

THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

If you are in any doubt as to any aspect of this circular or as to the action to be taken, you should consult a stockbroker or other registered dealer in securities, a bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your shares in Broad Greenstate International Company Limited, you should at once hand this circular, together with the enclosed form of proxy, to the purchaser or transferee or to the bank, stockbroker or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

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This circular is for information purposes only and does not constitute an invitation or offer to acquire, purchase or subscribe for any securities of Broad Greenstate International Company Limited.



Broad Greenstate International Company Limited

博大綠澤國際有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1253)

SHARE SUBSCRIPTION UNDER SPECIFIC MANDATE AND NOTICE OF EXTRAORDINARY GENERAL MEETING

A notice convening the EGM of Broad Greenstate International Company Limited to be held at Crowne Plaza Shanghai Noah Square, Conference Room No. 3, Third Floor, No. 1699, Jinshajiang Road, Putuo District, Shanghai, China on Tuesday, 23 June 2015 at 3 p.m. is set out on pages 17 to 18 of this circular. A form of proxy for use at the EGM is also enclosed. Such form of proxy is also published on the websites of Hong Kong Exchanges and Clearing Limited (<http://www.hkexnews.hk>) and the Company (<http://www.broad-greenstate.com.cn>).

Whether or not you are able to attend the EGM, please complete and sign the enclosed form of proxy in accordance with the instructions printed thereon and return it to the Company's branch share registrar in Hong Kong, Tricor Investor Services Limited, at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong as soon as possible but in any event not less than 48 hours before the time appointed for the holding of the EGM or any adjournment thereof. Completion and return of the form of proxy will not preclude shareholders from attending and voting in person at the EGM if they so wish, and in such event, the instrument appointing a proxy shall be deemed to be revoked.

8 June 2015

CONTENTS

	<i>Page</i>
Definitions	1
Letter from the Board	6
Notice of the EGM	17

DEFINITIONS

In this circular, unless the context otherwise requires, the following expressions shall have the following meanings:

“Acting in Concert Deed”	a deed of confirmation dated 12 January 2014 executed by Mr. Wu Zhengping (吳正平), Ms. Xiao Li (肖莉) and the Management Shareholders, whereby they confirmed the existence of their acting in concert arrangements. A summary of the Acting in Concert Deed is set out in the section headed “Relationship with Controlling Shareholders” in the Prospectus
“Affiliate”	with respect to any Person, any other Person directly or indirectly controlling, controlled by, or under common control with such Person (including any subsidiary) or any investment funds managed or advised by such Person or any of its other Affiliates. Notwithstanding the foregoing, in the case of a Person that is a pooled investment vehicle or an entity wholly owned by a pooled investment vehicle, “Affiliates” shall include any of its general partners and fund managers and pooled investment vehicles managed by its fund managers, and any officers, general partners and fund managers thereof. “Affiliates” and “Affiliated” shall have correlative meanings. For the purpose of this definition, the term “control” (including with correlative meanings, the terms “controlling”, “controlled by” and “under common control with”), as used with respect to any Person, shall mean the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of such Person, whether through the ownership of voting securities or by contract or otherwise
“Approvals”	any consent, permit, approval, authorisation, waiver, grant, concession, licence, exemption, order, registration or certificate granted by any Governmental Authority in respect of the filings, documents, reports or notices submitted to such Governmental Authority
“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
“associate(s)”	has the meaning ascribed thereto under the Listing Rules
“Board”	the board of Directors of the Company

DEFINITIONS

“Broad Landscape International”	Broad Landscape International Company Limited (博大國際有限公司), a company incorporated in British Virgin Islands on 8 October 2013 and a wholly-owned company of Mr. Wu Zhengping (吳正平)
“Business Day”	a day (other than a Saturday, Sunday or public holiday or days on which a tropical cyclone warning No. 8 or above or a “black rainstorm warning signal” is hoisted in Hong Kong at any time between 9:00 a.m. and 5:00 p.m.) on which commercial banks are generally opened for banking business in Hong Kong
“China” or the “PRC”	the People’s Republic of China, which for the purpose of this circular excludes Hong Kong, Macao Special Administrative Region of the PRC and Taiwan
“Company”	Broad Greenstate International Company Limited (博大綠澤國際有限公司), a company incorporated in the Cayman Islands on 22 October 2013 with limited liability, the Shares of which are listed on the main board of the Stock Exchange
“Completion”	completion of the Subscription in accordance with the terms and conditions of the Subscription Agreement
“Completion Date”	the second Business Day after the fulfillment or waiver (as the case may be) of all the conditions in respect of the Subscription under the Subscription Agreement or such other date as may be agreed in writing between the Company and the Subscriber
“connected person(s)”	has the meaning ascribed thereto in the Listing Rules
“connected transaction(s)”	has the meaning ascribed thereto in the Listing Rules
“Controlling Shareholders”	has the meaning ascribed to it under the Listing Rules, and in the context of this circular refers to Broad Landscape International, Eastern Greenstate International, Mr. Wu Zhengping (吳正平), Ms. Xiao Li (肖莉) and the Management Shareholders
“Director(s)”	the director(s) of the Company

DEFINITIONS

“Eastern Greenstate International”	Eastern Greenstate International Company Limited (綠澤東方國際有限公司), a company incorporated in British Virgin Islands on 9 October 2013, which is owned as to approximately 48.4% by Ms. Xiao Li (肖莉), 16.1% by Mr. Shen Wenlin (沈文林), 8.1% by Mr. Song Shudong (宋曙東), 6.4% by Mr. Zhang Kequan (張克泉), 4.0% by Mr. Jiao Ye (焦擘), 3.2% by Mr. Wang Lei (王磊), 3.2% by Mr. Li Qiuliang (李秋亮), 2.4% by Mr. Xiao Xu (肖旭), 1.6% by Ms. Zhu Wen (朱雯), 1.6% by Mr. She Lei (佘磊), 1.7% by Mr. Zhao Guanghua (趙光華) and 3.3% by Ms. Zhou Wei (周維)
“EGM”	the extraordinary general meeting of the Company to be held at Crowne Plaza Shanghai Noah Square, Conference Room No. 3, Third Floor, No. 1699, Jinshajiang Road, Putuo District, Shanghai, China on Tuesday, 23 June 2015 at 3 p.m. to consider and, if appropriate, to approve the resolutions contained in the notice of the meeting which is set out on pages 17 to 18 of this circular, or any adjournment thereof
“Governmental Authority”	any national, provincial, municipal or local government, administrative or regulatory body or department, commission, agency, court, tribunal, arbitrator or any body that exercises the function of a regulator, including but not limited to the Stock Exchange, the Registrar of Corporate Affairs in the Cayman Islands and the Companies Registry in Hong Kong
“Greenland”	Greenland Holding Group Company Limited* (綠地控股集團有限公司), a company incorporated under the laws of the PRC
“Group”	the Company and its subsidiaries
“Group Company”	any member of the Group
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong” or “HK”	the Hong Kong Special Administrative Region of the PRC
“Latest Practicable Date”	4 June 2015, being the latest practicable date prior to the printing of this circular for ascertaining certain information referred to in this circular
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange

DEFINITIONS

“Long Stop Date”	15 July 2015 or any other dates as agreed in writing between the Company and the Subscriber
“Management Shareholders”	Mr. Shen Wenlin (沈文林), Mr. Song Shudong (宋曙東), Mr. Zhang Kequan (張克泉), Mr. Jiao Ye (焦擘), Mr. Wang Lei (王磊), Mr. Li Qiuliang (李秋亮), Mr. Xiao Xu (肖旭), Ms. Zhu Wen (朱雯) and Mr. She Lei (佘磊), who are full time employees of the Group and indirect Shareholders of the Company as at the Latest Practicable Date
“Material Adverse Event”	any event having (i) a material adverse effect on (a) the assets, financial condition, business, prospects, results of operations or properties of the Group taken as a whole, (b) the ability of the Company or any Group Company to perform its obligations under the Subscription Agreement, or (c) the validity or enforceability of the Subscription Agreement; or (ii) an effect which is otherwise material in the context of the transactions contemplated under the Subscription Agreement
“Person”	any individual, firm, corporation, joint venture, enterprise, partnership, trust, unincorporated association, limited liability company, Governmental Authority or other entity of any kind, whether or not having separate legal personality
“Prospectus”	the prospectus of the Company dated 30 June 2014, as amended by the supplemental prospectus of the Company dated 14 July 2014, issued in connection with the initial public offering and listing of Shares on the main board of the Stock Exchange on 21 July 2014
“RMB”	means Renminbi, the lawful currency of the PRC
“SFO”	the Securities and Futures Ordinance (Chapter 571 of Laws of Hong Kong), as amended, supplemented or otherwise modified from time to time
“Share(s)”	ordinary share(s) of HK\$0.10 each in the share capital of the Company
“Shareholder(s)”	holder(s) of Share(s)
“Specific Mandate”	a specific mandate proposed to be granted by the Shareholders to the Directors at the EGM for the allotment and issue of the Subscription Shares pursuant to the Subscription Agreement

DEFINITIONS

“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subscriber”	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 British Virgin Islands, an indirectly wholly-owned subsidiary of Greenland
“Subscription”	the subscription of the Subscription Shares pursuant to the terms of the Subscription Agreement
“Subscription Agreement”	the agreement in relation to the Subscription entered into between the Company and the Subscriber on 7 May 2015
“Subscription Price”	HK\$2.15 per Subscription Share
“Subscription Share(s)”	59,440,000 new Shares to be subscribed under the Subscription
“subsidiary (subsidiaries)”	has the meaning ascribed thereto under the Listing Rules
“substantial shareholder(s)”	has the meaning ascribed thereto under the Listing Rules
“%”	per cent.

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

LETTER FROM THE BOARD



Broad Greenstate International Company Limited

博大綠澤國際有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1253)

Executive Directors:

Wu Zhengping

(Chairman and chief executive officer)

Xiao Li

Zhu Wen

Wang Lei

Registered Office:

The offices of Maples Corporate
Services Limited

PO Box 309, Ugland House

Grand Cayman, KY1-1104

Cayman Islands

Independent Non-Executive Directors:

Dai Guoqiang

Zhang Qing

Jin Hexian

Head Office:

Floor 8, Hong Quan Building

No. 1357, Mei Chuan Road

Putuo District

Shanghai, PRC

Principal Place of

Business in Hong Kong:

Room 607, 6/F

MassMutual Tower

38 Gloucester Road, Wanchai

Hong Kong

8 June 2015

To the Shareholders

Dear Sir/Madam,

**SHARE SUBSCRIPTION UNDER SPECIFIC MANDATE
AND
NOTICE OF EXTRAORDINARY GENERAL MEETING**

INTRODUCTION

Reference is made to the announcement of the Company dated 7 May 2015 in relation to the Subscription Agreement. The Company announced that after the trading hours of the Stock Exchange on 7 May 2015, the Company entered into the Subscription Agreement with the Subscriber pursuant to which the Subscriber has conditionally agreed to subscribe for and the

LETTER FROM THE BOARD

Company has conditionally agreed to allot and issue a total of 59,440,000 Subscription Shares at the Subscription Price of HK\$2.15 per Subscription Share. The allotment and issue of the Subscription Shares is subject to the Shareholders' approval at the EGM. The EGM will be convened at which a resolution will be proposed to seek the approval of the Shareholders for the grant of the Specific Mandate for the allotment and issue of the Subscription Shares pursuant to the Subscription Agreement.

The purpose of this circular is to give you (i) further details of the Subscription pursuant to the Subscription Agreement for consideration in approving the grant of the Specific Mandate; and (ii) the notice of the EGM.

THE SUBSCRIPTION AGREEMENT

Date

7 May 2015

Parties

Issuer: the Company

The Subscriber: Greenland Financial Overseas Investment Group Co., Ltd. 綠地金融海外投資集團有限公司

The Subscription

Pursuant to the Subscription Agreement, the Subscriber has conditionally agreed to subscribe for the Subscription Shares at HK\$2.15 per Subscription Share, representing approximately 7.75% of the issued share capital of the Company as at the date of this circular, and approximately 7.19% of the issued share capital as enlarged by the issue of the Subscription Shares (assuming that there will not be any change in the issued share capital of the Company between the date of the Subscription Agreement and the Completion Date save for the issue of such Subscription Shares). The aggregate nominal value of the Subscription Shares will be HK\$5,944,000.

Subscription Price

The Subscription Price of HK\$2.15 per Subscription Share represents:

- (i) a discount of approximately 61.74% to the closing price of HK\$5.62 per Share as quoted on the Stock Exchange on 6 May 2015, being the last trading day immediately prior to the date of the Subscription Agreement;
- (ii) a discount of approximately 57.34% to the average closing price of HK\$5.04 per Share as quoted on the Stock Exchange for the last five consecutive trading days up to and including 6 May 2015, being the last trading day immediately prior to the date of the Subscription Agreement;

LETTER FROM THE BOARD

- (iii) a discount of approximately 49.05% to the average closing price of HK\$4.22 per Share as quoted on the Stock Exchange for the last 30 consecutive trading days up to and including 6 May 2015, being the last trading day immediately prior to the date of the Subscription Agreement;
- (iv) a discount of approximately 50.35% to the closing price of HK\$4.33 per Share as quoted on the Stock Exchange on the Latest Practicable Date; and
- (v) a premium of approximately 298.15% over the audited consolidated net asset value per Share of the Group attributable to the Shareholders as at 31 December 2014 of approximately HK\$0.54 (based on the audited consolidated net asset value of the Group attributable to the Shareholders as at 31 December 2014 of approximately RMB331,866,000, which is equivalent to approximately HK\$414.31 million, and 767,214,000 Shares in issue as at the Latest Practicable Date).

The aggregate consideration for the Subscription is HK\$127,796,000, which will be paid in cash by the Subscriber to the Company upon Completion. The Subscription Price was determined on arm's length basis between the Company and the Subscriber based on current market conditions, the prevailing market price of the Shares and the terms of the Subscription Agreement. The Subscriber has (i) agreed to a lock-up arrangement for the Subscription Shares (with details set out under the heading "The Subscription Agreement — Undertakings of the Subscriber") for three years following the Completion Date (the "**Lock-up Period**"); and (ii) undertaken to fulfill the Total Commitment (as defined herein with details set out under the heading "The Subscription Agreement — Undertakings of the Subscriber"). In light of the Subscriber's undertakings as specified above, the Company may benefit from a stable source of income during the Lock-up Period and the Introduced Projects, if accepted by the Company, will also bring valuable project execution experience to the Company. Greenland, the parent company of the Subscriber, has a leading position in the real estate market in China. Through the Subscription, it is also expected that the Company can enjoy synergistic effect through cooperation with Greenland, such as participating in landscape projects in real estate developments invested by Greenland. After due and careful consideration of the terms of the Subscription Agreement, the Directors (including the independent non-executive Directors) consider that the Subscription Price (despite the discount over recent closing prices) is fair and reasonable and is in the interests of the Company and the Shareholders as a whole.

Ranking of the Subscription Shares

The Subscription Shares will, when issued, be free from encumbrances and will rank *pari passu* in all respects with the other Shares in issue or to be issued by the Company on or prior to the Completion Date including the rights to all dividends and other distributions declared, made or paid at any time on or after the date of issue.

LETTER FROM THE BOARD

Conditions Precedent to the Obligations of the Subscriber

The obligations of the Subscriber under the Subscription Agreement are conditional upon:

- (i) all the warranties made by the Company being true, complete and accurate in all respects and not misleading in any respect as of the date of the Subscription Agreement and the Completion Date;
- (ii) the Company, to the extent applicable, having duly (a) complied with all the requirements under applicable laws and its constitutional documents necessary for the validity and enforceability of the Subscription Agreement and the Subscription and proposed issue of the Subscription Shares; (b) completed all procedural requirements (including without limitation notification, filing, registration, disclosure and/or announcement requirements) required by any relevant governmental authority and its constitutional documents in connection with the signing of the Subscription Agreement and the proposed issue of the Subscription Shares; and (c) obtained all Approvals required by any relevant governmental authority and under its constitutional documents in connection with the signing of the Subscription Agreement and the proposed issue of the Subscription Shares;
- (iii) the passing of the resolution(s) by the Shareholders of the Company at the EGM approving the Subscription Agreement and the transactions contemplated therein including the allotment and issue of the Subscription Shares to the Subscriber;
- (iv) the Company having obtained the approval for the listing of and the permission to deal in the Subscription Shares on the Stock Exchange; and
- (v) no Material Adverse Event having occurred.

The conditions in items (i) and (v) above may be waived at any time in writing by the Subscriber while the other conditions may not be waived. As of the Latest Practicable Date, neither of the conditions in items (i) and (v) above has been waived by the Subscriber and none of the other conditions has been fulfilled.

Conditions Precedent to the Obligations of the Company

The obligations of the Company under the Subscription Agreement are subject to the fulfillment (or waiver by the Company, as applicable) of all the warranties made by the Subscriber being true, complete and accurate in all respects and not misleading in any respect as of the date of the Subscription Agreement and the Completion Date.

The condition above may be waived at any time in writing by the Company. As of the Latest Practicable Date, the condition above has not been waived by the Company.

LETTER FROM THE BOARD

Termination

The Company or the Subscriber (as the case may be) may, by notice in writing to the other party, terminate the Subscription Agreement at any time before the Completion Date in any of the following circumstances:

- (i) if any of the conditions precedent mentioned above has not been fulfilled, or waived (as applicable) by the Company or the Subscriber (as the case may be) by the Long Stop Date; or
- (ii) if there is any material breach of any provision in the Subscription Agreement, including, without limitation, any undertakings made by the Company or the Subscriber under the Subscription Agreement.

Upon such written notice being given by the Company or the Subscriber, the Subscription Agreement shall terminate and be of no further effect, and no party shall be under any liability to any other in respect of the Subscription Agreement, and the parties shall be released and discharged from their respective obligations in the Subscription Agreement, in each case without prejudice to any rights or obligations which have accrued on or before the termination of the Subscription Agreement.

Undertakings of the Subscriber

The Subscriber undertakes that during the Lock-up Period, it shall not, and shall procure its Affiliates not to, without the prior written consent of the Company:

- (i) offer, sell, lend, mortgage, pledge, assign, charge, contract to allot, issue or sell, sell any option or contract to purchase, purchase any option or contract to sell, grant or agree to grant any option, right or warrant to purchase, lend or otherwise transfer or dispose of, either directly or indirectly, conditionally or unconditionally, all or any of the Subscription Shares (or any interest thereof) held by it or its Affiliates (“**Subscriber Lock-up Shares**”) or any voting rights attached to the Subscriber Lock-up Shares;
- (ii) enter into any swap or other arrangement that transfers, in whole or in part, any of the economic consequences of ownership of the Subscriber Lock-up Shares or any interest therein or any voting rights attached to the Subscriber Lock-up Shares;
- (iii) enter into any transaction with the same economic effect as any transaction described in (i) and (ii) above; or
- (iv) offer to or agree to do any of the foregoing or announce any intention to do so, whether any of the foregoing transactions is to be settled by delivery of share capital or such other securities, in cash or otherwise (whether or not such transaction will be completed within such period),

LETTER FROM THE BOARD

provided that the Lock-Up Period may end on any earlier date as agreed in writing between the Company and the Subscriber.

The Subscriber further undertakes that, during the Lock-up Period, it shall provide or otherwise introduce landscaping projects to the Group (on terms reasonably satisfactory to the Company and on normal commercial terms or better (as defined in the Listing Rules)) such that the revenue attributable to such project(s) (the “**Introduced Projects**”) shall be not less than RMB300 million for each of the three 12-month periods during the Lock-up Period, provided that the Company shall in good faith consider each of the Introduced Projects provided or otherwise introduced by the Subscriber, failing which the Subscriber shall be deemed to have fully fulfilled its commitment in respect of such Introduced Project(s).

Subject to the standard bidding process to be conducted by the Subscriber and/or other parties who are introduced to the Company by the Subscriber, it is at the Company’s discretion to consider and/or accept the Introduced Projects and there is no further cost and/or commission payable by the Company to the Subscriber for the Introduced Projects. The Company will take into account the following key factors when evaluating the Introduced Projects:

- if Introduced Projects are complementary to main business of the Group;
- if the profit margin of the Introduced Projects is satisfactory to the Company; and
- if the Introduced Projects are in the best interests of the Group as a whole.

Subject to the foregoing, if, at the end of the Lock-up Period, the revenue attributable to the Introduced Projects provided or introduced by the Subscriber and accepted by the Company is in aggregate less than RMB900 million (the “**Total Commitment**”), the parties shall formulate a mutually agreed remedial plan through amicable consultation. As of the date of the Latest Practicable Date, the parties have not had any discussion on the details of such remedial plan. The parties will discuss the details of such remedial plan when and if the Subscriber fails to fulfill the Total Commitment by the end of the Lock-up Period. When the parties agree on a detailed remedial plan, if any, the Company will comply with the applicable requirements under the Listing Rules (including without limitation the applicable requirements on connected transactions under Chapter 14A of the Listing Rules, if any).

Specific Mandate

The Company proposes to seek the grant of the Specific Mandate from the Shareholders at the EGM to be convened and held by the Company for the allotment and issue of the Subscription Shares.

Completion of the Subscription

Completion of the Subscription will take place on the second Business Day after the fulfillment or waiver (as the case may be) of all the conditions in respect of the Subscription under the Subscription Agreement or such other date as may be agreed in writing between the Company

LETTER FROM THE BOARD

and the Subscriber. The Subscriber is currently a Shareholder holding approximately 6.15% of the total issued share capital of the Company. Upon Completion, the Subscriber will hold in total approximately 12.90% of the total issued share capital of the Company as enlarged by the issue of the Subscription Shares (assuming that there will not be any change in the issued share capital of the Company between the date of the Subscription Agreement and the Completion Date save for the issue of such Subscription Shares). Upon Completion, the Subscriber will become the second largest Shareholder, ranking next to the Controlling Shareholders, and a substantial shareholder of the Company under the Listing Rules. As a result, the Subscriber will become a connected person of the Company upon Completion, and the transactions in relation to the Introduced Projects between the Company and the Subscriber and/or its associates may constitute connected transactions of the Company. The Company will comply with the requirements specified under Chapter 14A of the Listing Rules when entering into such connected transactions.

APPLICATION FOR LISTING

Application will be made by the Company to the Stock Exchange for the listing of and the permission to deal in the Subscription Shares.

EFFECT ON SHAREHOLDING STRUCTURE OF THE COMPANY

The shareholding structure of the Company as at Latest Practicable Date and immediately after the Completion of the Subscription is as follows (assuming that there will not be any change in the issued share capital of the Company from the Latest Practicable Date to the Completion Date save for the issue of the Subscription Shares):

Shareholders	As at the Latest Practicable Date		Immediately after Completion of the Subscription	
	<i>Number of Shares</i>	<i>%</i>	<i>Number of Shares</i>	<i>%</i>
The Management Shareholders, Ms. Xiao Li, Mr. Zhao Guanghua, Ms. Zhou Wei and Mr. Wu Zhengping (<i>Note 1</i>)	512,798,936	66.84%	512,798,936	62.03%
Subscriber (<i>Note 2</i>)	47,216,000	6.15%	106,656,000	12.90%
Other Shareholders	<u>207,199,064</u>	<u>27.01%</u>	<u>207,199,064</u>	<u>25.07%</u>
Total	<u>767,214,000</u>	<u>100%</u>	<u>826,654,000</u>	<u>100%</u>

Notes:

- (1) Among these 512,798,936 Shares, 133,652,216 Shares are directly held by Eastern Greenstate International and 379,146,720 Shares are directly held by Broad Landscape International. Eastern Greenstate International is 100% directly owned by Ms. Xiao Li, the Management Shareholders, Mr. Zhao Guanghua and Ms. Zhou Wei. Broad Landscape International is 100% directly owned by Mr. Wu Zhengping. Pursuant to the Acting in

LETTER FROM THE BOARD

Concert Deed, each of Mr. Wu Zhengping, Ms. Xiao Li and the Management Shareholders has agreed to jointly control their respective interests in the Company and the decisions as to the business and operations of the Group shall be in accordance with the unanimous consent of all of them. Hence, each of them is deemed to be interested in all the Shares held by them in aggregate by virtue of the SFO.

- (2) The Subscriber is directly wholly-owned by Greenland Financial Investment Holding Company Limited* (綠地金融投資控股有限公司) (“Greenland Financial”) which in turn is directly wholly-owned by Greenland. As a result, under the SFO, both Greenland Financial and Greenland are deemed to be interested in the 106,656,000 Shares held by the Subscriber.

FUND RAISING ACTIVITY IN THE PAST TWELVE MONTHS

Apart from the initial public offering and listing of Shares on the main board of the Stock Exchange on 21 July 2014 (the “IPO”), the Company has not undertaken any fund raising activities on any issue of equity securities in the 12 months immediately preceding the date of this circular.

The table below set out the details of the net proceeds from the IPO utilised by the Company as of the Latest Practicable Date:

Purposes	Proportion %	Proceeds RMB million (approximately)	Utilized amount RMB million (approximately)
Offering to finance the completion of Chenzhou Project	20	33.7	31.8
For potential future projects	30	50.5	27.2
For potential acquisition of landscape architecture service companies or design companies	20	33.7	0.0
For expansion of geographical coverage in China by establishing more subsidiaries and branches	10	16.8	16.8
For research & development activities, including introducing new and rare seedling planting technology research, establishing research and development centre in Hong Kong and recruiting relevant talents	10	16.8	16.8
Used as general working capital of the Group	10	<u>16.8</u>	<u>16.8</u>
Total		<u><u>168.3</u></u>	<u><u>109.4</u></u>

LETTER FROM THE BOARD

Based on the current plan of the Company, the unutilized amount of the IPO proceeds (excluding the portion for potential acquisition of landscape architecture service companies or design companies) is expected to be fully utilized by 31 December 2015. The remaining IPO proceeds shall be utilized in accordance with the purposes stated in the Prospectus.

INFORMATION ON THE COMPANY AND THE SUBSCRIBER

The Company is an investment holding company and the Group is a fast-growing integrated landscape architecture service provider in China. The Group focuses on major urban landscape projects across China and offers customers “one stop” project-based landscape architecture service solutions, including design and planning, design refinement, construction, seedlings cultivation and maintenance.

The Subscriber is a company incorporated under the laws of the British Virgin Islands with limited liability in June 2014. The Subscriber is principally engaged in IPO investments, pre-IPO investments, mergers and acquisitions, real estate finance, micro finance, financial leasing. It is directly wholly-owned by Greenland Financial, which in turn is directly wholly-owned by Greenland. The Subscriber serves as Greenland’s main investment and finance platform to conduct diversified domestic and overseas investments in accordance with Greenland’s global strategy.

Greenland is a state-controlled enterprise group headquartered in Shanghai, China, and a Global Fortune 500 Company with its main businesses in real estate, energy and finance. Greenland has a leading position in the real estate market in China.

To the best of the Directors’ knowledge, having made all reasonable enquiry, as at the Latest Practicable Date, save for the Subscriber’s interest in 47,216,000 Shares, each of the Subscriber and its ultimate beneficial owners is a third party independent of and not connected with the Company and its connected persons.

REASONS FOR THE SUBSCRIPTION AND USE OF PROCEEDS

The gross proceeds to be raised from the Subscription will be approximately HK\$127,796,000. After taking into account the estimated expenses in relation to the Subscription, the estimated net proceeds from the Subscription will be approximately HK\$127,246,000, representing a net price of HK\$2.14 per Subscription Share. The net proceeds from the Subscription are intended to be used for financing existing and potential projects and general working capital of the Company. In particular, based on preliminary plans of the Company, the Company expects to utilize 10% of the proceeds in financing two of its existing projects and expects to utilize 80% of the proceeds in financing two potential landscape projects which are still in a preliminary stage of negotiation as of the Latest Practicable Date.

The Directors have considered alternative fund raising methods such as debt and rights issue. After due and careful consideration, the Directors consider that the Subscription represents a better opportunity to raise additional funds to meet the Company’s funding needs and strengthen the shareholder base of the Company. In light of the Subscriber’s undertakings as specified above, the

LETTER FROM THE BOARD

Company may benefit from a stable source of income during the Lock-up Period and the Introduced Projects, if accepted by the Company, will also bring valuable project execution experience to the Company. Greenland, the parent company of the Subscriber, has a leading position in the real estate market in China. Through the Subscription, it is also expected that the Company can enjoy synergistic effect through cooperation with Greenland, such as participating in landscape projects in real estate developments invested by Greenland. The Subscription sets ground for more business cooperation with Greenland if opportunity arises. After due and careful consideration of the terms of the Subscription Agreement, in particular, the fact that the Subscriber has (i) agreed to a lockup arrangement for the Subscription Shares during the Lock-up Period; and (ii) undertaken the Total Commitment (as defined herein with details set out under the heading “The Subscription Agreement — Undertakings of the Subscriber”), the Directors consider that the terms of the Subscription Agreement are on normal commercial terms, fair and reasonable and in the interests of the Company and the Shareholders as a whole.

Shareholders and potential investors should note that Completion of the Subscription is subject to fulfillment of the conditions under the Subscription Agreement. As the Subscription may or may not proceed, Shareholders and potential investors are reminded to exercise caution when dealing in the Shares.

EGM AND PROXY ARRANGEMENT

The EGM will be held at Crowne Plaza Shanghai Noah Square, Conference Room No. 3, Third Floor, No. 1699, Jinshajiang Road, Putuo District, Shanghai, China on Tuesday, 23 June 2015 at 3 p.m. for the purpose of considering and, if thought fit, approving the Subscription Agreement and the transaction thereunder including the allotment and issue of the Subscription Shares under the Specific Mandate, The notice convening the EGM is set out on pages 17 to 18 of this circular.

Since the Subscriber has an interest in the transaction contemplated under the Subscription Agreement as at the Latest Practicable Date, the Subscriber will be required to abstain from voting at the EGM in respect of the resolution(s) relating to the Subscription.

Pursuant to Rule 13.39(4) of the Listing Rules, any vote of shareholders at a general meeting must be taken by poll except where the chairman decides to allow a resolution relating to a procedural or administrative matter to be voted on by a show of hands pursuant to the Listing Rules. An announcement on the poll vote results will be published by the Company after the EGM in the manner prescribed under the Listing Rules.

A form of proxy for use at the EGM is enclosed with this circular and such form of proxy is also published on the websites of Hong Kong Exchanges and Clearing Limited (<http://www.hkexnews.hk>) and the Company (<http://www.broad-greenstate.com.cn>). To be valid, the form of proxy must be completed and signed in accordance with the instructions printed thereon and deposited, together with the power of attorney or other authority (if any) under which it is signed or a certified copy of that power of attorney or authority at the Company’s branch share registrar in Hong Kong, Tricor Investor Services Limited, at Level 22, Hopewell Centre, 183

LETTER FROM THE BOARD

Queen's Road East, Hong Kong as soon as possible but in any event not less than 48 hours before the time appointed for holding the EGM or any adjournment thereof. Completion and delivery of the form of proxy will not preclude you from attending and voting at the EGM if you so wish and in such event, the instrument appointing the proxy shall be deemed to have revoked.

RECOMMENDATION

The Directors consider that the Subscription represents a good opportunity to raise additional funds to meet the Company's funding needs, to reduce debt by way of raising funds through equities and strengthen the shareholder base of the Company. In addition, after due and careful consideration of the terms of the Subscription Agreement, in particular, the fact that the Subscriber has (i) agreed to a lockup arrangement for the Subscription Shares during the Lock-up Period; and (ii) undertaken the Total Commitment (as defined herein with details set out under the heading "The Subscription Agreement — Undertakings of the Subscriber"), the Directors consider that the terms of the Subscription Agreement are on normal commercial terms, fair and reasonable and in the interests of the Company and the Shareholders as a whole.

Accordingly, the Directors recommend the Shareholders to vote in favour of the resolution to be proposed at the EGM to approve the Subscription Agreement and the transactions contemplated thereunder including the allotment and issue of the Subscription Shares under the Specific Mandate.

RESPONSIBILITY STATEMENT

This circular, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that, to the best of their knowledge and belief, the information contained in this circular is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this circular misleading.

Yours faithfully,

For and on behalf of the Board

Broad Greenstate International Company Limited

Wu Zhengping

Chairman and Executive Director

NOTICE OF EXTRAORDINARY GENERAL MEETING



Broad Greenstate International Company Limited

博大綠澤國際有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1253)

NOTICE IS HEREBY GIVEN that an extraordinary general meeting (the “**EGM**”) of Broad Greenstate International Company Limited (the “**Company**”) will be held at Crowne Plaza Shanghai Noah Square, Conference Room No. 3, Third Floor, No. 1699, Jinshajiang Road, Putuo District, Shanghai, China on Tuesday, 23 June 2015 at 3 p.m. for the following purposes:

ORDINARY RESOLUTION

“THAT:

- (a) the subscription agreement dated 7 May 2015 (the “**Subscription Agreement**”) entered into between the Company and Greenland Financial Overseas Investment Group Co., Ltd. 綠地金融海外投資集團有限公司 (the “**Subscriber**”), in respect of the proposed subscription for 59,440,000 new ordinary shares of HK\$0.10 each in the share capital of the Company (the “**Subscription Shares**”) by the Subscriber at a subscription price of HK\$2.15 per Subscription Share (a copy of the Subscription Agreement marked “A” and signed by the chairman of the EGM for identification purpose has been tabled at the EGM), and the transactions contemplated thereunder be and are hereby approved and confirmed and ratified;
- (b) subject to the fulfillment or waiver of the conditions precedent as set out in the Subscription Agreement, the allotment and issue of the Subscription Shares by the Company in accordance with the terms and conditions of the Subscription Agreement and the transactions contemplated thereunder be and are hereby approved, confirmed and ratified;
- (c) the directors of the Company (the “**Directors**”) be and are hereby granted a specific mandate to exercise the powers of the Company to allot and issue the Subscription Shares pursuant to the terms and conditions of the Subscription Agreement, the Subscription Shares shall rank equally in all respects among themselves and with all fully paid ordinary shares of the Company in issue as at the date of allotment and issue. The specific mandate is in addition to, and shall not prejudice nor revoke any general or special mandate(s) which has/have been granted or may from time to time be granted to the Directors prior to the passing of this resolution; and
- (d) any Director be and is hereby authorized to do all such things and acts, including but not limited to the execution, amendment, supplement, delivery, submission and implementation of any further documents or agreements, as he/she may in his/her

NOTICE OF EXTRAORDINARY GENERAL MEETING

absolute discretion consider necessary, desirable or expedient for the purpose of or in connection with the implementation and/or giving effect to any matters relating to the Subscription Agreement and all transactions contemplated thereunder and the allotment and issue of the Subscription Shares.”

For and on behalf of the Board
Broad Greenstate International Company Limited
Wu Zhengping
Chairman and Executive Director

Shanghai, the People’s Republic of China

8 June 2015

Notes:

1. All resolutions at the meeting will be taken by poll (except where the chairman decides to allow a resolution relating to a procedural or administrative matter to be voted on by a show of hands) pursuant to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”). The results of the poll will be published on the websites of Hong Kong Exchanges and Clearing Limited and the Company in accordance with the Listing Rules.
2. Any shareholder of the Company entitled to attend and vote at the above meeting is entitled to appoint more than one proxy to attend and on a poll, vote instead of him. A proxy need not be a shareholder of the Company. If more than one proxy is appointed, the number of shares in respect of which each such proxy so appointed must be specified in the relevant form of proxy.

In the case of a poll, every shareholder present in person or by proxy shall be entitled to one vote for each share held by him.
3. In order to be valid, the form of proxy together with the power of attorney or other authority, if any, under which it is signed or a certified copy of that power of attorney or authority, must be deposited at the Company’s branch share registrar in Hong Kong, Tricor Investor Services Limited, at Level 22, Hopewell Centre, 183 Queen’s Road East, Hong Kong not less than 48 hours before the time appointed for the holding of the meeting or any adjournment thereof. Delivery of the form of proxy shall not preclude a shareholder of the Company from attending and voting in person at the meeting and, in such event, the instrument appointing a proxy shall be deemed to be revoked.
4. For determining the entitlement to attend and vote at the above meeting, the record date will be Tuesday, 23 June 2015. In order to be eligible to attend and vote at the meeting, all unregistered holders of shares of the Company shall ensure that all transfer documents accompanied by the relevant share certificates must be lodged with the Company’s branch share registrar in Hong Kong, Tricor Investor Services Limited at Level 22, Hopewell Centre, 183 Queen’s Road East, Hong Kong for registration not later than 4:30 p.m. on Monday, 22 June 2015.
5. In case of joint holders of shares, any one of such persons may vote at any meeting, either personally or by proxy, in respect of such share as if he were solely entitled thereto; but if more than one of such joint holders are present at any meeting personally or by proxy, the vote of the senior who tenders a vote, whether in person or by proxy, will be accepted to the exclusion of votes of the other joint holder(s) and for this purpose seniority will be determined by the order in which the names stand in the register of members of the Company.

As at the date of this notice, our executive directors are Mr. Wu Zhengping, Ms. Xiao Li, Ms. Zhu Wen and Mr. Wang Lei and our independent non-executive directors are Mr. Dai Guoqiang, Mr. Zhang Qing and Dr. Jin Hexian.