

THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

If you are in 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, bank manager, solicitor, professional accountant or other professional advisers.

If you have sold or transferred all your shares in **China Greenland Broad Greenstate Group Company Limited**, you should at once hand this circular, together with the accompanying form of proxy to the purchaser or the 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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China Greenland Broad Greenstate Group Company Limited
中國綠地博大綠澤集團有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock code: 1253)

**(1) DISCLOSEABLE AND CONNECTED TRANSACTIONS
ACQUISITION OF PROPERTY
AND
(2) NOTICE OF EXTRAORDINARY GENERAL MEETING**

**Independent Financial Adviser to
the Independent Board Committee and the Independent Shareholders**



A letter from the Board is set out on pages 5 to 13 of this circular. A letter from the Independent Board Committee is set out on pages 14 to 15 of this circular. A letter from the Independent Financial Adviser containing its advice to the Independent Board Committee and the Independent Shareholders is set out on pages 16 to 28 of this circular.

A notice convening the EGM to be held at Holiday Inn Shanghai Hongqiao West, 2000 Huqingping Road, Shanghai, China on Wednesday, 5 December 2018 at 2:00 p.m. is set out on pages 40 to 41 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.greenland-broadgreenstate.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 and transfer office 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 (i.e. not later than 2:00 p.m. on Monday, 3 December 2018) 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.

20 November 2018

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DEFINITIONS

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

“Announcement”	the announcement dated 6 September 2018 made by the Company in relation to, among other things, the Property Acquisition Agreements
“Articles of Association”	the articles of association of the Company
“Board”	the board of Directors
“Broad Greenstate Ecological”	Broad Greenstate Ecological Construction Group Company Limited* (博大綠澤生態建設集團有限公司), formerly known as Shanghai Broad Landscape Construction and Development Company Limited* (上海博大園林建設發展有限公司), a company incorporated under the laws of the PRC with limited liability and an indirect wholly-owned subsidiary 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)
“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 liability 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
“Director(s)”	the director(s) of the Company
“Eastern Greenstate International”	Eastern Greenstate International Company Limited (綠澤東方國際有限公司), a company incorporated in BVI on 9 October 2013, which is owned as to 2.81% by Ms. Zhu Wen (朱雯), and 97.19% by other parties
“EGM”	the extraordinary general meeting of the Company to be held at Holiday Inn Shanghai Hongqiao West, 2000 Huqingping Road, Shanghai, China on Wednesday, 5 December 2018 at 2:00 p.m. for considering and approving, among other things, the Property Acquisition Agreements and the transactions contemplated thereunder

DEFINITIONS

“Greenland Holdings”	Greenland Holdings Group Corporation Limited* (綠地控股集團股份有限公司), a company incorporated under the laws of PRC
“Greenland Financial”	Greenland Financial Overseas Investment Group Co., Ltd.* (綠地金融海外投資集團有限公司), a substantial shareholder of the Company
“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, Dr. Jin Hexian and Dr. Chan Wing Bun
“Independent Financial Adviser” or “Red Solar”	Red Solar 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 Property Acquisition Agreements
“Latest Practicable Date”	15 November 2018, being the latest practicable date prior to the publication of this circular for the purpose of ascertaining certain information contained in this circular
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
“Model Code”	Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix 10 of the Listing Rules
“PRC”	the People’s Republic of China, which for the purpose of this circular, shall exclude Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan
“Properties”	collectively, Property I and Property II

DEFINITIONS

“Property I”	the property located at the 7th floor at No. 608, 5th Building, 1588 Lane, Zhuguang Road, Shanghai, the PRC with a total gross floor area of approximately 3,064.88 square meters
“Property II”	the property located at the 8th floor at No. 608, 5th Building, 1588 Lane, Zhuguang Road, Shanghai, the PRC with a total gross floor area of approximately 2,731.86 square meters
“Property Lease Agreement”	the agreement entered into between Broad Greenstate Ecological and Shanghai Kaitai on 6 September 2018 for the leasing of the Properties
“Property Sale Agreement”	a property sale agreement entered into between Broad Greenstate Ecological and Shanghai Kaitai on 6 September 2018 for the sale and purchase of Property II
“Property Acquisition Agreements”	collectively, the Property Sale Agreement and the Supplemental Agreement
“RMB”	Renminbi, the lawful currency of the PRC
“SFC”	the Securities and Futures Commission of Hong Kong
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Shanghai Kaitai”	Shanghai Kaitai Real Estate Development Co., Ltd.* (上海愷泰房地產開發有限公司), a company incorporated under the laws of the PRC
“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
“subsidiary(ies)”	has the meaning ascribed to it under the Listing Rules
“substantial shareholder(s)”	has the meaning ascribed thereto in the Listing Rules
“Supplemental Agreement”	the supplemental agreement to the Property Sale Agreement entered into between Broad Greenstate Ecological and Shanghai Kaitai on 6 September 2018
“%”	per cent.

DEFINITIONS

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



China Greenland Broad Greenstate Group Company Limited

中國綠地博大綠澤集團有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock code: 1253)

Executive Directors:

Mr. Wu Zhengping

(Chairman and chief executive officer)

Ms. Xiao Li

Ms. Zhu Wen

Ms. Chen Min

Registered office:

The offices of Maples Corporate
Services Limited
PO Box 309, Ugland House
Grand Cayman, KY1-1104
Cayman Islands

Independent non-executive Directors:

Mr. Dai Guoqiang

Dr. Jin Hexian

Dr. Chan Wing Bun

Head office:

Floor 8, Block D3, 5th Building
Hongqiao World Center
1588 Lane, Zhuguang Road
Shanghai, the PRC

*Principal place of business
in Hong Kong:*

Level 54, Hopewell Centre
183 Queen's Road East
Hong Kong

20 November 2018

To the Shareholders

Dear Sir or Madam,

**DISCLOSEABLE AND CONNECTED TRANSACTIONS
ACQUISITION OF PROPERTY**

I. INTRODUCTION

Reference is made to the Announcement dated 6 September 2018 in relation to, among others, the Property Acquisition Agreements and the transactions contemplated thereunder.

LETTER FROM THE BOARD

Before moving its office to the Properties, the Company leased offices located at the 8th and the 10th floor of Hong Quan Building, No. 1357, Mei Chuan Road, Putuo District, Shanghai and Room 01 to Room 24, 18th Floor, No. 501, Wuning Road, Putuo District, Shanghai. To communicate better among employees and to improve the working environment with larger meeting space, the Company decided to move all employees in one office building. The Company is conducting business with government customer, who may evaluate its business partner by corporate image. A spacious and well-equipped office building enhances corporate image while doing business with government customers. The Properties are located at West Hongqiao Commercial Development Center and are close to the National Exhibition and Convention Center (Shanghai) that held the China International Import Expo in November 2018. Considering its premium location in Shanghai and the event (i.e. China International Import Expo) in November 2018, the Company believes the new office building (i.e. West Hongqiao Commercial Development Center) will help enhance its corporate image.

The Company commenced its negotiation with Shanghai Kaitai on acquisition of both Property I and Property II in February 2018 and planned to spend RMB259,668,550 in acquisition of both the Property I and the Property II (the “**Original Consideration**”). Considering the premium location of the Properties, the Company expected that the purchase price of the Properties will increase rapidly. To fix the purchase price in early 2018 before it increases further, Broad Greenstate Ecological deposited an earnest money of RMB50,933,750.00 (i.e. the first instalment of the Total Consideration), representing 19.61% of the Original Consideration with Shanghai Kaitai. When it deposited the earnest money, the Company were still in the process of negotiation with Shanghai Kaitai on terms and conditions of the agreement governing the acquisition and did not make a final decision on acquisition of both Property I and Property II or either one. In the interest of time to fix the purchase price and with the expectation to complete the transaction within the next three months, the Company did not enter into any formal written agreement with Shanghai Kaitai. The Board admits that it has breached the disclosure requirement under Rules 14A.34 and 14A.35 for the Company’s deposit of earnest money in February 2018. In June 2018, after further consideration and taking into account the future business development plan of the Group, the Company decided to acquire Property II only and is seeking other office premises for lease.

With the consent of Shanghai Kaitai, the Company moved its office to the Properties in March 2018 and planned to lease the Properties from March 2018 until completion of the acquisition, i.e. early June 2018 as transitional period (the “**Transitional period**”). Since it expected to complete the acquisition within the next three months, the Company did not enter into any written leasing agreement with Shanghai Kaitai before moved into the Properties. As it took longer than expected in the discussion with Shanghai Kaitai on the property acquisition, the Company could not complete the transaction in early June as expected and continued its lease of the Properties from Shanghai Kaitai. After payment of its rental in June 2018, the Company noticed that the rental paid by Broad Greenstate Ecological to Shanghai Kaitai from March to June 2018 was RMB3,173,715.16. Therefore, the transaction for the leasing of Properties exceed the de minimis threshold and triggered the announcement and reporting requirements under Chapter 14A. The Board admits that it has breached the disclosure requirement under Rules 14A.34 and 14A.35 for the leasing of the Properties from Shanghai Kaitai. To comply with the relevant requirements under

LETTER FROM THE BOARD

the Listing Rules, the Company took mitigation actions, such as entering into the Property Lease Agreement with Shanghai Kaitai on 6 September 2018 and made the relevant disclosure in accordance with the Listing Rules.

On 6 September 2018, Broad Greenstate Ecological entered into the Property Lease Agreement with Shanghai Kaitai, pursuant to which Broad Greenstate Ecological confirmed the lease arrangement with Shanghai Kaitai and agreed to lease both Property I and Property II from Shanghai Kaitai at a rental of RMB419,505.45 and RMB373,923.34 per month, respectively. The Property Lease Agreement has a term of 10 months commencing from 1 March 2018 and expiring on 31 December 2018 (both days inclusive). The Property Lease Agreement in respect of the lease of both Property I and Property II will terminate automatically upon full payment of consideration (being RMB124,966,696.00) by Broad Greenstate Ecological in respect of Property II under the Property Acquisition Agreements.

On 6 September 2018, Broad Greenstate Ecological, entered into Property Sale Agreement with Shanghai Kaitai, pursuant to which Shanghai Kaitai agreed to sell and Broad Greenstate Ecological agreed to acquire Property II at a consideration of RMB124,966,696.00.

On 6 September 2018, Broad Greenstate Ecological, entered into the Supplemental Agreement with Shanghai Kaitai to further amend the Property Sale Agreement.

The Property Acquisition Agreements and the transactions contemplated thereunder are subject to the Independent Shareholders' approval at the EGM. The purpose of this circular is to provide you, among other things:

- (i) further information on the Property Acquisition Agreements and the transactions contemplated thereunder;
- (ii) letter from the Independent Board Committee to the Independent Shareholders in relation to the Property Acquisition Agreements and the transactions contemplated thereunder;
- (iii) letter of advice from the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders in relation to the Property Acquisition Agreements and the transactions contemplated thereunder; and
- (iv) the notice of the EGM.

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II. PROPERTY SALE AGREEMENT

On 6 September 2018, Broad Greenstate Ecological, entered into Property Sale Agreement with Shanghai Kaitai, pursuant to which Shanghai Kaitai agreed to sell and Broad Greenstate Ecological agreed to acquire Property II at a consideration of RMB124,966,696.00.

Date: 6 September 2018

Parties: (1) Shanghai Kaitai as vendor
(2) Broad Greenstate Ecological as purchaser

Subject Matter: Property II, being the property located at the 8th floor at No. 608, 5th Building, 1588 Lane, Zhuguang Road, Shanghai, the PRC with a total gross floor area of approximately 2,731.86 square meters

Consideration: The consideration is RMB124,966,696.00

Payment Arrangement: Broad Greenstate Ecological shall make payment in cash by wire transfer.

III. SUPPLEMENTAL AGREEMENT

On 6 September 2018, Broad Greenstate Ecological, entered into the Supplemental Agreement with Shanghai Kaitai to further amend the terms and conditions of the Property Sale Agreement.

Date: 6 September 2018

Parties: (1) Shanghai Kaitai as vendor
(2) Broad Greenstate Ecological as purchaser

Condition Precedent: Completion of the acquisition of Property II is subject to the approval by the Shareholders at the forthcoming EGM.

Others: If Broad Greenstate Ecological fails to receive the approval by the Shareholders at the forthcoming EGM within 90 days after execution of the Property Sale Agreement, Broad Greenstate Ecological is entitled to terminate the Property Sale Agreement by serving a written notice (the “**Termination Notice**”) to Shanghai Kaitai. Shanghai Kaitai should return any payment received from Broad Greenstate Ecological in respect of the Property Sale Agreement together with the corresponding interest based on the bank deposit interest rate published by the People’s Bank of China* (中國人民銀行) within five business days after receipt of the Termination Notice.

LETTER FROM THE BOARD

When the considerations (being RMB124,966,696.00) under the Property Acquisition Agreements is fully paid by Broad Greenstate Ecological, the Property Lease Agreement will terminate automatically.

IV. BASIS OF CONSIDERATIONS

The consideration under the Property Acquisition Agreements was determined after arm's length negotiations between Broad Greenstate Ecological and Shanghai Kaitai with reference to the valuation result of Property II.

The consideration of RMB124,966,696.00 (the **"Total Consideration"**) shall be paid and satisfied by Broad Greenstate Ecological by three instalments in the following manner:

- (1) the first instalment of RMB50,933,750.00 shall be paid before 13 February 2018;
- (2) the second instalment of RMB11,552,946.00 shall be paid before 6 September 2018; and
- (3) the third instalment of RMB62,480,000.00 shall be paid before 30 September 2018.

The first and second instalments, representing 50.003% of the Total Consideration have been settled by internal resources of the Group by 13 February 2018 and 6 September 2018, respectively, and the third instalment, representing 49.997% of the Total Consideration, will be financed by bank borrowings. The Group expects to obtain the bank financing in November 2018 and to settle the third instalment of the Total Consideration upon completion of the transactions as contemplated under the Property Acquisition Agreements.

V. REASONS AND BENEFITS FOR ACQUISITION OF PROPERTY II

The Company believes that it will benefit from the location of the Property II due to the following reasons: (1) The Property II is located at West Hongqiao Commercial Development Center* (西虹橋商業開發中心區) and the Company believes that this area will be the center of Yangtze River Delta Economic Development Zone* (長三角經濟開發區) in the future. (2) The Group intends to use the Property II as office space. It will further enhance the Group's market image and position by operating the business in a prestigious and prominent location in Shanghai. (3) The Property II is merely five minutes ride from Hongqiao airport and Hongqiao railway station. Thus, there will be a saving of time and expenses for the Company to send employees on business trips.

In addition, the Property Acquisition Agreements will allow the Group to invest in land and properties in a premium location in Shanghai. Given the promising long-term economic and financial prospects of Shanghai and the PRC, there is potential for attractive capital appreciation for this investment over the long term.

LETTER FROM THE BOARD

In light of the above, the Directors are of the view that (i) despite the acquisition of Property II is not in the ordinary and usual course of business of the Group, it is in the interests of the Company and the Shareholders as a whole; and (ii) the terms of the Property Acquisition Agreements are on normal commercial terms and are fair and reasonable.

None of the Directors has any material interest in the Property Acquisition Agreements, thus none of the Directors had abstained from voting on the Board resolutions approving the Property Acquisition Agreements and the transactions contemplated thereunder.

VI. INFORMATION ON THE GROUP AND THE PARTIES TO THE PROPERTY ACQUISITION AGREEMENTS

The Group

The Company is an investment holding company incorporated in the Cayman Islands with limited liability. The Group is principally engaged in the services of landscape design and gardening and the related services.

Broad Greenstate Ecological

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

Shanghai Kaitai

Shanghai Kaitai is a company incorporated under the laws of the PRC. Shanghai Kaitai is principally engaged in real estate development and operation.

Greenland Holdings

Greenland Holdings, the ultimate beneficial owner of Shanghai Kaitai, 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.

VII. LISTING RULES IMPLICATIONS

As at the Latest Practicable Date, Greenland Holdings indirectly holds approximately 29.66% equity interest in the Company through Greenland Financial Holdings Company Limited* (綠地金融投資控股集團有限公司) and Greenland Financial. Thus, Greenland Holdings is a connected person of the Company as defined under the Listing Rules. Greenland Holdings indirectly holds 50% equity interest in Shanghai Kaitai through Greenland Estate Group Co., Ltd.* (綠地地產集團有限公司). Therefore, Shanghai Kaitai is an associate of Greenland Holdings and thus a connected person of the Company. As such, the transactions contemplated under the Property Acquisition Agreements constitute connected transactions of the Company.

LETTER FROM THE BOARD

As one or more of the applicable ratios in respect of the transactions contemplated under the Property Acquisition Agreements are more than 5%, the Property Acquisition Agreements and the transactions contemplated thereunder are subject to reporting, announcement and independent shareholders' approval requirements under the Listing Rules.

As one or more of the applicable ratios in respect of the transactions contemplated under the Property Acquisition Agreements are more than 5% but all the applicable ratios are less than 25%, the Property Acquisition Agreements and the transactions contemplated thereunder also constitute disclosable transactions for the Company under Chapter 14 of the Listing Rules.

In view of the interests of Greenland Financial in the acquisition of Property II, Greenland Financial, which holds 991,321,041 Shares, representing 29.66% equity interest in the Company, will abstain from voting in relation to the resolutions approving the Property Acquisition Agreements and the transactions contemplated thereunder at the EGM. The Independent Board Committee, which comprises all the independent non-executive Directors who do not have any interest in the proposed transactions mentioned in this circular, has been appointed to advise the Independent Shareholders on whether or not the terms of the Property Acquisition Agreements are in the interests of the Company and are fair and reasonable so far as the Shareholders as a whole are concerned. Red Solar has been appointed as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders regarding the terms of the Property Acquisition Agreements.

VIII. REMEDIAL ACTION

The Board realized that the deposit of earnest money did not go through the complete internal control procedures in respect of notifiable and connected transactions. The Company should have obtained the valuation results of the properties and entered into a formal written agreement with Shanghai Kaitai before it deposited the earnest money.

The Company takes the incident seriously and will take the following remedial measures to prevent the re-occurrence of similar incident:

- (i) the Company will provide more detailed guideline and will provide further guidance material and training, in particular, regarding how to define a transaction and proper calculation methodology of the percentage ratios relating to notifiable and connected transactions under the Listing Rules for the Directors, senior management and the finance staffs of the Group in order to strengthen and reinforce their existing knowledge with respect to notifiable and connected transactions;
- (ii) the Company will set up a reporting guideline such that the team head of the Group should evaluate the proposed transactions and report to the legal adviser if the proposed transactions may constitute notifiable and/or connected transactions and in case they are in doubt prior to the entering into of those transactions;

LETTER FROM THE BOARD

- (iii) the Company will remind all the Directors, senior management and staffs of the Group to strictly comply with the internal control procedures, in particular, to inform and consult the legal advisor of the Company (if necessary) before entering into transactions which may constitute notifiable and/or connected transactions; and
- (iv) ongoing trainings will be developed and provided by external advisers to the Directors, senior management and relevant employees of the Group at least once annually to familiarise them with the legal and regulatory requirements applicable to the business operations of the Group and to enhance their awareness and knowledge on, and also to allow them to keep abreast of the latest development of the Listing Rules.

IX. EGM AND PROXY ARRANGEMENT

A notice convening the EGM to be held at Holiday Inn Shanghai Hongqiao West, 2000 Huqingping Road, Shanghai, China on Wednesday, 5 December 2018 at 2:00 p.m. is set out on pages 40 to 41 of this circular, for the purpose of considering and if thought fit, approving, among other things, the Property Acquisition Agreements and the transactions contemplated thereunder.

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 of the meeting, in good faith, decides to allow a resolution which relates purely to a procedural or administrative matter to be voted on by a show of hands. Accordingly, the chairman of the EGM will arrange all the proposed resolutions set out in the notice of the EGM to be voted on by poll. The poll results will be published on the websites of the Company and the Stock Exchange on the day of the EGM.

Greenland Financial shall abstain from voting on the relevant resolutions at the EGM. As of the Latest Practicable Date, Greenland Financial is beneficially interested in 991,321,041 Shares (representing approximately 29.66% of the total issued Shares). Save as the above, as at the Latest Practicable Date, to the best knowledge of the Directors, none of the Shareholders have a material interest in the Property Acquisition Agreements.

A form of proxy for use at the EGM is enclosed with this circular. Whether or not you are able to attend the EGM, you are requested to 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 and transfer office 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 (i.e. not later than 2:00 p.m. on Monday, 3 December 2018) 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.

LETTER FROM THE BOARD

X. RECORD DATE

For determining the entitlement to attend and vote at the above meeting, the record date will be Thursday, 29 November 2018. In order to be eligible to attend and vote at the EGM, 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 Thursday, 29 November 2018.

XI. RECOMMENDATION FROM THE INDEPENDENT BOARD COMMITTEE

Your attention is drawn to the letter from the Independent Board Committee to the Independent Shareholders of the Company, which is set out on pages 14 to 15 of this circular, which contains their recommendation in respect of the Property Acquisition Agreements and the transactions contemplated thereunder.

The letter of advice from the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders on the Property Acquisition Agreements is set out on pages 16 to 28 of this circular.

The Independent Board Committee, having taken into account the advice of the Independent Financial Adviser, considers that (i) despite the acquisition of Property II is not in the ordinary and usual course of business of the Group, it is in the interests of the Company and the Shareholders as a whole; and (ii) the terms of the Property Acquisition Agreements are on normal commercial terms and are fair and reasonable. Accordingly, it recommends that the Independent Shareholders to vote in favour of the resolution(s) to be proposed at the EGM to approve the acquisition of Property II and the transactions contemplated thereunder.

XII. ADDITIONAL INFORMATION

Your attention is drawn to this letter from the Board and the additional information set out in the appendices of this circular.

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

* For identification purpose only

LETTER FROM THE INDEPENDENT BOARD COMMITTEE

The following is the full text of the letter from the Independent Board Committee setting out their advice to the Independent Shareholders, which has been prepared for the purpose of inclusion in this circular.



China Greenland Broad Greenstate Group Company Limited

中國綠地博大綠澤集團有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock code: 1253)

20 November 2018

To the Independent Shareholders

Dear Sir or Madam,

DISCLOSEABLE AND CONNECTED TRANSACTIONS IN RELATION TO PROPERTY ACQUISITION AGREEMENTS

We refer to the circular of the Company to the Shareholders dated 20 November 2018 (the “**Circular**”), in which this letter forms part. Unless the context otherwise requires, capitalized terms used in this letter will have the same meanings as defined in the Circular.

We have been authorized by the Board to form the Independent Board Committee to advise the Independent Shareholders on whether, in our opinion, the terms of the Property Acquisition Agreements and the transactions contemplated thereunder are fair and reasonable so far as the Independent Shareholders are concerned and in the interests of the Company and the Shareholders as a whole.

We wish to draw your attention to the letter from the Board as set out on pages 5 to 13 of the Circular and the letter from Red Solar, the Independent Financial Adviser appointed to advise the Independent Board Committee and the Independent Shareholders on the Property Acquisition Agreements and the transactions contemplated thereunder as set out on pages 16 to 28 of the Circular.

Having considered the principal factors and reasons and the advice of the Independent Financial Adviser as set out in the letter from the Independent Financial Adviser, and the view of the Board in respect of the Property Acquisition Agreements, we consider that (i) despite the acquisition of Property II is not in the ordinary and usual course of business of the Group, it is in the interests of the Company and the Shareholders as a whole; and (ii) the terms of the Property Acquisition Agreements are on normal commercial terms and are fair and reasonable.

LETTER FROM THE INDEPENDENT BOARD COMMITTEE

Accordingly, we recommend the Independent Shareholders to vote in favour of the resolution(s) to be proposed at the EGM to approve the acquisition of Property II and the transactions contemplated thereunder.

Yours faithfully,

For and on behalf of the
Independent Board Committee of

China Greenland Broad Greenstate Group Company Limited

Mr. Dai Guoqiang

Dr. Jin Hexian

Dr. Chan Wing Bun

Independent Non-executive Directors

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

The following is the full text of the letter of advice from Red Solar to the Independent Board Committee and the Independent Shareholders in respect of the Property Acquisition Agreements and the transactions contemplated thereunder for the purpose of inclusion in this circular.



11/F., Kwong Fat Hong Building
No.1 Rumsey Street, Sheung Wan
Hong Kong

20 November 2018

*To: The Independent Board Committee and the Independent Shareholders of
China Greenland Broad Greenstate Group Company Limited*

Dear Sirs,

DISCLOSEABLE AND CONNECTED TRANSACTIONS — ACQUISITION OF PROPERTY

INTRODUCTION

We refer to our engagement as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders in respect of the Property Acquisition Agreements and the transactions contemplated thereunder, details of which are set out in the letter from the Board (the “**Letter from the Board**”) contained in the circular of the Company dated 20 November 2018 (the “**Circular**”), of which this letter of advice forms part. Capitalised terms used in this letter of advice shall have the same meanings as those defined in the Circular unless otherwise specified.

With reference to the Announcement, Broad Greenstate Ecological, an indirect wholly-owned subsidiary of the Company, entered into the Property Sale Agreement with Shanghai Kaitai, pursuant to which Shanghai Kaitai agreed to sell and Broad Greenstate Ecological agreed to acquire Property II at a consideration of RMB124,966,696.00. On 6 September 2018, Broad Greenstate Ecological entered into the Supplemental Agreement with Shanghai Kaitai to further amend the Property Sale Agreement.

With reference to the Letter from the Board, Greenland Holdings indirectly holds approximately 29.66% equity interest in the Company through Greenland Financial Holdings Company Limited* (綠地金融投資控股集團有限公司) and Greenland Financial. Thus, Greenland Holdings is a connected person of the Company as defined under the Listing Rules. Greenland Holdings indirectly holds 50% equity interest in Shanghai Kaitai through Greenland Estate Group Co., Ltd.* (綠地地產集團有限公司). Therefore, Shanghai Kaitai is an associate of Greenland Holdings and thus a connected person of the Company. As such, the transactions contemplated under the Property Acquisition Agreements constitute connected transactions of the Company. As one or more of the applicable ratios in respect of the Property Acquisition Agreements and the

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transactions contemplated thereunder are more than 5%, the Property Acquisition Agreements and the transactions contemplated thereunder are subject to the reporting, announcement and independent shareholders' approval requirements under the Listing Rules.

The Independent Board Committee, comprising Mr. Dai Guoqiang, Dr. Jin Hexian and Dr. Chan Wing Bun, all being the independent non-executive Directors, has been established to advise the Independent Shareholders as to (i) whether the Property Acquisition Agreements and the transactions contemplated thereunder are conducted in the ordinary and usual course of business of the Group and are in the interests of the Company and the Shareholders as a whole; (ii) whether the terms of the Property Acquisition Agreements are on normal commercial terms and are fair and reasonable so far as the Independent Shareholders are concerned; and (iii) how the Independent Shareholders should vote in respect of the resolution(s) to approve the Property Acquisition Agreements and the transactions contemplated thereunder at the EGM.

As at the Latest Practicable Date, apart from acted as the independent financial adviser of the Company relating to a connected transaction — proposed reissue of notes which a circular dated 29 December 2017 was issued, and the existing engagement in connection with the Property Acquisition Agreements and the transactions contemplated thereunder, we did not have any business relationship with the Company within the past two years. Save for the normal professional fee payable to us in connection with this appointment, no arrangement exists whereby we shall receive any fees or benefits from the Company and its subsidiaries or the Directors, chief executives or substantial shareholders (as defined in the Listing Rules) of the Company or any of their associates. We consider ourselves independent pursuant to Rule 13.84 of the Listing Rules to form our opinion in respect of the Property Acquisition Agreements and the transactions contemplated thereunder.

BASIS OF OUR OPINION

In formulating our opinion with regard to the Property Acquisition Agreements and the transactions contemplated thereunder, we have relied on the information and facts supplied, opinions expressed and representations made to us by the management of the Group (including but not limited to those contained or referred to in the Announcement and this Circular). We have assumed that the information and facts supplied, opinions expressed and representations made to us by the management of the Group were true, accurate and complete at the time they were made and continue to be true, accurate and complete in all material aspects until the date of this Circular. We have also assumed that all statements of belief, opinions, expectation and intention made by the management of the Company in this Circular were reasonably made after due enquiry and careful consideration. We have no reason to suspect that any material facts or information have been withheld or to doubt the truth, accuracy and completeness of the information and facts contained in this Circular, or the reasonableness of the opinions expressed by the Company, its management and/or advisers, which have been provided to us.

The Directors have collectively and individually accepted full responsibility for the accuracy of the information contained in this Circular and have confirmed, having made all reasonable enquiries, which to the best of their knowledge and belief, that the information contained in this

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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 in this Circular or this Circular misleading. We, as the Independent Financial Adviser, take no responsibility for the contents of any part of this Circular, save and except for this letter of advice.

We consider that we have been provided with sufficient information to reach an informed view and to provide a reasonable basis for our opinion. We have not, however, conducted any independent in-depth investigation into the business and affairs or future prospects of the Group and Greenland Holdings, or their respective shareholders, subsidiaries or associates, nor have we considered the taxation implication on the Group or the Shareholders as a result of the Property Acquisition Agreements and the transactions contemplated thereunder. Our opinion is necessarily based on the market, financial, economic and other conditions in effect and the information made available to us as at the Latest Practicable Date. Any subsequent developments may affect and/or change our opinion and we have no obligation to update this opinion to take into account events occurring after the Latest Practicable Date or to update, revise or reaffirm our opinion. Nothing contained in this letter of advice should be construed as a recommendation to hold, sell or buy any Shares or any other securities of the Company.

Where information in this letter of advice has been extracted from published or otherwise publicly available sources, we have ensured that such information has been correctly extracted from the relevant sources while we are not obligated to conduct any independent in-depth investigation into the accuracy and completeness of such information.

PRINCIPAL FACTORS AND REASONS CONSIDERED

In formulating our opinion to the Independent Board Committee and the Independent Shareholders in respect of the Property Acquisition Agreements and the transactions contemplated thereunder, we have considered the following principal factors and reasons:

1. Background of and reasons for the acquisition of Property II

(a) *Background information of the Group*

With reference to the Letter from the Board, the Company is an investment holding company incorporated in the Cayman Islands with limited liability. The Group is principally engaged in the services of landscape design and gardening and the related services.

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The following is a summary of the key financial information of the Group for the six months ended 30 June 2018 and the two years ended 31 December 2017 as extracted from the interim report of the Company for the six months ended 30 June 2018 (the “**2018 Interim Report**”) and the annual report of the Company for the year ended 31 December 2017 (the “**2017 Annual Report**”) respectively:

	For the six months ended 30 June 2018 RMB'000 (unaudited)	For the year ended 31 December 2017 RMB'000 (audited)	For the year ended 31 December 2016 RMB'000 (audited)
Revenue	617,632	1,336,327	724,805
Profit for the period/year	65,651	144,244	151,707
	As at 30 June 2018 RMB'000 (unaudited)	As at 31 December 2017 RMB'000 (audited)	As at 31 December 2016 RMB'000 (audited)
Cash and cash equivalents	198,638	522,295	127,860
Total assets	4,302,730	4,015,710	1,811,454
Total debts*	970,012	929,878	405,180
Total equity	929,325	912,985	652,017

* Debts are defined to include corporate bonds and interest-bearing bank borrowings.

As illustrated by the above table, the revenue of the Group amounted to approximately RMB724.8 million for the year ended 31 December 2016 and approximately RMB1,336.3 million for the year ended 31 December 2017. With reference to the 2017 Annual Report, revenue of the Group generated from construction contracts and rendering services amounted to approximately RMB721.0 million and RMB3.8 million for the year ended 31 December 2016 respectively. While revenue of the Group generated from construction contracts and rendering services amounted to approximately RMB1,334.2 million and RMB2.1 million for the year ended 31 December 2017 respectively. Therefore, the increase in revenue of the Group by approximately RMB611.5 million or 84.4% from the year ended 31 December 2016 to the year ended 31 December 2017 is mainly attributable to the significant increase in revenue from construction contracts by approximately RMB613.2 million over the year. The profit of the Group decreased by approximately RMB7.5 million or 4.9% from approximately RMB151.7 million for the year ended 31 December 2016 to approximately RMB144.2 million for the year ended 31 December 2017. With reference to the 2017 Annual

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Report, the decrease in profit of the Group is primarily attributable to the increase in cost of sales by approximately RMB527.0 million or 116.1%, and the increase in administrative expenses by approximately RMB77.2 million or 137.8% from the year ended 31 December 2016 to the year ended 31 December 2017.

Further from the above table, the cash and cash equivalents of the Group amounted to approximately RMB198.6 million as at 30 June 2018, representing a decrease of approximately 62.0% as compared to that of approximately RMB522.3 million as at 31 December 2017. The total assets of the Group increased by approximately RMB287.0 million or 7.1% from approximately RMB4,015.7 million as at 31 December 2017 to approximately RMB4,302.7 million as at 30 June 2018. The total debts of the Group increased by approximately RMB40.1 million or 4.3% from approximately RMB929.9 million as at 31 December 2017 to approximately RMB970.0 million as at 30 June 2018, representing a gearing ratio of approximately 104.4% and 101.9% respectively.

(b) *Background information of Broad Greenstate Ecological*

With reference to the Letter from the Board, Broad Greenstate Ecological is a company incorporated under the laws of the PRC and an indirect wholly-owned subsidiary of the Company. Broad Greenstate Ecological is principally engaged in landscaping design, construction, maintenance and advisory, municipal work construction and civil engineering projects.

(c) *Background information of Shanghai Kaitai*

With reference to the Letter from the Board, Shanghai Kaitai is a company incorporated under the laws of the PRC. Shanghai Kaitai is principally engaged in real estate development and operation.

(d) *Background information of Greenland Holdings*

With reference to the Letter from the Board, Greenland Holdings, the ultimate beneficial owner of Shanghai Kaitai, 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.

(e) *Overview of Shanghai property market and Property II*

We noted from the 2017 Shanghai Statistical Yearbook as published by the Shanghai Statistics Bureau* (上海市統計局) that the total sales of office and commercial buildings in Shanghai amounted to approximately RMB137.4 billion for the year ended 31 December 2016, representing an increase of approximately 91.7% as compared to that for the year ended 31 December 2015. The areas sold of office and commercial buildings in Shanghai amounted to approximately 5.1 million square meters for the year ended 31 December 2016, representing an increase of approximately 64.7% as compared to that for

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the year ended 31 December 2015. And the total investment amount in office and commercial buildings in Shanghai amounted to approximately RMB121.5 billion for the year ended 31 December 2016, representing an increase of approximately 8.3% as compared to that for the year ended 31 December 2015.

With reference to the valuation report (the “**Valuation Report**”) issued by CBRE Limited (the “**Valuer**”) as set out in Appendix I of this Circular, Property II was completed in 2016 with a total gross floor area of approximately 2,731.86 square meters and is situated at Hongqiao World Center. We have researched over the Internet and noted from the government official website of Shanghai West Hongqiao that, Hongqiao World Center is only 1.5 kilometers away from the Hongqiao transportation hub and is a critical juncture in the Yangtze River Delta Economic Rim within one-hour drive. Hongqiao World Center is a flagship project of Greenland Holdings in the West Hongqiao Central Business District. It integrates Grade A headquarter offices, small creative offices, serviced apartments, five-star hotels and commercial centers, being one of the most iconic and influential landmarks in the western Shanghai.

With reference to the Valuation Report, the valuation of Property II was approximately RMB125 million as at 30 September 2018.

(f) *Reasons for and possible benefits of the acquisition of Property II*

According to the Letter from the Board, the Group intends to use the Properties as office space. The Company believes it will benefit from the location of the Properties as they are located at West Hongqiao Commercial Development Center* (西虹橋商業開發中心區) and that this area will be the center of Yangtze River Delta Economic Development Zone* (長三角經濟開發區). With reference to the website of the Shanghai Statistical Bureau*, the gross domestic product (“**GDP**”) of Shanghai (being one of the major cities of the Yangtze River Delta Economic Development Zone*) amounted to approximately RMB2,161.8 billion for the nine months ended 30 September 2017 (the latest available figure), represented an increase of approximately RMB208.8 billion or 10.7% from approximately RMB1,953.0 billion for the nine months ended 30 September 2016. The Directors believe through establishing the headquarter of the Group at a location witnessing strong economic growth would enhance the Group’s business development capability for the whole industry chain in the future.

As mentioned in the above section “Overview of Shanghai property market and Property II”, Hongqiao World Center, where Property II is located, is in a close proximity to Hongqiao transportation hub and is a critical juncture in the Yangtze River Delta Economic Rim. It is also one of the most iconic and influential landmarks in the western Shanghai with Grade A headquarter offices, small creative offices, serviced apartments, five-star hotels and commercial centers. The Directors believe by operating the business in a prestigious and prominent location in Shanghai will further enhance the

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Group's market image and position, as well as to easily reach out a greater potential client base in surrounding cities of the Yangtze River Delta Economic Development Zone*.

With reference to the Letter from the Board, before moving its office to the Properties, the Company leased offices located at the 8th and the 10th floor of Hong Quan Building, No. 1357, Mei Chuan Road, Putuo District, Shanghai, and Room 01 to Room 24, 18th Floor, No. 501, Wuning Road, Putuo District, Shanghai. As advised by the Company, in order to facilitate better communication among employees and to improve the working environment with larger meeting space, the Company decided to move all employees in one office building. Meanwhile, the Company is conducting business with government as customer of the Company, who may evaluate its business partner by corporate image. The Directors believe a spacious and well-equipped office building would enhance the corporate image while doing business with government. The Properties are located at West Hongqiao Commercial Development Center* and are close to the National Exhibition and Convention Center (Shanghai) that held the China International Import Expo in November 2018. Considering its premium location in Shanghai and the event (i.e. China International Import Expo) in November 2018, the Company believes the new office building (i.e. West Hongqiao Commercial Development Center*) will help enhance its corporate image.

As advised by the Directors, the monthly rental (exclusive of management fees payable to an independent third party) in relation to Property II under the Property Lease Agreement is approximately RMB373,923.34. We understood from the Directors that, acquisition of Property II would save a substantial amount of rental expenses of the Group each year, facilitating a better control on operational costs from rental increase and to provide a base for the Group's long-term business growth and development. On the other hand, according to the title documents of Property II, the property owner has the rights to use the property until 2063. Therefore, the acquisition of Property II would not only save a substantial amount of rental expenses of the Group, the Group could also benefit from the potential capital appreciation in the long run. With reference to the statistics provided by the Valuer, the rental index for grade A office in Shanghai has shown a growth for approximately 16% from third quarter 2014 to third quarter 2018.

Having considered that (i) the Directors being optimistic towards the economics of the Yangtze River Delta Economic Development Zone*; (ii) Hongqiao World Center would enhance the Group's market image and position, and its location would facilitate the Group to reach out a potential greater client base; (iii) Property II would facilitate better communication among employees, improve working environment and enhance corporate image; and (iv) the acquisition of Property II would save a substantial amount of rental expenses of the Group each year, and the Group could benefit from the potential capital appreciation in the long run, we concur with the Directors that, despite the acquisition of Property II is not in the ordinary and usual course of business of the Group, it is in the interests of the Company and the Shareholders as a whole.

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2. The Property Acquisition Agreements

(a) *Principal terms of the Property Sale Agreement*

The principal terms of the Property Sale Agreement are summarised as follows:

Date: 6 September 2018

Parties: (1) Shanghai Kaitai as vendor

(2) Broad Greenstate Ecological as purchaser

Subject Matter: Property II, being the property located at the 8th floor at No. 608, 5th Building, 1588 Lane, Zhuguang Road, Shanghai, the PRC with a total gross floor area of approximately 2,731.86 square meters

Consideration: The consideration is RMB124,966,696.00

Further details of the summary terms of the Property Sale Agreement are set out in the Letter from the Board.

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(b) *Principal terms of the Supplemental Agreement*

The principal terms of the Supplemental Agreement are summarised as follows:

Date:	6 September 2018
Parties:	(1) Shanghai Kaitai as vendor (2) Broad Greenstate Ecological as purchaser
Condition Precedent:	Completion of the acquisition of Property II is subject to the approval by the Shareholders at the forthcoming EGM.
Others:	<p>If Broad Greenstate Ecological fails to receive the approval by the Shareholders at the forthcoming EGM within 90 days after execution of the Property Sale Agreement, Broad Greenstate Ecological is entitled to terminate the Property Sale Agreement by serving a written notice (the “Termination Notice”) to Shanghai Kaitai. Shanghai Kaitai should return any payment received from Broad Greenstate Ecological in respect of the Property Sale Agreement together with the corresponding interest based on the bank deposit interest rate published by the People’s Bank of China within five business days after receipt of the Termination Notice.</p> <p>When the considerations (being RMB124,966,696.00) under the Property Sale Agreement is fully paid by Broad Greenstate Ecological, the Property Lease Agreement will terminate automatically.</p>

Further details of the summary terms of the Supplemental Agreement are set out in the Letter from the Board.

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(c) Consideration for the acquisition of Property II, payment terms and source of funding

Pursuant to the Property Acquisition Agreements, the consideration of RMB124,966,696.00 shall be paid and satisfied by Broad Greenstate Ecological by three instalments in the following manner:

- The first instalment of RMB50,933,750.00 shall be paid before 13 February 2018;
- The second instalment of RMB11,552,946.00 shall be paid before 6 September 2018; and
- The third instalment of RMB62,480,000.00 shall be paid before 30 September 2018.

As advised by the Directors and with reference to the Letter from the Board, the first and second instalments, representing 50.003% of the Total Consideration have been settled by internal resources of the Group by 13 February 2018 and 6 September 2018, respectively, and the third instalment, representing 49.997% of the Total Consideration, will be financed by bank borrowings. The Group expects to obtain the bank financing in November 2018 and to settle the third instalment of the Total Consideration upon completion of the transactions as contemplated under the Property Acquisition Agreements.

Further from the Letter from the Board, the upfront payment for the first and second instalments of the Total Consideration was made before entering into the Property Acquisition Agreements was due to the expectation of the Company that, the purchase price of, among others, Property II would increase rapidly, therefore the first instalment was deposited to Shanghai Kaitai as an earnest money to fix the purchase price in early 2018. We have reviewed a PRC market review report for third quarter 2018 issued by the Valuer, the average office rents of PRC has recorded a quarter-on-quarter growth of 0.5% for third quarter 2018. According to the statistics provided by the Valuer, the rental index for grade A office in Shanghai has shown a growth for approximately 16% from third quarter 2014 to third quarter 2018.

On the other hand, the deposit of an earnest money by the Company to Shanghai Kaitai constituted connected transaction under Chapter 14A of the Listing Rules. With reference to the size tests provided by the Company, as all the applicable percentage ratios in respect of such deposit are more than 0.1% but less than 5%, the transaction is subject to the reporting and announcement requirements but exempt from the independent shareholders' approval requirement under Chapter 14A of the Listing Rules. With reference to the Letter from the Board, the Directors admit that the Company has breached the disclosure requirement under Rules 14A.34 and 14A.35 for the Company's deposit of the earnest money by February 2018.

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The Directors advised, Property II is located at West Hongqiao Commercial Development Center and is close to the National Exhibition and Convention Center (Shanghai) that held the China International Import Expo in November 2018. Considering its premium location in Shanghai and the event (i.e. China International Import Expo) in November 2018, the Company expects that the purchase price of the Property II will increase rapidly. The Company planned to fix the purchase price of the Property II in early 2018 before it increases further. If the Company fails to obtain the independent shareholders' approval, Shanghai Kaitai agreed to return any payment received from Broad Greenstate Ecological in respect of the Property Sale Agreement together with the corresponding interest based on the bank deposit interest rate published by the People's Bank of China within five business days after receipt of the Termination Notice.

We have enquired the Directors and the Directors confirmed, the fund used to settle the upfront payment of the first and second instalments of the Total Consideration was idle cash of the Group deposited in banks. As such, we concur with the Directors that the Company will not incur any loss due to its upfront payment.

Base on the above, we are of the view that, despite the Company has breached the disclosure requirement under Rules 14A.34 and 14A.35 for the deposit of an earnest money by the Company to Shanghai Kaitai, the terms of the Property Acquisition Agreements are on normal commercial terms.

(d) *Basis of Consideration*

With reference to the Letter from the Board, the Total Consideration was determined after arm's length negotiations between Broad Greenstate Ecological and Shanghai Kaitai with reference to the valuation result of Property II (the "**Valuation**"). In this relation, we noted that the Valuation was RMB125 million as at 30 September 2018. Details of the Valuation Report are set out under Appendix I to this Circular.

To assess the fairness and reasonableness of the Total Consideration, we have reviewed the Valuation Report and discussed with the Valuer regarding the methodology adopted for and the basis and assumptions used in arriving at the Valuation. We noted that the Valuer has adopted the market approach in valuing Property II by making reference to comparable transactions as available in the relevant market to arrive at a fair appraisal. As further confirmed by the Valuer, the aforesaid approach is universally considered as an accepted valuation approach for valuing these types of properties for self-use purpose and is consistent with normal market practice.

During our discussion with Valuer regarding the basis and assumptions of the valuation, (i) we were given to understand that such assumptions are generally adopted in similar valuation activities and are necessary for the Valuer to arrive at a reasonable estimated value of Property II; and (ii) we have not found any material facts which may lead us to doubt the principal bases, assumptions adopted for or the information used.

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For our due diligence purpose, we have also reviewed and enquired into (i) the terms of engagement of the Valuer with the Company; (ii) the Valuer's qualification and experience in relation to the preparation of the Valuation Report; and (iii) the steps and due diligence measures taken by the Valuer for conducting the Valuation. From the engagement letter and other relevant information provided by the Valuer and based on our interview with it, we are satisfied with the terms of engagement and the scope of work of the Valuer is consistent with the market practice and appropriate for the valuation of Property II. The Valuer also confirmed that they are independent to the Group, Shanghai Kaitai and their respective associates.

In light of the Total Consideration represents a slight discount to the Valuation, we are of the view that it is fair and reasonable so far as the Independent Shareholders are concerned.

Shareholders should note that valuation of assets or properties usually involves assumptions and therefore the Valuation may or may not reflect the true market value of Property II accurately.

3. Possible financial effects of the acquisition of Property II

(a) *Current ratio*

With reference to the Letter from the Board, the Total Consideration will be funded by internal resources of the Group and external financing from bank(s). It is expected that the Group's current asset would be reduced as a result of the reduction of cash in banks and in hand whereas the Group's current liabilities would be increased as a result of the acquire of bank loans. The current ratio, therefore, of the Group would decrease.

(b) *Working Capital*

According to the 2018 Interim Report, the Company had cash and cash equivalents of approximately RMB198.6 million as at 30 June 2018. With reference to the Letter from the Board, the Company intends to finance the Total Consideration with internal resources of the Group and external financing from bank(s). It is expected that the Group's cash and cash equivalents would be reduced as a result of acquisition of Property II and the working capital position of the Group would therefore decrease.

(c) *Gearing ratio*

With reference to the Letter from the Board, as the Total Consideration is intended to be funded by the internal resources of the Group and external financing from bank(s), it is expected that the gearing ratio of the Group would increase.

It should be noted that the above analyses are for illustrative purposes only and do not purport to represent how the financial position of the Group will be upon completion of the acquisition of Property II.

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RECOMMENDATION

Having considered the principal factors and reasons discussed above, we are of the opinion that (i) despite the acquisition of Property II is not in the ordinary and usual course of business of the Group, it is in the interests of the Company and the Shareholders as a whole; and (ii) the terms of the Property Acquisition Agreements are on normal commercial terms and are fair and reasonable so far as the Independent Shareholders are concerned. Accordingly, we recommend the Independent Board Committee to advise the Independent Shareholders to vote in favour of the resolution(s) to be proposed at the EGM to approve the acquisition of Property II and the transactions contemplated thereunder and we recommend the Independent Shareholders to vote in favour of the resolution(s) in this regard.

Yours faithfully,

For and on behalf of

RED SOLAR CAPITAL LIMITED

Ernest Lam

Leo Chan

Managing Director Managing Director

Mr. Ernest Lam is a licensed person and responsible officer of Red Solar Capital Limited registered with the SFC to carry on Type 6 (advising on corporate finance) regulated activity under the SFO and has over 17 years of experience in corporate finance industry.

Mr. Leo Chan is a licensed person and responsible officer of Red Solar Capital Limited registered with the SFC to carry on Type 6 (advising on corporate finance) regulated activity under the SFO and has over 13 years of experience in corporate finance industry.

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20 November 2018

The Board of Directors,
China Greenland Broad Greenstate Group Company Limited
Floor 8, Block D3, 5th Building,
Hongqiao World Center,
1588 Lane, Zhuguang Road,
Shanghai, PRC

Dear Sirs,

In accordance with instruction from **China Greenland Broad Greenstate Group Company Limited** (the “Company”) for us to carry out a valuation of property interest of **8th floor at No. 608, 5th Building, 1588 Lane, Zhuguang Road, Shanghai, the People’s Republic of China** (the “PRC”) (the “Property”) held by Shanghai Kaitai Real Estate Development Co., Ltd., we confirm that we have carried out inspections, made relevant enquiries and obtained such further information as we consider necessary for the purpose of providing you with our opinion of the market value of the Property as at 30 September 2018 (the “Date of Valuation”).

VALUATION BASIS, ASSUMPTIONS AND METHODOLOGY

Our valuation is prepared in accordance with the “HKIS Valuation Standards 2017” published by The Hong Kong Institute of Surveyors (the “HKIS”), the “RICS Valuation, Global Standards 2017” of the Royal Institution of Chartered Surveyors (the “RICS”) Valuation Standards and the “International Valuation Standards 2017” published by the International Valuation Standards Council (the “IVSC”) subject to variation to meet local established law. Unless otherwise stated, our valuation is undertaken as External Valuers as defined in the relevant Valuation Standards.

Our valuations are made on the basis of market value which is defined by the International Valuation Standards and followed by the HKIS and RICS to mean “the estimated amount for which an asset or liability should exchange on the valuation date between a willing buyer and a willing seller in an arm’s length transaction, after proper marketing and where the parties had each acted knowledgeably, prudently and without compulsion.”

We have also complied with all the requirements contained in the Companies Ordinance, Chapter 5, Practice Note 12 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Listing Rules”).

Market Value is understood as the value of an asset or liability estimated without regard to costs of sale or purchase (or transaction) and without offset for any associated taxes or potential taxes.

Our valuation has been made on the assumption that the owner sells the property on the open market without the benefit or burden of a deferred term contract, leaseback, joint venture, management agreement or any similar arrangement, which would serve to affect the values of the property.

No allowance has been made in our valuations for any charges, mortgages, or amounts owing neither on the property nor for any expenses or taxation which may be incurred in effecting sale. Unless otherwise stated, it is assumed that the property was free from encumbrances, restrictions and outgoings of an onerous nature which could affect their values.

We have valued the Property as a single property interest and 100% of the property interest and not the ownership of companies or the shares within each.

Our valuation is current as at the Date of Valuation only. The value assessed may change significantly and unexpectedly over a relatively short period (including as a result of general market movements or factors specific to the particular property). We do not accept liability for losses arising from such subsequent changes in value.

We have valued the Property by the Direct Comparison Approach on the assumption that it can be sold in its existing state. Comparison is based on prices realized on actual transactions and/or asking prices of comparable properties. Comparable properties with similar sizes, characteristics and locations are analyzed, and carefully weighed against all respective advantages and disadvantages of each property in order to arrive at a fair comparison of value.

SOURCE OF INFORMATION

We have relied on the information given by the Company, in particular, but not limited to occupation condition, floor plans, site area and floor area and other relevant information. No on-site measurement has been taken. Dimensions, measurements and areas included in the valuation certificate are only approximations. We have taken every reasonable care both during reviewing the information provided to us and in making relevant enquiries. We have had no reason to doubt the truth and accuracy of the information provided to us by the Company, which is material to the valuation. We were also advised by the Company that no material facts have been omitted from the information provided to us.

We have not been instructed to independently verify the information provided to us. Our valuation is totally dependent on the adequacy and accuracy of the information supplied and/or the assumptions made. Should it be established subsequently that the details relating to the Property are incorrect or inadequate, we reserve the right to adjust the value reported herein.

In the course of our valuation for the property in the PRC, we have relied on the legal opinion provided by the Company's PRC legal advisor, Global Law Office, Shenzhen Office (the "PRC Legal Opinion"). We have been provided with extracts from title documents relating to such property. We have not, however, inspected the original documents to verify ownership or any amendment which did not appear on the copies handed to us. All documents have been used for reference only. Unless otherwise stated, in valuing the Property, we have prepared our valuation on the basis that the owner have proper title to the property and have free and uninterrupted rights to use, occupy or assign the property for the whole of the unexpired terms as granted.

We consider that we have been provided with sufficient information to arrive an informed view, and we have no reason to suspect that any material information has been withheld.

PROPERTY INSPECTION

We made inspection of the Property for this valuation. In the course of our inspection, we did not notice any serious defects. However, we have not carried out any structural survey nor any tests were made on the building services. Therefore, we are not able to report whether the Property is free of rot, infestation, or any other structural defects. During our inspection, we have not carried our investigations on the site to determine the suitability of the ground conditions and the services for any future development.

We have not carried out site measurements to verify the correctness of the areas of the Property. We have assumed that the areas shown on the documents and official site plan are correct. Our valuation is on the basis that these aspects are satisfactory. All documents and contracts have been used as reference only and all dimensions, measurements and areas are approximations.

Inspection of the property was carried out on 18 September 2018 by our technical staff Ms. Jessica Chen, Manager. She has more than 5 years' experience in the valuation of properties in the PRC.

PLANT AND MACHINERY

Our valuation normally includes all plant and machinery that form part of the building services installations. However, process plant, machinery and equipment which may have been installed wholly in connection with the occupiers' commercial processes, together with furniture and furnishings, tenants' fixtures and fittings are excluded in our valuation.

CURRENCY

Unless otherwise stated, all monetary figures stated in this report are in Renminbi (“RMB”), the official currency of the PRC.

We enclose herewith our valuation certificate.

Yours faithfully,
For and on behalf of
CBRE Limited

Stephen Lin

BSc(Surv), MHKIS, MRICS, RPS(GP), MCIREA

Director

License No.: E-241898

Note: Mr. Lin Tien Chi, Stephen BSc(Surv), MHKIS, MRICS, RPS(GP), MCIREA is a qualified general practice surveyor and has over 11 years of valuation experience in the PRC and Hong Kong.

VALUATION CERTIFICATE

Property interests to be held and occupied by the Company in the PRC

Property	Description and tenure	Details of occupancy	Market value in existing state with benefit of vacant possession as at 30 September 2018
Office Units located at 8th floor at No. 608, 5th Building, 1588 Lane, Zhuguang Road, Shanghai, the People's Republic of China	<p>The Property comprises Level 8 of Tower D3, an 9-storey office tower of a comprehensive complex development known as Hong Qiao World Centre (the "Development").</p> <p>The Development comprising office, retail and hotel is located within Hongqiao CBD, one of the major business hubs in Shanghai.</p> <p>The Property was completed in 2016 with a total gross floor area ("GFA") of approximately 2,731.86 m².</p> <p>The Property is held under a Real Estate Ownership Certificate for office use for 50 years with the expiry date on 11 July 2063.</p>	As per the provided tenancy agreement dated 6 September 2018 and per our inspection, the Property, together with 7th Floor, is currently leased to the Company at a monthly rental of RMB793,428.79 for a term expiring on 31 December 2018.	RMB125,000,000 (Renminbi One Hundred and Twenty Five Million)

Notes:

- Pursuant to the Shanghai Certificate of Real Estate Ownership No. (2014) 015836 dated 4 December 2014 and issued by Shanghai Planning, Land & Resources Administration Bureau, the land use right of the Development has been granted to 上海愷泰房地產開發有限公司 (Shanghai Kaitai Property Development Co., Ltd.) with details summarised below:

Site Area (m ²)	Land Use	Land Use Term
184,292.8	Catering & Hospitality, Retail & Office	Catering & Hospitality: expiring on 11 July 2053 (40 years) Retail: expiring on 11 July 2053 (40 years) Office: expiring on 11 July 2063 (50 years)

2. Pursuant to the Real Estate Ownership Certificate Hu (Qing) Zi Bu Dong Chan Quan No. 027709 and No. 027710 dated 31 October 2017, the ownership of the Development has been granted to 上海愷泰房地產開發有限公司 (Shanghai Kaitai Property Development Co., Ltd.) with details summarised below:

Site Area (m ²)	Total GFA (m ²)	Land Use	Land Use Term
184,292.79	185,705.19	Catering & Hospitality, Retail & Office	Catering & Hospitality: expiring on 11 July 2053 (40 years) Retail: expiring on 11 July 2053 (40 years) Office: expiring on 11 July 2063 (50 years)

3. According to the record obtained from the Shanghai Municipal Real Estate Registration Section, the registered owner of the Property is 上海愷泰房地產開發有限公司 (Shanghai Kaitai Property Development Co., Ltd.) with details summarised below:

Registration No.	Level	Usage	Building Structure	GFA (m ²)
201809692184	8	Office	Reinforced concrete	2,731.86

4. According to the sales and purchase agreement (No. 201800252796) dated 6 September 2018, 上海愷泰房地產開發有限公司 (Shanghai Kaitai Property Development Co., Ltd.) will sell the Property to the Company at a consideration of RMB124,966,696.
5. According to the supplementary sales and purchase agreement dated 6 September 2018, the Company has the right to terminate the sales and purchase agreement (No. 201800252796) with full refund and imputed interest from 上海愷泰房地產開發有限公司 (Shanghai Kaitai Property Development Co., Ltd.) if the Company has failed to obtain approvals from the board meeting and extraordinary general meeting.
6. According to the tenancy agreement (No. ZL-2018-08) dated 6 September 2018, the Property, together with 7th Floor, is currently leased to the Company for office use for a term expiring on 31 December 2018 at a monthly rental of RMB793,428.79, exclusive of management fee, water, electricity and other associated charges. The tenancy agreement will be terminated once the Company has fully paid all the purchase price according to the sales and purchase agreement mentioned in Note 4.
7. We have in the course of the valuation accepted and taken into account the legal opinion provided by the Company's PRC Legal Adviser, which contains, *inter alia*, the following:
- 上海愷泰房地產開發有限公司 (Shanghai Kaitai Property Development Co., Ltd.) is a limited liability company duly established and validly existing under the law of the People's Republic of China and has power and authority to conduct real estate development;
 - 上海愷泰房地產開發有限公司 (Shanghai Kaitai Property Development Co., Ltd.) has obtained the land use right and building ownership of the property;
 - the Property is not subject to any mortgage or encumbrance;
 - 上海愷泰房地產開發有限公司 (Shanghai Kaitai Property Development Co., Ltd.) has the right to occupy, use, dispose, lease and mortgage the Property within the remaining land use term;
 - the sales and purchase agreement, supplementary sales and purchase agreement and tenancy agreement mentioned in Notes 4, 5 & 6 are legal and valid and enforceable for both signing parties.

1. 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.

2. DISCLOSURE OF INTERESTS

Directors' and chief executives' interests and short positions in the Shares and the underlying Shares and debentures

As at the Latest Practicable Date, so far as the Directors are aware, the interests and short positions of the Directors and the chief executives of the Company in the Shares, underlying Shares or debentures of the Company or its associated corporations (within the meaning of Part XV of the SFO) which were (i) required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they were taken or deemed to have under such provisions of the SFO), or (ii) recorded in the register required to be kept under section 352 of the SFO, or (iii) otherwise notified to the Company and the Stock Exchange pursuant to the Model Code were as follows:

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

Notes:

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

Save as disclosed above, as at the Latest Practicable Date, so far as is known to any Director or the 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 required to be (i) notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they were taken or deemed to have under such provisions of the SFO), or (ii) recorded in the register required to be kept under section 352 of the SFO, or (iii) otherwise notified to the Company and the Stock Exchange pursuant to the Model Code.

Substantial Shareholders' interests and short positions in the Shares and the underlying Shares

As at the Latest Practicable Date, so far as the Directors are aware, the following persons had interests or short positions in the Shares or underlying Shares of the Company which would fall to be disclosed to the Company under the provisions of Division 2 and 3 of Part XV of the SFO, or were, directly or indirectly interested in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any other member of the Group:

Name of Shareholder	Nature of Interest	Number of Shares/ underlying Shares held ⁽¹⁾	Approximate Percentage of Issued Shares
Broad Landscape International ⁽²⁾	Beneficial owner	991,321,041	29.66%
Eastern Greenstate International ⁽⁴⁾	Beneficial owner	306,313,662	9.16%
Greenland Holdings ⁽³⁾	Interest in a controlled corporation	991,321,041	29.66%
Greenland Financial Holdings Company Limited (綠地金融投資控股集團有限公司) ⁽³⁾	Interest in a controlled corporation	991,321,041	29.66%
Greenland Financial ⁽³⁾	Beneficial owner	991,321,041	29.66%

Notes:

- (1) All the above Shares are held in long position (as defined under Part XV of the SFO).
- (2) Broad Landscape International is owned as to 86.92% and 13.08% by Mr. Wu Zhengping and Ms. Xiao Li respectively and its interest duplicate certain interests of Mr. Wu Zhengping disclosed under the section "Directors' and chief executives' interests and short positions in Shares and the underlying Shares and debentures". Our Directors, Mr. Wu Zhengping and Ms. Xiao Li, are directors of Broad Landscape International.

- (3) Greenland Holdings wholly owns Greenland Financial Holdings Company Limited which in turn wholly owns Greenland Financial so that Greenland Holdings 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.
- (4) Our Director, Ms. Zhu Wen, is a director of Eastern Greenstate International.

Save as disclosed above, as at the Latest Practicable Date, 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 which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or were, directly or indirectly interested in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any other member of the Group.

3. INTERESTS IN CONTRACT OR ARRANGEMENT AND INTERESTS IN ASSETS

As at the Latest Practicable Date, none of the Directors is materially interested in contract or arrangement subsisting which is significant in relation to the business of the Group.

As at the Latest Practicable Date, none of the Directors or the expert has any direct or indirect interest in any assets which have been, since 31 December 2017, being the date to which the latest published audited accounts of the Company were made up, acquired or disposed of by or leased to any member of the Group or are proposed to be acquired or disposed of by or leased to any member of the Group.

4. SERVICE CONTRACTS

There is no existing or proposed service contract between any member of the Group and any Director (excluding contracts expiring or determinable by the Group within one year without payment of compensation (other than statutory compensation)).

5. COMPETING BUSINESS

As at the Latest Practicable Date, none of the Directors and their respective associates was interested in any business (apart from the Group's business) which competes or is likely to compete, either directly or indirectly, with the Group's businesses.

6. MATERIAL ADVERSE CHANGE

As at the Latest Practicable Date, the Directors are not aware of any material adverse change in the financial or trading position of the Group since 31 December 2017, the date to which the latest published audited accounts of the Company were made up.

7. QUALIFICATION AND CONSENT OF EXPERT

The following are the qualifications of the expert who has given opinion and advice which is contained in this circular:

Name	Qualifications
Red Solar	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
CBRE	Property Valuer
Global Law Office, Shenzhen Office	PRC legal adviser

Each of the above expert has given and has not withdrawn its written consent to the issue of this circular with the inclusion of its letter and report dated 20 November 2018 and references to its name in the form and context in which they appear.

As at the Latest Practicable Date, each of the above expert was not beneficially interested in the share capital of any member of the Group and did not have any right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for securities in any member of the Group and did not have any direct or indirect interest in any assets which had been acquired, disposed of by, or leased to any member of the Group, or was proposed to be acquired, or disposed of by, or leased to any member of the Group, since 31 December 2017, the date to which the latest audited financial statements of the Group was made up.

8. GENERAL

- (a) The registered office of the Company is located at PO Box 309, Uglan House, Grand Cayman, KY1-1104, Cayman Islands.
- (b) The headquarters and principal place of business of the Company in the PRC is located at Floor 8, Block D3, 5th Building, Hongqiao World Center, 1588 Lane, Zhuguang Road, Shanghai, the PRC.
- (c) The place of business of the Company in Hong Kong is located at Level 54, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong.
- (d) The Hong Kong Branch Share Registrar and Transfer Office of the Company in Hong Kong is Tricor Investor Branch Services Limited at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong.

- (e) In the event of inconsistency, the English text of this circular shall prevail over the Chinese text.

9. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents will be available for inspection at the principal place of business of the Company in Hong Kong at Level 54, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong during normal business hours from the date of this circular up to and including the date of the EGM:

- (a) the Property Lease Agreement;
- (b) the Property Acquisition Agreements;
- (c) the letter from the Independent Board Committee to the Independent Shareholders, the text of which is set out on pages 14 to 15 of this circular;
- (d) the letter from the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders, the text of which is set out on pages 16 to 28 of this circular;
- (e) the valuation report set out in Appendix I to this circular;
- (f) the written consent of the experts referred to in the paragraph headed "QUALIFICATION AND CONSENT OF EXPERT" in this appendix; and
- (g) this circular.

NOTICE OF EXTRAORDINARY GENERAL MEETING



China Greenland Broad Greenstate Group Company Limited

中國綠地博大綠澤集團有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock code: 1253)

NOTICE OF EXTRAORDINARY GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT an extraordinary general meeting (the “EGM”) of China Greenland Broad Greenstate Group Company Limited (the “**Company**”) will be held at Holiday Inn Shanghai Hongqiao West, 2000 Huqingping Road, Shanghai, China on Wednesday, 5 December 2018 at 2:00 p.m. for the purpose of considering and, if thought fit, passing (with or without modification) the following resolutions as ordinary resolutions of the Company:

ORDINARY RESOLUTIONS

“THAT

- (a) the execution of the Property Acquisition Agreements (as defined in the circular of the Company dated 20 November 2018 (the “**Circular**”), a copy of the Circular marked “A” together with a copy of the Property Acquisition Agreements marked “B” being tabled before the meeting and initialed by the chairman of the meeting for identification purpose) by Broad Greenstate Ecological Construction Group Company Limited* (博大綠澤生態建設集團有限公司) (“**Broad Greenstate Ecological**”) (an indirect wholly-owned subsidiary of the Company), and the transactions contemplated thereunder be and are hereby approved, confirmed and ratified; and
- (b) any one director of the Company (the “**Director**”) be and is hereby authorised, for and on behalf of the Company, to do all acts and things and execute further documents which in his/her opinion may be necessary, desirable or expedient to implement and/or give effect to the terms of the Property Acquisition Agreements and the transactions contemplated thereunder.”

By Order of the Board

China Greenland Broad Greenstate Group Company Limited

Wu Zhengping

Chairman and Executive Director

Shanghai, the PRC
20 November 2018

NOTICE OF EXTRAORDINARY GENERAL MEETING

Notes:

- (1) All resolutions at the meeting will be taken by poll except where the chairman, in good faith, decides to allow the resolutions which relate to purely a procedural or administrative matter to be voted on by a show of hands in accordance with the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”), and 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 notarially certified copy of that power of attorney or authority, must be deposited at 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 not less than 48 hours before the time appointed for the holding of the EGM (i.e. not later than 2:00 p.m. on Monday, 3 December 2018) 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) A form of proxy for use at the EGM is enclosed with this circular.
- (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.
- (6) For determining the entitlement to attend and vote at the above meeting, the record date will be Thursday, 29 November 2018. 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 and transfer office 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 Thursday, 29 November 2018.

As at the date of this notice, the 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, Dr. Jin Hexian and Dr. Chan Wing Bun.

* *For identification purpose only*