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China Greenland Broad Greenstate Group Company Limited

中國綠地博大綠澤集團有限公司

(formerly known as 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)

CONNECTED TRANSACTIONS IN RELATION TO CONTRACTING AGREEMENTS

On 21 June 2017, Shanghai Broad Landscape entered into the Xi'an Contracting Agreement with Xi'an JV Company, pursuant to which Shanghai Broad Landscape shall be the main contractor for the construction of the Xi'an PPP Project for an initial contract value of RMB1,097,696,900.00.

It is also expected that Shanghai Broad Landscape (a wholly-owned subsidiary of the Company) will enter into the Taiyuan Contracting Agreement with Taiyuan JV Company on 30 June 2017, pursuant to which Shanghai Broad Landscape shall be the main contractor for the construction of the Taiyuan PPP Project for an initial contract value of RMB1,065,647,404.54.

Xi'an JV Company is owned as to 85% by Greenland Metro Investment, which is a subsidiary of Greenland. Taiyuan JV Company is owned as to 69.36% and 0.07% by Greenland City Investment and Shanghai Greenland Construction, respectively, which are both subsidiaries of Greenland. Greenland is the ultimate holding company of Greenland Financial (a substantial shareholder of the Company). As such, both Xi'an JV Company and Taiyuan JV Company are associates of Greenland Financial and are connected persons of the Company under the Listing Rules. The transactions contemplated under the Contracting Agreements therefore constitute connected transactions of the Company under Chapter 14A of the Listing Rules.

As the applicable percentage ratios on an aggregate basis under Rule 14A.81 of the Listing Rules are more than 25%, the Contracting Agreements are subject to reporting, announcement and Independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

A circular containing, amongst other things, (i) further information on the Contracting Agreements; (ii) the letter of recommendation from the Independent Board Committee; (iii) the letter of advice from the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders; and (iv) a notice of the general meeting to be convened, shall be despatched on or before 12 July 2017.

Reference is made to the announcements of the Company dated 25 September 2016 and 20 October 2016 in relation to the successful tender for the Taiyuan PPP Project and the formation of Taiyuan JV Company. Reference is also made to the announcements of the Company dated 1 November 2016 and 30 December 2016 in relation to the successful tender for the Xi'an PPP Project and the formation of Xi'an JV Company.

On 21 June 2017, Shanghai Broad Landscape entered into the Xi'an Contracting Agreement with Xi'an JV Company, pursuant to which Shanghai Broad Landscape shall be the main contractor for the construction of the Xi'an PPP Project for an initial contract value of RMB1,097,696,900.00.

It is also expected that Shanghai Broad Landscape (a wholly-owned subsidiary of the Company) will enter into the Taiyuan Contracting Agreement with Taiyuan JV Company on 30 June 2017, pursuant to which Shanghai Broad Landscape shall be the main contractor for the construction of the Taiyuan PPP Project for an initial contract value of RMB1,065,647,404.54.

XI'AN CONTRACTING AGREEMENT

Date

21 June 2017

Parties

- (1) Shanghai Broad Landscape (as the main contractor); and
- (2) Xi'an JV Company (as the employer).

Subject project

Xi'an PPP Project (i.e. construction of Jue River Wetland Park^{*} in Changning New District, Xi'an (西安市常寧新區灤河濕地公園) and construction of other ancillary facilities located in the middle reaches of the Jue River in Changning New District, Xi'an).

Scope of the Xi'an Contracting Agreement

Pursuant to the Xi'an Contracting Agreement, Shanghai Broad Landscape has agreed to act as the main contractor and provide engineering, procurement and construction services for the Xi'an PPP Project, which includes earthwork, levelling, planting and maintenance, architectural sketches, flower beds, waterways, pipelines, fountains, rockery, sculpture, square pavement, bank, bridge, wharf, garden facilities and equipment installation projects, construction works, municipal public works of the Xi'an PPP Project.

Term

The term of the Xi'an Contracting Agreement is for a term of 730 calendar days from the commencement date of work, which commencement date is expected to be on or around 30 June 2017 and the completion date is expected to be on or around 30 June 2019.

Consideration

The initial contract value payable by Xi'an JV Company under the Xi'an Contracting Agreement amounts to RMB1,097,696,900.00, which is based on the estimated amount of work under the Xi'an Contracting Agreement and the itemized pricing standard prescribed by the relevant department of Xi'an government.

If there are more than 5% changes in the market prices of the raw material, the consideration will be adjusted for the amount of change exceeding 5%.

Payment terms

The consideration payable under the Xi'an Contracting Agreement will be paid by Xi'an JV Company monthly depending on the construction progress of the project. Xi'an JV Company shall pay 85% of the amount stated in the invoice certificate approved and agreed by the project supervisor and the employer in each month, and 5% of such amount is payable after the issuance of the construction completion acceptance testing certificate. 5% of such amount is payable upon completion of the audit of the project by Xi'an Changning New District Management Committee* (西安市常寧新區管理委員會). The remaining 5% of the consideration will be treated as quality warranty and shall be payable by Xi'an JV Company to Shanghai Broad Landscape two years after the completion of the project provided that by the time there is no quality problems associated with the project after passing the acceptance.

TAIYUAN CONTRACTING AGREEMENT

Expected contract date

30 June 2017

Parties

- (1) Shanghai Broad Landscape (as the main contractor); and
- (2) Taiyuan JV Company (as the employer).

Subject project

Taiyuan PPP Project (i.e. construction of Phase One of Taiyuan Botanical Garden* (太原植物園) located at North of Taigu Road, west of Jiu Jinci Road and within 100 meters of the north side of Fengyu Gou in Taiyuan).

Scope of the Taiyuan Contracting Agreement

Pursuant to the Taiyuan Contracting Agreement, Shanghai Broad Landscape shall agree to act as the main contractor and provide engineering, procurement and construction services for the Taiyuan PPP Project, which includes the development and construction of the landscaping work, plantation of specialist plant collections, construction of integrated pipelines and the design of certain ancillary facilities within the site of the Taiyuan PPP Project.

Term

The term of the Taiyuan Contracting Agreement shall be for a term of 914 calendar days from the commencement date of work, which commencement date is expected to be on or around 30 June 2017 and the completion date is expected to be on or around 31 December 2019.

Consideration

The initial contract value payable by Taiyuan JV Company under the Taiyuan Contracting Agreement shall amount to RMB1,065,647,404.54, which is based on the estimated amount of work under the Taiyuan Contracting Agreement and the itemized pricing standard prescribed by the relevant department of Taiyuan government.

If there are more than 10% changes in the market prices of the raw material, the consideration will be adjusted for the amount of change exceeding 10%.

Payment terms

The consideration payable under the Taiyuan Contracting Agreement shall be payable by Taiyuan JV Company monthly depending on the construction progress of the project. Taiyuan JV Company shall pay 90% of the amount stated in the invoice certificate approved by the Audit Department of the Taiyuan government in each month, and 5% of such amount is payable after the issuance of the construction completion acceptance testing certificate. 3% of such amount is payable upon completion of the audit of the project by the Housing and Construction Department, Finance Department and Audit Department of Taiyuan government. The remaining 2% of the consideration will be treated as quality warranty and shall be payable by Taiyuan JV Company to Shanghai Broad Landscape two years after the completion of the project provided that by the time there is no quality problems associated with the project after passing the acceptance.

REASONS FOR AND BENEFITS OF ENTERING INTO THE CONTRACTING AGREEMENTS

The Company believes that future large scale projects in the public sector in the PRC will be mainly developed through PPP cooperation mode and projects using PPP cooperation mode will remain as the focus of the Company's future development. In order to capture these opportunities, the Company had formed Xi'an JV Company and Taiyuan JV Company with, among other parties, the subsidiaries of Greenland, for the development of the Xi'an PPP Project and the Taiyuan PPP Project.

As part of the normal and ordinary course of business of the Group, the Group has been providing project contracting services for Independent Third Parties. The transactions contemplated under the Contracting Agreements will generate additional revenue and profit for the Group. The initial contract value of the Contracting Agreements is based on the pricing standard set by relevant authorities and the estimated project scope of the Xi'an PPP Project and the Taiyuan PPP Project.

In light of the above, the Directors (excluding the independent non-executive Directors who will form their view after considering the recommendation from the Independent Financial Adviser) consider that the terms and conditions of each of the Contracting Agreements are on normal commercial terms, and fair and reasonable and the transactions contemplated thereunder are in the ordinary course and usual course of business of the Group and in the interests of the Company and its shareholders as a whole.

INFORMATION OF THE PARTIES

The Group

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.

Shanghai Broad Landscape

Shanghai Broad Landscape is a company incorporated under the laws of the PRC and an indirect wholly owned subsidiary of the Company. Shanghai Broad Landscape is principally engaged in landscaping design, construction, maintenance and advisory, municipal work construction and civil engineering projects.

Xi'an JV Company

Xi'an JV Company is a company incorporated under the laws of the PRC for the investment, construction, operation and maintenance of the Xi'an PPP Project pursuant to the Xi'an JV Agreement. As at the date of this announcement, it is owned as to 85.00%, 10.00% and 5.00% by Greenland Metro Investment, Changning Development Company and Shanghai Broad Landscape, respectively. Greenland Metro Investment is a subsidiary of Greenland and is an associate of Greenland Financial (a substantial shareholder of the Company). Xi'an JV Company is therefore a connected person of the Company.

Taiyuan JV Company

Taiyuan JV Company is a company incorporated under the laws of the PRC for the investment, construction, operation and maintenance of the Taiyuan PPP Project pursuant to the Taiyuan JV Agreement. As at the date of this announcement, it is owned as to 69.36%, 30.00%, 0.57% and 0.07% by Greenland City Investment, Taiyuan Botanical Garden, Shanghai Broad Landscape and Shanghai Greenland Construction, respectively. Each of Greenland City Investment and Shanghai Greenland Construction is a subsidiary of Greenland and is an associate of Greenland Financial (a substantial shareholder of the Company). Taiyuan JV Company is therefore a connected person of the Company.

Greenland

Greenland, the ultimate beneficial owner of each of Greenland City Investment, Shanghai Greenland Construction and Greenland Metro Investment, 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.

LISTING RULES IMPLICATIONS

Xi'an JV Company is owned as to 85% by Greenland Metro Investment, which is a subsidiary of Greenland. Taiyuan JV Company is owned as to 69.36% and 0.07% by Greenland City Investment and Shanghai Greenland Construction, respectively, which are both subsidiaries of Greenland. Greenland is the ultimate holding company of Greenland Financial (a substantial shareholder of the Company). As such, both Xi'an JV Company and Taiyuan JV Company are associates of Greenland Financial and are connected persons of the Company under the Listing Rules. The transactions contemplated under the Contracting Agreements therefore constitute connected transactions of the Company under Chapter 14A of the Listing Rules.

As the applicable percentage ratios on an aggregate basis under Rule 14A.81 of the Listing Rules are more than 25%, the Contracting Agreements are subject to reporting, announcement and Independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

INDEPENDENT BOARD COMMITTEE

The Independent Board Committee, comprising all independent non-executive Directors, namely Mr. Dai Guoqiang, Mr. Zhang Qing and Dr. Jin Hexian, has been formed to advise the Independent Shareholders in respect of the Contracting Agreements.

INDEPENDENT FINANCIAL ADVISER

VBG Capital has been appointed as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders in respect of the Contracting Agreements.

GENERAL INFORMATION

A general meeting of the Company will be held for the purpose of considering and, if thought fit, approving the resolution(s) in respect of the Contracting Agreements. Greenland Financial and its associates shall abstain from voting on the relevant resolution at such general meeting.

A circular containing, amongst other things, (i) further information on the Contracting Agreements; (ii) the letter of recommendation from the Independent Board Committee; (iii) the letter of advice from the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders; and (iv) a notice of the general meeting to be convened, shall be despatched on or before 12 July 2017.

DEFINITIONS

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

“Board”	the board of Directors
“Changning Development Company”	Xi'an Changning Development and Construction Company Limited* (西安市常寧開發建設有限公司, an agency of the Management Committee)

“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”	China Greenland Broad Greenstate Group Company Limited (中國綠地博大綠澤集團有限公司) (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
“connected person(s)”	has the meaning ascribed thereto in the Listing Rules
“connected transaction(s)”	has the meaning ascribed thereto in the Listing Rules
“Contracting Agreements”	the Taiyuan Contracting Agreement and the Xi’an Contracting Agreement
“Director(s)”	the director(s) of the Company
“Greenland”	Greenland Holding Group Corporation Limited* (綠地控股集團股份有限公司), a company incorporated under the laws of the PRC
“Greenland City Investment”	Greenland Cotu Investment Group Company Limited* (綠地城市投資集團有限公司), a company incorporated under the laws of the PRC and a wholly owned subsidiary of Greenland
“Greenland Financial”	Greenland Financial Overseas Investment Group Co., Ltd., a substantial shareholder of the Company
“Greenland Metro Investment”	Greenland Metro Investment & Development Company Limited* (綠地地鐵投資發展有限公司), a company incorporated under the laws of the PRC and a wholly owned subsidiary of Greenland
“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
“Independent Board Committee”	an independent committee of the Board comprising Mr. Dai Guoqiang, Mr. Zhang Qing and Dr. Jin Hexian
“Independent Financial Adviser” or “VBG Capital”	VBG Capital Limited, a corporation licensed by the Securities and Futures Commission to conduct Type 1 (dealing in securities) and Type 6 (advising on corporate finance) regulated activities under the SFO and the independent financial adviser to the Independent Board Committee and the Independent Shareholders

“Independent Shareholder(s)”	any Shareholder who is not required to abstain from voting at the general meeting for approving the Contracting Agreements
“Independent Third Party(ies)”	party(ies) not connected with any of the Directors, chief executive, substantial shareholders of the Company or any of its subsidiaries or any of their respective associates
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
“RMB”	Renminbi, the lawful currency of the PRC
“Shanghai Broad Landscape”	Shanghai Broad Landscape Construction and Development Company Limited* (上海博大園林建設發展有限公司), a company incorporated under the laws of the PRC and a subsidiary of the Company
“Shanghai Greenland Construction”	Shanghai Greenland Construction (Group) Company Limited* (上海綠地建設(集團)有限公司), a company incorporated under the laws of the PRC and a non-wholly owned subsidiary of Greenland
“Share(s)”	ordinary share(s) of par value of HK\$0.025 each in the share capital of the Company
“Shareholder(s)”	holder(s) of Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“substantial shareholder(s)”	has the meaning ascribed thereto in the Listing Rules
“Taiyuan Botanical Garden”	Taiyuan Botanical Garden* (太原植物園), an agency of Taiyuan Gardens Bureau
“Taiyuan Contracting Agreement”	the contracting agreement expected to be entered into between Shanghai Broad Landscape and Taiyuan JV Company
“Taiyuan JV Agreement”	the agreement entered into between Shanghai Broad Landscape, Shanghai Greenland Construction, Greenland City Investment and Taiyuan Botanical Garden on 20 October 2016 for the establishment of Taiyuan JV Company
“Taiyuan JV Company”	Taiyuan Longcheng Greenland Botanical Garden Company Limited* (太原龍城綠地植物園有限公司), the joint venture company established by Shanghai Broad Landscape, Shanghai Greenland Construction, Greenland City Investment and Taiyuan Botanical Garden pursuant to the Taiyuan JV Agreement for the development and construction of the Taiyuan PPP Project
“Taiyuan PPP Project”	the project for the construction of Phase One of Taiyuan Botanical Garden

“Xi’an Contracting Agreement”	the contracting agreement entered into between Shanghai Broad Landscape and Xian JV Company on 21 June 2017
“Xi’an JV Agreement”	the agreement entered into between Shanghai Broad Landscape and Greenland Metro Investment and Changing Development Company on 30 December 2016 for the establishment of Xi’an JV Company
“Xi’an JV Company”	Xi’an Greenland Jue River Wetland Park Development Company Limited* (西安綠地灤河濕地公園開發有限公司), the joint venture company established by Shanghai Broad Landscape and Greenland Metro Investment and Changing Development Company pursuant to the Xi’an JV Agreement for the development and construction of the Xi’an PPP Project
“Xi’an PPP Project”	the project for the construction of Jue River Wetland Park in Changning New District, Xi’an (西安市常寧新區灤河濕地公園) and construction of other ancillary facilities
“%”	per cent.

By Order of the Board
China Greenland Broad Greenstate Group Company Limited
WU Zhengping
Chairman and Executive Director

Shanghai, the People’s Republic of China
21 June 2017

As at the date of this announcement, our executive Directors are Mr. Wu Zhengping, Ms. Xiao Li, Ms. Zhu Wen and Ms. Chen Min and our independent non-executive Directors are Mr. Dai Guoqiang, Mr. Zhang Qing and Dr. Jin Hexian.

* *For identification purposes only*