

THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

If you are in any doubt as to any aspect of this circular or as to the action to be taken, you should consult your stockbroker or other licensed dealer in securities, bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your shares in Greenland Hong Kong Holdings Limited, you should at once hand this circular to the purchaser or transferee or to the bank, stockbroker or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

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

GREENLAND HONG KONG HOLDINGS LIMITED **綠地香港控股有限公司**

(Incorporated in the Cayman Islands with limited liability)
(Stock Code: 337)

CONNECTED TRANSACTIONS

Appointment of connected persons as contractors for construction works

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



Octal Capital Limited

Capitalised terms used in this cover page shall have the same meanings as those defined in the section headed "Definitions" in this circular.

A letter from the Board is set out on pages 6 to 17 of this circular.

A letter from the Independent Board Committee containing its recommendations to the Independent Shareholders is set out on pages 18 to 19 of this circular.

A letter from Octal Capital containing its advice to the Independent Board Committee and the Independent Shareholders is set out on pages 20 to 39 of this circular.

A form of proxy for the EGM is enclosed with this circular. Whether or not you intend to attend the EGM, you are requested to complete the form of proxy 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 in accordance with the instructions printed thereon not less than 48 hours before the time appointed for holding the EGM or any adjournment thereof (as the case may be). The completion and return of a form of proxy will not preclude you from attending and voting at the EGM in person.

6 August 2018

CONTENTS

	<i>Page</i>
DEFINITIONS	1
LETTER FROM THE BOARD	6
LETTER FROM THE INDEPENDENT BOARD COMMITTEE	18
LETTER FROM THE INDEPENDENT FINANCIAL ADVISER	20
APPENDIX — GENERAL INFORMATION	APP-1
NOTICE OF EGM	EGM-1

DEFINITIONS

In this circular and the appendix to it, unless the context otherwise requires, the following terms and expressions shall have the meanings set out below:

“associate(s)”, “connected person(s)” and “subsidiary(ies)”	have the meanings ascribed to them under the Listing Rules
“Board”	the board of Directors
“close associate(s)”	has the meaning ascribed to it under the Listing Rules
“Company”	Greenland Hong Kong Holdings Limited (綠地香港控股有限公司), a company incorporated with limited liability in the Cayman Islands and the Shares of which are listed on the Main Board of the Stock Exchange (Stock Code: 0337)
“Construction Projects”	collectively, the Haikou Project, the Haikou (Surveying, Design & Construction) Project, the Dianchi Project, the Xuzhou Project, the Zhaoqing Project, and a “Construction Project” means any one of them
“Contractor A”	上海綠地建築工程有限公司 (Shanghai Greenland Construction Engineering Co., Ltd.*), a company established in the PRC with limited liability owned as to 100% by Greenland Holdings
“Contractor B”	貴州建工集團有限公司 (Guizhou Construction Engineering Group Co., Ltd.*), a company established in the PRC with limited liability owned as to 51% by Greenland Holdings
“Contractor C”	西安市建築工程總公司 (Xi’an Construction Engineering Head Office Co.,*), a company established in the PRC with limited liability owned as to 51% by Greenland Holdings
“Contractor D”	江蘇省建築工程集團有限公司 (Jiangsu Construction Engineering Co., Ltd.*), a company established in the PRC with limited liability owned as to 55% by Greenland Holdings

DEFINITIONS

“Contractors”	collectively Contractor A, Contractor B, Contractor C and Contractor D, and a “Contractor” means any one of them
“Contractor Agreements”	collectively, the Haikou Contractor Agreement, the Haikou (Surveying, Design & Construction) Contractor Agreement, the Dianchi Contractor Agreement, the Xuzhou Contractor Agreement and the Zhaoqing Contractor Agreement, and a “Contractor Agreement” means any one of them
“Dianchi Contractor Agreement”	the contractor agreement dated 5 July 2018 entered into between Dianchi Project Company and Contractor A in relation to the construction works to be conducted for the Dianchi Project
“Dianchi Project”	滇池國際項目(Dianchi international project*) to be developed on a land parcel situated in the intersection of Yuyang Road and Gudian Road, Chenggong District, Kunming City, Yunnan Province of the PRC (中國雲南省昆明市呈貢區漁陽路與古滇路交叉口)
“Dianchi Project Company”	昆明綠地滇池置業有限公司 (Kunming Greenland Dianchi Property Co., Ltd.*), a company established in the PRC with limited liability and a wholly-owned subsidiary of the Company
“Director(s)”	directors of the Company
“EGM”	the extraordinary general meeting of the Company to be held on 31 August 2018 for the purposes of approving the Contractor Agreements
“Gluon Xima”	Gluon Xima International Limited, an indirectly wholly-owned subsidiary of Greenland Holdings and the immediate controlling shareholder of the Company holding approximately 59% of the issued share capital of the Company as at the Latest Practicable Date
“Greenland Group”	Greenland Holdings and its subsidiaries (for the purposes of this circular, excluding the Group)

DEFINITIONS

“Greenland Holdings”	Greenland Holdings Corporation Limited (綠地控股集團股份有限公司), a company established under the laws of the PRC and listed on the Shanghai Stock Exchange, and the controlling shareholder of the Company
“Group”	the Company and its subsidiaries
“Haikou Contractor Agreement”	the contractor agreement dated 5 July 2018 entered into between Haikou Project Company and Contractor A in relation to the construction works for the Haikou Project
“Haikou Project”	the sport centre project of the redeveloped project to be constructed on land parcel situated in the eastern side of Changbin Road, Xiuying District, Haikou City, Hainan Province of the PRC (中國海南省海口市秀英區長濱路東側)
“Haikou Project Company”	海口綠地五源置業有限公司 (Haikou Wuyuan Property Co., Ltd.*), a company established in the PRC with limited liability and a wholly-owned subsidiary of the Company
“Haikou (Surveying, Design & Construction) Contractor Agreement”	the contractor agreement dated 5 July 2018 entered into between Haikou Project Company and Contractor B in relation to the surveying, design, procurement and construction for the Haikou (Surveying, Design & Construction) Project
“Haikou (Surveying, Design & Construction) Project”	the ancillary projects relating to Haikou Sport Centre
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Independent Board Committee”	the committee of the Board comprising all the independent non-executive Directors (namely, Mr. Cheong Ying Chew, Henry, Mr. Fong Wo, Felix, JP and Mr. Kwan Kai Cheong)

DEFINITIONS

“Independent Financial Adviser” or “Octal Capital”	Octal Capital Limited, a licensed corporation permitted under the SFO to carry out Type 1 (dealing in securities) and Type 6 (advising on corporate finance) regulated activities
“Independent Shareholders”	Shareholders other than those who are required by the Listing Rules to abstain from voting on the resolutions approving the Contractor Agreements
“Latest Practicable Date”	27 July 2018, being the latest practicable date prior to the printing of this circular for the purposes of ascertaining certain information contained in this circular
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“PRC”	People’s Republic of China, which for the purpose of this circular, excludes Hong Kong, the Macau Special Administrative Region and Taiwan
“RMB”	Renminbi, the lawful currency of the PRC
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Share(s)”	the ordinary share(s) of HK\$0.50 each in the share capital of the Company
“Shareholder(s)”	holders of the Shares
“sq.m.”	square metres
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Xuzhou Contractor Agreement”	the contractor agreement dated 5 July 2018 entered into between Xuzhou Project Company and Contractor C in relation to the construction works for the Xuzhou Project

DEFINITIONS

“Xuzhou Project”	the Xuzhou Tongshan Lakeside Villa (徐州銅山湖語墅項目) property development project to be constructed on land parcel situated in the northern side of Huashan Road and the southern side of Qianjiang Road, Tongshan District, Xuzhou City, Jiangsu Province of the PRC (中國江蘇省徐州市銅山區錢江路以南，華山路以北)
“Xuzhou Project Company”	徐州南部房地產開發有限公司 (Xuzhou Southern Development Property Development Co., Ltd.*), a company established in the PRC with limited liability and a wholly owned subsidiary of the Company
“Zhaoqing Contractor Agreement”	the contractor agreement dated 5 July 2018 entered into between Zhaoqing Project Company and Contractor D in relation to the construction works for the Zhaoqing Project
“Zhaoqing Project”	the phase 1 of the property development project to be constructed on land parcel situated in Songlong Town, Gaoyao District, Zhaoqing City, Guangdong Province of the PRC (中國廣東省肇慶市高要區宋隆小鎮)
“Zhaoqing Project Company”	肇慶市亨昌實業投資有限公司 (Zhaoqing City Hengchang Industrial Investment Ltd.*), a company established in the PRC with limited liability and a 70%-owned subsidiary of the Company
“%”	per cent.

For the purposes of this circular, the exchange rate HK\$1 = RMB0.849 has been used for currency translation, where applicable. Such exchange rate is for illustration purposes only and does not constitute representations that any amount in RMB or HK\$ has been, could have been or may be converted at such rate.

** For identification purposes only*

LETTER FROM THE BOARD

GREENLAND HONG KONG HOLDINGS LIMITED

綠地香港控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 337)

Executive Directors:

Mr. Chen Jun (*Chairman and Chief Executive Officer*)

Mr. Wang Weixian (*Honorary Chairman*)

Mr. Hou Guangjun (*Chief Operation Officer*)

Mr. Wu Zhengkui

Ms. Wang Xuling

Registered Office:

Cricket Square

Hutchins Drive

P.O. Box 2681

Grand Cayman KYI-1111

Cayman Islands

Independent Non-executive Directors:

Mr. Cheong Ying Chew, Henry

Mr. Fong Wo, Felix, JP

Mr. Kwan Kai Cheong

*Principal place of business
in Hong Kong:*

Unit 5711, 57th Floor

The Center

99 Queen's Road Central

Hong Kong

6 August 2018

To the Shareholders

Dear Sir or Madam,

CONNECTED TRANSACTIONS

**Appointment of connected persons
as contractors for construction works**

INTRODUCTION

Reference is made to the announcement of the Company dated 5 July 2018 in relation to the Contractor Agreements.

The main purpose of this circular is to provide you with, among other things, (a) further details of the Contractor Agreements and the transactions contemplated thereunder; (b) the advice of Octal Capital to the Independent Board Committee and the Independent Shareholders in relation to the Contractor Agreements and the transactions contemplated thereunder; (c) the recommendation of the Independent Board Committee to the Independent Shareholders in relation to the Contractor Agreements and the transactions contemplated thereunder; and (d) a notice of EGM.

LETTER FROM THE BOARD

CONNECTED TRANSACTION – THE CONTRACTOR AGREEMENTS

The principal terms of the Contractor Agreements are as follows:

Haikou Contractor Agreement

Date:	5 July 2018
Parties:	(i) Haikou Project Company, a wholly-owned subsidiary of the Company, as the principal (ii) Contractor A, a subsidiary of Greenland Holdings owned as to 100% by Greenland Holdings, as the contractor
Subject matter:	To undertake the decoration for the interior and exterior of the sport centre, electrical equipment engineering works, construction works for the sport centre and three auxiliary functional buildings (including foundation works, main structural works, construction and renovation works for buildings, and etc.) in respect of the Haikou Project as shown in the relevant tender documents
Project location:	Eastern side of Changbin Road, Xiuying District, Haikou City, Hainan Province of the PRC (中國海南省海口市秀英區長濱路東側)
Estimated construction area:	Approximately 105,639.73 sq.m.
Estimated total contract sum:	RMB451,285,541.37 (approximately HK\$531 million), subject to adjustment in accordance with the relevant provisions in the Haikou Contractor Agreement
Contract period:	180 calendar days
Expected completion date:	5 February 2019

LETTER FROM THE BOARD

Haikou (Surveying, Design & Construction) Contractor Agreement

- Date: 5 July 2018
- Parties:
- (i) Haikou Project Company, a wholly-owned subsidiary of the Company, as the principal
 - (ii) Contractor B, a subsidiary of Greenland Holdings owned as to 51% by Greenland Holdings, as the contractor
- Subject matter: To undertake the surveying works, design works, equipment and materials procurement works, application processing works and construction works in respect of the Haikou (Surveying, Design & Construction) Project as specified in the relevant tender documents
- Project location: Eastern side of Changbin Road, Changliu New District, Haikou City, Hainan Province of the PRC (中國海南省海口市長流新區長濱路東側)
- Estimated construction area: Approximately 230,104.85 sq.m.
- Estimated total contract sum: Approximately RMB209,867,273.10 (approximately HK\$247 million), subject to adjustment in accordance with the relevant provisions in the Haikou (Surveying, Design & Construction) Contractor Agreement
- Contract period: 180 calendar days
- Expected completion date: 31 January 2019

Dianchi Contractor Agreement

- Date: 5 July 2018
- Parties:
- (i) Dianchi Project Company, a wholly-owned subsidiary of the Company, as the principal
 - (ii) Contractor A, a subsidiary of Greenland Holdings owned as to 100% by Greenland Holdings, as the contractor

LETTER FROM THE BOARD

Subject matter:	To undertake all structural construction works, electrical, plumbing and drainage installation works, and ancillary engineering works in respect of the Dianchi Project as shown in the relevant tender documents
Project location:	Intersection of Yuyang Road and Gudian Road, Chenggong District, Kunming City, Yunnan Province of the PRC (中國雲南省昆明市呈貢區漁陽路與古滇路交叉口)
Estimated construction area	260,075 sq.m.
Estimated total contract sum:	RMB263,319,288.72 (approximately HK\$310 million), subject to adjustment in accordance with the relevant provisions in the Dianchi Contractor Agreement
Contract period:	560 calendar days
Expected completion date:	25 February 2020

Xuzhou Contractor Agreement

Date:	5 July 2018
Parties:	(i) Xuzhou Project Company, a 100%-owned subsidiary of the Company, as the principal (ii) Contractor C, a subsidiary of Greenland Holdings owned as to 51% by Greenland Holdings, as the contractor
Subject matter:	To undertake all structural construction works, electrical, plumbing and drainage installation works, outdoor engineering works, and ancillary engineering works in respect of the Xuzhou Project as specified in the relevant tender documents
Project location:	Land parcel situated in the northern side of Huashan Road and the southern side of Qianjiang Road, Tongshan District, Xuzhou City, Jiangsu Province of the PRC (中國江蘇省徐州市銅山區錢江路以南，華山路以北)
Estimated construction area:	156,104 sq.m.

LETTER FROM THE BOARD

Estimated total contract sum: RMB197,340,520.0 (approximately HK\$232 million), subject to adjustment in accordance with the relevant provisions in the Xuzhou Contractor Agreement

Contract period: 577 calendar days

Expected completion date: 20 March 2020

Zhaoqing Contractor Agreement

Date: 5 July 2018

Parties: (i) Zhaoqing Project Company, a 70%-owned subsidiary of the Company, as the principal

(ii) Contractor D, a subsidiary of Greenland Holdings owned as to 55% by Greenland Holdings, as the contractor

Subject matter: To undertake all structural construction works, electrical and plumbing and drainage installation works and ancillary engineering works in respect of the Zhaoqing Project as specified in the relevant tender documents

Project location: Songlong Town, Gaoyao District, Zhaoqing City, Guangdong Province of the PRC (中國廣東省肇慶市高要區宋隆小鎮)

Estimated construction area: Approximately 108,600 sq.m.

Estimated total contract sum: Approximately RMB148,812,087.59 (approximately HK\$175 million), subject to adjustment in accordance with the relevant provisions in the Zhaoqing Contractor Agreement

Contract period: 796 calendar days

Expected completion date: 22 October 2020

Payment terms

The total contract sum (subject to adjustments) payable under each Contractor Agreement shall be payable in stages based on the progress of the works done.

LETTER FROM THE BOARD

The final total contract sum under each Contractor Agreement is subject to adjustment, which is based on the settlement amount stated in the final settlement report. The final settlement report is to be confirmed and signed by the parties to the relevant Contractor Agreement and issued pursuant to the terms of the relevant Contractor Agreement. In general, 70% of the estimated total contract sum shall have been fully paid following completion and acceptance of the construction works, and 95% of the adjusted total contract sum shall have been fully paid within one year from the date on which the audit report on the total construction costs payable under the relevant Contractor Agreement is issued or from the date of the final settlement. The remaining 5% of the adjusted total contract sum payable under each Contractor Agreement shall be withheld as warranty payment and shall, subject to deductions due to necessary repair works, be released in two instalments to the relevant Contractors, the last instalment of which shall be released after the expiry of a 5-year warranty period.

Furthermore, the total contract sum of each of the Contractor Agreements will be adjusted in response to fluctuation in the market price of certain major construction materials when such fluctuation is larger than the threshold agreed upon under each of such Contractor Agreement, which threshold is $\pm 5\%$.

In the event the market price of the relevant construction materials is higher than the pre-agreed threshold, the adjustment mechanism and formula is as follows:

$$\text{Adjusted Price} = \text{Contract Price} + \left[\text{Average Price} - \frac{\text{Pre-agreed Reference Price}}{\text{Pre-agreed Threshold}} \times (1 + \text{Pre-agreed Threshold}) \right]$$

In the event the market price of the relevant construction materials is lower than the pre-agreed threshold, the adjustment mechanism and formula is as follows:

$$\text{Adjusted Price} = \text{Contract Price} - \left[\frac{\text{Pre-agreed Reference Price}}{\text{Pre-agreed Threshold}} \times (1 - \text{Pre-agreed Threshold}) - \text{Average Price} \right]$$

Notes:

- | | |
|-------------------------------------|--|
| <i>“Adjusted Price”</i> | <i>means the adjusted price of the relevant construction materials</i> |
| <i>“Contract Price”</i> | <i>means the original price of the major construction materials contracted under the relevant Contractor Agreement</i> |
| <i>“Average Price”</i> | <i>means the average price of the relevant construction materials during the period of price estimation</i> |
| <i>“Pre-agreed Reference Price”</i> | <i>means the pre-agreed reference price contracted under the relevant Contractor Agreement, which is the reference price of the relevant construction materials published from time to time by the relevant PRC governmental authorities</i> |
| <i>“Pre-agreed Threshold”</i> | <i>means the pre-agreed threshold of $\pm 5\%$ in respect of the fluctuation of the relevant market price of the major construction materials contracted under the relevant Contractor Agreement</i> |

LETTER FROM THE BOARD

The above adjustment is based on dollar-to-dollar basis and is in line with the market practice of the construction industry in the PRC. The actual adjustment shall be determined based on the final settlement report, and there is no agreed maximum amount of the total contract sum under each Contractor Agreement. According to the Company's previous experience and practice, the adjustments to the total contract sum of similar contractor agreements did not exceed 5% of the total contract sum of the relevant contractor agreement. As such, in the event that the adjustment to any of the Contractor Agreements exceeds 5% of its total contract sum, the Company will seek the Independent Shareholders' approval for the relevant adjustment and the revised total contract sum of such Contractor Agreement at extraordinary general meeting of the Company, and will enter into a supplemental agreement with the relevant contractor to govern the relevant adjustment.

The design fee portion of the Haikou (Surveying, Design & Construction) Agreement shall be paid in the following manner: (i) a sum of RMB1,423,942.14, representing 20% of the design fee, shall be paid within 7 days of the signing of the agreement as advance payment of the design fee; (ii) a further sum, which will, after aggregating the aforesaid advance payment, comprise 60% of the design fee, shall be paid within 7 days after all the design plans and documents have been accepted by the Haikou Project Company and construction works has been commenced; (iii) a further sum, which will, after aggregating all the aforesaid part payments, comprise 80% of the design fee shall be paid after completion and acceptance of construction works; and (iv) the balance of the design fee shall be paid after the completion of the audit of the construction project.

Basis of determining the total contract sum

The total contract sum (subject to adjustments) payable under each of the Contractor Agreements was negotiated on an arm's length basis and determined with reference to the approvals granted by the relevant PRC governmental authorities and/or the fees payable by the Group to independent third parties for construction works of a similar nature and current local rules and regulations in force where the relevant Construction Project is located that govern the fees (in that the rules or regulations provided for the estimated expected quantities of materials to be used in a construction project) that may be charged in respect of the construction works to be conducted under the relevant Contractor Agreement.

The total contract sum of each project was arrived at by totalling up the estimated amount of required construction work (in terms of man-days and quantity of construction materials) set out in the relevant local rules and regulations multiplied by the current market prices for the relevant province for such man-days and construction materials as published in writing and/or on-line at the website of the relevant PRC government authority from time to time.

Before finalising the total contract sum, the Group also compared the fees payable by the Group to independent third parties for construction works of a similar nature. When comparing such fees, the Group primarily considered the average cost per square metre, the project's construction work costs and the price charged for precedent projects.

LETTER FROM THE BOARD

Such rules and regulations includes:

(1) in the case of the Haikou Project:

- 《建設工程工程量清單計價規範GB50500-2013》 (“Code of Bills of Quantities and Valuation for Construction Works”) (GB50500-2013);
- 《海南省房屋建設與裝飾工程2011預算定額》 (“2011 Hainan Province Building Construction and Decoration Projects Price Estimate Norm”);
- 《海南省安裝工程2011預算定額》 (“2011 Hainan Province Installation Projects Price Estimate Norm”);
- 《海南省市政工程計2011預算定額》 (“2011 Hainan Province Municipal Project Price Estimate Norm”);

(2) in the case of the Haikou (Surveying, Design & Construction) Project:

- 《建設工程工程量清單計價規範GB50500-2013》 (“Code of Bills of Quantities and Valuation for Construction Works”) (GB50500-2013);
- 《建設工程勘察設計管理條例》 (“Surveying and Design of Construction Works Administration Regulation”);

(3) in the case of the Dianchi International Health City:

- 《建設工程工程量清單計價規範GB50500-2013》 (“Code of Bills of Quantities and Valuation for Construction Works”) (GB50500-2013);
- 《雲南省2013版建設工程造價計價依據》 (“2013 Yunnan Province Construction Project Price Determination Basis”);

(4) in the case of the Xuzhou Project:

- 《建設工程工程量清單計價規範GB50500-2013》 (“Code of Bills of Quantities and Valuation for Construction Works”) (GB50500-2013);
- 2004《江蘇省建築與裝飾工程計價表》 (“Jiangsu Province Construction and Decoration Project Pricing Schedule”);
- 2004《江蘇省安裝工程計價表》 (“Jiangsu Province Installation Project Pricing Schedule”); and
- 《江蘇省建施工程費用定額》 (“Jiangsu Province Construction Project Fee Estimate Norm”) (2009);

LETTER FROM THE BOARD

(5) in the case of the Zhaoqing Project:

- 《建設工程工程量清單計價規範GB50500-2013》 (“Code of Bills of Quantities and Valuation for Construction Works”) (GB50500-2013);
- 《廣東省建築工程綜合定額(2010年)》; (“2010 Guangdong Province Construction Project Consolidated Estimate Norm”);

Before finalising the total contract sum, according to the Company’s policies, the Group would invite at least three independent third parties to tender for the construction works. The Group would compare the fees payable by the Group to independent third parties as well as the connected persons for construction works before entering into the contractor agreements. When comparing such fees, the Group primarily considered the average cost per square metre, the project’s construction work costs and the price charged for previous projects. For the prices of construction materials, the Group compared the price of the major construction materials as stated on each of the Contractor Agreements with the market price of those construction materials to ensure that they are no less favourable to the Group than the prices provided by independent third parties. Such major construction materials include concrete specially shaped columns, concrete rectangular beams, concrete curved beams and concrete specially shaped beams etc. Such market price refers to local price from third party website (i.e. www.iccchina.com), which contains information on price published by PRC Government. The Company have compared the payment terms and the pricing terms of each of the Contractor Agreements offered to the Contractors with that offered to the independent third parties to ensure that they are no less favourable to the Group than the terms provided by independent third parties. Notwithstanding that the price for construction works is determined with reference to the regulations and the market price published by the relevant PRC governmental authorities, the contract price quoted by the Contractors to the Company are lower than those of the independent third parties on the ground that, in comparison to the independent third parties, the Contractors acquire the construction materials at difference price due to different levels of business relationships with the suppliers, and different time spent on the projects due to different skill levels.

The Directors (excluding Mr. Chen Jun and Mr. Wu Zhengkui, who abstained from voting at the meeting of the Board due to conflict of interest, and the independent non-executive Directors whose views will be provided after considering the recommendations of the independent financial adviser) consider that the total contract sum payable (subject to adjustments) under each of the Contractor Agreements is fair and reasonable.

Funding

The total contract sum (subject to adjustments) payable under each of the Contractor Agreements is expected to be funded by the internal resources of the Group.

LETTER FROM THE BOARD

GENERAL INFORMATION

The Company is an investment holding company. The Group is principally engaged in property development, property and hotel investment and property management.

Greenland Holdings is principally engaged in real estate, energy and finance business.

Each of the Contractors is principally engaged in undertaking industrial and civil construction works, interior and exterior construction, installation and decoration works and construction of urban roads.

REASONS FOR AND BENEFITS OF ENTERING INTO THE CONTRACTOR AGREEMENTS

The Contractors have extensive experience in the construction business in the PRC. The Directors believe that engaging the Contractors to carry out the construction works in respect of the Construction Projects will allow the Group to capitalise the expertise of the Contractors and ensure the construction works are completed up to the standards desired by the Company.

The Board (excluding Mr. Chen Jun and Mr. Wu Zhengkui, who abstained from voting at the meeting of the Board due to conflict of interest, and the independent non-executive Directors who will give their opinion in the circular after considering the recommendations of the independent financial adviser) considers that the Contractor Agreements were entered into in the ordinary and usual course of business of the Group, and the transactions contemplated thereunder are in the ordinary and usual course of business of the Group, and that the terms of each of the Contractor Agreements have been negotiated on an arm's length basis and are normal commercial terms which are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

LISTING RULES IMPLICATIONS

As at the Latest Practicable Date, Greenland Holdings indirectly holds approximately 59% of the entire issued ordinary share capital of the Company. Contractor A, Contractor B, Contractor C and Contractor D are owned as to 100%, 51%, 51% and 55% by Greenland Holdings respectively. Accordingly, each of the Contractors is an associate of Greenland Holdings and a connected person of the Company.

As the highest applicable percentage ratio for the Contractor Agreements on an aggregate basis exceeds 5%, the Contractor Agreements constitute connected transactions for the Company subject to the reporting, announcement and independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

LETTER FROM THE BOARD

As at the Latest Practicable Date, Gluon Xima, being the controlling shareholder of the Company, controls over the voting rights in respect of 1,650,244,409 Shares, representing approximately 59% of the entire issued ordinary share capital of the Company. Save for Gluon Xima, none of Greenland Holdings and its associates control or are entitled to exercise control over the voting rights in respect of any Shares. There are no voting trusts or other agreements or arrangements or understandings or obligations or entitlements whereby Gluon Xima has or may have temporarily or permanently passed control over the exercise of the voting rights in respect of its Shares to a third party, either generally or on a case-by-case basis. Greenland Holdings, Gluon Xima and their respective associates will be required to abstain from voting on the shareholders' resolutions in relation to the Contractor Agreements. Save as disclosed, as at the Latest Practicable Date, the Company is not aware of any other Shareholder which would be required to abstain from voting in respect of the transactions contemplated under each of the Contractor Agreements.

As at the Latest Practicable Date, Mr. Chen Jun and Mr. Wu Zhengkui had not held any shares in the Company.

The Independent Board Committee, comprising all independent non-executive Directors, will be formed to advise the Independent Shareholders on the fairness and reasonableness of the terms of the Contractor Agreements. Octal Capital Limited has been appointed as the independent financial adviser to make recommendations to the Independent Board Committee and the Independent Shareholders in respect of the same.

EGM AND PROXY ARRANGEMENT

The notice convening the EGM is set out in pages EGM-1 to EGM-2 of this circular. At the EGM, ordinary resolutions will be proposed to approve the Contractor Agreements and the transactions contemplated thereunder.

As the register of members will not be closed for the purposes of determining the Shareholders' eligibility to attend and vote at the EGM, only persons who are registered holders of Shares after close of business on 30 August 2018 (based on the register of members of the Company) will qualify for attending and voting at the EGM.

In order to qualify for attending and voting at the EGM, unregistered holders of Shares should 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 30 August 2018.

A form of proxy for appointing proxy is despatched with this circular and published on the websites of HKExnews (<http://www.hkexnews.hk>) and the Company (<http://www.greenlandhk.com>), respectively. Whether or not you intend to attend the EGM or any adjournment thereof (as the case may be), please complete and return the enclosed form of proxy in accordance with the instructions printed on the form of proxy as soon as practicable, but in any event not less than 48 hours before the time appointed for holding the EGM or any adjournment thereof (as the case may be), to the Company's

LETTER FROM THE BOARD

branch share registrar in Hong Kong, Tricor Investor Services Limited, at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong. Completion and return of the form of proxy will not preclude you from attending and voting at the EGM or any adjournment meeting (as the case may be) if you so wish and, in such event, the instrument appointing a proxy will be deemed to be revoked.

Pursuant to rule 13.39(4) of the Listing Rules, the resolutions proposed to be approved at the EGM will be taken by poll and an announcement for the results of the EGM will be made by the Company after the EGM.

RECOMMENDATIONS

The Independent Board Committee, having taken into account the advice of Octal Capital, considers that the terms of Contractor Agreements are on normal commercial terms and fair and reasonable, and are also in the interest of the Company and its Shareholders as a whole. Accordingly, the Independent Board Committee recommends the Independent Shareholders to vote in favour of the resolutions in relation to the Contractor Agreements to be proposed at the EGM. The text of the letter from the Independent Board Committee is set out on pages 18 and 19 of this circular, and the text of the letter from Octal Capital is set out on pages 20 to 39 of this circular.

ADDITIONAL INFORMATION

Your attention is also drawn to the additional information as set out in the appendix to this circular.

By order of the Board
Greenland Hong Kong Holdings Limited
Chen Jun
Chairman

* *For identification only*

GREENLAND HONG KONG HOLDINGS LIMITED

綠地香港控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 337)

6 August 2018

To the Independent Shareholders

Dear Sir or Madam,

CONNECTED TRANSACTIONS

**Appointment of connected persons as contractors
for construction works**

We refer to the circular dated 6 August 2018 of the Company (“Circular”) of which this letter forms part. Terms defined in the Circular bear the same meanings herein unless the context otherwise requires.

We have been appointed as members of the Independent Board Committee to consider and to advise the Independent Shareholders whether the terms of each of the Contractor Agreements are fair and reasonable and whether the transactions contemplated thereunder are in the interests of the Company and the Shareholders as a whole, taking into account the recommendations of the independent financial adviser appointed to advise us.

Octal Capital has been appointed as the independent financial adviser to advise us and the Independent Shareholders in the above mentioned context. Your attention is drawn to the “Letter from the Board” and the “Letter from Octal Capital” in the Circular, which contain, inter alia, information about the Contractor Agreements and the advice from Octal Capital in respect of the transactions contemplated under the Contractor Agreements.

Having taking into account the reasons for and benefits of the transactions contemplated under the Contractor Agreements, the principal factors and reasons considered by Octal Capital in arriving at its opinion regarding such transactions as set out in the “Letter from Octal Capital” on pages 20 to 39 of the Circular, we consider that the entry into the Contractor Agreements are in the usual and ordinary course of business of the Company and that the terms of the Contractor Agreements and the transactions contemplated thereunder are on normal commercial terms, fair and reasonable and in the interests of the Company and the Shareholders as a whole.

LETTER FROM THE INDEPENDENT BOARD COMMITTEE

Accordingly, we recommend that the Independent Shareholders vote in favour of the ordinary resolutions as set out in the notice of EGM to be held on 31 August 2018 and thereby approve the transactions contemplated under the Contractor Agreements.

Yours faithfully

For and on behalf of

Independent Board Committee

Cheong Ying Chew, Henry

Independent

Non-executive

Director

Fong Wo, Felix, JP

Independent

Non-executive

Director

Kwan Kai Cheong

Independent

Non-executive

Director

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

The following is the letter of advice from Octal Capital to the Independent Board Committee and the Independent Shareholders, which has been prepared for the purpose of inclusion in this circular.



801-805, 8/F, Nan Fung Tower
88 Connaught Road Central
Hong Kong

6 August 2018

To the Independent Board Committee and the Independent Shareholders

Dear Sirs,

CONNECTED TRANSACTIONS

Appointment of connected persons as contractors for construction works

INTRODUCTION

We refer to our appointment as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders in respect of the Contractor Agreements, details of which are set out in the letter from the Board (the “**Letter from the Board**”) contained in the circular of the Company dated 6 August 2018 (the “**Circular**”), of which this letter forms a part. Unless the context requires otherwise, capitalised terms used in this letter shall have the same meanings as ascribed to them under the section headed “Definitions” in the Circular.

The Board announced that, on 5 July 2018,

1. Haikou Project Company, a wholly-owned subsidiary of the Company, entered into the Haikou Contractor Agreement with Contractor A, a 100%-owned subsidiary of Greenland Holdings, to appoint Contractor A as the contractor of the Haikou Project;
2. Haikou Project Company, a wholly-owned subsidiary of the Company, entered into the Haikou (Surveying, Design & Construction) Contractor Agreement with Contractor B, a 51%-owned subsidiary of Greenland Holdings, to appoint Contractor B as the contractor for the surveying, design, procurement and construction works for the Haikou (Surveying & Design) Project;
3. Dianchi Project Company, a wholly-owned subsidiary of the Company, entered into the Dianchi Contractor Agreement with Contractor A, a 100%-owned subsidiary of Greenland Holdings, to appoint Contractor A as the contractor of the Dianchi Project;

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

4. Xuzhou Project Company, a 100%-owned subsidiary of the Company, entered into the Xuzhou Contractor Agreement with Contractor C, a company owned as to 51% by Greenland Holdings, to appoint Contractor C as the contractor of the Xuzhou Project; and
5. Zhaoqing Project Company, a 70%-owned subsidiary of the Company, entered into the Zhaoqing Contractor Agreement with Contractor D, a company owned as to 55% by Greenland Holdings, to appoint Contractor D as the contractor of the Zhaoqing Project.

As at the Latest Practicable Date, Greenland Holdings indirectly holds an aggregate interest in 1,650,244,409 Shares, representing approximately 59% of the entire issued share capital and the voting rights of the Company. Contractor A, Contractor B, Contractor C and Contractor D are owned as to 100%, 51%, 51% and 55% by Greenland Holdings respectively. Accordingly, each of the Contractors is an associate of Greenland Holdings and a connected person of the Company.

As the highest applicable percentage ratio for the Contractor Agreements on an aggregate basis exceeds 5%, the Contractor Agreements constitute connected transactions for the Company subject to the reporting, announcement and Independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

As at the Latest Practicable Date, Gluon Xima, being the controlling shareholder of the Company, controls over the voting rights in respect of 1,650,244,409 Shares, representing approximately 59% of the entire issued ordinary share capital of the Company. Save for Gluon Xima, none of Greenland Holdings and its associates control or are entitled to exercise control over the voting rights in respect of any Shares. There are no voting trusts or other agreements or arrangements or understandings or obligations or entitlements whereby Gluon Xima has or may have temporarily or permanently passed control over the exercise of the voting rights in respect of its Shares to a third party, either generally or on a case-by-case basis. Greenland Holdings, Gluon Xima and their respective associates will be required to abstain from voting on the shareholders' resolutions in relation to the Contractor Agreements. Save as disclosed, as at the Latest Practicable Date, the Company is not aware of any other Shareholder which would be required to abstain from voting in respect of the transactions contemplated under each of the Contractor Agreements.

An independent board committee, comprising all the independent non-executive Directors, namely Mr. Cheong Ying Chew, Henry, Mr. Fong Wo, Felix, JP, and Mr. Kwan Kai Cheong, has been established to advise the Independent Shareholders as to whether the terms of the Contractor Agreements are fair and reasonable and the transactions contemplated thereunder are fair and reasonable so far as the Independent Shareholders are concerned, conducted on normal commercial terms or better and in the ordinary and usual course of business of the Group, and in the interests of the Company and the Shareholders as a whole; and to give a recommendation to the Independent Shareholders in respect of the voting on the resolutions to be proposed at the EGM.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

We, Octal Capital, have been appointed as the independent financial adviser to advise the Independent Board Committee and the Independent Shareholders on the Contractor Agreements in this regard. We are not connected with the directors, chief executive and substantial shareholders of the Company or Greenland Holdings or any of their respective subsidiaries or their respective associates and do not have any shareholding, directly or indirectly, in any member of the Group or any right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for securities in any member of the Group as at the Latest Practicable Date and therefore is considered suitable to give independent advice to the Independent Shareholders. During the last two years, we were engaged as the independent financial adviser to the Company (the “**Previous Engagement**”) in respect of (i) the connected transactions in relation to appointment of connected persons as contractor for construction works in respect of the Group’s property development projects (details of which are set out in the circular of the Company dated 14 June 2017); (ii) the connected transactions in relation to appointment of connected persons as contractor for construction works in respect of the Group’s property development projects (details of which are set out in the circular of the Company dated 1 December 2017); (iii) the connected transaction in relation to issue of new shares under specific mandate (details of which are set out in the circular of the Company dated 14 February 2018); and (iv) the continuing connected transaction in relation to entering into hotel management framework agreement (details of which are set out in the announcement of the Company dated 31 May 2018).

Under the Previous Engagements, we were required to express our opinion on and give recommendation to the independent committee of the Board comprising all the independent non-executive Directors and independent Shareholders in respect of the relevant transactions. Apart from normal professional fees payable to us in connection with this appointment, no arrangement exists whereby we will receive any fees or benefits from the Group or the directors, chief executive and substantial shareholders of the Company or any of its subsidiaries or their respective associates. Despite the Previous Engagements, we consider our independence in regard of our engagement to advise the Independent Board Committee and the Independent Shareholders in respect of the terms of the Contractor Agreements (the “**Current Engagement**”) unaffected due to the facts that (i) under Previous Engagements, we were entitled to receive normal professional fees that are comparable to market rates and in line with general market practice; (ii) the scope and size of the underlying projects in the Current Engagement are different with those in the Previous Engagement such that we have to perform individual work processes in the Current Engagement; (iii) we have discharged our responsibilities with due care and skill and performed our duties with impartiality in respect of each of our engagements with the Company; (iv) each of the engagement was handled independently as an individual task; and (v) our transaction team works on a rotation basis to ensure our independence to different transactions engaged with the Company. Therefore, we consider ourselves eligible to act as the independent financial adviser to the Company under the requirements of the Listing Rules.

In formulating our opinion, we have relied on the accuracy of the information and representations contained in the Circular and have assumed that all information and representations made or referred to in the Circular as provided by the management of the Company were true at the time they were made and continue to be true as at the date of the

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

Circular. We have also relied on our discussion with the management of the Company regarding the Contractor Agreements including the information and representations contained in the Circular. We have also assumed that all statements of belief, opinion and intention made by the management of the Company respectively in the Circular were reasonably made after due enquiry. We consider that we have reviewed sufficient information to reach an informed view, to justify our reliance on the accuracy of the information contained in the Circular and to provide a reasonable basis for our advice. We have no reason to suspect that any material facts have been omitted or withheld from the information contained or opinions expressed in the Circular nor to doubt the truth, accuracy and completeness of the information and representations provided to us by the management of the Company. We have not, however, conducted an independent in-depth investigation into the business and affairs of the Group, Greenland Holdings, Contractor A, Contractor B, Contractor C, Contractor D and their respective associates, nor have we carried out any independent verification of the information supplied to us.

PRINCIPAL FACTORS AND REASONS CONSIDERED

In arriving at our opinion in respect of the Contractor Agreements, we have considered the following principal factors and reasons:

1. Reasons for and benefits of the Contractor Agreements

The Company is an investment holding company. The Group is principally engaged in property development, property and hotel investment and property management.

Greenland Holdings is an enterprise headquartered in Shanghai, PRC and is principally engaged in real estate, energy and finance business. Greenland Holdings indirectly holds approximately 59% of the entire issued share capital of the Company.

Contractor A is a subsidiary of Greenland Holdings owned as to 100% by Greenland Holdings, and is principally engaged in undertaking industrial and civil construction works, interior and exterior construction, installation and decoration works and construction of urban roads. According to the company profile documents including relevant documents issued by relevant authorities of the PRC, Contractor A was established in 1996 with a registered capital of RMB625 million and possesses the necessary licenses including of Building Construction General Contracting Class 1 (建築工程施工總承包一級) and Foundation Engineering Professional Contracting Works Class 2 (地基基礎工程專業承包二級).

Contractor B is a subsidiary of Greenland Holdings owned as to 51% by Greenland Holdings, and is principally engaged in undertaking industrial and civil construction works, interior and exterior construction, installation and decoration works and construction of urban roads. According the company profile documents including relevant documents issued by relevant authorities of the PRC, Contractor B was established in 1990 with a registered capital of RMB1,679.4 million and possesses the necessary licenses mainly including Building Construction General

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

Contracting Premium Qualification (建築工程施工總承包特級), Municipal Public Construction General Contracting Premium Qualification (市政公用工程施工總承包特級), Road Project Construction General Contracting Class 1 (公路工程施工總承包一級), Mine Engineering Construction General Contracting Class 1 (礦山工程施工總承包一級), Steel Structure Engineering Professional Contracting Works Class 1 (鋼結構工程專業承包一級) and Transmission and Transformation Engineering Professional Contracting Works Class 1 (輸變電工程專業承包一級).

Contractor C is a subsidiary of Greenland Holdings owned as to 51% by Greenland Holdings, and is principally engaged in undertaking industrial and civil construction works, interior and exterior construction, installation and decoration works and construction of urban roads. According the company profile documents including relevant documents issued by relevant authorities of the PRC, Contractor C was established in 1992 with a registered capital of RMB601.7 million and possesses the necessary licenses mainly including Building Construction General Contracting Premium Qualification (建築工程施工總承包特級), Municipal Public Construction General Contracting Premium Qualification (市政公用工程施工總承包特級) and Steel Structure Engineering Professional Contracting Works Class 1 (鋼結構工程專業承包一級).

Contractor D is a subsidiary of Greenland Holdings owned as to 55% by Greenland Holdings, and is principally engaged in undertaking industrial and civil construction works, interior and exterior construction, installation and decoration works and construction of urban roads. According the company profile documents including relevant documents issued by relevant authorities of the PRC, Contractor D was established in 1987 with a registered capital of RMB100.7 million and possesses the necessary licenses mainly including Building Construction General Contracting Premium Qualification (建築工程施工總承包特級), Engineering Design (Construction Industry) Certificate Grade A (工程設計建築行業甲級), Design and Construction of Building Decoration Class 1 (建築裝飾裝修工程設計與施工一級), Intelligent Building Engineering Design and Construction Class 2 (建築智能化工程設計與施工二級), Roadway Project Construction General Contracting Class 2 (公路工程施工總承包二級) and Petrochemical Engineering Construction Contracting Class 3 (石油化工工程施工總承包三級).

According to the relevant PRC laws and regulations, enterprises contracted to undertake construction related projects must obtain the relevant requisite licenses and qualifications before being allowed to undertake those contracting projects within a permitted scope. We have reviewed the permitted scope of the licenses and qualifications of the Contractors and noted that the scopes of the Construction Projects are within the scopes of those licenses and qualifications which mainly include maximum building height, maximum gross floor area, specific foundation work and specific steel structure engineering. Therefore, we are of the view that the Contractors possess necessary licenses and qualification to undertake the Construction Projects.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

As set out in the Letter from the Board, the Contractors have extensive experience in the construction business in the PRC. The Directors believe that engaging the Contractors to carry out the construction works in respect of the Construction Projects will allow the Group to capitalise the expertise of the Contractors and ensure the construction works are completed up to the standards desired by the Company. Moreover, based on our discussion with the management of the Company, we understand that the Group has engaged Contractor A and Contractor D to carry out construction projects for approximately 4 years and 2 years respectively, while there were no previous engagements between Contractor B, Contractor C and the Company. Except the Construction Projects, the Contractors have undertaken more than 27 construction projects subcontracted by the Group, of which 18 of them have been successfully completed as at the Latest Practicable Date. Among those construction projects, the Contractors have been able to meet timelines of construction projects and have not involved in any dispute with the Group with regard to settlement, construction progress and construction work, such that the Group and the Contractors have been able to work effectively and efficiently.

Having considered (i) the capability of the Contractors to carry out the Construction Projects; (ii) the proven track records of the Contractors; and (iii) the long-term and efficient cooperation relationship with the Contractors, we are of the view that engaging the Contractors to handle the Construction Projects, which will allow the Group to capitalize on the expertise of the Contractors, ensure the construction works are completed up to the standards required by the Company and mitigate the risk arising from identifying third parties contractors to carry out construction works, is in the ordinary and usual course of business of the Group, are in the interest of the Company and the independent Shareholders as a whole.

2. Principal Terms of the Connected Transactions

The principal terms of the Contractor Agreements are summarised as follows:

2.1 Haikou Contractor Agreement

Date:	5 July 2018
Parties:	(i) Haikou Project Company, a wholly-owned subsidiary of the Company, as the principal
	(ii) Contractor A, a subsidiary of Greenland Holdings owned as to 100% by Greenland Holdings, as the contractor

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

Subject matter:	To undertake the decoration for the interior and exterior of the sport centre, electrical equipment engineering works, construction works for the sport centre and three auxiliary functional buildings (including foundation works, main structural works, construction and renovation works for buildings, and etc.) in respect of the Haikou Project as shown in the relevant tender documents
Project location:	Eastern side of Changbin Road, Xiuying District, Haikou City, Hainan Province of the PRC (中國海南省海口市秀英區長濱路東側)
Estimated construction area:	Approximately 105,639.73 sq.m.
Estimated total contract sum:	RMB451,285,541.37 (approximately HK\$531 million), subject to adjustment in accordance with the relevant provisions in the Haikou Contractor Agreement
Contract period:	180 calendar days
Expected completion date:	5 February 2019

2.2 Haikou (Surveying, Design & Construction) Contractor Agreement

Date:	5 July 2018
Parties:	(i) Haikou Project Company, a wholly-owned subsidiary of the Company, as the principal (ii) Contractor B, a subsidiary of Greenland Holdings owned as to 51% by Greenland Holdings, as the contractor

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

Subject matter:	To undertake the surveying works, design works, equipment and materials procurement works, application processing works and construction works in respect of the Haikou (Surveying & Design) Project as specified in the relevant tender drawings
Project location:	Eastern side of Changbin Road, Changlin New District, Haikou City, Hainan Province of the PRC (中國海南省海口市長流新區長濱路東側)
Estimated construction area:	Approximately 230,104.85 sq.m.
Estimated total contract sum:	Approximately RMB209,867,273.10 (approximately HK\$247 million), subject to adjustment in accordance with the relevant provisions in the Haikou (Surveying, Design & Construction) Contractor Agreement
Contract period:	180 calendar days
Expected completion date:	1 January 2019

2.3 Dianchi Contractor Agreement

Date:	5 July 2018
Parties:	(i) Dianchi Project Company, a wholly-owned subsidiary of the Company, as the principal (ii) Contractor A, a subsidiary of Greenland Holdings owned as to 100% by Greenland Holdings, as the contractor
Subject matter:	To undertake all structural construction works, electrical, plumbing and drainage installation works, and ancillary engineering works in respect of the Dianchi Project as shown in the relevant tender documents

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

Project location:	Intersection of Yuyang Road and Gudian Road, Chenggong District, Kunming City, Yunnan Province of the PRC (中國雲南省昆明市呈貢區漁陽路與古滇路交叉口)
Estimated construction area:	260,075 sq.m.
Estimated total contract sum:	RMB263,319,288.72 (approximately HK\$310 million), subject to adjustment in accordance with the relevant provisions in the Dianchi Contractor Agreement
Contract period:	560 calendar days
Expected completion date:	25 February 2020

2.4 Xuzhou Contractor Agreement

Date:	5 July 2018
Parties:	(i) Xuzhou Project Company, a 100%-owned subsidiary of the Company, as the principal (ii) Contractor C, a subsidiary of Greenland Holdings owned as to 51% by Greenland Holdings, as the contractor
Subject matter:	To undertake all structured construction works, electrical, plumbing and drainage installation works, outdoor engineering works, and ancillary engineering works in respect of the Xuzhou Project as specified in the relevant tender documents
Project location:	Land parcel situated in the northern side of Huashan Road and the southern side of Qianjiang Road, Tongshan District, Xuzhou City, Jiangsu Province of the PRC (中國江蘇省徐州市銅山區錢江路以南，華山路以北)
Estimated construction area:	156,104 sq.m.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

Estimated total contract sum: RMB197,340,520.0 (approximately HK\$232 million), subject to adjustment in accordance with the relevant provisions in the Xuzhou Contractor Agreement

Contract period: 577 calendar days

Expected completion date: 20 March 2020

2.5 Zhaoqing Contractor Agreement

Date: 5 July 2018

Parties: (i) Zhaoqing Project Company, a 70%-owned subsidiary of the Company, as the principal
(ii) Contractor D, a subsidiary of Greenland Holdings owned as to 55% by Greenland Holdings, as the contractor

Subject matter: To undertake all structured construction works, electrical and plumbing and drainage installation works and ancillary engineering works in respect of the Zhaoqing Project as specified in the relevant tender documents

Project location: Songlong Town, Gaoyao District, Zhaoqing City, Guangdong Province of the PRC (中國廣東省肇慶市高要區宋隆小鎮)

Estimated construction area: Approximately 108,600 sq.m.

Estimated total contract sum: Approximately RMB148,812,087.59 (approximately HK\$175 million), subject to adjustment in accordance with the relevant provisions in the Zhaoqing Contractor Agreement

Contract period: 796 calendar days

Expected completion date: 22 October 2020

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

3. Basis of determining the total contract sum

The Construction Projects comprise (i) the Haikou Project and the Haikou (Surveying, Design & Construction) Project, (collectively, the “**Sport Centre Projects**”), mainly including the main decoration, mechanical and electrical engineering works and survey, design and construction works on a stated-owned sport centre in Haikou (the “**Haikou Sport Centre**”); and (ii) the Dianchi Project, the Xuzhou Project and the Zhaoqing Project (collectively, the “**Residential Development Projects**”), both of which mainly including civil construction, installation and outdoor engineering works on the relevant construction sites. Set out below is the summary of the details of the Construction Projects:

Contractor Agreements	General nature of Construction Projects	Estimated total contract sum (RMB)	Estimated construction area (sq.m.)	Estimated costs per sq.m. (RMB)
Haikou Contractor Agreement	Main decoration, mechanical and electrical engineering	451,285,541	105,640	4,272
Haikou (Surveying, Design & Construction) Contractor Agreement	Survey, design and construction	209,867,273	230,105	912
Dianchi Contractor Agreement	Civil construction, installation and outdoor engineering	263,319,289	260,075	1,012
Xuzhou Contractor Agreement	Civil construction, installation and outdoor engineering	197,340,520	156,104	1,246
Zhaoqing Contractor Agreement	Civil construction and installation	148,812,088	108,600	1,370

According to the annual report of the Company for the year ended 31 December 2017 and certain brochures of the Construction Projects provided by the Company, (i) the Sport Centre Projects are related to a reconstruction project of the Haikou Sport Centre, which is situated in the eastern side of Changbin Road, Xiuying District, Haikou City, Hainan Province of the PRC. The land area comprises approximately 975,717 sq.m. and the total gross floor area (“**GFA**”) is approximately 86,296 sq.m., of which 100% have been earmarked for recreation purpose; (ii) the Dianchi Project is a residential development project in respect of a piece of land situated in the intersection of Yuyang Road and Gudian Road, Chenggong District, Kunming City, Yunnan Province of the PRC, the project will be established as an integrated “**Universal Health**” project covering the core industry of medical and healthcare with its upstream industry of “**University-Industry Cooperation**” and its downstream industry of “**Cultural and Business Tourism**”. The land area comprises approximately 481,663 sq.m. and the total GFA is approximately 980,000 sq.m., of

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

which 52% and 48% have been earmarked for residential purpose and commercial purpose respectively; (iii) the Xuzhou Project is a residential development project in respect of a piece of land situated in the northern side of Huashan Road and the southern side of Qianjiang Road, Tongshan District, Xuzhou City, Jiangsu Province of the PRC. The land area comprises approximately 366,517 sq.m. and the total GFA is approximately 328,609 sq.m., of which 86% and 14% have been earmarked for residential purpose and commercial purpose respectively; and (iv) the Zhaoqing Project is a residential development project in respect of a piece of land situated in Songlong Town, Gaoyao District, Zhaoqing City, Guangdong Province of the PRC. The land area comprises approximately 792,500 sq.m. and the total GFA is approximately 1,585,000 sq.m., of which 90% and 10% have been earmarked for residential purpose and commercial purpose respectively. Besides the Sport Centre Projects, all of the above projects are related to commercial projects owned by the Group instead of projects owned by government, therefore, prior governmental approval for the estimated budgets are not necessary for the Residential Development Projects.

As stated in the Letter from the Board, the total contract sum (subject to adjustments) payable under each of the Contractor Agreements was negotiated on an arm's length basis and determined with reference to the approvals granted by the relevant PRC governmental authorities and/or the fees payable by the Group to independent third parties for construction works of a similar nature and current local rules and regulations in force where the relevant Construction Project is located that govern the fees (in that the rules or regulations provided for the estimated expected quantities of materials to be used in a construction project) that may be charged in respect of the construction works to be conducted under the relevant Contractor Agreement. The total contract sum of each Construction Project was arrived at by totaling up the estimated amount of required construction work (in terms of man-days and quantity of construction materials) set out in the relevant local rules and regulations multiplied by the current market prices for the relevant province for such man-days and construction materials as published in writing and/or on-line at the website of the relevant PRC government authority from time to time.

Moreover, the Contractors require to comply with the 《建設工程工程量清單計價規範》 (“**Code of Bills of Quantities and Valuation for Construction Works**”) (the “**Code**”) in the determination of the man-days and the quantity of construction materials being adopted in the Construction Projects. Under the aforesaid code, (i) an independent surveyor engaged by the Group is required to rely on several factors to estimate the amount of construction work and number of man-days for each construction project, mainly including proposed size of construction area and nature of the construction; and (ii) a contractor is required to submit relevant construction plan containing number of man-days and quantity of construction materials to its principal for approval before procurement of certain materials for construction project. Each Contractor Agreement adopted the similar calculation method. The Group engaged independent surveyors to assist it to estimate the man-days and the quantity of construction materials of each Construction Project.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

The total contract sum of all of the Contractor Agreements, including the Residential Development Projects and the Sport Centre Projects, were determined also with reference to current local rules and regulations governing construction fees. For the estimated total contract sum of the Construction Projects, we understand from the management of the Company that the Group would invite at least three independent third parties to tender for the Construction Projects. The Group would compare the fees payable by the Group to independent third parties as well as the connected persons for construction works before entering into the Contractor Agreements. When comparing such fees, the Group primarily considered the average cost per sq.m., the project's construction work costs and the price charged for precedent projects. For the prices of construction materials, the Group compared the price of the major construction materials as stated on each of the Contractor Agreements with the market price of those construction materials, to ensure that they are no less favourable to the Group than the prices provided by independent third parties. Such major construction materials include concrete specially shaped columns, concrete rectangular beams, concrete curved beams and concrete specially shaped beams etc. Such market price refers to local price from third party website (i.e. www.iccchina.com) (the "**Construction Material Price Website**"), which contains information on price published by PRC Government. The Company has compared the payment terms and the pricing terms of each of the Contractor Agreements offered to the Contractors with that offered to the independent third parties to ensure that they are no less favourable to the Group than the terms provided by independent third parties. In particular, we understand that the total contract sum payable of the Sport Centre Projects was determined with reference to the approvals granted by the relevant PRC government authorities (the "**Government Approval Letters**"). Notwithstanding that the price for construction works is determined with reference to the regulations and the market price published by the relevant PRC governmental authorities, the contract price quoted by the Contractors to the Company are different from those of the independent third parties on the ground that, in comparison to the independent third parties, the Contractors acquire the construction materials at difference price due to different levels of business relationships with the suppliers, and different time spent on the projects due to different skill levels.

As the total contract sum of the Contractor Agreements was determined with reference to the fees payable by the Group to independent third parties for construction works of a similar nature, we have obtained from the Company a full list of construction projects of the Group (the "**Project List**") including all the construction projects similar to the Construction Projects which were engaged with independent third parties contractors for the last three years (the "**Independent Construction Projects**") to assess the fairness and reasonableness of the total contract sum of the Contractor Agreements. The Directors confirmed that the Independent Construction Projects are in line with the normal course of business of the Group. The Project List contains details of each project including natures, contractors, regions, scope of projects, status of projects, expected construction amounts, actual construction amounts, basic of construction budgets and payment terms. Apart from the Project List, we also obtained relevant constructions contracts (the "**Independent Construction Contracts**") and conducted a review on the

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

contract sum of those Independent Construction Projects. We are of the view that the Independent Construction Projects identified in the last three years provide us with relevant information for our analysis are sufficient to support our opinion.

Based on the comparison of total contract sum of the Construction Projects and the Independent Construction Projects, we note that the cost per sq.m. (as derived from the relevant total contract sum) of the Residential Development Projects, ranging from approximately RMB1,012 per sq.m. to RMB1,370 per sq.m., is lower than the cost per sq.m. of the relevant main contractor projects of the Independent Construction Projects, ranging from approximately RMB1,480 per sq.m. to RMB4,125 per sq.m., which were of similar natures, regions and types of constructions. On the other hand, the Sport Centre Projects are related to an infrastructure project initiated by the local government in relation to reconstructing of a Haikou sport centre and the estimated cost per sq.m. for the Sport Centre Projects of RMB4,272 and RMB912 per sq.m. respectively are not comparable to the Independent Construction Projects due to difference in nature. Nonetheless, we have obtained the Government Approval Letters from the Company, which stipulated the requirements of the decoration and survey of the Haikou Sport Centre and the budgeted costs with designated allocation. Based on our review on the Government Approval Letters, the Haikou Contractor Agreement and the Haikou (Surveying, Design & Construction) Contractor Agreement, we note that the construction requirements and the allocation of the total construction costs of the Sport Centre Projects match with those in the Government Approval Letters and the Contractor A and Contractor B are obligated to comply with those terms in the Haikou Contractor Agreement and the Haikou (Surveying, Design & Construction) Contractor Agreement respectively.

As set out in the Letter from the Board, we note that the estimated total contract sum of each Construction Project was based on number of man-days and quantity of construction materials set out in the relevant local rules and regulations multiplied by the current market prices. In relation to the number of man-days and quantity of construction materials of each Construction Project, we have obtained a list of construction schedule for the Construction Projects (the “**Construction Schedule**”) and detailed breakdown of the estimated construction costs of the Construction Projects (the “**Detailed Breakdown**”) from the Company, which indicates number of man-days required for each work and their target completion dates in accordance with the work plan in the Contractor Agreements and composition of the estimated total contract sum of the Construction Projects, respectively. Based on our studies of the Construction Schedule and further discussions with the management of the Company, we note that (i) the number of man-days required in each work depends on the size of construction area and the complexity of the work; (ii) the man-days and the quantity of construction materials of each Construction Project were determined by the Company and the Contractors after arm’s length negotiation; and (iii) the man-days and the quantity of construction materials of each Construction Project were reviewed by independent surveyors. We have also obtained the background information of the independent surveyors appointed by the Group for its recent construction projects and noted that they are professional surveyors whose qualification in surveying has been approved

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

by the Construction Department in the PRC. We have reviewed their working experiences and noted that they have over 20 years' experience in participating relevant surveying projects in the PRC. Based on our discussion with the independent surveyors, except for being appointed as the independent surveyors of the Group, we note that the independent surveyors do not have any relationship with the Company. Having considered the qualification and the practical experience of the independent surveyors and the independence of the independent surveyors, we are satisfied that the independent surveyors are independent and capable of performing the relevant estimation of the amount of construction work and number of man-days for each of the Construction Projects.

In addition, regarding the market price of construction materials, we compared the prices of several main construction materials with the market prices of those relevant construction materials obtained from the Construction Material Price Website, which contains updated pricing information of construction materials in different regions in the PRC. We have obtained and reviewed the prices of construction materials being used for the Construction Projects on sample basis, we chose 10 samples among the construction materials which are widely used in the Construction Projects, and noted that they are close to or lower than their market prices in the region of the Construction Projects. We have been advised that the prices of those materials are lower as the Contractors can usually enjoy discount for bulk purchase of raw materials and lower fixed costs because of their operation size.

As for the local rules and regulations governing the determination of the total contract sum of the Construction Projects, we have reviewed the relevant official documents issued by local government in relation to the rules and regulations governing the construction costs and subcontracting fees in terms of (i) the standard and quantity of materials being used in construction projects; (ii) the manpower hour and hour rate of labour being used in construction projects; and (iii) the use of construction equipment in construction projects. After discussing with the management of the Company, we understand that the determination of the construction costs and subcontracting fees for all of the construction projects of the Group, including construction projects assigned to associated companies of Greenland Holdings or independent third parties contractors, had complied with the relevant local rules and regulations. Moreover, we have been advised by the management of the Company that the Contractors require to comply with the Code in the determination of the man-days and the quantity of construction materials being adopted in the Construction Projects. Under the Code, (i) a principal is required to rely on several factors to estimate the amount of construction work and number of man-days for each construction project, mainly including proposed size of construction area and nature of the construction; and (ii) a contractor is required to submit relevant construction plan containing number of man-days and quantity of construction materials to its principal for approval before procurement of certain materials for construction project. In case of any non-compliance with the rules above, a principal is required to seek approval from local Construction Project Price Administration Department (建設工程造價管理總站). After our further discussions with the Company on the relevant construction plans from the Company, we understand that the Company and the Contractors have complied with the relevant

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

rules during the determination of the man-days and quantity of construction materials for the Construction Projects, and the Company has discretion to adjust the reference market price and amount of construction work if the Company has complied with the relevant rules and regulations as set out in the Letter from the Board. We are also advised by the Company that the cost control department of the Group would oversee the process of the determination of construction costs and subcontracting fees to ensure that all the rules and regulations have been complied before any commencement of each construction projects of the Group.

Having considered that (i) the cost per sq.m. of the Residential Development Projects is lower than the cost per sq.m. of the relevant main contractor projects of the Independent Construction Projects; (ii) the construction requirements and the allocation of the total construction costs of the Sport Centre Projects match with those in the Government Approval Letters; (iii) the number of man-days and the quantity of construction materials of each Construction Project were reviewed by the independent surveyors who are independent and capable of performing the relevant estimations; (iv) the price of the sample construction materials being used for the Construction Projects are close to or lower than the their market prices in the region of the Construction Projects; (v) the Company and the Contractors have complied with the relevant rules during the determination of the man-days and quantity of construction materials for the Construction Projects; and (vi) the Company has discretion to adjust the reference market price and amount of construction work if the Company has complied with the relevant rules and regulations, we are of the view that the Contractor Agreements are on normal commercial terms, in the ordinary and usual course of business of the Company, and fair and reasonable so far as the Independent Shareholders are concerned; and the entering into of the Contractor Agreements is in the interests of the Company and the Independent Shareholders as a whole.

4. Basis of determining the payment terms

The total contract sum (subject to adjustments) payable under each Contractor Agreement shall be payable in stages based on the progress of the construction works. The final total contract sum under each Contractor Agreement is subject to adjustment, which is based on the settlement amount stated in the final settlement report (the “**Final Settlement Report**”) to be prepared by an independent surveyor. The Final Settlement Report is to be confirmed and signed by the parties to the relevant Contractor Agreement and issued pursuant to the terms of the relevant Contractor Agreement.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

For the Sport Centre Projects, 95% of the adjusted total contract sum shall have been fully paid up within one year from the date on which the Final Settlement Report on the total construction costs payable is issued or from the date of the final settlement. The remaining 5% of the adjusted total contract sum payable shall be withheld as warranty payment and shall, subject to deductions due to necessary repair works, be released after the expiry of a two-year warranty period for their respective construction works. In particular, for the design fee of the Haikou (Surveying, Design & Construction) Project (the “**Design Fee**”), 20% of the design fee, shall be paid within seven days of the signing of the agreement as advance payment of the design fee; a further sum, which will, after aggregating the aforesaid advance payment, comprise 60% of the design fee, shall be paid within seven days after all the design plans and documents have been accepted by the Haikou Project Company and construction works has commenced; a further sum, which will, after aggregating all the aforesaid part payments, comprise 80% of the design fee shall be paid after completion and acceptance of construction works; and the balance of the design fee shall be paid after the completion of the audit of the construction project. Moreover, if the government delays the payment of the total contract sum of the Sport Centre Projects, the Company will have the right to postpone the progress payment to the Contractor A and the Contractor B accordingly.

For the Residential Development Projects, 70% of the estimated total contract sum shall have been fully paid up following completion and acceptance of the construction works and 95% of the adjusted total contract sum shall have been fully paid up within one year from the date on which the Final Settlement Report on the total construction costs payable under the relevant Residential Development Project Contractor Agreement is issued or from the date of the final settlement. The remaining 5% of the adjusted total contract sum payable under each Residential Development Project Contractor Agreement shall be withheld as warranty payment and shall, subject to deductions due to necessary repair works, be released in two instalments to the relevant Contractors, the last instalment of which shall be released after the expiry of a five-year warranty period for their respective construction works.

In assessing the fairness and reasonableness of the payment terms of the Contractor Agreements (the “**Payment Terms**”), we have discussed with the management of the Company the bases of the Payment Terms and understand that the Payment Terms are similar to other construction projects subcontracted to independent third parties contractors. Based on our further discussion with the management of the Company and review on the Project List and the Independent Construction Contracts, we understand that (i) the first settlement regarding 70% of the total contract sum for the majority of the Independent Construction Projects was payable upon completion and acceptance of the construction work; (ii) the second settlement regarding 95% of total contract sum for the majority of the Independent Construction Projects was payable within one year from the date on which the audit report on the total construction costs; (iii) the remaining 5% of the adjusted total contract sum for the majority of the Independent Construction Projects was released in two instalments and last instalment would be released after expiry of a five-year warranty; and (iv) in particular for the design fee of the Independent Construction Projects, 100% of the total contract sum had been fully paid up after passing the acceptance check.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

We have compared the Payment Terms with the payment terms of the Independent Construction Projects and note that they are comparable and the Payment Terms are not less favorable than the payment terms of the Independent Construction Projects, specifically, (i) the percentages of total contract sum of each settlement are similar; (ii) the settlement criteria of them are similar; and (iii) the payment period of the final settlement for the Residential Development Projects, the Sport Centre Projects (including the Design Fee) being longer than those of the Independent Construction Projects provide flexibility in cash flow of the Group. Therefore, we are of the view that the Payment Terms, which are comparable with and not less favorable than the payment terms of the Independent Construction Projects, are on normal commercial terms and not prejudicial to the interest of the Company's minority Shareholders.

As set out in the Letter from the Board, the total contract sum of each of the Contractor Agreement will be adjusted in response to fluctuation in the market price of certain major construction materials when such fluctuation is larger than the threshold agreed upon under each of such Contractor Agreement, which threshold is $\pm 5\%$. We set out below the formula of the adjusted price of the relevant construction materials under the adjustment mechanism.

In the event the market price of the relevant construction materials is higher than the threshold, the adjustment mechanism and formula is as follows:

$$\text{Adjusted Price} = \text{Contract Price} + \left[\frac{\text{Average Price} - \text{Pre-agreed Reference Price}}{\text{Pre-agreed Threshold}} \times (1 + \text{Pre-agreed Threshold}) \right]$$

In the event the market price of the relevant construction materials is lower than the threshold, the adjustment mechanism and formula is as follows:

$$\text{Adjusted Price} = \text{Contract Price} + \left[\frac{\text{Pre-agreed Reference Price}}{\text{Pre-agreed Threshold}} \times (1 + \text{Pre-agreed Threshold}) - \text{Average Price} \right]$$

Notes:

<i>"Adjusted Price"</i>	<i>means the adjusted price of the relevant construction materials</i>
<i>"Average Price"</i>	<i>means the average price of the relevant construction materials during the period of price estimation</i>
<i>"Contract Price"</i>	<i>means the original price of the major construction materials contracted under the relevant Contractor Agreement</i>
<i>"Pre-agreed Reference Price"</i>	<i>means the pre-agreed reference price contracted under the relevant Contractor Agreement, which is the reference price of the relevant construction materials published from time to time by the relevant PRC governmental authorities</i>
<i>"Pre-agreed Threshold"</i>	<i>means the pre-agreed threshold of $\pm 5\%$ in respect of the fluctuation of the relevant market price of the major construction materials contracted under the relevant Contractor Agreement</i>

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

As advised by the management of the Company, we understand that the total contract sum of each of the Contractor Agreements will be adjusted in response to fluctuation in the market price of major construction materials, in which the major construction materials, including cement and steel, accounted for majority of the total contract sum of the relevant agreements. With reference to the Contractor Agreements, the basis of determination of the threshold is by making reference to a maximum of 10% of the estimated construction materials cost of the Contractor Agreements based on the past experience of the management of the Company which could cater for any possible fluctuation on the construction materials price during the construction period agreed between the Company and the Contractors. In addition, the adjustment of the Construction Projects, which will be determined based on the Final Settlement Report, is limited to 5% of its total contract sum. In other words, the maximum amount of the total contract sum payable equal to 105% of the total contract sum of the relevant Construction Projects. We have been advised by the Company that the basis of the adjustment of 5% of the total contract sum is mainly based on historical transaction of similar construction projects of the Group and the recent increasing trend of major construction materials price. We have been advised by the Company that the adjustment mechanism offer protection against increasing construction material costs during construction period of the Construction Projects, as the Company has no additional burden if the percentage of increase in construction materials price is within the threshold. Even if the increase in construction material price exceeds the threshold, the Group expected that the Group will be able to pass on the cost increases to its customers.

In this regard, we have obtained a project list with three completed construction projects of the Company (the “**Completed Construction Projects**”) in which the relevant contract sum were fully settled. The project list contains project nature, estimated total contract sum, actual total contract sum and adjustment of total contract sum. We have also obtained the quantity surveyor reports issued by third party quantity surveyors qualified in PRC, who engaged for tender review and construction cost calculation, in order to verify the information in the project list. As advised by the Company, the Completed Construction Projects in the list are all the construction projects which were completed before the Latest Practicable Date and did not involve any material change in construction plan during their construction period. In the project list, we understand that (i) there were three Completed Construction Projects which were commenced in 2014; (ii) the Completed Construction Projects did not involve any material change of their construction plans; and (iii) the adjustment on the estimated contract sum of the Completed Construction Projects range from 0.4% to 2.6% in accordance with the quantity surveyor reports.

In addition, based on our studies of the Independent Construction Contracts, we note that there are similar terms in relation to the adjustment on contract sum and threshold of change in material price in those Independent Construction Projects. Moreover, we have been advised that the terms of the adjustment and the level of the threshold are in line with the market practice of the general contracting construction project in the PRC.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

On the basis that (i) the adjustment mechanism provides protection against increasing cost of construction materials during the construction period; (ii) the adjustments are based on the historical transactions of the Company and recent increasing trend of construction materials price; (iii) the actual adjustment will be determined based on the Final Settlement Report prepared by independent surveyor; and (iv) the threshold and the adjustment are common terms in contracting construction agreements in the construction industry, we are of the view that the determining of the adjustment mechanism and level of adjustment in the Contractor Agreements are fair and reasonable.

RECOMMENDATION

Having considered the above principal factors, we are of the opinion that the terms of the Contractor Agreements are on normal commercial terms, in the ordinary and usual course of business of the Group, fair and reasonable and in the interests of the Company and the Shareholders as a whole. Accordingly, we recommend the Independent Board Committee to advise the Independent Shareholders, and we advise the Independent Shareholders, to vote in favour of the ordinary resolutions to be proposed at the EGM for approving the terms of the Contractor Agreements.

Yours faithfully,
For and on behalf of
Octal Capital Limited
Alan Fung **Louis Chan**
Managing Director *Director*

Note: Mr. Alan Fung has been a responsible officer of Type 1 (dealing in securities) and Type 6 (advising on corporate finance) regulated activities since 2003. Mr. Fung has more than 24 years of experience in corporate finance and investment banking and has participated in and completed various advisory transactions in respect of mergers and acquisitions, connected transactions and transactions subject to the compliance to the Takeovers Code of listed companies in Hong Kong. Mr. Louis Chan has been a responsible officer of Type 1 (dealing in securities) and Type 6 (advising on corporate finance) regulated activities since 2008. Mr. Chan has more than 16 years of experience in corporate finance and investment banking and has participated in and completed various advisory transactions in respect of mergers and acquisitions, connected transactions and transactions subject to the compliance to the Takeovers Code of listed companies in Hong Kong.

1. RESPONSIBILITY STATEMENT

This circular, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief, the information contained in this circular is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this circular misleading.

2. DISCLOSURE OF INTERESTS

(a) Directors' and chief executives' interests and short position in Shares, underlying shares and debentures

Save as disclosed below, as at the Latest Practicable Date, none of the Directors or chief executive of the Company had any interests or short positions in the Shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which (i) were required to be notified to the Company and the Stock Exchange pursuant to the provisions of Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they were taken or deemed to have under such provisions of the SFO); or (ii) were required, pursuant to section 352 of the SFO, to be entered in the register referred to therein; or (iii) were required, pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers set out in Appendix 10 of the Listing Rules, to be notified to the Company and the Stock Exchange:

Long positions in the Shares:

Name of Director	Capacity/Nature of interest	Number of Shares	Approximately percentage of shareholding in the Company's issued share capital (Note 7)
Mr. WANG Weixian	Interest of controlled corporation (Note 1)	38,304,571	1.37%
	Founder of discretionary trust (Note 2)	367,254,133	13.15%
Ms. WANG Xuling	Beneficial owner (Note 3)	7,390,000	0.26%
	Interest of controlled corporation (Note 4)	7,010,448	0.25%
	Beneficiary of discretionary trust (Note 2)	367,254,133	13.15%

Name of Director	Capacity/Nature of interest	Number of Shares	Approximately percentage of shareholding in the Company's issued share capital (Note 7)
Mr. CHEONG Ying Chew, Henry	Beneficial owner	500,000	0.02%
Mr. FONG Wo, Felix, JP	Beneficial owner	500,000	0.02%
Mr. KWAN Kai Cheong	Beneficial owner	500,000	0.02%
Mr. CHEN Jun	Beneficial owner	3,500,000 (Note 5)	0.13%
Mr. HOU Guangjun	Beneficial owner	2,700,000 (Note 6)	0.10%

Notes:

1. Mr. WANG Weixian was deemed to be interested in 38,004,571 Shares which are held by Prestige Glory Enterprises Limited. The entire issued share capital of Prestige Glory Enterprises Limited was beneficially owned by Mr. WANG Weixian.
2. Each of Mr. WANG Weixian and Ms. WANG Xuling was deemed to be interested in an aggregate of 367,254,133 Shares, which were held by The Duanyuan Trust.
3. Ms. WANG Xuling beneficially owned 7,390,000 Shares, 3,390,000 Shares of which were deemed to be interested by her under the subscription agreement between her and the Company dated 23 January 2018 under the SFO.
4. Ms. WANG Xuling was deemed to be interested in 7,010,448 Shares, which were held by Boom Rich Investments Limited which was in turn entirely beneficially owned by Ms. WANG Xuling.
5. Mr. CHEN Jun was deemed to be interested in 3,500,000 Shares under the subscription agreement between him and the Company dated 23 January 2018 under the SFO.
6. Mr. HOU Guangjun was deemed to be interested in 2,700,000 Shares under the subscription agreement between him and the Company dated 23 January 2018 under the SFO.
7. Representing the issued and fully paid-up capital of the Company as at the Latest Practicable Date comprising 2,791,884,683 Shares.

(b) Other interests of the Directors

As at the Latest Practicable Date,

- (i) save as disclosed above and except for Mr. Chen Jun and Mr. Wu Zhengkui (being senior management of Greenland Holdings), none of the Directors is a director or employee of a company which has an interest or short position in the Shares and underlying shares of the Company which fall to be disclosed to the Company and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO;

- (ii) none of the Directors had any interest, direct or indirect, in any asset which have been, since 31 December 2017 (being the date to which the latest published audited consolidated financial statements of the Group were made up) acquired or disposed of by or leased to, any member of the Group, or are proposed to be acquired or disposed of by or leased to any member of the Group; and
- (iii) none of the Directors was materially interested in any contract or arrangement entered into by any member of the Group which was subsisting at the Latest Practicable Date, and which was significant in relation to the business of the Group.

3. SERVICE CONTRACTS

As at the Latest Practicable Date, none of the Directors had entered or proposed to enter into a service contract with the Company or any member of the Group which would not expire or was not determinable by the employer within one year without payment of compensation (other than statutory compensation).

4. MATERIAL ADVERSE CHANGE

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

5. COMPETING INTERESTS

As at the Latest Practicable Date, none of the Directors and their respective close associate was interested in any businesses (apart from the businesses of the Group), which competed or were likely to compete, either directly or indirectly, with the businesses of the Group.

6. EXPERT'S QUALIFICATION AND CONSENT

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

Name	Qualification
Octal Capital Limited	a licensed corporation under the SFO to carry out Type 1 (dealing in securities) and Type 6 (advising on corporate finance) regulated activities

As at the Latest Practicable Date, the above expert did not have any shareholding, directly or indirectly, in any member of the Group or any right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for securities in any member of the Group.

As at the Latest Practicable Date, the above expert did not have any interest, direct or indirect, in the promotion of, or in any assets which have been, since 31 December 2017 (being the date to which the latest published audited consolidated financial statements of the Group were made up), acquired or disposed of by or leased to, any member of the Group, or are proposed to be acquired or disposed of by or leased to any member of the Group.

The above expert has given and has not withdrawn its written consent to the issue of this circular with the inclusion of its letter and the references to its name and/or its opinion and advice in the form and context in which they are included.

7. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the Contractor Agreements will be available for inspection at the principal office of the Company in Hong Kong at Unit 5711, 57/F., The Center, 99 Queen's Road Central, Hong Kong during normal business hours from the date of this circular up to and including 20 August 2018.

NOTICE OF EGM

GREENLAND HONG KONG HOLDINGS LIMITED

綠地香港控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 337)

NOTICE IS HEREBY GIVEN THAT an extraordinary general meeting (the “EGM”) of Greenland Hong Kong Holdings Limited (the “Company”) will be held at 7th Floor, Conrad Hong Kong, Pacific Place, 88 Queensway, Hong Kong on 31 August 2018 at 9:00 a.m. for the purposes of considering and, if thought fit, passing the following ordinary resolutions of the Company:

1. “**THAT** the Haikou Contractor Agreement (as defined in the circular of the Company dated 6 August 2018) and the transactions contemplated thereunder be and are hereby approved, confirmed, authorised and ratified, and any one of the directors of the Company be and is hereby authorised to execute all such documents and to do all such acts as he/she may in his/her absolute opinion deem necessary, desirable or expedient to give effect to the transactions contemplated thereunder with such changes as he/she may in his/her absolute opinion deem necessary, desirable or expedient.”
2. “**THAT** the Haikou (Surveying, Design & Construction) Contractor Agreement (as defined in the circular of the Company dated 6 August 2018) and the transactions contemplated thereunder be and are hereby approved, confirmed, authorised and ratified, and any one of the directors of the Company be and is hereby authorised to execute all such documents and to do all such acts as he/she may in his/her absolute opinion deem necessary, desirable or expedient to give effect to the transactions contemplated thereunder with such changes as he/she may in his/her absolute opinion deem necessary, desirable or expedient.”
3. “**THAT** the Dianchi Contractor Agreement (as defined in the circular of the Company dated 6 August 2018) and the transactions contemplated thereunder be and are hereby approved, confirmed, authorised and ratified, and any one of the directors of the Company be and is hereby authorised to execute all such documents and to do all such acts as he/she may in his/her absolute opinion deem necessary, desirable or expedient to give effect to the transactions contemplated thereunder with such changes as he/she may in his/her absolute opinion deem necessary, desirable or expedient.”
4. “**THAT** the Xuzhou Contractor Agreement (as defined in the circular of the Company dated 6 August 2018) and the transactions contemplated thereunder be and are hereby approved, confirmed, authorised and ratified, and any one of the directors of the Company be and is hereby authorised to execute all such documents and to do all such acts as he/she may in his/her absolute opinion deem necessary, desirable or expedient to give effect to the transactions contemplated thereunder with such changes as he/she may in his/her absolute opinion deem necessary, desirable or expedient.”

NOTICE OF EGM

5. **“THAT** the Zhaoqing Contractor Agreement (as defined and described in the circular of the Company dated 6 August 2018) and the transactions contemplated thereunder be and are hereby approved, confirmed, authorised and ratified, and any one of the directors of the Company be and is hereby authorised to execute all such documents and to do all such acts as he/she may in his/her absolute opinion deem necessary, desirable or expedient to give effect to the transactions contemplated thereunder with such changes as he/she may in his/her absolute opinion deem necessary, desirable or expedient.”

By order of the Board
Greenland Hong Kong Holdings Limited
Chen Jun
Chairman

Hong Kong, 6 August 2018

Registered office:
Cricket Square
Hutchins Drive
P.O. Box 2681
Grand Cayman, KYI-1111
Cayman Islands

Principal place of business in Hong Kong:
Unit 5711, 57/F
The Center
99 Queen’s Road Central
Hong Kong

Notes:

- 1. All the resolutions at the EGM will be taken by poll 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 entitled to attend and vote at the EGM convened by this notice is entitled to appoint one or more (if he/she/it holds two or more shares) proxies to attend and vote in his/her/its place. A proxy need not be a member of the Company.*
- 3. In order to be valid, the completed form of proxy together with a power of attorney or other authority (if any) under which it is signed (or a notarially certified copy of that power or other authority) must be deposited at 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 in accordance with the instructions printed thereon not less than 48 hours before the time appointed for the holding of the EGM or any adjournment thereof (as the case may be).*
- 4. Completion and return of the form of proxy will not preclude a member from attending and voting in person at the EGM or at any adjournment thereof (as the case may be) and, in such event, the instrument appointing a proxy shall be deemed to be revoked.*
- 5. In the case of joint holders of any share(s), any one of such joint holders may vote (either in person or by proxy) in respect of such share(s) as if he/she/it was solely entitled thereto, but if more than one of such joint holders are present at the EGM (whether in person or by proxy), the vote of the joint holder whose name stands first in the register of members of the Company in respect of such share(s) shall alone be entitled to vote in respect thereof.*
- 6. The Chinese translation of this notice is for reference only. In case of any inconsistency, the English version shall prevail.*