China Greenland Broad Greenstate Group Company Limited

中國綠地博大綠澤集團有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock code: 1253)

DISCLOSEABLE TRANSACTION
ACQUISITION OF 51% OF TOTAL ISSUED SHARES OF THE TARGET COMPANY INVOLVING ISSUE OF CONSIDERATION SHARES UNDER GENERAL MANDATE

THE ACQUISITION

The Board is pleased to announce that on 31 December 2024 (after trading hours), the Company entered into the Sale and Purchase Agreement with, among others, the Vendor, pursuant to which the Vendor has conditionally agreed to sell and the Company has conditionally agreed to purchase the Sale Shares, representing 51.0% of the total issued shares of the Target Company at the consideration of RMB20.4 million (equivalent to approximately HK$21.9 million), which shall be fully settled and discharged upon Completion by the allotment and issue of the Consideration Shares to the Vendor through the General Mandate at the Issue Price of HK$0.1 per Consideration Share. As of the date of this announcement, the Target Company indirectly holds the entire equity interests in Guoneng Tairui. Therefore, the underlying interests represented by the Sale Shares shall be 51.0% of the entire equity interests in Guoneng Tairui.

Upon Completion, 51.0% of the total issued shares of the Target Company will be held by the Company while the remaining 49.0% will be held by the Vendor. The Target Company will become a non-wholly-owned subsidiary of the Company and the financial results of the Target Group (including Guoneng Tairui) will be consolidated into the accounts of the Group.

The Consideration Shares represent: (i) approximately 3.77% of the number of total issued Shares as at the date of this announcement, (ii) approximately 3.63% of the number of total issued Shares as enlarged by the allotment and issue of the Consideration Shares (assuming there will be no further change in the number of issued Shares of the Company before the issue and allotment of the Consideration Shares). The Consideration Shares will be allotted and issued under the General Mandate at Completion. As at the date of this announcement, no Share has been allotted and issued under the General Mandate. Accordingly, the allotment and issue of the Consideration Shares is within the limit of the General Mandate and is not subject to the approval of the Shareholders.

The Consideration Shares, when allotted and issued, shall rank *pari passu* in all respects with the Shares in issue at the time of allotment and issue of the Consideration Shares including the right to receive all dividends, distributions and other payments made or to be made, on the record date which falls on or after the date of such allotment and issue. An application will be made by the Company to the Listing Committee for the listing of, and permission to deal in, the Consideration Shares.

LISTING RULES IMPLICATIONS

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

The Consideration Shares will be issued under the General Mandate. Shareholders and potential investors of the Company should note that the Completion of the Acquisition is subject to the fulfilment (or waiver, if applicable) of certain conditions precedent under the Sale and Purchase Agreement, and the Completion may or may not proceed. Shareholders and potential investors of the Company are therefore advised to exercise caution when dealing in the Shares.

THE ACQUISITION

The Board is pleased to announce that on 31 December 2024 (after trading hours), the Company entered into the Sale and Purchase Agreement with, among others, the Vendor, pursuant to which the Vendor has conditionally agreed to sell and the Company has conditionally agreed to purchase the Sale Shares, representing 51.0% of the total issued shares of the Target Company at the consideration of RMB20.4 million (equivalent to approximately HK$21.9 million), which shall be fully settled and discharged upon Completion by the allotment and issue of the Consideration Shares to the Vendor through the General Mandate at the Issue Price of HK$0.1 per Consideration Share.

THE SALE AND PURCHASE AGREEMENT

Date : 31 December 2024 (after trading hours).

Parties : the Company (as the purchaser);

ZDX Energy Development Co., Ltd (as the Vendor);

ZDX Energy International Co., Ltd (as the Target Company); and

Guoneng Tairui.

Subject of the Acquisition

Pursuant to the Sale and Purchase Agreement, the Vendor has conditionally agreed to sell, and the Company has conditionally agreed to purchase the Sale Shares, representing 51.0% of the total issued shares of the Target Company. As of the date of this announcement, the Target Company indirectly holds the entire equity interests in Guoneng Tairui. Therefore, the underlying interests represented by the Sale Shares shall be 51.0% of the entire equity interests in Guoneng Tairui.

Consideration

The Consideration, in the amount of RMB20.4 million (equivalent to approximately HK$21.9 million), shall be fully settled and discharged upon Completion by the allotment and issue of the Consideration Shares to the Vendor through the General Mandate at the Issue Price of HK$0.1 per Consideration Share.

The Consideration Shares will be allotted and issued to the Vendor upon Completion, but will be subject to a share escrow arrangement (the "**Share Escrow Arrangement**"), under which the Company will act as the escrow agent to retain and hold the Consideration Shares during the Performance Guarantee Period. The Consideration Shares will be released by the Company to the Vendor upon the expiry of the Performance Guarantee Period. For details of the Performance Guarantee Period, please see the section headed "Performance Guarantee" below.

In addition to the Share Escrow Arrangement, the Consideration Shares will be locked up until the expiry of the Performance Guarantee Period. The Vender undertakes to the Company that, without prior consent of the Company, the Vendor shall not dispose of, deal with or create any encumbrance on all or part of the Consideration Shares during the Performance Guarantee Period.

For avoidance of any doubt, the Company shall not pay, or shall not have to pay, any cash consideration to the Vendor for settlement and/or discharge of the Consideration or any part thereof.

Basis of the Consideration

The Consideration for the Acquisition was determined after arm's length negotiations between the Company and the Vendor with reference to, among others, (i) the latest business and development for the future prospects of the Target Group, (ii) the reasons and benefits of the Acquisition as disclosed in the section headed "Reasons for and Benefits of the Acquisition" below, and (iii) a valuation (the "**Valuation**") made by, King Kee Appraisal and Advisory Limited, an independent valuer (the "**Valuer**") in respect of the 100% equity value of Guoneng Tairui as at 31 October 2024 (the "**Valuation Date**") under market approach, details of which are set out below.

Valuation methodology

The basic methodologies for corporate valuation include the market approach, income approach and cost approach.

The Valuer is of the opinion that the cost approach and income approach are inappropriate for valuing the 100% equity value of Guoneng Tairui because the cost approach does not directly incorporate information about the economic benefits contributed by equity value of Guoneng Tairui while the income approach relies more on management's subjective judgment of Guoneng Tairui and industry.

As the information of the Comparable Companies (the "**Comparable Companies**") from the public market could be obtained, the Comparable Companies method under the market approach is adopted in determining the value of Guoneng Tairui.

Basis of opinion

The Valuation was conducted in accordance with International Valuation Standards issued by the International Valuation Standards Council. The Valuer planned and performed the Valuation so as to obtain all the information and explanations which the Valuer considered necessary in order to obtain sufficient evidence to express its opinion on the subject asset. The valuation procedures employed include the review of physical and economic condition of the subject asset, an assessment of key assumptions, estimates, and representations made by the proprietor or the operator of the subject asset.

__Key inputs and valuation assumptions__

In determining the market value of the equity interest in Guoneng Tairui, the Valuer has relied on the key inputs and made the key assumptions as set out below.

Key inputs

The key inputs extracted from audited financial statements of Guoneng Tairui for the years ended 31 December 2022 and 2023, and the 10 months ended 31 October 2024 as well as the sum of pro-rate two-month financials of the full year 2023 and the ten months ended 31 October 2024 are set out below:

	Year ended 31 December 2022	**Year ended 31 December 2023**	**Ten months ended 31 October 2024**	**Last twelve months**
	RMB'000	*RMB'000*	*RMB'000*	
		(a)	**(b)**	**(c)=(b)+(a)/12*2**
Revenue	2,933	3,913	9,174	9,826
EBIT	1,042	(1,385)	4,425	4,194
Net income	1,039	(1,041)	3,317	3,144

Key assumptions

- The Valuer has derived multiples from five listed Comparable Companies for Guoneng Tairui. The Valuer looked for the five Comparable Companies engaged in renewable electricity industry and comparable with Guoneng Tairui in terms of industry and business model. As the net margin of the five Comparable Companies were higher than that of Guoneng Tairui and Guoneng Tairui seldom has the tangible assets, the Valuer utilized the selected price-to-sale ("**P/S**") ratio. The median of P/S ratio of the five Comparable Companies is 4.7 times.

The list of the aforesaid five Comparable Companies and their relevant information are set out below:

	Business description	Geographic Segments (mainly countries or region of revenue)	P/S ratio as at 30 September 2024	Market Capitalization in RMB millions	Revenue in RMB millions	Net profit in RMB millions	Net assets in RMB millions
Company A	Company A generates and sells wind, coal, and photovoltaic power in the PRC, Canada, South Africa, and Ukraine. It operates through Wind Power, Coal Power, PV Power, and all other related segments. Company A designs, develops, constructs, manages, and operates wind, coal, and photovoltaic power plants. Company A was founded in 1993 and is headquartered in Beijing, China.	Beijing, China	3.2 times	113,968	35,838	7,383	84,286
Company B	Company B engages in the development, construction, operation, and management of hydropower projects. It is also involved in the solar energy and wind power generation; and production and supply of heat. Company B was founded in 2001 and is based in Kunming, China.	Kunming, China	7.1 times	175,140	24,741	8,229	77,626
Company C	Company C operates as a renewable energy power generation company. Company C generates electricity through wind, solar energy, and hydropower. It also engages in Investment in clean energy, water conservancy, hydropower, electricity, water supply, and dredging, as well as tidal flat reclamation, environmental engineering, planting, breeding, and tourism. Company C was founded in 1985 and is based in Beijing, China.	Beijing, China	4.7 times	135,948	28,956	6,794	101,112

	Business description	Geographic Segments (mainly countries or region of revenue)	P/S ratio as at 30 September 2024	Market Capitalization in RMB millions	Revenue in RMB millions	Net profit in RMB millions	Net assets in RMB millions
Company D	Company D engages in the development of clean energy and renewable energy projects in China. It provides energy services, battery replacement services, technical services, technical consulting services. Company D offers gas turbine cogeneration, solar power, wind power, biomass power, coal-fired cogeneration, and waste-to-energy services. Company D was founded in 1992 and is headquartered in Suzhou, China.	Suzhou, China	1.5 times	12,857	8,738	556	13,904
Company E	Company E engages in operation, management, consultation, investment, and financing of hydropower stations in the PRC, Portugal, Peru, Brazil, and Pakistan. Company E owns, operates, and manages the Three Gorges, Gezhouba, Xiluodu, Xiangjiaba, Wudongde, and Baihetan hydropower stations with an installed capacity of 71,795 MW. Company E was founded in 2002 and is headquartered in Beijing, China.	Beijing, China	7.8 times	674,833	86,587	33,967	221,818

Note: The above financial data of multiples, market capitalization, revenue, net profit and net asset of the five Comparable Companies are as at 30 September 2024.

Market multiple

In determining the price multiple, the initial selection criteria include the followings:

- The Comparable Companies are publicly listed;
- The Comparable Companies are primarily engaged in renewable electricity industry; and
- P/S ratio of the Comparable Companies as at the Valuation Date are available.

As sourced from Capital IQ, a reliable third party database service provider designated by Standard & Poor's (S&P), an exhaustive list of five Comparable Companies as set out above satisfying the above criteria was obtained on a best effort basis. The Valuer is of the opinion that each of them is considered as a fair and representative sample.

The median of P/S Ratio of the selected five Comparable Companies as at the Valuation Date was 4.7 times.

Discount for lack of marketability ("DLOM")

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

There have been a number of marketability studies in the U.S. that have focused on the differences between transactions in common stock and restricted stock of the same publicly traded companies. Restricted stock is identical in all respects to freely traded common stock, except that trading in the open market is restricted for a specified period of time (usually two years). By comparing shares that are identical except for their marketability, these studies aimed to specifically isolate the value of marketability. It is also generally believed among analysts that price discounts for lack of marketability for ownership interests of closely held companies were greater than those for restricted shares of publicly held companies as the former had no established market in which they could eventually sell. However, data for quantifying how much greater this price discount should be had not yet been collected. By adopting the median of these studies, the estimated DLOM is around 28.0%.

Control premium

Control premium is an amount by which the pro rata value of a controlling interest exceeds the pro rata value of a non-controlling interest of a business enterprise that reflects the power of a control.

Upon completion of the Acquisition, the Company will indirectly hold 51.0% equity interest in Guoneng Tairui which is a controlling interest in Guoneng Tairui. Therefore, the Valuer has also taken into account the control premium to calculate the valuation of Guoneng Tairui.

With reference to the results of the various studies have indicated a control premium in the range of 11% to 42%. The control premium adopted in the Valuation is 25.0%.

Having considered the above, the Directors consider the Consideration is fair and reasonable.

Issue of the Consideration Shares

The Consideration Shares represent: (i) approximately 3.77% of the number of total issued Shares as at the date of this announcement, (ii) approximately 3.63% of the number of total issued Shares as enlarged by the allotment and issue of the Consideration Shares (assuming there will be no further change in the number of issued Shares of the Company before the issue and allotment of the Consideration Shares). The Consideration Shares will be allotted and issued under the General Mandate at Completion. As at the date of this announcement, no Share has been allotted and issued under the General Mandate. Accordingly, the allotment and issue of the Consideration Shares is within the limit of the General Mandate and is not subject to the approval of the Shareholders.

The Consideration Shares, when allotted and issued, shall rank *pari passu* in all respects with the Shares in issue at the time of allotment and issue of the Consideration Shares including the right to receive all dividends, distributions and other payments made or to be made, on the record date which falls on or after the date of such allotment and issue.

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

Issue Price

The Issue Price of HK$0.1 per Consideration Share represents:

(i) a premium of approximately 233.33% to the closing price of HK$0.0300 per Share as quoted on the Stock Exchange on the date of the Sale and Purchase Agreement;

(ii) a premium of approximately 278.79% to the average closing price of HK$0.0264 per Share as quoted on the Stock Exchange for the five consecutive trading days immediately prior to the date of the Sale and Purchase Agreement; and

(iii) a premium of approximately 284.62% to the average closing price of HK$0.0260 per Share as quoted on the Stock Exchange for the ten consecutive trading days immediately prior to the date of the Sale and Purchase Agreement.

The Issue Price was determined after arm's length negotiation between the Vendor and the Company with reference to the prevailing market price of the Shares. The Directors consider the Issue Price is fair and reasonable and in the interests of the Company and its Shareholders as a whole.

Conditions Precedent

Completion shall be subject to the following conditions precedent having been satisfied or otherwise waived as appropriate:

(a) all necessary consents, confirmations, permits, approvals (including approval of the Acquisition by the directors and/or the shareholders, if required, of both parties) and authorisations under the Listing Rules and other regulatory regime having been granted to and/or obtained by the Company and the Vendor (collectively, the "**Necessary Approvals**"), and the Necessary Approvals having remained valid and effective, and not being threatened with any revocation, withdrawal, cancellation or suspension at any time prior to Completion;

(b) all necessary consents, approvals or waivers have been obtained from third parties or in relation to the existing contractual obligations of the parties, without which the Acquisition cannot proceed, and the aforesaid consents, approvals or waivers having not been revoked at any time prior to Completion;

(c) the Listing Committee of the Stock Exchange having approved the listing of and dealing in the Consideration Shares, and such approval having remained valid and effective and not being threatened with any revocation, withdrawal or cancellation at any time prior to Completion;

(d) the due diligence examination (the "**DD Examination**") of the Target Group having been duly completed by the Company and the results of such DD Examination being satisfactory to the Company at its absolute discretion;

(e) the Target Group continuing normal business operation prior to Completion with no material adverse changes; and

(f) all the representations, warranties and undertakings of or by the Vendor, the Target Company and Guoneng Tairui remaining true, accurate and complete in all respects at all times from the date of the Sale and Purchase Agreement up to Completion Date.

Save and except such conditions precedent as set out in (e) to (f) above which may be waived by the Company unilaterally at any time prior to Completion, none of the other conditions precedent can be waived. Parties to the Sale and Purchase Agreement shall use their respective best endeavours to ensure that the conditions precedent (save and except such conditions precedent which has/have been waived by the Company pursuant to the foregoing provisions of this clause) shall be fulfilled and/or satisfied as soon as possible after the execution of the Sale and Purchase Agreement.

Performance Guarantee

Pursuant to the Sale and Purchase Agreement, without prejudice to any other provision herein, the Vendor makes the following guarantees to the Company:

Profit Guarantee

The Vendor guarantees to the Company that the aggregate net profit (after tax and deducting non-recurring gains and losses) of the Target Group for the three years ending 31 December 2027 (i.e. the Performance Guarantee Period) shall not be less than RMB11.0 million (the "**Profit Guarantee**").

In the event that the Target Group records net loss in any year during the Performance Guarantee Period, the Vendor shall compensate the Target Group in cash for the amount equivalent to the net loss.

In the event that the Target Group fails to meet the Profit Guarantee at the end of the Performance Guarantee Period, the Vendor agrees to compensate the Company for the shortfall in Profit Guarantee by transferring additional shares of the Target Company (the "**Shortfall Share Compensation**"). The number of additional shares of the Target Company shall be calculated in accordance with the following formula:

$$A = (\frac{B}{C} - 51\%) \times D$$

where:

"A" designates the number of additional shares of the Target Company to be transferred by the Vendor to the Company;

"B" designates the Consideration;

"C" designates the actual valuation (the "**Actual Valuation**") based on the actual aggregate net profits for the Performance Guarantee Period, which shall be calculated as follows; and

$$C = \frac{E}{F} \times G$$

where:

"E" designates the actual aggregate net profits for the Performance Guarantee Period;

"F" designates the Profit Guarantee; and

"G" designates the Valuation.

"D" designates the total number of issued shares of the Target Company.

In the event that the remaining shares in the Target Company held by the Vendor are insufficient to satisfy the Shortfall Share Compensation, the Vendor shall compensate the Company for the shortfall in cash. In addition, the Vendor undertakes to the Company that without prior consent of the Target Company, the Vendor shall not dispose of, deal with or create any encumbrance on all or part of the remaining 49.0% of the total issued shares of the Target Company held by the Vendor.

Cashflow Guarantee

The Vendor further guarantees to the Company that in the event that the Target Group records net cash outflows in any financial year comprising the Performance Guarantee Period, the Vendor shall compensate the Target Group in cash for the amount equivalent to the net cash outflow except for any amounts already compensated for the net loss.

Right of First Refusal of the Company

Without prejudice to the Shortfall Share Compensation, after expiry of the Performance Guarantee Period, in the event that the Vendor intends to transfer the remaining 49.0% of the total issued shares of the Target Company, the Vendor shall notify the Company of the conditions of the proposed transfer. Upon receiving the Vendor's notice, the Company is entitled to decided whether to accept such conditions (the "**Right of First Refusal**"). Only if the Company decides not to exercise its Right of First Refusal, the Vendor can offer to transfer to third parties under conditions that are not more favorable than those offered to the Company.

Completion

Subject to the fulfilment and satisfaction (or waived, as the case may be) of the conditions precedent set out in the Sale and Purchase Agreement, Completion shall take place on the Completion Date.

Upon Completion, 51.0% of the total issued shares of the Target Company will be held by the Company while the remaining 49.0% will be held by the Vendor. The Target Company will become a non-wholly-owned subsidiary of the Company and the financial results of the Target Group (including Guoneng Tairui) will be consolidated into the accounts of the Group.

Governance of the Target Group

Target Company

Following the Completion, the Target Company shall appoint a sole director to be nominated by the Company. Such sole director shall also be appointed as the sole director of the Hong Kong SPV.

Guoneng Tairui

Following the Completion, the board of Guoneng Tairui shall consists of three directors, among which, two directors shall be nominated by the Company and one director shall be nominated by the Vendor. One of the directors to be nominated by the Company shall also act as the chairman of the board of Guoneng Tairui.

EFFECT ON SHAREHOLDING STRUCTURE OF THE COMPANY

Set out below is the shareholding structure of the Company (i) as at the date of this announcement; and (ii) immediately after the issue and allotment of the Consideration Shares (assuming there will be no further change in the number of issued Shares of the Company before the issue and allotment of the Consideration Shares):

Name of the Shareholder	**Shareholding as at the date of this announcement**		**Shareholding upon the issue and allotment of the Consideration Shares**	
	Number of Shares held	*Approximate shareholding percentage*	*Number of Shares held*	*Approximate shareholding percentage*
Greenland Financial	2,970,321,041	51.02%	2,970,321,041	49.17%
The Vendor[Note]	—	—	219,354,839	3.63%
Other Shareholders	2,851,488,916	48.98%	2,851,488,916	47.20%
Total	**5,821,809,957**	**100.00%**	**6,041,164,796**	**100.00%**

Note: The Company shall issue and allot 219,354,839 Consideration Shares to the Vendor pursuant to the Sale and Purchase Agreement.

INFORMATION ON THE TARGET COMPANY AND GUONENG TAIRUI

The Target Company is a company incorporated in the BVI with limited liability and an investment holding company. As at the date of this announcement, (i) the Target Company is wholly owned by the Vendor, and (ii) the Target Company only has one direct subsidiary which is a special purpose vehicle incorporated in Hong Kong (the "**Hong Kong SPV**") for the sole purpose of directly holding the entire equity interests in Guoneng Tairui. Neither the Target Company nor the aforesaid Hong Kong SPV of the Target Company has any business operation. Guoneng Tairui is a company incorporated in the PRC with limited liability and principally engaged in providing comprehensive O&M services for hydroelectric power stations.

Set out below is the financial information of Guoneng Tairui for the two years ended 31 December 2023 and the ten months ended 31 October 2024 prepared in accordance with the PRC GAAP.

	For the year ended 31 December		**For the ten months ended 31 October**
	2022	**2023**	**2024**
	(Audited)	**(Audited)**	**(Audited)**
	RMB'000	*RMB'000*	*RMB'000*
Revenue	2,933	3,913	9,174
Net profit/(loss) before tax	1,041	(1,388)	4,423
Net profit/(loss) after tax	1,039	(1,041)	3,317

The audited net assets value of Guoneng Tairui as at 31 October 2024 based on the unaudited consolidated financial statements of Guoneng Tairui prepared in accordance with the PRC GAAP was approximately RMB3.3 million.

REASONS FOR AND BENEFITS OF THE ACQUISITION

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.

Due to the challenging market environment in the landscape industry in China, the Group's total revenue had undergone a 3-year streak of decline since 2021, decreasing from approximately RMB676.2 million for the year ended 31 December 2020 to approximately RMB26.9 million for the year ended 31 December 2023. As disclosed in the annual report of the Company for the year ended 31 December 2023 and the interim report of the Company for the six months ended 30 June 2024, the Company plans to expand into new energy sectors, including photovoltaics, energy storage, charging and energy management. The new energy industry, along with its related infrastructure projects, has the potential to generate stable income and cash flow even amid the macroeconomic downturn in China. In view of the great growth potential in the new energy industry, the Company aims to take advantage of favourable trends in the new energy sector by seeking suitable targets in the new energy market to diversify its source of income and foster growth in long term.

The Acquisition represents an opportunity for the Company to rapidly build business scale, enhance technical capabilities, and lay out the team foundation, allowing for a swift entry into the new energy sectors. Additionally, the Company will develop its own capabilities in construction, general contracting, and operational management within new energy areas such as photovoltaics, wind power, and hydropower. This strategic approach will facilitate the transformation and improvement of the Company's business portfolio, ultimately enhancing the Company's performance, which is in the interests of the Company and its Shareholders as a whole.

In light of the above, the Company has identified Guoneng Tairui as a suitable target for establishing a presence in new energy market. Guoneng Tairui is principally engaged in providing comprehensive O&M services for hydroelectric power stations. As of the date of this announcement, Guoneng Tairui provides O&M services to three hydroelectric power stations with a total installed capacity of 63 megawatts. Guoneng Tairui has secured a long-term O&M contract with each of the three hydroelectric power stations, with a service period of 25 years commencing from 2024, which ensures a stable business scale and robust revenue stream. As of the date of this announcement, Guoneng Tairui boasts a mature technical team of 60 operational staff, including 55 specialised technical personnel in areas such as equipment, infrastructure, hydropower, and electrical engineering. With extensive experience in providing O&M services to hydroelectric power stations, Guoneng Tairui is able to leverage its strong O&M capabilities and reputable brand to actively pursue expansion of its O&M projects for hydroelectric power stations, particularly in hydropower-rich regions like Sichuan Province, thereby further enhancing its management scale and profitability.

Taking into consideration of the aforesaid, the Directors consider that the terms and conditions of the Sale and Purchase Agreement and the transactions contemplated thereunder are on normal commercial terms and are fair and reasonable and that the Acquisition is in the interests of the Company and its Shareholders as a whole.

INFORMATION ON THE VENDOR

The Vendor is a company incorporated in the BVI with limited liability. The Vendor is an investment holding company wholly owned by Kan Hung-Chih (甘鴻枝). To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, the Vendor and its ultimate beneficial owner are third parties independent of the Company and its connected persons (defined in the Listing Rules) as at the date of this announcement.

INFORMATION ON THE COMPANY

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.

LISTING RULES IMPLICATIONS

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

The Consideration Shares will be issued under the General Mandate. Shareholders and potential investors of the Company should note that the Completion of the Acquisition is subject to the fulfilment (or waiver, if applicable) of certain conditions precedent under the Sale and Purchase Agreement, and the Completion may or may not proceed. Shareholders and potential investors of the Company are therefore advised to exercise caution when dealing in the Shares.

DEFINITIONS

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

"Acquisition"	the acquisition of the Sale Shares by the Company from the Vendor pursuant to the terms and conditions of the Sale and Purchase Agreement
"Board"	the board of Directors
"Business Day(s)"	day on which banks in Hong Kong are open for normal banking business (excluding Saturdays, Sundays, public holidays and any day on which a tropical cyclone warning no. 8 or above or a "black" rainstorm warning is hoisted 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 on 22 October 2013, the Shares of which are listed on the Main Board of the Stock Exchange (stock code: 1253)
"Completion"	Completion of the Acquisition in accordance with the terms and conditions of the Sale and Purchase Agreement
"Completion Date"	the date of Completion, which shall be any Business Day falling within the period of five (5) Business Days after all the conditions precedent under the Sale and Purchase Agreement have been fulfilled or satisfied (unless otherwise waived), or such later date as the Company and the Vendor may otherwise agree
"Consideration"	the sum of RMB20.4 million (equivalent to approximately HK$21.9 million) to be paid by the Company to the Vendor for the Sale Shares
"Consideration Shares"	the 219,354,839 new Share(s) to be allotted and issued by the Company at the Issue Price to the Vendor as the Consideration
"Director(s)"	the director(s) of the Company
"General Mandate"	The general mandate granted the Directors to allot, issue, deal with not more than 1,164,361,991 Shares (prior to the next annual general meeting of the Company) at the annual general meeting of the Company on 28 June 2024

"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 the controlling shareholder of the Company
"Group"	the Company and its subsidiaries
"Guoneng Tairui"	Sichuan Guoneng Tairui Electromechanical Co., Ltd.* (四川國能泰瑞機電有限公司), a company incorporated in the PRC with limited liability on 1 August 2018
"HK$"	Hong Kong dollar, the lawful currency of Hong Kong
"Hong Kong"	Hong Kong Special Administrative Region of the PRC
"Issue Price"	the issue price of HK$0.1 per Consideration Share
"Listing Committee"	the listing committee of the Stock Exchange
"Listing Rules"	the Rules Governing the Listing of Securities on the Stock Exchange
"O&M"	operation and maintenance
"Performance Guarantee Period"	the three years ending 31 December 2027
"PRC" or "China"	the People's Republic of China, which for the purpose of this announcement, shall exclude Hong Kong, Macau Special Administrative Region of the PRC and Taiwan
"PRC GAAP"	the PRC Generally Accepted Accounting Principles
"RMB"	Renminbi, the lawful currency of the PRC
"Sale and Purchase Agreement"	the sale and purchase agreement dated 31 December 2024 entered into among the Company, the Vendor, the Target Company and Guoneng Tairui in relation to the Acquisition
"Sale Shares"	25,500 shares of the Target Company which represents 51.0% of the total issued shares of the Target Company
"Share(s)"	ordinary share(s) of the Company
"Shareholder(s)"	shareholder(s) of the Company
"Stock Exchange"	The Stock Exchange of Hong Kong Limited

"Target Company"	ZDX Energy International Co., Ltd, a company incorporated in the BVI with limited liability on 20 September 2022
"Target Group"	the Target Company and its subsidiaries, including Guoneng Tairui
"U.S."	the United States of America
"Vendor"	ZDX Energy Development Co., Ltd, a company incorporated in the BVI with limited liability on 16 September 2022

* *for identification purpose only*

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

Shanghai, the People's Republic of China
31 December 2024

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