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 AND CONNECTED TRANSACTION ACQUISITION OF 100% OF THE EQUITY INTERESTS IN THE TARGET COMPANY

The Board is pleased to announce that on 15 August 2025, the Vendor and the Purchaser entered into the Equity Transfer Agreement pursuant to which the Purchaser agreed to purchase and the Vendor agreed to sell the Target Equity for a total consideration of RMB4,644,771.16. Upon completion, the Purchaser will have an interest in the entire issued share capital of the Target Company, and the Target Company will become a wholly-owned subsidiary of the Company, with its financial results consolidated into the Group's accounts.

EQUITY TRANSFER AGREEMENT

The principal terms of the Equity Transfer Agreement are set out below:

Date: 15 August 2025

Parties: (a) Hangzhou Beifeng Yuanlin Landscaping Design Company Limited* (杭州北風園林景觀設計有限公司, an indirect wholly-owned subsidiary of the Company) (as the Purchaser); and

(b) Senmao Landscape Engineering Co., Ltd (綠地集團森茂園林有限公司, a related party of the Company, as the Vendor).

(collectively, the "**Parties**")

PROPOSED ACQUISITION OF TARGET EQUITY

Pursuant to the Equity Transfer Agreement, the Vendor agreed to sell, and the Purchaser agreed to purchase the Target Equity, representing 100% of the issued share capital of the Target Company.

Consideration and Payment Method

The Consideration of the Target Equity of RMB4,644,771.16 will be paid by the Purchaser to the bank account designated by the Vendor in one lump sum within 30 days after Completion.

The Consideration for the Acquisition was determined after arm's length negotiations between the Purchaser and the Vendor with reference to, among others, (i) the latest business and development for the future prospects of the Target Group, (ii) the reasons and benefits of the Acquisition as disclosed in the section headed "Reasons for and Benefits of the Acquisition" below, and (iii) a valuation (the "**Valuation**") made by King Kee Advisory and Management (Shanghai) Co. Ltd. (今麒聯行諮詢管理（上海）有限公司), an independent valuer (the "**Valuer**"), in respect of the 100% equity value of Target Company as at 31 July 2025 (the "**Valuation Date**") under market approach, details of which are set out below.

Valuation methodology

Basic methods of business valuation include the market approach, income approach (discounted cash flow approach) and net asset value/asset base approach.

In this Valuation, neither the cost method nor the income method is applicable to assess the value of the 100% equity interest in the Target Company. The cost method does not directly reflect the economic benefit information of the equity value contribution, and the income method relies excessively on management's subjective judgment on the Target Company and the industry.

Given the availability of comparable company information from the open market, the Valuer used comparable company analysis under the market approach in determining the Valuation opinion.

Basis of opinion

The Valuation was conducted in accordance with the International Valuation Standards issued by the International Valuation Standards Council. The Valuer planned and performed the Valuation to obtain all information and explanations that the Valuer considered necessary to provide a sufficient basis for forming a valuation opinion on the underlying asset. The valuation process used included reviewing the physical and economic condition of underlying assets and evaluating key assumptions, estimates and statements made by the owner or operator of the Target Equity. All matters that the Valuer considered essential to a proper understanding of the valuation conclusions will be disclosed in the valuation report.

Key inputs and valuation assumptions

- The Valuer selected six publicly listed comparable companies (CoCos) as the Target Company to derive multipliers. The Valuer looked for comparable companies in the environmental engineering services industry that were comparable to the Target Company in terms of industry and business model.

- The Valuer used the price-to-book ratio (P/B) as of 31 July 2025 to derive the 100% equity value of the Target Company, and the P/B multiplier derived from comparable companies was 1.1 times.

- Discount for lack of marketability of 28%. Based on the study of restricted share in the United States, the Valuer considered discount for lack of marketability of 28%.

- Control premium of 25%. Based on the study of transactions in the United States, the Valuer considered a control premium of 25%.

1. ***Market multiple***

    - When using the market multiplier method (comparable company analysis) to perform valuations, the base multiplier is derived from:

        - Pricing of publicly traded comparable companies

    - Normalized multiplier valuation parameters using common variables (such as earnings, book value, cash flow or revenue) are considered

    - The use of multiplier-based valuation methods may be limited by:

        - The impact of different accounting policies and tax rates on multipliers, which may make them impossible to compare directly

        - Difficulty in identifying suitable comparable companies

        - Impact of non-recurring items, capital issues and acquisitions and divestitures on comparable company multipliers

2. ***Discount for lack of marketability ("DLOM")***

Assessing non-controlling interests in unlisted companies based on the share prices of listed company usually requires the DLOM to reflect the lack of a ready market for the shares of unlisted company.

When evaluating the controlling interest of an unlisted company based on the share prices of listed company, both the DLOM and the control premium need to be considered.

- *Marketability*

  The concept of marketability deals with the liquidity of ownership interest, that is how quickly and easily it can be converted to cash if the owner chooses to sell. The lack of marketability discount reflects the fact that there is no ready market for shares in privately held companies which are typically not readily marketable compared to similar interest in public companies. Therefore, a share of stock in an unlisted company is usually worth less than an otherwise comparable share in a publicly held company.

- *Lack of liquidity of non-controlling interests in unlisted companies*

  When evaluating non-controlling interests in unlisted companies based on share prices of listed company, the DLOM must be considered to reflect the lack of a ready market.

  Two types of studies have been conducted in the United States in an aim to determine the average level of discount for lack of liquidity of non-controlling interests:

  - Discount on sale of restricted shares of listed companies

  - The discount between offering price of shares of an unlisted company and the price of a subsequent initial public offering (IPO) of shares of the same company. Transactions in these cases are more similar to transactions involving non-controlling interests in unlisted companies, so they are more relevant when estimating the DLOM for non-controlling interests in unlisted companies.

- *Restricted Share Studies*

A number of studies in the United States have examined liquidity, focusing on the differences in trading between ordinary shares and restricted shares of the same listed company. Restricted shares are identical to freely tradable ordinary shares in all respects except that their trading in public markets is restricted for a specified period, typically two years. By comparing shares that are otherwise identical apart from liquidity, these studies aim to isolate the value attributable solely to liquidity.

Research	**Research years**	**Median**
SEC overall average	1966–1969	26.0%
SEC nonreporting OTC companies	1966–1969	33.0%
Gelman	1968–1970	33.0%
Trout	1968–1972	34.0%
Moroney	1968–1972	35.0%
Maher	1969–1973	35.0%
Standard Research Consultants	1978–1982	45.0%
Williamette Management Associates	1981–1984	n/a
Silber	1981–1988	34.0%
Management Planning, Inc	1980–1995	27.0%
Johnson (BVR)	1991–1995	20.0%
FMV Opinons Inc.	1979–1997	23.0%
Columbia Financial Advisors	1996–1997	21.0%
Columbia Financial Advisors	1997–1998	13.0%
Williamette Management Associates	1991–2000	43.0%
FMV Opinons Inc.	1997–2000	26.0%
FMV Opinons Inc.	1980–2008	21.0%
Stout Risus Ross	2005–2010	9.0%
Average		**28.0%**

Analysts generally believe that equity interests in privately held companies are subject to larger discounts for lack of liquidity than restricted shares of listed companies, as the former lacks an established market for eventual exit. However, no sufficient data have yet been collected to quantify the extent of this difference.

3. ***Control premium***

Minority shareholders, whether in listed or unlisted companies, are typically passive investors with limited or no influence over business operations. As a result, minority interests in unlisted companies are often valued below their underlying net asset value (NAV), reflecting the absence of control associated with non-controlling interests. By contrast, controlling interests typically trade at a premium to NAV.

A study of transactions in the United States found that the average acquisition premium ranged from approximately 35% to 42%, while a separate study of Australian transactions indicated a range of 16% to 29%. It is worth noting that acquisition premiums reflect not only control premiums but also other factors such as anticipated the degree of synergies.

In addition, the Valuer also reviewed various studies and literature concerning closed-end investment companies ("**CEICs**") holding publicly traded securities. Shares of such CEICs often trade at a discount to the NAV of their underlying investment portfolios, reflecting both the absence of control associated with non-controlling interests and the cost of managing the portfolio. These studies suggest that discounts for lack of control typically range from 10% to 25%, implying control premiums of between 11% and 33%.

The above research indicates that control premiums generally range from 11% to 42%. The Valuer has adopted a control premium of 25% as appropriate for the Target Company.

After considering the above factors, the Directors consider that the terms and conditions of the Acquisition and the Equity Transfer Agreement, including the consideration, are fair and reasonable and on normal commercial terms and are in the interests of the Group and the Shareholders as a whole.

Conditions

Completion shall be subject to the following conditions having been satisfied (or waived by the Purchaser, if applicable):

(i) The Parties have obtained all necessary authorizations and approvals in relation to the Equity Transfer Agreement and the transaction of the Acquisition;

(ii) The Parties have completed the signing of the Equity Transfer Agreement; and

(iii) All necessary third party and regulatory approvals (including but not limited to regulatory authorities such as the Hong Kong Stock Exchange) have been obtained for the proposed acquisition transaction, or all consents or waivers that may be necessary under any existing contractual obligations of the parties to effect the proposed acquisition, and such approvals, consents or waivers have not been withdrawn as at the date of Completion.

Completion

Completion will take place on the date of Completion, subject to the fulfillment and satisfaction (or waiver, as the case may be) of the conditions precedent set out in the Equity Transfer Agreement.

Upon Completion, the Purchaser will be interested in the entire equity interest in the Target Company, and the Target Company will become a wholly-owned subsidiary of the Company and its financial results will be consolidated into the accounts of the Group.

INFORMATION ON THE TARGET COMPANY

The Target Company is a company incorporated in the People's Republic of China, primarily engaged in landscaping and greening engineering construction, and is 100% owned by the Vendor, whose de facto controller is Greenland Holdings, the shares of which are listed on the Shanghai Stock Exchange (Stock Code: 600606.SH).

Set out below is the financial information of the Target Company for the two financial years ended 31 December 2023 and 31 December 2024 and the seven-month period ended 31 July 2025 prepared in accordance with the PRC GAAP:

	For the year ended 31 December 2023 *(Audited)* *RMB*	**For the year ended 31 December 2024** *(Audited)* *RMB*	**For the seven-month period ended 31 July 2025** *(Unaudited)* *RMB*
Net profit/(loss) before tax	(125,079)	(2,719,192)	335,213
Net profit/(loss) after tax	(128,131)	(2,719,192)	318,453
Net asset value	29,245,511	26,526,318	4,644,771

REASONS FOR AND BENEFITS OF THE ACQUISITION

The Company is an investment holding company, and the Group is principally engaged in municipal landscaping engineering design and municipal project construction investment and related services. The Board believes that the Acquisition fully demonstrates the strong support of Greenland Group, the controlling shareholder, for the business development of the Company. The acquisition of the Target Company aims to further expand the Group's industrial chain layout by leveraging its high-quality landscape engineering assets, strengthen its comprehensive competitiveness in landscaping, ecological construction and municipal engineering, and enhance the Company's ability to continue as a going concern. The Target Company has a mature business network, professional technical team and rich project experience, and its business is highly synergistic with the Company's existing core business. As the growth in market-oriented businesses slowed down, the transaction has injected stable operating revenue and cash flow into the Company, ensuring that the listed company maintains a healthy operating status. Through the Acquisition, the Company will effectively integrate resources, further improve its industrial chain layout, thereby enhancing its core competitiveness and project execution efficiency and service quality, while expanding its market share and strengthening its profitability.

The terms of the Equity Transfer Agreement were entered into after arm's length negotiations among the parties. The Directors have confirmed that the terms of the Equity Transfer Agreement and the Acquisition are fair and reasonable, on normal commercial terms or better, and in the interests of the Company and its shareholders as a whole.

Taking into consideration of the aforesaid, the Board is of the view that the Acquisition represents an attractive investment that aligns with the Group's business strategy and is expected to generate positive returns for the Group in the long term. Accordingly, the Board considers that the Equity Transfer Agreement and the Acquisition are in the interests of the Company and its shareholders as a whole.

Given that Mr. Lin Guangqing and Mr. Wang Yaoming, executive Directors, also hold several key positions at Greenland Holdings, they are deemed to have a material interest in the Equity Transfer Agreement and the transactions contemplated thereunder, and have abstained from voting on the relevant Board resolutions. Save as disclosed above, none of the Directors has any material interest in the Equity Transfer Agreement and is therefore required to abstain from voting on the relevant Board resolutions.

INFORMATION ON THE PARTIES

The Purchaser is a company incorporated in the People's Republic of China, primarily engaged in municipal landscaping and engineering design and municipal project construction investment and related services. It is an indirect wholly-owned subsidiary of the Company.

The Seller is a company incorporated in the People's Republic of China, primarily engaged in the construction of landscaping projects. Its de facto controller is Greenland Holdings, whose shares are listed on the Shanghai Stock Exchange (Stock Code: 600606.SH).

LISTING RULES IMPLICATIONS

As at the date of this announcement, Greenland Holdings owns approximately 49.17% of the issued share capital of the Company and therefore is the controlling shareholder of the Company. Accordingly, Greenland Holdings is a connected person of the Company under Rule 14A.07(1) of the Listing Rules. The Seller is a wholly-owned subsidiary of Greenland Holdings and therefore is an associate of Greenland Holdings, and thus a connected person of the Company. The Purchaser is an indirectly held wholly-owned subsidiary of the Company. The entering into the Equity Transfer Agreement and the transactions contemplated thereunder constitute connected transactions of the Company under the Listing Rules.

As the applicable percentage ratio (as defined in the Listing Rules) in respect of the Acquisition is more than 5% but less than 25% and the total consideration is less than HK$10 million, the Acquisition is therefore subject to the reporting and announcement requirements, but exempt from independent shareholders' approval requirements under Rule 14A.76(2) of the Listing Rules.

As the applicable percentage ratio (as defined in the Listing Rules) in respect of the Acquisition is more than 5% but less than 25%, the Acquisition constitutes a discloseable transaction of the Company under Chapter 14 of the Listing Rules and is therefore subject to the reporting and announcement requirements under the Listing Rules.

DEFINITIONS

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

"Acquisition"	the acquisition of the Target Equity by the Purchaser from the Vendor pursuant to the terms and conditions of the Equity Transfer Agreement

"associate"	has the same meaning as ascribed thereto in the Listing Rules
"Board"	the board of Directors
"Company"	China Greenland Broad Greenstate Group Company Limited (中國綠地博大綠澤集團有限公司), a company incorporated in the Cayman Islands with limited liability on 22 October 2013, the Shares of which are listed on the Main Board of the Stock Exchange (stock code: 1253)
"Completion"	Completion of the Acquisition in accordance with the terms and conditions of the Equity Transfer Agreement
"Consideration"	the amount of RMB4,644,771.16 million to be paid by the Purchaser to the Vendor for the sale and purchase of the Target Equity
"Director(s)"	the director(s) of the Company
"Equity Transfer Agreement"	an equity transfer agreement dated 15 August 2025 entered into between the Vendor and the Purchaser for the sale and purchase of the Target Equity
"Greenland Holdings"	Greenland Holdings Group Corporation Limited (綠地控股集團股份有限公司), whose shares are listed on the Shanghai Stock Exchange (stock code: 600606.SH), the controlling shareholder of the Company
"Group"	the Company and its subsidiaries
"Independent Third Party(ies)"	an independent third party not connected with the Company and its subsidiaries, their respective directors, chief executives and substantial shareholders and any of their associates within the meaning of the Listing Rules
"Listing Rules"	the Rules Governing the Listing of Securities on the Stock Exchange

"Purchaser"	Hangzhou Beifeng Yuanlin Landscaping Design Company Limited* (杭州北風園林景觀設計有限公司), a company incorporated in the People's Republic of China, primarily engaged in landscape and engineering design, horticultural services and related services, and an indirect wholly-owned subsidiary of the Company
"Share(s)"	ordinary share(s) of the Company
"Shareholder(s)"	shareholder(s) of the Company
"Stock Exchange"	The Stock Exchange of Hong Kong Limited
"Target Company"	Shanghai Greenland Senmao Landscaping Engineering Co., Ltd. (上海綠地森茂綠化工程有限公司), a company incorporated in the People's Republic of China with limited liability, held as to 100% of its equity interests by the Vendor
"Target Equity"	100% equity interest in the Target Company
"Vendor"	Senmao Landscape Engineering Co., Ltd (綠地集團森茂園林有限公司), a company incorporated in the People's Republic of China with limited liability, is ultimately controlled by Greenland Holdings, whose shares are listed on the Shanghai Stock Exchange (stock code: 600606.SH)

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

Shanghai, the People's Republic of China
15 August 2025

As at the date of this announcement, our executive Directors are Mr. Lin Guangqing and Mr. Wang Yaoming and our independent non-executive Directors are Mr. Dai Guoqiang, Mr. Yang Yuanguang and Ms. Zhang Rui.