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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

(formerly known as Broad Greenstate International Company Limited 博大綠澤國際有限公司)

(Incorporated in the Cayman Islands with limited liability)

(Stock code: 1253)

**CONNECTED TRANSACTIONS IN RELATION TO
CONTRACTING AGREEMENTS**

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



**建泉融資有限公司
VBG Capital Limited**

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 page 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 31 of this circular. A form of proxy for use at the EGM is also enclosed. Such form of proxy is also published on the website of the Stock Exchange (www.hkexnews.hk).

A notice convening the EGM to be held at Conference Room No. 5, Crowne Plaza Shanghai Noah Square, No. 1699 Jinshajiang Road, Putuo District, Shanghai, China, on Tuesday, 1 August 2017 at 2:00 p.m. is set out on pages 35 to 37 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 in Hong Kong, Tricor Investor Services Limited, at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong as soon as possible but in any event not less than 48 hours before the time appointed for the holding of the EGM or any adjournment thereof. Completion and return of the form of proxy will not preclude shareholders from attending and voting in person at the EGM if they so wish, and in such event, the instrument appointing a proxy shall be deemed to be revoked.

17 July 2017

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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 21 June 2017 made by the Company in relation to, among other things, the Contracting Agreements
“Articles of Association”	the articles of association of the Company
“Board”	the board of Directors
“Changning Development Company”	Xi'an Changning Development and Construction Company Limited* (西安市常寧開發建設有限公司, an agency of the Management Committee
“China” or the “PRC”	the People's Republic of China, which for the purpose of this circular, shall exclude Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan
“Company”	China Greenland Broad Greenstate Group Company Limited (中國綠地博大綠澤集團有限公司) (stock code: 1253), a limited company incorporated in the Cayman Islands, the Shares of which are listed on the Main Board of the Stock Exchange
“connected person(s)”	has the meaning ascribed thereto in the Listing Rules
“connected transaction(s)”	has the meaning ascribed thereto in the Listing Rules
“Contracting Agreements”	the Xi'an Contracting Agreement and the Taiyuan Contracting Agreement
“Director(s)”	the director(s) of the Company
“EGM”	the extraordinary general meeting of the Company to be held at Conference Room No. 5, Crowne Plaza Shanghai Noah Square, No. 1699 Jinshajiang Road, Putuo District, Shanghai, China, on Tuesday, 1 August 2017 at 2:00 p.m. for considering and approving, among other things, each of the Contracting Agreements and the transactions contemplated thereunder
“Greenland”	Greenland Holding Group Corporation Limited* (綠地控股集團股份有限公司), a company incorporated under the laws of the PRC

DEFINITIONS

“Greenland City Investment”	Greenland City Investment Group Company Limited* (綠地城市投資集團有限公司), a company incorporated under the laws of the PRC and a wholly owned subsidiary of Greenland
“Greenland Financial”	Greenland Financial Overseas Investment Group Co., Ltd., a substantial shareholder of the Company
“Greenland Metro Investment”	Greenland Metro Investment & Development Company Limited* (綠地地鐵投資發展有限公司), a company incorporated under the laws of the PRC and a wholly owned subsidiary of Greenland
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Independent Board Committee”	an independent committee of the Board comprising Mr. Dai Guoqiang, Mr. Zhang Qing and Dr. Jin Hexian
“Independent Financial Adviser” or “VBG Capital”	VBG Capital Limited, a corporation licensed by the Securities and Futures Commission to conduct Type 1 (dealing in securities) and Type 6 (advising on corporate finance) regulated activities under the SFO and the independent financial adviser to the Independent Board Committee and the Independent Shareholders
“Independent Shareholder(s)”	any Shareholder who is not required to abstain from voting at the general meeting for approving the Contracting Agreements
“Independent Third Party(ies)”	party(ies) not connected with any of the Directors, chief executive, substantial shareholders of the Company or any of its subsidiaries or any of their respective associates
“Latest Practicable Date”	12 July 2017, 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
“PPP”	Public-Private-Partnership

DEFINITIONS

“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 Broad Landscape”	Shanghai Broad Landscape Construction and Development Company Limited* (上海博大園林建設發展有限公司), a company incorporated under the laws of the PRC and a subsidiary of the Company
“Shanghai Greenland Construction”	Shanghai Greenland Construction (Group) Company Limited* (上海綠地建設(集團)有限公司), a company incorporated under the laws of the PRC and a non-wholly owned subsidiary of Greenland
“Share(s)”	ordinary share(s) of par value of HK\$0.025 each in the share capital of the Company
“Shareholder(s)”	holder(s) of Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“subsidiary(ies)”	has the meaning ascribed to it under the Listing Rules
“substantial shareholder(s)”	has the meaning ascribed thereto in the Listing Rules
“Taiyuan Botanical Garden”	Taiyuan Botanical Garden* (太原植物園), an agency of Taiyuan Gardens Bureau
“Taiyuan Contracting Agreement”	the contracting agreement entered into between Shanghai Broad Landscape and Taiyuan JV Company on 30 June 2017
“Taiyuan JV Agreement”	the agreement entered into between Shanghai Broad Landscape, Shanghai Greenland Construction, Greenland City Investment and Taiyuan Botanical Garden on 20 October 2016 for the establishment of the Taiyuan JV Company
“Taiyuan JV Company”	Taiyuan Longcheng Greenland Botanical Garden Company Limited* (太原龍城綠地植物園有限公司), the joint venture company established by Shanghai Broad Landscape, Shanghai Greenland Construction, Greenland City Investment and Taiyuan Botanical Garden pursuant to the Taiyuan JV Agreement for the development and construction of the Taiyuan PPP Project

DEFINITIONS

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

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

LETTER FROM THE BOARD



China Greenland Broad Greenstate Group Company Limited

中國綠地博大綠澤集團有限公司

(formerly known as Broad Greenstate International Company Limited 博大綠澤國際有限公司)

(Incorporated in the Cayman Islands with limited liability)

(Stock code: 1253)

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

Mr. Zhang Qing

Ms. Jin Hexian

Head office

Floor 8, Hong Quan Building
No. 1357, Mei Chuan Road
Putuo District
Shanghai, PRC

*Principal place of business
in Hong Kong:*

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

17 July 2017

To the Shareholders

Dear Sir or Madam,

**CONNECTED TRANSACTIONS IN RELATION TO
CONTRACTING AGREEMENTS**

I. INTRODUCTION

Reference is made to the Announcement in relation to the Contracting Agreements and the transactions contemplated thereunder. References are also made to the announcements of the Company dated 25 September 2016 and 20 October 2016 in relation to the successful tender for the

LETTER FROM THE BOARD

Taiyuan PPP Project and the formation of the Taiyuan JV Company and the announcements of the Company dated 1 November 2016 and 30 December 2016 in relation to the successful tender for the Xi'an PPP Project and the formation of the Xi'an JV Company.

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

On 30 June 2017, Shanghai Broad Landscape entered into the Taiyuan Contracting Agreement with Taiyuan JV Company, pursuant to which Shanghai Broad Landscape shall be the main contractor for the construction of the Taiyuan PPP Project for an initial contract value of RMB1,065,647,404.54.

The Contracting 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 Contracting Agreements and the transactions contemplated thereunder;
- (ii) letter from the Independent Board Committee to the Independent Shareholders in relation to the Contracting 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 Contracting Agreements and the transactions contemplated thereunder; and
- (iv) the notice of the EGM.

II. XI'AN CONTRACTING AGREEMENT DATE

21 June 2017

Parties

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

Subject project

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

LETTER FROM THE BOARD

Scope of the Xi'an Contracting Agreement

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

Term

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

Consideration

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

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

Payment terms

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

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III. TAIYUAN CONTRACTING AGREEMENT

Date

30 June 2017

Parties

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

Subject project

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

Scope of the Taiyuan Contracting Agreement

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

Term

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

Consideration

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

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

LETTER FROM THE BOARD

Payment terms

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

IV. REASONS FOR AND BENEFITS OF ENTERING INTO THE CONTRACTING AGREEMENTS

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

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

Due to the expansion of the Company through continuous growth and acquisition of Hangzhou Xiaoshan Jiangnan Garden Construction Company Limited* (杭州蕭山江南園林工程有限公司) in February 2017, the number of full time employees and qualified project managers as at 30 June 2017 have almost doubled as compared to the number as at 31 December 2016. As a result, the capacity of the Company has also increased significantly in 2017. As of the Latest Practicable Date, the initial contract value of the Company's signed contract with independent third parties in 2017 amounted to approximately RMB711 million. As the term of the Contracting Agreements spans over two to three years' time, only part of the total initial contract value will be recognized in each financial year. As such, the Company believes that it has the capacity to honor the Contracting Agreements as well as other contracts with independent third parties.

Taking into consideration the above, the Directors (including the independent non-executive Directors based on the advice of the Independent Financial Adviser) consider that the terms and conditions of each of the Contracting Agreements are on normal commercial terms, and fair and reasonable and the transactions contemplated thereunder are in the ordinary course and usual course

LETTER FROM THE BOARD

of business of the Group and in the interests of the Company and its shareholders as a whole. Accordingly, the Directors recommend the Independent Shareholders to vote in favour of the resolutions approving each of the Contracting Agreements and the transactions contemplated thereunder to be proposed at the EGM.

To the best knowledge, information and belief of the Company, as at the Latest Practicable Date, none of the Directors have any material interest in the each of the Contracting Agreements and the transactions contemplated thereunder and therefore no Director is required to abstain from voting on the board resolutions approving each of the Contracting Agreements and the transactions contemplated thereunder.

V. INFORMATION OF THE PARTIES

The Group

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

Shanghai Broad Landscape

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

Xi'an JV Company

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

Taiyuan JV Company

Taiyuan JV Company is a company incorporated under the laws of the PRC for the investment, construction, operation and maintenance of the Taiyuan PPP Project pursuant to the Taiyuan JV Agreement. As at the Latest Practicable Date, it is owned as to 69.36%, 30.00%, 0.57% and 0.07% by Greenland City Investment, Taiyuan Botanical Garden, Shanghai Broad Landscape and Shanghai Greenland Construction, respectively. Each of

LETTER FROM THE BOARD

Greenland City Investment and Shanghai Greenland Construction is a subsidiary of Greenland and is an associate of Greenland Financial (a substantial shareholder of the Company). Taiyuan JV Company is therefore a connected person of the Company.

Greenland

Greenland, the ultimate beneficial owner of each of Greenland City Investment, Shanghai Greenland Construction and Greenland Metro Investment, is a state-controlled enterprise group headquartered in Shanghai, China, and a Global Fortune 500 Company with its main businesses in real estate, energy and finance.

VI. LISTING RULES IMPLICATIONS

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

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

To the best knowledge, information and belief of the Directors, having made all reasonable enquiries, as at the Latest Practicable Date, there was (i) no voting trust or other agreement or arrangement or understanding (other than an outright sale) entered into by or binding upon any Shareholder; and (ii) no obligation or entitlement of any Shareholder whereby he has or may have temporarily or permanently passed control over the exercise of the voting right in respect of his Shares to a third party, either generally or on a case-by-case basis. Accordingly, to the best knowledge, information and belief of the Directors, as at the Latest Practicable Date, there existed no discrepancy between any Shareholder's beneficial shareholding interest in the Company and the number of Shares in respect of which such Shareholder will control or will be entitled to exercise control over the voting right at the EGM in respect of the resolution approving each of the Contracting Agreements and the transactions contemplated thereunder.

LETTER FROM THE BOARD

VII. EGM AND PROXY ARRANGEMENT

A notice convening the EGM to be held at Conference Room No. 5, Crowne Plaza Shanghai Noah Square, No. 1699 Jinshajiang Road, Putuo District, Shanghai, China, on Tuesday, 1 August 2017 at 2:00 p.m. is set out on pages 35 to 37 of this circular. An ordinary resolution will be proposed at the EGM to consider, and if thought fit, approving, among other things, each of the Contracting Agreements and the transactions contemplated thereunder.

Pursuant to the 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 and its associates 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 each of the Contracting 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 in Hong Kong, Tricor Investor Services Limited, at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong as soon as possible but in any event not less than 48 hours before the time appointed for the holding of the EGM or any adjournment thereof. Completion and return of the form of proxy will not preclude shareholders from attending and voting in person at the EGM if they so wish, and in such event, the instrument appointing a proxy shall be deemed to be revoked.

VIII. RECORD DATE

For determining the entitlement to attend and vote at the above meeting, the record date will be Wednesday, 26 July 2017. 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 Wednesday, 26 July 2017.

LETTER FROM THE BOARD

IX. 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 page 14 to 15 of this circular, and which contains their recommendation in respect of the Contracting 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 Contracting Agreements is set out on pages 16 to 31 of this circular.

The Independent Board Committee, having taken into account the advice of the Independent Financial Adviser, considers that the terms and conditions of each of the Contracting Agreements are on normal commercial terms, and fair and reasonable and the transactions contemplated thereunder are in the ordinary course and usual course of business of the Group and in the interests of the Company and its shareholders as a whole. Accordingly, it recommends that the Independent Shareholders to vote in favour of the relevant resolutions to approve each of the Contracting Agreements and the transactions contemplated thereunder.

X. 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 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

(formerly known as Broad Greenstate International Company Limited 博大綠澤國際有限公司)

(Incorporated in the Cayman Islands with limited liability)

(Stock code: 1253)

17 July 2017

To the Shareholders

Dear Sir or Madam,

CONNECTED TRANSACTIONS IN RELATION TO CONTRACTING AGREEMENTS

We refer to the circular of the Company to the Shareholders dated 17 July 2017 (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 each of the Contracting 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 VBG Capital, the Independent Financial Adviser appointed to advise the Independent Board Committee and the Independent Shareholders on the Contracting Agreements and the transactions contemplated thereunder as set out on pages 16 to 31 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 Contracting Agreements, we consider the terms and conditions of each of the Contracting Agreements are on normal commercial terms, and fair and reasonable and the transactions contemplated thereunder are in the ordinary course and usual course of business of the Group and in the interests of the Company and its shareholders as a whole.

LETTER FROM THE INDEPENDENT BOARD COMMITTEE
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Accordingly, we recommend the Independent Shareholders to vote in favour of the resolutions in relation to each of the Contracting Agreements and the transactions contemplated thereunder to be proposed at the EGM.

Yours faithfully,

For and on behalf of the
Independent Board Committee of

China Greenland Broad Greenstate Group Company Limited

Mr. Dai Guoqiang

Mr. Zhang Qing

Dr. Jin Hexian

Independent Non-executive Directors

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

Set out below is the text of a letter received from VBG Capital Limited, the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders in respect of the Contracting Agreements for the purpose of inclusion in the Circular.



18/F., Prosperity Tower
39 Queen's Road Central
Hong Kong

17 July 2017

*To: The independent board committee and the independent shareholders
of China Greenland Broad Greenstate Group Company Limited*

Dear Sirs,

CONNECTED TRANSACTIONS IN RELATION TO CONTRACTING AGREEMENTS

INTRODUCTION

We refer to our appointment as the Independent Financial Adviser to make recommendation to the Independent Board Committee and the Independent Shareholders in respect of the Contracting Agreements, details of which are set out in the letter from the Board (the “**Letter from the Board**”) contained in the circular dated 17 July 2017 issued by the Company to the Shareholders (the “**Circular**”), of which this letter of advice forms part. Terms used in this letter of advice shall have the same meanings as ascribed to them under the section headed “Definitions” in the Circular unless the context requires otherwise.

On 21 June 2017, the Company announced that on even date, Shanghai Broad Landscape, being a wholly-owned subsidiary of the Company, entered into the Xi'an Contracting Agreement with the Xi'an JV Company, pursuant to which Shanghai Broad Landscape shall be the main contractor for the construction of the Xi'an PPP Project for an initial contract value of RMB1,097,696,900.00.

On 30 June 2017, Shanghai Broad Landscape also entered into the Taiyuan Contracting Agreement with the Taiyuan JV Company, pursuant to which Shanghai Broad Landscape shall be the main contractor for the construction of the Taiyuan PPP Project for an initial contract value of RMB1,065,647,404.54.

According to the Letter from the Board, the entering into of the Contracting Agreements constitutes connected transactions for the Company under Chapter 14 of the Listing Rules, and are subject to the reporting, announcement and independent shareholders' approval requirements.

The Independent Board Committee comprising Mr. Dai Guoqiang, Mr. Zhang Qing and Dr. Jin Hexian (all being independent non-executive Directors) has been established to advise the Independent Shareholders on (i) whether the terms of the Contracting Agreements are on

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normal commercial terms and are fair and reasonable so far as the Independent Shareholders are concerned; (ii) whether the entering into of the Contracting Agreements is in the interests of the Company and the Shareholders as a whole; and (iii) how the Independent Shareholders should vote in respect of the resolutions to approve the Contracting Agreements at the EGM. We, VBG Capital Limited, have been appointed as the Independent Financial Adviser to make recommendation to the Independent Board Committee and the Independent Shareholders in this regard.

OUR INDEPENDENCE

As at the Latest Practicable Date, apart from having acted as the independent financial adviser of the Company under our previous name “V Baron Global Financial Services Limited” relating to the proposed issue of notes which constituted a connected transaction for the Company and the circular of which was published by the Company on 21 September 2015, we did not have any business relationship with the Company within the past two years. Save for the normal fees 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 executive or substantial shareholders of the Company or any of their associates. We consider ourselves independent to form our opinion in respect of the Contracting Agreements.

BASIS OF OUR OPINION

In formulating our opinion with regard to the Contracting Agreements, 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 the 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 the EGM. We have also assumed that all statements of belief, opinions, expectation and intention made by the management of the Group in the 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 the Circular, or the reasonableness of the opinions expressed by the Group, 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 the Circular and have confirmed, having made all reasonable enquiries, which to the best of their knowledge and belief, that the information contained in the 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 the Circular or the Circular misleading. We, as the Independent Financial Adviser, take no responsibility for the contents of any part of the Circular, save and except for this letter of advice.

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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, the Xi'an JV Company, the Taiyuan JV Company, other relevant parties to the Contracting Agreements or their respective subsidiaries or associates, nor have we considered the taxation implication on the Group or the Shareholders as a result of the Contracting Agreements. 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. Shareholders should note that subsequent developments (including material change in market and economic conditions) 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 and fairly extracted, reproduced or presented 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 arriving at our opinion in respect of the Contracting Agreements, we have taken into consideration the following principal factors and reasons:

1. Background of and reasons for the Contracting Agreements

Information on the Group

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

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Set out below is the audited consolidated financial information of the Group for the two years ended 31 December 2016 as extracted from the annual report of the Company for the year ended 31 December 2016 (the “**2016 Annual Report**”):

	For the year ended 31 December 2016	For the year ended 31 December 2015
	<i>RMB'000</i>	<i>RMB'000</i>
Revenue	724,805	622,693
Profit for the year	151,707	150,506
Net profit margin	21%	24%

As referred to in the 2016 Annual Report, the PRC government’s emphasis on sustainability of ecological environment, its support towards greening infrastructure projects and active implementation of the Public-Private Partnership (“**PPP**”) model gave a strong push towards the development of the China landscape industry. As also referred to in the 2016 Annual Report, in October 2016, the Ministry of Finance of the PRC issued the “Joint Announcement of the third batch of government and social capital cooperation demonstration projects to speed up the promotion of demonstration project construction notice”, which confirmed 516 projects to be the third batch of PPP demonstration projects with total planned investment of approximately RMB1.17 trillion. Given such active government support, the Directors expected that the China landscape industry will experience another development wave. According to the Directors, during recent years, the Group followed the policy closely, kept track of market changes, and actively docked and invested in the local government PPP infrastructure projects through the formation of project companies to grasp more business opportunities. For the year ended 31 December 2016, the Group completed four major projects and contracted six new major projects, recording an increase in total revenue of approximately 16.4% as compared to the prior year. The Group also recorded net profit of approximately RMB151.7 million during the same year under review. As the Group only had approximately RMB17.6 million of other income and gains and shared approximately RMB150,000 profit of a joint venture in 2016, the net profit of the Group for the year ended 31 December 2016 was predominately derived from construction contracts.

As extracted from the 2016 Annual Report, in February 2016, the Group was granted the Grade One qualification for scenery landscape design by the Ministry of Housing and Urban-Rural Development of the PRC, enabling it to proceed with the design of landscape projects of any scales. In addition, the Group possesses the Grade One qualification for urban landscape construction enterprises, the Grade One qualification for construction engineering professional design and the Grade Two qualification for urban-rural planning. With reference to an announcement published

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by the Company on 7 April 2017, the Group was granted the Grade One qualification in general contracting for municipal public projects. The Directors believe that the above qualifications will increase the comprehensive project execution capabilities of the Company in large-scale landscaping projects and further enhance the Group's market reputation.

Information on Shanghai Broad Landscape

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

Information on the Xi'an JV Company

As extracted from the Letter from the Board, the Xi'an JV Company is a company incorporated under the laws of the PRC for the investment, construction, operation and maintenance of the Xi'an PPP Project pursuant to the Xi'an JV Agreement. As at the Latest Practicable Date, it was owned as to 85%, 10% and 5% by Greenland Metro Investment, Changning Development Company and Shanghai Broad Landscape, respectively. Greenland Metro Investment is a subsidiary of Greenland and an associate of Greenland Financial (a substantial shareholder of the Company). Shareholders may refer to the announcement of the Company dated 30 December 2016 for further information with regard to the establishment of the Xi'an JV Company.

Information on the Taiyuan JV Company

As extracted from the Letter from the Board, the Taiyuan JV Company is a company incorporated under the laws of the PRC for the investment, construction, operation and maintenance of the Taiyuan PPP Project pursuant to the Taiyuan JV Agreement. As at the Latest Practicable Date, it was owned as to approximately 69.36%, 30.00%, 0.57% and 0.07% by Greenland City Investment, Taiyuan Botanical Garden, Shanghai Broad Landscape and Shanghai Greenland Construction, respectively. Each of Greenland City Investment and Shanghai Greenland Construction is a subsidiary of Greenland and an associate of Greenland Financial. Shareholders may refer to the announcement of the Company dated 20 October 2016 for further information with regard to the establishment of the Taiyuan JV Company.

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Information on Greenland

We understand from the Directors that Greenland is the ultimate holding company of Greenland Financial, which is a substantial shareholder of the Company. Greenland is a group listed on the Shanghai Stock Exchange (Stock Code: 600606) headquartered in Shanghai, the PRC, and a Global Fortune 500 Company with its main businesses in real estate, energy and finance.

Based on the published financial information of Greenland, the audited total turnover and net profit of Greenland were approximately RMB247.4 billion and RMB9.4 billion respectively for the year ended 31 December 2016. As at 31 December 2016, Greenland had audited total net assets of approximately RMB77.5 billion, and the size of its market capitalisation reached approximately RMB98.7 billion as at 31 May 2017.

As advised by the Directors, it is expected that the cooperation between the Group and Greenland group will drive more businesses and generate greater income for both parties, resulting in good synergies. Moreover, being the landscaping business platform under Greenland group, the Directors consider that the Company shall be able leverage on the financial strength as well as the leading advantages of Greenland group to seize any market opportunities and promote future development.

Information on the Xi'an PPP Project

As announced by the Company on 1 November 2016, Shanghai Broad Landscape, together with Greenland Metro Investment successfully won a bid for the PPP project for construction of Jue River Wetland Park in Changning New District, Xi'an City, Shaanxi Province, the PRC. Pursuant to the relevant tender, the Xi'an JV Company was established to develop the Xi'an PPP Project.

The key information of the Xi'an PPP Project is as follows:

Location:	In the middle reaches of the Jue River in Changning New District, Xi'an City
Area:	Total area of 2,634 mu
Estimated amount of investment:	Approximately RMB1,175.61 million

Based on the development proposal of the Xi'an PPP Project we requested from the Directors, we understand that the Jue River Wetland Park will be developed into seven theme zones, being the lakeside area, riverbank area, ecological wetland, sports and fitness area, special garden area, flower zone and farming and related culture zone. Facilities within the Jue River Wetland Park include landscape pool,

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badminton hall, butterfly hall, flower valley viewing platform, underground and ground parking, swimming pool, tennis and elderly sports area, fitness ground, green planting, car and pedestrian bridge and garden sketch etc.

Information on the Taiyuan PPP Project

As announced by the Company on 25 September 2016, Shanghai Broad Landscape, together with Greenland City Investment and Shanghai Greenland Construction successfully won a bid for the PPP project for construction of Phase One of Taiyuan Botanical Garden in Taiyuan City, Shanxi Province, the PRC. Pursuant to the relevant tender, the Taiyuan JV Company was established for overseeing the investment, financing, construction, operation and transfer of the Taiyuan PPP Project and other related work.

The key information of the Taiyuan PPP Project is as follows:

Location:	North of Taigu Road, west of Jiu Jinci Road and within 100 meters of the north side of Fengyu Gou in Taiyuan City, Shanxi Province, the PRC
Area:	Total land area of approximately 1,219,259.67 square meters (sq.m.) (net land area of 1,072,282.10 sq.m.), consisting of: Greening area: 876,726.10 sq.m. Water body: 78,900.00 sq.m. Garden road and pavement site: 80,000.00 sq.m. Construction area: 36,656.00 sq.m.
Estimated amount of investment:	Approximately RMB2,354.82 million, subject to approval by Taiyuan Finance and Investment Approval Centre
Concessionary period:	14 years (including 36 months of construction and 11 years of operation and maintenance)

Based on the development proposal of the Taiyuan PPP Project we requested from the Directors, we understand that the preliminary preparation work for construction of the Taiyuan Botanical Garden has already commenced, and it is intended that the Taiyuan Botanical Garden will be developed into an integrated ecological garden for visit tour, leisure, environmental conservation and scientific education. Facilities within the Taiyuan Botanical Garden include exhibition greenhouse, research center, restaurant and parks for growing different species of vegetation etc.

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Reasons for the entering into of the Contracting Agreements

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

Moreover, according to the Directors, as part of the normal and ordinary course of business of the Group, the Group has been providing project contracting services for Independent Third Parties. It is expected that the transactions contemplated under the Contracting Agreements will generate additional revenue and profit for the Group.

The Directors also further advised us that due to the expansion of the Company through continuous growth and completion of acquisition of Hangzhou Xiaoshan Jiangnan Garden Construction Company Limited* (杭州蕭山江南園林工程有限公司) in February 2017, the number of full time employees and qualified project managers of the Group as at 30 June 2017 had almost doubled as compared to the number as at 31 December 2016. As a result, the capacity of the Company has also increased significantly in 2017. As represented by the Directors, as at the Latest Practicable Date, the initial contract value of the Company's signed contract with Independent Third Parties in 2017 amounted to approximately RMB711 million. As the term of the Contracting Agreements spans over two to three years' time, only part of the total initial contract value will be recognised in each financial year. As such, the Company believes that it has the capacity to honor the Contracting Agreements as well as other contracts with Independent Third Parties.

Having considered (i) the positive outlook of the China landscape industry as discussed under the sub-section headed "Information on the Group" of this letter of advice; (ii) the qualifications which the Group has obtained as proofs of its capability in developing large-scale landscaping projects; and (iii) the solid background of Greenland as demonstrated under the sub-section headed "Information on Greenland" of this letter of advice, we concur with the Directors that the entering into of the Contracting Agreements is in the interests of the Company and the Shareholders as a whole and is conducted in the ordinary and usual course of business of the Group.

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2. Principal terms of the Contracting Agreements

The Xi'an Contracting Agreement

The following table sets out the principal terms of the Xi'an Contracting Agreement dated 21 June 2017 as extracted from the Letter from the Board:

Parties:	(1) Shanghai Board Landscape (as the main contractor) (2) Xi'an JV Company (as the employer)
Subject project:	The Xi'an PPP Project
Scope of the Xi'an Contracting Agreement:	Shanghai Broad Landscape has agreed to act as the main contractor and provide engineering, procurement and construction services for the Xi'an PPP Project, which includes earthwork, levelling, planting and maintenance, architectural sketches, flower beds, waterways, pipelines, fountains, rockery, sculpture, square pavement, bank, bridge, wharf, garden facilities and equipment installation projects, construction works, municipal public works of the Xi'an PPP Project.
Term:	730 calendar days from the commencement of work, which is expected to be on or around 30 June 2017, and the completion date is expected to be on or around 30 June 2019.
Consideration:	<p>The initial contract value payable by the Xi'an JV Company amounts to RMB1,097,696,900.00, which was determined based on the estimated amount of work under the Xi'an Contracting Agreement and the itemised pricing standard prescribed by the relevant department of Xi'an government.</p> <p>If there are more than 5% changes in the market prices of the raw material, the consideration will be adjusted for the amount of change exceeding 5%.</p>

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Payment terms:

The consideration payable under the Xi'an Contracting Agreement will be paid by the Xi'an JV Company monthly depending on the construction progress of the project. The Xi'an JV Company shall pay:

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

As stated above, the initial contract value payable by the Xi'an JV company of RMB1,097,696,900.00 was determined based on the estimated amount of work under the Xi'an Contracting Agreement and the itemised pricing standard prescribed by the relevant department of Xi'an government. In this relation, we have further enquired into the Directors and we understand that all contractor agreements in the PRC are subject to local rules and regulations governing construction fees. Given that the Xi'an PPP Project is located in Xi'an City of Shaanxi Province, the applicable local rules and regulations include but are not limited to 《建設工程工程量清單計價規範》, 《陝西省建設工程工程量清單計價規則》(2009), 《陝西省市政、園林綠化工程消耗量定額》(2004), 《陝西省建築、裝飾工程消耗量定額》(2004), 《陝西省安裝工程消耗量定額》(2004), 《陝西省建設工程消耗量定額勘誤及補充定額》(2009), 《陝西省市政工程價目表》(2009), 《陝西省建築裝飾工程價目表》(2009), 《陝西省安裝工程價目表》(2009), 《陝西省建設工程工程量清單計價費率》(2009), 《關於調整房屋建築和市政基礎設施工程工程量清單計價綜合人工單價的通知》(陝建發【2016】319號) and 《關於調整陝西省建設工程計價依據的通知》(陝建發【2016】100號). When

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determining the estimated initial contract value for the Xi'an Contracting Agreement, the parties thereto have taken into account the estimated quantities of construction materials, man hours, size of the total construction area and complexity of the construction work of the project. The estimated initial contract value was arrived at by totalling up the estimated amount of required contract work (in terms of quantity of construction materials, man hours and machineries involved) set out in the development proposal of the Xi'an PPP Project (the "**Xi'an Proposal**") prepared by Shanghai Broad Landscape multiplied by the respective prices of such construction materials, man-hours and machineries as prescribed by the relevant department of Xi'an government.

With the above being the case, we have obtained from the Company a copy of the Xi'an Proposal. We noted that the Xi'an Proposal contains detailed development plan of the Xi'an PPP Project, taking into consideration the natural landscape within the development zone, the construction method, utilities, machineries and manpower allocation, safety and environmental related issues etc. The Xi'an Proposal also specifies the construction schedule and the target completion dates in accordance with the work plan of the Xi'an PPP Project. Based on the development plan and construction schedule, a list of breakdown of the estimated total construction costs in compliance with the applicable local rules and regulations as mentioned above was formulated. We have reviewed the breakdown and we understand that the estimated total construction costs (being the initial contract value for the Xi'an Contracting Agreement) have been approved by the relevant department of Xi'an government as are in line with the official itemised pricing standard.

Furthermore, we have compared the prices of several main construction materials proposed to be used in the Xi'an PPP Project with their respective market prices as provided by Independent Third Parties suppliers to the Group. The results of our comparison show that the prices under the Xi'an PPP Project are no less favourable than their respective market prices.

On the other hand, pursuant to the Xi'an Contracting Agreement, if there are more than 5% changes in the market prices of the raw materials, the consideration will be adjusted for the amount of change exceeding 5%. In other words, Shanghai Board Landscape is obligated to bear any additional costs of materials which are 5% or below. As a result of such provision, we are of the view that it is crucial for Shanghai Broad Landscape to be able to control the total construction costs of the Xi'an PPP Project. In this relation, we have requested the Company to provide us with the internal budgeting and profit forecast of the Xi'an PPP Project. Based on the forecast and the Directors' representation, the forecasted return of the Xi'an PPP Project would likely to remain positive even if the market prices of the construction materials used increase by 5%. As also advised by the Directors, both of the Group and Shanghai Board Landscape have cost control departments (the "**Cost Control Departments**") comprising four staff and headed by a vice president of the Group;

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five staff and headed by a vice general manager of Shanghai Board Landscape, respectively, to oversee the progress of every project and ensure that the related construction costs are under control. As a matter of fact, the Directors confirmed that among the four major contracts which the Group completed in 2016 (the “**Major Contracts**”), the actual total construction costs of only one of them were above its initial contract value (with less than 10% deviation); but the Group had managed to stay profitable in all of the said four completed contracts, enjoying net profit margin of approximately 21% for the year ended 31 December 2016.

As an additional due diligence step, we obtained from the Company copies of the Major Contracts which the Group completed in 2016. We notice that all of them were entered into with Independent Third Parties and we tried to identify those contracts which are comparable to the Xi'an Contracting Agreement to compare their estimated construction cost per unit size of the different construction site. Nevertheless, we are given to understand by the Directors that it is difficult to find a project which is similar to the Xi'an Contracting Agreement as different projects are rarely identical in respect of, amongst others, (i) landscape and geological condition of the construction site; (ii) complexity of work to be performed; and (iii) amount of resources to be devoted into the project.

With regard to the payment terms of the Xi'an Contracting Agreement, we were advised by the Directors that such progressive payment arrangement is common within the construction market. Under normal market practice, the total contract value is payable by stages as the project progresses and it is also often that a small percentage of the total contract sum is retained by the employer as quality warranty and is payable a year or two after completion of the project. Based on our review of the Major Contracts, the progressive payment terms were also applied.

In light of the above, we are of the view that the terms of the Xi'an Contracting Agreement are on normal commercial terms and are fair and reasonable so far as the Independent Shareholders are concerned.

The Taiyuan Contracting Agreement

The following table sets out the principal terms of the Taiyuan Contracting Agreement dated 30 June 2017 as extracted from the Letter from the Board:

Parties:	(1) Shanghai Board Landscape (as the main contractor) (2) Taiyuan JV Company (as the employer)
Subject project:	The Taiyuan PPP Project

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Scope of the Taiyuan Contracting Agreement:

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

Term:

914 calendar days from the commencement of work, which is expected to be on or around 30 June 2017, and the completion date is expected to be on or around 31 December 2019.

Consideration:

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

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

Payment terms:

The consideration payable under the Taiyuan Contracting Agreement shall be paid by the Taiyuan JV Company monthly depending on the construction progress of the project. The Taiyuan JV Company shall pay:

- (a) 90% of the amount stated in the invoice certificate approved by the Audit Department of Taiyuan government in each month;
- (b) 5% of such amount after the issuance of the construction completion acceptance testing certificate;

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- (c) 3% of such amount upon completion of the audit of the project by the Housing and Construction Department, Finance Department and Audit Department of Taiyuan government; and
- (d) the remaining 2% of the consideration will be treated as quality warranty and shall be payable by the Taiyuan JV Company to Shanghai Broad Landscape two years after the completion of the project provided that by the time there is no quality problems associated with the project after passing the acceptance.

As stated above, the initial contract value payable by the Taiyuan JV company of RMB1,065,647,404.54 was determined based on the estimated amount of work under the Taiyuan Contracting Agreement and the itemised pricing standard prescribed by the relevant department of Taiyuan government. In this relation, we have further enquired into the Directors and we understand that all contractor agreements in the PRC are subject to local rules and regulations governing construction fees. Given that the Taiyuan PPP Project is located in Taiyuan City of Shanxi Province, the applicable local rules and regulations include but are not limited to 《山西省園林綠化工程預算定額(2011)》, 《山西省市政工程預算定額(2011)》, 《山西省裝飾工程預算定額(2011)》, 《山西省安裝工程預算定額(2011)》, 《山西省建築工程預算定額(2011)》, 《晉建標定字[2016]1號》文件, 《晉建標函[2016]383號》文件 and 《山西省2011建設工程費用定額》. When determining the estimated initial contract value for the Taiyuan Contracting Agreement, the parties thereto have taken into account the estimated quantities of construction materials, man hours, size of the total construction area and complexity of the construction work of the project. The estimated initial contract value was arrived at by totalling up the estimated amount of required contract work (in terms of quantity of construction materials, man hours and machineries involved) set out in the development proposal of the Taiyuan PPP Project (the “**Taiyuan Proposal**”) prepared by Shanghai Broad Landscape multiplied by the respective prices of such construction materials, man-hours and machineries as prescribed by the relevant department of Taiyuan government.

With the above being the case, we have obtained from the Company a copy of the Taiyuan Proposal. We noted that the Taiyuan Proposal contains detailed development plan of the Taiyuan PPP Project, taking into consideration the natural landscape within the development zone, the construction method, utilities, machineries and manpower allocation, safety and environmental related issues etc. The Taiyuan Proposal also specifies the construction schedule and the target completion dates in accordance with the work plan of the Taiyuan PPP Project.

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Based on the development plan and construction schedule, a list of breakdown of the estimated total construction costs in compliance with the applicable local rules and regulations as mentioned above was formulated. We have reviewed the breakdown and we understand that the estimated total construction costs (being the initial contract value for the Taiyuan Contracting Agreement) have been approved by the relevant department of Taiyuan government as are in line with the official itemised pricing standard.

Furthermore, we have compared the prices of several main construction materials proposed to be used in the Taiyuan PPP Project with their respective market prices as provided by Independent Third Parties suppliers to the Group. The results of our comparison show that the prices under the Taiyuan PPP Project are no less favourable than their respective market prices.

On the other hand, pursuant to the Taiyuan Contracting Agreement, if there are more than 10% changes in the market prices of the raw materials, the consideration will be adjusted for the amount of change exceeding 10%. In other words, Shanghai Board Landscape is obligated to bear any additional costs of materials which are 10% or below. As a result of such provision, we are of the view that it is crucial for Shanghai Broad Landscape to be able to control the total construction costs of the Taiyuan PPP Project. In this relation, we have requested the Company to provide us with the internal budgeting and profit forecast of the Taiyuan PPP Project. Based on the forecast and the Directors' representation, the forecasted return of the Taiyuan PPP Project would likely to remain positive even if the market prices of the construction materials used increase by 10%. As aforementioned, both of the Group and Shanghai Board Landscape have Cost Control Departments to oversee the progress of every project and ensure that the related construction costs are under control. As a matter of fact, the Directors confirmed that among the four Major Contracts, the actual total construction costs of only one of them were above its initial contract value (with less than 10% deviation); but the Group had managed to stay profitable in all of the said four completed contracts, enjoying net profit margin of approximately 21% for the year ended 31 December 2016.

As an additional due diligence step, we obtained from the Company copies of the Major Contracts. We notice that all of them were entered into with Independent Third Parties and we tried to identify those contracts which are comparable to the Taiyuan Contracting Agreement to compare their estimated construction cost per unit size of the different construction site. Nevertheless, we are given to understand by the Directors that it is difficult to find a project which is similar to the Taiyuan Contracting Agreement as different projects are rarely identical in respect of, amongst others, (i) landscape and geological condition of the construction site; (ii) complexity of work to be performed; and (iii) amount of resources to be devoted into the project.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

With regard to the payment terms of the Taiyuan Contracting Agreement, we were advised by the Directors that such progressive payment arrangement is common within the construction market. Under normal market practice, the total contract value is payable by stages as the project progresses and it is also often that a small percentage of the total contract sum is retained by the employer as quality warranty and is payable a year or two after completion of the project. Based on our review of the Major Contracts, the progressive payment terms were also applied.

In light of the above, we are of the view that the terms of the Taiyuan Contracting Agreement are on normal commercial terms and are fair and reasonable so far as the Independent Shareholders are concerned.

RECOMMENDATION

Having taken into consideration the factors and reasons as stated above, we are of the opinion that (i) the terms of the Contracting Agreements are on normal commercial terms and are fair and reasonable so far as the Independent Shareholders are concerned; and (ii) the entering into of the Contracting Agreements is in the interests of the Company and the Shareholders as a whole and is conducted in the ordinary and usual course of business of the Group. Accordingly, we recommend the Independent Board Committee to advise the Independent Shareholders to vote in favour of the resolutions to be proposed at the EGM to approve the Contracting Agreements, and we recommend the Independent Shareholders to vote in favour of the resolutions in this regard.

Yours faithfully,
For and on behalf of
VBG Capital Limited
Doris Sing
Director

I. 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 Group. 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.

II. DISCLOSURE OF INTERESTS OF DIRECTORS AND CHIEF EXECUTIVE

As at the Latest Practicable Date, the interests and short positions of the Directors or chief executive of the Company in the Shares, underlying Shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO (i) which were 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 the Directors or chief executive of the Company were deemed or taken to have under such provisions of the SFO); or (ii) which were required, pursuant to section 352 of the SFO, to be entered in the register referred to therein; or (iii) which were required to be notified to the Company and the Stock Exchange pursuant to the Model Code, were as follows:

Long positions in the Shares

Name of Director/ Chief Executive	Personal interests	Number of Shares			Approximate percentage holding
		Corporate interest	Family interest	Total interest	
Mr. Wu Zhengping ⁽¹⁾⁽²⁾⁽³⁾	24,000,000	991,321,041	18,000,000	1,033,321,041	30.91%
Ms. Xiao Li ⁽¹⁾⁽²⁾⁽³⁾	18,000,000	—	1,015,321,041	1,033,321,041	30.91%
Ms. Zhu Wen ⁽³⁾	4,000,000	—	—	4,000,000	0.11%
Mr. Zhang Yihua ⁽³⁾	10,800,000	—	—	10,800,000	0.32%

Notes:

- (1) Broad Landscape International Company Limited is owned as to 86.92% and 13.08% by Mr. Wu Zhengping and Ms. Xiao Li. Under the SFO, Mr. Wu Zhengping is deemed to be interested in the 991,321,041 Shares held by Broad Landscape International.
- (2) 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.
- (3) Personal interest above represents the number of underlying Shares the respective Directors/chief executives is interested in pursuant to the share options granted to him/her under the Share Option Scheme of the Company.

Save as disclosed above, as at the Latest Practicable Date, none of the Directors nor chief executive of the Company had or was deemed to have any interests or short positions in shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) (i) which were 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 or short positions which the directors and chief executive were taken or deemed to have under the provisions of the SFO); or (ii) which were required, pursuant to section 352 of the SFO, to be entered in the register referred to therein; or (iii) which were required to be notified to the Company and the Stock Exchange pursuant to the Model Code.

III. 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 2016, being the date to which the latest published audited consolidated financial statements of the Company were made up.

IV. DIRECTORS' SERVICE CONTRACTS

As at the Latest Practicable Date, none of the Directors had entered or proposed to enter into a service contract with any member of the Group other than contracts expiring or determinable by the relevant employer within one year without payment of compensation (except statutory compensation).

V. DIRECTORS' INTERESTS IN COMPETING INTERESTS

As at the Latest Practicable Date, to the best knowledge of the Directors, none of the Directors or their respective close associates had engaged in or had any interests in any business which, either directly or indirectly, competed or might compete with the business of the Group as required to be disclosed under Rule 8.10 of the Listing Rules should they be controlling shareholders.

VI. DIRECTORS' INTEREST IN THE GROUP'S ASSETS

As at the Latest Practicable Date, none of the Directors had any interests, either directly or indirectly, in any assets which had been, since 31 December 2016 (being the date to which the latest published audited financial statements of the Company were made up), acquired or disposed of by or leased to any member of the Group, or were proposed to be acquired or disposed of by or leased to any member of the Group.

VII. DIRECTORS' INTEREST IN CONTRACTS OR ARRANGEMENT OF SIGNIFICANCE

As at the Latest Practicable Date, there was no contract or arrangement subsisting in which any of the Directors was materially interested and which was significant in relation to the business of the Group.

VIII. EXPERT AND CONSENTS

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

Name	Qualifications
VBG Capital	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

As at the Latest Practicable Date, VBG Capital had given and had not withdrawn its written consent to the issue of this circular with the inclusion of its advice, letter, report and/or summary of its reports (as the case may be) and references to its name and logo in the form and context in which they appear.

As at the Latest Practicable Date, VBG Capital 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 2016, the date to which the latest audited financial statements of the Group was made up.

IX. MISCELLANEOUS

The English text of this circular shall prevail over the Chinese text in the case of inconsistency.

X. DOCUMENTS AVAILABLE FOR INSPECTION

Copy of each of the Contracting Agreements will be available for inspection during normal business hours at the principal place of business in Hong Kong of the Company at Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong on any business day from the date of this circular up to and including the date of the EGM.

NOTICE OF EGM

The following is the full text of the letter from the Independent Board Committee setting out their advice to the 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

(formerly known as Broad Greenstate International Company Limited 博大綠澤國際有限公司)

(Incorporated in the Cayman Islands with limited liability)

(Stock code: 1253)

NOTICE OF EGM

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 Conference Room No. 5, Crowne Plaza Shanghai Noah Square, No. 1699 Jinshajiang Road, Putuo District, Shanghai, China, on Tuesday, 1 August 2017 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

1. “**THAT**

- (a) the execution of the Xi'an Contracting Agreement (as defined in the circular of the Company dated 17 July 2017 (the “**Circular**”), a copy of the Circular marked “A” together with a copy of the Xi'an Contracting Agreement marked “B” being tabled before the meeting and initialed by the chairman of the meeting for identification purpose) by Shanghai Broad Landscape Construction and Development Company Limited* (上海博大園林建設發展有限公司) (“**Shanghai Broad Landscape**”) (a 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 Xi'an Contracting Agreement and the transactions contemplated thereunder.”

NOTICE OF EGM

2. “THAT

- (a) the execution of the Taiyuan Contracting Agreement (as defined in the Circular, a copy of the Taiyuan Contracting Agreement marked “C” being tabled before the meeting and initialed by the chairman of the meeting for identification purpose) by Shanghai Broad Landscape (a wholly-owned subsidiary of the Company), and the transactions contemplated thereunder be and are hereby approved, confirmed and ratified; and
- (b) any one 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 Taiyuan Contracting Agreement 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

17 July 2017

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 certified copy of that power of attorney or authority, must be deposited at the Company’s 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 meeting or any adjournment thereof. Delivery of the form of proxy shall not preclude a shareholder of the Company from attending and voting in person at the meeting and, in such event, the instrument appointing a proxy shall be deemed to be revoked.
- (4) 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.

NOTICE OF EGM

- (6) For determining the entitlement to attend and vote at the above meeting, the record date will be Wednesday, 26 July 2017. 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 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 Wednesday, 26 July 2017.

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, Mr. Zhang Qing and Dr. Jin Hexian.

* *For identification purpose only*