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**Greenland Financial Overseas
Investment Group Co., Ltd.**

**China Greenland Broad Greenstate
Group Company Limited**

綠地金融海外投資集團有限公司 中國綠地博大綠澤集團有限公司

(Incorporated in the British Virgin Islands with limited liability) (Incorporated in the Cayman Islands with limited liability)

(Stock code: 1253)

JOINT ANNOUNCEMENT

- (1) CONNECTED TRANSACTION IN RELATION TO ENTERING INTO THE CONVERSION AGREEMENT AND ISSUE OF CONVERSION SHARES UNDER SPECIFIC MANDATE;**
- (2) ISSUE OF SETTLEMENT SHARES UNDER SPECIFIC MANDATE;**
- (3) APPLICATION FOR WHITEWASH WAIVER;**
- (4) APPOINTMENT OF INDEPENDENT FINANCIAL ADVISER; AND**
- (5) PROPOSED INCREASE IN AUTHORISED SHARE CAPITAL**

Financial Adviser to Greenland Financial



Shenwan Hongyuan Capital (H.K.) Limited

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



Euto Capital Partners Limited

The Board is pleased to announce the entering into the Conversion Agreement and the Settlement Agreements for the purpose of, *inter alia*, reducing significantly its overall offshore debt levels.

THE CONVERSION AGREEMENT

As at 31 July 2023, the Group has an outstanding debt (including accrued interest) owed to Greenland Financial in the amount of approximately US\$39.1 million (equivalent to approximately HK\$306.9 million). On 27 September 2023 (after trading hours), the Company entered into the Conversion Agreement with Greenland Financial, pursuant to which the Company agreed to allot and issue 1,979,000,000 Conversion Shares to Greenland Financial at the Issue Price of HK\$0.1 per Conversion Share in settlement of the amount of HK\$197.9 million out of the total outstanding debt (including accrued interest) due to Greenland Financial.

The 1,979,000,000 Conversion Shares represent, respectively, (i) approximately 59.21% of the issued share capital of the Company as at the date of this joint announcement; (ii) approximately 37.19% of the issued share capital of the Company as enlarged by the allotment and issue of the Conversion Shares solely; and (iii) approximately 33.99% of the issued share capital of the Company as enlarged by the allotment and issue of the Conversion Shares and the Settlement Shares.

The Conversion Agreement is conditional upon, among others, (i) the passing of the resolution(s) at the EGM by the Independent Shareholders to approve the Conversion Agreement and the transactions contemplated thereunder, including the granting of the Specific Mandate for Issue of Conversion Shares, and the Whitewash Waiver; and (ii) the Executive granting the Whitewash Waiver in respect of the transactions contemplated under the Conversion Agreement. For details, please refer to the paragraph headed “THE CONVERSION AGREEMENT — Conditions Precedent to the Conversion Agreement” in this joint announcement. For the avoidance of doubt, the Conversion Agreement is not conditional upon the execution of the Settlement Agreements nor the Settlement Completion.

THE SETTLEMENT AGREEMENTS

As at 31 July 2023, the Group has an aggregate outstanding debt (including the accrued interest) owed to the Creditors in the amount of approximately RMB46.5 million (equivalent to approximately HK\$50.0 million). On 27 September 2023 (after trading hours), the Company entered into the Settlement Agreement with each of the Creditors, substantially on the same terms. Pursuant to the Settlement Agreements, the Company agreed to allot and issue a total of 500,273,000 Settlement Shares to the Creditors at the Issue Price of HK\$0.1 per Settlement Share in settlement of the corresponding amounts of outstanding debts (including the accrued interest) owed to the Creditors as at the date of this joint announcement.

The 500,273,000 Settlement Shares represent (i) approximately 14.97% of the issued share capital of the Company as at the date of this joint announcement; and (ii) approximately 8.59% of the issued share capital of the Company as enlarged by the allotment and issue of the Conversion Shares and the Settlement Shares.

The Settlement Agreements are conditional upon, among others, the fulfillment of all the conditions precedents of the Settlement Agreements including the Conversion Completion. For details, please refer to the paragraphs headed “THE SETTLEMENT AGREEMENTS — Conditions Precedent to the Settlement Agreements” and “THE SETTLEMENT AGREEMENTS — The Settlement Completion” in this joint announcement.

IMPLICATIONS UNDER THE LISTING RULES AND THE TAKEOVERS CODE

Listing Rules Implications

The Conversion Shares will be allotted and issued pursuant to the Specific Mandate for Issue of Conversion Shares to be sought from the Independent Shareholders’ approval at the EGM by way of poll.

As at the date of this joint announcement, Greenland Financial beneficially owned 991,321,041 Shares, or approximately 29.66% of the total issued share capital of the Company. Therefore, Greenland Financial is a substantial shareholder of the Company and hence a connected person of the Company pursuant to the Listing Rules. Accordingly, the Conversion Agreement, the granting of the Specific Mandate for Issue of Conversion Shares and the transactions contemplated thereunder constitute non-exempt connected transactions of the Company under Chapter 14A of the Listing Rules and would be subject to the announcement, reporting and Independent Shareholders' approval requirements at the EGM by way of poll. Greenland Financial and its associates are required to abstain from voting on the resolutions in respect of the Conversion Agreement, the granting of the Specific Mandate for Issue of Conversion Shares and the transactions contemplated thereunder at the EGM.

The Settlement Shares will be allotted and issued pursuant to the Specific Mandate for Issue of Settlement Shares to be sought from the Shareholders' approval at the EGM by way of poll.

Pursuant to Rule 7.27B of the Listing Rules, a listed issuer may not undertake a rights issue, open offer or specific mandate placings that would result in a theoretical dilution effect of 25% or more (on its own or when aggregated within a 12-month period), unless the Stock Exchange is satisfied that there are exceptional circumstances. The Conversion and the Settlement will result in a theoretical dilution effect of approximately 7.1%, which is below the 25% threshold as specified under Rule 7.27B of the Listing Rules. Therefore, the theoretical dilution impact of the Conversion is in compliance with Rule 7.27B of the Listing Rules.

An application will be made by the Company to the Listing Committee of the Stock Exchange for the listing of, and permission to deal in, the Conversion Shares and the Settlement Shares.

Whitewash Waiver

As at the date of this joint announcement, Greenland Financial and parties acting in concert with it are interested in 991,321,041 Shares, representing approximately 29.66% of the total issued share capital of the Company. The Conversion Completion and the Settlement Completion are expected to take place simultaneously, upon which the shareholding of Greenland Financial and parties acting in concert with it will increase from approximately 29.66% to (i) approximately 55.82% of the issued share capital of the Company as enlarged by the allotment and issue of the Conversion Shares solely (assuming there will be no other change in the number of issued Shares of the Company between the date of this joint announcement and the date of the Conversion Completion), or (ii) approximately 51.02% of the issued share capital of the Company as enlarged by the allotment and issue of the Conversion Shares and the Settlement Shares (assuming there will be no other change in the number of issued Shares of the Company between the date of this joint announcement and the date of the Conversion Completion and the Settlement Completion, save for the allotment and issue of the Conversion Shares and the Settlement Shares), thereby triggering an obligation on Greenland Financial under Rule 26.1 of the Takeovers Code to make a mandatory general offer for all issued Shares and other securities of the Company not already owned or agreed to be acquired by Greenland Financial or parties acting in concert with it unless the Whitewash Waiver is obtained from the Executive.

An application will be made by Greenland Financial to the Executive for the granting of the Whitewash Waiver pursuant to Note 1 on dispensations from Rule 26 of the Takeovers Code, which, if granted, will be subject to the approval by at least 75% of the Independent Shareholders by way of poll at the EGM in respect of the Whitewash Waiver and the approval by more than 50% of the Independent Shareholders at the EGM in respect of the Conversion Agreement and the Specific Mandate for Issue of Conversion Shares. As obtaining the Whitewash Waiver is one of the conditions precedent to the Conversion Agreement and the Settlement Agreements and such condition is not waivable, none of the Conversion Agreement and the Settlement Agreements will proceed if the Whitewash Waiver is not granted by the Executive, or is not approved by the Independent Shareholders at the EGM according to the requirements set out hereinabove.

FORMATION OF THE INDEPENDENT BOARD COMMITTEE AND APPOINTMENT OF THE INDEPENDENT FINANCIAL ADVISER

The Independent Board Committee comprising all the independent non-executive Directors has been formed to advise the Independent Shareholders on the Conversion Agreement and the transactions contemplated thereunder, including the granting of the Specific Mandate for Issue of Conversion Shares, and the Whitewash Waiver.

The Company has appointed Euto Capital, a corporation licensed to carry out type 6 (advising on corporate finance) regulated activities under the SFO, as the Independent Financial Adviser pursuant to Rule 2.1 of the Takeovers Code and Rule 14A.44 of the Listing Rules to advise the Independent Board Committee and the Independent Shareholders in this regard.

PROPOSED INCREASE IN AUTHORISED SHARE CAPITAL

In order for the Company to facilitate the issuance of the Conversion Shares and the Settlement Shares, the Board proposes to increase the authorised share capital of the Company from HK\$100,000,000 divided into 4,000,000,000 Shares to HK\$200,000,000 divided into 8,000,000,000 Shares by the creation of an additional 4,000,000,000 new Shares. The Increase in Authorised Share Capital is subject to the passing of an ordinary resolution by the Shareholders at the EGM.

GENERAL

The EGM will be convened (i) for the Independent Shareholders to consider, and if thought fit, approve the Conversion Agreement and the transactions contemplated thereunder, including the granting of the Specific Mandate for Issue of Conversion Shares, and the Whitewash Waiver; (ii) for the Shareholders to consider, and if thought fit, approve the Settlement Agreements and the transactions contemplated thereunder, including the granting of the Specific Mandate for Issue of Settlement Shares; and (iii) for the Shareholders to consider, and if thought fit, to approve the Increase in Authorised Share Capital.

By virtue of the interest of Greenland Financial in the Conversion Agreement, Greenland Financial and its respective associates and parties acting in concert with it shall abstain from voting on the resolution(s) to be proposed at the EGM in relation to the Conversion Agreement and the transactions contemplated thereunder, including the granting of the Specific Mandate for Issue of Conversion Shares, and the Whitewash Waiver, but will vote on the resolution(s) in relation to the Settlement Agreements and the transactions contemplated thereunder, including the granting of the Specific Mandate for Issue of Settlement Shares.

Given the Settlement Agreements being conditional upon the Conversion Completion and Eastern Greenstate International's involvement in the Settlement (i.e. Eastern Greenstate International assigned the debt owed by the Company to it to Inscription Capital, which became the underlying debt of the Settlement Agreement between the Company and Inscription Capital), each of Eastern Greenstate International and Broad Landscape International (being a party acting in concert with Eastern Greenstate International) has agreed to abstain from voting on the resolution(s) to be proposed at the EGM in relation to the Conversion Agreement and the transactions contemplated thereunder, including the granting of the Specific Mandate for Issue of Conversion Shares, and the Whitewash Waiver.

Given the Board only comprises two executive Directors (being Mr. Pei Gang and Mr. Lin Guangqing, each of whom takes up multiple roles in Greenland) and three independent non-executive Directors, the Board will defer its view on the Conversion Agreement and the transactions contemplated thereunder, including the granting of the Specific Mandate for Issue of Conversion Shares, and the Whitewash Waiver to the Independent Board Committee. The Independent Board Committee will, after receiving and considering the advice of the Independent Financial Adviser, reach an opinion and give its recommendation to the Independent Shareholders on whether the terms of the Conversion Agreement are on normal commercial terms which are fair and reasonable and in the interests of the Company and the Independent Shareholders as a whole and as to how to vote on the relevant proposed resolution(s) at the EGM.

A circular containing (i) details of the Conversion and the Whitewash Waiver; (ii) details of the Settlement; (iii) recommendation from the Independent Board Committee to the Independent Shareholders in relation to the Conversion Agreement and the transactions contemplated thereunder, including the granting of the Specific Mandate for Issue of Conversion Shares, and the Whitewash Waiver; (iv) the letter of advice from the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders in relation to the Conversion Agreement and the transactions contemplated thereunder, including the granting of the Specific Mandate for Issue of Conversion Shares, and the Whitewash Waiver; (v) further details of the Increase in Authorised Share Capital; and (vi) a notice of the EGM with the form of proxy are expected to be despatched to the Shareholders within 21 days from the date of this joint announcement in compliance with Rule 8.2 and the Takeovers Code.

Shareholders and potential investors should note that the Conversion Completion and the Settlement Completion are subject to fulfilment of certain conditions precedent under the respective agreements. As the transactions may or may not become unconditional or be completed, Shareholders and potential investors are reminded to exercise caution when dealing in the Shares.

The Whitewash Waiver may or may not be granted by the Executive and if granted, will, among other things, be subject to the approval by at least 75% of the Independent Shareholders by way of poll at the EGM and the approval by more than 50% of the Independent Shareholders by way of poll at the EGM in respect of the underlying transactions of the Whitewash Waiver (i.e. the Conversion and the Specific Mandate for Issue of Conversion Shares).

The Board is pleased to announce the entering into the Conversion Agreement and the Settlement Agreements for the purpose of, *inter alia*, reducing significantly its overall offshore debt levels.

THE CONVERSION AGREEMENT

As at 31 July 2023, the Group has an outstanding debt (including accrued interest) owed to Greenland Financial in the amount of approximately US\$39.1 million (equivalent to approximately HK\$306.9 million) (the “**Greenland Debt**”).

On 27 September 2023 (after trading hours), the Company entered into the Conversion Agreement with Greenland Financial, pursuant to which the Company agreed to allot and issue and Greenland Financial agreed to subscribe for 1,979,000,000 Conversion Shares at the Issue Price of HK\$0.1 per Conversion Share in settlement of the amount of HK\$197.9 million out of the total outstanding debt (including accrued interest) due from the Company to Greenland Financial.

The indebtedness due from the Company to Greenland Financial was accumulated from the unpaid principal and accrued interest under the 2022 Note issued by the Company to Greenland Financial. The 2022 Note was originally due on 15 January 2023 but subsequently extended to 15 January 2024 by a deed of consent executed by Greenland Financial on 14 January 2023 in considering the tight liquidity of the Group. The 2022 Note was issued by the Company in compliance with Rule 14A.90 of the Listing Rules.

Upon the Conversion Completion, the indebtedness of HK\$197.9 million that is subject to the Conversion between the Company and Greenland Financial shall be settled, such that the Company shall be discharged and released from the relevant repayment obligations of such indebtedness.

Set out below are the principal terms of the Conversion Agreement.

Parties under the Conversion Agreement

- (i) the Company, being the issuer; and
- (ii) Greenland Financial, being the subscriber.

For further details about Greenland Financial, please refer to the section headed “**INFORMATION ON THE GROUP, GREENLAND FINANCIAL AND THE CREDITORS**” in this joint announcement.

The Issue Price

The Issue Price is HK\$0.1 per Conversion Share.

For further details about the Issue Price, please refer to the section headed “THE ISSUE PRICE” in this joint announcement.

The Conversion Shares

Subject to fulfillment of the conditions precedent of the Conversion Agreement set out below, the Company shall allot and issue 1,979,000,000 Conversion Shares to Greenland Financial, representing, respectively, (i) approximately 59.21% of the issued share capital of the Company as at the date of this joint announcement; (ii) approximately 37.19% of the issued share capital of the Company as enlarged by the allotment and issue of the Conversion Shares solely; and (iii) approximately 33.99% of the issued share capital of the Company as enlarged by the allotment and issue of the Conversion Shares and the Settlement Shares.

Conditions Precedent to the Conversion Agreement

The Conversion Agreement is conditional upon:

- (a) the passing of the resolution(s) at the EGM by the Independent Shareholders to approve the Conversion Agreement and the transactions contemplated thereunder, including the granting of the Specific Mandate for Issue of Conversion Shares to allot and issue the Conversion Shares, and the Whitewash Waiver;
- (b) the Stock Exchange granting or agreeing to grant a listing of, and permission to deal in, the Conversion Shares to be issued (and such listing and permission not being subsequently revoked prior to the Conversion Completion);
- (c) the Executive granting the Whitewash Waiver in respect of the transactions contemplated under the Conversion Agreement;
- (d) the Company and Greenland Financial having received all the required consents and approvals in respect of the Conversion Agreement and the transactions contemplated thereunder; and
- (e) the representations, warranties and undertakings of the Company and Greenland Financial in the Conversion Agreement remain true, accurate and complete in all material respects immediately before the satisfaction of the last aforementioned conditions precedent.

Other than conditions precedent (a) to (c) above, there is no other foreseeable consents and approvals required in respect of the Conversion Agreement and the transactions contemplated thereunder as the date of this joint announcement. Save for conditions precedent (d) and (e) as stated above, which can be waived by the parties under the Conversion Agreement to the extent that would not render the Conversion Completion illegal, none of the above conditions precedent can be waived by any party to the Conversion Agreement. If any of the conditions precedent (a) to (c) as stated above are not satisfied, and in the case of conditions precedent (d) and (e) as stated above not satisfied or waived by the parties to the Conversion Agreement, by the Long Stop Date, the Conversion Agreement shall be terminated forthwith.

For the avoidance of doubt, the Conversion Agreement is not conditional upon the execution of the Settlement Agreements nor the Settlement Completion.

The Conversion Completion

The Conversion Completion shall take place on the third Business Day after the date on which all the conditions precedent to the Conversion Agreement set out above have been satisfied or waived (as the case may be). In the event that the conditions precedent are not satisfied (or waived, as the case may be) by the Long Stop Date, the Conversion Agreement shall be terminated forthwith.

Ranking of the Conversion Shares

The Conversion Shares shall rank *pari passu* in all respects *inter se* and with all existing Shares in issue as at the date of the Conversion Completion, including all rights as to dividends, voting and return of capital.

Application for Listing

The Company will apply to the Stock Exchange for the listing of, and permission to deal in, the Conversion Shares.

THE SETTLEMENT AGREEMENTS

As at the date of this joint announcement, the Group has an outstanding debt owed to the Creditors in the amount of approximately RMB46.5 million (equivalent to approximately HK\$50.0 million). On 27 September 2023 (after trading hours), the Company entered into the Settlement Agreement with each of the Creditors, substantially on the same terms. Pursuant to the Settlement Agreements, the Company agreed to allot and issue 300,796,510 and 199,476,490 Settlement Shares to Inscription Capital and Easten Capital, respectively, and Inscription Capital and Easten Capital shall settle the subscription price by setting off the loans (including the accrued interest) (the “**Settlement Loans**”) borrowed by the Company from the Creditors.

Details of the Settlement Loans and the proposed allotment and issue of the Settlement Shares are as follows.

Name of the Creditor	Amount of indebtedness owed to the Creditors as at the date of this joint announcement subject to the Settlement Agreements (HK\$) ⁽¹⁾	Date of the relevant loan agreement	Due date of the loan	Carrying interest of the loan	Number of Settlement Shares to be allotted and issued to the Creditor	Approximately shareholding held by the Creditor upon the issue of the Conversion Shares and the Settlement Shares ⁽²⁾ (HK\$)	Total issue price of the Settlement Shares
1. Inscription Capital	30,079,651	5 July 2022	4 July 2023 ⁽³⁾	12%	300,796,510	5.17%	30,079,651
2. Easten Capital	19,947,649	17 September 2019	19 December 2021 ⁽⁴⁾	14% after the due date	199,476,490	3.43%	19,947,649

Notes:

- (1) For the purpose of convenience, the exchange rates used for conversion of currencies are HK\$1.00: RMB0.93 and US\$1.00: HK\$7.84 in this joint announcement.
- (2) The shareholding is calculated based on the enlarged share capital of the Company upon the issue of the Conversion Shares and the Settlement Shares.
- (3) The indebtedness due from the Company to Inscription Capital arose from the deed of debts settlement and loan assignment dated 1 August 2023 executed by, among others, Inscription Capital, Eastern Greenstate International and the Company, pursuant to which the debt owed by the Company to Eastern Greenstate International was compromised from a total sum of RMB28,220,970 (comprised of unpaid principal of RMB24,966,945 and the accrued interest of RMB3,254,025 as at 31 July 2023) to RMB27,974,075 and absolutely assigned to Inscription Capital with effect from the date of the deed of debts settlement and loan assignment. The debt originally owed by the Company to Eastern Greenstate International arose from the loan agreement dated 5 July 2022 in a principal sum of approximately RMB24,966,945 with an interest rate of 12% per annum and a term of 12 months.
- (4) Pursuant to a loan agreement dated 17 September 2019 between the Company as the borrower and Easten Capital as the lender, Easten Capital granted a loan to the Company in a principal sum of US\$2,090,000 with an interest rate of 8% per annum and a term of 12 months. Pursuant to a written confirmation in relation to the extension of the repayment date of the aforesaid loan dated 19 September 2021, parties agreed to extend the repayment date to 19 December 2021, after which the interest rate of the aforesaid loan would be increased to 14%.

Upon the Settlement Completion, all of the indebtedness subject to the Settlement Agreements between the Creditors as lenders and the Company as borrower would be settled, such that the Company will be discharged and released from all obligations for repayment of the outstanding indebtedness hereunder upon the Settlement Completion.

For further details about the Creditors, please refer to the section headed “INFORMATION ON THE GROUP, GREENLAND FINANCIAL AND THE CREDITORS” in this joint announcement.

Set out below are the principal terms of the Settlement Agreements.

The Issue Price

The Issue Price is HK\$0.1 per Settlement Share.

For further details about the Issue Price, please refer to the section headed “THE ISSUE PRICE” in this joint announcement.

The Settlement Shares

Subject to fulfillment of the conditions precedent of the Settlement Agreements set out below, the Company shall allot and issue a total of 500,273,000 Settlement Shares to the Creditors, representing (i) approximately 14.97% of the issued share capital of the Company as at the date of this joint announcement; and (ii) approximately 8.59% of the issued share capital of the Company as enlarged by the allotment and issue of the Conversion Shares and the Settlement Shares.

Conditions Precedent to the Settlement Agreements

The Settlement Completion is conditional upon:

- (a) the passing of the resolution(s) at the EGM by the Shareholders to approve the Settlement Agreements and the transactions contemplated thereunder, including the granting of the Specific Mandate for Issue of Settlement Shares to allot and issue the Settlement Shares under the Settlement Agreements;
- (b) the Stock Exchange granting or agreeing to grant a listing of, and permission to deal in, the Conversion Shares and the Settlement Shares to be issued (and such listing and permission not being subsequently revoked prior to the Settlement Completion);
- (c) the passing of the resolution(s) at the EGM by the Independent Shareholders to approve the Conversion Agreement and the transactions contemplated thereunder, including the granting of the Specific Mandate for Issue of Conversion Shares to allot and issue the Conversion Shares and the Whitewash Waiver;
- (d) the Executive granting the Whitewash Waiver in respect of the transactions contemplated under the Conversion Agreement;
- (e) the fulfilment of the conditions precedent to the Conversion Agreement;

- (f) the Company and the Creditors having received all the required consents and approvals in respect of the Settlement Agreements and the transactions contemplated thereunder; and
- (g) the representations, warranties and undertakings of the Company and the Creditors in the Settlement Agreements remain true, accurate and complete in all material respects immediately before the satisfaction of the last aforementioned conditions precedent.

Save for conditions precedent (f) and (g) as stated above, which can be waived by the parties to the Settlement Agreements to the extent that would not render the Settlement Completion illegal, none of the above conditions precedent can be waived by any party to the Settlement Agreements. If any of the conditions precedent (a) to (e) as stated above are not satisfied, and in the case of conditions precedent (f) and (g) as stated above not satisfied or waived by the parties to the Settlement Agreements, by the Long Stop Date, the Settlement Agreements shall be terminated forthwith.

The Settlement Completion

The Settlement Completion shall take place, upon the Conversion Completion or on the third Business Day after the date on which all the conditions precedent to the Settlement Agreements set out above have been satisfied or waived (as the case may be), whichever is later. In the event that the conditions precedent are not satisfied (or waived, as the case may be) by the Long Stop Date, the Settlement Agreements shall be terminated forthwith.

Ranking of the Settlement Shares

The Settlement Shares shall rank *pari passu* in all respects *inter se* and with all existing Shares in issue as at the date of the Settlement Completion, including all rights as to dividends, voting and return of capital.

Application for Listing

The Company will apply to the Stock Exchange for the listing of, and permission to deal in, the Settlement Shares.

THE ISSUE PRICE

The Issue Price per both the Conversion Share and the Settlement Share is HK\$0.1, which represents:

- (i) a discount of approximately 16.67% to the closing price of HK\$0.120 per Share as quoted on the Stock Exchange on the Last Trading Day;

- (ii) a discount of approximately 6.54% to the average closing price of HK\$0.107 per Share as quoted on the Stock Exchange for the last five consecutive trading days up to and including the Last Trading Day;
- (iii) a discount of approximately 12.28% to the average closing price of HK\$0.114 per Share as quoted on the Stock Exchange for the last ten consecutive trading days up to and including the Last Trading Day;
- (iv) a discount of approximately 15.25% to the average closing price of HK\$0.118 per Share as quoted on the Stock Exchange for the last 30 consecutive trading days up to and including the Last Trading Day;
- (v) a discount of approximately 44.81% to the audited net asset value attributable to owners of the Company as at 31 December 2022 of approximately HK\$0.1812 per Share; and
- (vi) a discount of approximately 42.30% to the unaudited net asset value attributable to owners of the Company as at 30 June 2023 of approximately HK\$0.1773 per Share.

The Issue Price was arrived after arm's length negotiations between the Company, Greenland Financial and the Creditors with reference to the financial performance and financial position of the Group, the market performance and the trading performance of the Shares.

INFORMATION ON THE GROUP, GREENLAND FINANCIAL AND THE CREDITORS

The Group

The Company is an investment holding company and the Group is principally engaged in the services of landscape design and gardening and the related services.

Greenland Financial

Greenland Financial is a limited liability company incorporated in the BVI and is principally engaged in investment holding. It is indirectly owned as to 87.27% by Greenland Financial Technology Group Limited (綠地金創科技集團有限公司) (“**Greenland Financial Technology Group**”), which in turn is indirectly wholly-owned by Greenland, whose shares are listed on Shanghai Stock Exchange (stock code: 600606). Greenland Financial Technology Group serves as Greenland's main investment platform to conduct diversified global investments. Shanghai Greenland Investment Enterprise Limited Partnership* (上海格林蘭投資企業(有限合夥)) (“**Greenland Partnership**”) is the single largest shareholder of Greenland, holding approximately 25.88% equity interests in Greenland and the general partner of

Greenland Partnership is Shanghai Greenland Investment Management Co., Ltd.* (上海格林蘭投資管理有限公司), holding approximately 0.18% partnership interests therein. There are 32 limited partners of Greenland Partnership, none of which individually holds 30% or more partnership interests in Greenland Partnership. The remaining 12.73% equity interests in Greenland Financial are indirectly owned by ten minority shareholders, none of which holds more than 5% equity interests in Greenland Financial. All the aforesaid minority shareholders of Greenland Financial and their respective ultimate beneficial owners are the Independent Third Parties.

As at the date of this joint announcement, Greenland Financial and parties acting in concert with it are interested in 991,321,041 Shares, representing approximately 29.66% of the total issued share capital of the Company. Upon the Conversion Completion and the Settlement Completion, Greenland Financial and parties acting in concert with it will be interested in a total of 2,970,321,041 Shares, representing (i) approximately 55.82% of the issued share capital of the Company as enlarged by the allotment and issue of the Conversion Shares solely (assuming there will be no other change in the number of issued Shares of the Company between the date of this joint announcement and the date of the Conversion Completion), or (ii) approximately 51.02% of the issued share capital of the Company as enlarged by the allotment and issue of the Conversion Shares and the Settlement Shares (assuming there will be no other change in the number of issued Shares of the Company between the date of this joint announcement and the date of the Conversion Completion and the Settlement Completion, save for the allotment and issue of the Conversion Shares and the Settlement Shares) and hence Greenland Financial will become the controlling shareholder of the Company.

The Creditors

Inscription Capital is a limited liability company incorporated in the BVI and is beneficially wholly owned by Mr. Zhu Hanhao (朱晗皓). The principal business of Inscription Capital is investment holding. It mainly focuses on investment in high-tech enterprises and seeking investment and cooperation opportunities in the environmental, social and governance field.

Easten Capital is a limited liability company incorporated in the BVI and is beneficially wholly owned by Mr. Tu Guoqin (屠國勤). Its principal business is investment holding. Mr. Tu has rich experience in investment and development. He also serves as the chairman of Shanghai Fengxian Construction (Group) Co., Ltd.* (上海奉賢建工(集團)有限公司). Mr. Tu is currently focusing on domestic and overseas investment.

The Creditors and their respective ultimate beneficial owners are Independent Third Parties and are not the Shareholders or acting in concert with any of Greenland Financial, Broad Landscape, Eastern Greenstate International and their respective beneficial owners as at the date of this joint announcement.

REASONS AND BENEFITS FOR THE CONVERSION AND THE SETTLEMENT

The Company focuses on municipal and city level landscape projects and offers customers “one-stop” service solutions, including investment and financing, planning and design, project construction and commercial operation. The Group’s portfolio primarily consists of PPP projects, of which five have transitioned to operation and maintenance, and the rest are either under construction or in the preliminary preparation phase.

As disclosed in the annual report (the “**2022 Annual Report**”) of the Company for the year ended 31 December 2022 (“**FY2022**”), despite China’s gradual recovery from the COVID-19 pandemic, the overall landscape industry faced low numbers of new orders during FY2022 mainly due to (i) the digestion of PPP projects that were signed earlier and a slow-down in Engineering Procurement Construction (“**EPC**”) tendering activities; and (ii) the competition in the segment intensified as more environmental and sanitation enterprises expanded into landscaping and maintenance.

The “14th Five-Year” Plan and Vision 2035 also mention the development of China’s PPP, providing a broader space for PPP projects related to ecological construction and environmental protection in the medium and long run. According to a report issued by the China Research Institute of Industrial Research, local governments are actively promoting investment in urban greening projects, and the market demand for the landscape engineering industry is expected to reach nearly RMB1.1 trillion by 2025. Facing the temporary challenges, the Group has implemented prudent growth strategies and various measures to ensure high-quality development and stable cash flow to be well-positioned for development opportunities presented by the “14th Five-Year Plan’s” urban planning green improvement.

According to the interim results announcement (the “**Interim Results Announcement**”) of the Company for the six months ended 30 June 2023 (“**1H2023**”) dated 31 August 2023, the Group recorded a revenue of approximately RMB5.3 million for 1H2023, representing a substantial decrease by approximately 94% as compared to that for the corresponding period in 2022. The substantial decrease in revenue for 1H2023 was mainly due to the slowdown in the industry development in recent years and the Group concentrated on executing existing mandated projects and tried to expedite proceeding to the payment collection stage as much as practicable. Given the accounts receivable has piled up due to the delay in settlement from certain clients as per above industry-wide issue, the Company controlled the progress of

construction of existing projects in order to manage the working capital outlays to stabilise operating cashflow, which resulted in a decrease in revenue and gross profit from its principal businesses. Pursuant to “中共中央國務院關於促進民營經濟發展壯大的意見” announced in July 2023, the central government of the PRC will increase support for private economy by improving their guarantee payment mechanism and the Company believes that the implementation of such policy will benefit the collection of accounts receivable of the overall industry.

As at 30 June 2023, the Group had net current liabilities position of approximately RMB514.8 million and offshore interest-bearing debt (including accrued interest) of approximately RMB659.2 million. As at 31 July 2023, approximately RMB286.5 million (equivalent to approximately HK\$308.1 million) was owed by the Company to Greenland Financial and approximately RMB46.5 million (equivalent to approximately HK\$50.0 million) was owed by the Company to the Creditors. The Greenland Debt (being the accumulated unpaid principal and accrued interest under the 2022 Note) was originally due on 15 January 2023 but subsequently extended to 15 January 2024 by Greenland Financial in 2023 in considering the tight liquidity of the Group. In light of the current financial position of the Group, it is infeasible for the Company to repay the Greenland Debt and the Settlement Loans without further financing activities. The Group has communicated with Greenland Financial and the Creditors regarding the possibility of further extension of Greenland Debt and the Settlement Loans and the feedbacks are negative given the Group’s current financial position and the further burden to be incurred by the finance cost of interest bearing debts to the Group. Hence, the Conversion and the Settlement represent a good opportunity to reduce the overall offshore short-term interest-bearing debt and lower the finance cost of the Group.

Following the completion of the Share Disposal by Broad Landscape International, Greenland Financial has become the single largest shareholder of the Company with less than 30% holding. Therefore, there is no controlling shareholder of the Company as at the date of this joint announcement. The purchasers (and their respective ultimate beneficial shareholders) under the Share Disposal are not parties acting in concert or presumed to be acting in concert or have any connections (whether formal, informal, financial or otherwise) with Greenland Financial, Greenland Financial Technology Group and/or Greenland. The Board has considered various fund-raising methods apart from the Conversion and Settlement. With regard to debt financing, the Board considers it is commercially not viable to obtain further debt financing from third parties without further guarantee given by a credible controlling shareholder of the Company and/or pledge of assets. Nonetheless, it is difficult for Greenland Financial to provide continuous guarantee or financial support to companies other than its subsidiaries. Therefore, it is beneficial to the Company’s financial health and business development to introduce Greenland Financial to become the controlling shareholder of the Company under the Conversion and the Settlement to improve the credit profile of the Group and receive possible financial support from Greenland Financial. With

regards to equity financing methods, given the current financial result of the Group, the low liquidity of the Shares and the market capitalisation of the Company, the Directors consider that it is infeasible to identify any placing agents or rights issue or open offer subscribers to raise sufficient fund to repay Greenland Debt and the Settlement Loan without a substantial discount on the market price per Share. Further, the Directors consider that the placing, rights issue, or open offer would incur costly placing or underwriting commission and the process would be relatively time-consuming.

The Board considers the Settlement Agreements to be on normal commercial terms and the Settlement are fair and reasonable and in the interests of the Company and the Shareholders as a whole. Given the Board only comprises two executive Directors (being Mr. Pei Gang and Mr. Lin Guangqing, each of whom takes up multiple roles in Greenland) and three independent non-executive Directors, the Board will defer its view on the Conversion Agreement and the transactions contemplated thereunder, including the granting of the Specific Mandate for Issue of Conversion Shares, and the Whitewash Waiver to the Independent Board Committee.

FUND-RAISING ACTIVITIES IN THE PRECEDING TWELVE MONTHS

The Company did not raise any funds from any equity fund-raising activities in the preceding twelve months immediately before the date of this joint announcement.

FUTURE INTENTION OF GREENLAND FINANCIAL REGARDING THE GROUP

Greenland Financial intends to continue the existing principal businesses of the Group. It has no intention to (i) discontinue the employment of any employees of the Group; or (ii) redeploy the fixed assets of the Company other than those in its ordinary and usual course of business.

Greenland Financial will conduct a review of the existing principal businesses, operations, financial position, investments, proposed investments of the Group for the purpose of formulating long-term business plans and strategies for the future business development of the Group.

Greenland Financial also intends to maintain the listing of the Shares on the Main Board following the Conversion Completion and the Settlement Completion.

EFFECT ON THE SHAREHOLDING STRUCTURE

Set out below are the shareholding structures of the Company (i) as at the date of this joint announcement; (ii) upon the issue of the Conversion Shares and the Settlement Shares (assuming there will be no other change in the number of issued Shares of the Company between the date of this joint announcement and the date of the Conversion Completion and the Settlement Completion); and (iii) upon the issue of the Conversion Shares solely (assuming there will be no other change in the number of issued Shares of the Company between the date of this joint announcement and the date of the Conversion Completion).

Name of the Shareholder	Shareholding as at the date of this joint announcement		Shareholding upon the issue of the Conversion Shares and the Settlement Shares		Shareholding upon the issue of the Conversion Shares solely	
	<i>Approximate</i>		<i>Approximate</i>		<i>Approximate</i>	
	<i>Number of Shares held</i>	<i>shareholding percentage</i>	<i>Number of Shares held</i>	<i>shareholding percentage</i>	<i>Number of Shares held</i>	<i>shareholding percentage</i>
Greenland Financial and parties acting in concert with it ⁽¹⁾	991,321,041	29.66%	2,970,321,041	51.02%	2,970,321,041	55.82%
Broad Landscape International ⁽²⁾	506,321,041	15.15%	506,321,041	8.70%	506,321,041	9.51%
Eastern Greenstate International ⁽²⁾	306,313,662	9.16%	306,313,662	5.26%	306,313,662	5.76%
Wholeking Holdings Limited ⁽³⁾	235,392,000	7.04%	235,392,000	4.04%	235,392,000	4.42%
Inscription Capital	—	—	300,796,510	5.17%	—	—
Easten Capital	—	—	199,476,491	3.43%	—	—
Other public Shareholders ⁽³⁾	<u>1,303,189,213</u>	<u>38.99%</u>	<u>1,303,189,213</u>	<u>22.38%</u>	<u>1,303,189,213</u>	<u>24.49%</u>
Total	<u>3,342,536,957</u>	<u>100.00%</u>	<u>5,821,809,958</u>	<u>100.00%</u>	<u>5,321,536,957</u>	<u>100.00%</u>

Notes:

- (1) Shenwan Hongyuan is the financial adviser to Greenland Financial in respect of the Conversion. Accordingly, Shenwan Hongyuan and members of the Shenwan Hongyuan Group are presumed to be acting in concert with Greenland Financial in respect of shareholding of Shenwan Hongyuan Group in the Company in accordance with class (5) of the definition of “acting in concert” under the Takeovers Code. Details of holdings, borrowings or lendings of, and dealings in, Shares or any other relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) of the Company held by or entered into by other parts of the Shenwan Hongyuan Group (except in respect of Shares held on behalf of non-discretionary investment clients of other parts of the Shenwan Hongyuan Group) will be obtained as soon as possible after the date of this joint announcement in accordance with Note 1 to Rule 3.5 of the Takeovers Code. A further announcement will be jointly made by Greenland Financial and the Company if the holdings, borrowings, lendings, or dealings

of the other parts of the Shenwan Hongyuan Group are significant and, in any event, such information will be disclosed in the circular. The statements in this joint announcement as to the holdings, borrowings or lendings of, or dealings in, the Shares or any other relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) of the Company by persons acting in concert with the Greenland Financial are subject to the holdings, borrowings, lendings, or dealings (if any) of members of the Shenwan Hongyuan Group. Any dealings in the relevant securities of the Company by the Shenwan Hongyuan Group from 27 March 2023 (being six months prior to the date of this joint announcement) to the latest practicable date prior to the despatch of the circular will be disclosed in the circular.

- (2) Greenland Financial and parties acting in concert with it on the one hand and Broad Landscape International and parties acting in concert with in on the other hand are not acting in concert as a matter of fact. Broad Landscape International and Eastern Greenstate International are parties acting in concert. Broad Landscape International is owned as to 86.92% and 13.08% by Mr. Wu Zhengping (a former executive Director (resigned on 1 September 2023)) and Ms. Xiao Li (a former executive Director (resigned on 29 April 2023) and the spouse of Mr. Wu Zhengping). Eastern Greenstate International is owned as to 2.81% by Ms. Zhu Wen (朱雯), a former executive Director (resigned on 29 April 2023), and 97.19% by other parties, who are the existing, former or retired employees and business partners of the Group. There is no controlling shareholder in Eastern Greenstate International while its largest shareholder is Mr. Shen Wenlin (a retired employee of the Group, an Independent Third Party and not acting in concert with Greenland Financial), who holds 28.11% equity interests in Eastern Greenstate International. Given the Settlement Agreements being conditional upon the Conversion Completion and Eastern Greenstate International's involvement in the Settlement (i.e. Eastern Greenstate International assigned the debt owed by the Company to it to Inscription Capital, which became the underlying debt of the Settlement Agreement between the Company and Inscription Capital), each of Eastern Greenstate International and Broad Landscape International has agreed to abstain from voting on the resolution(s) to be proposed at the EGM in relation to the Conversion Agreement and the transactions contemplated thereunder, including the granting of the Specific Mandate for Issue of Conversion Shares, and the Whitewash Waiver.
- (3) Wholeking Holdings Limited (“**Wholeking**”) and other public Shareholders are the Independent Shareholders. Wholeking is wholly-owned by Hope Empire Limited, which in turn wholly-owned by Silverland Assets Limited. Silverland Assets Limited is wholly-owned by HSBC International Trustee Limited, being the trustee of a discretionary trust founded by Mr. Cai Kui (an Independent Third Party and not acting in concert with Greenland Financial).

IMPLICATIONS UNDER THE LISTING RULES AND THE TAKEOVERS CODE

Listing Rules Implications

The Conversion Shares will be allotted and issued pursuant to the Specific Mandate for Issue of Conversion Shares to be sought from the Independent Shareholders' approval at the EGM by way of poll.

As at the date of this joint announcement, Greenland Financial beneficially owned 991,321,041 Shares, or approximately 29.66% of the total issued share capital of the Company. Therefore, Greenland Financial is a connected person of the Company pursuant to the Listing Rules. Accordingly, the Conversion Agreement, the granting of the Specific Mandate for Issue of Conversion Shares and the transactions contemplated thereunder constitute non-exempt connected transactions of the Company under Chapter 14A of the Listing Rules and would be subject to the announcement, reporting and Independent Shareholders' approval requirements at the EGM by way of poll. Greenland Financial and its associates are required to abstain from voting on the resolutions in respect of the Conversion Agreement, the granting of the Specific Mandate for Issue of Conversion Shares and the transactions contemplated thereunder at the EGM.

The Settlement Shares will be allotted and issued pursuant to the Specific Mandate for Issue of Settlement Shares to be sought from the Shareholders' approval at the EGM by way of poll.

The Company has not conducted any rights issue, open offer or specific mandate placing within the 12-month period immediately preceding the date of this joint announcement, or prior to such 12-month period where dealing in respect of the Shares issued pursuant thereto commenced within such 12-month period, nor has it issued any bonus securities, warrants or other convertible securities within such 12-month period. The Conversion and the Settlement will result in a theoretical dilution effect of approximately 7.1%, which is below the 25% threshold as specified under Rule 7.27B of the Listing Rules. Therefore, the theoretical dilution impact of the Conversion and the Settlement is in compliance with Rule 7.27B of the Listing Rules.

An application will be made by the Company to the Listing Committee of the Stock Exchange for the listing of, and permission to deal in, the Conversion Shares and the Settlement Shares.

Whitewash Waiver

As at the date of this joint announcement, Greenland Financial and parties acting in concert with it are interested in 991,321,041 Shares, representing approximately 29.66% of the total issued share capital of the Company. The Conversion Completion

and the Settlement Completion are expected to take place simultaneously, upon which the shareholding of Greenland Financial and parties acting in concert with it will increase from approximately 29.66% to (i) approximately 55.82% of the issued share capital of the Company as enlarged by the allotment and issue of the Conversion Shares solely (assuming there will be no other change in the number of issued Shares of the Company between the date of this joint announcement and the date of the Conversion Completion), or (ii) approximately 51.02% of the issued share capital of the Company as enlarged by the allotment and issue of the Conversion Shares and the Settlement Shares (assuming there will be no other change in the number of issued Shares of the Company between the date of this joint announcement and the date of the Conversion Completion and the Settlement Completion, save for the allotment and issue of the Conversion Shares and the Settlement Shares), thereby triggering an obligation on Greenland Financial under Rule 26.1 of the Takeovers Code to make a mandatory general offer for all issued Shares and other securities of the Company not already owned or agreed to be acquired by it or parties acting in concert with it unless the Whitewash Waiver is obtained from the Executive.

An application will be made by Greenland Financial to the Executive for the granting of the Whitewash Waiver pursuant to Note 1 on dispensations from Rule 26 of the Takeovers Code, which, if granted, will be subject to the approval by at least 75% of the Independent Shareholders by way of poll at the EGM in respect of the Whitewash Waiver and the approval by more than 50% of the Independent Shareholders by way of poll at the EGM in respect of the Conversion Agreement and the Specific Mandate for Issue of Conversion Shares. As obtaining the Whitewash Waiver is one of the conditions precedent to the Conversion Agreement and the Settlement Agreements and such condition is not waivable, none of the Conversion Agreement and the Settlement Agreements will proceed if the Whitewash Waiver is not granted by the Executive, or is not approved by the Independent Shareholders at the EGM according to the requirements set out hereinabove.

OTHER INFORMATION REQUIRED UNDER THE TAKEOVERS CODE

As at the date of this joint announcement, other than 991,321,041 Shares held by Greenland Financial and parties acting in concert with it as disclosed in the section headed “EFFECT ON THE SHAREHOLDING STRUCTURE” in this joint announcement and all the transactions contemplated under the Conversion Agreement as disclosed in the section headed “THE CONVERSION AGREEMENT” in this joint announcement, neither Greenland Financial nor any parties acting in concert with it:

- (i) holds, owns, controls or directs any shares, convertible securities, warrants, options or derivatives in respect of the securities in the Company;
- (ii) has entered into any outstanding derivatives in respect of the securities in the Company;

- (iii) has secured any irrevocable commitment from any Independent Shareholders to vote in favour of or against the resolution(s) approving the Conversion Agreement, the transactions contemplated thereunder, including the granting of the Specific Mandate for Issue of Conversion Shares, and the Whitewash Waiver;
- (iv) has any arrangement as referred to Note 8 to Rule 22 of the Takeovers Code (whether by way of option, indemnity or otherwise) or contracts with any other parties in relation to the relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) of the Company which might be material to the Conversion Agreement and the transactions contemplated thereunder, including the granting of the Specific Mandate for Issue of Conversion Shares, and the Whitewash Waiver;
- (v) has any agreement or arrangement to which Greenland Financial or any parties acting in concert with it is a party which relates to the circumstances in which it may or may not invoke or seek to invoke a pre-condition or a condition to the Conversion Agreements, the transactions contemplated thereunder, including the granting of the Specific Mandate for Issue of Conversion Shares, and the Whitewash Waiver; and
- (vi) has borrowed or lent any relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) of the Company.

As at the date of this joint announcement:

- (a) apart from the Conversion Shares to be subscribed and allotted by Greenland Financial, Greenland Financial has not paid and will not pay any other consideration, compensation or benefit in whatever form to the Company and parties acting in concert with it in connection with the Conversion, the Conversion Agreement, and the Whitewash Waiver;
- (b) there is no understanding, arrangement or special deal between the Company and parties acting in concert with it on the one hand, and Greenland Financial and parties acting in concert with it on the other hand; and
- (c) there is no understanding, arrangement or special deal between (i) any Shareholders; and (ii) (a) Greenland Financial and parties acting in concert with it; or (ii)(b) the Company, its subsidiaries or associated companies.

Dealing in the Company's securities

Greenland Financial confirms that none of Greenland Financial or parties acting with it has acquired any voting rights in the Company in the six months prior to the date of this joint announcement which would constitute disqualifying transactions under paragraph 3 of the Whitewash Guidance Note as set out in Schedule VI of the Takeovers Code.

As at the date of this joint announcement, the Company does not believe that the Conversion, the Settlement and the transactions contemplated thereunder including the granting of the Specific Mandate for Issue of Conversion Shares and the Specific Mandate for Issue of Settlement Shares, and the Whitewash Waiver give rise to any concerns in relation to compliance with other applicable rules or regulations (including the Listing Rules). If a concern should arise after the release of this joint announcement, the Company will endeavour to resolve the matter to the satisfaction of the relevant authority as soon as possible but in any event before the despatch of the circular. The Company notes that the Executive may not grant the Whitewash Waiver if any of the Conversion, the Settlement and the transactions contemplated thereunder including the granting of the Specific Mandate for Issue of Conversion Shares and the Specific Mandate for Issue of Settlement Shares, and the Whitewash Waiver does not comply with other applicable rules and regulations.

The Executive may or may not grant the Whitewash Waiver and in the event that any of the Whitewash Waiver is not granted, the Conversion Agreement and the Settlement Agreements shall lapse, and the Conversion and the Settlement will not proceed.

SECURITIES OF THE COMPANY

As at the date of this joint announcement, save for a total of 3,342,536,957 Shares in issue, the Company has no other outstanding shares, options, warrants, derivatives or other relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) that carry a right to subscribe for or which are convertible into Shares.

FORMATION OF THE INDEPENDENT BOARD COMMITTEE AND APPOINTMENT OF THE INDEPENDENT FINANCIAL ADVISER

The Independent Board Committee comprising all the independent non-executive Directors has been formed to advise the Independent Shareholders on the Conversion Agreement and the transactions contemplated thereunder, including the granting of the Specific Mandate for Issue of Conversion Shares, and the Whitewash Waiver.

The Company has appointed Euto Capital, a corporation licensed to carry out type 6 (advising on corporate finance) regulated activities under the SFO, as the Independent Financial Adviser pursuant to Rule 2.1 of the Takeovers Code and Rule 14A.44 of the Listing Rules to advise the Independent Board Committee and the Independent Shareholders in this regard.

PROPOSED INCREASE IN AUTHORISED SHARE CAPITAL

As at the date of this joint announcement, the authorised share capital of the Company is HK\$100,000,000 divided into 4,000,000,000 Shares, of which 3,342,536,957 Shares have been allotted and issued. Upon the completion of the Conversion, the Settlement

and the transactions contemplated thereunder including the granting of the Specific Mandate for Issue of Conversion Shares and the Specific Mandate for Issue of Settlement Shares, the total number of Shares allotted and issued will increase to 5,821,809,957 (assuming no other change in the issued Shares from the date of this announcement to the respective date of completion of the Conversion and the Settlement).

In order for the Company to facilitate the issuance of the Conversion Shares and the Settlement Shares, the Board proposes to increase the authorised share capital of the Company from HK\$100,000,000 divided into 4,000,000,000 Shares to HK\$200,000,000 divided into 8,000,000,000 Shares by the creation of an additional 4,000,000,000 new Shares.

The Directors are of the opinion that the Increase in Authorised Share Capital is in the interests of the Company and the Shareholders as a whole.

GENERAL

The EGM will be convened (i) for the Independent Shareholders to consider, and if thought fit, approve the Conversion Agreement, and the transactions contemplated thereunder, including the granting of the Specific Mandate for Issue of Conversion Shares, and the Whitewash Waiver; (ii) for the Shareholders to consider, and if thought fit, approve the Settlement Agreements and the transactions contemplated thereunder, including the granting of the Specific Mandate for Issue of Settlement Shares; and (iii) for the Shareholders to consider, and if thought fit, to approve the Increase in Authorised Share Capital.

By virtue of the interest of Greenland Financial in the Conversion Agreement, Greenland Financial and its respective associates and parties acting in concert with it shall abstain from voting on the resolution(s) to be proposed at the EGM in relation to the Conversion Agreement and the transactions contemplated thereunder, including the granting of the Specific Mandate for Issue of Conversion Shares, and the Whitewash Waiver but can vote on the resolution(s) to be proposed at the EGM in relation to the Settlement Agreements and the transactions contemplated thereunder, including the granting of the Specific Mandate for Issue of Settlement Shares.

Given the Settlement Agreements being conditional upon the Conversion Completion and Eastern Greenstate International's involvement in the Settlement (i.e. Eastern Greenstate International assigned the debt owed by the Company to it to Inscription Capital, which became the underlying debt of the Settlement Agreement between the Company and Inscription Capital), each of Eastern Greenstate International and Broad Landscape International (being a party acting in concert with Eastern Greenstate International) has agreed to abstain from voting on the resolution(s) to be proposed at

the EGM in relation to the Conversion Agreement and the transactions contemplated thereunder, including the granting of the Specific Mandate for Issue of Conversion Shares, and the Whitewash Waiver.

Given the Board only comprises two executive Directors (being Mr. Pei Gang and Mr. Lin Guangqing, each of whom takes up multiple roles in Greenland) and three independent non-executive Directors, the Board will defer its view on the Conversion Agreement and the transactions contemplated thereunder, including the granting of the Specific Mandate for Issue of Conversion Shares, and the Whitewash Waiver to the Independent Board Committee. As at the date of this joint announcement, neither Mr. Pei Gang nor Mr. Lin Guangqing held any Shares. The Independent Board Committee will, after receiving and considering the advice of the Independent Financial Adviser, reach an opinion and give its recommendation to the Independent Shareholders on whether the terms of the Conversion Agreement are on normal commercial terms which are fair and reasonable and in the interests of the Company and the Independent Shareholders as a whole and as to how to vote on the relevant proposed resolution(s) at the EGM.

A circular containing (i) details of the Conversion and the Whitewash Waiver; (ii) details of the Settlement; (iii) recommendation from the Independent Board Committee to the Independent Shareholders in relation to the Conversion Agreement and the transactions contemplated thereunder, including the granting of the Specific Mandate for Issue of Conversion Shares, and the Whitewash Waiver; (iv) the letter of advice from the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders in relation to the Conversion Agreement and the transactions contemplated thereunder, including the granting of the Specific Mandate for Issue of Conversion Shares, and the Whitewash Waiver; and (v) a notice of the EGM with the form of proxy are expected to be despatched to the Shareholders within 15 business days from the date of this joint announcement pursuant to Rule 14A.68 of the Listing Rules or 21 days from the date of this joint announcement in compliance with Rule 8.2 and the Takeovers Code, whichever is the earlier.

Shareholders and potential investors should note that the Conversion Completion and the Settlement Completion are subject to fulfilment of certain conditions precedent under the respective agreements. As the transactions may or may not become unconditional or be completed, Shareholders and potential investors are reminded to exercise caution when dealing in the Shares.

The Whitewash Waiver may or may not be granted by the Executive and if granted, will, among other things, be subject to the approval by at least 75% of the Independent Shareholders by way of poll at the EGM and the approval by more than 50% of the Independent Shareholders at the EGM in respect of the underlying transactions of the Whitewash Waiver (i.e. the Conversion and the Specific Mandate for Issue of Conversion Shares).

DEFINITIONS

In this joint announcement, unless otherwise requires, the following terms have the meanings set out below:

“2022 Note”	the redeemable fixed coupon promissory note with a principal amount of US\$30,000,000 at the rate of 12.00% per annum issued by the Company to Greenland Financial, which was due on 15 January 2023 but subsequently extended to 15 January 2024 by a deed of consent executed by Greenland Financial on 14 January 2023
“acting in concert”	has the meaning ascribed to it under the Takeovers Code
“associate(s)”	has the meaning ascribed to it under the Listing Rules
“Board”	the board of Directors
“Broad Landscape International”	Broad Landscape International Company Limited (博大國際有限公司), a company incorporated under the laws of the British Virgin Islands and a substantial shareholder of the Company, which is owned as to 86.92% and 13.08% by Mr. Wu Zhengping (吳正平) (a former executive Director (resigned on 1 September 2023)), and Ms. Xiao Li (肖莉) (a former executive Director of the Company (resigned on 29 April 2023) and the spouse of Mr. Wu Zhengping)
“Business Day”	any day (excluding a Saturday, Sunday or public holiday) on which banks generally are open for normal banking business to the public in Hong Kong
“BVI”	the British Virgin Islands
“Company”	China Greenland Broad Greenstate Group Company Limited (中國綠地博大綠澤集團有限公司), a company incorporated in the Cayman Islands with limited liability and the Shares of which are listed on the Main Board of the Stock Exchange (stock code: 1253)
“connected person”	has the meaning ascribed to it under the Listing Rules

“controlling shareholder(s)”	has the meaning ascribed to it under the Listing Rules
“Conversion”	the subscription of the Conversion Shares by Greenland Financial in settlement of the corresponding amounts of outstanding and overdue indebtedness owed by the Company to Greenland Financial, pursuant to the terms of the Conversion Agreement
“Conversion Agreement”	the conversion agreement entered into between the Company and Greenland Financial in relation to the Conversion
“Conversion Completion”	the completion of the Conversion
“Conversion Shares”	a total of 1,979,000,000 new Shares to be allotted and issued by the Company to Greenland Financial pursuant to the Conversion Agreement
“Creditors”	Inscription Capital and Easten Capital
“Director(s)”	the director(s) of the Company
“EGM”	the extraordinary general meeting of the Company to be convened and held (i) for the Independent Shareholders to consider, and if thought fit, to approve the Conversion Agreement and the transactions contemplated thereunder, including the granting of the Specific Mandate for Issue of Conversion Shares, and the Whitewash Waiver; (ii) for the Shareholders to consider, and if thought fit, to approve the Settlement Agreements and the transactions contemplated thereunder, including the granting of the Specific Mandate for Issue of Settlement Shares; and (iii) for the Shareholders to consider, and if thought fit, to approve the Increase in Authorised Share Capital
“Executive”	the executive director of the Corporate Finance Division of the SFC or any delegate of the executive director

“Easten Capital”	Easten Capital Holdings Limited, a company incorporated under the laws of the BVI, which is beneficially wholly owned by Mr. Tu Guoqin (屠國勤), an Independent Third Party and not a party acting in concert with Greenland Financial
“Eastern Greenstate International”	Eastern Greenstate International Company Limited (綠澤東方國際有限公司), a company incorporated under the laws of the BVI and a substantial shareholder of the Company, which is owned as to 2.81% by Ms. Zhu Wen (朱雯), a former executive Director (resigned on 29 April 2023), and 97.19% by other parties, who are the existing, former or retired employees and business partners of the Group
“Group”	the Company and its subsidiaries
“Greenland Financial”	Greenland Financial Overseas Investment Group Co., Ltd. (綠地金融海外投資集團有限公司), a company incorporated under the laws of the BVI and a substantial shareholder of the Company
“Greenland”	Greenland Holdings Group Corporation Limited (綠地控股集團股份有限公司), a company incorporated under the laws of the PRC and the Shares of which are listed on the Shanghai Stock Exchange (stock code: 600606)
“HK\$”	Hong Kong dollar, the lawful currency of Hong Kong
“Hong Kong”	Hong Kong Special Administrative Region of the PRC
“Increase in Authorised Share Capital”	the proposed increase in authorised share capital of the Company from HK\$100,000,000 (divided into 4,000,000,000 Shares) to HK\$200,000,000 (divided into 8,000,000,000 Shares) by the creation of an additional 4,000,000,000 new Shares
“Inscription Capital”	Inscription Capital Holdings Limited, a company incorporated under the laws of the BVI, which is beneficially wholly owned by Mr. Zhu Hanhao (朱晗皓), an Independent Third Party and not a party acting in concert with Greenland Financial

“Independent Board Committee”	the independent committee of the Board which comprises all the independent non-executive Directors, namely Mr. Dai Guoqiang, Dr. Jin Hexian and Mr. Yang Yuanguang, established to advise the Independent Shareholders
“Independent Financial Adviser” or “Euto Capital”	Euto Capital Partners Limited, a corporation licensed to carry out type 6 (advising on corporate finance) regulated activities under the SFO, being the independent financial adviser appointed for the purpose of advising the Independent Board Committee in relation to the Conversion Agreement and the transactions contemplated thereunder, including the granting of the Specific Mandate for Issue of Conversion Shares, and the Whitewash Waiver
“Independent Shareholders”	Shareholder(s) other than: (i) Greenland Financial and parties acting in concert with it and their associates (as defined under the Takeovers Code); (ii) those who are involved in or interested in the Conversion, the Settlement, the Whitewash Waiver and the transactions contemplated thereunder (if any); and (iii) those who are required to abstain from voting at the EGM (if any) to consider and approve the Conversion Agreement, the Settlement Agreements, the transactions contemplated thereunder, including the granting of the Specific Mandate for Issue of Conversion Shares and the Specific Mandate for Issue of Settlement Shares, and the Whitewash Waiver under the Listing Rules and the Takeovers Code
“Independent Third Party(ies)”	Independent third party who is not a connected person of the Company
“Issue Price”	the issue price of HK\$0.1 per Conversion Share and per Settlement Share
“Last Trading Day”	27 September 2023, being the last trading day of the Shares as at the date of this joint announcement (after trading hours of the Stock Exchange)
“Listing Committee”	the listing committee of the Stock Exchange

“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Long Stop Date”	31 March 2024, or such later date as the parties to the Conversion Agreement and the Settlement Agreements may agree (as the case may be)
“Main Board”	the securities market (excluding the options market) operated by the Stock Exchange which is independent from and operated in parallel with GEM
“PRC”	People’s Republic of China, for the sole purpose of this joint announcement, excluding Hong Kong, Macau Special Administrative Region and Taiwan
“RMB”	Renminbi, the lawful currency of the PRC
“Settlement”	the subscription of the Settlement Shares by the Creditors in settlement of the corresponding amounts of outstanding and overdue indebtedness owed by the Company to each of the Creditors pursuant to the terms of the Settlement Agreements
“Settlement Agreements”	the settlement agreements entered into between the Company and each of the Creditors in relation to the Settlement, and each a Settlement Agreement
“Settlement Completion”	the completion of the Settlement
“Settlement Shares”	a total of 500,273,000 new Shares to be allotted and issued by the Company to the Creditors pursuant to the Settlement Agreements
“SFC”	the Securities and Futures Commission of Hong Kong
“SFO”	the Securities and Futures Ordinance (Cap 571 of the Laws of Hong Kong)
“Share(s)”	ordinary share(s) of the Company

“Share Disposal”	the partial disposal of its equity interests in the Company by Broad Landscape International as disclosed in the Company’s announcements dated 3 May 2023, 31 July 2023, 2 August 2023 and 10 August 2023
“Shareholder(s)”	shareholder(s) of the Company
“Shenwan Hongyuan”	Shenwan Hongyuan Capital (H.K.) Limited, the financial adviser to Greenland Financial in respect of the Conversion. Shenwan Hongyuan is a licensed corporation under the SFO, licensed to carry out Type 1 (dealing in securities), Type 4 (advising on securities) and Type 6 (advising on corporate finance) regulated activities under the SFO
“Shenwan Hongyuan Group”	Shenwan Hongyuan and its related entities presumed to be acting in concert with Greenland Financial under class (5) of the definition of “acting in concert” in the Takeovers Code
“Specific Mandate for Issue of Conversion Shares”	the specific mandate to be sought at the EGM to grant the authority to the Board for the allotment and issue of the Conversion Shares from the Independent Shareholders
“Specific Mandate for Issue of Settlement Shares”	the specific mandate to be sought at the EGM to grant the authority to the Board for the allotment and issue of the Settlement Shares from the Shareholders
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Takeovers Code”	the Codes on Takeovers and Mergers and Share Buy-backs issued by the SFC, as amended, supplemented or otherwise modified from time to time
“US\$”	United States dollars, the lawful currency of the United States of America

“Whitewash Waiver”

a waiver from the Executive pursuant to Note 1 on dispensations from Rule 26 of the Takeovers Code in respect of the obligations of Greenland Financial to make a mandatory general offer for all of the equity share capital of the Company not already owned or agreed to be acquired by the Greenland Financial and any parties acting in concert with it which would otherwise arise as a result of the completion of the Conversion

“%”

per cent

By Order of the Board of
**Greenland Financial Overseas
Investment Group Co., Ltd**
SHI Zhengyu
Sole Director

By Order of the Board of
**China Greenland Broad Greenstate
Group Company Limited**
PEI Gang
Chairman and Executive Director

Shanghai, PRC, 27 September 2023

As at the date of this joint announcement, the executive Directors are Mr. Pei Gang and Mr. Lin Guangqing and the independent non-executive Directors are Mr. Dai Guoqiang, Dr. Jin Hexian and Mr. Yang Yuanguang.

As at the date of this joint announcement, the sole director of Greenland Financial is Mr. Shi Zhengyu.

The Directors jointly and severally accept full responsibility for the accuracy of information (other than those relating to Greenland Financial and the parties acting in concert with it) contained in this joint announcement and confirm, having made all reasonable inquiries, that to the best of their knowledge, opinions expressed (other than those expressed by the sole director of Greenland Financial) in this joint announcement have been arrived at after due and careful consideration and there are no other facts not contained in this joint announcement, the omission of which would make any statement in this joint announcement misleading.

The sole director of Greenland Financial accepts full responsibility for the accuracy of the information (other than information relating to the Group) contained in this joint announcement and confirms, having made all reasonable inquiries, that to the best of his knowledge, opinions expressed (other than those expressed by the Directors) in this joint announcement have been arrived at after due and careful consideration and there are no other facts not contained in this joint announcement, the omission of which would make any statement in this joint announcement misleading.

As at the date of this joint announcement, the directors of Greenland are Mr. Zhang Yuliang, Mr. Xu Sunqing, Mr. Hu Xin, Ms. Zhang Yun, Mr. Geng Jing, Ms. Zeng Wenhui, Mr. Liu Yanping, Mr. Guan Yimin, Mr. Qiao Yide, Mr. Wang Kaiguo, and Mr. Zhang Jun.

The directors of Greenland, jointly and severally, accept full responsibility for the accuracy of information (other than information relating to the Group) contained in this joint announcement and confirms, having made all reasonable inquiries, that to the best of their knowledge, opinions expressed (other than those expressed by the Directors) in this joint announcement have been arrived at after due and careful consideration and there are no other facts not contained in this joint announcement, the omission of which would make any statement in this joint announcement misleading.