green Broad attaches great importance to the protection of intellectual property rights and strictly complies with relevant laws and regulations, including but not limited to the Copyright Law of the People's Republic of China, the Trademark Law of the People's Republic of China, the Patent Law of the People's Republic of China and the Tort Liability Law of the People's Republic of China.

Trademarks and patents are important intangible assets of the Group. In order to maintain the interests of the Group and guarantee the smooth operation of various businesses, the Group formulated the Confidentiality System of the Group, under which internal information is subject to classified management and categorised into three levels, i.e. strictly confidential, confidential and secret. The policy sets out clear requirements on data management, access authority, confidentiality management and document backup for information of different classifications.

In terms of organisational management, the Confidentiality System of the Group clearly defines the division of responsibilities among departments. The Group's President is responsible for overall leadership of confidentiality management, while the heads of each department are the primary persons responsible for confidentiality within their respective departments. In the event of any change in position of document management personnel or confidentiality-related staff, proper handover procedures must be completed in a timely manner and confirmed by the signature of the competent leader. If any employee becomes aware that confidential information of the Group has been or may have been leaked, they must immediately take remedial measures and promptly report to the office, upon which relevant departments will take timely response actions.

In addition, the Group enters into the Trade Secret Protection Agreement with its employees in accordance with relevant laws and regulations, clearly stipulating employees' confidentiality obligations during their employment and after departure. Pursuant to the Agreement, employees are required to return all materials involving the Group's technical and operational information upon leaving the Group. The Group may also reiterate confidentiality obligations to relevant personnel in writing or orally, and, where necessary, inform their new employer of the confidentiality responsibilities undertaken by such employees at their previous position.

In terms of technological research and development, the Group continues to advance project implementation and technological innovation, achieving multiple results in areas such as plant cultivation, soil improvement and water ecological treatment. The Group also holds various patented technologies and patented products with proprietary intellectual property rights. These technological achievements have established the Group's core technological advantages in the field of ecological construction and further enhanced its industry competitiveness.

Data and Information Security

As the Group's business model primarily focuses on engineering construction and ecological restoration services, and is not directly oriented towards end consumers, it does not collect consumers' personal information in the course of its business operations, nor does it involve matters related to consumer advertising or product labelling.

However, in the course of its daily business operations, the Group may handle information relating to its cooperating customers and suppliers. In this regard, the Group places great importance on the security and confidentiality of such data and strictly protects the relevant information in accordance with its internal information management policies. All collected information is used solely for normal business operations and cooperation management, and will not be used for any purposes beyond the scope of its business activities.

B7. Anti-corruption

Green Broad rigorously complies with laws and regulations regarding anti-corruption and anti-money laundering, including but not limited to the Criminal Law of the People's Republic of China and the Anti-Money Laundering Law of the People's Republic of China. The Group continues to strengthen integrity management and prevent corruption, commercial bribery and other improper conduct through system development and internal control mechanisms.

To further enhance anti-corruption management, the Group has revised the Implementation Rules of Whistle-blowing, clarifying the management requirements for anti-corruption and anti-fraud conduct, and helping employees better understand the Group's whistleblowing procedures and related precautions. The Group will regularly review and update the relevant policies to ensure their ongoing effectiveness. Meanwhile, during the Reporting Period, the Group conducted integrity promotion and policy training for directors and employees, covering areas such as anti-bribery, anti-fraud, whistleblowing mechanisms, conflict of interest management and integrity compliance requirements, so as to further enhance the integrity awareness of directors and employees and strengthen the compliance culture.

Whistleblowing Mechanism

To define the responsibilities and workflow for whistleblowing management, the Group has formulated the Implementation Rule of Whistle-blowing. The policy clearly delineates the responsibilities and authorities of relevant departments and sets out requirements for the management and maintenance of whistleblowing channels. Relevant departments are responsible for handling whistleblowing issues, including:

- reviewing whether whistleblowing cases meet the criteria for initiating an investigation;
- organising and coordinating relevant investigation work;
- preparing investigation reports and handling recommendations for submission to the President Office for approval;
- filing and managing documentation related to whistleblowing issues.

During the investigation process, if the reported person is found to be involved in serious violations of laws, regulations or disciplines, the Group's HR Administration Department will, based on the decision of the President Office, take appropriate actions. These may include termination of the employment contract or, where necessary, referral of the individual suspected of criminal conduct to the judicial authorities.

Reporting Channels

In accordance with the Implementation Rule of Whistle-blowing, employees and relevant parties may report misconduct through multiple channels, including letters, emails, OA system messages, WeCom and on-site reporting. Reports may relate to corruption, commercial bribery, fraud, or other improper conduct. Information on reporting channels is published and updated via the OA system, WeCom announcements, , and on the official website and the official WeChat account of the Group.

The Group generally takes the following procedures to handle any whistle-blowing matter:

1. Contact the whistleblower to verify the authenticity, accuracy, and completeness of the reported information and materials, and register the relevant materials;
2. Review whether the reported matter meets the criteria for investigation;
3. Carry out the investigation under strict confidentiality;
4. Prepare an investigation report with recommended actions based on the findings and submit it to the Group's President Office for approval.

Whistleblower Protection

In order to protect the whistleblowers, the investigation should be carried out, and the investigators should keep the relevant information of the whistleblowers and the specific contents of the whistle-blowing issues strictly confidential. Moreover, if it is not necessary, investigators should try their best to avoid meeting with the whistleblowers directly, so as to reduce the risks. To safeguard the legal rights of whistleblowers, the Group strictly adheres to confidentiality principles during investigations. All investigative work will be carried out without revealing the identity of the whistleblower, and investigators are required to maintain strict confidentiality regarding personal information and reported contents. Unless this is absolutely necessary, investigators shall avoid direct contact with whistleblowers as far as possible to minimise the risk of the whistleblowers being exposed.

During the Reporting Period, the Group did not record any cases of material breaches of laws and regulations related to bribery, extortion, fraud or money-laundering. In addition, the Group was not involved in any concluded legal case regarding corrupt practices brought against the Group or its employees.

Community

B8. Community Investment

Green Broad's main business spreads all over the country, giving full play to its regional advantages in different regions. The Group actively explores opportunities for cooperation with the local government and continuously expands its customer resources, so as to lay a good foundation for undertaking more ecological construction projects in the future. Leveraging its comprehensive solution capabilities along the full industry chain as well as previous and ongoing project collaborations, the Group has proved its ability to make full use of its technological and resource advantages and local development needs to provide the government with ecological construction solutions that align with regional development plans, driving business growth while actively fulfilling its social responsibilities.

As a company that attaches great importance to social responsibility, Green Broad not only encourages employees to actively participate in public welfare activities, but also continuously focuses on community development, and formulated the Social Public Welfare System that clarifies community investment directions and management principles.

Community Development Concept

The Group believes that corporate development is inseparable from social development. While advancing its ecological construction business, Green Broad actively focuses on the development needs of the communities where its projects are located, and is committed to creating better ecological environments and public spaces for these communities through its professional technical capabilities and project practices.

During project development and operation, the Group strives to balance economic, ecological and social value, creating a more livable environment for community residents by improving the ecological environment, enhancing the quality of regional landscapes, and promoting green development.

Community Communication and Development

Green Broad focuses on establishing long-term and stable communication mechanisms with communities and integrates community public relations into its daily management system. We use various channels to introduce our development and project progress to the community, expressing our willingness to participate in community development and striving for the community's understanding and support. We also invite community residents to participate in relevant activities, collecting their opinions and recommendations to better understand community needs and promote benign interaction between us and the community.

Regarding community development, Green Broad actively improves the regional environment through projects such as ecological restoration, landscape enhancement and public space optimization. We support and encourage employees to participate in public welfare activities, contributing to community development and public welfare undertakings in various ways. At the same time, the Group and Tongji University jointly established the "Green Broad — Tongji Joint Technology Innovation Centre" to conduct continuous research and technological innovation cooperation in the fields of ecological restoration and green development. During the Reporting Period, both parties continued to leverage the platform advantages of the joint Technology Innovation Centre to promote the research and development of ecological environment governance technologies and transformation of results, supporting ecological development and sustainable development through technological innovation.

During the Reporting Period, the Group did not organise any major external charity activities. However, it continued to pay attention to social responsibility in its daily operations and management as well as project implementation, fulfilling its role as a corporate citizen through various means such as ecological construction projects, technological cooperation and employee participation. During the Reporting Period, in terms of community investment, the Group primarily invested resources through the implementation of ecological development projects, technological cooperation and employee participation. As these investments are closely integrated with daily operations, the Group has not yet separately recorded the amount and timing of these investments. In the future, the Group will continue to pay attention to the needs of community development and, leveraging its own business advantages, actively explore more ways to participate in community development and social welfare undertakings, so as to contribute to sustainable social development.

The ESG Reporting Guide Content Index of the Stock Exchange

Mandatory Disclosure Requirements	Section/Declaration
Governance Structure	Board of Directors Statement
Reporting Principles	About the ESG Reporting — Reporting Framework, Materiality Assessment, Stakeholders Engagement
Reporting Boundary	About the ESG Reporting — Reporting Scope

Aspects, General Disclosures and KPIs	Description	Section/Declaration
Aspect A1: Emissions		
General Disclosure	Information on: (a) the policies; (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to air and GHG emissions, discharges into water and land, and generation of hazardous and non-hazardous waste.	Emissions
KPI A1.1	The types of emissions and respective emissions data.	Emissions — Air Emissions and GHG Emissions
KPI A1.2	Direct (Scope 1) and energy indirect (Scope 2) GHG emissions (in tonnes) and, where appropriate, intensity.	Emissions — GHG Emissions
KPI A1.3	Total hazardous waste produced (in tonnes) and intensity.	Zero waste produced — Explained
KPI A1.4	Total non-hazardous waste produced (in tonnes) and, where appropriate, intensity.	No quantitative disclosure made — Explained
KPI A1.5	Description of emission target(s) set and measures taken to achieve them.	Emissions — Air Emissions and GHG Emissions
KPI A1.6	Description of how hazardous and non-hazardous wastes are handled, of reduction target(s) and measures to achieve them.	Waste Management

Aspects, General Disclosures and KPIs	Description	Section/Declaration
Aspect A2: Use of Resources		
General Disclosure	Policies on the efficient use of resources, including energy, water and other raw materials.	Use of Resources
KPI A2.1	Direct and/or indirect energy consumption by type (e.g. electricity, gas or oil) in total (kWh in '000s) and intensity.	Use of Resources — Energy Management
KPI A2.2	Water consumption in total and intensity.	Use of Resources — Water Management
KPI A2.3	Description of energy use efficiency target(s) set and steps taken to achieve them.	Use of Resources — Energy Management
KPI A2.4	Description of whether there is any issue in sourcing water that is fit for purpose, water efficiency target(s) set and related measures.	Use of Resources — Water Management
KPI A2.5	Total packaging material used for finished products and with reference to per unit produced.	N/A — Explained
Aspect A3: Environment and Natural Resources		
General Disclosure	Policies on minimising the issuer's significant impacts on the environment and natural resources.	Environment and Natural Resources
KPI A3.1	Description of the significant impacts of activities on the environment and natural resources and control measures.	Environment and Natural Resources — Environmental Protection Measures
Aspect A4: Climate Change		
General Disclosure	Policies on identification and mitigation of significant climate-related issues which have impacted, and those which may impact, the issuer.	Climate Change
KPI A4.1	Description of the significant climate-related issues which have impacted, and those which may impact, the issuer, and the actions taken to address them.	Climate Change — Physical Risks and Transition Risks

Aspects, General Disclosures and KPIs	Description	Section/Declaration
Climate-related disclosures (Part D)		
Governance	How the Board and management oversee and manage climate-related risks and opportunities.	Climate-related disclosures — Governance
Strategy	The impact of climate-related risks and opportunities on the business model, strategy and decision-making.	Climate-related disclosures — Strategy
Risk management	Processes for identifying, assessing, prioritising and monitoring climate-related risks and opportunities.	Climate-related disclosures — Risk management
Metrics and targets	Scope 1 and Scope 2 greenhouse gas emissions, together with related metrics, targets and progress.	Climate-related disclosures — Metrics and targets
Aspect B1: Employment		
General Disclosure	Information on: (a) the policies; (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, and other benefits and welfare.	Employment
KPI B1.1	Total workforce by gender, employment type, age group and geographical region.	Employment — Structure of our Workforce
KPI B1.2	Employee turnover rate by gender, age group and geographical region.	Employment — Employee Turnover

Aspects, General Disclosures and KPIs	Description	Section/Declaration
Aspect B2: Health and Safety		
General Disclosure	Information on: (a) the policies; (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to provision of a safe working environment and protecting employees from occupational hazards.	Health and Safety
KPI B2.1	Number and rate of work-related fatalities occurred in each of the past three years including the reporting year.	Health and Safety — Health and Safety Performance
KPI B2.2	Lost days due to work injury.	Health and Safety — Health and Safety Performance
KPI B2.3	Description of occupational health and safety measures and how they are implemented and monitored.	Health and Safety — Workplace Safety
Aspect B3: Development and Training		
General Disclosure	Policies on improving employees' knowledge and skills for discharging duties at work.	Development and Training
KPI B3.1	The percentage of employees trained by gender and employee category.	Development and Training
KPI B3.2	The average training hours by gender and employee category	Development and Training

Aspects, General Disclosures and KPIs	Description	Section/Declaration
Aspect B4: Labour Standards		
General Disclosure	Information on: (a) the policies; (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to preventing child and forced labour.	Labour Standards
KPI B4.1	Description of measures to avoid child and forced labour.	Labour Standards
KPI B4.2	Description of corrective measures once non-compliance is found.	Labour Standards
Aspect B5: Supply Chain Management		
General Disclosure	Policies on managing environmental and social risks of the supply chain.	Supply Chain Management
KPI B5.1	The number of suppliers by geographical region.	Supply Chain Management
KPI B5.2	Description of practices relating to supplier selection and management. Number of suppliers where the practices are being implemented, and how they are implemented and monitored.	Supply Chain Management
KPI B5.3	Measures to identify environmental and social risks along the supply chain, and how they are implemented and monitored.	Supply Chain Management
KPI B5.4	Description of measures on selecting environmental-friendly products and service providers, and how they are implemented and monitored.	Supply Chain Management

Aspects, General Disclosures and KPIs	Description	Section/Declaration
Aspect B6: Product Responsibility		
General Disclosure	Information on: (a) the policies; (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to health and safety, advertising, labelling relating to products and services provided and methods of redress.	Product Responsibility
KPI B6.1	Percentage of products subject to recalls for safety and health reasons.	Product Responsibility — Quality Control
KPI B6.2	Description of how many customer complaints having received and how they are dealt with.	Product Responsibility — Customers Satisfaction Management
KPI B6.3	Description of protective measures for intellectual property rights.	Product Responsibility — Intellectual Property Protection
KPI B6.4	Description of quality assurance process and recall procedures.	Product Responsibility — Quality Control
KPI B6.5	Description of consumer data protection and privacy policies.	Product Responsibility — Data and Information Security

Aspects, General Disclosures and KPIs	Description	Section/Declaration
Aspect B7: Anti-corruption		
General Disclosure	Information on: (a) the policies; (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to bribery, extortion, fraud and money laundering.	Anti-corruption
KPI B7.1	Number of concluded legal cases regarding corrupt practices and their outcomes.	Anti-corruption
KPI B7.2	Preventive measures, whistleblowing procedures and how they are monitored.	Anti-corruption
KPI B7.3	Anti-corruption training provided to directors and staff.	Anti-corruption
Aspect B8: Community Investment		
General Disclosure	Policies on community engagement and community investment.	Community Investment
KPI B8.1	Focus areas of contribution (e.g. education, environmental concerns, labour needs, health, culture, sport).	Community Investment
KPI B8.2	Resources directed to the focus areas.	Community Investment

Directors and Senior Management

As of the date of this annual report, the Board consists of five Directors including two executive Directors and three independent non-executive Directors. The following sets forth the profile of the Directors and senior management:

Executive Directors

Mr. Lin Guangqing (林光青) ("Mr. Lin"), aged 51, served as the executive Director and chief executive officer of the Company with effect from 1 September 2023, and served as Chairman of the Board, a member of the Remuneration Committee, and a member of the Nomination Committee of the Company with effect from 5 August 2025. He is currently the responsible person for the ecology and greenery business of Greenland Holdings and chairman of Greenland Group Senmao Garden Co., Ltd, a subsidiary of Greenland Holdings. And he is currently the vice president of Shanghai Landscape Architecture and Gardening Trade Association, a review expert of the Shanghai Municipal Committee for Senior-Level Accreditation in Greening and City Appearance Engineering (上海市工程系列綠化市容專業高級職稱評審委員會), and a member of the party committee of Greenland Financial Technology Group Co., Ltd. From 2019 to 2021, he served as the executive vice general manager of Shanghai Landscape Industry Development Co., Ltd, a subsidiary of Shanghai Construction Group Co., Ltd (stock code: 600170.SH). Mr. Lin graduated from the school of agriculture and biology of Shanghai Jiaotong University in June 1997 majoring in landscape architecture and is a senior engineer. Mr. Lin has over 29 years of large scale state-owned landscape architecture and management experience, excels at operational management, and has a broad vision and holistic approach as well as a proactive business mindset.

Mr. Wang Yaoming (王耀明) ("Mr. Wang"), age 45, has been appointed as an executive Director of the Company with effect from 8 August 2025. Mr. Wang has 20 years of experience in investment, corporate management, financial management, and capital market operations. He specializes in industrial resource restructuring and value realization. Previously, he served as an audit manager for A-share/B-share listed companies at Deloitte Huayong, and had also previously held various positions including as Investment Director at Ping An Asset Management Co., Ltd. (平安資產管理有限責任公司), Agricultural Bank of China International Wuxi Investment Management Co., Ltd. (農銀國聯無錫投資管理有限公司), and GCLPoly Energy Holdings Limited (協鑫(集團)控股有限公司). In 2016, Mr. Wang joined Greenland Holdings Group Corporation Limited, where he currently serves as executive vice president of Greenland Digital Technology Company Limited (綠地數字科技有限公司) and Chief Investment Officer of Greenland Financial Technology Group Company Limited (綠地金創科技集團有限公司). He is responsible for several significant mergers, acquisitions, and investment projects, as well as operational management and capital exit strategies post-investment.

Mr. Wang graduated from Zhejiang University with a bachelor's and master's degree in Communication and Information Engineering. Mr. Wang is a chartered financial analyst (CFA) and also holds a CPA license.

Independent Non-Executive Directors

Mr. Dai Guoqiang (戴國強) ("Mr. Dai"), aged 73, is an independent non-executive Director and is the chairman of Nomination Committee, a member of both Audit and Remuneration Committees of the Company. Mr. Dai was appointed as the chairman of Audit Committee for the period from 29 December 2017 to 13 March 2018. Mr. Dai has nearly fifteen years of experience in Finance and Economics. Mr. Dai graduated with a bachelor and a master degree in Economics from Shanghai School of Finance and Economics* (上海財經學院), currently known as Shanghai University of Finance and Economics* (上海財經大學), in January 1983 and July 1987, respectively. Following which Mr. Dai obtained a PH.D. in Economics from Fudan University* (復旦大學) in Shanghai, China in July 1994.

From March 1999 to April 2006, he was the Dean of the School of Finance of Shanghai University of Finance and Economics* (上海財經大學) in Shanghai, China. He was the party secretary* (黨委書記) of the School of Finance of Shanghai University of Finance and Economics* (上海財經大學) from April 2006 to July 2007. From July 2007 to April 2011, he served as the Dean and secretary of the Master of Business Administration School of Shanghai University of Finance and Economics* (上海財經大學). Mr. Dai has served as a finance professor of the School of Finance of Shanghai University of Finance and Economics* (上海財經大學) in Shanghai, China since June 1995, the party branch secretary and vice president* (黨支部書記兼副院長) of the College of Business of Shanghai University of Finance and Economics* (上海財經大學) from April 2011 to March 2016 respectively. Mr. Dai was an independent non-executive director from February 2004 to June 2009 and an external supervisor of Bank of Shanghai Co., Ltd* (上海銀行股份有限公司) from June 2009 to June 2017. He has also been an independent non-executive director of Shanghai Fudan Forward Science and Technology Co., Ltd.* (上海復旦復華科技股份有限公司), a company listed on the Shanghai Stock Exchange (stock code: 600624.SH) from March 2008 to June 2014. From May 2012 to April 2015, Mr. Dai was also an arbitrator on the panel of China International Economic and Trade Arbitration Commission. Mr. Dai was a member (委員) of National Economics Universities Teaching Guidance Committee under the Ministry of Education* (教育部高等學校經濟學類學科教學指導委員會) from 2006 to 2010. He also serves as a member of Master of Finance Teaching Guidance under the Ministry of Education (教育部金融專業碩士教學指導委員會) from March 2011 to March 2014. Since September 2018, Mr. Dai has also been appointed as an executive director of Shanghai Niaozhi Literature and Art Creation Company Limited* (上海梟之文學藝術創作有限公司). Mr. Dai has been an independent director of Bank of Guiyang Co., Ltd.* (貴陽銀行股份有限公司), a company listed on the Shanghai Stock Exchange (stock code: 601997.SH), from 11 February 2018 to 6 February 2024 and an independent director of Liqun Commercial Group Co., Ltd* (利群商業集團股份有限公司), a company listed on the Shanghai Stock Exchange (stock code: 601366.SH) from April 2019 to 15 May 2025. Mr. Dai was an independent non-executive director of Bestway Global Holding Inc.* (榮威國際控股有限公司), a company formerly listed on the Stock Exchange (stock code: 3358) from 18 October 2017 to 19 October 2021.

He was awarded with the 3rd Universities Distinguished Teacher Award* (第三屆高等學校教學名師獎) from Ministry of Education of the People's Republic of China in 2007, the Shanghai Universities Distinguished Teacher Award* (上海市高校教學名師獎) in August 2006, and Citigroup Outstanding Teacher Award* (花旗集團優秀教師獎) in December 2005 and Shanghai Teaching Model Nomination Award* (上海市教書育人楷模提名獎) in September 2012.

Mr. Yang Yuanguang (楊元廣) ("Mr. Yang"), aged 62, is an independent non-executive Director and the chairman of the Audit Committee since 23 May 2020. Mr. Yang has over 20 years of experience in audit assurance, global tax planning, corporate advisory, family business and merger and acquisition business.

Mr. Yang has operated Burney Y.G. Yang & Co. C.P.A., a CPA firm in Hong Kong with business focus in the markets of Hong Kong, People's Republic of China, Australia and New Zealand since February 2007.

Mr. Yang is a member of the Hong Kong Institute of Certified Public Accounts since 2005, and a chartered accountant of the Institute of Chartered Accountants Australia and New Zealand since 2002.

Ms. Zhang Rui (張睿) ("Ms. Zhang"), age 52, has been appointed as an independent non-executive Director, the chairman of the Remuneration Committee, member of the Audit Committee, and member of the Nomination Committee with effect from 8 August 2025. Ms. Zhang has over 20 years of experience in the landscaping industry and has been long engaged in industry management, participated in the development of various standards, talent training projects, and industry research. Since July 2003, Ms. Zhang has taken up various positions in the Shanghai Landscape and Greening Industry Association, including the head of the Training and Education Department and Public Consultation Department and deputy secretary general, and has been the secretary general of the Shanghai Landscape and Greening Industry Association since June 2017. Ms. Zhang has received various awards including Advanced Individual in the Shanghai Major Engineering Contribution Competition (Greening and Forestry Sector) (上海市重大工程立功競賽綠化林業賽區先進個人), Advanced Individual in the Shanghai Greening and City Appearance Bureau's "Expo Pioneer Action" (上海市綠化市容局「世博先鋒行動」先進個人), Advanced Individual in Standardization Work (標準化工作先進個人), and Advanced Individual in Shanghai Greening Work (上海市綠化工作先進個人).

Ms. Zhang graduated from Shanghai University with a bachelor's degree in electrical engineering in July 1995. Ms. Zhang also obtained a master's degree in Landscape Architecture from Shanghai Jiaotong University in 2015.

Senior Management

The executive Director of the Company, Mr. Lin Guangqing (林光青), concurrently hold senior management positions in the Group. For his biography, please refer to the subsection headed "Executive Directors" in this section of the annual report.

Joint Company Secretaries

Mr. Wang Zhikai (王智凱) ("Mr. Wang") currently serves as the general manager of the Group's capital market department, and is responsible for overseeing the Group's board affairs, ensuring compliance with applicable rules and regulations for listed companies, as well as managing the Group's external investment, asset restructuring and capital market business. Mr. Wang is also the deputy general manager of Shanghai Green Energy Zhihui Energy Technology Co., Ltd. (上海綠能致輝能源科技有限公司), a Joint Venture of the Group, and a director and member of the audit committee of Shanghai H-Fast Electronic Technology Co., Ltd. (上海賀鴻電子科技股份有限公司), a company listed on the National Equities Exchange and Quotations (stock code: 837506). Mr. Wang holds a master's degree in accounting and finance from Griffith University. Mr. Wang has approximately 10 years of experience in finance, accounting and corporate management, having participated in and led various capital market investments, mergers and acquisitions, and asset restructuring projects of the Group.

Ms. Lee Mei Yi (李美儀) ("Ms. Lee") is an Executive Director of Corporate Services of Tricor Services Limited. She has over 25 years of experience in the corporate secretarial field and has been providing professional corporate services to Hong Kong listed companies as well as multinational, private and offshore companies. Ms. Lee is a Chartered Secretary, a Chartered Governance Professional and a Fellow of both The Hong Kong Chartered Governance Institute and The Chartered Governance Institute in the United Kingdom.

Report of the Directors

The Directors are pleased to present their report together with the audited consolidated financial statements of the Group for the Reporting Period.

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 Shares of the Company were listed on the Main Board of the Stock Exchange on 21 July 2014.

Principal Activities

The Company focuses on municipal and city level landscape projects and offers our customers "one-stop" service solutions, including investment and financing, planning and design, project construction and commercial operation. The Group generally serves as the master contractor responsible for the overall management of landscape projects. We mainly offer our customers landscape design, construction and maintenance service.

Results and Final Dividends

The consolidated results of the Group for the Reporting Period are set out in the consolidated statement of profit or loss and other comprehensive income on pages 94 to 95 of this annual report. The Board does not recommend the payment of any final dividend for the year ended 31 December 2025 (2024: Nil).

Financial Summary

A summary of the Group's results, assets and liabilities for the last five financial years is set out on page 5 of this annual report. That summary does not form part of the audited consolidated financial statements.

Business Review

A fair review of the business of the Company and a discussion and analysis of the Group's performance during the Reporting Period and the material factors underlying its results and financial position are provided in the Management Discussion and Analysis section on pages 10 to 16 of this annual report. Description of the principal risks and uncertainties facing the Company can be found throughout this annual report, particularly in the Major Risk and Uncertainties section on page 85. Particulars of important events affecting the Company that have occurred since the end of the financial year 2025, if any, can also be found in the abovementioned sections and the Notes to the Financial Statements. The outlook of the Company's business is discussed throughout this annual report including in the Chairman's Statement on pages 6 to 9 of this annual report. An account of the Company's relationships with its key stakeholders is included in the Relationship with Employees, Suppliers and Customers section on page 86 of this annual report. Details of the Company's environmental policies and performance can be found in the Environmental, Social and Governance Report on pages 35 to 71 of this annual report.

Share Capital

Details of movements in the share capital of the Company during the Reporting Period are set out in note 32 to the financial statements on page 189 and 190 of this annual report.

Purchase, Sale or Redemption of Listed Securities 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.

Pre-Emptive Rights

There are no provisions for pre-emptive rights under the Company's Articles of Association or the laws of the Cayman Islands which would oblige the Company to offer new Shares on a pro rata basis to the existing Shareholders.

Property and Equipment

Details of movements in the property and equipment of the Group during the Reporting Period are set out in note 14 to the financial statements on pages 163 and 164 of this annual report.

Material Acquisitions, Disposals and Significant Investments

During the Reporting Period, the Group had not made any material acquisitions. As at 31 December 2025, the Group did not hold any significant investments.

Reserves

Details of movements in the reserves of the Company and the Group during the Reporting Period are set out in the consolidated statement of changes in equity on page 98 of this annual report.

Contingent Liabilities

Details of contingent liabilities of the Company and the Group as at 31 December 2025 are set out in the note 37 to the financial statements on page 196 of this annual report.

Gearing ratio

As at 31 December 2025, the Group's gearing ratio was N/A (2024: 91%), details of which are set out to note 44 to the financial statements on page 214 of this annual report.

Share Consolidation and the Change in Board Lot Size

On 9 August 2025, the Board proposes to implement the Share Consolidation on the basis that every ten (10) issued and unissued then-existing shares of par value of HK$0.025 each will be consolidated into one (1) Consolidated Share ("Consolidated Share")of par value of HK$0.25 each ("**Share Consolidation**"), and the board lot size for trading on the Stock Exchange to be changed from 4,000 then-existing shares to 12,000 Consolidated Shares.

On 7 November 2025, the shareholders approved the Share Consolidation at the extraordinary general meeting, and the Share Consolidation came into effect on 11 November 2025.

Following the Share Consolidation coming into effect, the Company's authorized share capital of HK$200,000,000 (divided into 8,000,000,000 then-existing shares with a par value of HK$0.025 each) was changed to HK$200,000,000 (divided into 800,000,000 Consolidated Shares with a par value of HK$0.25 each), among which the then-existing shares were consolidated from 6,041,164,796 fully paid or credited as fully paid existing shares in issue to 604,116,479 fully paid or credited as fully paid Consolidated Shares in issue.

For details, please refer to the Company's circulars dated 29 August 2025, 9 September 2025, 25 September 2025, 9 October 2025 and 20 October 2025.

Other than as mentioned above, there were no other changes to the Group's capital structure for the year ended 31 December 2025.

Bank Loans and Other Borrowings

Particulars of bank loans and other borrowings of the Company and the Group as at 31 December 2025 are set out in the note 30 to the financial statements on pages 184 and 186 of this annual report.

Major Customers and Suppliers

During the Reporting Period, the percentage of turnover attributable to the Group's five largest customers from the sales of projects was approximately 67%, and the percentage of turnover attributable to its largest customer from the sales of projects was approximately 31%.

Purchases from the Group's five largest suppliers accounted for 77% of the total purchase for the Reporting Period and purchase from the Group's largest supplier included therein amounted to 39% of the total purchases for the year.

At all times during the Reporting Period, none of the Directors, their close associates or any Shareholder (who, to the knowledge of the Directors, owns more than 5% of the Company's issued share capital) had any direct interest in any of the Group's five largest customers and suppliers.

Directors

The Directors who hold office during the Reporting Period and up to the date of this annual report are:

Executive Directors

Mr. Lin Guangqing
Mr. Wang Yaoming *(appointed on 8 August 2025)*
Mr. Pei Gang *(resigned on 5 August 2025)*

Independent Non-executive Directors

Mr. Dai Guoqiang
Mr. Yang Yuanguang
Ms. Zhang Rui *(appointed on 8 August 2025)*
Dr. Jin Hexian *(resigned on 8 August 2025)*

The biographical details of the Directors and senior management are set out under the section “Directors and Senior Management” of this annual report.

Each of the executive Directors has entered into a service contract with the Company. The tenure of Mr. Lin Guangqing is three years commencing from 1 September 2023 to 31 August 2026; and the tenure of Mr. Wang Yaoming is three years commencing from 8 August 2025 to 7 August 2028. The above-mentioned service contracts of the executive Directors shall be terminated by not less than six months’ notice in writing served by either party to the other.

Each of the independent non-executive Directors has entered into a letter of appointment with the Company. The term of Mr. Dai Guoqiang was from 21 July 2017 to 20 July 2020, and his letter of appointment has been renewed with the same terms and extended to 20 July 2026. The term of Mr. Yang Yuanguang was from 23 May 2020 to 22 May 2023, and his letter of appointment has been renewed with the same terms and extended to 22 May 2026. The term of Ms. Zhang Rui was from 8 August 2025 to 7 August 2028. The above-mentioned letters of appointment of the independent non-executive Directors shall be terminated by not less than three months’ written notice served by either part to the other.

In accordance with the Articles of Association, at every annual general meeting of the Company one-third of the Directors for the time being shall retire from office by rotation provided that every Director (including those appointed for a specific term) shall be subject to retirement by rotation at least once every three years. All the directors appointed by Directors during the Reporting Period shall hold office only until the next following annual general meeting of the Company and shall then be eligible for re-election at the annual general meeting. None of the Directors proposed for re-election at the annual general meeting has entered into any service contract with the Group which is not determinable by the Group within one year without payment of compensation (other than statutory compensation).

Confirmation of Independence from Independent Non-Executive Directors

The Company has received annual confirmation of independence from each of the existing independent non-executive Directors in accordance with Rule 3.13 of the Listing Rules. The Company considers that all of the independent non-executive Directors are independent in accordance with the Listing Rules.

Directors' Interests in Transactions, Arrangements or Contracts

No transaction, arrangement or contract of significance in relation to the Group's business to which the Company or any of its subsidiaries was a party and in which a Director had a material interest, whether directly or indirectly, subsisted at the end of Reporting Period or at any time during the Reporting Period.

Permitted Indemnity

Pursuant to the Articles of Association, subject to the Companies Law, every Director shall be indemnified out of the assets of the Company against all costs, charges, expenses, losses and liabilities which he/she may sustain or incur in the execution of his/her office or otherwise in relation thereto. The Company has arranged insurance against the liability and costs associated with defending any proceedings which may be brought against directors of the Group.

Management Contracts

No contract concerning the management and administration of the whole or any substantial part of the business of the Company was entered into or existed during the Reporting Period.

The independent non-executive Directors have reviewed the status of compliance and confirmed that all of these non-competition undertakings have been complied with by them.

Remuneration of Directors and Five Individuals with Highest Emoluments

Details of the emoluments of the Directors and the five highest paid individuals for the Reporting Period are set out in notes 9 and 10 to the financial statements on pages 156 to 159 of this annual report.

During the Reporting Period, no emoluments were paid by the Group to any Director or any of the five highest paid individuals as an inducement to join or upon joining the Group or as compensation for loss of office. None of the Directors has waived any emoluments during the Reporting Period.

Directors' and Chief Executives' Interests and Short Position in Shares, Underlying Shares and Debentures

As at 31 December 2025, so far as is known to any Director or chief executive 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.

Substantial Shareholders' Interests and Short Positions in Shares and Underlying Shares

As at 31 December 2025, 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(1)	Approximate Percentage of Issued Shares(3)
Eastern Greenstate International	Beneficial owner	30,631,366	5.07%
Greenland(2)	Interest in a controlled corporation	297,032,104	49.17%
Greenland Financial Holdings Company Limited (綠地金融投資控股集團有限公司)(2)	Interest in a controlled corporation	297,032,104	49.17%
Greenland Financial(2)	Beneficial owner	297,032,104	49.17%

Notes:

(1) *All the above Shares are held in long position (as defined under Part XV of the SFO). The number of shares had been adjusted following the Share Consolidation that took effect on 11 November 2025.*

(2) *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.*

(3) *As at 31 December 2025, the Company had 604,116,479 shares in issue.*

Save as disclosed above, as at 31 December 2025, 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.

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.

Directors' Interests in Competing Business

During the Reporting Period, none of the Directors had any interest in any businesses which compete or are likely to compete, either directly or indirectly, with the businesses of the Group.

Directors' and Controlling Shareholders' Interests in Contracts of Significance

Save for the connected transactions of the Group disclosed in this annual report, no contract of significance to which the Company or any of its subsidiaries was a party and in which a Director or a controlling shareholder or any of its subsidiaries had a material interest or contract of significance for the provision of services to the Company or any of its subsidiaries by a controlling shareholder or any of its subsidiaries subsisted, either directly or indirectly, at the end of the Reporting Period or at any time during the Reporting Period.

Connected Transactions

The 2015 Note Instrument

On 20 August 2015, the Company entered into the Note Purchase Agreement with Greenland Leasing pursuant to which the Company conditionally agreed to issue and sell, and Greenland Leasing conditionally agreed to purchase a redeemable fixed coupon promissory note due 2016 with a principal amount of US$40,000,000 (equivalent to approximately RMB258.4 million based on the conversion rate of US$1 to RMB6.46) at the rate of 9.00% per annum. On 11 September 2015, the Company entered into the Deed of Novation with Greenland Leasing and Greenland Financial pursuant to which Greenland Leasing shall novate all its rights, obligations and liabilities under the Note Purchase Agreement to Greenland Financial.

As security of the 2015 Notes, the Company, as legal and beneficial owner, has agreed to charge by way of a first fixed charge all rights, entitlements, interests and benefits in the Company Charged Shares and all derived interests to be made by the Company in favor of Greenland Financial and Greenstate Times, as legal and beneficial owner, has agreed to charge by way of a first fixed charge all rights, entitlements, interests and benefits in the Greenstate Times Charged Shares and all derived interests to be made by Greenstate Times in favor of Greenland Financial. The Notes shall mature one year from the closing date of the issue of the Notes. Closing of the issue of the Notes took place on 15 October 2015.

Pursuant to the terms and conditions of the 2015 Notes, Greenland Financial has served an extension notice and the Company has acknowledged and agreed to such extension notice, whereby the maturity date of the notes shall be extended by one calendar year from 15 October 2016 to 15 October 2017.

The 2017 Note Instrument

On 15 November 2017, the Company and Greenland Financial entered into the 2017 Deed of Consent pursuant to which the parties conditionally agreed, among other things, that (i) Greenland Financial shall execute the 2017 Note Instrument and release and discharge the Company from all of its present and future covenants, liabilities and obligations owing and/or payable to Greenland Financial under the 2015 Note Instrument and any further obligations that the Company may have under the 2015 Note Instrument, and (ii) Greenland Financial shall release the 2015 Company Share Charge and the 2015 Greenstate Times Share Charge by way of deeds of release and enter into the 2017 Share Charges as security of the Notes. Closing of the Reissue of the Notes took place on 15 January 2018.

Pursuant to the terms and conditions of the Notes, Greenland Financial has served an extension notice and the Company has acknowledged and agreed to such extension notice, whereby the maturity date of the notes shall be extended by one calendar year from 15 January 2019 to 15 January 2020.

The 2019 Note Instrument

On 4 December 2019, the Company and Greenland Financial entered into the 2019 Deed of Consent pursuant to which the parties conditionally agreed, among other things, that (i) Greenland Financial shall execute the 2019 Note Instrument and release and discharge the Company from all of its present and future covenants, liabilities and obligations owing and/or payable to Greenland Financial under the 2017 Note Instrument and any further obligations that the Company may have under the 2017 Note Instrument, and (ii) Greenland Financial shall release the 2017 Share Charges by way of deeds of release and enter into the 2019 Share Charges as security of the 2019 Notes.

Pursuant to the terms and conditions of the 2019 Notes, the maturity date of the 2019 Notes is 14 July 2020 (unless previously redeemed, or purchased and cancelled or extended) and the term of 2019 Notes may be extended for an additional six months with the same interest coupon, terms and conditions as described under the 2019 Note Instrument.

For further details, please refer to the announcements of the Company dated 15 November 2017, 15 January 2019 and 4 December 2019 and the circulars of the Company dated 28 December 2017 and 6 January 2020.

Connected Transaction in relation to Entering into the Conversion Agreement and Issue of Conversion Shares under Specific Mandate

As at 31 July 2023, the Group has an outstanding debt (including accrued interest) owed to Greenland Financial in the amount of approximately US$39.1 million (equivalent to approximately HK$306.9 million). In order to reduce the overall offshore short-term interest-bearing debt and lower the finance cost of the Group, on 27 September 2023, the Company entered into the Conversion Agreement with Greenland Financial, pursuant to which the Company agreed to allot and issue 1,979,000,000 Conversion Shares to Greenland Financial at the Issue Price of HK$0.1 per Conversion Share in settlement of the amount of HK$197.9 million out of the total outstanding debt (including accrued interest) due to Greenland Financial. 1,979,000,000 Conversion Shares represented, respectively, (i) approximately 59.21% of the issued share capital of the Company as at 27 September 2023; (ii) approximately 37.19% of the issued share capital of the Company as enlarged by the allotment and issue of the Conversion Shares solely; and (iii) approximately 33.99% of the issued share capital of the Company as enlarged by the allotment and issue of the Conversion Shares and the Settlement Shares. The Issue Price of HK$0.1 per Conversion Share represented a discount of approximately 16.67% to the closing price of HK$0.12 per Share as quoted on the Stock Exchange on 27 September 2023, being the date of the Conversion Agreement.

The debt owed by the Company to Greenland Financial was the accumulated unpaid principal and accrued interest under the 2022 Note issued by the Company to Greenland Financial. 2022 Note was originally due on 5 January 2023 but subsequently extended to 15 January 2024 by Greenland Financial through signing content on 14 January 2023 in considering the tight liquidity of the Group. 2022 Note was issued by the Company according to Rule 14A.90 of the Listing Rules.

The Conversion took place on 3 January 2024. For more details, please see the announcements of the Company dated 27 September 2023, 18 October 2023, 29 November 2023, 5 December 2023, 27 December 2023 and 3 January 2024, and the circular of the Company dated 5 December 2023.

On 15 August 2025, Senmao Landscape Engineering Co., Ltd (綠地集團森茂園林有限公司, a related party of the Company, "**Senmao**") and Hangzhou Beifeng Yuanlin Landscaping Design Company Limited* (杭州北風園林景觀設計有限公司, an indirect wholly-owned subsidiary of the Company, "**Hangzhou Beifeng**") entered into an equity transfer agreement pursuant to which Hangzhou Beifeng agreed to purchase and Senmao agreed to sell the 100% of the issued share capital of Shanghai Greenland Senmao Landscaping Engineering Co. , Ltd. (上海綠地森茂綠化工程有限公司) for a total consideration of RMB4,644,771.16.

For further details, please refer to the announcements of the Company dated 15 August 2025 and 9 October 2025.

Exempt Continuing Connected Transactions

On 7 January 2014, Mr. Wu Jie (吳傑) (a relative of Mr. Wu Zhengping (the former director of the Company) and a connected person of the Company by virtue of Rule 14A.07(4) of the Listing Rules) and Greenstate Gardening entered into a licence agreement pursuant to which Greenstate Gardening will be able to use an office premises of a gross floor area of 100 sq.m. located at Group 17, Zhangqiao Village, Jinshanwei Town, Jinshan District, Shanghai, People's Republic of China as its registered address in Shanghai. The licence fee payable to Mr. Wu Jie is nil.

As each of the applicable percentage ratios (other than the profit ratio) under Chapter 14A of the Listing Rules for the transaction contemplated under the lease agreement, on annual basis, is less than 0.1%, such continuing connected transaction is a de minimis transaction which is exempt from the reporting, annual review, announcement and independent shareholders' approval requirements pursuant to Chapter 14A of the Listing Rules.

Related Party Transactions

During the Year ended 31 December 2025, certain Directors and their close family members, and companies controlled by certain Directors and/or their close family members entered into related party transactions with the Group which are disclosed in note 40 to the financial statements on pages 197 to 199 of this annual report. These transactions were not regarded as connected transactions or were exempt from reporting, annual review, announcement and independent shareholders' approval requirements pursuant to Chapter 14A of the Listing Rules. The Company accordingly complied with the requirements in Chapter 14A of the Listing Rules in respect of the connected transactions and continuing connected transaction as set out in the Annual Report.

Corporate Governance

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

Information on the principal corporate governance practices adopted by the Company is set out in the Corporate Governance Report on pages 17 to 34 of this annual report.

Major Risk and Uncertainties

Business impacted by the political and economic situation in the People's Republic of China

If there is a further slowdown in the economic growth of the People's Republic of China, or if the People's Republic of China economy experiences a recession, demand for our landscape architecture service may also decrease and our business, financial condition, results of operations and operations may be materially and adversely affected.

Work progress of landscape projects could be affected by adverse weather conditions

Since our projects are mainly located outdoors, any adverse weather condition such as rainstorms, tropical cyclones and continuous rain may interrupt or otherwise affect the progress of our projects.

We are subject to the risks associated with the tendering process

The projects undertaken by us are mainly awarded to us on a case-by-case basis. We have to complete a competitive tendering process to secure new projects. In the event we are unable to maintain business relationship with our existing customers, or we cannot continue to secure new projects from customers, our financial condition and results of operations may be materially and adversely affected.

We do not have long-term commitments with our customers

Our relationships with major customers are contract-based with reference to particular project(s) and our major customers do not have long-term commitments with us. In addition, our relationships with our customers are non-exclusive and largely dependent on goodwill. We cannot assure you that we will be able to maintain or improve business relationships with our customers and any of them may terminate their respective business relationships with us at any time. Any material delay in securing projects from our customers, termination or reduction of the number or contract value of projects obtained from customers could cause our revenue to decrease significantly.

We need to maintain qualifications and licences for the operation of our business

We are required to maintain requisite operating qualifications and licences to conduct our business. If we fail to comply with any of these regulations, our qualifications and licences could be temporarily suspended or even revoked, or the renewal of our qualifications and licences upon expiry may be delayed or rejected. As a result, our business, financial condition and results of operations could be materially and adversely affected.

Environmental policy and performance

With respect to the environmental protection in the process of engineering and construction contracting, according to such laws and regulations as the Environmental Protection Law of the People's Republic of China (《中華人民共和國環境保護法》), the Energy Conservation Law of the People's Republic of China (《中華人民共和國節約能源法》), the Environmental Impact Evaluation Law of the People's Republic of China (《中華人民共和國環境影響評價法》), the Law of the People's Republic of China on the Prevention of the Environmental Pollution of Solid Waste (《中華人民共和國固體廢物污染環境防治法》), the Regulations on the Environmental Protection of Construction Projects (《建設項目環境保護管理條例》) and the Regulations on the Administration of the Completion Check for Acceptance of the Environmental Protection Facilities of Construction Projects (《建設項目環境保護設施竣工驗收管理規定》), the construction of any project that causes pollution to the environment must comply with the People's Republic of China government's regulations on environment protection relating to the construction projects. The People's Republic of China government has implemented a mechanism for the evaluation of environmental impact of construction projects. A construction enterprise shall adopt measures to control environmental pollutions and damages caused by dust, waste gas, sewages, solid waste, noises and vibrations at the construction site in accordance with the environmental protection and work safety laws and regulations.

Relationship with Employees, Suppliers and Customers

The Group believes that the employees of the Group are valuable assets. Competition for excellent employees is fierce in the landscape architecture service industry in China, and the Group offered competitive remuneration to attract and retain the talented employees. Regular review on remuneration of employees is made in order to retain outstanding employees and attract human resources that are valuable to the Group.

Our relationships with major customers are contract-based. The Group cherished the mutually beneficial relationships with our customers. We will provide the best services to our clients to establish and consolidate the Group's reputation in the industry. Also, we believe that maintaining harmonious relationship with the suppliers is essential to the Group's success. The Group will keep strengthening the partnership with clients and suppliers, aiming to realize a triple-win result.

Compliance with Laws and Regulations

During the Reporting Period, the Group has implemented policies and procedures which related to our industry designed to ensure compliance with the most relevant laws and regulations, but there can be no assurance that the Group's employees or agents will not violate such laws and regulations or the Group's policies and procedures.

During the Reporting Period and up to the date of this annual report, we have complied with all the relevant laws and regulations of the People's Republic of China and Hong Kong in all material respects.

Employee and Remuneration Policy

As at 31 December 2025, the Group had 113 full time employees in the People's Republic of China. During the Reporting Period, the staff cost of the Group was approximately RMB12.8 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.

The remuneration of Directors and chief executives has been disclosed in note 9 to the financial statements on pages 156 to 158 in this annual report.

Sufficiency of Public Float

Rule 8.08 of the Listing Rules requires there to be an open market in the securities for which listing is sought and a sufficient public float of an issuer's listed securities to be maintained. This normally means that at least 25% of the issuer's total issued share capital must at all times be held by the public.

Based on the information that is publicly available to the Company and to the knowledge of the Directors as of the latest practicable date prior to the issue of this annual report, the Directors confirm that the Company has maintained a sufficient public float as required under the Listing Rules since the Listing Date.

Events After the Reporting Period

From the end of the Reporting Period and up to the date of this annual report, there were no material events that had a significant impact on the Group's operations and financial performance.

Future Development

For the likely future development in the Company's business, please refer to page 10 of the Management Discussion and Analysis section of this annual report.

Record Date

For the purpose of determining the Shareholders' eligibility to attend and vote at the 2026 annual general meeting, the record date will be on Friday, 22 May 2026. In order to be eligible to attend and vote at the meeting, all transfer of Shares accompanied by the relevant share certificates must be lodged with the Company's Hong Kong branch share registrar and transfer office, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong, no later than 4:30 p.m. on Friday, 22 May 2026.

Audit Committee

The Audit Committee has reviewed together with the management and the external auditors of the Company the accounting principles and policies adopted by the Group and the audited annual results for the Reporting Period.

Auditors

Ernst & Young retired as the Company's auditor on 7 June 2024, and HLB Hodgson Impey Cheng Limited was appointed as the Company's auditor after consideration and approval at an extraordinary general meeting on 18 November 2024. There have been no changes since then. The consolidated financial statements for the Reporting Period have been audited by HLB Hodgson Impey Cheng Limited. HLB Hodgson Impey Cheng Limited will retire at the upcoming annual general meeting and is eligible and willing to be re-elected.

On behalf of the Board
China Green Broad Ecological Technology Company Limited
Mr. Lin Guangqing
Chairman

Shanghai, the People's Republic of China
31 March 2026

Independent Auditor's Report

國衛會計師事務所有限公司
HODGSON IMPEY CHENG LIMITED

31/F., Gloucester Tower
The Landmark
11 Pedder Street
Central
Hong Kong

To the shareholders of China Green Broad Ecological Technology Company Limited (formerly know as "China Greenland Broad Greenstate Group Company Limited")
(Incorporated in the Cayman Islands as an exempted company with limited liability)

Opinion

We have audited the consolidated financial statements of China Green Broad Ecological Technology Company Limited (formerly know as "China Greenland Broad Greenstate Group Company Limited") (the "**Company**") and its subsidiaries (the "**Group**") set out on pages 94 to 216, which comprise the consolidated statement of financial position as at 31 December 2025, and the consolidated statement of profit or loss, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including material accounting policy information.

In our opinion, the consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 31 December 2025, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with HKFRS Accounting Standards as issued by the Hong Kong Institute of Certified Public Accountants ("**HKICPA**") and have been properly prepared in compliance with the disclosure requirements of the Hong Kong Companies Ordinance.

Basis for opinion

We conducted our audit in accordance with Hong Kong Standards on Auditing ("**HKSAs**") as issued by the HKICPA. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the consolidated financial statements* section of our report. We are independent of the Group in accordance with the HKICPA's *Code of Ethics for Professional Accountants* (the "**Code**"), as applicable to audits of financial statements of public interest entities. We have also fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material uncertainty related to going concern

We draw attention to the Note 3 to the consolidated financial statements, which indicates that the Group incurred a net loss of approximately RMB142,203,000 during the year ended 31 December 2025. As at 31 December 2025, the Group's current liabilities exceeded its current assets by approximately RMB793,113,000. The Group had total interest-bearing bank and other borrowings of approximately RMB563,710,000, out of which approximately RMB341,449,000 will be due for repayment within the next twelve months and approximately RMB115,918,000 were defaulted during the year due to overdue payment of principal and/or interest, while the Group had unrestricted cash and cash equivalents of approximately RMB13,205,000 only. These events and conditions, along with other matters as set forth in Note 3, indicate that a material uncertainty exists that may cast significant doubt on the Group's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

To the shareholders of China Green Broad Ecological Technology Company Limited (formerly know as "China Greenland Broad Greenstate Group Company Limited")
(Incorporated in the Cayman Islands as an exempted company with limited liability)

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. In addition to the matter described in the Material uncertainty related to going concern section, we have determined that the matter described below to be the key audit matter to be communicated in our report.

Key audit matter	How our audit addressed the key audit matter
Impairment of trade receivables and contract assets At 31 December 2025, the Group had gross trade receivables and contract assets of RMB373.4 million and RMB1,217.3 million, respectively. After netting off the impairment provisions of RMB334.9 million and RMB513 million, respectively, net trade receivables and contract assets represented 36.7% of the total assets of the Group. Significant management judgement and estimation are involved in the assessment of impairment, based on the expected credit losses model, by taking into account the ageing of trade receivable balances and contract asset balances, the credit quality and credit loss history of debtors, and different features of specific customers. Both current and future general economic conditions are also taken into consideration by management in the estimation. Where the expectation is different from the original estimate, such difference will impact the carrying value of the trade receivables and contract assets and the loss allowance for trade receivables and contract assets in the year in which such estimate has been changed. The accounting judgements and estimates and disclosures for the recognition of impairment for trade receivables and contract assets are included in notes 3, 23 and 24 to the consolidated financial statements.	Understanding the management's process of assessing the recoverability of trade receivables and contract assets; Inquiring of management for the status of each of the material trade receivables and contract assets past due at year end and collaborating explanations from management with supporting evidences, such as, understanding ongoing business relationship with the customers based on trade records, checking historical and subsequent settlement records and other correspondence with the customers; Assessing the reasonableness of impairment recognised by examining the information used by management to form such judgements, such as checking the accuracy of the ageing analysis of trade receivables and contract assets to the payment certificates or completion certificates issued by the customers, respectively, on sampling basis; and For individually assessed expected credit losses, assessing the estimated loss rates with reference to the individual customers' historical observed default rates and checking the settlement history and changes in the forward-looking information; Testing the subsequent settlements of credit impaired trade receivables and contract assets, on a sample basis, to cash receipt and bank remittance. Evaluating the disclosures regarding the impairment assessment of trade receivables and contract assets in Note 44 to the consolidated financial statements.

To the shareholders of China Green Broad Ecological Technology Company Limited (formerly know as "China Greenland Broad Greenstate Group Company Limited")
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Other information included in the Annual Report

The directors of the Company are responsible for the other information. The other information comprises the information included in the annual report, but does not include the consolidated financial statements and our auditor's report thereon (the "**Other information**").

Our opinion on the consolidated financial statements does not cover the Other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the Other information and, in doing so, consider whether the Other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this Other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the directors and those charged with Governance for the consolidated financial statements

The directors are responsible for the preparation of the consolidated financial statements that give a true and fair view in accordance with HKFRS Accounting Standards as issued by the HKICPA and the disclosure requirements of Hong Kong Companies Ordinance, and for such internal control as the directors determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the directors are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors of the Company either intend to liquidate the Group or to cease operations or have no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group's financial reporting process.

Auditor's responsibilities for the audit of the consolidated financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion, solely to you, as a body, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

To the shareholders of China Green Broad Ecological Technology Company Limited (formerly know as "China Greenland Broad Greenstate Group Company Limited")
(Incorporated in the Cayman Islands as an exempted company with limited liability)

Auditor's responsibilities for the audit of the consolidated financial statements (Continued)

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with HKSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with HKSAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the group as a basis for forming an opinion on the group financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

To the shareholders of China Green Broad Ecological Technology Company Limited (formerly know as "China Greenland Broad Greenstate Group Company Limited")
(Incorporated in the Cayman Islands as an exempted company with limited liability)

Auditor's responsibilities for the audit of the consolidated financial statements (Continued)

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement director on the audit resulting in this independent auditor's report is Kwok Tsz Chun (practising certificate Number: P06901).

HLB Hodgson Impey Cheng Limited
Certified Public Accountants

31 March 2026

Consolidated Statement of Profit or Loss

Year ended 31 December 2025

	Notes	2025 RMB'000	2024 RMB'000 (Restated)
REVENUE	6	**59,718**	24,885
Cost of sales		**(45,965)**	(10,600)
Gross profit		**13,753**	14,285
Other income and gains	6	**53,134**	6,403
Administrative expenses		**(33,851)**	(33,654)
Impairment losses on financial assets		**(135,689)**	(144,156)
Finance costs	8	**(57,685)**	(58,212)
Share of results of joint ventures	19	**(15,187)**	35,970
LOSS BEFORE TAX	7	**(175,525)**	(179,364)
Income tax credit	11	**33,322**	33,814
LOSS FOR THE YEAR		**(142,203)**	(145,550)
Attributable to:			
Owners of the parent		**(141,081)**	(147,606)
Non-controlling interests		**(1,122)**	2,056
		(142,203)	(145,550)
LOSS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT:			
Basic and diluted	13	**RMB (0.24) cents**	RMB (0.25) cents

Consolidated Statement of Comprehensive Income

Year ended 31 December 2025

	2025 RMB'000	2024 RMB'000 (Restated)
LOSS FOR THE YEAR	**(142,203)**	(145,550)
OTHER COMPREHENSIVE LOSS		
Items that will not be reclassified subsequently to profit or loss:		
Exchange differences arising on translation from functional currency to presentation currency	**(2,664)**	(20,174)
OTHER COMPREHENSIVE LOSS FOR THE YEAR, NET OF TAX	**(2,664)**	(20,174)
TOTAL COMPREHENSIVE LOSS FOR THE YEAR	**(144,867)**	(165,724)
Attributable to:		
Owners of the parent	**(143,745)**	(167,780)
Non-controlling interests	**(1,122)**	2,056
	(144,867)	(165,724)

Consolidated Statement of Financial Position

31 December 2025

	Notes	31 December 2025 RMB'000	31 December 2024 RMB'000 (Restated)
NON-CURRENT ASSETS			
Property and equipment	*14*	**102,362**	105,648
Investment properties	*15*	**12,936**	15,708
Goodwill	*17*	**3,060**	3,060
Other intangible assets	*18*	**12,750**	14,203
Investments in joint ventures	*19*	**485,649**	517,872
Equity investment at FVTPL	*20*	**40,297**	53,563
Financial assets at FVTPL	*21*	**28,684**	25,653
Contract assets	*24*	**196,314**	233,359
Long-term receivables	*25*	**248,158**	301,896
Other non-current assets		**10,299**	10,499
Deferred tax assets	*31*	**124,538**	87,896
		1,265,047	1,369,357
CURRENT ASSETS			
Biological assets	*22*	**28,400**	30,336
Trade receivables	*23*	**38,527**	60,471
Contract assets	*24*	**507,930**	460,355
Prepayments, other receivables and other assets	*25*	**174,181**	154,389
Restricted bank balances	*26*	**1,801**	13,250
Cash and cash equivalents	*26*	**13,205**	2,859
		764,044	721,660
CURRENT LIABILITIES			
Trade payables	*28*	**583,773**	576,221
Other payables and accruals	*29*	**462,601**	367,197
Interest-bearing bank and other borrowings	*30*	**341,449**	354,347
Lease liabilities	*16*	**3,742**	9,525
Tax payable		**165,592**	165,413
		1,557,157	1,472,703
NET CURRENT LIABILITIES		**(793,113)**	(751,043)
TOTAL ASSETS LESS CURRENT LIABILITIES		**471,934**	618,314

Consolidated Statement of Financial Position (Continued)

31 December 2025

	Notes	31 December 2025 RMB'000	31 December 2024 RMB'000 (Restated)
NON-CURRENT LIABILITIES			
Corporate bonds	*27*	**108,056**	113,407
Other non-current liabilities	*29*	**92,526**	92,526
Interest-bearing bank and other borrowings	*30*	**222,261**	222,180
Lease liabilities	*16*	**18,855**	17,829
Deferred tax liabilities	*31*	**3,065**	3,413
		444,763	449,355
Net assets		**27,171**	168,959
EQUITY			
Equity attributable to owners of the parent			
Share capital	*32*	**127,815**	122,715
Other reserves	*33*	**(129,299)**	21,320
		(1,484)	144,035
Non-controlling interests	*35*	**28,655**	24,924
Total equity		**27,171**	168,959

Lin Guangqing
Director

Wang Yaoming
Director

Consolidated Statement of Changes in Equity

Year ended 31 December 2025

	Attributable to owners of the parent									
	Share capital RMB'000 *(note 32)*	Share premium account* RMB'000	Merger reserve* RMB'000 *(note 33)*	Capital reserve* RMB'000 *(note 33)*	Statutory reserve* RMB'000 *(note 33)*	Exchange fluctuation reserve* RMB'000	Retained profits/ accumulated losses* RMB'000	Total RMB'000	Non-controlling interests RMB'000	Total equity RMB'000
At 31 December 2024 (audited)	122,715	320,566	–	18,733	37,899	(23,656)	(359,617)	116,640	24,924	141,564
Effect of business combination under common control *(note 3.1(iv))*	–	–	2,000	–	2,224	–	23,171	27,395	–	27,395
At 1 January 2025 (restated)	122,715	320,566	2,000	18,733	40,123	(23,656)	(336,446)	144,035	24,924	168,959
Loss for the year	–	–	–	–	–	–	(141,081)	(141,081)	(1,122)	(142,203)
Other comprehensive income for the year:										
Exchange differences on translation from functional currency to presentation currency	–	–	–	–	–	(2,664)	–	(2,664)	–	(2,664)
Total comprehensive income for the year	–	–	–	–	–	(2,664)	(141,081)	(143,745)	(1,122)	(144,867)
Acquisition of subsidiaries	5,100	(2,229)	–	–	–	–	–	2,871	4,853	7,724
Acquisition of subsidiary under common control	–	–	(4,645)	–	–	–	–	(4,645)	–	(4,645)
Transfer from retained profits	–	–	–	–	21	–	(21)	–	–	–
At 31 December 2025	127,815	318,337	(2,645)	18,733	40,144	(26,320)	(477,548)	(1,484)	28,655	27,171

	Attributable to owners of the parent									
	Share capital RMB'000 *(note 32)*	Share premium account* RMB'000	Merger reserve* RMB'000 *(note 33)*	Capital reserve* RMB'000 *(note 33)*	Statutory reserve* RMB'000 *(note 33)*	Exchange fluctuation reserve* RMB'000	Retained profits/ accumulated losses* RMB'000	Total RMB'000	Non-controlling interests RMB'000	Total equity RMB'000
At 31 December 2023 (audited)	66,396	151,609	–	18,733	37,899	(3,482)	(213,862)	57,293	22,868	80,161
Effect of business combination under common control *(note 3.1(iii))*	–	–	2,000	–	2,224	–	25,022	29,246	–	29,246
At 1 January 2024 (restated)	66,396	151,609	2,000	18,733	40,123	(3,482)	(188,840)	86,539	22,868	109,407
Loss for the year	–	–	–	–	–	–	(147,606)	(147,606)	2,056	(145,550)
Other comprehensive income for the year:										
Exchange differences on translation from functional currency to presentation currency	–	–	–	–	–	(20,174)	–	(20,174)	–	(20,174)
Total comprehensive income for the year	–	–	–	–	–	(20,174)	(147,606)	(167,780)	2,056	(165,724)
Issue of shares	56,319	168,957	–	–	–	–	–	225,276	–	225,276
At 31 December 2024 (restated)	122,715	320,566	2,000	18,733	40,123	(23,656)	(336,446)	144,035	24,924	168,959

* *These reserve accounts comprise the other reserves in the consolidated statement of financial position.*

Consolidated Statement of Cash Flows

Year ended 31 December 2025

	Notes	2025 RMB'000	2024 RMB'000 (Restated)
CASH FLOWS FROM OPERATING ACTIVITIES			
Loss before tax		**(175,525)**	(179,364)
Adjustments for:			
Finance costs	*8*	**57,685**	58,212
Share of results of joint ventures		**15,187**	(35,970)
Loss on modifications of financial liabilities that do not result in derecognition	*7*	**—**	4,269
Gain on settlement of financial liabilities		**—**	(1,406)
Gains on disposal of items of property and equipment	*7*	**—**	(191)
Fair value losses on biological assets	*6*	**1,936**	1,902
Fair value gains on financial assets at fair value through profit or loss	*7*	**(3,031)**	(4,323)
Fair value losses on an equity investment at fair value through profit or loss	*7*	**13,266**	23,662
Depreciation property and equipment	*7, 14*	**3,286**	3,290
Amortisation of other intangible assets	*7, 18*	**1,453**	1,456
Depreciation of investment properties	*7, 15*	**2,772**	2,772
Impairment of other non-current assets	*7*	**200**	4,739
(Reversal of Impairment)/impairment of trade receivables, net	*7, 23*	**(26,885)**	112,968
Impairment of contract assets, net	*7, 24*	**98,080**	22,216
Impairment of other receivables and prepayment, net	*7, 25*	**64,494**	8,972
Reversal of prepayment		**—**	(3,493)
Other interest income arising from contract with customers		**(62,895)**	(30,367)
Gain on bargain purchase		**(2,228)**	—
		(12,205)	(10,656)
Decrease/(increase) in trade receivables		**54,580**	(3,206)
Increase in prepayments and other receivables		**(26,386)**	(10,641)
(Increase)/decrease in contract assets		**(45,715)**	7,759
Decrease in biological assets		**—**	2,361
Increase/(decrease) in trade and bills payables		**7,552**	(42,730)
Increase in other payables and accruals		**63,479**	32,835
Decrease in restricted bank balances and frozen bank balances		**11,449**	12,150
Cash generated from/(used in) operations		**52,754**	(12,128)
Income tax paid		**(3,489)**	(1,700)
Net cash flows generated from/(used in) operating activities		**49,265**	(13,828)

Consolidated Statement of Cash Flows (Continued)

Year ended 31 December 2025

	Notes	2025 RMB'000	2024 RMB'000 (Restated)
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of items of property and equipment		**–**	(282)
Proceeds from disposal of property and equipment		**–**	1,536
Capital withdrawal in joint ventures		**17,036**	1,819
Net cash inflow on acquisition of subsidiary		**57**	–
Net cash flows generated from investing activities		**17,093**	3,073
CASH FLOWS FROM FINANCING ACTIVITIES			
New bank loans and other borrowings		**–**	33,414
Repayment of bank loans and other borrowings		**(40,750)**	(27,762)
Interest paid for bank loans and other borrowings		**(9,582)**	(8,815)
Repayment of lease liabilities		**(5,688)**	–
Net cash flows used in financing activities		**(56,020)**	(3,163)
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS		**10,338**	(13,918)
Cash and cash equivalents at beginning of year		**2,859**	16,769
Effect of foreign exchange rate changes, net		**8**	8
CASH AND CASH EQUIVALENTS AT END OF YEAR	*26*	**13,205**	2,859
ANALYSIS OF BALANCES OF CASH AND CASH EQUIVALENTS			
Cash and cash equivalents and restricted bank balances as stated in the statement of financial position	*26*	**15,006**	16,109
Frozen bank balances	*26*	**(1,785)**	(8,257)
Restricted bank balances	*26*	**(16)**	(4,993)
CASH AND CASH EQUIVALENTS AS STATED IN THE STATEMENT OF CASH FLOWS	*26*	**13,205**	2,859

1. Corporate 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 has changed from PO BOX 309, Ugland House, Grand Cayman KY1-1104, Cayman Islands. P. O. Box 31119, Grand Pavilion, Hibiscus Way, 802 West Bay Road, Grand Cayman, KY1-1205 Cayman Islands with effect from 20 January 2025.

The Company is an investment holding company. During the year, the Company's subsidiaries were principally engaged (i) landscape gardening services, (ii) Operation and maintenance ("**O&M**") service for hydroelectric power stations and (iii) property management services and property operation services. Details of its principal joint ventures are disclosed in note 19.

In the opinion of the directors, the immediate holding company is Greenland Financial Overseas Investment Group Co., Ltd. ("**Greenland Financial**", a company incorporate in the BVI), and the ultimate holding company is Greenland Holdings Group Corporation Limited, a company incorporated under the laws of the People's Republic of China ("**the PRC**").

The consolidated financial statements are presented in Renminbi ("**RMB**"), which is different from the Company's functional currency of Hong Kong dollars ("**HK$**"). For the convenience of the financial statements users, the consolidated financial statements are presented in RMB, as the Company's subsidiaries were principally operate in PRC.

The name of the Company has changed from "China Greenland Broad Greenstate Group Company Limited" to "China Green Broad Ecological Technology Company Limited" and the change of the dual foreign name in Chinese of the Company from "中國綠地博大綠澤集團有限公司" to "中國綠博生態科技集團有限公司" have become effective from 11 November 2025 pursuant to the Certificate of Incorporation on Change of Name issued by the Registrar of Companies in the Cayman Islands. The Certificate of Registration of Alteration of Name of Registered Non-Hong Kong Company was issued by the Registrar of Companies in Hong Kong on 4 December 2025 confirming the registration of the new name of the Company in Hong Kong under Part 16 of the Companies Ordinance (Chapter 622 of the Laws of Hong Kong).

The stock short name of the Company for trading in the Shares on the Stock Exchange will be changed from "GREENLAND BROAD" to "GREEN BROAD" in English and from "中國綠地博大綠澤" to "綠博生態" in Chinese with effect on 22 December 2025.

Information about subsidiaries

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

Name[##]	Place of incorporation/ registration and business	Nominal value of issued ordinary/ registered share capital	Percentage of equity attributable to the Company direct	indirect	Principal activities
Greenstate Times International Company Limited ("**Greenstate Times**")	British Virgin Islands	US$50,000	100%	–	Investment holding
Greenstate International Company Limited ("**Greenstate International**")	Hong Kong	HK$10,000	–	100%	Investment holding
Shanghai Qianyi Landscape Engineering Company Limited[#]	PRC/Chinese Mainland	US$37,000,000	–	100%	Investment holding

1. Corporate and Group Information (Continued)

Information about subsidiaries (Continued)

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

Name##	Place of incorporation/ registration and business	Nominal value of issued ordinary/ registered share capital	Percentage of equity attributable to the Company direct	indirect	Principal activities
Shanghai Qianyi Investing Management Company Limited#	PRC/Chinese Mainland	RMB2,000,000	—	100%	Investment holding
Shanghai Greenstate Business Management Company Limited ("**Greenstate Business**")#	PRC/Chinese Mainland	RMB32,000,000	—	100%	Landscaping
Broad Greenstate Ecological Construction Group Company Limited ("**Broad Greenstate Ecological**")#	PRC/Chinese Mainland	RMB1,050,000,000	—	100%	Landscaping
Shanghai Greenstate Gardening Company Limited ("**Greenstate Gardening**")#	PRC/Chinese Mainland	RMB5,000,000	—	100%	Landscaping
Shanghai Dongjiang Building Survey and Design Engineering Co., Ltd. ("**Shanghai Dongjiang**")#	PRC/Chinese Mainland	RMB13,000,000	—	100%	Landscape design
Shanghai Dongjiang Building Landscape Engineering Co., Ltd. ("**Dongjiang Landscape**")#	PRC/Chinese Mainland	RMB10,000,000	—	100%	Landscaping
Shanghai Bifu Investment Center LLP	PRC/Chinese Mainland	RMB190,000,000	—	100%	Investment holding
Shanghai Lvdian Virescence Technology Development Co., Ltd. ("**Shanghai Lvdian**")#	PRC/Chinese Mainland	RMB36,000,000	—	75%	Landscaping
Shanghai Qingfu Business Management Consulting Center LLP ("**Shanghai Qingfu**")	PRC/Chinese Mainland	RMB20,000,000	—	96%	Investment holding
Shanghe Greenland Broad Green Spring Construction Company Limited#	PRC/Chinese Mainland	RMB100,452,400	—	88%	Project management
Kaifeng City Xiangfu District Broad Greenstate Haji River Wetland Park#	PRC/Chinese Mainland	RMB153,034,100	—	95%	Project management
Qishan Lvze Commercial Operation Management Co., Ltd.	PRC/Chinese Mainland	RMB1,000,000	—	100%	Project management
Shanghai Greenland Senmao Landscaping Engineering Co., Ltd. ("**Senmao Landscaping**")	PRC/Chinese Mainland	RMB20,000,000	—	100%	Landscaping
Sichuan Guoneng Tairui Electromechanical Co., Ltd. ("**Guoneng Tairui**")	PRC/Chinese Mainland	RMB8,000,000	—	51%	O&M service for hydroelectric power stations

Registered as domestic companies with limited liability under the laws of the PRC.

The companies' English names are for identification purpose only.

1. Corporate and Group Information (Continued)

Information about subsidiaries (Continued)

The above table lists the subsidiaries of the Company which, in the opinion of the directors, principally affected the results for the year 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.

2. Application of New and Amendments to HKFRS Accounting Standards

Amendments to an HKFRS Accounting Standard that are mandatorily effective for the current year

In the current year, the Group has applied the following amendments to an HKFRS Accounting Standard as issued by the Hong Kong Institute of Certified Public Accountants ("**HKICPA**") for the first time, which are mandatorily effective for the Group's annual period beginning on 1 January 2025 for the preparation of the consolidated financial statements:

Amendments to HKAS 21	Lack of Exchangeability

The application of the amendments to an HKFRS Accounting Standard in the current year has had no material impact on the Group's financial positions and performance for the current and prior years and/or on the disclosures set out in these consolidated financial statements.

New and amendments to HKFRS Accounting Standards in issue but not yet effective

The Group has not early applied the following new and amendments to HKFRS Accounting Standards that have been issued but are not yet effective:

Amendments to HKAS 21	*Translation to a Hyperinflationary Presentation Currency*[3]
Amendments to HKFRS 9 and HKFRS 7	*Amendments to the Classification and Measurement of Financial Instruments*[2]
Amendments to HKFRS 9 and HKFRS 7	*Contracts Referencing Nature-dependent Electricity*[2]
Amendments to HKFRS 10 and HKAS 28	*Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*[1]
Amendments to HKFRS Accounting Standards	*Annual Improvements to HKFRS Accounting Standards — Volume 11*[2]
HKFRS18	*Presentation and Disclosure in Financial Statements*[3]
HKFRS19	*Subsidiaries without Public Accountability: Disclosures and related amendments*[3]

1 *Effective for annual periods beginning on or after a date to be determined.*

2 *Effective for annual periods beginning on or after 1 January 2026.*

3 *Effective for annual periods beginning on or after 1 January 2027.*

Except for the new and amendments to HKFRS Accounting Standards mentioned below, the directors of the Company anticipate that the application of all other new and amendments to HKFRS Accounting Standards will have no material impact on the consolidated financial statements in the foreseeable future.

3. Basis of Preparation of Consolidated Financial Statements and Material Accounting Policy Information

HKFRS 18 Presentation and Disclosure in Financial Statements

HKFRS 18 Presentation and Disclosure in Financial Statements, which sets out requirements on presentation and disclosures in financial statements, will replace HKAS 1 Presentation of Financial Statements ("**HKAS 1**"). This new HKFRS Accounting Standards, while carrying forward many of the requirements in HKAS 1, introduces new requirements to present specified categories and defined subtotals in the statement of profit or loss; provide disclosures on management-defined performance measures in the notes to the financial statements and improve aggregation and disaggregation of information to be disclosed in the financial statements. In addition, some HKAS 1 paragraphs have been moved to HKAS 8 Accounting Policies, Changes in Accounting Estimates and Errors and HKFRS 7 Financial Instruments: Disclosures. Minor amendments to HKAS 7 Statement of Cash Flows and HKAS 33 Earnings per Share are also made.

HKFRS 18, and amendments to other standards, will be effective for annual periods beginning on or after 1 January 2027, with early application permitted. HKFRS 18 requires retrospective application with specific transition provisions. The application of the new standard is not expected to have significant impact on the financial performance and positions of the Group in terms of recognition and measurement. However, it is expected to affect the structure and presentation of the consolidated statement of profit or loss and other comprehensive income.

3.1 Basis of preparation of consolidated financial statements

The consolidated financial statements have been prepared in accordance with HKFRS Accounting Standards as issued by the HKICPA. For the purpose of preparation of the consolidated financial statements, information is considered material if such information is reasonably expected to influence decisions made by primary users. In addition, the consolidated financial statements include applicable disclosures required by the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited ("**Listing Rules**") and by the Hong Kong Companies Ordinance. These financial statements are presented in RMB and all values are rounded to the nearest thousand except when otherwise indicated.

Going concern basis

The Group incurred a net loss of approximately RMB142,203,000 during the year ended 31 December 2025. As at 31 December 2025, the Group's current liabilities exceeded its current assets by approximately RMB793,113,000. The Group had total interest-bearing bank and other borrowings of approximately RMB563,710,000, out of which approximately RMB341,449,000 will be due for repayment within the next twelve months and approximately RMB115,918,000 were defaulted during the year due to overdue payment of principal and/or interest, while the Group had unrestricted cash and cash equivalents of approximately RMB13,205,000 only. These events and conditions indicate that a material uncertainty exists that may cast significant doubt on the Group's ability to continue as a going concern.

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

3. Basis of Preparation of Consolidated Financial Statements and Material Accounting Policy Information (Continued)

3.1 Basis of preparation of consolidated financial statements (Continued)

Going concern basis (Continued)

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

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

(b) Subsequent to 31 December 2025, Greenland Digital and Greenland Financial have agreed to provide the Group with sufficient financial support for a period of not less than 12 months from the approval date of the Company's audited consolidated financial statements for the year ended 31 December 2025 so that the Company will be able to meet its financial obligations, and have sufficient working capital to meet its daily operations, and will not result from insufficiency in working capital for viable going concern. The financial support provided by the Greenland Digital and Greenland Financial including the implementation of debt to equity settlement, assets and business injections etc. in order to improve the Group's financial position and performance;

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

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

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

(f) The shareholder and related parties have undertaken not to demand repayment for the borrowings and other payables due by the Group as at 31 December 2025, until the Group can meet all the other obligations.

3. Basis of Preparation of Consolidated Financial Statements and Material Accounting Policy Information (Continued)

3.1 Basis of preparation of consolidated financial statements (Continued)

Going concern basis (Continued)

The board of directors have reviewed the Group's cash flow projections prepared by management, which cover a period of not less than twelve months from 31 December 2025. They are of the opinion that, taking into account the above-mentioned plans and measures, the Group will have sufficient working capital to finance its operations and to meet its financial obligations as and when they fall due within twelve months from 31 December 2025. Accordingly, the directors are satisfied that it is appropriate to prepare the consolidated financial statements on a going concern basis.

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

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

Merger accounting for business combination involving a subsidiary under common control

On 15 August 2025, Hangzhou Beifeng Yuanlin Landscaping Design Company Limited (a wholly-owned subsidiary of the Company, the "**Purchaser**") entered into an Equity Transfer Agreement with Senmao Landscape Engineering Co., Ltd (the "**Vendor**"), a company wholly-owned by Greenland Holdings Group Corporation Limited ("**Greenland Holdings**"). Greenland Holdings is the ultimate controlling shareholder of the Company and Shanghai Greenland Senmao Landscaping Engineering Co., Ltd. (the "**Target Company**"). Pursuant to the Equity Transfer Agreement, the Vendor has conditionally agreed to sell, and the Purchaser has conditionally agreed to acquire, the 100% equity interests in the Target Company (representing the entire equity interests held by the Vendor in the Target Company) at a consideration of approximately RMB4.6 million (the "**Acquisition**").

The consideration of the Acquisition is 100% of the completion net asset value, being defined as the sum of (i) the latest business and development for the future prospects of the Target Group, (ii) the reasons and benefits of the Acquisition as disclosed in the section headed "Reasons for and Benefits of the Acquisition" in the announcement of the Company dated on 15 August 2025, and (iii) a valuation (the "**Valuation**") made by King Kee Advisory and Management (Shanghai) Co. Ltd., an independent valuer (the "**Valuer**"), in respect of the 100% equity value of Target Company as at 31 July 2025 (the "**Valuation Date**") under market approach.

3. Basis of Preparation of Consolidated Financial Statements and Material Accounting Policy Information (Continued)

3.1 Basis of preparation of consolidated financial statements (Continued)

Merger accounting for business combination involving a subsidiary under common control (Continued)

The Target Company is a company incorporated in the People's Republic of China, primarily engaged in landscaping and greening engineering construction. Details of the Acquisition are set out in the Company's circular dated 15 August 2025. The Acquisition were completed on 15 August 2025 ("**Completion Date**"). The consideration of approximately RMB4.6 million has not been settled by the Company as at 31 December 2025.

The Acquisition was considered as a business combination under common control as the Group and the Target Company are both ultimately controlled by Greenland Holdings. The acquisition of the Target Company was accounted for using merger accounting in accordance with Hong Kong Accounting Guideline 5 "Merger Accounting for Common Control Combinations" ("**AG 5**") issued by the HKICPA. The Group and the Target Company are regarded as continuing entities.

Under merger accounting, based on the guidance set out in AG 5, the financial information incorporate the financial statement items of the combining entities or businesses in which the common control combination occurs as if they had been combined from the date when the combining entities or businesses first came under the control of the controlling party.

The net assets of the combining entities or businesses are consolidated using the existing book values from the controlling party's perspective. No amount is recognised in respect of goodwill or excess of acquirer's interest in the net fair value of acquiree's identifiable assets, liabilities and contingent liabilities over cost at the time of common control combination, to the extent of the continuation of the controlling party's interest. The adjustments to eliminate share/registered capital of the combining entities or businesses against the related investment costs have been made to merger reserve in the consolidated financial statements.

The consolidated statement of profit or loss, the consolidated statement of other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the prior years have been restated to include the results of the Target Company as if these acquisitions had been completed since the date the respective business first came under the common control of the Company. The consolidated statement of financial position as at 1 January 2024 and 31 December 2024 have been restated to adjust the carrying amounts of the assets and liabilities of the Target Company which had been in existence as at 1 January 2024 and 31 December 2024 as if those entities or businesses were combined from the date when they first came under the common control of the Company (see below for the financial impacts).

3. Basis of Preparation of Consolidated Financial Statements and Material Accounting Policy Information (Continued)

3.1 Basis of preparation of consolidated financial statements (Continued)

Merger accounting for business combination involving a subsidiary under common control (Continued)

(i) Effect on the consolidated statement of profit or loss for the year ended 31 December 2024:

	For the year ended 31 December 2024 as previously reported RMB'000	Reclassification** RMB'000	For the year ended 31 December 2024 as reclassified RMB'000	Adjustments for the combination using merger accounting RMB'000	For the year ended 31 December 2024 as restated RMB'000
Revenue	18,396	3,782	22,178	2,707	24,885
Cost of sales	(7,511)	–	(7,511)	(3,089)	(10,600)
Gross profit	10,885	3,782	14,667	(382)	14,285
Other income and gains	10,148	(3,782)	6,366	37	6,403
Administrative expenses	(32,149)	–	(32,149)	(1,505)	(33,654)
Impairment losses on financial assets	(143,943)	–	(143,943)	(213)	(144,156)
Finance costs	(58,212)	–	(58,212)	–	(58,212)
Share of results of joint vestures	35,970	–	35,970	–	35,970
Loss before taxation	(177,301)	–	(177,301)	(2,063)	(179,364)
Income tax credit	33,602	–	33,602	212	33,814
Loss for the year	(143,699)	–	(143,699)	(1,851)	(145,550)
Attributable to:					
Owner of the parent	(145,755)	–	(145,755)	(1,851)	(147,606)
Non-controlling interests	2,056	–	2,056	–	2,056
Loss for the year	(143,699)	–	(143,699)	(1,851)	(145,550)
Loss per share attributable to ordinary equity holders of the parent:					
Basic and diluted (cents) (restated)	(0.25)	–	(0.25)	–*	(0.25)

* *Amount less than RMB1,000.*

** *The comparative figures have been reclassified to conform to the current year's presentation.*

3. Basis of Preparation of Consolidated Financial Statements and Material Accounting Policy Information (Continued)

3.1 Basis of preparation of consolidated financial statements (Continued)

Merger accounting for business combination involving a subsidiary under common control (Continued)

(ii) Effect on the consolidated statement of profit or loss and other comprehensive income for the year ended 31 December 2024:

	For the year ended 31 December 2024 as previously reported RMB'000	Reclassification** RMB'000	For the year ended 31 December 2024 as reclassified RMB'000	Adjustments for the combination using merger accounting RMB'000	For the year ended 31 December 2024 as restated RMB'000
Loss for the year	(143,699)	–	(143,699)	(1,851)	(145,550)
Other comprehensive loss for the year:					
Items that will not be reclassified subsequently to profit or loss:					
Exchange differences arising on translation from functional currency to presentation currency:	(20,174)	–	(20,174)	–	(20,174)
Other comprehensive loss for the year, net of tax	(20,174)	–	(20,174)	–	(20,174)
Total comprehensive loss for the year	(163,873)	–	(163,873)	(1,851)	(165,724)
Attributable to:					
Equity shareholders of the Company	(165,929)	–	(165,929)	(1,851)	(167,780)
Non-controlling interests	2,056	–	2,056	–	2,056
Total comprehensive loss for the year	(163,873)	–	(163,873)	(1,851)	(165,724)

3. Basis of Preparation of Consolidated Financial Statements and Material Accounting Policy Information (Continued)

3.1 Basis of preparation of consolidated financial statements (Continued)

Merger accounting for business combination involving a subsidiary under common control (Continued)

(iii) Effect on the consolidated statement of financial position as at 1 January 2024:

	As at 1 January 2024 as previously Reported RMB'000	Reclassification** RMB'000	As at 1 January 2024 as reclassified RMB'000	Adjustments for the combination using merger accounting RMB'000	As at 1 January 2024 as restated RMB'000
Non-current assets					
Property, plant and equipment	110,001	–	110,001	–	110,001
Investment properties	18,480	–	18,480	–	18,480
Goodwill	3,060	–	3,060	–	3,060
Other Intangible assets	15,659	–	15,659	–	15,659
Interests in joint ventures	483,721	–	483,721	–	483,721
Equity investment at FVTPL	77,225	–	77,225	–	77,225
Financial assets at FVTPL	21,330	–	21,330	–	21,330
Contract asset	247,852	–	247,852	–	247,852
Long-term receivables	349,766	–	349,766	–	349,766
Other non-current assets	15,238	–	15,238	–	15,238
Deferred tax assets	58,640	–	58,640	–	58,640
	1,400,972	–	1,400,972	–	1,400,972
Current assets					
Biological assets	31,429	–	31,429	–	31,429
Trade receivables	156,644	4,123	160,767	9,466	170,233
Contact assets	445,470	–	445,470	–	445,470
Prepayments, other receivables and other assets	59,896	(4,123)	55,773	48,754	104,527
Restricted bank balances	25,400	–	25,400	–	25,400
Cash and cash equivalents	6,227	–	6,227	10,542	16,769
	725,066	–	725,066	68,762	793,828
Current liabilities					
Corporate bonds	212,481	–	212,481	–	212,481
Trade and bills payables	615,968	–	615,968	2,983	618,951
Other payables and accruals	326,171	–	326,171	36,533	362,704
Interest bearing bank other loans	240,478	–	240,478	–	240,478
Lease liabilities	7,967	–	7,967	–	7,967
Tax payables	167,040	–	167,040	–	167,040
	1,570,105	–	1,570,105	39,516	1,609,621

3. Basis of Preparation of Consolidated Financial Statements and Material Accounting Policy Information (Continued)

3.1 Basis of preparation of consolidated financial statements (Continued)

Merger accounting for business combination involving a subsidiary under common control (Continued)

(iii) *Effect on the consolidated statement of financial position as at 1 January 2024: (Continued)*

	As at 1 January 2024 as previously Reported RMB'000	Reclassification** RMB'000	As at 1 January 2024 as reclassified RMB'000	Adjustments for the combination using merger accounting RMB'000	As at 1 January 2024 as restated RMB'000
Net current liabilities	(845,039)	–	(845,039)	29,246	(815,793)
Total assets less current liabilities	555,933	–	555,933	29,246	585,179
Non-current liabilities					
Other current liabilities	92,526	–	92,526	–	92,526
Interest bearing bank and other borrowings	354,999	–	354,999	–	354,999
Lease liabilities	18,576	–	18,576	–	18,576
Deferred tax liabilities	9,671	–	9,671	–	9,671
	475,772	–	475,772	–	475,772
NET ASSETS	80,161	–	80,161	29,246	109,407
EQUITY					
Equity attributable to owner of the Parent					
Share capital	66,396	–	66,396	–	66,396
Other reserves	(9,103)	–	(9,103)	29,246	20,143
Total equity attributable to equity shareholders of the Company	57,293	–	57,293	29,246	86,539
Non-controlling interests	22,868	–	22,868	–	22,868
TOTAL EQUITY	80,161	–	80,161	29,246	109,407

3. Basis of Preparation of Consolidated Financial Statements and Material Accounting Policy Information (Continued)

3.1 Basis of preparation of consolidated financial statements (Continued)

Merger accounting for business combination involving a subsidiary under common control (Continued)

(iv) Effect on the consolidated statement of financial position as at 31 December 2024:

	As at 31 December 2024 as previously Reported RMB'000	Reclassification** RMB'000	As at 31 December 2024 as reclassified RMB'000	Adjustments for the combination using merger accounting RMB'000	As at 31 December 2024 as restated RMB'000
Non-current assets					
Property, plant and equipment	105,648	–	105,648	–	105,648
Investment property	15,708	–	15,708	–	15,708
Goodwill	3,060	–	3,060	–	3,060
Other Intangible assets	14,203	–	14,203	–	14,203
Interests in joint ventures	517,872	–	517,872	–	517,872
Equity investment at FVTPL	53,563	–	53,563	–	53,563
Financial assets at FVTPL	25,653	–	25,653	–	25,653
Contract asset	233,359	–	233,359	–	233,359
Long-term receivables	301,896	–	301,896	–	301,896
Other non-current assets	10,499	–	10,499	–	10,499
Deferred tax assets	87,684	–	87,684	212	87,896
	1,369,145	–	1,369,145	212	1,369,357
Current assets					
Biological assets	30,336	–	30,336	–	30,336
Trade receivables	49,797	1,304	51,101	9,370	60,471
Contract assets	460,355	–	460,355	–	460,355
Prepayments, other receivables and other assets	126,897	(1,304)	125,593	28,796	154,389
Restricted bank balances	13,250	–	13,250	–	13,250
Cash and cash equivalents	1,801	–	1,801	1,058	2,859
	682,436	–	682,436	39,224	721,660
Current liabilities					
Trade and bills payables	574,083	–	574,083	2,138	576,221
Other payables and accruals	357,294	–	357,294	9,903	367,197
Interest bearing bank other loans	354,347	–	354,347	–	354,347
Lease liabilities	9,525	–	9,525	–	9,525
Tax payables	165,413	–	165,413	–	165,413
	1,460,662	–	1,460,662	12,041	1,472,703

3. Basis of Preparation of Consolidated Financial Statements and Material Accounting Policy Information (Continued)

3.1 Basis of preparation of consolidated financial statements (Continued)

Merger accounting for business combination involving a subsidiary under common control (Continued)

(iv) Effect on the consolidated statement of financial position as at 31 December 2024: (Continued)

	As at 31 December 2024 as previously Reported RMB'000	Reclassification** RMB'000	As at 31 December 2024 as reclassified RMB'000	Adjustments for the combination using merger accounting RMB'000	As at 31 December 2024 as restated RMB'000
Net current liabilities	(778,226)	–	(778,226)	27,183	(751,043)
Total assets less current liabilities	590,919	–	590,919	27,395	618,314
Non-current liabilities					
Corporate bonds	113,407	–	113,407	–	113,407
Other non-current liabilities	92,526	–	92,526	–	92,526
Interest bearing bank and other borrowings	222,180	–	222,180	–	222,180
Lease liabilities	17,829	–	17,829	–	17,829
Deferred tax liabilities	3,413	–	3,413	–	3,413
	449,355	–	449,355	–	449,355
NET ASSETS	141,564	–	141,564	27,395	168,959
EQUITY					
Equity attributable to owner of the Parent					
Share capital	122,715	–	122,715	–	122,715
Other reserves	(6,075)	–	(6,075)	27,395	21,320
Total equity attributable to equity shareholders of the Company	116,640	–	116,640	27,395	144,035
Non-controlling interests	24,924	–	24,924	–	24,924
TOTAL EQUITY	141,564	–	141,564	27,395	168,959

3. Basis of Preparation of Consolidated Financial Statements and Material Accounting Policy Information (Continued)

3.1 Basis of preparation of consolidated financial statements (Continued)

Merger accounting for business combination involving a subsidiary under common control (Continued)

(v) *The effect of the restatement on the Group's cash flow for the year ended 31 December 2024 is summarised as follows:*

	For the year ended 31 December 2024 as previously reported RMB'000	Adjustments for the combination using merger accounting RMB'000	For the year ended 31 December 2024 as restated RMB'000
Operating activities			
Cash used in operations	(2,644)	(9,484)	(12,128)
Income Tax paid	(1,700)	—	(1,700)
Net cash used in operating activities	(4,344)	(9,484)	(13,828)
Investing activities			
Purchase of items of property and equipment	(282)	—	(282)
Proceeds from disposal of property and equipment	1,536	—	1,536
Capital withdrawal in joint ventures	1,819	—	1,819
Net cash generated from investing activities	3,073	—	3,073

3. Basis of Preparation of Consolidated Financial Statements and Material Accounting Policy Information (Continued)

3.1 Basis of preparation of consolidated financial statements (Continued)

Merger accounting for business combination involving a subsidiary under common control (Continued)

(v) *The effect of the restatement on the Group's cash flow for the year ended 31 December 2024 is summarised as follows: (Continued)*

	For the year ended 31 December 2024 as previously reported RMB'000	Adjustments for the combination using merger accounting RMB'000	For the year ended 31 December 2024 as restated RMB'000
Financing activities			
New bank loans and other borrowings	33,414	—	33,414
Repayment of bank loans and other borrowings	(27,762)	—	(27,762)
Interest paid for bank loans and other borrowings	(8,815)	—	(8,815)
Net cash used in financing activities	(3,163)	—	(3,163)
Net decrease in cash and cash equivalents	(4,434)	(9,484)	(13,918)
Cash and cash equivalents at 1 January	6,227	10,542	16,769
Effect of foreign exchange rate changes, net	8	—	8
Cash and cash equivalents at 31 December	1,801	1,058	2,859

3. Basis of Preparation of Consolidated Financial Statements and Material Accounting Policy Information (Continued)

3.1 Basis of preparation of consolidated financial statements (Continued)

Merger accounting for business combination involving a subsidiary under common control (Continued)

(v) The effect of the restatement on the Group's cash flow for the year ended 31 December 2024 is summarised as follows: (Continued)

	For the year ended 31 December 2024 as previously reported RMB'000	Adjustments for the combination using merger accounting RMB'000	For the year ended 31 December 2024 as restated RMB'000
Analysis of balances of cash and cash equivalents			
Cash and cash equivalents and restricted bank balances as stated in the statement of financial position	15,051	1,058	16,109
Frozen bank balances	(8,257)	—	(8,257)
Restricted bank balances	(4,993)	—	(4,993)
Cash and Cash equivalents as stated in the statement of cash flows	1,801	1,058	2,859

3.2 Material accounting policy information

Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and entities (including structured entities) controlled by the Company and its subsidiaries. Control is achieved when the Company:

- has power over the investee;
- is exposed, or has rights, to variable returns from its involvement with the investee; and
- has the ability to use its power to affect its returns.

The Group reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

3. Basis of Preparation of Consolidated Financial Statements and Material Accounting Policy Information (Continued)

3.2 Material accounting policy information (Continued)

Basis of consolidation (Continued)

When the Group has less than a majority of the voting rights of an investee, it considers that it has power over the investee when the voting rights are sufficient to give it the practical ability to direct the relevant activities of the investee unilaterally. The Group considers all relevant facts and circumstances in assessing whether or not the Group's voting rights in an investee are sufficient to give it power, including:

- the size of the Group's holding of voting rights relative to the size and dispersion of holdings of the other vote holders;
- potential voting rights held by the Group, other vote holders or other parties;
- rights arising from other contractual arrangements; and
- any additional facts and circumstances that indicate that the Group has, or does not have, the current ability to direct the relevant activities at the time that decisions need to be made, including voting patterns at previous shareholders' meetings.

Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Specifically, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated statement of profit or loss and other comprehensive income from the date the Group gains control until the date when the Group ceases to control the subsidiary.

Profit or loss and each component of other comprehensive income are attributed to the owners of the Company and to the non-controlling interests. Total comprehensive income of the subsidiaries is attributed to the owners of the Company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies in line with the Group's accounting policies.

All intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

Non-controlling interests in subsidiaries are presented separately from the Group's equity therein, which represent present ownership interests entitling their holders to a proportionate share of net assets of the relevant subsidiaries upon liquidation.

3. Basis of Preparation of Consolidated Financial Statements and Material Accounting Policy Information (Continued)

3.2 Material accounting policy information (Continued)

Business combinations

A business is an integrated set of activities and assets which includes an input and a substantive process that together significantly contribute to the ability to create outputs. The acquired processes are considered substantive if they are critical to the ability to continue producing outputs, including an organised workforce with the necessary skills, knowledge, or experience to perform the related processes or they significantly contribute to the ability to continue producing outputs and are considered unique or scarce or cannot be replaced without significant cost, effort, or delay in the ability to continue producing outputs.

Acquisitions of businesses , other than business combination under common control are accounted for using the acquisition method. The consideration transferred in a business combination is measured at fair value, which is calculated as the sum of the acquisition-date fair values of the assets transferred by the Group, liabilities incurred by the Group to the former owners of the acquiree and the equity interests issued by the Group in exchange for control of the acquiree. Acquisition-related costs are generally recognised in profit or loss as incurred.

The identifiable assets acquired and liabilities assumed must meet the definitions of an asset and a liability in the *Conceptual Framework for Financial Reporting* (the "**Conceptual Framework**") except for transactions and events within the scope of HKAS 37 *Provisions, Contingent Liabilities and Contingent Assets* or HK(IFRIC)-Int 21 *Levies*, in which the Group applies HKAS 37 or HK(IFRIC)-Int 21 instead of the Conceptual Framework to identify the liabilities it has assumed in a business combination. Contingent assets are not recognised.

At the acquisition date, the identifiable assets acquired and the liabilities assumed are recognised at their fair value, except that:

- deferred tax assets or liabilities, and assets or liabilities related to employee benefit arrangements are recognised and measured in accordance with HKAS 12 *Income Taxes* and HKAS 19 *Employee Benefits* respectively;

- liabilities or equity instruments related to share-based payment arrangements of the acquiree or share-based payment arrangements of the Group entered into to replace share-based payment arrangements of the acquiree are measured in accordance with HKFRS 2 *Share-based Payment* at the acquisition date (see the accounting policy below);

- assets (or disposal groups) that are classified as held for sale in accordance with HKFRS 5 *Non-current Assets Held for Sale and Discontinued Operations* are measured in accordance with that standard; and

- lease liabilities are recognised and measured at the present value of the remaining lease payments (as defined in HKFRS 16 *Leases*) as if the acquired leases were new leases at the acquisition date, except for leases for which (a) the lease term ends within 12 months of the acquisition date; or (b) the underlying asset is of low value. Right-of-use assets are recognised and measured at the same amount as the relevant lease liabilities, adjusted to reflect favourable or unfavourable terms of the lease when compared with market terms.

3. Basis of Preparation of Consolidated Financial Statements and Material Accounting Policy Information (Continued)

3.2 Material accounting policy information (Continued)

Business combinations (Continued)

Goodwill is measured as the excess of the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree, and the fair value of the acquirer's previously held equity interest in the acquiree (if any) over the net amount of the identifiable assets acquired and the liabilities assumed as at acquisition date. If, after re-assessment, the net amount of the identifiable assets acquired and liabilities assumed exceeds the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree and the fair value of the acquirer's previously held interest in the acquiree (if any), the excess is recognised immediately in profit or loss as a bargain purchase gain.

Non-controlling interests that are present ownership interests and entitle their holders to a proportionate share of the relevant subsidiary's net assets in the event of liquidation are initially measured at the non-controlling interests' proportionate share of the recognised amounts of the acquiree's identifiable net assets or at fair value. The choice of measurement basis is made on a transaction-by-transaction basis. Other types of non-controlling interests are measured at their fair value.

When the consideration transferred by the Group in a business combination includes a contingent consideration arrangement, the contingent consideration is measured at its acquisition-date fair value and included as part of the consideration transferred in a business combination. Changes in the fair value of the contingent consideration that qualify as measurement period adjustments are adjusted retrospectively. Measurement period adjustments are adjustments that arise from additional information obtained during the "measurement period" (which cannot exceed one year from the acquisition date) about facts and circumstances that existed at the acquisition date.

The subsequent accounting for the contingent consideration that do not qualify as measurement period adjustments depends on how the contingent consideration is classified. Contingent consideration that is classified as equity is not remeasured at subsequent reporting dates and its subsequent settlement is accounted for within equity. Contingent consideration that is classified as an asset or a liability is remeasured to fair value at subsequent reporting dates, with the corresponding gain or loss being recognised in profit or loss.

When a business combination is achieved in stages, the Group's previously held equity interest in the acquiree is remeasured to fair value at the acquisition date (i.e. the date when the Group obtains control), and the resulting gain or loss, if any, is recognised in profit or loss or other comprehensive income, as appropriate. Amounts arising from interests in the acquiree prior to the acquisition date that have previously been recognised in other comprehensive income and measured under HKFRS 9 would be accounted for on the same basis as would be required if the Group had disposed directly of the previously held equity interest.

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the Group reports provisional amounts for the items for which the accounting is incomplete. Those provisional amounts are adjusted retrospectively during the measurement period (see above), and additional assets or liabilities are recognised, to reflect new information obtained about facts and circumstances that existed at the acquisition date that, if known, would have affected the amounts recognised at that date.

3. Basis of Preparation of Consolidated Financial Statements and Material Accounting Policy Information (Continued)

3.2 Material accounting policy information (Continued)

Merger accounting for business combination involving businesses under common control

The consolidated financial statements incorporate the financial statements items of the combining businesses in which the common control combination occurs as if they had been combined from the date when the combining businesses first came under the control of the controlling party.

The net assets of the combining businesses are consolidated using the existing book values from the controlling party's perspective. No amount is recognised in respect of goodwill or bargain purchase gain at the time of common control combination.

Expenditure incurred in relation to a common control combination that is to be accounted for by using merger accounting is recognised as an expense in the period in which it is incurred.

The consolidated statement of profit or loss and other comprehensive income includes the results of each of the combining businesses from the earliest date presented or since the date when the combining businesses first came under the common control, where this is a shorter period.

The comparative amounts in the consolidated financial statements are presented as if the combining businesses had been combined at the beginning of the previous reporting period or when they first came under common control, whichever is shorter.

Goodwill

Goodwill arising on an acquisition of a business is carried at cost as established at the date of acquisition of the business (see the accounting policy above) less accumulated impairment losses, if any.

For the purposes of impairment testing, goodwill is allocated to each of the Group's cash-generating units (or group of cash-generating units) that is expected to benefit from the synergies of the combination, which represent the lowest level at which the goodwill is monitored for internal management purposes and is not larger than an operating segment.

A cash-generating unit (or group of cash-generating units) to which goodwill has been allocated is tested for impairment annually or more frequently when there is indication that the unit may be impaired. For goodwill arising on an acquisition in an annual period, the cash-generating unit (or group of cash-generating units) to which goodwill has been allocated is tested for impairment before the end of that annual period. If the recoverable amount is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill and then to the other assets on a pro-rata basis based on the carrying amount of each asset in the unit (or group of cash-generating units).

3. Basis of Preparation of Consolidated Financial Statements and Material Accounting Policy Information (Continued)

3.2 Material accounting policy information (Continued)

Investments in joint ventures

A joint venture is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint arrangement. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control.

The results and assets and liabilities of joint ventures are incorporated in these consolidated financial statements using the equity method of accounting. The financial statements of joint ventures used for equity accounting purposes are prepared using uniform accounting policies as those of the Group for like transactions and events in similar circumstances. Appropriate adjustments have been made to conform the joint venture's accounting policies to those of the Group. Under the equity method, an investment in a joint venture is initially recognised in the consolidated statement of financial position at cost and adjusted thereafter to recognise the Group's share of the profit or loss and other comprehensive income of the joint venture. Changes in net assets of the joint venture other than profit or loss and other comprehensive income are not accounted for unless such changes resulted in changes in ownership interest held by the Group. When the Group's share of losses of a joint venture exceeds the Group's interest in that joint venture (which includes any long-term interests that, in substance, form part of the Group's net investment in the joint venture), the Group discontinues recognising its share of further losses. Additional losses are provided for, and a liability is recognised only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the joint venture.

The Group assesses whether there is an objective evidence that the interest in a joint venture may be impaired. When any objective evidence exists, the entire carrying amount of the investment (including goodwill) is tested for impairment in accordance with HKAS 36 as a single asset by comparing its recoverable amount (higher of value in use and fair value less costs of disposal) with its carrying amount. Any impairment loss recognised is not allocated to any asset, including goodwill, that forms part of the carrying amount of the investment. Any reversal of that impairment loss is recognised in accordance with HKAS 36 to the extent that the recoverable amount of the investment subsequently increases.

The Group applies HKFRS 9, including the impairment requirements, to long-term interests in joint venture to which the equity method is not applied and which form part of the net investment in the investee. Furthermore, in applying HKFRS 9 to long-term interests, the Group does not take into account adjustments to their carrying amount required by HKAS 28 (i.e. adjustments to the carrying amount of long-term interests arising from the allocation of losses of the investee or assessment of impairment in accordance with HKAS 28).

When a group entity transacts with a joint venture of the Group, profits and losses resulting from the transactions with the joint venture are recognised in the consolidated financial statements only to the extent of interests in the joint venture that are not related to the Group.

3. Basis of Preparation of Consolidated Financial Statements and Material Accounting Policy Information (Continued)

3.2 Material accounting policy information (Continued)

Non-current assets held for sale

Non-current assets are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use. This condition is regarded as met only when the asset is available for immediate sale in its present condition subject only to terms that are usual and customary for sales of such asset and its sale is highly probable. Management must be committed to the sale, which should be expected to qualify for recognition as a completed sale within one year from the date of classification.

Non-current assets classified as held for sale are measured at the lower of their carrying amount and fair value less costs to sell, except for financial assets within the scope of HKFRS 9, which continue to be measured in accordance with the accounting policies as set out in respective sections.

Revenue from contracts with customers

Revenue from contracts with customers is recognised when control of goods or services is transferred to the customers at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods or services.

When the consideration in a contract includes a variable amount, the amount of consideration is estimated to which the Group will be entitled in exchange for transferring the goods or services to the customer. The variable consideration is estimated at contract inception and constrained until it is highly probable that a significant revenue reversal in the amount of cumulative revenue recognised will not occur when the associated uncertainty with the variable consideration is subsequently resolved.

When the contract contains a financing component which provides the customer with a significant benefit of financing the transfer of goods or services to the customer for more than one year, revenue is measured at the present value of the amount receivable, discounted using the discount rate that would be reflected in a separate financing transaction between the Group and the customer at contract inception. When the contract contains a financing component which provides the Group with a significant financial benefit for more than one year, revenue recognised under the contract includes the interest expense accreted on the contract liability under the effective interest method. For a contract where the period between the payment by the customer and the transfer of the promised goods or services is one year or less, the transaction price is not adjusted for the effects of a significant financing component, using the practical expedient in HKFRS 15.

3. Basis of Preparation of Consolidated Financial Statements and Material Accounting Policy Information (Continued)

3.2 Material accounting policy information (Continued)

Revenue from contracts with customers (Continued)

The Group recognises revenue from the following sources:

(1) *Landscape gardening services*

Construction, design and maintenance services

Revenue from the provision of construction, design and maintenance services is recognised over time, using an input method to measure progress towards complete satisfaction of the service, because the Group's performance creates or enhances an asset that the customer controls as the asset is created or enhanced. The input method recognises revenue based on the proportion of the actual costs incurred relative to the estimated total costs for satisfaction of the construction services.

Claims to customers are amounts that the Group seeks to collect from the customers as reimbursement of costs and margins for scope of works not included in the original construction contract. Claims are accounted for as variable consideration and constrained until it is highly probable that a significant revenue reversal in the amount of cumulative revenue recognised will not occur when the associated uncertainty with the variable consideration is subsequently resolved. The Group uses the expected value method to estimate the amounts of claims because this method best predicts the amount of variable consideration to which the Group will be entitled.

(2) *O&M services for hydroelectric power stations*

O&M services for hydroelectric power stations involve promises to provide ongoing operational support and upkeep. These services are series of distinct services satisfied over time, as the customer simultaneously receives and consumes benefits like plant availability and reliability.

(3) *Others*

(a) Property Management services

Revenue from the provision of investment property management services is recognised over the scheduled period on a straight-line basis because the customer simultaneously receives and consumes the benefits provided by the Group. The fees are billed to the clients periodically (either monthly or quarterly billing period).

(b) Rental income under operating contracts

Rental income is recognised on a time proportion basis over the lease terms. Lease payments from properties letting under operating leases are recognized as rental income over the lease term on either a straight line basis or another systematic basis that is more representative of the pattern in which benefit from the use of the underlying leased asset is diminished. The fees are billed to the clients periodically (either monthly or quarterly billing period).

3. Basis of Preparation of Consolidated Financial Statements and Material Accounting Policy Information (Continued)

3.2 Material accounting policy information (Continued)

Leases

The Group assesses whether a contract is or contains a lease based on the definition under HKFRS 16 at inception of the contract. Such contract will not be reassessed unless the terms and conditions of the contract are subsequently changed. As a practical expedient, leases with similar characteristics are accounted on a portfolio basis when the Group reasonably expects that the effects on the consolidated financial statements would not differ materially from individual leases within the portfolio.

The Group as a lessee

Allocation of consideration to components of a contract

For a contract that contains a lease component and one or more additional lease or non-lease components, the Group allocates the consideration in the contract to each lease component on the basis of the relative stand-alone price of the lease component and the aggregate stand-alone price of the non-lease components.

The Group applies practical expedient not to separate non-lease components from lease component, and instead account for the lease component and any associated non-lease components as a single lease component.

Short-term leases and leases of low-value assets

The Group applies the short-term lease recognition exemption to leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis unless another systematic basis is more representative of the time pattern in which economic benefits from the leased assets are consumed.

Right-of-use assets

The cost of right-of-use assets include:

- the amounts of the initial measurement of the lease liabilities;
- any lease payments made at or before the commencement date, less any lease incentives received;
- any initial direct costs incurred by the Group; and
- an estimate of costs to be incurred by the Group in dismantling and removing the underlying assets, restoring the site on which it is located or restoring the underlying asset to the condition required by the terms and conditions of the lease.

Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities.

Right-of-use assets are depreciated on a straight-line basis over the shorter of its estimated useful life and the lease term.

Leasehold property	9 years

Right-of-use assets that meet the definition of investment property is presented within “investment property”.

3. Basis of Preparation of Consolidated Financial Statements and Material Accounting Policy Information (Continued)

3.2 Material accounting policy information (Continued)

Leases (Continued)

The Group as a lessee (Continued)

Lease liabilities

At the commencement date of a lease, the Group recognises and measures the lease liability at the present value of lease payments that are unpaid at that date. In calculating the present value of lease payments, the Group uses the incremental borrowing rate at the lease commencement date if the interest rate implicit in the lease is not readily determinable.

The incremental borrowing rate depends on the term, currency and start date of the lease and is determined based on a series of inputs including: the risk-free rate based on government bond rates; a country-specific risk adjustment; a credit risk adjustment based on bond yields; and an entity-specific adjustment whether the risk profile of the entity that enters into the lease is different to that of the Group and whether the lease benefit from a guarantee from the Group.

The lease payments include:

- fixed payments (including in-substance fixed payments) less any lease incentives receivable;
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable by the Group under residual value guarantees;
- the exercise price of a purchase option if the Group is reasonably certain to exercise the option; and
- payments of penalties for terminating a lease, if the lease term reflects the Group exercising an option to terminate the lease.

After the commencement date, lease liabilities are adjusted by interest accretion and lease payments.

The Group presents lease liabilities as a separate line item on the consolidated statement of financial position.

3. Basis of Preparation of Consolidated Financial Statements and Material Accounting Policy Information (Continued)

3.2 Material accounting policy information (Continued)

Leases (Continued)

Lease modifications

The Group accounts for a lease modification as a separate lease if:

- the modification increases the scope of the lease by adding the right to use one or more underlying assets; and

- the consideration for the leases increases by an amount commensurate with the stand-alone price for the increase in scope and any appropriate adjustments to that stand-alone price to reflect the circumstances of the particular contract.

For a lease modification that is not accounted for as a separate lease, the Group remeasures the lease liability, less any lease incentives receivable, based on the lease term of the modified lease by discounting the revised lease payments using a revised discount rate at the effective date of the modification.

The Group accounts for the remeasurement of lease liabilities by making corresponding adjustments to the relevant right-of-use asset.

When the modified contract contains a lease component and one or more additional lease or non-lease components, the Group allocates the consideration in the modified contract to each lease component on the basis of the relative stand-alone price of the lease component and the aggregate stand-alone price of the non-lease components.

The Group as a lessor

Classification and measurement of leases

Leases for which the Group is a lessor are classified as finance or operating leases. Whenever the terms of the lease transfer substantially all the risks and rewards incidental to ownership of an underlying asset to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases.

Rental income from operating leases is recognised in profit or loss on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset, and such costs are recognised as an expense on a straight-line basis over the lease term.

3. Basis of Preparation of Consolidated Financial Statements and Material Accounting Policy Information (Continued)

3.2 Material accounting policy information (Continued)

Leases (Continued)

The Group as a lessor (Continued)

Allocation of consideration to components of a contract

When a contract includes both leases and non-lease components, the Group applies HKFRS 15 to allocate consideration in a contract to lease and non-lease components. Non-lease components are separated from lease component on the basis of their relative stand-alone selling prices.

Refundable rental deposits

Refundable rental deposits received are accounted for under HKFRS 9 and initially measured at fair value. Adjustments to fair value at initial recognition are considered as additional lease payments from lessees.

Sublease

When the Group is an intermediate lessor, it accounts for the head lease and the sublease as two separate contracts. The sublease is classified as a finance or operating lease by reference to the right-of-use asset arising from the head lease, not with reference to the underlying asset.

The Group uses the discount rate used for the head lease (adjusted for any initial direct costs associated with the sublease) to measure the net investment in the sublease if the interest rate implicit in the sublease cannot be readily determined.

Operating leases

The Group accounts for a modification to an operating lease as a new lease from the effective date of the modification, considering any prepaid or accrued lease payments relating to the original lease as part of the lease payments for the new lease.

Foreign currencies

In preparing the financial statements of each individual group entity, transactions in currencies other than the functional currency of that entity (foreign currencies) are recognised at the rates of exchanges prevailing on the dates of the transactions. At the end of the reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing on the date when the fair value was determined. When a fair value gain or loss on a non-monetary item is recognised in profit or loss, any exchange component of that gain or loss is also recognised in profit or loss. When a fair value gain or loss on a non-monetary item is recognised in other comprehensive income, any exchange component of that gain or loss is also recognised in other comprehensive income. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

3. Basis of Preparation of Consolidated Financial Statements and Material Accounting Policy Information (Continued)

3.2 Material accounting policy information (Continued)

Foreign currencies (Continued)

Exchange differences arising on the settlement of monetary items, and on the retranslation of monetary items, are recognised in profit or loss in the period in which they arise.

For the purposes of presenting the consolidated financial statements, the assets and liabilities of the Group's operations are translated into the presentation currency of the Group (i.e. RMB) using exchange rates prevailing at the end of each reporting period. Income and expenses items are translated at the average exchange rates for the period, unless exchange rates fluctuate significantly during that period, in which case the exchange rates at the date of transactions are used. Exchange differences arising, if any, are recognised in other comprehensive income and accumulated in equity under the heading of exchange fluctuation reserve (attributed to non-controlling interests as appropriate).

Borrowing costs

All borrowing costs are recognised in profit or loss in the period in which they are incurred.

Government grants

Government grants are not recognised until there is reasonable assurance that the Group will comply with the conditions attaching to them and that the grants will be received.

Government grants are recognised in profit or loss on a systematic basis over the periods in which the Group recognises as expenses the related costs for which the grants are intended to compensate.

Government grants related to income that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the Group with no future related costs are recognised in profit or loss in the period in which they become receivable. Such grants are presented under "other income".

3. Basis of Preparation of Consolidated Financial Statements and Material Accounting Policy Information (Continued)

3.2 Material accounting policy information (Continued)

Employee benefits

Retirement benefit costs

Payments to defined contribution retirement benefit plans are recognised as an expense when employees have rendered service entitling them to the contributions.

Short-term and other long-term employee benefits

Short-term employee benefits are recognised at the undiscounted amount of the benefits expected to be paid as and when employees rendered the services. All short-term employee benefits are recognised as an expense unless another HKFRS Accounting Standard requires or permits the inclusion of the benefit in the cost of an asset.

A liability is recognised for benefits accruing to employees (such as wages and salaries, annual leave and sick leave) after deducting any amount already paid.

Liabilities recognised in respect of other long-term employee benefits are measured at the present value of the estimated future cash outflows expected to be made by the Group in respect of services provided by employees up to the reporting date. Any changes in the liabilities' carrying amounts resulting from service cost, interest and remeasurements are recognised in profit or loss except to the extent that another HKFRS Accounting Standard requires or permits their inclusion in the cost of an asset.

Share-based payments

Equity-settled share-based payment transactions

Share options granted to employees

Equity-settled share-based payments to employees are measured at the fair value of the equity instruments at the grant date.

The fair value of the equity-settled share-based payments determined at the grant date without taking into consideration all non-market vesting conditions is expensed on a straight-line basis over the vesting period, based on the Group's estimate of equity instruments that will eventually vest, with a corresponding increase in equity (share-based payments reserve). At the end of each reporting period, the Group revises its estimate of the number of equity instruments expected to vest based on assessment of all relevant non-market vesting conditions. The impact of the revision of the original estimates, if any, is recognised in profit or loss such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to the share-based payments reserve.

Taxation

Income tax expense represents the sum of current and deferred income tax expense.

The tax currently payable is based on taxable profit for the year. Taxable profit differs from loss before tax because of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

3. Basis of Preparation of Consolidated Financial Statements and Material Accounting Policy Information (Continued)

3.2 Material accounting policy information (Continued)

Taxation (Continued)

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the consolidated financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit and at the time of the transaction does not give rise to equal taxable and deductible temporary differences. In addition, deferred tax liabilities are not recognised if the temporary difference arises from the initial recognition of goodwill.

Deferred tax liabilities are recognised for taxable temporary differences associated with investments in subsidiaries and interests in joint ventures, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments and interests are only recognised to the extent that it is probable that there will be sufficient taxable profits against which to utilise the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset is realised, based on tax rate (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

For the purposes of measuring deferred tax for leasing transactions in which the Group recognises the right-of-use assets and the related lease liabilities, the Group first determines whether the tax deductions are attributable to the right-of-use assets or the lease liabilities.

For leasing transactions in which the tax deductions are attributable to the lease liabilities, the Group applies HKAS 12 requirements to the lease liabilities, and the related assets separately. The Group recognises a deferred tax asset related to lease liabilities to the extent that it is probable that taxable profit will be available against which the deductible temporary difference can be utilised and a deferred tax liability for all taxable temporary differences.

3. Basis of Preparation of Consolidated Financial Statements and Material Accounting Policy Information (Continued)

3.2 Material accounting policy information (Continued)

Taxation (Continued)

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority on either:

(a) the same taxable entity; or

(b) different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realise the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively. Where current tax or deferred tax arises from the initial accounting for a business combination, the tax effect is included in the accounting for the business combination.

Biological assets

Biological assets are measured on initial recognition and at the end of each reporting period at fair value less costs to sell, with any gain or loss change therein recognised in profit or loss for the period in which it arises. Costs to sell are the incremental costs directly attributable to the disposal of an asset, mainly transportation costs and excluding finance costs and income taxes. The fair value is determined based on their present location and condition and is valued independently by professional valuers.

Property, plant and equipment

Property, plant and equipment are tangible assets that are held for use in the production or supply of goods or services, or for administrative purposes. Property, plant and equipment are stated in the consolidated statement of financial position at cost less subsequent accumulated depreciation and subsequent accumulated impairment losses, if any.

Buildings in the course of administrative purposes are carried at cost, less any recognised impairment loss. Costs include any costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management, including costs of testing whether the related assets is functioning properly and, for qualifying assets, borrowing costs capitalised in accordance with the Group’s accounting policy. Depreciation of these assets, on the same basis as other property assets, commences when the assets are ready for their intended use.

3. Basis of Preparation of Consolidated Financial Statements and Material Accounting Policy Information (Continued)

3.2 Material accounting policy information (Continued)

Property, plant and equipment (Continued)

When the Group makes payments for ownership interests of properties which includes both leasehold land and building elements, the entire consideration is allocated between the leasehold land and the building elements in proportion to the relative fair values at initial recognition.. When the consideration cannot be allocated reliably between non-lease building element and undivided interest in the underlying leasehold land, the entire properties are classified as property, plant and equipment.

Depreciation is recognised so as to write off the cost of assets less their residual values over their estimated useful lives, using the straight- line method. The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

The principal annual rates used for this purpose are as follows:

Buildings	2% to 5%
Furniture and fixtures	19% to 32%
Motor vehicles	10% to 32%
Machinery	10% to 32%

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

Investment properties

Investment properties are properties held to earn rentals.

Investment properties also include leased properties which are being recognised as right-of-use assets and subleased by the Group under operating leases.

Investment properties are initially measured at cost, including any directly attributable expenditure. Subsequent to initial recognition, investment properties are stated at cost less subsequent accumulated depreciation and any accumulated impairment losses. Depreciation is recognised so as to write off the cost of investment properties over their estimated useful lives and after taking into account of their estimated residual value, using the straight-line method.

Leasehold property	9 years

3. Basis of Preparation of Consolidated Financial Statements and Material Accounting Policy Information (Continued)

3.2 Material accounting policy information (Continued)

Intangible assets

Intangible assets acquired separately

Intangible assets with finite useful lives that are acquired separately are carried at costs less accumulated amortisation and any accumulated impairment losses. Amortisation for intangible assets with finite useful lives is recognised on a straight-line basis over their estimated useful lives. The estimated useful life and amortisation method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis. Intangible assets with indefinite useful lives that are acquired separately are carried at cost less any subsequent accumulated impairment losses.

Internally-generated intangible assets — research and development expenditure

Expenditure on research activities is recognised as an expense in the period in which it is incurred.

An internally-generated intangible asset arising from development activities (or from the development phase of an internal project) is recognised if, and only if, all of the following have been demonstrated:

- the technical feasibility of completing the intangible asset so that it will be available for use or sale;
- the intention to complete the intangible asset and use or sell it;
- the ability to use or sell the intangible asset;
- how the intangible asset will generate probable future economic benefits;
- the availability of adequate technical, financial and other resources to complete the development and to use or sell the intangible asset; and
- the ability to measure reliably the expenditure attributable to the intangible asset during its development.

The amount initially recognised for internally-generated intangible asset is the sum of the expenditure incurred from the date when the intangible asset first meets the recognition criteria listed above. Where no internally-generated intangible asset can be recognised, development expenditure is recognised in profit or loss in the period in which it is incurred.

Subsequent to initial recognition, internally-generated intangible assets are reported at cost less accumulated amortisation and accumulated impairment losses (if any), on the same basis as intangible assets that are acquired separately.

Intangible assets acquired in a business combination

Intangible assets acquired in a business combination are recognised separately from goodwill and are initially recognised at their fair value at the acquisition date (which is regarded as their cost).

3. Basis of Preparation of Consolidated Financial Statements and Material Accounting Policy Information (Continued)

3.2 Material accounting policy information (Continued)

Intangible assets (Continued)

Intangible assets acquired in a business combination (Continued)

Subsequent to initial recognition, intangible assets acquired in a business combination with finite useful lives are reported at costs less accumulated amortisation and any accumulated impairment losses, on the same basis as intangible assets that are acquired separately. Intangible assets acquired in a business combination with indefinite useful lives are carried at cost less any subsequent accumulated impairment losses.

An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains and losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, are recognised in profit or loss when the asset is derecognised.

Impairment on property, plant and equipment, investment properties and intangible assets other than goodwill

At the end of the reporting period, the Group reviews the carrying amounts of its property, plant and equipment, right-of-use assets, intangible assets with finite useful lives to determine whether there is any indication that these assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the relevant asset is estimated in order to determine the extent of the impairment loss (if any). Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment at least annually, and whenever there is an indication that they may be impaired.

The recoverable amount of property, plant and equipment, right-of-use assets, and intangible assets are estimated individually. When it is not possible to estimate the recoverable amount individually, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

In testing a cash-generating unit for impairment, corporate assets are allocated to the relevant cash-generating unit when a reasonable and consistent basis of allocation can be established, or otherwise they are allocated to the smallest group of cash generating units for which a reasonable and consistent allocation basis can be established. The recoverable amount is determined for the cash-generating unit or group of cash-generating units to which the corporate asset belongs, and is compared with the carrying amount of the relevant cash-generating unit or group of cash-generating units.

Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset (or a cash-generating unit) for which the estimates of future cash flows have not been adjusted.

3. Basis of Preparation of Consolidated Financial Statements and Material Accounting Policy Information (Continued)

3.2 Material accounting policy information (Continued)

Impairment on property, plant and equipment, investment properties and intangible assets other than goodwill (Continued)

If the recoverable amount of an asset (or a cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or a cash-generating unit) is reduced to its recoverable amount. For corporate assets or portion of corporate assets which cannot be allocated on a reasonable and consistent basis to a cash-generating unit, the Group compares the carrying amount of a group of cash-generating units, including the carrying amounts of the corporate assets or portion of corporate assets allocated to that group of cash-generating units, with the recoverable amount of the group of cash-generating units. In allocating the impairment loss, the impairment loss is allocated first to reduce the carrying amount of any goodwill (if applicable) and then to the other assets on a pro-rata basis based on the carrying amount of each asset in the unit or the group of cash-generating units. The carrying amount of an asset is not reduced below the highest of its fair value less costs of disposal (if measurable), its value in use (if determinable) and zero. The amount of the impairment loss that would otherwise have been allocated to the asset is allocated pro rata to the other assets of the unit or the group of cash-generating units. An impairment loss is recognised immediately in profit or loss.

Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit or a group of cash-generating units) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or a cash-generating unit or a group of cash-generating units) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss.

Cash and cash equivalents

Cash and cash equivalents presented on the consolidated statement of financial position include:

(a) cash, which comprises of cash on hand and demand deposits, excluding bank balances that are subject to regulatory restrictions that result in such balances no longer meeting the definition of cash; and

(b) cash equivalents, which comprises of short-term (generally with original maturity of three months or less), highly liquid investments that are readily convertible to a known amount of cash and which are subject to an insignificant risk of changes in value. Cash equivalents are held for the purpose of meeting short-term cash commitments rather than for investment or other purposes.

For the purposes of the consolidated statement of cash flows, cash and cash equivalents consist of cash and cash equivalents as defined above, net of outstanding bank overdrafts which are repayable on demand and form an integral part of the Group's cash management. Such overdrafts are presented as short-term borrowings in the consolidated statement of financial position.

Bank balances for which use by the Group is subject to third party contractual restrictions are included as part of cash unless the restrictions result in a bank balance no longer meeting the definition of cash. Contractual restrictions affecting use of bank balances are disclosed in note 26. If the contractual restrictions to use the cash extend beyond 12 months after the end of the reporting period, the related amounts are classified as non-current in the consolidated statement of financial position.

3. Basis of Preparation of Consolidated Financial Statements and Material Accounting Policy Information (Continued)

3.2 Material accounting policy information (Continued)

Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that the Group will be required to settle that obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material).

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

Contingent assets/liabilities

Contingent assets

Contingent assets arise from unplanned or other unexpected events that give rise to the possibility of an inflow of economic benefits to the Group and they are not recognised in the consolidated financial statements. The Group assesses continually the development of contingent assets. If it has become virtually certain that an inflow of economic benefits will arise, the Group recognises the asset and the related income in the consolidated financial statements in the reporting period in which the change occurs.

Contingent liabilities

A contingent liability is a present obligation arising from past events but is not recognised because it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation.

Where the Group is jointly and severally liable for an obligation, the part of the obligation that is expected to be met by other parties is treated as a contingent liability and it is not recognised in the consolidated financial statements.

The Group assesses continually to determine whether an outflow of resources embodying economic benefits has become probable. If it becomes probable that an outflow of future economic benefits will be required for an item previously dealt with as a contingent liability, a provision is recognised in the consolidated financial statements in the reporting period in which the change in probability occurs, except in the extremely rare circumstances where no reliable estimate can be made.

3. Basis of Preparation of Consolidated Financial Statements and Material Accounting Policy Information (Continued)

3.2 Material accounting policy information (Continued)

Financial instruments

Financial assets and financial liabilities are recognised when a group entity becomes a party to the contractual provisions of the instrument.

Financial assets and financial liabilities are initially measured at fair value except for trade receivables arising from contracts with customers which are initially measured in accordance with HKFRS 15. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets or financial liabilities at FVTPL) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at FVTPL are recognised immediately in profit or loss.

The effective interest method is a method of calculating the amortised cost of a financial asset or financial liability and of allocating interest income and interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts and payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial asset or financial liability, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

Financial assets

All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established generally by regulation or convention in the market place concerned.

All recognised financial assets are measured subsequently in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

<u>Classification and subsequent measurement of financial assets</u>

Financial assets that meet the following conditions are subsequently measured at amortised cost:

- the financial asset is held within a business model whose objective is to collect contractual cash flows; and

- the contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

All other financial assets are subsequently measured at FVTPL, except that at initial recognition of a financial asset the Group may irrevocably elect to present subsequent changes in fair value of an equity investment in other comprehensive income if that equity investment is neither held for trading nor contingent consideration recognised by an acquirer in a business combination to which HKFRS 3 *Business Combinations* applies.

3. Basis of Preparation of Consolidated Financial Statements and Material Accounting Policy Information (Continued)

3.2 Material accounting policy information (Continued)

Financial instruments (Continued)

Financial assets (Continued)

Classification and subsequent measurement of financial assets (Continued)

A financial asset is held for trading if:

- it has been acquired principally for the purpose of selling in the near term; or
- on initial recognition it is a part of a portfolio of identified financial instruments that the Group manages together and has a recent actual pattern of short-term profit-taking; or
- it is a derivative, except for a derivative that is a designated and effective hedging instrument.

In addition, the Group may irrevocably designate a financial asset that are required to be measured at the amortised cost or FVTOCI as measured at FVTPL if doing so eliminates or significantly reduces an accounting mismatch.

Amortised cost and interest income

Interest income is recognised using the effective interest method for debt instruments measured subsequently at amortised cost and at FVTOCI. Interest income is calculated by applying the effective interest rate to the gross carrying amount of a financial asset, except for financial assets that have subsequently become credit-impaired (see below). For financial assets that have subsequently become credit-impaired, interest income is recognised by applying the effective interest rate to the amortised cost of the financial asset from the next reporting period. If the credit risk on the credit-impaired financial instrument improves so that the financial asset is no longer credit-impaired, interest income is recognised by applying the effective interest rate to the gross carrying amount of the financial asset from the beginning of the reporting period following the determination that the asset is no longer credit-impaired.

Financial assets at FVTPL

Financial assets that do not meet the criteria for being measured at amortised cost or FVTOCI or designated as FVTOCI are measured at FVTPL.

Financial assets at FVTPL are measured at fair value at the end of each reporting period, with any fair value gains or losses recognised in profit or loss. The net gain or loss recognised in profit or loss includes any dividend or interest earned on the financial asset and is included in the "other gains and losses" line item.

Impairment of financial assets subject to impairment assessment under HKFRS 9

The Group performs impairment assessment under ECL model on financial assets (including trade receivables, contract assets, deposits and other receivables and cash and cash equivalents) which are subject to impairment assessment under HKFRS 9. The amount of ECL is updated at each reporting date to reflect changes in credit risk since initial recognition.

3. Basis of Preparation of Consolidated Financial Statements and Material Accounting Policy Information (Continued)

3.2 Material accounting policy information (Continued)

Financial instruments (Continued)

Financial assets at FVTPL (Continued)

Impairment of financial assets subject to impairment assessment under HKFRS 9 (Continued)

Lifetime ECL represents the ECL that will result from all possible default events over the expected life of the relevant instrument. In contrast, 12-month ECL ("**12m ECL**") represents the portion of lifetime ECL that is expected to result from default events that are possible within 12 months after the reporting date. Assessments are done based on the Group's historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of past events and current conditions at the reporting date as well as the forecast of future economic conditions.

The Group always recognises lifetime ECL for trade receivables and contract assets.

For all other instruments, the Group measures the loss allowance equal to 12m ECL, unless there has been a significant increase in credit risk since initial recognition, in which case the Group recognises lifetime ECL. The assessment of whether lifetime ECL should be recognised is based on significant increases in the likelihood or risk of a default occurring since initial recognition.

Significant increase in credit risk

In assessing whether the credit risk has increased significantly since initial recognition, the Group compares the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition. In making this assessment, the Group considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information that is available without undue cost or effort. Forward-looking information considered includes the future prospects of the industries in which the Group's debtors operate, obtained from economic expert reports, financial analysts, governmental bodies, relevant think-tanks and other similar organisations, as well as consideration of various external sources of actual and forecast economic information that relate to the Group's core operations.

In particular, the following information is taken into account when assessing whether credit risk has increased significantly:

- an actual or expected significant deterioration in the financial instrument's external (if available) or internal credit rating;
- significant deterioration in external market indicators of credit risk, e.g. a significant increase in the credit spread, the credit default swap prices for the debtor;
- existing or forecast adverse changes in business, financial or economic conditions that are expected to cause a significant decrease in the debtor's ability to meet its debt obligations;
- an actual or expected significant deterioration in the operating results of the debtor;
- an actual or expected significant adverse change in the regulatory, economic, or technological environment of the debtor that results in a significant decrease in the debtor's ability to meet its debt obligations.

3. Basis of Preparation of Consolidated Financial Statements and Material Accounting Policy Information (Continued)

3.2 Material accounting policy information (Continued)

Financial instruments (Continued)

Significant increase in credit risk (Continued)

Irrespective of the outcome of the above assessment, the Group presumes that the credit risk has increased significantly since initial recognition when contractual payments are more than 30 days past due, unless the Group has reasonable and supportable information that demonstrates otherwise.

The Group regularly monitors the effectiveness of the criteria used to identify whether there has been a significant increase in credit risk and revises them as appropriate to ensure that the criteria are capable of identifying significant increase in credit risk before the amount becomes past due.

Definition of default

For internal credit risk management, the Group considers an event of default occurs when information developed internally or obtained from external sources indicates that the debtor is unlikely to pay its creditors, including the Group, in full (without taking into account any collaterals held by the Group).

Irrespective of the above, the Group considers that default has occurred when a financial asset is more than 90 days past due unless the Group has reasonable and supportable information to demonstrate that a more lagging default criterion is more appropriate.

Credit-impaired financial assets

A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of that financial asset have occurred. Evidence that a financial asset is credit-impaired includes observable data about the following events:

(a) significant financial difficulty of the issuer or the borrower;

(b) a breach of contract, such as a default or past due event;

(c) the lender(s) of the borrower, for economic or contractual reasons relating to the borrower's financial difficulty, having granted to the borrower a concession(s) that the lender(s) would not otherwise consider;

(d) it is becoming probable that the borrower will enter bankruptcy or other financial reorganisation.

Write-off policy

The Group writes off a financial asset when there is information indicating that the counterparty is in severe financial difficulty and there is no realistic prospect of recovery, for example, when the counterparty has been placed under liquidation or has entered into bankruptcy proceedings , or in the case of trade receivables, when the amounts are over 7 years past due, whichever occurs sooner. Financial assets written off may still be subject to enforcement activities under the Group's recovery procedures, taking into account legal advice where appropriate. A write-off constitutes a derecognition event. Any subsequent recoveries are recognised in profit or loss.

3. Basis of Preparation of Consolidated Financial Statements and Material Accounting Policy Information (Continued)

3.2 Material accounting policy information (Continued)

Financial instruments (Continued)

Measurement and recognition of ECL

The measurement of ECL is a function of the probability of default, loss given default (i.e. the magnitude of the loss if there is a default) and the exposure at default. The assessment of the probability of default and loss given default is based on historical data and forward-looking information. Estimation of ECL reflects an unbiased and probability-weighted amount that is determined with the respective risks of default occurring as the weights. The Group uses a practical expedient in estimating ECL on trade receivables using a provision matrix taking into consideration historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and forward-looking information, including time value of money where appropriate, that is available without undue cost or effort.

Generally, the ECL is the difference between all contractual cash flows that are due to the Group in accordance with the contract and the cash flows that the Group expects to receive, discounted at the effective interest rate determined at initial recognition. For a lease receivable, the cash flows used for determining the ECL is consistent with the cash flows used in measuring the lease receivable in accordance with HKFRS 16.

Lifetime ECL for certain trade receivables and contract assets are considered on a collective basis taking into consideration past due information and relevant credit information such as forward looking macroeconomic information.

For collective assessment, the Group takes into consideration the following characteristics when formulating the grouping:

- Past-due status;
- Nature, size and industry of debtors; and
- External credit ratings where available.

The grouping is regularly reviewed by management to ensure the constituents of each group continue to share similar credit risk characteristics.

Interest income is calculated based on the gross carrying amount of the financial asset unless the financial asset is credit-impaired, in which case interest income is calculated based on amortised cost of the financial asset.

The Group recognises an impairment gain or loss in profit or loss for all financial instruments by adjusting their carrying amount through a loss allowance account.

3. Basis of Preparation of Consolidated Financial Statements and Material Accounting Policy Information (Continued)

3.2 Material accounting policy information (Continued)

Financial instruments (Continued)

Measurement and recognition of ECL (Continued)

Foreign exchange gains and losses

The carrying amount of financial assets that are denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the end of each reporting period. Specifically:

- For financial assets measured at amortised cost that are not part of a designated hedging relationship, exchange differences are recognised in profit or loss in the 'Other gains and losses' line item (note 6) as part of the gains/(losses) on foreign exchange, net;

- For financial assets measured at FVTPL that are not part of a designated hedging relationship, exchange differences are recognised in profit or loss in the 'Other gains and losses' line item as part of the fair value gain/(loss), net (note 6);

Derecognition of financial assets

The Group derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the Group neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Group recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Group retains substantially all the risks and rewards of ownership of a transferred financial asset, the Group continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

On derecognition of a financial asset measured at amortised cost, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognised in profit or loss.

Financial liabilities and equity

Classification as debt or equity

Debt and equity instruments are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Group are recognised at the proceeds received, net of direct issue costs.

Financial liabilities

All financial liabilities are subsequently measured at amortised cost using the effective interest method.

3. Basis of Preparation of Consolidated Financial Statements and Material Accounting Policy Information (Continued)

3.2 Material accounting policy information (Continued)

Financial instruments (Continued)

Financial liabilities and equity (Continued)

Financial liabilities at amortised cost

Financial liabilities including (corporate bonds, trade and bills payables, financial liabilities included in other payables and accruals and interest-bearing bank and other borrowings) are subsequently measured at amortised cost, using the effective interest method.

Financial guarantee contracts

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payments when due in accordance with the terms of a debt instrument. Financial guarantee contract liabilities are measured initially at their fair values. It is subsequently measured at the higher of:

- the amount of the loss allowance determined in accordance with HKFRS 9; and
- the amount initially recognised less, where appropriate, cumulative amortisation recognised over the guarantee period.

Foreign exchange gains and losses

For financial liabilities that are denominated in a foreign currency and are measured at amortised cost at the end of each reporting period, the foreign exchange gains and losses are determined based on the amortised cost of the instruments. These foreign exchange gains and losses are recognised in the 'Other gains and losses' line item in profit or loss (note 6) as part of gains/(losses) on foreign exchange, net for financial liabilities that are not part of a designated hedging relationship. For those which are designated as a hedging instrument for a hedge of foreign currency risk, foreign exchange gains and losses are recognised in other comprehensive income and accumulated in a separate component of equity.

The fair value of financial liabilities denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the end of the reporting period. For financial liabilities that are measured as at FVTPL, the foreign exchange component forms part of the fair value gains or losses and is recognised in profit or loss for financial liabilities that are not part of a designated hedging relationship.

Derecognition of financial liabilities

The Group derecognises financial liabilities when, and only when, the Group's obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

3. Basis of Preparation of Consolidated Financial Statements and Material Accounting Policy Information (Continued)

3.2 Material accounting policy information (Continued)

Related parties

A party is considered to be related to the Group if:

(a) the party is a person or a close member of that person's family and that person

(i) has control or joint control over the Group;

(ii) has significant influence over the Group; or

(iii) is a member of the key management personnel of the Group or of a parent of the Group; or

(b) the party is an entity where any of the following conditions applies:

(i) the entity and the Group are members of the same group;

(ii) one entity is an associate or joint venture of the other entity (or of a parent, subsidiary or fellow subsidiary of the other entity);

(iii) the entity and the Group are joint ventures of the same third party;

(iv) one entity is a joint venture of a third entity and the other entity is an associate of the third entity;

(v) the entity is a post-employment benefit plan for the benefit of employees of either the Group or an entity related to the Group;

(vi) the entity is controlled or jointly controlled by a person identified in (a);

(vii) a person identified in (a)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity); and

(viii) the entity, or any member of a group of which it is a part, provides key management personnel services to the Group or to the parent of the Group.

Close members of the family of a person are those family members who may be expected to influence, or be influenced by, that person in their dealings with the entity and include:

(a) that person's children and spouse or domestic partner;

(b) children of that person's spouse or domestic partner; and

(c) dependants of that person or that person's spouse or domestic partner.

4. Critical Accounting Judgements and Key Sources of Estimation Uncertainty

In the application of the Group's accounting policies, which are described in note 3, the directors of the Company are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and underlying assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an on-going basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Critical judgements in applying accounting policies

The following are the critical judgements, apart from those involving estimations (see below), that the directors of the Company have made in the process of applying the Group's accounting policies and that have the most significant effect on the amounts recognised in the consolidated financial statements.

Revenue from contracts with customers

The Group applied the following judgements that significantly affect the determination of the amount and timing of revenue from contracts with customers:

Determining the method to estimate variable consideration and assessing the constraint for construction services.

The Group seeks to collect claims from the customers as reimbursement of costs and margins for scope of works not included in the original construction contract, which give rise to variable consideration. The Group determined that the expected value method is the appropriate method to use in estimating the variable consideration for claims in construction services, given there is a wide range of possible outcomes which are subject to negotiations with third parties.

Before including any amount of variable consideration in the transaction price, the Group considers whether the amount of variable consideration is constrained. The Group determined that the estimates of variable consideration are constrained based on its historical experience, current negotiations with customers, profitability of the head contracts of the customers and the current economic conditions.

Property lease classification — Group as lessor

The Group has entered into commercial property leases on its property portfolio. The Group has determined, based on an evaluation of the terms and conditions of the arrangements, such as the lease term not constituting a major part of the economic life of the commercial property and the present value of the minimum lease payments not amounting to substantially all the fair value of the commercial property, that it retains substantially all the significant risks and rewards incidental to ownership of these properties which are leased out and accounts for the contracts as operating leases.

4. Critical Accounting Judgements and Key Sources of Estimation Uncertainty (Continued)

Key sources of estimation uncertainty

The following are the key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting period that may have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

Variable considerations for claims to customers

The Group has developed a statistical model for estimating expected successful claims. The model uses the historical claims data including the historical experiences with the similar customers, profitability of the head contracts of the customers and economic conditions to estimate expected successful claims percentages. These percentages are applied to determine the expected value of the variable consideration. Any significant changes in experience as compared to historical successful claims pattern will impact the expected successful claims percentages estimated by the Group.

The Group updates its assessment of expected successful claims annually. Estimates of expected successful claims are sensitive to changes in circumstances and the Group's past experience regarding negotiation of claims may not be representative of the actual outcome in the future.

Percentage of completion of construction contract works

The Group recognises revenue according to the percentage of completion of individual contracts of construction work, which requires estimation to be made by management. The percentage of completion is estimated by reference to the actual costs incurred over the total budgeted costs, which are prepared based on past experience, complexity of the project and the current quotation or market price of materials or services obtained. Due to the nature of the activities undertaken for the construction contracts, the date at which the contract is entered into and the date at which the contract is completed usually fall into different accounting periods. Hence, the Group reviews and revises the estimates of contract costs in the budget prepared for each contract as the contract progresses. Where the actual contract costs are more than expected, the gross profit of the relevant project will be fluctuated and an expected loss may arise. Further details are given in notes 6, 23 and 24 to the financial statements.

Impairment of goodwill

The Group determines whether goodwill is impaired at least on an annual basis. This requires an estimation of the value in use of the cash-generating units to which the goodwill is allocated. Estimating the value in use requires the Group to make an estimate of the expected future cash flows from the cash-generating units and also to choose a suitable discount rate in order to calculate the present value of those cash flows. The carrying amount of goodwill at 31 December 2025 was RMB3,060,000 (2024 (restated): RMB3,060,000). Further details are given in note 17.

4. Critical Accounting Judgements and Key Sources of Estimation Uncertainty (Continued)

Key sources of estimation uncertainty (Continued)

Provision for expected credit losses on trade receivables and contract assets

The Group uses a provision matrix to calculate ECLs for trade receivables and contract assets. The provision rates are based on days past due for groupings of various customer segments that have similar loss patterns (i.e., by customer type and rating).

The provision matrix is initially based on the Group's historical observed default rates. The Group will calibrate the matrix to adjust the historical credit loss experience with forward-looking information. For instance, if forecast economic conditions (i.e., gross domestic product) are expected to deteriorate over the next year which can lead to an increased number of defaults in the construction sector, the historical default rates are adjusted. At each reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed.

The assessment of the correlation among historical observed default rates, forecast economic conditions and ECLs is a significant estimate. The amount of ECLs is sensitive to changes in circumstances and forecast economic conditions. The Group's historical credit loss experience and forecast of economic conditions may also not be representative of customers' actual default in the future. The information about the ECLs on the Group's trade receivables and contract assets is disclosed in note 23 and note 24 to the financial statements, respectively.

Fair value of an equity investment and financial asset

The equity investment does not have active quoted market price, and the equity investment has been valued based on a market-based valuation technique as detailed in note 41 to the financial statements. The valuation requires the Group to determine the comparable public companies (peers) and select the price multiple. In addition, the Group makes estimates about the discount for illiquidity and size differences. The Group classified the fair value of these investments as Level 3. The fair value of these investments at 31 December 2025 was RMB40,297,000 and RMB28,684,000 (2024 (restated): RMB53,563,000 and RMB25,563,000). Further details are included in note 20 to 21 to the financial statements.

Impairment of non-financial assets (other than goodwill)

The Group assesses whether there are any indicators of impairment for all non-financial assets (including the right-of-use assets) at the end of each reporting period. Non-financial assets are tested for impairment when there are indicators that the carrying amounts may not be recoverable. An impairment exists when the carrying value of an asset or a cash-generating unit exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use. The calculation of the fair value less costs of disposal is based on available data from binding sales transactions in an arm's length transaction of similar assets or observable market prices less incremental costs for disposing of the asset. When value in use calculations are undertaken, management must estimate the expected future cash flows from the asset or cash-generating unit and choose a suitable discount rate in order to calculate the present value of those cash flows. Further details are given in notes 14, 15, 17 and 18 to the financial statements.

Deferred tax assets

Deferred tax assets are recognised for unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and level of future taxable profits together with future tax planning strategies. Further details are given in note 31 to the financial statements.

5. Operating Segments

The Group manages its businesses by divisions, which are organised by business lines. Information reported to the chief executive officer of the Company, who has been identified as the Group's chief operating decision maker ("CODM"), for the purposes of resource allocation and assessment of segment performance focuses on types of goods or services delivered or provided.

During the year, the Group commenced the business engaging in O&M services for hydroelectric power stations along with the acquisition of ZDX Energy International Co., Ltd and its' subsidiaries ("Guoneng Tairui") (as detailed in note 41), and it is considered as a new operating and reportable segment by the CODM.

Specifically, the Group's reportable segments under HKFRS 8 *Operating Segments* are as follows:

(1) Landscape gardening services, which comprise (i) construction services and (ii) design and maintenance services related to landscape. The customers include related parties and independent third parties.

(2) O&M services for hydroelectric power stations. Currently the Group's activities in this units are carried out in Sichuan with various projects.

(3) Others, which comprise (i) property management services that facilitating the investment property letting service and subleasing (ii) property management services and property operation services from investment property letting under operating lease. Currently the Group's property operation services are carried out in Qishan.

5. Operating Segments

Segment revenues and results

The following is an analysis of the Group's revenue and results by reportable segments:

For the year ended 31 December 2025

	Landscape gardening services RMB'000	O&M services for hydroelectric power stations RMB'000	Others RMB'000	Consolidated RMB'000
Segment revenue				
External sales	**44,533**	**10,009**	**5,176**	**59,718**
Segments results	**(134,247)**	**2,795**	**(8,079)**	**(139,531)**
Unallocated other losses and corporate expenses, net				**(35,994)**
Group's loss before tax				**(175,525)**

For the year ended 31 December 2024 (restated)

	Landscape gardening services RMB'000	O&M services for hydroelectric power stations RMB'000	Others RMB'000	Consolidated RMB'000
Segment revenue				
External sales	20,104	—	4,781	24,885
Segments results	(150,770)	—	1,341	(149,429)
Unallocated other losses and corporate expenses, net				(29,935)
Group's loss before tax				(179,364)

The accounting policies of the operating segments are the same as the Group's accounting policies described in note 3.2. Segment results represents the loss before tax from each segment without allocation of certain (i) other income and gains, (ii) administrative expenses, (iii) impairment losses on a financial assets and contract assets and (iv) finance costs. This is the measure reported to the CODM for the purposes of resource allocation and performance assessment.

5. Operating Segments (Continued)

Segment revenues and results (Continued)

For the year ended 31 December 2025

	Landscape gardening services RMB'000	O&M services for hydroelectric power stations RMB'000	Others RMB'000	Unallocated RMB'000	Consolidated RMB'000
Segment assets	**1,989,835**	**11,832**	**16,854**	**10,570**	**2,029,091**
Segments liabilities	**(1,772,180)**	**(1,828)**	**(18,587)**	**(209,325)**	**(2,001,920)**

For the year ended 31 December 2024 (restated)

	Landscape gardening services RMB'000	O&M services for hydroelectric power stations RMB'000	Others RMB'000	Unallocated RMB'000	Consolidated RMB'000
Segment assets	2,061,234	–	19,003	10,780	2,091,017
Segments liabilities	(1,697,268)	–	(24,876)	(199,914)	(1,922,058)

For the purposes of monitoring segment performance and allocating resources between segments:

- all assets are allocated to operating segments other than certain (i) property and equipment, (ii) other non-current assets (iii) prepayments, other receivables and other assets, (iv) cash and cash equivalents and (v) deferred tax assets; and

- all liabilities are allocated to operating segments other than certain (i) corporate bonds, (ii) other payables and accruals and (iii) interest-bearing bank and other borrowings.

Other segment information

For the year ended 31 December 2025

	Landscape gardening services RMB'000	O&M services for hydroelectric power stations RMB'000	Others RMB'000	Unallocated RMB'000	Consolidated RMB'000
Depreciation and amortisation	**4,739**	**–**	**2,772**	**–**	**7,511**
Impairment losses recognised/(reversal) in profit or loss:					
Trade receivables	**(32,646)**	**5,213**	**548**	**–**	**(26,885)**
Contract assets	**98,080**	**–**	**–**	**–**	**98,080**
Other receivables and other assets	**64,481**	**4**	**(1)**	**10**	**64,494**
Finance costs	**41,034**	**–**	**931**	**15,720**	**57,685**

5. Operating Segments (Continued)

Other segment information (Continued)

For the year ended 31 December 2024 (restated)

	Landscape gardening services RMB'000	O&M services for hydroelectric power stations RMB'000	Others RMB'000	Unallocated RMB'000	Consolidated RMB'000
Addition to non-current assets	282	—	—	—	282
Depreciation and amortisation	4,746	—	2,772	—	7,518
Impairment losses recognised in profit or loss:					
Trade receivables	112,837	—	131	—	112,968
Contract assets	22,216	—	—	—	22,216
Other receivables and other assets	8,978	—	(6)	—	8,972
Prepayments	(3,493)	—	—	—	(3,493)
Finance costs	42,621	—	811	14,780	58,212

Geographical information

Since 100% of the Group's revenue and operating loss were generated in Chinese Mainland and 100% of the Group's identifiable assets and liabilities were located in Chinese Mainland, no further geographical information in accordance with HKFRS 8 Operating Segments is presented.

Information about major customers

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

	2025 RMB'000	2024 RMB'000 (Restated)
Customer A[1]	**—**	2,504
Customer B[1]	**—**	3,170
Customer C[1]	**—**	7,476
Customer D[1]	**—**[2]	2,706
Customer E[1]	**18,600**	—
Customer F[1]	**8,115**	—

1 *Revenue from landscape gardening services*

2 *Revenue contributed less than 10% of the Group's revenue during the year.*

6. Revenue, Other Income and Gains

Revenue

An analysis of revenue is as follows:

	2025 RMB'000	2024 RMB'000 (Restated)
Revenue	**59,718**	24,885

Revenue from contract with customer

(a) Disaggregated revenue information

	For the year ended 31 December 2025 RMB'000	For the year ended 31 December 2024 RMB'000 (Restated)
Disaggregation of revenue form contract with customer within the scope of HKFRS 15		
Construction services	**42,860**	18,523
Design and maintenance services	**1,673**	1,581
Management service	**1,618**	999
O&M services for hydroelectric power stations	**10,009**	—
Total revenue for contracts with customers	**56,160**	21,103
Rental income under HKFRS 16	**3,558**	3,782
Total revenue	**59,718**	24,885
Timing of revenue recognition		
Services transferred over time	**56,160**	21,103

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

	2025 RMB'000	2024 RMB'000 (Restated)
Construction services	**–**	1,010

6. Revenue, Other Income and Gains (Continued)

Revenue (Continued)

Revenue from contract with customer (Continued)

(b) *Performance obligations*

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

Construction services

The performance obligation is satisfied over time as services are rendered and payment is generally due within 1 year from the date of billing. A certain percentage of payment is retained by customers until the end of the retention period as the Group's entitlement to the final payment is conditional on the satisfaction of the service quality by the customers over a certain period as stipulated in the contracts.

Design and maintenance services

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

Management services

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

O&M services for hydroelectric power stations

O&M services for hydroelectric power stations involve promises to provide ongoing operational support and upkeep. These services are series of distinct services satisfied over time, as the customer simultaneously receives and consumes benefits.

The amounts of transaction prices allocated to the remaining performance obligations (unsatisfied or partially unsatisfied) as at 31 December 2025 and 2024 are as follows:

	2025 RMB'000	2024 RMB'000 (Restated)
Amounts expected to be recognised as revenue:		
Within one year	**18,061**	45,731
After one year	**2,204,463**	2,158,732
	2,222,524	2,204,463

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

6. Revenue, Other Income and Gains (Continued)

	2025 RMB'000	2024 RMB'000 (Restated)
Other income		
Government grants*	**–**	235
Bank interest income	**10**	103
Other interest income arising from contracts with customers**	**62,895**	30,367
Gain on bargain purchases	**2,228**	—
Others***	**4,057**	10
Total other income	**69,190**	30,715
Gains/(Losses)		
Fair value gains/(losses), net:		
Financial assets at fair value through profit or loss	**3,031**	4,323
An equity investment at fair value through profit or loss	**(13,266)**	(23,662)
Fair value loss of biological assets	**(1,936)**	(1,902)
Impairment loss on other non-current assets	**(200)**	—
Gain on disposal of items of property and equipment*	**–**	191
Losses on foreign exchange differences, net	**(3,685)**	(3,262)
Total losses	**(16,056)**	(24,312)
Total other income and gains	**53,134**	6,403

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

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

*** *Others mainly represents capital withdrawal in joint venture of RMB4,000,000, which the joint venture had been fully impaired in prior year.*

7. Loss Before Tax

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

	Notes	**2025 RMB'000**	2024 RMB'000 (Restated)
Cost of construction contracts services provided		**39,730**	8,219
Cost of design and maintenance services provided		**984**	1,577
Cost of management service		**1,731**	804
Cost of O&M services for hydroelectric power stations		**3,520**	—
Employee benefit expenses (including directors' and chief executive's remuneration as set out in note 9) *(note)*:			
Wages and salaries including cost of sales		**8,832**	5,396
Pension scheme contributions		**4,055**	2,223
Total		**12,887**	7,619
Depreciation of items of property and equipment	*14*	**3,286**	3,290
Depreciation of investment property	*15*	**2,772**	2,772
Amortisation of other intangible assets	*18*	**1,453**	1,456
Research and development costs		**2,454**	2,336
Interest income arising from contracts with customers	*6*	**(62,895)**	(30,367)
Impairment of financial and contract assets, net:			
(Reversal)/impairment of trade receivables, net	*23*	**(26,885)**	112,968
Impairment of contract assets, net	*24*	**98,080**	22,216
Impairment of financial assets included in other receivables and other assets	*25*	**64,494**	8,972
Reversal of prepayments		**—**	(3,493)
Impairment of other non-current assets*		**200**	4,739
Loss on modifications of financial liabilities that do not result in derecognition		**—**	4,269
Auditor's remuneration			
Services rendered by HLB			
— Statutory audit services		**1,700**	1,500
Services rendered by Ernst & Young			
— Non-audit services		**—**	900
Gain on disposal of items of property and equipment	*6*	**—**	(191)
Fair value losses/(gains), net			
Financial assets at fair value through profit or loss	*6*	**(3,031)**	(4,323)
An equity investment at fair value through profit or loss	*6*	**13,266**	23,662
Lease payments not included in the measurement of lease liabilities	*16*	**101**	102

* *The property acquired by the Group of which the property certificates has not been obtained and was included in other non-current assets as at 31 December 2024. Impairment provision of RMB200,000 (2024: RMB4,739,000) was made as at 31 December 2025 according to prevailing fair value less cost of disposal.*

7. Loss Before Tax (Continued)

Note: Allocation of total staff costs are as follows:

	2025 RMB'000	2024 RMB'000 (Restated)
Cost of services	***3,389***	*—*
Administrative expenses	***9,498***	*7,619*
	12,887	*7,619*

8. Finance Costs

	Note	2025 RMB'000	2024 RMB'000 (Restated)
Interest on bank loans and other borrowings		**44,129**	44,804
Interest on corporate bonds		**12,625**	12,597
Interest on lease liabilities	*16*	**931**	811
Total		**57,685**	58,212

9. Directors' and Chief Executive's Remuneration

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

	Group	
	2025 RMB'000	2024 RMB'000 (Restated)
Fees	**240**	240
Other emoluments:		
Salaries, allowances and benefits in kind	**—**	—
Pension scheme contributions	**—**	—
	240	240

9. Directors' and Chief Executive's Remuneration (Continued)

(a) Executive directors and independent non-executive directors

	Fees RMB'000	Salaries, allowances and benefits in kind RMB'000	Pension scheme contributions RMB'000	Total RMB'000
Year ended 31 December 2025				
Executive directors				
Mr. Pei Gang (i)	–	–	–	–
Mr. Lin Guangqing	–	–	–	–
Mr. Wang Yaoming (ii)	–	–	–	–
Subtotal	–	–	–	–
Independent non-executive directors				
Mr. Dai Guoqiang	80	–	–	80
Dr. Jin Hexian (iii)	47	–	–	47
Mr. Yang Yuanguang	80	–	–	80
Ms. Zhang Rui (ii)	33	–	–	33
Subtotal	240	–	–	240
Total	240	–	–	240

(i) Mr. Pei Gang resigned from the position of an executive director of the Company with effect from 5 August 2025.

(ii) Mr. Wang Yaoming and Ms. Zhang Rui were appointed as an executive director and independent non-executive director of the Company respectively with effect from 8 August 2025.

(iii) Dr. Jin Hexian resigned from the position of an independent non-executive director of the Company with effect from 8 August 2025.

9. Directors' and Chief Executive's Remuneration (Continued)

(a) Executive directors and independent non-executive directors (Continued)

	Fees RMB'000 (Restated)	Salaries, allowances and benefits in kind RMB'000 (Restated)	Pension scheme contributions RMB'000 (Restated)	Total RMB'000 (Restated)
Year ended 31 December 2024				
Executive directors				
Mr. Pei Gang (i)	—	—	—	—
Mr. Lin Guangqing	—	—	—	—
Subtotal	—	—	—	—
Independent non-executive directors				
Mr. Dai Guoqiang	80	—	—	80
Dr. Jin Hexian	80	—	—	80
Mr. Yang Yuanguang	80	—	—	80
Subtotal	240	—	—	240
Total	240	—	—	240

Except for Mr. Pei Gang and Mr. Lin Guangqing, there was no arrangement under which a director waived or agreed to waive any remuneration during the year ended 31 December 2025 and 2024.

10. Five Highest Paid Employees

The five highest paid employees during the year included no executive directors (2024 (restated): nil), details of whose remuneration are set out in note 9 above. Details of the remuneration for the year of the remaining five (2024 (restated): five) highest paid employees who are neither a director nor chief executive of the Company are as follows:

	2025 RMB'000	2024 RMB'000 (Restated)
Salaries, allowances and benefits in kind	**2,675**	2,911
Pension scheme contributions	**622**	515
Total	**3,297**	3,426

10. Five Highest Paid Employees (Continued)

The number of non-director and non-chief executive highest paid employees whose remuneration fell within the following bands is as follows:

	Number of employees	
	2025	2024 (Restated)
Nil to HK$1,000,000	**5**	5

As at 31 December 2025 and 2024, the Group had no forfeited contributions available to reduce the existing level of contribution.

11. Income Tax

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

	2025 RMB'000	2024 RMB'000 (Restated)
Current — PRC		
Charge for the year	**3,668**	1,700
Deferred *(note 31)*	**(36,990)**	(35,514)
Total tax credit for the year	**(33,322)**	(33,814)

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.

11. Income Tax (Continued)

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

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

Broad Greenstate Ecological was qualified as a "High and New Technology Enterprise" and is entitled to a preferential corporate income tax ("**CIT**") rate of 15% from 2020 to 2025.

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

	2025 RMB'000	2024 RMB'000 (Restated)
Loss before tax	**(175,525)**	(179,364)
Tax at the statutory tax rate (25%)	**(43,881)**	(44,841)
Lower tax rates enacted by local authority	**8,079**	7,322
Additional deduction for qualified research and development costs	**—**	(12)
Share of results of joint ventures	**3,797**	(8,992)
Income not subject to income tax	**(29)**	(63)
Unrecognized deductible temporary differences	**—**	10,933
Utilisation of deductible temporary differences previously not recognised	**(6,721)**	—
Expenses not deductible for tax	**691**	1,198
Tax losses not recognised	**12,855**	11,649
Utilisation of tax losses previously not recognised	**(8,113)**	(11,008)
Tax credit at the effective rate	**(33,322)**	(33,814)

12. Dividends

No final dividends were paid, declared or proposed for the years ended 31 December 2025 and 2024.

13. Loss Per Share Attributable to Ordinary Equity Holders of the Parent

The calculation of the basic loss per share amount is based on the loss for the year attributable to ordinary equity holders of the parent, and the weighted average number of ordinary shares of 599,008,216 (2024 (restated): 579,471,408) in issue during the year.

Loss

As disclosed in note 3, the acquisition of Shanghai Greenland Senmao Landscaping Engineering Co., Ltd. considered as a business combination under common control and was accounted for using merger accounting in accordance with AG5.

The loss attributable to ordinary equity holders of the parent, used in the basic and diluted loss per share calculation during the year ended 31 December 2024 was adjusted retrospectively.

Shares

On 11 November 2025, the Company has completed the share consolidation that every ten issued and unissued existing shares with a par value of HK$0.025 each in the share capital in the Company be consolidated into one consolidated share with a par value of HK$0.25 each.

The weighted average number of ordinary shares in issue used in the basic loss per share calculation during the year ended 31 December 2024 was adjusted retrospectively.

No diluted loss per share for both 2025 and 2024 were presented as there were no potential ordinary shares in issue for both 2025 and 2024.

13. Loss Per Share Attributable to Ordinary Equity Holders of the Parent (Continued)

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

	2025 RMB'000	2024 RMB'000 (Restated)
Loss		
Loss attributable to ordinary equity holders of the parent, used in the basic and diluted loss per share calculation	**(141,081)**	(147,606)

	Number of shares	
	2025	2024 (Restated)
Shares		
Weighted average number of ordinary shares in issue during the year used in the basic and diluted loss per share calculation	**599,008,216**	579,471,408
Basic and diluted loss per share	**RMB(0.24) cents**	RMB(0.25) cents

14. Property and Equipment

31 December 2025

	Buildings RMB'000	Furniture and fixtures RMB'000	Motor vehicles RMB'000	Machinery RMB'000	Total RMB'000
At 1 January 2025: (restated)					
Cost	130,586	7,335	4,363	200	142,484
Accumulated depreciation	(26,485)	(6,635)	(3,523)	(193)	(36,836)
Net carrying amount	104,101	700	840	7	105,648
At 1 January 2025, net of accumulated depreciation	104,101	700	840	7	105,648
Depreciation provided during the year *(note 7)*	(3,050)	(5)	(230)	(1)	(3,286)
At 31 December 2025, net of accumulated depreciation	101,051	695	610	6	102,362
At 31 December 2025:					
Cost	130,586	7,335	4,363	200	142,484
Accumulated depreciation	(29,535)	(6,640)	(3,753)	(194)	(40,122)
Net carrying amount	101,051	695	610	6	102,362

At 31 December 2025, certain of the Group's buildings with a net carrying amount of approximately RMB101,051,000 (2024 (restated): RMB104,101,000) were pledged to secure bank loans granted to the Group.

14. Property and Equipment (Continued)

31 December 2024 (restated)

	Buildings RMB'000	Furniture and fixtures RMB'000	Motor vehicles RMB'000	Machinery RMB'000	Total RMB'000
At 1 January 2024: (restated)					
Cost	130,586	7,346	10,822	200	148,954
Accumulated depreciation	(23,568)	(6,901)	(8,291)	(193)	(38,953)
Net carrying amount	107,018	445	2,531	7	110,001
At 1 January 2024, net of accumulated depreciation (restated)	107,018	445	2,531	7	110,001
Additions	—	282	—	—	282
Disposals	—	(7)	(1,338)	—	(1,345)
Depreciation provided during the year *(note 7)*	(2,917)	(20)	(353)	—	(3,290)
At 31 December 2024, net of accumulated depreciation (restated)	104,101	700	840	7	105,648
At 31 December 2024: (restated)					
Cost	130,586	7,335	4,363	200	142,484
Accumulated depreciation	(26,485)	(6,635)	(3,523)	(193)	(36,836)
Net carrying amount	104,101	700	840	7	105,648

15. Investment Property

	2025 RMB'000	2024 RMB'000 (Restated)
Carrying amount at 1 January	**15,708**	18,480
Depreciation *(note 7)*	**(2,772)**	(2,772)
Carrying amount at 31 December	**12,936**	15,708

Investment properties are the right-of-use assets held by the Group for sublease purposes.

The fair value of the Group's investment properties are RMB32,000,000 at 31 December 2025 (2024 (restated): RMB34,000,000).

15. Investment Property (Continued)

The Group subleases the stores in Qishan, Baoji City, PRC, which leased from 陝西岐山縣太平塔旅遊集散服務中心 under an operating contract, to individual tenants under operating lease arrangements. Further summary details of which are included in note 16 to the financial statements.

The Group is not exposed to foreign currency risk as a result of the lease arrangements, as all leases are denominated in the respective presentation currencies of group entities. The lease contracts do not contain residual value guarantee and/or lessee's option to purchase the property at the end of lease term.

Fair value hierarchy

The following table illustrates the fair value measurement hierarchy of the Group's investment properties:

	Fair value measurement as at 31 December 2025 using			
	Quoted prices in active markets (Level 1) RMB'000	**Significant observable inputs (Level 2) RMB'000**	**Significant unobservable inputs (Level 3) RMB'000**	**Total RMB'000**
Commercial property	**–**	**–**	**32,000**	**32,000**

	Fair value measurement as at 31 December 2024 using			
	Quoted prices in active markets (Level 1) RMB'000	Significant observable inputs (Level 2) RMB'000	Significant unobservable inputs (Level 3) RMB'000	Total RMB'000
Commercial property	–	–	34,000	34,000

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 (2024: Nil).

Below is a summary of the valuation technique used and the key inputs to the valuation of investment properties:

	Valuation technique	**Significant unobservable inputs**	**Weighted average**	
			2025	2024
Commercial property	Income method	Estimated rental value (RMB/per square meter)	**0.9**	0.8
		Yield rate	**6.5%**	6.5%
		Passing rent ratio	**101.5%**	118.5%

15. Investment Property (Continued)

Fair value hierarchy (Continued)

A significant increase (decrease) in the estimated rental value would result in a significant increase (decrease) in the fair value of the investment properties.

A significant increase (decrease) in yield rate would result in a significant (decrease) increase in the fair value of the investment properties.

A significant increase/(decrease) in the passing rent ratio would result in a significant increase/(decrease) in the fair value of the investment properties.

16. Leases

The Group as a lessee

The Group has lease contracts for various items of properties used in its operations. Leases of properties generally have lease terms of 12 months. Other equipment generally has lease terms between 1 and 2 years is individually of low value. Generally, the Group is restricted from assigning and subleasing the leased assets outside the Group.

(a) Lease liabilities

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

	2025 RMB'000	2024 RMB'000 (Restated)
Lease stores in Qishan and payable:		
Within one year	**3,742**	9,525
Within a period of more than one year but not exceeding two years	**4,490**	3,742
Within a period of more than two years but not exceeding five years	**4,490**	4,490
Within a period of more than five years	**9,875**	9,597
Less: Amount due for settlement within 12 months shown under current liabilities	**(3,742)**	(9,525)
Amount due for settlement after 12 months shown under non-current liabilities	**18,855**	17,829

The maturity analysis of lease liabilities is disclosed in note 44 to the financial statements.

16. Leases (Continued)

The Group as a lessee (Continued)

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

	2025 RMB'000	2024 RMB'000 (Restated)
Interest on lease liabilities	**931**	811
Expenses relating to leases of low-value assets (included in administrative expenses)	**101**	102
Total amount recognised in profit or loss	**1,032**	913

(c) The total cash outflow for leases is disclosed in note 36(b) to the financial statements.

The Group as a lessor

The Group leases its investment properties (note 15) under operating lease arrangements. The terms of the leases generally require the tenants to pay security deposits and provide for periodic rent adjustments according to the then prevailing market conditions. Rental income recognised by the Group during the year was RMB3,558,000 (2024 (restated): RMB3,782,000).

At 31 December 2025, the undiscounted lease payments receivable by the Group in future periods under operating leases with its tenants are as follows:

	2025 RMB'000	2024 RMB'000 (Restated)
Within one year	**2,922**	3,150
After one year but within two years	**1,533**	1,578
After two years but within three years	**911**	873
After three years but within four years	**772**	821
After four years but within five years	**432**	659
After five years	**—**	303
Total	**6,570**	7,384

17. Goodwill

	RMB'000 (Restated)
Cost and net carrying amount at 1 January 2024, 31 December 2024, 1 January 2025 and 31 December 2025	3,060

Impairment testing of goodwill

Goodwill acquired through business combinations is allocated to the cash-generating unit of the landscape gardening service (the "**Unit**").

The recoverable amount of the Unit has been determined based on a value-in-use calculation using cash flow projections based on financial budgets covering a five-year period approved by management. The discount rate applied to the cash flow projection was 15.5% (2024: 14.8%) and cash flows beyond the five-year period were extrapolated using a growth rate of 2.0% (2024: 2.0%) which was the same as the China long-term average growth rate.

Assumptions were used in the value-in-use calculation of the Unit for 31 December 2025 and 31 December 2024. The following describes each key assumption on which management has based its cash flow projections to undertake impairment testing of goodwill.

Budgeted gross margins — The basis used to determine the value assigned to the budgeted gross margins is the average gross margins achieved in the year immediately before the budget year, increased for expected efficiency improvements, and expected market development.

Discount rate — The discount rate used is before tax and reflects specific risks relating to the relevant unit.

The values assigned to the key assumptions on market development of landscape gardening service, budgeted gross margins, the discount rate and raw materials price inflation are consistent with external information sources.

The recoverable amount is significantly above the carrying amount of landscape gardening service unit. Management believes that any reasonably possible change in any of these assumptions would not result in impairment.

18. Other Intangible Assets

	Licences and software RMB'000
31 December 2025	
Cost at 1 January 2025, net of accumulated amortisation	**14,203**
Amortisation provided during the year *(note 7)*	**(1,453)**
At 31 December 2025	**12,750**
At 31 December 2025:	
Cost	**29,287**
Accumulated amortisation	**(16,537)**
Net carrying amount	**12,750**
31 December 2024	(Restated)
Cost at 1 January 2024, net of accumulated amortisation	15,659
Amortisation provided during the year *(note 7)*	(1,456)
At 31 December 2024	14,203
At 31 December 2024:	
Cost	29,287
Accumulated amortisation	(15,084)
Net carrying amount	14,203

The licences include the qualification certificate of Grade One for scenery landscape design issued by the Ministry of Housing and Urban-Rural Development of the PRC, the qualification certificate for architectural industry of Grade One issued by the Ministry of Housing and Urban-Rural Development of the PRC, the qualification certificate of Grade One for professional contracting of ancient construction works issued by the Ministry of Housing and Urban-Rural Development of the Shanghai, and the qualification certificate of Grade One for general contracting on municipal public utility construction engineering issued by the Ministry of Housing and Urban-Rural Development of the Shanghai, etc.

19. Investments in Joint Ventures

	2025 RMB'000	2024 RMB'000 (Restated)
Share of net assets	**485,649**	517,872

The Group's trade receivable balances and contract assets due from the joint ventures are disclosed in note 23 and note 24 to the financial statements.

Particulars of the Group's major joint ventures are as follows:

Name	Particulars of issued shares held	Place of registration and business	Percentage of Ownership interest	Percentage of Voting power	Percentage of Profit sharing	Principal activities
泉州海西植物園開發有限公司 ("**Quanzhou Haixi**")	Registered capital of RMB105,000,000	PRC/Chinese Mainland	79.50	40.00	79.50	Project management
岐山縣太平塔文化旅遊開發有限公司 ("**Qishan Taiping**")*	Registered capital of RMB87,900,000	PRC/Chinese Mainland	79.55	57.14	100.00	Project management
肇慶市高新區將軍山體育公園投資發展有限公司 ("**Zhaoqing Park**")	Registered capital of RMB10,000,000	PRC/Chinese Mainland	80.00	40.00	80.00	Project management
禹州市神垕古鎮保護建設有限公司 ("**Yuzhou Shenhou**")	Registered capital of RMB50,000,000	PRC/Chinese Mainland	51.00	33.33	51.00	Project management
廣安博大綠澤官盛湖發展有限公司 ("**Guangan Guanshenghu**")	Registered capital of RMB50,000,000	PRC/Chinese Mainland	70.00	40.00	100.00	Project management

Part of the joint venture is disclosed in the above table.

* *The resolution of the board of directors of Qishan Taiping must be approved by more than 2/3 of the directors. The Group cannot control the shareholders' meeting or the board of directors of the joint venture, and jointly control the joint venture with another shareholder.*

19. Investments in Joint Ventures (Continued)

The following table illustrates the aggregate financial information of the Group's joint ventures:

	2025 RMB'000	2024 RMB'000 (Restated)
Share of the joint ventures' (losses)/profits for the year	**(15,187)**	35,970
Share of the joint ventures' total comprehensive loss/income	**(15,187)**	35,970
Aggregate carrying amount of the Group's investments in the joint ventures	**485,649**	517,872

Summarised financial information of material joint ventures

Summarised financial information in respect of each of the Group's material joint venture is set out below. The summarised financial information below represents amounts shown in the joint venture's financial statements prepared in accordance with HKFRS Accounting Standards.

The joint ventures are accounted for using the equity method in these consolidated financial statements.

Zhaoqing Park

	2025 HK$'000	2024 HK$'000
Current assets	**193,075**	135,972
Non-current assets	**12,030**	107,344
Current liabilities	**(83,597)**	(83,603)
Non-current liabilities	**(80,462)**	(88,462)

19. Investments in Joint Ventures (Continued)

Summarised financial information of material joint ventures (Continued)

Zhaoqing Park (Continued)

The above amounts of assets and liabilities include the following:

	2025 HK$'000	2024 HK$'000
Cash and cash equivalents	**3,965**	7,857
Current financial liabilities (excluding trade and other payables and provisions)	**(20,000)**	(20,000)
Non-current financial liabilities (excluding trade and other payables and provisions)	**(68,800)**	(76,800)
Revenue	**18,679**	26,199
(Loss)/profit for the year	**(30,205)**	4,467
Total comprehensive (expense)/income for the year	**(30,205)**	4,467

Reconciliation of the above summarised financial information to the carrying amount of the interest in the associate recognised in the consolidated financial statements:

	2025 HK$'000	2024 HK$'000
Net assets of Zhaoqing Park	**41,046**	71,251
Proportion of the Group's ownership interest in Zhaoqing Park	**80%**	80%
Carrying amount of the Group's interest in Zhaoqing Park	**32,837**	57,001

19. Investments in Joint Ventures (Continued)

Aggregate information of joint ventures that are not individually material

	2025 HK$'000	2024 HK$'000
The Group's share of profit	**8,977**	32,397
The Group's share of post-tax profit	**8,977**	32,397
The Group's share of total comprehensive income	**8,977**	32,397
Aggregate carrying amount of the Group's interests in these associates	**452,812**	460,871

20. Equity Investment at Fair Value Through Profit or Loss

	2025 RMB'000	2024 RMB'000 (Restated)
Shanghai H-fast Electronic Technology Co., Ltd. ("**Shanghai H-fast**") Listed equity investment, at fair value	**40,297**	53,563

All the 4,300,000 shares of Shanghai H-Fast being held by the Group were pledged to secure other borrowings of the Group (note 30).

21. Financial Assets at Fair Value Through Profit or Loss

	2025 RMB'000	2024 RMB'000 (Restated)
Unlisted investments, at fair value		
西安綠地滻河濕地公園開發有限公司 ("**Xi'an Greenland**")	**22,181**	20,106
太原龍城綠地植物園有限公司 ("**Taiyuan Longcheng**")	**6,503**	5,547
Total	**28,684**	25,653

22. Biological Assets

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

The value of plants and saplings was:

	2025 RMB'000	2024 RMB'000 (Restated)
Plants and saplings	**28,400**	30,336

The Group's plants and saplings were independently valued by a firm of independent professionally qualified valuers not connected with the Group, who has appropriate qualifications and recent experiences in the valuation of biological assets. The fair value less costs to sell of the plants and saplings is determined based on the market-determined prices as at the end of each reporting period adjusted with reference to the species, age, diameter and cost incurred.

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 Chinese Mainland.

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 opinion of the Company's directors.

Fair value hierarchy

The following table illustrates the fair value measurement hierarchy of the Group's Biological assets:

	Fair value measurement as at 31 December 2025 using			
	Quoted prices in active markets (Level 1) RMB'000	**Significant observable inputs (Level 2) RMB'000**	**Significant unobservable inputs (Level 3) RMB'000**	**Total RMB'000**
Biological assets	**—**	**28,400**	**—**	**28,400**

	Fair value measurement as at 31 December 2024 using			
	Quoted prices in active markets (Level 1) RMB'000 (Restated)	Significant observable inputs (Level 2) RMB'000 (Restated)	Significant unobservable inputs (Level 3) RMB'000 (Restated)	Total RMB'000 (Restated)
Biological assets	—	30,336	—	30,336

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.

23. Trade Receivables

	2025 RMB'000	2024 RMB'000 (Restated)
Trade receivables		
— contract with customers	**371,204**	542,142
— rent receivables	**2,213**	1,405
	373,417	543,547
Less: allowance for impairment of trade receivables and rent receivables	**(334,890)**	(483,076)
	38,527	60,471

As at 1 January 2024 (restated), trade receivables amounted to RMB170,233,000.

The Group's trading terms with its customers are mainly on credit. The credit period is usually one year. The Group seeks to maintain strict control over its outstanding receivables and has a credit control department to minimise credit risk. Overdue balances are reviewed regularly by senior management. The Group does not hold any collateral or other credit enhancements over its trade receivable balances.

Included in the Group's gross trade receivables are amounts due from the Group's joint ventures of RMB100,105,000 (2024 (restated): RMB98,412,000), which are repayable on credit terms similar to those offered to the major customers of the Group.

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

	2025 RMB'000	2024 RMB'000 (Restated)
Contract with customers		
Current	**10,193**	15,410
Past due within 1 year	**6,029**	23,301
Past due 1 to 2 years	**15,237**	3,542
Past due 2 to 3 years	**1,986**	8,427
Past due over 3 years	**3,517**	8,487
	36,962	59,167
Rent receivables	**1,565**	1,304
Total	**38,527**	60,471

23. Trade Receivables (Continued)

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

	lifetime ECL (not credit impaired)	lifetime ECL (credit-impaired)	Total
At 1 January 2024 (restated)	144,301	225,807	370,108
Impairment loss recognised (reversed), net (restated)	161,635	(48,667)	112,968
Transfer (restated)	(127,747)	127,747	—
At 31 December 2024 (restated) and 1 January 2025	**178,189**	**304,887**	**483,076**
Impairment loss recognised (reversed), net	**(132,348)**	**105,463**	**(26,885)**
Written off	**—**	**(121,301)**	**(121,301)**
Transfer	**(7,278)**	**7,278**	**—**
At 31 December 2025	**38,563**	**296,327**	**334,890**

The increase in the loss allowance of RMB112,968,000 as result of an increase in historical loss rate for the year ended 31 December 2024). The loss rate was calculated by updating historical collection status in the bad debt provisioning model, which increased slightly as compared with the previous year.

The decrease in the loss allowance of RMB26,885,000 as a result of the decrease in balances of gross trade receivables for the year ended 31 December 2025.

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

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

As at 31 December 2025

		Past due				
	Current	Less than 1 year	1 to 2 years	2 to 3 years	Over 3 years	Total
Expected credit loss rate	**36.6%**	**67.7%**	**76.9%**	**83.2%**	**98.6%**	
Gross carrying amount	**16,065**	**18,685**	**65,936**	**11,799**	**258,719**	**371,204**
Expected credit losses	**5,872**	**12,656**	**50,699**	**9,813**	**255,202**	**334,242**

23. Trade and Bills Receivables (Continued)

As at 31 December 2024 (restated)

		Past due				
	Current	Less than 1 year	1 to 2 years	2 to 3 years	Over 3 years	Total
Expected credit loss rate	22.1%	64.7%	70.6%	80.1%	97.9%	
Gross carrying amount	19,778	65,959	12,047	42,425	401,933	542,142
Expected credit losses	4,368	42,658	8,505	33,998	393,446	482,975

Set out below is the information about the credit risk exposure on the Group's rent receivables:

Current	**Expected credit loss rate** %	**Gross carrying amount** RMB'000	**Expected credit loss** RMB'000
As at 31 December 2025	29.3	2,213	648
As at 31 December 2024	7.2	1,405	101

Details of impairment assessment of trade receivables are set out in note 42.

24. Contract Assets

	31 December 2025 RMB'000	31 December 2024 RMB'000 (Restated)	1 January 2024 RMB'000 (Restated)
Contract assets arising from:			
Construction services	**1,217,275**	1,108,665	1,086,057
Impairment	**(513,031)**	(414,951)	(392,735)
	704,244	693,714	693,322
Less: Non-current portion of contract assets	**(196,314)**	(233,359)	(247,852)
Current portion of contract assets	**507,930**	460,355	445,470

Contract assets are initially recognised for revenue earned from the provision of construction services as the receipt of consideration is conditional on successful completion of construction. Included in contract assets for construction services are retention receivables. Upon completion of construction and acceptance by the customer, the amounts recognised as contract assets are reclassified to trade receivables. Contract assets, that are not expected to be settled within the Group's normal operating cycle, are classified as current and non-current based on expected settlement dates.

24. Contract Assets (Continued)

The Group's construction contracts include payment schedules which require stage payments over the construction period once certain specified milestones are reached. The Group requires certain customers to provide upfront deposits range from 5% to 10% of total contract sum as part of its credit risk management policies.

The Group also typically agrees to a retention period ranging from 1 year to 3 years for 1% to 5% of the completion of the construction work. This amount is included in non-current portion of contract assets.

Contract assets of RMB274,983,000 (2024 (restated): RMB332,710,000) are pledged to secure a bank loan granted.

During the year ended 31 December 2025, impairment of RMB98,080,000 (2024 (restated): RMB22,216,000) was recognised for expected credit losses on contract assets.

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

	2025 RMB'000	2024 RMB'000 (Restated)
Within one year	**507,930**	460,355
More than one year	**196,314**	233,359
Total contract assets	**704,244**	693,714

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

	lifetime ECL (not credit impaired)	**lifetime ECL (credit-impaired)**	**Total**
At 1 January 2024 (restated)	266,700	126,035	392,735
Impairment loss recognised, net (restated)	22,216	—	22,216
At 31 December 2024 (restated) and 1 January 2025	**288,916**	**126,035**	**414,951**
Impairment loss recognised, net	**98,080**	**—**	**98,080**
At 31 December 2025	**386,996**	**126,035**	**513,031**

24. Contract Assets (Continued)

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

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

	2025	2024 (Restated)
Expected credit loss rate	**42.2%**	37.43%
Gross carrying amount (RMB'000)	**1,217,275**	1,108,665
Expected credit losses (RMB'000)	**513,031**	414,951

Included in the Group's contract assets are amounts with the Group's joint ventures of RMB274,993,000 as at 31 December 2025 (31 December 2024 (restated): RMB274,715,000).

Details of impairment assessment of contract assets are set out in note 44.

25. Prepayments, Other Receivables and Other Assets

	2025 RMB'000	2024 RMB'000 (Restated)
Prepayments	**40,573**	21,340
Deposits and other receivables	**508,790**	497,475
	549,363	518,815
Impairment allowance	**(127,024)**	(62,530)
	422,339	456,285
Less: Non-current portion disclosed as long-term receivables	**(248,158)**	(301,896)
Current portion of prepayments, other receivables and other assets	**174,181**	154,389

25. Prepayments, Other Receivables and Other Assets (Continued)

Deposits and other receivables mainly represent construction deposits, receivables resulted from the disposal of a subsidiary in previous year and joint ventures. Expected credit losses are estimated by considering the credit risk stage, the payment term arrangement and the collateral provided.

Receivable resulted from the disposal of a subsidiary of RMB20,000,000 in previous year was secured by 35,920,957 shares of the Company held by the debtor. A provision of RMB20,000,000 was made as at 31 December 2025 (31 December 2024: RMB20,000,000).

Amount due from related parties are non-trade related, unsecured interest free and repayable on demand. Further details are set out in note 40(d) to these consolidated financial statements.

The movements in the loss allowance for impairment of other receivables and prepayments are as follows:

	12-Months Stage 1	12-Months Stage 2	Lifetime expected Stage 3	Total
At 1 January 2024 (restated)	17,130	23,502	16,419	57,051
Impairment loss recognised (reversed), net (restated)	(10,949)	(9,429)	29,350	8,972
Reversal of prepayments (restated)	(3,493)	—	—	(3,493)
Transfer (restated)	—	(8,433)	8,433	—
At 31 December 2024 (restated) and 1 January 2025	**2,688**	**5,640**	**54,202**	**62,530**
Impairment loss recognised (reversed), net	**(1,516)**	**122**	**65,888**	**64,494**
Transfer	**—**	**(5,034)**	**5,034**	**—**
At 31 December 2025	**1,172**	**728**	**125,124**	**127,024**

Details of impairment assessment of prepayments, other receivables and other assets are set out in note 44.

26. Cash and Cash Equivalents and Restricted Bank Balances

	2025 RMB'000	2024 RMB'000 (Restated)
Cash and bank balances	**13,205**	2,859
Restricted bank balances	**1,801**	13,250
Subtotal	**15,006**	16,109
Less: Frozen bank balances	**(1,785)**	(8,257)
Restricted bank balances	**(16)**	(4,993)
Cash and cash equivalents	**13,205**	2,859

As at 31 December 2025, certain bank accounts of RMB1,785,000 (2024 (restated): RMB8,257,000) were frozen by certain courts for preservation and RMB16,000 (2024 (restated): RMB4,993,000) were restricted for construction contracts.

At the end of the reporting period, the cash and bank balances of the Group denominated in United States dollars ("**US$**") and HK$ amounted to RMB468,000 and RMB1,500 (2024 (restated): RMB468,000 and RMB2,000), respectively. The RMB is not freely convertible into other currencies, however, under Chinese Mainland'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 bank balances approximate to their fair values.

Details of impairment assessment of cash and cash equivalents and restricted bank balances are set out in note 44.

27. Corporate Bonds

	2025 RMB'000	2024 RMB'000
Corporate bonds	**108,056**	113,407

The principal amount of the Group's corporate bonds amounting to US$30,000,000 issued to Greenland Financial, bore interest rate of 12% per annum and were secured by 43% equity interests in Greenstate Times International Company Limited and Greenstate International Company Limited (both of foregoing companies are subsidiaries of the Company) with maturity date on 15 January 2024.

On 5 January 2024, the Group and Greenland Financial entered into a deed of consent, pursuant to which the Group allotted and issued 1,979,000,000 Company's ordinary shares to Greenland Financial at an issue price of HK$0.1 per share on 3 January 2024 for settlement of the principal amount of US$14,708,000 (equivalent to RMB104,172,000), and interest accrued as at 3 January 2024. The remaining amount of corporate bonds of US$15,292,000 (equivalent to RMB108,309,000) bears interest at 12% per annum and the maturity date was extended to 15 January 2027.

The Group breached certain of the terms of the agreement, which are primarily related to the non-payment of interest when due for the year ended 31 December 2025 and 2024. Since the lender has agreed to waive its right to demand immediate payment as at the end of the reporting period, the Group has the right to defer settlement for at least twelve months after the reporting period and the corporate bonds is classified as non-current.

28. Trade Payables

An ageing analysis of the trade payables as at the end of reporting period, based on the transaction date, is as follows:

	2025 RMB'000	2024 RMB'000 (Restated)
Within 1 year	**17,229**	3,925
1 to 2 years	**3,122**	4,703
Over 2 years	**563,422**	567,593
Total	**583,773**	576,221

The trade payables are non-interest-bearing and are normally partially settled on terms of six months according to the progress of completion.

29. Other Payables and Accruals

	Notes	2025 RMB'000	2024 RMB'000 (Restated)
Contract liabilities	*(a)*	**104,249**	94,286
Other tax payable		**162,265**	156,190
Interest payable		**45,219**	41,735
Other payables	*(b), (c)*	**234,866**	155,564
Deposits from sub-contractors		**3,795**	3,795
Staff payroll and welfare payables		**4,733**	8,153
Subtotal		**555,127**	459,723
Less: Contract liabilities classified as other non-current liabilities		**(92,526)**	(92,526)
Current portion of other payables and accruals		**462,601**	367,197

(a) Details of contract liabilities are as follows:

	31 December 2025 RMB'000	31 December 2024 RMB'000 (Restated)	1 January 2024 RMB'000 (Restated)
Construction services	**104,249**	94,286	97,611

(b) Other payables are non-interest-bearing, unsecured, and are repayable on demand.

(c) Amounts due to related parties are non-interest-bearing, unsecured, and are repayable on demand. Further details are set out in note 40(d) to these consolidated financial statements.

30. Interest-Bearing Bank and Other Borrowings

		2025			2024 (Restated)		
	Notes	Weighted effective interest rate (%)	Maturity	RMB'000	Weighted effective interest rate (%)	Maturity	RMB'000
Current							
Other loans — unsecured	(d)	12	on demand	15,800	12	on demand	15,800
Other loans — unsecured	(d)	7.2	on demand	4,620	7.2	on demand	4,620
Other loans — unsecured	(d)	8.0	on demand	25,670	8.0	on demand	25,670
Other loans — unsecured	(d)	12.0	on demand	10,379	12.0	on demand	10,379
Other loans — unsecured	(e)	8	on demand	33,414	8	2025	33,414
bank loans — secured and guaranteed	(a)(ii)	7.2	on demand	12,250	7.2	on demand	147,035
bank loans — secured and guaranteed	(b)	8.55	2026	4,000	6.0	on demand	63,250
bank loans — secured and guaranteed	(b)	–	–	–	4.8	on demand	32,830
Other loans — secured	(e)	8.0	on demand	10,439	8.0	2025	9,960
Other loans — secured	(e)	8.0	on demand	3,346	8.0	2025	3,193
Other loans — secured							
Other loans — unsecured	(c)	–	2026	6,042	–	2025	8,196
Other loans — secured		8.0	2026	71,600			
Other loans — unsecured		8.0	2026	143,889			
Total — current				341,449			354,347
Non-current							
Other loans — secured	(a)(i)	–	–	–	8.0	2026	66,800
Other loans — unsecured		–	–	–	8.0	2026	134,242
Other loans — unsecured	(c)	–	2038	26,387	–	2038	21,138
Bank loans — secured and guaranteed	(b)	6.45	2027	35,326			
Bank loans — secured and guaranteed	(b)	8.55	2027	62,554			
Bank loans — secured and guaranteed	(a)(ii)	7.2	2027	97,994			
Total — non-current				222,261			222,180
Total				563,710			576,527

30. Interest-Bearing Bank and Other Borrowings (Continued)

The carrying amounts of borrowings are denominated in the following currencies:

	2025 RMB'000	2024 RMB'000 (Restated)
RMB	**534,781**	550,693
US$	**28,929**	25,834
Total	**563,710**	576,527

An analysis of the carrying amounts of borrowings by type of interest rate is as follows:

	2025 RMB'000	2024 RMB'000 (Restated)
Fixed interest rate	**461,829**	480,447
Variable interest rate	**101,881**	96,080
Total	**563,710**	576,527

	2025 RMB'000	2024 RMB'000 (Restated)
Analysed into:		
Bank borrowings repayable:		
Within one year or on demand	**16,250**	243,115
In the second year	**195,874**	—
In the third to fifth years, inclusive	**—**	—
Subtotal	**212,124**	243,115
Other borrowings repayable:		
Within one year or on demand	**325,199**	111,232
In the second year	**—**	201,042
In the third to fifth years, inclusive	**—**	—
Beyond five years	**26,387**	21,138
Subtotal	**351,586**	333,412
Total	**563,710**	576,527

30. Interest-Bearing Bank and Other Borrowings (Continued)

(a) Certain of the Group's borrowings were secured and guaranteed by the following:

i. Other borrowing was secured by the Group's interest in 4,300,000 shares of Shanghai H-fast Electronic Technology Co., Ltd. (note 20).

ii. Bank borrowing of the Group was secured by contract assets (note 24) and guaranteed by an independent third party.

During the year ended 2024, the Group breached certain of the terms of the bank loan, which are primarily related to repayment of loan. On discovery of the breach, the directors of the Company informed the lender and commenced a renegotiation of the terms of the loan with the relevant banker. As at 31 December 2024, those negotiations had not been concluded. Since the lender has not agreed to waive its right to demand immediate payment as at the end of the reporting period, the loan has been classified as a current liability as at 31 December 2024.

During the year ended 2025, considering that the Group has remedied the breach of terms and the bank no longer demands immediate repayment thereafter, the directors consider that the current and non-current portions should be classified according to their maturity dates under the agreements.

(b) Bank borrowing of RMB92,080,000 (2024: RMB96,080,000) was secured by a building of the Group with net book value of RMB101,051,000 (2024: RMB104,101,000). During the year ended 2024, the Group breached certain of the terms of the bank loan, which are primarily related to repayment of loan. The terms of the loan has been renegotiated and concluded under Shanghai Commercial Mediation Centre. Certain terms of the new negotiation that related to the repayment of fees charged paid on behalf by the bank has been breached. Subsequently, the loan has been classified as a current liability as at 31 December 2024. The fees charged has been settled during the year ended 2025. However, the lender has not agreed to waive its right to demand immediate payment as at the end of the year ended 2024, the loan has been classified as a current liability as at 31 December 2024. During the year ended 31 December 2025, considering that (i) the fees charged have been settled, the Group has remedied the breach of terms, and the bank no longer demands immediate repayment thereafter, and (ii) the renegotiated terms concluded under the Shanghai Commercial Mediation Centre remain legally enforceable with the Group strictly adhering to the repayment schedule, the directors consider that the current and non-current portions should be classified according to their maturity dates under the agreed negotiations.

(c) Other borrowing of RMB32,429,000 (2024: RMB29,334,000) is due to a shareholder with unsecured and non-interest-bearing. During the year ended 2024, the Group breached certain of the terms of the other loan, which are primarily related to repayment of loan and the lender has agreed to waive its right to demand immediate payment. Since the lender has agreed to waive its right to demand immediate payment as at the end of the reporting period, the loan has been classified as a current and non-current and liability base on maturity date as at 31 December 2024 and 2025.

(d) During the year ended 2024 and 2025, the loan was defaulted due to breach of repayment of loan, the directors of the Company informed the lender and commenced a renegotiation of the terms of the loan with the relevant lender. As at 31 December 2024 and 2025, those negotiations had not been concluded. Since the lender has not agreed to waive its right to demand immediate payment as at the end of the reporting period, the loan has been classified as a current liability as at 31 December 2024 and 2025 receptively. Up to the date of these reports, the negotiations are still in progress.

(e) During the year ended 2025, the loan was defaulted due to breach of repayment of loan, the directors of the Company informed the lender and commenced a renegotiation of the terms of the loan with the relevant lender. As at 31 December 2025, those negotiations had not been concluded. Since the lender has not agreed to waive its right to demand immediate payment as at the end of the reporting period, the loan has been classified as a current liability as at 31 December 2025 receptively. Up to the date of these reports, the negotiations are still in progress.

31. Deferred Tax

The movements in deferred tax liabilities and assets during the year are as follows:

Deferred tax assets/(liabilities)

	2025					
	Right-of-use assets RMB'000	Impairment of financial and contract assets RMB'000	Lease liabilities RMB'000	Intangible asset RMB'000	Fair value adjustment at fair value through profit or loss RMB'000	Total RMB'000
At 1 January 2025 (restated)	**(3,927)**	**87,896**	**3,927**	**(3,408)**	**(5)**	**84,483**
Deferred tax credited/(charged) to the statement of profit or loss during the year *(note 11)*	**693**	**33,331**	**(693)**	**343**	**3,316**	**36,990**
Gross deferred tax liabilities at 31 December 2025	**(3,234)**	**121,227**	**3,234**	**(3,065)**	**3,311**	**121,473**

	2024					
	Right-of-use assets RMB'000 (Restated)	Impairment of financial and contract assets RMB'000 (Restated)	Lease liabilities RMB'000 (Restated)	Intangible asset RMB'000 (Restated)	Fair value adjustment at fair value through profit or loss RMB'000 (Restated)	Total RMB'000 (Restated)
At 1 January 2024	(4,620)	58,640	4,620	(3,750)	(5,921)	48,969
Deferred tax credited/(charged) to the statement of profit or loss during the year *(note 11)*	693	29,256	(693)	342	5,916	35,514
Gross deferred tax liabilities at 31 December 2024 (restated)	(3,927)	87,896	3,927	(3,408)	(5)	84,483

31. Deferred Tax (Continued)

Deferred tax assets/(liabilities) (Continued)

For presentation purposes, certain deferred tax assets and liabilities have been offset in the statement of financial position. The following is an analysis of the deferred tax balances of the Group for financial reporting purposes:

	2025 **RMB'000**	2024 RMB'000 (Restated)
Net deferred tax assets recognised in the consolidated statement of financial position	**124,538**	87,896
Net deferred tax liabilities recognised in the consolidated statement of financial position	**3,065**	3,413

Deferred tax assets have not been recognised in respect of the following losses and deductible temporary differences as they have arisen in subsidiaries that have been loss-making for some time and it is not considered probable that taxable profits will be available against which the tax losses can be utilised.

Deferred tax assets have not been recognised in respect of the following items:

	2025 **RMB'000**	2024 RMB'000 (Restated)
Tax losses	**514,135**	495,164
Deductible temporary differences	**332,409**	359,295
Total	**846,544**	854,459

At 31 December 2025, no deferred tax has been recognised for withholding taxes that would be payable on the unremitted earnings that are subject to withholding taxes of the Group's subsidiaries and joint ventures established in Chinese Mainland. In the opinion of the directors, it is not probable that these subsidiaries and joint ventures will distribute such earnings in the foreseeable future. The aggregate amount of temporary differences associated with investments in subsidiaries and joint ventures in Chinese Mainland for which deferred tax liabilities have not been recognised totalled approximately RMB83,200,000 (2024 (restated): RMB110,085,000).

Included in unrecognised tax losses are losses of approximately RMB60,083,000 (2024 (restated): RMB41,112,000) with expiry dates as disclosed in the following table. Other losses may be carried forward indefinitely.

31. Deferred Tax (Continued)

Deferred tax assets/(liabilities) (Continued)

	2025 RMB'000	2024 RMB'000 (Restated)
2025	**—**	1,780
2026	**2,298**	2,298
2027	**1,746**	1,746
2028	**32,068**	32,068
2029	**11,657**	3,220
2030	**12,314**	—
	60,083	41,112

32. Share Capital

Shares

	Per value HK$	Number of shares '000	Share Capital HK$'000
Authorised			
As at 1 January 2024, 31 December 2024 and 1 January 2025	0.025	8,000,000	200,000
Shares consolidation		(7,200,000)	—
As at 31 December 2025	0.25	800,000	200,000

	2025 RMB'000	2024 RMB'000
Issued and fully paid:		
604,116,479 (2024: 5,821,809,957 ordinary shares of HK$0.025 each) ordinary shares of HK$0.25 each	**127,815**	122,715

32. Share Capital (Continued)

Shares (Continued)

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

	Number of shares in issue	Share capital RMB'000
At 1 January 2023, 31 December 2023, 1 January 2024	3,342,536,957	66,396
Issue of shares on settlement of corporate bond *(note 27)*	1,979,000,000	44,955
Issue of shares on settlement of borrowings	500,273,000	11,364
At 31 December 2024 and 1 January 2025	5,821,809,957	122,715
Issue of shares on acquisition of subsidiaries *(note 41)*	219,354,839	5,100
Shares consolidation	(5,437,048,317)	—
At 31 December 2025	604,116,479	127,815

The condition of Settlement Agreement has been fulfilled on 5 January 2024 and 300,796,510 and 199,476,490 Settlement Shares were duly allotted and issued as fully-paid by the Company to Inscription Capital and Easten Capital respectively at the Issue Price of HK$0.1 per Settlement Share.

On 26 March 2025, the acquisition of Guoneng Tairui has completed and the consideration for the acquisition was satisfied by the issue of 219,354,839 new shares of the Company.

On 11 November 2025, the Company has completed the share consolidation that every ten issued and unissued existing shares with a par value of HK$0.025 each in the share capital in the Company be consolidated into one consolidated share with a par value of HK$0.25 each.

33. 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 page 98 of the financial statements.

(1) Capital reserve

The capital reserve of the Group represents deemed contribution arising from difference between the then fair value and the principal amount of the interest-free borrowing advanced from the shareholder of the Company for the year ended 31 December 2024.

(2) Statutory reserve

(a) Statutory surplus reserve

In accordance with the PRC Company Law and the relevant articles of association, each of the Company and its subsidiaries established in the PRC (the "**PRC Group Entities**") is required to set aside 10% of its profit after tax as determined in accordance with the relevant accounting principles and financial regulations applicable to the PRC companies ("**PRC GAAP**") and regulations applicable to the PRC Group Entities, to the statutory reserve funds until such reserve reaches 50% of the registered capital of the relevant PRC Group Entities. The appropriation to the reserve must be made before any distribution of dividends to the equity holders before reaching 50% threshold mentioned above. The statutory surplus reserve can be used to offset previous years' losses, if any, and part of the statutory surplus reserve can be capitalised as the relevant PRC Group Entities' share capital provided that the amount of such reserve remaining after the capitalisation shall not be less than 25% of the share capital of the relevant PRC Group Entities.

(b) Special reserve account

Pursuant to certain regulations issued by the Ministry of Finance and the State Administration of Work Safety of the PRC, the subsidiaries of the Company which are engaged in construction are required to set aside an amount of certain percentage of revenue to a safety fund. The safety fund can be used for safety facilities and environment improvement and is not available for distribution to shareholders. Upon incurring qualifying safety expenditure, an equivalent amount should be transferred from safety fund to retained earnings.

(3) Merger reserve

During the year ended 31 December 2025, the Group acquired Senmao Landscaping that both parties were ultimately controlled by Greenland Holdings before and after the completion of the acquisition. Thus, the acquisition was accounted for using the principles of merger accounting. For details, please refer to note 3.

Merger reserve represents the difference between the consideration paid and the share capital of the acquired entity under common control.

34. Share Option Scheme

The Company operates a share option scheme for the purpose of providing incentives and rewards to eligible participants who contribute to the success of the Group's operations.

For the first series of the share option scheme (the "**Series I**"), eligible participants of the Series I include the Company's directors and other employees of the Group. The Series I became effective on 1 September 2015 and, unless otherwise cancelled or amended, would remain in force for 6 years from that date. For the second series of the share option scheme (the "**Series II**"), eligible participants of the Series II include a connected person and other employees of the Group. The Series II became effective on 12 June 2018 and, unless otherwise cancelled or amended, will remain in force for 6 years from that date.

The maximum numbers of unexercised share options currently permitted to be granted under the Series I and Series II is the amounts equivalent, upon their exercise, to 3.41% and 3.30% respectively of the shares of the Company in issue at any time. The maximum number of shares issuable under share options to each eligible participant in the two series within any 12-month period is limited to 1% of the shares of the Company in issue at any time. Any further grant of share options in excess of this limit is subject to shareholders' approval in a general meeting.

Share options granted to a director, chief executive or substantial shareholder of the Company, or to any of their joint ventures, are subject to approval in advance by the independent non-executive directors. In addition, any share options granted to a substantial shareholder or an independent non-executive director of the Company, or to any of their joint ventures, in excess of 0.1% of the shares of the Company in issue at any time or with an aggregate value (based on the price of the Company's shares at the date of grant) in excess of HK$5 million, within any 12-month period, are subject to shareholders' approval in advance in a general meeting.

The offer of a grant of share options may be accepted within one month from the date of offer, upon payment of a nominal consideration of HK$1 in total by the grantee. The exercise period of the share options granted is determinable by the directors, and commences after a vesting period of one year and ends on a date which is not later than five years from the date of offer of the share options or the expiry date of the two series, if earlier.

The exercise price of share options is determinable by the directors, but may not be less than the higher of (i) the Stock Exchange closing price of the Company's shares on the date of offer of the share options; and (ii) the average Stock Exchange closing price of the Company's shares for the five trading days immediately preceding the date of offer.

Share options do not confer rights on the holders to dividends or to vote at shareholders' meetings.

The Series II has expired as at 25 June 2024. No further options have been granted under the Share Option Schemes and all options granted have lapsed and no options have been exercised under the Share Option Schemes. Both schemes expired as at 31 December 2024.

35. Partly-Owned Subsidiaries with Material Non-Controlling Interests

Details of the Group's subsidiary that has material non-controlling interests are set out below:

Name of subsidiary	Place of incorporation and principal place of business	Portion of ownership interest and voting rights held by non-controlling interests		Profit/(loss) allocated to non-controlling interests		Accumulated non-controlling interests	
		2025	2024	**2025**	2024	**2025**	2024
商河綠地博大綠泉建設有限公司 ("**Shanghe Greenland**")	PRC	**12%**	12%	**(677)**	1,653	**9,446**	10,123
Individual immaterial subsidiaries with non-controlling interest						**19,209**	14,801
						28,655	24,924

	2025 RMB'000	2024 RMB'000 (Restated)
Percentage of equity interest held by non-controlling interests:		
商河綠地博大綠泉建設有限公司 ("**Shanghe Greenland**")	**12%**	12%
(Loss)/profit for the year allocated to non-controlling interests:		
Shanghe Greenland	**(677)**	1,653
Accumulated balances of non-controlling interests at the reporting date:		
Shanghe Greenland	**9,446**	10,123

35. Partly-Owned Subsidiaries with Material Non-Controlling Interests (Continued)

The following tables illustrate the summarised financial information of the above subsidiary. The amounts disclosed are before any inter-company eliminations:

	2025 RMB'000	2024 RMB'000 (Restated)
Total (expense)/profit	**(5,641)**	13,772
(Loss)/profit for the year	**(5,641)**	13,772
Total comprehensive (loss)/profit for the year	**(5,641)**	13,772
Current assets	**150,253**	181,367
Non-current assets	**37,021**	11,186
Current liabilities	**(108,560)**	(108,198)
Net cash out flows from operating activities	**(1)**	(2)
Net decrease in cash and cash equivalents	**(1)**	(2)

A sub-contractor of the Group filed a claim to the People's Court against the Group an additional payment of construction costs and the interest arising from overdue payment of construction costs of approximately RMB1,733,000 during 2023. The 30% equity interest of the Group in Shanghe Greenland was frozen by the court for the case as at 31 December 2025 and 2024. In the opinion of the directors, the Group has made sufficient provision for the legal case and do not expect it would have significant impact on the Group's financial position.

36. Notes to the Consolidated Statement of Cash Flows

(a) Changes in liabilities arising from financing activities

	Bank and other borrowings RMB'000 (Restated)	Lease liabilities RMB'000 (Restated)	Corporate bonds RMB'000 (Restated)
At 1 January 2024 (restated)	595,477	26,543	212,481
Changes from financing cash flows	(3,163)	—	—
Foreign exchange difference	(529)	—	6,859
Interest expense	44,804	811	12,597
Settlement by issues of shares	(42,777)	—	(101,848)
Loss on modification of financial liabilities that do not result in derecognition, net	4,269	—	—
Loss/(gain) on settlement of financial liabilities	2,679	—	(4,085)
Interest payable classified as other payables	(24,233)	—	(12,597)
At 31 December 2024 (restated) and 1 January 2025	576,527	27,354	113,407
Changes from financing cash flows	**(50,332)**	**(5,688)**	**—**
Interest expense	**44,129**	**931**	**12,625**
Interest payable classified as other payables	**(6,614)**	—	**(12,625)**
Foreign exchange difference	**—**	—	**(5,351)**
At 31 December 2025	**563,710**	**22,597**	**108,056**

(b) Total cash outflow for leases

	2025 RMB'000	2024 RMB'000 (Restated)
Within operating activities	**101**	102

37. Contingent Liabilities

(a) Guarantees given to banks in connection with facilities granted to joint ventures

At the end of the reporting period, contingent liabilities not provided for in the financial statements were as follows:

	2025 RMB'000	2024 RMB'000 (Restated)
Guarantees given to banks in connection with facilities granted to joint ventures *(i)*	**369,605**	367,726
Guarantees given to banks in connection with facilities granted to former joint venture *(ii)*	**99,000**	99,000
	468,605	466,726

(i) *The Group's guarantees given to banks in connection with facilities are granted to joint ventures Quanzhou Haixi, Qishan Taiping, and Zhaoqing Park. No provision has been made by the Group in respect of the guarantee granted because the bank borrowings of joint ventures were secured by the contract assets, trade receivables and the rights to payments from their customers.*

(ii) *The Group's guarantees given to banks in connection with facilities are granted to former joint ventures 固始綠地博大綠澤南湖文化有限公司 ("**Gushi Nanhu**"), which was disposed during the year ended 2023. No provision has been made by the Group in respect of the guarantee granted because the bank borrowings of former joint ventures were secured by the contract assets, trade receivables and the rights to payments from their customers.*

(b) Pending litigation

Up to the date of this report, the Group had pending litigations originated from claims of several subcontractors for settlements of outstanding contract amounts of RMB42,670,000. The Group has made provision for the pending litigations. Having taken into account the legal counsel advices, the directors of the Company consider that no additional provision is required.

38. Pledge of Assets

Details of the Group's assets pledged for the Group's bank loans and other borrowings, for bank loans granted to joint ventures, and as performance bonds for construction contracts are included in notes 14, 20, 24, 26 and 30, respectively, to the financial statements.

39. Commitments

The Group had the following commitments provided to joint ventures (including the Group's share of commitments made jointly with other joint venturers):

	2025 RMB'000	2024 RMB'000 (Restated)
Capital contribution	**107,226**	107,266

40. 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 year:

	2025 RMB'000	2024 RMB'000 (Restated)
(a) Provision of construction services to:		
Joint ventures of the Group	**—**	7,863
Joint venture of the Greenland Group	**159**	—
Subsidiaries of Greenland Group	**20,997**	—
(b) Provision of design and maintenance services		
Joint venture of the Group	**—**	179
(c) Other loans repaid to related parties:		
Eastern Greenstate International Company Limited ("**Eastern Greenstate**") *(iii)*	**—**	(14,803)
(d) Amounts advanced from/(repaid to) related parties:		
(i) Subsidiaries of Greenland Group	**(22,288)**	3,895
Joint ventures of the Group	**6,095**	153,126
Joint ventures of the Greenland Group	**136**	—

Notes:

(a) During the year ended 2024, the Group issued 1,979,000,000 shares for the settlement of corporate bonds of RMB101,848,000, which are non-cash transactions.

(b) During the year ended 2024, the Group issued 500,273,000 shares for the settlement of other borrowings of RMB42,777,000, which are non-cash transactions. Inscription Capital and Easten Capital being a shareholder of the Company thereafter.

These transactions were carried out on terms based on those terms in the ordinary course of business as agreed mutually.

(i) Gushi Nanhu, 中博建設工程集團有限公司 and Mianzhu Greenstate are also the joint ventures of the Group, among which, Gushi Nanhu was disposed during the year ended 31 December 2023.

(ii) Eastern Greenstate is a shareholder of the Company.

40. Related Party Transactions (Continued)

(b) Other transactions with related parties:

(i) The interest expenses for corporate bonds paid to Greenland Financial for the year ended 31 December 2025 were RMB12,625,000 (2024: RMB12,597,000). Further details are set out in note 26 to these consolidated financial statements.

(c) Details of compensation of key management personnel of the Group are set out in note 9.

(d) Outstanding balances with related parties:

	2025 RMB'000	2024 RMB'000 (Restated)
1) Due from related companies		
(a) Gross trade receivables with following related companies		
(i) Joint ventures of the Group	**98,319**	98,412
(ii) Joint ventures of Greedland Group	**112,363**	112,216
(iii) Subsidiaries of Greenland Group	**15,248**	21,487
(b) Gross contract assets with following related companies		
(i) Joint ventures of the Group	**274,715**	274,715
(ii) Joint ventures of Greenland Group	**60,753**	60,605
(iii) Subsidiaries of Greenland Group	**17,722**	—
(c) Other prepayments, deposits and other receivables with following related companies		
(i) Joint ventures of the Group	**53,234**	53,886
(ii) Subsidiaries of Greenland Group	**83,811**	106,791
(d) Joint ventures of Greenland Group	**28,684**	25,653

Note: During the year ended 31 December 2024, contract asset of RMB12,023,000 has been transferred to trade receivable, which are non-cash transaction.

The balances due from related companies are unsecured, interest-free and repayable on demand.

40. Related Party Transactions (Continued)

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

	2025 RMB'000	2024 RMB'000 (Restated)
2) Due to related companies		
(a) Other payables		
(i) Subsidiaries of Greenland Group	**82,449**	100,918
(ii) Joint venture of the Group	**1,423**	—
(iii) Joint venture of the Greenland Group	**30,000**	30,000
(b) Interest-bearing bank and other borrowing		
Inscription Capital Holdings Limited *(note)*	**32,429**	29,334

Note: Inscription Capital Holding Limited is a shareholder of the Company after issues of shares for settlement of other borrowing during the year end 31 December 2024.

These balances due to related companies are unsecured, interest-free and repayable on demand.

	2025 RMB'000	2024 RMB'000 (Restated)
Contract liabilities with following related companies		
Joint ventures of the Group:		
Quanzhou Haixi	**68,933**	68,933
Yuzhou Shenhou	**23,593**	23,593

(e) Guarantees with related companies

	2025 RMB'000	2024 RMB'000 (Restated)
Guarantees for borrowing provided to joint ventures:		
Qishan Taiping	**23,460**	23,460
Quanzhou Haixi	**270,926**	270,926
Zhaoqing Park	**96,800**	96,800

The Group guaranteed certain bank loans provided to joint ventures at no consideration at 31 December 2025 and 2024.

41. Acquisition of a Subsidiary

On 31 December 2024, the Company entered into a sale and purchase agreement with a third party for the acquisition of 51% equity interest in ZDX Energy International Co., Ltd ("**ZDX**"). The acquisition took place on 26 March 2025 and the consideration for the acquisition was satisfied by the issuance of 219,354,839 new shares of the Company.

Consideration transferred

	RMB'000
Share issued *(Note 1)*	2,871
Contingent consideration arrangement *(Note 2)*	(47)
	2,824

Notes:

1. *The fair value of the shares issued is estimated to approximately RMB2,871,000 at the date of issuance, which is calculated based on the closing market price of the Company's share at the issuance date.*

2. *Based on the relevant agreement, the Company had been given a guarantee that (i) the audited consolidated net profit after tax of ZDX for the three financial years ending 31 December 2025, 31 December 2026 and 31 December 2027 would be no less than RMB11,000,000 in total (the "**Guaranteed Sum**"), in case the Guarantee sum is not fulfilled for the corresponding period/year, ZDX Energy Development Co., Limited (the "**Vendor**") shall pay the net loss (the "**Shortfall**") to the Company; (ii) the audited consolidated net cash flows of ZDX Group for the three financial years ending 31 December 2025, 31 December 2026 and 31 December 2027 would not be cash outflows, in case the cash flow requirement not fulfilled for the corresponding year, the Vendor shall pay the net cash outflow to the Group. The fair value of such contingent arrangement amounted to RMB46,000 as at the end of the reporting period and has been recognised in prepayments, other receivables and other assets.*

ZDX is principally engaged in provision of operation and maintenance service for hydroelectric power stations in the People's Republic of China.

41. Acquisition of a Subsidiary (Continued)

Consideration transferred (Continued)

The acquisition of ZDX has been accounted for as acquisition of business using the acquisition method. The effect of the acquisition is summarised as follows:

	RMB'000
Assets	
Cash and cash equivalents	57
Trade receivables	5,751
Prepayments, other receivables and other assets	4,115
Liabilities	
Other payables and accruals	(18)
Total identifiable net assets acquired	9,905

Non-controlling interests

The non-controlling interests (49%) in ZDX recognised at the acquisition date was measured by reference to the proportionate share of recognised amounts of net assets of ZDX and amounted to approximately RMB4,853,000.

Gain on bargain purchase on acquisition

	RMB'000
Consideration transferred	2,824
Add: non-controlling interests	4,853
Less: Net assets acquired	(9,905)
Gain on bargain purchase	2,228

Gain on bargain purchase amounting to approximately RMB 2,228,000 on acquisition of ZDX, after reassessment, is recognised in profit or loss

The issue price of the consideration shares of HK$0.1 per share was determined with reference to the latest business and development for the future prospects of the ZDX and valuation made by King Kee Appraisal and Advisory Limited in respect of 100% equity value of Guoneng Tairui as of 31 October 2024. Since the fair value of the consideration shares decreased due to the closing market price of the Company's ordinary shares decreased on the date of acquisition, the business combination resulted in a gain on bargain purchase.

41. Acquisition of a Subsidiary (Continued)

Net cash inflow on acquisition of ZDX

	RMB'000
Cash and cash equivalents balances acquired	57

Impact of acquisition on the results of the Group

Included in the loss for the year is RMB2,054,000 attributable to the additional business generated by ZDX. Revenue for the year includes RMB10,009,000 generated from ZDX.

Had the acquisition of ZDX been completed on 1 January 2025, revenue for the year of the Group from continuing operations would have been RMB10,972,000, and loss for the year from continuing operations would have been RMB1,520,000. The pro forma information is for illustrative purposes only and is not necessarily an indication of revenue and results of operations of the Group that actually would have been achieved had the acquisition been completed on 1 January 2025, nor is it intended to be a projection of future results.

42. 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:

2025

Financial assets

	Financial assets at amortised cost RMB'000	Financial assets at fair value through profit or loss RMB'000	Equity investment at fair value through profit or loss RMB'000	Total RMB'000
Financial assets at fair value through profit or loss	—	28,684	—	28,684
Equity investment at fair value through profit or loss	—	—	40,297	40,297
Trade receivables	38,527	—	—	38,527
Financial assets included in prepayments, deposits and other receivables	381,910	—	—	381,910
Cash and cash equivalents	13,205	—	—	13,205
Restricted bank balances	1,801	—	—	1,801
Total	435,443	28,684	40,297	504,424

Financial liabilities

	Financial liabilities at amortised cost RMB'000
Corporate bonds	108,056
Trade payables	583,773
Financial liabilities included in other payables and accruals	288,613
Interest-bearing bank and other borrowings	563,710
Lease liabilities	22,597
Total	1,566,749

42. Financial Instruments by Category (Continued)

The carrying amounts of each of the categories of financial instruments as at the end of the reporting period are as follows: (Continued)

2024 (Restated)

Financial assets

	Financial assets at amortised cost RMB'000	Financial assets at fair value through profit or loss RMB'000	Equity investment at fair value through profit or loss RMB'000	Total RMB'000
Financial assets at fair value through profit or loss	—	25,653	—	25,653
Equity investment at fair value through profit or loss	—	—	53,563	53,563
Trade receivables	60,471	—	—	60,471
Financial assets included in prepayments, deposits and other receivables	435,089	—	—	435,089
Cash and cash equivalents	2,859	—	—	2,859
Restricted bank balances	13,250	—	—	13,250
Total	511,669	25,653	53,563	590,885

Financial liabilities

	Financial liabilities at amortised cost RMB'000
Corporate bonds	113,407
Trade payables	576,221
Financial liabilities included in other payables and accruals	209,247
Interest-bearing bank and other borrowings	576,527
Lease liabilities	27,354
Total	1,502,756

43. Fair Value and Fair Value Hierarchy of Financial Instruments

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

The Group's finance department headed by the finance manager is responsible for determining the policies and procedures for the fair value measurement of financial instruments. The finance manager reports directly to the chief financial officer and the audit committee. At each reporting date, the finance department analyses the movements in the values of financial instruments and determines the major inputs applied in the valuation. The valuation is reviewed and approved by the chief financial officer. The valuation process and results are discussed with the audit committee twice a year for interim and annual financial reporting.

The fair 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.

Due to the fact that there is no active quoted market price, the fair values of listed equity investments and unlisted equity investments have been estimated using a market-based valuation technique based on assumptions that are not supported by observable market prices or rates. The valuation requires the directors to determine comparable public companies (peers) based on industry, size, leverage and strategy, and to calculate an appropriate price multiple, such as price to book ("**P/B**") multiple and price to earnings ("**P/E**") multiple, for each comparable company identified. The multiple is calculated by dividing the enterprise value of the comparable company by an earnings measure. The trading multiple is then discounted for considerations such as illiquidity and size differences between the comparable companies based on company-specific facts and circumstances. The discounted multiple is applied to the corresponding earnings measure of the unlisted equity investments to measure the fair value. The directors believe that the estimated fair values resulting from the valuation technique, which are recorded in the consolidated statement of financial position, and the related changes in fair values, which are recorded in profit and loss, are reasonable, and that they were the most appropriate values at the end of the reporting period.

43. Fair Value and Fair Value Hierarchy of Financial Instruments (Continued)

Below is a summary of significant unobservable inputs to the valuation of financial instruments together with a sensitivity analysis as at 31 December 2025 and 2024:

	Valuation technique	Significant unobservable inputs	Range	Sensitivity of fair value to the input
Listed equity investment	Market approach	P/E multiple of peers	38.7 to 42.7 (2024: 25.1 to 88.9)	5% (2024: 5%) increase/ decrease in multiple would result in increase/ decrease in fair value by RMB2,015,000 (2024: RMB2,678,000)
		Discount for lack of marketability	31.14% (2024: 31.4%)	5% (2024: 5%) increase/ decrease in discount would result in decrease/ increase in fair value by RMB2,926,000 (2024: RMB3,890,000)
Unlisted equity investments	Market approach	P/B multiple of peers	1.9 to 2.1 (2024: 0.7 to 11.8)	5% (2024: 5%) increase/ decrease in multiple would result in increase/ decrease in fair value by RMB2,083,000 (2024: 1,283,000)
		Discount for lack of marketability	31.14% (2024: 31.4%)	5% (2024: 5%) increase/ decrease in discount would result in decrease/ increase in fair value by RMB1,434,000 (2024: 1,863,000)

The discount for lack of marketability represents the amounts of premiums and discounts determined by the Group that market participants would take into account when pricing the investments.

43. Fair Value and Fair Value Hierarchy of Financial Instruments (Continued)

Fair value hierarchy

The following table illustrates the fair value measurement hierarchy of the Group's financial instruments:

Assets measured at fair value:

As at 31 December 2025

	Fair value measurement using			
	Quoted prices in active markets (Level 1) RMB'000	**Significant observable inputs (Level 2) RMB'000**	**Significant unobservable inputs (Level 3) RMB'000**	**Total RMB'000**
Financial assets at fair value through profit or loss	**—**	**—**	**28,684**	**28,684**
Equity investment at fair value through profit or loss	**—**	**—**	**40,297**	**40,297**
	—	**—**	**68,981**	**68,981**

As at 31 December 2024 (Restated)

	Fair value measurement using			
	Quoted prices in active markets (Level 1) RMB'000	Significant observable inputs (Level 2) RMB'000	Significant unobservable inputs (Level 3) RMB'000	Total RMB'000
Financial assets at fair value through profit or loss	—	—	25,653	25,653
Equity investment at fair value through profit or loss	—	—	53,563	53,563
Total	—	—	79,216	79,216

The movements in fair value measurements within Level 3 during the year are as follows:

	2025 RMB'000	2024 RMB'000 (Restated)
Financial assets and equity investment at fair value through profit or loss at 1 January	**79,216**	98,555
Total losses recognised in the statement of profit or loss included in other income	**(10,235)**	(19,339)
At 31 December	**68,981**	79,216

44. Financial Risk Management Objectives and Policies

The Group's principal financial instruments comprise cash and cash equivalents, restricted bank balances, interest-bearing bank and other borrowings and corporate bonds. The main purpose of these financial instruments is to raise finance for the Group's operations. The Group has various other financial assets and liabilities, such as trade receivables and trade payables, which arise directly from its operations.

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.

Foreign currency risk

The Group's businesses are located in Chinese Mainland and nearly all transactions are conducted in RMB. In addition, the Company has intra-group balances with several subsidiaries denominated in foreign currency which also expose the Group to foreign currency risk. As most of the Group's assets and liabilities were denominated in RMB, the Group was not subject to significant foreign currency risk as at 31 December 2025. As at 31 December 2025, the Group's assets and liabilities denominated in US$ and HK$ were mainly held by the Company and a subsidiary incorporated outside Chinese Mainland which had HK$ as their functional currency. The Company and the subsidiary incorporated outside Chinese Mainland also held corporate bonds and other borrowings denominated in US$ and other payables denominated in RMB, from which foreign currency exposure arises.

The following table demonstrates the sensitivity at the end of the reporting period to a reasonably possible change in the US$ and HK$ exchange rates, with all other variables held constant, of the Group's loss before tax and the Group's equity.

	Increase/ (decrease) in rate %	Increase/ (decrease) in loss before tax RMB'000	Increase/ (decrease) in equity* RMB'000
2025			
If HK$ weakens against US$	**1**	**1,654**	**–**
If HK$ strengthens against US$	**(1)**	**(1,654)**	**–**

44. Financial Risk Management Objectives and Policies (Continued)

Foreign currency risk (Continued)

	Increase/ (decrease) in rate %	Increase/ (decrease) in loss before tax RMB'000	Increase/ (decrease) in equity* RMB'000
2024 (Restated)			
If HK$ weakens against US$	1	1,490	—
If HK$ strengthens against US$	(1)	(1,490)	—

* *Excluding retained profits.*

The Group currently does not have a foreign exchange hedging policy. However, the management of the Group monitors foreign exchange exposure and will consider hedging significant foreign exchange exposure should the need arise.

Credit risk

It is the Group's policy that all customers who wish to trade on credit terms are subject to credit verification procedures. In addition, receivable balances are monitored on an ongoing basis and the Group's exposure to bad debts is not significant. For transactions that are not denominated in the functional currency of the relevant operating unit, the Group does not offer credit terms without the specific approval of the Head of Credit Control.

44. Financial Risk Management Objectives and Policies (Continued)

Credit risk (Continued)

Maximum exposure and year-end staging

The tables below show the credit quality and the maximum exposure to credit risk based on the Group's credit policy, which is mainly based on past due information unless other information is available without undue cost or effort, and year-end staging classification as at 31 December.

The amounts presented are gross carrying amounts for financial assets and the exposure to credit risk for the financial guarantee contracts.

As at 31 December 2025

	12-month ECLs	Lifetime ECLs			
	Stage 1 RMB'000	Stage 2 RMB'000	Stage 3 RMB'000	Simplified approach RMB'000	Total RMB'000
Contract assets*	–	–	–	1,217,275	1,217,275
Trade receivables*	–	–	–	373,417	373,417
Financial assets included in other receivables and other assets					
— Normal**	375,287	–	–	–	375,287
— Doubtful**	–	54,094	79,409	–	133,503
Restricted bank balances	1,801	–	–	–	1,801
Cash and cash equivalents	13,205	–	–	–	13,205
Guarantees given to banks					
— Facilities drawn by joint ventures	369,605	–	–	–	369,605
— Facilities drawn by former joint venture					
— Not yet past due	99,000	–	–	–	99,000
Total	858,898	54,094	79,409	1,590,692	2,583,093

44. Financial Risk Management Objectives and Policies (Continued)

Credit risk (Continued)

Maximum exposure and year-end staging (Continued)

As at 31 December 2024 (Restated)

	12-month ECLs	Lifetime ECLs			
	Stage 1 RMB'000	Stage 2 RMB'000	Stage 3 RMB'000	Simplified approach RMB'000	Total RMB'000
Contract assets*	—	—	—	1,108,665	1,108,665
Trade receivables*	—	—	—	543,547	543,547
Financial assets included in other receivables and other assets					
— Normal**	393,292	—	—	—	393,292
— Doubtful**	—	49,982	54,201	—	104,183
Restricted bank balances	13,250	—	—	—	13,250
Cash and cash equivalents	2,859	—	—	—	2,859
Guarantees given to banks					
— Facilities drawn by joint ventures	367,726	—	—	—	367,726
— Facilities drawn by former joint venture					
— Not yet past due	99,000	—	—	—	99,000
Total	876,127	49,982	54,201	1,652,212	2,632,522

* *For trade receivables and contract assets to which the Group applies the simplified approach for impairment, information based on the provision matrix is disclosed in notes 23 and 24 to the financial statements, respectively.*

** *The credit quality of the financial assets included in prepayments, other receivables and other assets is considered to be "normal" when they are not past due and there is no information indicating that the financial assets had a significant increase in credit risk since initial recognition. Otherwise, the credit quality of the financial assets is considered to be "doubtful".*

Further quantitative data in respect of the Group's exposure to credit risk arising from trade receivables are disclosed in note 23 to the financial statements.

44. Financial Risk Management Objectives and Policies (Continued)

Credit risk (Continued)

The Group's concentration of credit risk by geographical locations is mainly in PRC, which accounted for 100% (2024 (Restated): 100%) of the total trade receivables as at 31 December 2025. The Group has concentration of credit risk as 18% (2024 (Restated): 14.5%) and 49% (2024 (Restated): 64%) of the total gross trade receivables was due from the Group's largest customer and the five largest customers respectively within the construction business segment. In order to minimise the credit risk, the management of the Group has delegated a team responsible for determination of credit limits and credit approvals.

Credit risk on restricted bank deposits and bank balances is limited because the counterparties are reputable banks with high credit ratings assigned by international credit agencies. The Group assessed 12m ECL for pledged restricted bank deposits and bank balances by reference to information relating to probability of default and loss given default of the respective credit rating grades published by external credit rating agencies. Based on the average loss rates, the 12m ECL on restricted bank deposits and bank balances is considered to be insignificant and therefore no loss allowance was recognised/to specify the amount of impairment made.

For prepayments, other receivables and other assets, the management makes periodic individual assessment on the recoverability of other receivables and deposits based on historical settlement records, past experience, and also quantitative and qualitative information that is reasonable and supportive forward-looking information.

For financial guarantee contracts, the aggregate amount of outstanding financial guarantees issued to banks in respect of bank facilities granted to joint ventures and former joint ventures that the Group could be required to pay amounted to RMB564,476,000 as at 31 December 2025 (2024 (Restated): RMB490,186,000). RMB468,605,000 (2024 (Restated): RMB490,186,000) of the outstanding financial guarantees has been utilised by the joint ventures and former joint venture. The fair value of these financial guarantee, as at dates of initial recognition, were considered insignificant. At the end of the reporting period, the management has performed impairment assessment, and concluded that there has been no significant increase in credit risk since initial recognition of the financial guarantee contracts. Accordingly, the loss allowance for financial guarantee contracts issued by the Group is measured at an amount equal to 12m ECL. No loss allowance was recognised in the profit or loss as the amount of the loss allowance was not significant.

44. Financial Risk Management Objectives and Policies (Continued)

Liquidity risk

The Group monitors its risk to a shortage of funds using a recurring liquidity planning tool. This tool considers the maturity of both its financial instruments and financial assets (e.g., trade receivables) and projected cash flows from operations.

The Group's objective is to maintain a balance between continuity of funding and flexibility through the use of bank loans, corporate bonds, lease liabilities and other interest-bearing loans.

The maturity profile of the Group's financial liabilities as at the end of the reporting period, based on the contractual undiscounted payments, was as follows:

Group	2025							
	Weighted average interest rate RMB'000	On demand RMB'000	Less than 3 months RMB'000	3 to 12 months RMB'000	1 to 5 years RMB'000	Over 5 years RMB'000	Total undiscounted cash flow RMB'000	Carrying amount RMB'000
Corporate bonds	12%	–	–	–	133,308	–	133,308	108,056
Interest-bearing bank and other borrowings	7.8%	228,558	6,440	230,551	108,242	35,444	609,235	563,710
Trade payables	–	583,773	–	–	–	–	583,773	583,773
Lease liabilities	3.65%	–	–	4,661	21,909	–	26,570	22,597
Other payables	–	288,613	–	–	–	–	288,613	288,613
Total		1,100,944	6,440	235,212	263,459	35,444	1,641,499	1,566,749

Group	2024 (Restated)							
	Weighted average interest rate RMB'000	On demand RMB'000	Less than 3 months RMB'000	3 to 12 months RMB'000	1 to 5 years RMB'000	Over 5 years RMB'000	Total undiscounted cash flow RMB'000	Carrying amount RMB'000
Corporate bonds	12%	–	–	–	151,197	–	151,197	113,407
Interest-bearing bank and other borrowings	7.5%	325,561	–	60,458	238,536	28,220	652,775	576,527
Trade payables	–	576,221	–	–	–	–	576,221	576,221
Lease liabilities	3.65%	–	–	10,234	8,954	10,358	29,546	27,354
Other payables	–	209,247	–	–	–	–	209,247	209,247
Total		1,111,029	–	70,692	398,687	38,578	1,618,986	1,502,756

44. Financial Risk Management Objectives and Policies (Continued)

Capital management

The primary objectives of the Group's capital management are to safeguard the Group's ability to continue as a going concern and to maintain healthy capital ratios in order to support its business and maximise shareholders' value.

The Group manages its capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. The Group is not subject to any externally imposed capital requirements. No changes were made in the objectives, policies or processes for managing capital during the years ended 31 December 2025 and 31 December 2024.

The Group monitors capital using a gearing ratio, which is net debt divided by the capital plus net debt. Net debt includes interest-bearing bank and other borrowings, corporate bonds, trade and bills payables, other payables and accruals, less cash and cash equivalents. Capital includes equity attributable to owners of the parent. The gearing ratios as at the end of the reporting period were as follows:

	2025 RMB'000	2024 RMB'000 (Restated)
Interest-bearing bank and other borrowings	**563,710**	576,527
Corporate bonds	**108,056**	113,407
Trade payables	**583,773**	576,221
Other payables and accruals	**288,613**	209,247
Less: cash and cash equivalents	**(13,205)**	(2,859)
Net debt	**1,530,947**	1,472,543
Equity attributable to owners of the parent	**(1,484)**	144,035
Capital and net debt	**1,529,463**	1,616,578
Gearing ratio	**N/A**	91%

45. Major non-cash transaction

During the year ended 31 December 2024, certain the corporate bonds, interest-bearing bank and other payables and accruals have been settled by issue of shares approximately RMB225,276,000.

During the year ended 31 December 2025, the acquisition of subsidiaries has been settled by issue of shares approximately RMB2,871,000.

46. Events After the Reporting Period

There was no material subsequent event undertaken by the group after 31 December 2025.

47. Statement of Financial Position of the Company

	31 December 2025 RMB'000	31 December 2024 RMB'000
NON-CURRENT ASSETS		
Property and equipment	**3**	3
Investments in subsidiaries	**565,762**	562,901
Total non-current assets	**565,765**	562,904
CURRENT ASSETS		
Cash and cash equivalents	**171**	276
Due from subsidiaries	**—**	2,658
Total current assets	**171**	2,934
CURRENT LIABILITIES		
Interest-bearing bank and other borrowings	**2,543**	4,696
Other payables and accruals	**379,066**	370,762
Total current liabilities	**381,609**	375,458
NET CURRENT LIABILITIES	**(381,438)**	(372,524)
TOTAL ASSETS LESS CURRENT LIABILITIES	**184,327**	190,380
NON-CURRENT LIABILITIES		
Corporate bonds	**108,056**	113,407
Interest-bearing bank borrowings	**26,387**	21,138
Total non-current liabilities	**134,443**	134,545
Net assets/(liabilities)	**49,884**	55,835
EQUITY		
Share capital	**127,815**	122,715
Other reserves	**(77,931)**	(66,880)
Net assets	**49,884**	55,835

47. Statement of Financial Position of the Company (Continued)

Note:

A summary of the Company's reserves is as follows:

	Share premium account RMB'000	Other reserve RMB'000	Exchange fluctuation reserve RMB'000	Accumulated losses RMB'000	Total RMB'000
At 31 December 2023 and 1 January 2024	151,609	3,471	(26,380)	(315,620)	(186,920)
Total comprehensive income/(loss) for the year	168,957	–	(20,174)	(28,743)	120,040
At 31 December 2024	320,566	3,471	(46,554)	(344,363)	(66,880)
At 31 December 2024 and 1 January 2025	**320,566**	**3,471**	**(46,554)**	**(344,363)**	**(66,880)**
Total comprehensive income/(loss) for the year	**–**	**–**	**18,940**	**(27,762)**	**(8,822)**
Acquisition of subsidiaries	**(2,229)**	**–**	**–**	**–**	**(2,229)**
At 31 December 2025	**318,337**	**3,471**	**(27,614)**	**(372,125)**	**(77,931)**

48. Comparative Figures

As explained in note 3 to the consolidated financial statements, due to the Group's application of AG 5 merger accounting for business combinations under common control during the year, certain comparative amounts have been restated to conform with the current year's accounting treatments and presentation.

49. Approval of the Financial Statements

The financial statements were approved and authorised for issue by the board of directors on 31 March 2026.

Definitions

"2015 Company Share Charge"	the share charge entered into between the Company and Greenland Financial on 15 October 2015 in relation to the charge of all rights, entitlements, interests and benefits in the entire issued share capital of Greenstate Times, in favour of Greenland Financial
"2015 Greenstate Times Share Charge"	the share charge entered into between Greenstate Times and Greenland Financial on 15 October 2015 in relation to the charge of all rights, entitlements, interests and benefits in the entire issued share capital of Greenstate International, in favor of Greenland Financial
"2015 Note Instrument"	the instrument issued by the Company on 15 October 2015 for the creation and issue of the 2015 Notes in favour of Greenland Financial
"2015 Notes"	the redeemable fixed coupon promissory note with a principal amount of US$40,000,000 at the rate of 9.00% per annum issued pursuant to the terms and conditions set out in the 2015 Note Instrument
"2015 Share Charge"	the 2015 Company Share Charge and the 2015 Greenstate Times Share Charge
"2017 Company Share Charge"	the charge of all rights, entitlements, interests and benefits in 50,000 ordinary shares of Greenstate Times, representing 50% of the entire issued share capital of Greenstate Times, legally and beneficially held by the Company as at the date of the 2017 Deed of Consent and charged in favor of Greenland Financial
"2017 Deed of Consent"	the deed of consent entered into between the Company and Greenland Financial on 15 November 2017 in relation to, among others, the execution of 2017 Note Instrument and 2017 Share Charges
"2017 Greenstate Times Share Charge"	the charge of all rights, entitlements, interests and benefits in 5,000 ordinary shares of Greenstate International, representing 50% of the entire issued share capital of Greenstate International, legally and beneficially held by Greenstate Times as at the date of the 2017 Deed of Consent and charged in favor of Greenland Financial
"2017 Note Instrument"	the instrument executed by the Company on 15 January 2018 for the reissue of the 2017 Notes in favor of Greenland Financial pursuant to the 2017 Deed of Consent
"2017 Notes"	the redeemable fixed coupon promissory note with a principal amount of US$40,000,000 at the rate of 9.00% per annum issued pursuant to the terms and conditions set out in the 2015 Note Instrument and reissued pursuant to the terms and conditions set out in the 2017 Note Instrument
"2017 Share Charges"	the 2017 Company Share Charge and the 2017 Greenstate Times Share Charge
"2019 Company Share Charge"	the charge of all rights, entitlements, interests and benefits in 43,000 ordinary shares of Greenstate Times, representing 43% of the entire issued share capital of Greenstate Times, legally and beneficially held by the Company as at the date of the 2019 Deed of Consent and charged in favour of Greenland Financial

“2019 Deed of Consent”	the deed of consent entered into between the Company and Greenland Financial on 4 December 2019 in relation to, among others, the execution of 2019 Note Instrument and 2019 Share Charges
“2019 Greenstate Times Share Charge”	the charge of all rights, entitlements, interests and benefits in 4,300 ordinary shares of Greenstate International, representing 43% of the entire issued share capital of Greenstate International, legally and beneficially held by Greenstate Times as at the date of the 2019 Deed of Consent and charged in favour of Greenland Financial
“2019 Note Instrument”	the instrument executed by the Company on 4 December 2019 for the reissue of the 2019 Notes in favor of Greenland Financial pursuant to the 2019 Deed of Consent
“2019 Notes”	the redeemable fixed coupon promissory note with a principal amount of US$35,000,000 at the rate of 12.00% per annum reissued pursuant to the terms and conditions set out in the 2019 Note Instrument
“2019 Share Charge”	the 2019 Company Share Charge and the 2019 Greenstate Times Share Charge
“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 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 C1 to the Listing Rules
“China” or the “People’s Republic of China”	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 Green Broad Ecological Technology Company Limited (中國綠博生態科技集團有限公司) (formerly known as 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
“Company Charged Shares”	100,000 ordinary shares of Greenstate Times, representing the entire issued share capital of Greenstate Times, legally and beneficially held by the Company as at the date of the Note Purchase Agreement and to be charged in favor of Greenland Financial under the Company Share Charge

"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
"Conversion"	the subscription of the Conversion Shares by Greenland Financial in settlement of the corresponding amounts of outstanding and overdue indebtedness owed by the Company to Greenland Financial, pursuant to the terms of the Conversion Agreement
"Conversion Agreement"	the conversion agreement entered into between the Company and Greenland Financial in relation to the Conversion
"Conversion Completion"	the completion of the Conversion
"Conversion Shares"	a total of 1,979,000,000 new Shares to be allotted and issued by the Company to Greenland Financial pursuant to the Conversion Agreement
"Creditors"	Inscription Capital and Easten Capital
"Deed of Novation"	the deed of novation entered into on 11 September 2015 between the Company, Greenland Leasing and Greenland Financial, pursuant to which Greenland Leasing shall novate all its rights, obligations and liabilities under the Note Purchase Agreement to the Purchaser
"Directors"	director(s) of the Company
"Easten Capital"	Easten Capital Holdings Limited, a company incorporated under the laws of the BVI, which is beneficially wholly owned by Mr. Tu Guoqin (屠國勤), an Independent Third Party, not a Shareholder or a party acting in concert with Greenland Financial
"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
"Greenland"	Greenland Holdings Group Corporation Limited (綠地控股集團股份有限公司), a company incorporated under the laws of the People's Republic of China
"Greenland Financial"	Greenland Financial Overseas Investment Group Co., Ltd. (綠地金融海外投資集團有限公司), a company incorporated under the laws of the BVI, 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 People's Republic of China
"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 C3 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
"Reissue of Notes"	the reissue of the Notes by the Company to Greenland Financial on the terms and subject to the conditions set out in the 2017 Note Instrument
"Remuneration Committee"	the remuneration committee of the Company
"Renminbi" or "RMB"	the lawful currency of China
"Reporting Period"	for the year ended 31 December 2025
"SFO"	Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), as amended, supplemented or otherwise modified from time to time
"Shareholders"	holder(s) of our Share(s) from time to time
"Shares"	ordinary shares of HK$0.25 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 annual 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.