

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.



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)

DISCLOSEABLE TRANSACTION FORMATION OF JOINT VENTURE

THE SHAREHOLDERS AGREEMENT

On 6 May 2019, the Private Parties and Mianzhu Jinshen entered into the Shareholders Agreement, pursuant to which the parties agreed to (i) form the JV Company for the purpose of constructing the PPP Project; and (ii) regulate their respective rights and obligations in the JV Company.

LISTING RULES IMPLICATIONS

As one of the applicable percentage ratios exceeds 5% and all of the percentage ratios are less than 25%, the investment in the JV Company pursuant to the Shareholders Agreement constitutes a discloseable transaction for the Company and is subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules.

INTRODUCTION

Reference is made to the announcement of the Company dated 23 April 2019 in relation to the Tender for the PPP Project. Pursuant to the Tender, the Private Parties and the government will establish the JV Company to develop the PPP Project.

On 6 May 2019, the Private Parties and Mianzhu Jinshen entered into the Shareholders Agreement, pursuant to which the parties agree to (i) form the JV Company for the purpose of constructing the PPP Project; and (ii) regulate their respective rights and obligations in the JV Company.

SHAREHOLDERS AGREEMENT

Date

6 May 2019

Parties

- (1) Broad Greenstate Ecological Construction Group Company Limited* (博大綠澤生態建設集團有限公司), an indirect wholly-owned subsidiary of the Company
- (2) Shanghai Dongjiang Building Survey and Design Engineering Co., Ltd.* (上海東江建築勘察設計工程有限公司) (“**Shanghai Dongjiang**”), an indirect wholly-owned subsidiary of the Company
- (3) Shanghai Luwu Business Management Consulting Center (LLP)* (上海鹿屋企業管理諮詢中心(有限合伙)), an indirectly-owned subsidiary of the Company
- (4) Mianzhu City Jinshen Cultural Tourism Development Co., Ltd. (綿竹市金申文化旅遊開發有限公司) (“**Mianzhu Jinshen**”), an independent third party

Proposed name of the JV Company

Pursuant to the Shareholders Agreement, the proposed name of the JV Company shall be Mianzhu Greenstate Cultural Tourism Development Co., Ltd.* (綿竹綠澤文化旅遊發展有限公司).

Subject matter

Pursuant to the Shareholders Agreement, the Private Parties and Mianzhu Jinshen shall establish the JV Company for the development, construction, operation and management of tourist attractions, hotel management services, conference and exhibition services, housing and venue leasing, property management, the production and sales of industrial art goods, sporting goods and clothing, engineering management services, and the inspection, design, construction, operation, maintenance and management of housing construction projects, earth and stone works, landscape greening projects, municipal public works and road and bridge projects. The JV Company shall have an operation period commencing from the date of obtaining the business licence by the JV Company and ending on the expiry of the cooperation period.

Registered capital

The JV Company shall have a registered capital of RMB100,000,000, which shall be contributed by the parties in cash as follows:

Equity Holder Names	Amount (RMB)	Proportion (%)
Mianzhu Jinshen	10,000,000	10
Broad Greenstate Ecological	36,000,000	36
Shanghai Dongjiang	900,000	0.9
Shanghai Luwu	<u>53,100,000</u>	<u>53.1</u>
Total	<u>100,000,000</u>	<u>100</u>

The respective contribution to the registered capital of the JV Company is determined after arm's length negotiations between the parties with reference to the proposed capital requirements of the PPP Project and the parties' interests in the JV Company.

Restrictions on equity transfers

The Private Parties shall not transfer or assign all or any part of their respective equity interest in the JV Company without the written consent from the Mianzhu City government and the equity holders meeting of the JV Company.

Board composition

The board of directors of the JV Company (the “**JV Board**”) shall be comprised of five directors, of which two directors shall be nominated by Mianzhu Jinshen, the other three directors shall be nominated by the Private Parties, and the JV Board shall be elected by the shareholders of the JV Company. The chairman of the JV Board shall be nominated by the Private Parties. The vice chairman of the JV Board shall be nominated by Mianzhu Jinshen and elected by the JV Board. Decisions of the JV Board shall be resolved by over half of the directors of the JV Board, save for certain reserved matters (including but not limited to approval of the decrease or increase in the registered capital, split-up or dissolution; connected transactions with shareholders of the JV Company; guarantee matters other than those approved in the shareholders meeting of the JV Company and etc.) which shall be resolved by all of the directors of the JV Board.

Supervisory committee composition

The supervisory committee of the JV Company shall be comprised of three members, of which one shall be nominated by Mianzhu Jinshen, one shall be nominated by the Private Parties and elected by the shareholders of the JV Company and one shall be the representative of the employees. The chairman of the supervisory committee of the JV Company shall be nominated by Mianzhu Jinshen and elected by the supervisory committee of the JV Company.

Management

The senior management of the JV Company shall consist of a general manager nominated by Broad Greenstate Ecological and appointed by the JV Board, a deputy general manager appointed by Mianzhu Jinshen, a deputy general manager nominated by Broad Greenstate Ecological and appointed by the JV Board and a chief financial officer nominated by Broad Greenstate Ecological and appointed by the JV Board. The general manager shall be responsible for the execution of all matters resolved in the JV Board and organization of production and operation of the JV Company and shall report to the JV Board.

Profit distribution

The profit distribution plan in respect of the JV Company shall be approved by the shareholders of the JV Company. Pursuant to the Shareholders Agreement, profit distribution shall be distributed according to actual capital contribution of the shareholders of the JV Company.

INFORMATION OF THE PPP PROJECT

The PPP Project is for the construction of phase I of comprehensive tourism in Mianzhu City (綿竹市全域旅遊一期) with an amount of investment of approximately RMB1.91 billion. The PPP Project has a cooperation period of 20 years (including 2 years of construction and 18 years of operation).

REASONS FOR AND BENEFITS OF THE PPP PROJECT AND THE JV COMPANY

The Company believes that future large scale projects in the public sector in the PRC will be mainly developed through PPP cooperation mode and projects using PPP cooperation mode will remain as the focus of the Company's future development. Participation in the PPP Project is a significant attempt of the Company to develop cultural tourism projects in the public sector and allows the Company to expand its business to the public sector.

In light of the above, the Directors (including the independent non-executive Directors) are of the view that the Shareholders Agreement is entered in the ordinary and usual course of business of the Group, on normal commercial terms or better, and the terms of the Shareholders Agreement are fair and reasonable and are in the interest of the Company and its Shareholders as a whole.

INFORMATION ON THE GROUP AND THE PARTIES TO THE SHAREHOLDERS AGREEMENT

The Group

The Company is an investing holding company incorporated in the Cayman Islands with limited liability. The Company's subsidiaries were 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 operation, municipal work construction and civil engineering projects.

Shanghai Dongjiang

Shanghai Dongjiang is a company incorporated under the laws of the PRC and an indirect wholly-owned subsidiary of the Company. Shanghai Dongjiang is principally engaged in scenery landscape design, construction engineering professional design, computer graphics drawing and application and urban-rural planning.

Shanghai Luwu

Shanghai Luwu is a limited partnership established under the laws of the PRC and an indirectly-owned subsidiary of the Company. Shanghai Luwu is principally engaged in project investment and financing, business management consultation and marketing planning.

Mianzhu Jinshen

Mianzhu Jinshen is an agency of the Mianzhu City people's government* (綿竹市人民政府), responsible for the government's investment in the PPP Project. To the best knowledge, information and belief of the Board, having made all reasonable enquiry, Mianzhu Jinshen is an independent third party independent of the Company and its connected persons (as defined in the Listing Rules).

LISTING RULES IMPLICATIONS

As one of the applicable percentage ratios exceeds 5% and all of the percentage ratios are less than 25%, the investment in the JV Company pursuant to the Shareholders Agreement and the transactions contemplated thereunder constitutes a discloseable transaction for the Company and is subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules.

None of the Directors has any material interest in the Shareholders Agreement, thus none of the Director is required to abstained from voting on the Board resolutions approving the Shareholders Agreement and the transactions contemplated thereunder.

DEFINITIONS

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

“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), a company incorporated under the laws of the PRC and an indirect wholly-owned subsidiary of the Company
“China” or the “PRC”	the People’s Republic of China, which for the purpose of this announcement, shall exclude Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan
“Company”	中國綠地博大綠澤集團有限公司 (China Greenland Broad Greenstate Group Company Limited) (stock code: 1253), a limited company incorporated in the Cayman Islands, the Shares of which are listed on the Main Board of the Stock Exchange
“Director(s)”	the director(s) of the Company
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“JV Company”	the joint venture company to be established by the Private Parties and Mianzhu Jinshen pursuant to the Shareholders Agreement
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
“Mianzhu Jinshen”	Mianzhu City Jinshen Cultural Tourism Development Co., Ltd.* (綿竹市金申文化旅遊開發有限公司), an agency of the Mianzhu City people’s government* (綿竹市人民政府) responsible for the government’s investment in the PPP Project
“PPP Project”	the project for the construction of phase I of comprehensive tourism in Mianzhu City (綿竹市全域旅遊一期)
“Private Parties”	Broad Greenstate Ecological, Shanghai Dongjiang and Shanghai Luwu

“Shanghai Dongjiang”	Shanghai Dongjiang Building Survey and Design Engineering Co., Ltd.* (上海東江建築勘察設計工程有限公司), a company incorporated under the laws of the PRC and an indirect wholly-owned subsidiary of the Company
“Shanghai Luwu”	Shanghai Luwu Business Management Consulting Center (LLP)* (上海鹿屋企業管理諮詢中心(有限合夥)), a limited partnership established under the laws of the PRC, and an indirectly-owned subsidiary of the Company
“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)
“Shareholders Agreement”	the agreement entered into between the Private Parties and Mianzhu Jinshen on 6 May 2019 for the establishment of the JV Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Tender”	the successful bid of the Public-Private-Partnership project on 17 January 2019 for the construction of phase I of comprehensive tourism in Mianzhu City (綿竹市全域旅遊一期)

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

Shanghai, the People’s Republic of China
6 May 2019

* *for identification purposes only*

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