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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)

PROPOSED SHARE SUBDIVISION AND CHANGE IN BOARD LOT SIZE

PROPOSED SHARE SUBDIVISION

The Board proposes that each of the existing issued and unissued shares of par value of HK\$0.10 each in the share capital of the Company will be subdivided into four (4) shares of par value of HK\$0.025 each. The Share Subdivision will become effective upon fulfillment of the conditions set out under the section headed “Conditions of Share Subdivision” in this announcement. Upon the Share Subdivision becoming effective, the authorised share capital of the Company will be changed from HK\$100,000,000.00 divided into 1,000,000,000 Shares to HK\$100,000,000.00 divided into 4,000,000,000 Subdivided Shares.

PROPOSED CHANGE IN BOARD LOT SIZE

The Board proposes to change the board lot size for trading in the Shares from existing 2,000 Shares to 4,000 Subdivided Shares after the Share Subdivision becoming effective.

GENERAL

An EGM will be convened to consider and, if thought fit, approve the proposed Share Subdivision and Change in Board Lot Size. A circular containing, among other things, further details of the Share Subdivision and the Change in Board Lot Size in respect of the Subdivided Shares, together with the notice convening the EGM will be despatched to the Shareholders on or around 3 August 2015.

PROPOSED SHARE SUBDIVISION

Basis of the Share Subdivision

The Board proposes that each of the existing issued and unissued Shares will be subdivided into four (4) Subdivided Shares. The Share Subdivision will become effective upon fulfillment of the conditions set out under the section headed “Conditions of Share Subdivision” below.

Conditions of Share Subdivision

The implementation of Share Subdivision is conditional upon:

- (i) the passing of an ordinary resolution by the Shareholders at the EGM approving the Share Subdivision;
- (ii) the Listing Committee of the Stock Exchange granting the listing of, and permission to deal in, the Subdivided Shares; and
- (iii) compliance with the relevant legal procedures and requirements under the Listing Rules and the laws of the Cayman Islands to effect the Share Subdivision.

Assuming all the conditions are fulfilled, the Share Subdivision will become effective on the Business Day following the passing of the ordinary resolution at the EGM, which is expected to be held on Tuesday, 18 August 2015.

Listing Application

An application will be made by the Company to the Listing Committee of the Stock Exchange for the listing of, and the permission to deal in, the Subdivided Shares arising from the Share Subdivision.

Effect of the Share Subdivision

As at the date of this announcement, the authorised share capital of the Company is HK\$100,000,000 divided into 1,000,000,000 Shares, of which 826,654,000 Shares are in issue and fully paid or credited as fully paid. There are no outstanding options, warrants, conversion rights or other similar rights giving rights to subscribe for any Shares as at the date of this announcement.

Upon the Share Subdivision becoming effective, the authorised share capital of the Company will be HK\$100,000,000 divided into 4,000,000,000 Subdivided Shares, of which 3,306,616,000 Subdivided Shares will be in issue and fully paid or credited as fully paid, assuming that no further Shares are repurchased or issued prior to the Share Subdivision becoming effective.

Upon the Share Subdivision becoming effective, the Subdivided Shares will rank *pari passu* in all respects with each other. The Share Subdivision will not result in any change in the relevant rights of the Shareholders.

The Share Subdivision will not be expected to result in any odd lots other than those already exist.

Save for the expenses incurred by the Company in implementing the Share Subdivision, the Share Subdivision will not alter the underlying assets, business operations, management or financial position of the Company or the proportional interests of the Shareholders. The Board considers that the Share Subdivision will not have any material adverse effect on the financial position of the Group.

Exchange of Share Certificates and Trading Arrangement

Subject to the Share Subdivision becoming effective, which is expected to be on Wednesday, 19 August 2015, Shareholders may, during the period from Wednesday, 19 August 2015 to Friday, 25 September 2015 (both days inclusive) between 9:00 a.m. and 4:30 p.m. on any Business Day, submit share certificates for the existing Shares in green colour to the Company's branch share registrar and transfer office in Hong Kong, Tricor Investor Services Limited at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong, to exchange, at the expense of the Company, for new share certificates of the Subdivided Shares in blue colour. After the expiry of such period, each share certificate for the existing Shares will be accepted for exchange only on payment of a fee of HK\$2.50 (or such higher amount as may from time to time be specified by the Stock Exchange) for each new share certificate issued for the Subdivided Shares or each share certificate for the existing Shares submitted for cancellation, whichever the number of certificates issued or cancelled is higher.

The existing share certificates for the Shares will only be valid for delivery, trading and settlement purposes for the period up to 4:00 p.m. on Wednesday, 23 September 2015 and thereafter will not be accepted for delivery, trading and settlement purposes. However, the existing share certificates for the Shares will continue to be good evidence of title to the Subdivided Shares on the basis of one Share for four (4) Subdivided Shares.

It is expected that the new share certificates for the Subdivided Shares will be available for collection within a period of ten (10) Business Days after the submission of the existing share certificates for the Shares to the Company's branch share registrar for exchange. The new share certificates for the Subdivided Shares will be blue in colour so as to be distinguished from the existing shares certificates for the Shares which are green in colour.

CHANGE IN BOARD LOT SIZE

As at the date of this announcement, the Shares are traded on the Stock Exchange in board lots of 2,000 Shares each. The Board proposes to change the board lot size for trading from existing 2,000 Shares to 4,000 Subdivided Shares after the Share Subdivision becoming effective.

Dealing in the Subdivided Shares on the Stock Exchange in the new board lot size of 4,000 Subdivided Shares is expected to commence at 9: 00 a.m. on Wednesday, 2 September 2015.

REASONS FOR THE SHARE SUBDIVISION AND CHANGE IN BOARD LOT SIZE

The Share Subdivision (when effective) will decrease the nominal value of each share of the Company and increase the total number of shares of the Company in issue. The Share Subdivision is expected to result in downward adjustment to the trading price of each share of the Company and the market value per board lot. The Directors believe that the reduced amount for investing in a board lot of the Subdivided Shares as a result of the Share Subdivision and the Change in Board Lot Size will improve the liquidity in the trading of the Subdivided Shares, thereby enabling the Company to attract more investors and broaden its Shareholders base. The Board is of the opinion that the implementation of the Share Subdivision together with the Change in Board Lot Size is fair and reasonable and in the interests of the Company and the Shareholders as a whole.

EXPECTED TIMETABLE

The expected timetable relating to the Share Subdivision, the Change in Board Lot Size and the associated trading arrangements are as follows:

| Event | Time and date |
|---|---|
| Expected date of despatch of the circular, notice and proxy form of the EGM..... | On or around Monday, 3 August 2015 |
| Latest time for lodging proxy form for the EGM (not less than 48 hours prior to time of EGM)..... | 2:00 p.m. on Sunday, 16 August 2015 |
| Record date and latest time for lodging of transfer of Shares for entitlements to attend and vote at the EGM | 4:30 p.m. on Monday, 17 August 2015 |
| Expected date and time of the EGM | 2:00 p.m. on Tuesday, 18 August 2015 |
| Announcement of poll results of the EGM | Tuesday, 18 August 2015 |

The following events are conditional on the fulfillment of the conditions for the implementation of the Share Subdivision as set out in the section headed “Conditions of the Share Subdivision” above.

| | |
|--|---|
| Effective date of the Share Subdivision | Wednesday, 19 August 2015 |
| First day of free exchange of existing shares certificates for new share certificates commences | Wednesday, 19 August 2015 |
| Dealing in Subdivided Shares commences..... | 9:00 a.m. on Wednesday, 19 August 2015 |

Original counter for trading in existing Shares
(in board lots of 2,000 Shares) closes 9:00 a.m. on
Wednesday, 19 August 2015

Temporary counter for trading in Subdivided Shares
in board lots of 8,000 Subdivided Shares
(in form of existing share certificates in green colour) opens 9:00 a.m. on
Wednesday, 19 August 2015

Original counter for trading in Subdivided Shares
(in board lots of 4,000 Subdivided Shares
in the form of new share certificates
in blue colour) re-opens. 9:00 a.m. on
Wednesday, 2 September 2015

Parallel trading in the Shares and Subdivided Shares
(in the form of existing share certificates
and new share certificates) commences..... 9:00 a.m. on
Wednesday, 2 September 2015

Temporary counter for trading in Subdivided Shares
in board lots of 8,000 Subdivided Shares
(in form of existing share certificates
in green colour) closes 4:00 p.m. on
Wednesday, 23 September 2015

Parallel trading in the Shares and Subdivided Shares
(in the form of existing share certificates
and new share certificates) ends..... 4:00 p.m. on
Wednesday, 23 September 2015

Last day of free exchange of existing share
certificates for new share certificates for
Subdivided Shares Friday, 25 September 2015

All times and dates in this announcement refer to Hong Kong local times and dates. Dates or deadlines specified in the expected timetable above are indicative only and may be extended or varied by the Company. Further announcement will be made by the Company for changes, if any, in the expected timetable for implementation of the Share Subdivision and the Change in Board Lot Size as well as the associated trading arrangements listed above.

GENERAL

An EGM will be convened to consider and, if thought fit, approve the proposed Share Subdivision and Change in Board Lot Size. A circular containing, among other things, further details of the Share Subdivision and the Change in Board Lot Size in respect of the Subdivided Shares, together with the notice convening the EGM will be despatched to the Shareholders on or around 3 August 2015.

As no Shareholders have a material interest in the Share Subdivision and Change in Board Lot Size, which is different from that of the other Shareholders, no Shareholders will be required to abstain from voting on the resolution to approve the Share Subdivision and Change in Board Lot Size.

DEFINITIONS

In this announcement, unless the context otherwise requires, the following terms shall have the following meanings:

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|----------------------------|--|
| “Board” | the board of Directors |
| “Business Day” | a day on which the Stock Exchange is open for business to deal in securities |
| “Change in Board Lot Size” | the change in board lot size for trading on the Stock Exchange from existing 2,000 Shares to 4,000 Subdivided Shares after the Share Subdivision becoming effective |
| “China” or the “PRC” | the People’s Republic of China, which for the purpose of this announcement, shall exclude Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan |
| “Company” | 博大綠澤國際有限公司 (Broad Greenstate International Company Limited) (stock code: 1253), a limited company incorporated in the Cayman Islands, the Shares of which are listed on the Main Board of the Stock Exchange |
| “Director(s)” | the director(s) of the Company |
| “EGM” | the extraordinary general meeting of the Company to be convened and held for the Shareholders to consider and, if thought fit, approve the proposed Share Subdivision and Change in Board Lot Size |
| “Group” | the Company and its subsidiaries |
| “HK\$” | Hong Kong dollars, the lawful currency of Hong Kong |
| “Hong Kong” | the Hong Kong Special Administrative Region of the PRC |

| | |
|-----------------------|---|
| “Listing Rules” | the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited |
| “Share(s)” | ordinary share(s) of par value of HK\$0.10 each in the share capital of the Company |
| “Shareholder(s)” | holder(s) of Shares or Subdivided Shares, as the case may be |
| “Share Subdivision” | the proposed subdivision of each issued and unissued Share of par value of HK\$0.10 each into four (4) Subdivided Shares of par value of HK\$0.025 each |
| “Stock Exchange” | The Stock Exchange of Hong Kong Limited |
| “Subdivided Share(s)” | ordinary share(s) of par value of HK\$0.025 each in the share capital of the Company upon the Share Subdivision becoming effective |

By Order of the Board
Broad Greenstate International Company Limited
Wu Zhengping
Chairman and Executive Director

Shanghai, the People’s Republic of China
13 July 2015

As at the date of this announcement, 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.