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

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

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GREENLAND HONG KONG HOLDINGS LIMITED

綠地香港控股有限公司

(incorporated in the Cayman Islands with limited liability)

(Stock Code: 337)

CONNECTED TRANSACTIONS

Appointment of connected persons

as main contractors for construction works

AND

NOTICE OF EXTRAORDINARY GENERAL MEETING

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



Octal Capital Limited

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

A letter from the Board is set out on pages 6 to 18 of this circular.

A letter from the Independent Board Committee containing its recommendations to the Independent Shareholders is set out on pages I-1 to I-2 of this circular.

A letter from Octal Capital containing its advice to the Independent Board Committee and the Independent Shareholders is set out on pages II-1 to II-19 of this circular.

A form of proxy for the EGM is enclosed with this circular. Whether or not you intend to attend the EGM, you are requested to complete the form of proxy and return it to the Company's branch share registrar in Hong Kong, Tricor Investor Services Limited, at Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong in accordance with the instructions printed thereon not less than 48 hours before the time appointed for holding the EGM or any adjournment thereof (as the case may be). The completion and return of a form of proxy will not preclude you from attending and voting at the EGM in person.

7 November 2019

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DEFINITIONS

In this circular and the appendices to it, unless the context otherwise requires, the following terms and expressions have the following meanings:

“Applicable Percentage Ratio”, “associate(s)”, “close associate(s)” and “connected person(s)”	have the meanings ascribed to them under the Listing Rules;
“Board”	the board of Directors;
“Company”	Greenland Hong Kong Holdings Limited (綠地香港控股有限公司), a company incorporated with limited liability in the Cayman Islands and the ordinary shares of which are listed on the Main Board of the Stock Exchange;
“Construction Projects”	collectively, the Sky Tree Project, the Lakeside Villa (Jiaoshan Lake No. 98) Project, the Lakeside Villa (Jiaoshan Lake No. 97) Project, the Dian Lake Project and the Mountain Time Project, and a “Construction Project” means any one of them;
“Contractor A”	Jiangsu Construction Engineering Group Co., Ltd.* (江蘇省建築工程集團有限公司), a company established in the PRC with limited liability owned as to 50% by Greenland Holdings;
“Contractor Agreements”	collectively, the Sky Tree Contractor Agreement, the Lakeside Villa (Jiaoshan Lake No. 98) Contractor Agreement, the Lakeside Villa (Jiaoshan Lake No. 97) Contractor Agreement, the Dian Lake Contractor Agreement and the Mountain Time Contractor Agreement, and a “Contractor Agreement” means any one of them;
“Contractor B”	Xi’an Construction Engineering Group Co., Ltd.* (西安市建總工程集團有限公司), a company established in the PRC with limited liability owned as to 51% by Greenland Holdings;
“Contractor C”	Shanghai Greenland Construction Engineering Co., Ltd.* (上海綠地建築工程有限公司), a company established in the PRC with limited liability owned as to 100% by Greenland Holdings;

DEFINITIONS

“Contractors”	collectively, Contractor A, Contractor B and Contractor C and a “Contractor” means any one of them;
“Dian Lake Contractor Agreement”	the contractor agreement dated 15 October 2019 entered into between the Dian Lake Project Company and Contractor C in relation to the Dian Lake Project;
“Dian Lake Project”	the main contracting of construction and installation works on land parcel No. 39 of Phase I to IV of the Greenland Dian Lake International Health Town* (綠地滇池國際健康城1-4期39#地塊) to be carried out on a land parcel situated at Dayu Village, Chenggong District, Kunming City, Yunnan Province, the PRC (中國雲南省昆明市呈貢區大漁鄉);
“Dian Lake Project Company”	Kunming Greenland Dianchi Property Co., Ltd.* (昆明綠地滇池置業有限公司), a company established in the PRC with limited liability and a wholly-owned subsidiary of the Company;
“EGM”	the extraordinary general meeting of the Company to be held on Thursday, 5 December 2019 at 9 a.m. for the purposes of approving the Contractor Agreements;
“Gluon Xima”	Gluon Xima International Limited, an indirectly wholly-owned subsidiary of Greenland Holdings and the immediate controlling shareholder of the Company holding approximately 59.1% of the issued share capital of the Company as at the Latest Practicable Date;
“Greenland Holdings”	Greenland Holdings Corporation Limited (綠地控股集團股份有限公司), a company established under the laws of the PRC and listed on the Shanghai Stock Exchange, and the controlling shareholder of the Company;
“Group”	the Company and its subsidiaries;
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong;
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC;

DEFINITIONS

“Independent Board Committee”	the committee of the Board comprising all the independent non-executive Directors (namely, Mr. Cheong Ying Chew, Henry, Mr. Fong Wo, Felix, JP and Mr. Kwan Kai Cheong);
“Independent Shareholders”	Shareholders other than those who are required by the Listing Rules to abstain from voting on the resolutions approving the Contractor Agreements;
“Lakeside Villa (Jiaoshan Lake No. 97) Contractor Agreement”	the contractor agreement dated 15 October 2019 entered into between Lakeside Villa Project Company and Contractor C for the Lakeside Villa (Jiaoshan Lake No. 97) Project;
“Lakeside Villa (Jiaoshan Lake No. 97) Project”	the main contracting of construction and installation works on land parcel No. 97 of the Phase II of the Greenland Lakeside Villa (Jiaoshan Lake) Project* (綠地湖語墅(嬌山湖97#地塊)二期項目) to be carried out on a land parcel situated at the eastern side of Huashan Road and the northern side of Fenghu Road, Tongshan District, Xuzhou City, Jiangsu Province, the PRC (中國江蘇省徐州市銅山區華山路以東，鳳湖路以北);
“Lakeside Villa (Jiaoshan Lake No. 98) Contractor Agreement”	the contractor agreement dated 15 October 2019 entered into between Lakeside Villa Project Company and Contractor B for the Lakeside Villa (Jiaoshan Lake No. 98) Project;
“Lakeside Villa (Jiaoshan Lake No. 98) Project”	the main contracting of construction and installation works on land parcel No. 98 of the Greenland Lakeside Villa (Jiaoshan Lake) Project* (綠地湖語墅(嬌山湖98#地塊)項目) to be carried out on a land parcel situated at the junction of Qianjiang Road and Fenghu Road, Tongshan District, Xuzhou City, Jiangsu Province, the PRC (中國江蘇省徐州市銅山區鳳湖路與錢江路交叉口);
“Lakeside Villa Project Company”	Xuzhou Southern Property Development Co., Ltd.* (徐州南部房地產開發有限公司), a company established in the PRC with limited liability and a wholly-owned subsidiary of the Company;
“Latest Practicable Date”	4 November 2019, being the latest practicable date prior to the printing of this circular for the purposes of ascertaining certain information contained in this circular;

DEFINITIONS

“Listing Rules”	Rules Governing the Listing of Securities on the Stock Exchange;
“Mountain Time Contractor Agreement”	the contractor agreement dated 15 October 2019 entered into between Mountain Time Project Company and Contractor C for the Mountain Time Project;
“Mountain Time Project”	the main contracting of construction and installation works of the Greenland Mountain Time Project* (綠地拾野川項目) to be carried out on a land parcel situated at Hehe Avenue, Gaoming District, Foshan City, Guangdong Province, the PRC (中國廣東省佛山市高明區合和大道旁);
“Mountain Time Project Company”	Foshan City Hongyi Real Estate Investment Co., Ltd.* (佛山市鴻億置業投資有限公司), a company established in the PRC with limited liability and a wholly-owned subsidiary of the Company;
“Octal Capital”	Octal Capital Limited, a licensed corporation permitted under the SFO to carry out Type 1 (dealing in securities) and Type 6 (advising on corporate finance) regulated activities;
“PRC”	People’s Republic of China, which, for the purpose of this circular, excludes Hong Kong, the Macao Special Administrative Region and Taiwan;
“Project Company”	any one of Sky Tree Project Company, Lakeside Villa Project Company, Dian Lake Project Company and Mountain Time Project Company;
“RMB”	Renminbi, the lawful currency of the PRC;
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong);
“Shareholders”	holders of the ordinary share(s) of HK\$0.50 each in the share capital of the Company;
“Sky Tree Contractor Agreement”	the contractor agreement dated 15 October 2019 entered into between Sky Tree Project Company and Contractor A for the Sky Tree Project;

DEFINITIONS

“Sky Tree Project”	the main contracting of construction and installation works of the Greenland Sky Tree Project* (綠地天空樹項目) to be carried out on a land parcel situated at Binhu District, Wuxi City, Jiangsu Province, the PRC (中國江蘇省無錫市濱湖區);
“Sky Tree Project Company”	Wuxi Guangcheng Metro Above-Station Property Development Co., Ltd.* (無錫廣成地鐵上蓋置業有限公司), a company established in the PRC with limited liability and a 90% subsidiary of the Company;
“sq.m.”	square meters;
“Stock Exchange”	The Stock Exchange of Hong Kong Limited; and
“%”	per cent.

For the purposes of this circular, an exchange rate of HK\$1.00 = RMB0.90 has been used for currency translation, where applicable. Such exchange rate is for illustration purposes only and does not constitute any representations that any amount in HK\$ or RMB has been, could have been or may be converted at such rate.

* For identification purposes only

LETTER FROM THE BOARD

GREENLAND HONG KONG HOLDINGS LIMITED

綠地香港控股有限公司

(incorporated in the Cayman Islands with limited liability)

(Stock Code: 337)

Executives Directors:

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

Mr. Wang Weixian (*Honorary Chairman*)

Mr. Hou Guangjun (*Chief Operation Officer*)

Mr. Wu Zhengkui

Ms. Wang Xuling

Registered Office:

Cricket Square

Hutchins Drive

P.O. Box 2681

Grand Cayman KY1-1111

Cayman Islands

Independent Non-Executive Directors:

Mr. Cheong Ying Chew, Henry

Mr. Fong Wo, Felix, JP

Mr. Kwan Kai Cheong

*Principal place of business
in Hong Kong:*

Unit 5711, 57/F

The Center

99 Queen's Road Central

Hong Kong

7 November 2019

To the Shareholders

Dear Sir or Madam,

**CONNECTED TRANSACTIONS
APPOINTMENT OF CONNECTED PERSONS
AS MAIN CONTRACTORS FOR CONSTRUCTION WORKS
AND
NOTICE OF EXTRAORDINARY GENERAL MEETING**

INTRODUCTION

Reference is made to the announcement of the Company dated 15 October 2019 in relation to the Contractor Agreements. On 15 October 2019, certain subsidiaries of the Company entered into the Contractor Agreements, which constitute connected transactions for the Company under the Listing Rules.

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

LETTER FROM THE BOARD

THE CONTRACTOR AGREEMENTS

The principal terms of the Contractor Agreements are as follows:

Sky Tree Contractor Agreement

Date:	15 October 2019
Parties:	(i) Sky Tree Project Company as the principal (ii) Contractor A as the contractor
Subject matter:	To undertake civil engineering works, and electrical and plumbing and drainage installation works for the Sky Tree Project in accordance with the construction drawings, design modification and the instruction of Sky Tree Project Company
Project description and location:	The main contracting of construction and installation works of the Greenland Sky Tree Project* (綠地天空樹項目) to be carried out on a land parcel situated at Binhu District, Wuxi City, Jiangsu Province, the PRC (中國江蘇省無錫市濱湖區)
Estimated construction area:	Approximately 60,537 sq.m.
Estimated total contract sum:	Approximately RMB85.40 million (approximately HK\$94.89 million), subject to adjustment in accordance with relevant provisions in the agreement
Expected commencement date:	10 January 2020
Expected completion date:	11 April 2022

LETTER FROM THE BOARD

Lakeside Villa (Jiaoshan Lake No. 98) Contractor Agreement

Date:	15 October 2019
Parties:	(i) Lakeside Villa Project Company as the principal (ii) Contractor B as the contractor
Subject matter:	To undertake civil engineering works, and electrical and plumbing and drainage installation works for the Lakeside Villa (Jiaoshan Lake No. 98) Project in accordance with the design drawings, and the instruction of Lakeside Villa Project Company
Project description and location:	The main contracting of construction and installation works on land parcel No. 98 of the Greenland Lakeside Villa (Jiaoshan Lake) Project* (綠地湖語墅(嬌山湖98#地塊)項目) to be carried out on a land parcel situated at the junction of Qianjiang Road and Fenghu Road, Tongshan District, Xuzhou City, Jiangsu Province, the PRC (中國江蘇省徐州市銅山區鳳湖路與錢江路交叉口)
Estimated construction area:	Approximately 105,470 sq.m.
Estimated total contract sum:	Approximately RMB156.63 million (approximately HK\$174.03 million), subject to adjustment in accordance with relevant provisions in the agreement
Expected commencement date:	31 December 2019
Expected completion date:	1 August 2021

LETTER FROM THE BOARD

Lakeside Villa (Jiaoshan Lake No. 97) Contractor Agreement

Date:	15 October 2019
Parties:	(i) Lakeside Villa Project Company as the principal (ii) Contractor C as the contractor
Subject matter:	To undertake civil engineering works, and electrical and plumbing and drainage installation works for the Lakeside Villa (Jiaoshan Lake No. 97) Project in accordance with the design drawings, and the instruction of Lakeside Villa Project Company
Project description and location:	The main contracting of construction and installation works on land parcel No. 97 of the Phase II of the Greenland Lakeside Villa (Jiaoshan Lake) Project* (綠地湖語墅(嬌山湖97#地塊)二期項目) to be carried out on a land parcel situated at the eastern side of Huashan Road and the northern side of Fenghu Road, Tongshan District, Xuzhou City, Jiangsu Province, the PRC (中國江蘇省徐州市銅山區華山路以東，鳳湖路以北)
Estimated construction area:	Approximately 12,239 sq.m.
Estimated total contract sum:	Approximately RMB22.26 million (approximately HK\$24.73 million), subject to adjustment in accordance with relevant provisions in the agreement
Expected commencement date:	7 January 2020
Expected completion date:	24 July 2020

LETTER FROM THE BOARD

Dian Lake Contractor Agreement

Date:	15 October 2019
Parties:	(i) Dian Lake Project Company as the principal (ii) Contractor C as the contractor
Subject matter:	To undertake civil engineering works, and electrical and plumbing and drainage installation works for the Dian Lake Project in accordance with the design drawings, and the instruction of Dian Lake Project Company
Project description and location:	The main contracting of construction and installation works on land parcel No. 39 of Phase I to IV of the Greenland Dian Lake International Health Town* (綠地滇池國際健康城1-4期39#地塊) to be carried out on a land parcel situated at Dayu Village, Chenggong District, Kunming City, Yunnan Province, the PRC (中國雲南省昆明市呈貢區大漁鄉)
Estimated construction area:	Approximately 208,501 sq.m.
Estimated total contract sum:	Approximately RMB252.55 million (approximately HK\$280.61 million), subject to adjustment in accordance with relevant provisions in the agreement
Expected commencement date:	31 December 2019
Expected completion date:	2 June 2022

LETTER FROM THE BOARD

Mountain Time Contractor Agreement

Date:	15 October 2019
Parties:	(i) Mountain Time Project Company as the principal (ii) Contractor C as the contractor
Subject matter:	To undertake civil engineering works, and electrical and plumbing and drainage installation works for the Mountain Time Project in accordance with the design drawings, and the instruction of Mountain Time Project Company
Project description and location:	The main contracting of construction and installation works of the Greenland Mountain Time Project* (綠地拾野川項目) to be carried out on a land parcel situated at Hehe Avenue, Gaoming District, Foshan City, Guangdong Province, the PRC (中國廣東省佛山市高明區合和大道旁)
Estimated construction area:	Approximately 130,013 sq.m.
Estimated total contract sum:	Approximately RMB195.79 million (approximately HK\$217.54 million), subject to adjustment in accordance with relevant provisions in the agreement
Expected commencement date:	5 January 2020
Expected completion date:	6 July 2022

LETTER FROM THE BOARD

Payment terms

The total contract sum payable under each Contractor Agreement shall be payable in stages based on the progress of the construction works. The final total contract sum under each Contractor Agreement is subject to adjustment, which is the final total contract sum as set out in the completion settlement report prepared by the Contractor and audited by the independent third party costing consultant appointed by the Project Company in accordance with the terms of the relevant Contractor Agreement.

In general, 70% of the estimated total contract sum shall have been fully paid following completion and acceptance of the construction works, and 95% of the adjusted total contract sum shall have been fully paid after the audit of the completion settlement report has been completed. The remaining 5% of the total contract sum payable under each Contractor Agreement will be withheld as warranty payment and shall, subject to deductions due to necessary repair works, be released after the expiry of up to 5 years.

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

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

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

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

$$\text{Adjusted Price} = \text{Contract Price} - (\text{Pre-agreed Reference Price} \times (1 - \text{Pre-agreed Threshold}) - \text{Average Price})$$

Notes:

“Adjusted Price” means the adjusted price of the relevant construction materials

“Contract Price” means the original price of the major construction materials contracted under the relevant Contractor Agreement

“Average Price” means the average price of the relevant construction materials during the period of price estimation

LETTER FROM THE BOARD

“Pre-agreed Reference Price”	means the pre-agreed reference price contracted under the relevant Contractor Agreement, which is the reference price of the relevant construction materials published from time to time by the relevant PRC governmental authorities
“Pre-agreed Threshold”	means the pre-agreed threshold of $\pm 5\%$ in respect of the fluctuation of the relevant market price of the major construction materials contracted under the relevant Contractor Agreement

Before entering into each of the Contractor Agreement, the Cost Management Department of the Company invited at least two other contractors (which are independent third parties) and the Contractor to tender for the Construction Project. The tenderers invited were those contractors with sufficient capability and expertise to undertake the construction works in a cost efficient manner based on the Company’s experience and/or understanding. In the case of the Lakeside Villa (Jiaoshan Lake No.98) Contractor Agreement, the tenderers were required to bid the contract price chargeable by them. Subsequently, for the invitation for the submission of tenders for the remaining four Contractor Agreements, the Company specified the contract price (subject to adjustment as mentioned above) for each of the Construction Projects and invited tenders to submit tender for the Construction Project based on the said contract price. Before finalising the total contract sum, the Group compared market prices and the contract prices paid by the Group to independent third parties for construction works of a similar nature. When comparing such prices, the Group primarily considered the average cost per square metre and the project’s construction work costs. In order to reduce costs and improve the tendering efficiency, the Company has adopted this new tender approach, which specifies the contract price for a construction project. The tendering for the said four remaining Contractor Agreements showed that the new tender approach is successful in reducing costs and in improving tendering efficiency. Since the new tender approach was introduced after the tender process of the Lakeside Villa (Jiaoshan Lake No.98) Contractor Agreement had already commenced, the said Contractor Agreement did not adopt the new tender approach.

Basis of determining the total contract sum

The total contract sum (subject to adjustments) payable under each of the Contractor Agreements was negotiated on an arm’s length basis and determined with reference to the fees payable by the Group to independent third parties for construction works of a similar nature and current local rules and regulations in force where the relevant Construction Project is located that govern works to be undertaken under the relevant Contractor Agreement.

LETTER FROM THE BOARD

Such rules and regulations include:

(1) in the case of the Sky Tree Project:

- 《建設工程工程量清單計價格規範》(GB50500-2013) (“Code of Bills of Quantities and Valuation for Construction Works (GB50500-2013)”); 《江蘇省(市)房屋建築與裝飾工程消耗量定額及統一基價表(2014版)》 (“2014 Jiangsu Province Building Construction and Decoration Project Consumption Rate Estimate Norm and Unified Basic Pricing Schedule”); 《江蘇省(市)安裝工程消耗量定額及單位估價表(2014版)》 (“2014 Jiangsu Province Installation Project Consumption Rate Estimate Norm and Unit Estimate Pricing Schedule”); and 《江蘇省省建築安裝工程費用定額》 (“Jiangsu Province Construction and Installation Project Estimate Norm”);

(2) in the case of the Lakeside Villa (Jiaoshan Lake No. 98) Project:

- 《建設工程工程量清單計價格規範》(GB50500-2013) (“Code of Bills of Quantities and Valuation for Construction Works (GB50500-2013)”); 《江蘇省(市)房屋建築與裝飾工程消耗量定額及統一基價表(2014版)》 (“2014 Jiangsu Province Building Construction and Decoration Project Consumption Rate Estimate Norm and Unified Basic Pricing Schedule”); 《江蘇省(市)安裝工程消耗量定額及單位估價表(2014版)》 (“2014 Jiangsu Province Installation Project Consumption Rate Estimate Norm and Unit Estimate Pricing Schedule”); and 《江蘇省省建築安裝工程費用定額》 (“Jiangsu Province Construction and Installation Project Estimate Norm”);

(3) in the case of the Lakeside Villa (Jiaoshan Lake No. 97) Project:

- 《建設工程工程量清單計價格規範》(GB50500-2013) (“Code of Bills of Quantities and Valuation for Construction Works (GB50500-2013)”); 《江蘇省(市)房屋建築與裝飾工程消耗量定額及統一基價表(2014版)》 (“2014 Jiangsu Province Building Construction and Decoration Project Consumption Rate Estimate Norm and Unified Basic Pricing Schedule”); 《江蘇省(市)安裝工程消耗量定額及單位估價表(2014版)》 (“2014 Jiangsu Province Installation Project Consumption Rate Estimate Norm and Unit Estimate Pricing Schedule”); and 《江蘇省省建築安裝工程費用定額》 (“Jiangsu Province Construction and Installation Project Estimate Norm”);

(4) in the case of the Dian Lake Project:

- 《建設工程工程量清單計價格規範》(GB50500-2013) (“Code of Bills of Quantities and Valuation for Construction Works (GB50500-2013)”); 《雲南省2013版建設工程造價計價依據》 (“2013 Yunan Province Construction Works Basis for Calculation of Rate”); and 《昆明市建築材料市場價格指導》 (“Kunming Construction Materials Market Pricing Directive”); if the Directive is not applicable, 《價格指導》 (“Pricing Directive”); and

LETTER FROM THE BOARD

(5) in the case of the Mountain Time Project:

- 《建設工程工程量清單計價格規範》(GB50500-2013) (“Code of Bills of Quantities and Valuation for Construction Works (GB50500-2013)”); 《廣東省建築裝飾裝修工程消耗量定額及統一基價表(2018版)》 (“2018 Guangdong Province Building Construction and Decoration Project Consumption Rate Estimate Norm and Unified Basic Pricing Schedule”); 《廣東省安裝工程消耗量定額及單位估價表(2018版)》 (“2018 Guangdong Province Installation Project Consumption Rate Estimate Norm and Unit Estimated Pricing Schedule”); and 《廣東省建築安裝工程費用定額》 (“Guangdong Province Construction and Installation Project Estimate Norm”).

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

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

The Cost Management Department, Engineering Department and Technology Research and Development Department worked with independent third party costing consultants, namely Taiyu Engineering Technology Consulting Co., Ltd.* (泰宇建築工程技術諮詢有限公司), Shanghai Zhenghong Construction Engineering Consultant Co., Ltd.* (上海正弘建設工程顧問有限公司), Jiangsu Tianye Engineering Consulting Real Estate Appraisal Co., Ltd.* (江蘇天業工程諮詢房地產估價有限責任公司) and Jiangyin Fangzheng Construction Engineering Pricing Office Co., Ltd.* (江陰方正建設工程造價事務所有限公司), to determine which tender was successful by evaluating the terms offered, the expected quality, reliability of services of the tenderer, and, in the case of the Lakeside Villa (Jiaoshan Lake No.98) Contractor Agreement, the prices bided. The Cost Management Department focused on the commercial aspects of the tenders, whereas the Engineering Department and Technology Research and Development Department focused on evaluating the engineering and technical expertise of the tenderer.

Condition Precedent

Each of the Contractor Agreements will only take effect upon the obtaining of the approval of the Board and the approval of the Independent Shareholders at the EGM of the Company.

Funding

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

LETTER FROM THE BOARD

GENERAL INFORMATION

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

Contractor A is beneficially owned as to 50% by Greenland Holdings, 35% by Chen Zheng Hua* (陳正華) and Dou Zheng Hong* (竇正紅) and 15% by Nanjing Chengkai Equity Investment Partnership Enterprise (Limited Liability Partnership)* (南京城開股權投資合夥企業(有限合夥)). Contractor B is beneficially owned as to 51% by Greenland Holdings, 34% by the State-owned Assets Supervision and Administration Commission of the Xi'an Municipal People's Government* (西安市人民政府國有資產監督管理委員會) and 15% by Xi'an Hesi Hexing Enterprise Management Centre Partnership Enterprise (Limited Liability Partnership)* (西安合思合行企業管理中心合夥企業(有限合夥)). Contractor C is owned as to 100% by Greenland Holdings.

The Contractors are principally engaged in undertaking industrial and civil construction works, interior and exterior construction, installation and decoration works and construction of urban roads.

Greenland Holdings is principally engaged in asset investment, property development and operation, leasing, residential and infrastructure facility ancillary construction, hotel management, urban track transportation engineering, greening projects and property management. Nanjing Chengkai Equity Investment Partnership Enterprise (Limited Liability)* is principally engaged in equity investment and venture capital investment, and investment in non-publicly traded equity and related services. The State-owned Assets Supervision and Administration Commission of the Xi'an Municipal People's Government* is a government authority authorised by and established directly under Xi'an Municipal People's Government for supervising and managing state-owned assets. Xi'an Hesi Hexing Enterprise Management Centre Partnership Enterprise (Limited Liability)* is principally engaged in business management consulting.

REASONS FOR AND BENEFITS OF ENTERING INTO THE CONTRACTOR AGREEMENTS

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

The Board (excluding Mr. Chen Jun and Mr. Wu Zhengkui, who abstained from voting at the meeting of the Board due to conflict of interest, and the independent non-executive Directors whose opinion is set out in the "Letter from the Independent Board Committee" reproduced in Appendix I of this circular) considers that the terms of Contractor Agreements are fair and reasonable, and that the transactions contemplated under the Contractor Agreements are on normal commercial terms or better and in the ordinary and usual course of business of the Group, and are in the interests of the Company and the Shareholders as a whole.

LETTER FROM THE BOARD

LISTING RULES IMPLICATIONS

As at the Latest Practicable Date, Greenland Holdings indirectly holds approximately 59.1% of the total issued ordinary shares of the Company and is a connected person of the Company. Each of Contractor A, Contractor B and Contractor C is owned as to more than 30% by Greenland Holdings. Accordingly, each of the Contractors is an associate of Greenland Holdings and, thus, a connected person of the Company. As the highest Applicable Percentage Ratio for the Contractor Agreements on an aggregate basis exceeds 5%, the Contractor Agreements constitute connected transactions for the Company subject to the reporting, announcement and independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

As at the Latest Practicable Date, Gluon Xima, being the controlling shareholder of the Company, controls over the voting rights in respect of 1,650,244,409 Shares, representing approximately 59.1% of the entire issued ordinary share capital of the Company. Save for Gluon Xima, none of Greenland Holdings and its close associates control or are entitled to exercise control over the voting rights in respect of any Shares. There are no voting trusts or other agreements or arrangements or understandings or obligations or entitlements whereby Gluon Xima has or may have temporarily or permanently passed control over the exercise of the voting rights in respect of its Shares to a third party, either generally or on a case-by-case basis. Greenland Holdings, Gluon Xima and their respective close associates will be required to abstain from voting on the shareholders' resolutions in relation to the Contractor Agreements. Save as disclosed, as at the Latest Practicable Date, the Company is not aware of any other Shareholders which would be required to abstain from voting in respect of the Contractor Agreements.

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

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

EGM AND PROXY ARRANGEMENT

The notice convening the EGM is set out in pages EGM-1 to EGM-3 of this circular. At the EGM, ordinary resolutions will be proposed to approve the Contractor Agreements and the transactions contemplated thereunder.

Only persons who are registered holders of Shares after close of business on Wednesday, 4 December 2019 (based on the register of members of the Company) will qualify for attending and voting at the EGM. The register of members will not be closed for the purposes of determining the Shareholders' eligibility to attend and vote at the EGM. In order to qualify for attending and voting at the EGM, unregistered holders of Shares should ensure that all transfer documents accompanied by the relevant share certificates must be lodged with the Company's branch share registrar in Hong Kong,

LETTER FROM THE BOARD

Tricor Investor Services Limited at Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong for registration not later than 4:30 p.m. on Wednesday, 4 December 2019.

A form of proxy for appointing proxy is despatched with this circular and published on the websites of HKExnews (<http://www.hkexnews.hk>) and the Company (<http://www.greenlandhk.com>), respectively. Whether or not you intend to attend the EGM or any adjournment thereof (as the case may be), please complete and return the enclosed form of proxy in accordance with the instructions printed on the form of proxy as soon as practicable, but in any event not less than 48 hours before the time appointed for holding the EGM or any adjournment thereof (as the case may be), to the Company's branch share registrar in Hong Kong, Tricor Investor Services Limited, at Level 54, Hopewell Centre, 183 Queen's Road East Hong Kong. Completion and return of the form of proxy will not preclude you from attending and voting at the EGM or any adjournment meeting (as the case may be) if you so wish and, in such event, the instrument appointing a proxy will be deemed to be revoked.

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

RECOMMENDATIONS

The Independent Board Committee, having taken into account the advice of Octal Capital, considers that the terms of Contractor Agreements are fair and reasonable, and that the transactions contemplated under the Contractor Agreements are on normal commercial terms or better and in the ordinary and usual course of business of the Group, and are in the interests of the Company and the Shareholders as a whole. Accordingly, the Independent Board Committee recommends the Independent Shareholders to vote in favour of the resolutions in relation to the Contractor Agreements to be proposed at the EGM. The text of the letter from the Independent Board Committee is set out on pages I-1 and I-2 of this circular, and the text of the letter from Octal Capital is set out on pages II-1 to II-19 of this circular.

Yours faithfully,
By Order of the Board
Greenland Hong Kong Holdings Limited
CHEN Jun
Chairman

* *For identification only*

GREENLAND HONG KONG HOLDINGS LIMITED**綠地香港控股有限公司***(incorporated in the Cayman Islands with limited liability)***(Stock Code: 337)**

7 November 2019

To the Independent Shareholders

Dear Sir or Madam,

CONNECTED TRANSACTIONS
Appointment of connected persons as main contractors
for construction works

We refer to the circular dated 7 November 2019 of the Company (the “**Circular**”) of which this letter forms part. Terms defined in the Circular bear the same meanings herein unless the context otherwise requires.

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

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

Having taking into account the reasons for and benefits of the transactions contemplated under the Contractor Agreements, the principal factors and reasons considered by Octal Capital in arriving at its opinion regarding such transactions as set out in the “Letter from Octal Capital” on pages II-1 to II-19 of the Circular, we consider that the terms of the Contractor Agreements are fair and reasonable, and that the transactions contemplated under the Contractor Agreements are on normal commercial terms or better and in the ordinary and usual course of business of the Group, and are in the interests of the Company and the Shareholders as a whole.

Accordingly, we recommend that the Independent Shareholders vote in favour of the ordinary resolutions as set out in the notice of EGM to be held on Thursday, 5 December 2019 and thereby approve the transactions contemplated under the Contractor Agreements.

Yours faithfully
For and on behalf of
Independent Board Committee

Cheong Ying Chew, Henry

*Independent
Non-executive
Director*

Fong Wo, Felix, JP

*Independent
Non-executive
Director*

Kwan Kai Cheong

*Independent
Non-executive
Director*

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



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

7 November 2019

*To the Independent Board Committee
and the Independent Shareholders*

Dear Sirs,

CONNECTED TRANSACTION
Appointment of connected persons
as main contractors for construction works

INTRODUCTION

We refer to our appointment as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders in respect of the Contractor Agreements, details of which are set out in the letter from the Board (the “**Letter from the Board**”) contained in the circular of the Company dated 7 November 2019 (the “**Circular**”), of which this letter forms a part. Unless the context requires otherwise, capitalised terms used in this letter shall have the same meanings as ascribed to them under the section headed “**Definitions**” in the Circular.

The Board announced that, on 15 October 2019,

- (i) Sky Tree Project Company, a 90%-owned subsidiary of the Company, entered into the Sky Tree Contractor Agreement with Contractor A to appoint Contractor A as the contractor for the Sky Tree Project;
- (ii) Lakeside Villa Project Company, a wholly-owned subsidiary of the Company, entered into the Lakeside Villa (Jiaoshan Lake No. 98) Contractor Agreement with Contractor B to appoint Contractor B as the contractor for the Lakeside Villa (Jiaoshan Lake No. 98) Project;
- (iii) Lakeside Villa Project Company, a wholly-owned subsidiary of the Company, entered into the Lakeside Villa (Jiaoshan Lake No. 97) Contractor Agreement with Contractor C to appoint Contractor C as the contractor for the Lakeside Villa (Jiaoshan Lake No. 97) Project;

- (iv) Dian Lake Project Company, a wholly-owned subsidiary of the Company, entered into the Dian Lake Contractor Agreement with Contractor C to appoint Contractor C as the contractor for the Dian Lake Project; and
- (v) Mountain Time Project Company, a wholly-owned subsidiary of the Company, entered into the Mountain Time Contractor Agreement with Contractor C to appoint Contractor C as the contractor for the Mountain Time Project.

As at the Latest Practicable Date, Greenland Holdings indirectly holds approximately 59.1% of the total issued ordinary shares of the Company and is a connected person of the Company. Each of Contractor A, Contractor B and Contractor C is owned as to more than 30% by Greenland Holdings. Accordingly, each of the Contractors is an associate of Greenland Holdings and, thus, a connected person of the Company. As the highest Applicable Percentage Ratio for the Contractor Agreements on an aggregate basis exceeds 5%, the Contractor Agreements constitute connected transactions for the Company subject to the reporting, announcement and independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

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

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

relation to appointment of connected persons as contractor for construction works in respect of the Group's property development projects (details of which are set out in the circular of the Company dated 6 August 2018); (v) the major and connected transaction in relation to the disposal of 100% equity interest in Nanchang Shenyang (details of which are set out in the circular of the Company dated 30 November 2018); and (vi) the connected transaction in relation to appointment of connected persons as contractors for construction works (details of which are set out in the circular of the Company dated 4 June 2019).

Under the Previous Engagements, we were required to express our opinion on and give recommendation to the independent committee of the Board comprising all the independent non-executive Directors and Independent Shareholders in respect of the relevant transactions. Apart from normal professional fees payable to us in connection with this appointment, no arrangement exists whereby we will receive any fees or benefits from the Group or the directors, chief executive and substantial shareholders of the Company or any of its subsidiaries or their respective associates.

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

PRINCIPAL FACTORS AND REASONS CONSIDERED

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

1. Reasons for and benefits of the Contractor Agreements

The Company is an investment holding company. The Group is principally engaged in property development, property and hotel investment and property management. Greenland Holdings is an enterprise headquartered in Shanghai, PRC and is principally engaged in real estate, energy and finance business. As at the Latest Practicable Date, Greenland Holdings indirectly holds approximately 59.1% of the entire issued share capital of the Company.

Contractor A is a subsidiary of Greenland Holdings owned as to 50% by Greenland Holdings, and is principally engaged in undertaking industrial and civil construction works, interior and exterior construction, installation and decoration works and construction of urban roads. According to its company profile documents including relevant documents issued by relevant authorities of the PRC, Contractor A was established in 1987 with a registered capital of RMB1,256.6 million and possesses the necessary licenses mainly including Building Construction General Contracting Premium Qualification (建築工程施工總承包特級), Municipal Public Construction General Contracting Class 1 (市政公用工程施工總承包一級), Design and Construction of Building Decoration Class 1 (建築裝飾裝修工程設計與施工一級), Roadway Project Construction General Contracting Class 2 (公路工程施工總承包二級) and Steel Structure Engineering Professional Contracting Works Class 1 (鋼結構工程專業承包一級).

Contractor B is a subsidiary of Greenland Holdings owned as to 51% by Greenland Holdings, and is principally engaged in undertaking industrial and civil construction works, interior and exterior construction, installation and decoration works and construction of urban roads. According to the company profile documents including relevant documents issued by relevant authorities of the PRC, Contractor B was established in 1992 with a registered capital of RMB960.1 million and possesses the necessary licenses mainly including Building Construction General Contracting Premium Qualification (建築工程施工總承包特級), Municipal Public Construction General Contracting Premium Qualification (市政公用工程施工總承包特級) and Steel Structure Engineering Professional Contracting Works Class 1 (鋼結構工程專業承包一級).

Contractor C is a subsidiary of Greenland Holdings owned as to 100% by Greenland Holdings, and is principally engaged in undertaking industrial and civil construction works, interior and exterior construction, installation and decoration works and construction of urban roads. According to its company profile documents including relevant documents issued by relevant authorities of the PRC, Contractor C was established in 1996 with a registered capital of RMB625 million and possesses the licenses including of Building Construction General Contracting Class 1 (建築工程施工總承包一級).

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

As set out in the Letter from the Board, the Contractors have extensive experience in the construction business in the PRC. The Directors believe that engaging the Contractors to carry out the construction works in respect of the Construction Projects will allow the Group to capitalise on the expertise of the Contractors and ensure the construction works are completed up to the standards desired by the Company. Moreover, based on our discussion with the management of the Company, we understand that the Group has engaged Contractor A, Contractor B and Contractor C to carry out construction projects for approximately 3 years, 1 year and 5 years respectively. Apart from the Construction Projects, the Contractors have undertaken more than 19 construction projects subcontracted by the Group, of which 8 of them have been successfully completed as at the Latest Practicable Date. Among those construction projects, the Contractors have been able to meet timelines of construction projects and have not involved in any dispute with the Group with regard to settlement, construction progress and construction work such that the Group and the Contractors have been able to work effectively and efficiently.

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

2. Principal Terms of the Connected Transactions

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

2.1 Sky Tree Contractor Agreement

Date:	15 October 2019
Parties:	(i) Sky Tree Project Company as the principal (ii) Contractor A as the contractor
Subject matter:	To undertake civil engineering works, and electrical and plumbing and drainage installation works for the Sky Tree Project in accordance with the construction drawings, design modification and the instruction of Sky Tree Project Company
Project description and location:	The main contracting of construction and installation works of the Greenland Sky Tree Project* (綠地天空樹項目) to be carried out on a land parcel situated at Binhu District, Wuxi City, Jiangsu Province, the PRC (中國江蘇省無錫市濱湖區)
Estimated construction area:	Approximately 60,537 sq.m.
Estimated total contract sum:	Approximately RMB85.40 million (approximately HK\$94.89 million), subject to adjustment in accordance with relevant provisions in the agreement
Expected commencement date:	10 January 2020
Expected completion date:	11 April 2022

2.2 Lakeside Villa (Jiaoshan Lake No. 98) Contractor Agreement

Date:	15 October 2019
Parties:	(i) Lakeside Villa Project Company as the principal (ii) Contractor B as the contractor
Subject matter:	To undertake civil engineering works, and electrical and plumbing and drainage installation works for the Lakeside Villa (Jiaoshan Lake No. 98) Project in accordance with the design drawings, and the instruction of Lakeside Villa Project Company
Project description and location:	The main contracting of construction and installation works on land parcel No. 98 of the Greenland Lakeside Villa (Jiaoshan Lake) Project* (綠地湖語墅(嬌山湖98#地塊)項目) to be carried out on a land parcel situated at the junction of Qianjiang Road and Fenghu Road, Tongshan District, Xuzhou City, Jiangsu Province, the PRC (中國江蘇省徐州市銅山區鳳湖路與錢江路交叉口)
Estimated construction area:	Approximately 105,470 sq.m.
Estimated total contract sum:	Approximately RMB156.63 million (approximately HK\$174.03 million), subject to adjustment in accordance with relevant provisions in the agreement
Expected commencement date:	31 December 2019
Expected completion date:	1 August 2021

2.3 Lakeside Villa (Jiaoshan Lake No. 97) Contractor Agreement

Date:	15 October 2019
Parties:	(i) Lakeside Villa Project Company as the principal (ii) Contractor C as the contractor
Subject matter:	To undertake civil engineering works, and electrical and plumbing and drainage installation works in respect of the Lakeside Villa (Jiaoshan Lake No. 97) Project in accordance with the design drawings, and the instruction of Lakeside Villa Company
Project description and location:	The main contracting of construction and installation works on land parcel No. 97 of the Phase II of the Greenland Lakeside Villa (Jiaoshan Lake) Project* (綠地湖語墅(嬌山湖97#地塊)二期項目) to be carried out on a land parcel situated at the eastern side of Huashan Road and the northern side of Fenghu Road, Tongshan District, Xuzhou City, Jiangsu Province, the PRC (中國江蘇省徐州市銅山區華山路以東，鳳湖路以北)
Estimated construction area:	Approximately 12,239 sq.m.
Estimated total contract sum:	Approximately RMB22.26 million (approximately HK\$24.73 million), subject to adjustment in accordance with relevant provisions in the agreement
Expected commencement date:	7 January 2020
Expected completion date:	24 July 2020

2.4 *Dian Lake Contractor Agreement*

Date:	15 October 2019
Parties:	(i) Dian Lake Project Company as the principal (ii) Contractor C as the contractor
Subject matter:	To undertake civil engineering works, and electrical and plumbing and drainage installation works for the Dian Lake Project in accordance with the design drawings, and the instruction of Dian Lake Project Company
Project location:	The main contracting of construction and installation works on land parcel No. 39 of Phase I to IV of the Greenland Dian Lake International Health Town* (綠地滇池國際健康城1-4期39#地塊) to be carried out on a land parcel situated at Dayu Village, Chenggong District, Kunming City, Yunnan Province, the PRC (中國雲南省昆明市呈貢區大漁鄉)
Estimated construction area:	Approximately 208,501 sq.m.
Estimated total contract sum:	Approximately RMB252.55 million (approximately HK\$280.61 million), subject to adjustment in accordance with relevant provisions in the agreement
Expected commencement date:	31 December 2019
Expected completion date:	2 June 2022

2.5 *Mountain Time Contractor Agreement*

Date:	15 October 2019
Parties:	(i) Mountain Time Project Company as the principal (ii) Contractor C as the contractor
Subject matter:	To undertake civil engineering works, and electrical and plumbing and drainage installation works for the Mountain Time Project in accordance with the design drawings, and the instruction of Mountain Time Project Company
Project description and location:	The main contracting of construction and installation works of the Greenland Mountain Time Project* (綠地拾野川項目) to be carried out on a land parcel situated at Hehe Avenue, Gaoming District, Foshan City, Guangdong Province, the PRC (中國廣東省佛山市高明區合和大道旁)
Estimated construction area:	Approximately 130,013 sq.m.
Estimated total contract sum:	Approximately RMB195.79 million (approximately HK\$217.54 million), subject to adjustment in accordance with relevant provisions in the agreement
Expected commencement date:	5 January 2020
Expected completion date:	6 July 2022

3. Information of the Construction Projects

The Construction Projects comprise Sky Tree Project, Lakeside Villa (Jiaoshan Lake No. 98) Project, Lakeside Villa (Jiaoshan Lake No. 97) Project, Dian Lake Project and Mountain Time Project, mainly including the civil engineering works, and electrical and plumbing and drainage installation works, and outdoor overall engineering works on the relevant construction sites. Set out below is the summary of the details of the Construction Projects:

Projects	General nature of construction projects	Region	Estimated total contract sum (RMB)	Estimated construction area (sq.m.)	Estimated total contract sum per sq.m. (RMB)
Sky Tree Project	Civil engineering works, and electrical and plumbing and drainage installation works	Jiangsu Province	85.4 million	60,537	1,411
Lakeside Villa (Jiaoshan Lake No. 98) Project	Civil engineering works, and electrical and plumbing and drainage installation works	Jiangsu Province	156.6 million	105,470	1,485
Lakeside Villa (Jiaoshan Lake No. 97) Project	Civil engineering works, and electrical and plumbing and drainage installation works	Jiangsu Province	22.3 million	12,239	1,822
Dian Lake Project	Civil engineering works, and electrical and plumbing and drainage installation works	Yunnan Province	252.6 million	208,501	1,212
Mountain Time Project	Civil engineering works, and electrical and plumbing and drainage installation works	Guangdong Province	195.8 million	130,013	1,506

According to the annual report of the Company for the year ended 31 December 2018 and certain brochures of the Construction Projects provided by the Company, (i) Sky Tree Project is a residential development project in respect of a piece of land situated in the intersection of Lihu Road and Juqu Road, Binhu District, Wuxi City, Jiangsu Province of the PRC. The land area of this project is approximately 14,505 sq.m.; (ii) Lakeside Villa (Jiaoshan Lake No. 98) Project and Lakeside Villa (Jiaoshan Lake No. 97) Project, both situated at the south west of Tongshancheng District, Xuzhou City, Jiangsu Province of the PRC, are residential development project and a mixed development of residential and commercial project respectively. The land area of these two projects are approximately 63,568 sq.m. and 12,867 sq.m. respectively; (iii) Dian Lake Project is a residential development project in respect of a piece of land situated at Dayu Village, Chenggong District, Kunming City, Yunnan Province of the PRC, covering international medical, outpatient, healthcare, genetic testing, precision medicine and health management. The land area of the project is approximately 49,433 sq.m.; and (iv) Mountain Time Project is a residential development project in respect of a piece of land situated close to Hehe Avenue, Gaoming District, Foshan City, Guangdong Province of the PRC. The land area of this project is approximately 399,478 sq.m.

4. Basis of determining the total contract sum

As stated in the Letter from the Board, the total contract sum (subject to adjustments) payable under each of the Contractor Agreements was negotiated on an arm's length basis and determined with reference to the fees payable by the Group to independent third parties for construction works of a similar nature.

As the total contract sum of the Contractor Agreements was determined with reference to the fees payable by the Group to independent third parties for construction works of a similar nature, we have obtained from the Company a full list of construction projects of the Group (the "**Project List**") including all construction projects similar to the Construction Projects which were engaged with independent third parties contractors for the previous three years up to the Latest Practicable Date (the "**Independent Construction Project(s)**") to assess the fairness and reasonableness of the total contract sum of the Contractor Agreements. Apart from the Project List, we also obtained relevant construction contracts (the "**Independent Construction Contracts**") and conducted a review on the contract sum of those Independent Construction Projects. We are of the view that the Independent Construction Projects identified in the previous three years up to the Latest Practicable Date provide us with relevant information for our analysis and such information is sufficient to support our opinion. The Directors confirmed that the Independent Construction Projects are in line with the normal course of business of the Group. The Project List contains details of each project including natures, contractors, regions, scope of projects, status of projects, expected construction amounts, actual construction amounts, basic of construction budgets and payment terms. Based on our review on the Project List and further discussion with the management of the Company, we understand that the total contract sum of the Independent Construction Projects included the cost of steel whereas the contract sums of the Construction Projects did not include the cost of steel. We note that the Group has been acquiring steel for its main contracting construction projects since beginning of this year in order to enjoy bulk purchase discount and save the overall construction costs.

Moreover, as stated in the Letter from the Board, the total contract sum of construction projects are determined with reference to the current local rules and regulations in force where the relevant construction project is located, we compared the total contract sum of the Construction Projects with that of the Independent Construction Projects according to their regions as set out in the section headed "Information of the Construction Projects" in this letter. Set out below are the summary of the total contract sum of the Independent Construction Projects categorised by regions.

Region	Average total contract sum per sq. m. (after adjusted for cost of steel) (RMB)
Jiangsu Province*	1,469
Yunnan Province	1,268
Guangxi Province	1,480

* *excluding Independent Construction Projects located in Shanghai as we understand that the construction cost in first tier cities such as Shanghai is much higher than other regions.*

Upon comparison, we note that (i) for Sky Tree Project and Lakeside Villa (Jiaoshan Lake No. 98) Project, which are both located in Jiangsu Province, their estimated total contract sum per sq.m. of approximately RMB1,411 per sq.m. and RMB1,485 per sq.m. respectively, are comparable to average total contract sum of the Independent Construction Projects located in Jiangsu Province of approximately RMB1,469 per sq.m.; (ii) for Dian Lake Project, its estimated total contract sum per sq.m. of approximately RMB1,212 per sq.m. is comparable to the average total contract sum of the Independent Construction Projects located in Yunnan Province of approximately RMB1,268 per sq.m. (after adjusted for the cost of steel); (iii) for Mountain Time Project, as none of the Independent Construction Projects were located in Guangdong Province, we therefore chose the Independent Construction Project located in Guangxi Province due to its close proximity to Mountain Time Project for comparison. The estimated total contract sum per sq.m. of Mountain Time Project of approximately RMB1,506 per sq.m. is comparable to the that of the Independent Construction Project located in Guangxi Province of approximately RMB1,480 per sq.m. (after adjusted for the cost of steel). However, for Lakeside Villa (Jiaoshan Lake No. 97) Project, its estimated total contract sum per sq.m. is approximately RMB1,822 per sq.m. which is higher than that of Lakeside Villa (Jiaoshan Lake No. 98) Project situated in the same area and also that of the Independent Construction Project located in Jiangsu Province. We understand that the difference was mainly due to that fact that the construction area of Lakeside Villa (Jiaoshan Lake No. 97) Project is significantly smaller (approximately 12% of Lakeside Villa (Jiaoshan Lake No. 98) Project) while some fixed relevant standard facilities costs of Lakeside Villa (Jiaoshan Lake No. 97) Project are not varied in proportion to the size of construction area which resulted in a higher average contract sum per sq.m.. The Lakeside Villa (Jiaoshan Lake No. 97) Project's standard facilities costs is the major component, accounting for approximately 26.1% of its total contract sum, while that of Sky Tree Project, Lakeside Villa (Jiaoshan Lake No. 98) Project, Dian Lake Project and Mountain Time Project are approximately 11.7%, 12.0%, 13.6% and 18.3% respectively.

As set out in the Letter from the Board, we note that the total contract sum of each project was determined with reference to current local rules and regulations in force where the relevant Construction Project is located that govern works to be undertaken under the relevant Contractor Agreement, details of the rules and regulations are set out in the section headed “Basis of determining the total contract sum” in the Letter from the Board. According to the relevant requirements, the total contract sum of the Construction Projects was arrived at by totalling up the estimated amount of required construction work (in terms of man-days and quantity of construction materials) set out in the relevant local rules and regulations multiplied by the current market prices for the relevant province for such man-days and construction materials as published in writing and/or on-line at the website of the relevant PRC government authority from time to time. In order to assess the reasonableness of the number of man-days and quantity of construction materials for each of the Construction Projects, we have obtained and reviewed a list of detailed breakdown of total contract sum of the Construction Projects (the “**Detailed Breakdown**”) from the Company, which indicates number of man-days required for each work and their target completion dates in accordance with the work plan in the Contractor Agreements and composition of the estimated total contract sum of the Construction Projects, respectively. Based on our studies of the Detailed Breakdown and further discussions with the management of the Company, we note that the number of man-days required in each work depends on the size of construction area and the complexity of the work and the man-days and the quantity of construction materials of each Construction Project were estimated by independent surveyors.

Moreover, the Contractors are required to comply with the 《建設工程工程量清單計價規範》 (“Code of Bills of Quantities and Valuation for Construction Works”) (the “**Code**”) in the determination of the man-days and the quantity of construction materials being adopted in the Construction Projects. Under the Code, (i) an independent surveyor engaged by the Group is required to rely on several factors to estimate the amount of construction work and number of man-days for each construction project, mainly including proposed size of construction area and nature of the construction; and (ii) a contractor is required to submit relevant construction plan containing number of man-days and quantity of construction materials to its principal for approval before procurement of certain materials for construction project. Based on our review, each of the Contractor Agreement has adopted such calculation method. The Group engaged independent surveyors to assist it to estimate the man-days and the quantity of construction materials of each Construction Project. We have obtained the background information of the independent surveyors and conducted interview with them, and note that they are professional surveyors whose qualification in surveying has been approved by the Construction Department in the PRC and have over 5 years’ experience in participating relevant surveying projects in the PRC. As confirmed by the independent surveyors, except for being appointed as the independent surveyors of the Group, the independent surveyors do not have any relationship with the Group. Having considered their qualification, practical experience and independence, we are satisfied that the independent surveyors are capable and independent of performing the relevant estimation of the amount of construction work and number of man-days for each of the Construction Projects.

On the other hand, regarding the market price of construction materials, we understand from the management of the Group that the Cost Management Department would compare the price of the major construction materials as stated on each of the Contractor Agreements with the market price of those construction materials to ensure that they are no less favourable to the Group than the prices provided by independent third parties. The market price refers to local price from third party website (i.e. www.iccchina.com) (the “**Construction Material Price Website**”), which contains pricing information of construction materials published by the PRC Government. To assess the price of construction materials, we chose the core construction materials being used in the Construction Projects from the Detailed Breakdown on sample basis, including cement, brick and wood board, which accounted for majority of the total contract sum of the Construction Projects and note that they are close to or lower than their market prices in the region of the Construction Projects. We have been advised that the prices of those materials are lower as the Contractors can usually enjoy discount for bulk purchase of raw materials and lower fixed costs because of their operation scale and relationship with their suppliers.

Before finalising the total contract sum and entering into contracting agreement with any contractor, we understand from the management of the Company that the Cost Management Department of the Group would invite contractors from its own list of approved contractors to tender for the Construction Projects. The approved list of contractors is reviewed and updated on an ongoing basis by the Cost Management Department, with reference to the performance assessment of each contractor on regular basis. Save for the Lakeside Villa (Jiaoshan Lake No. 98) Project, the Group sent invitation documents with preliminary total contract sum of the other Construction Projects to at least three potential contractors, of which majority of them are independent third parties and have operation located in relevant region of the construction projects. The preliminary total contract sum of the other Construction Projects was determined (i) after taking into abovementioned fees payable by the Group to independent third parties for construction works of a similar nature and current local rules and regulations; and (ii) without considering the pricing of raw materials, of which being considered before finalising the total contract sum and entering into contractor agreements and in compliance with the local rules and regulations. The potential contractors would reply to the Group to confirm whether they would participate in the tendering. For the Lakeside Villa (Jiaoshan Lake No. 98) Project, rather than the preliminary total contract sum being offered to potential contractors, the Group invited the potential contractors of the Lakeside Villa (Jiaoshan Lake No. 98) Project to submit bidding price to the Group.

To finalise the appointment of the contractors, the Cost Management Department, Engineering Department and Technical Research and Development Department worked with an independent third party costing consultants, namely they are, Taiyu Engineering Technology Consulting Co., Ltd.* (泰宇建築工程技術諮詢有限公司), Shanghai Zhenghong Construction Engineering Consultant Co., Ltd.* (上海正弘建設工程顧問有限公司), Jiangsu Tianye Engineering Consulting Real Estate Appraisal Co., Ltd.* (江蘇天業工程諮詢房地產估價有限責任公司) and Jiangyin Fangzheng Construction Engineering Pricing Office Co., Ltd.* (江陰方正建設工程造價事務所有限公司), to evaluate the prices bided, the terms offered, the expected quality and reliability of services of the tenderer. The Cost Management Department focused on evaluating commercial terms of the tenders,

whereas the Engineering Department and Technical Research and Development Department focused on evaluating the engineering and technical expertise of the tenderer. For the Lakeside Villa (Jiaoshan Lake No. 98) Project, except the factors considered mentioned above, the Cost Management Department would also consider average cost by comparing the tender prices placed by potential contractors.

To understand the tender review procedure implemented by the Group, we have obtained and reviewed the tender review reports of the Group which had been reviewed by the Cost Management Department. Based on our review on the tender review reports for the Construction Projects and other relevant main contracting construction projects, we note that same tender selection criteria including historical quality of work, financial arrangement and financial ability, expected completion time and measures on environmental protection, safety and workers' health undertaken, are applicable to tenders submitted by the Contractors and other independent contractors. We note that the tender documents submitted by the potential contractors, including any of the Contractors and independent third parties contractors, are reviewed and evaluated by the Group based on the same standard and systematic tender submission procedure applicable to tender submitted to both connected persons and independent third parties.

Having considered that (i) the total contract sum per sq.m. of the Construction Projects is comparable to the average total contract sum per sq.m. of the Independent Construction Projects in relevant regions; (ii) the number of man-days and the quantity of construction materials of each Construction Project were estimated by the independent surveyors who are independent and capable of performing the relevant estimations; (iii) the price of the sample construction materials being used for the Construction Projects is close to or lower than the their market prices in the region of the Construction Projects; (iv) the Company and the Contractors have complied with the relevant rules during the determination of the man-days and quantity of construction materials for the Construction Projects; and (v) the appointment of contractors is under same standard and systematic tender submission procedure applicable to tender submitted to both connected persons and independent third parties, we are of the view that the pricing terms of the Contractor Agreements are on normal commercial terms, in the ordinary and usual course of business of the Company, and fair and reasonable so far as the Independent Shareholders are concerned.

5. Basis of determining the payment terms

The total contract sum under each Contractor Agreement shall be payable in stages based on the progress of the construction works. The final total contract sum under each Contractor Agreement is subject to adjustment, which is the final total contract sum as set out in the completion settlement report (the "**Final Settlement Report**") prepared by the Contractor and audited by the independent third party costing consultant appointed by the Project Company in accordance with the terms of the relevant Contractor Agreement.

In general, 70% of the estimated total contract sum shall have been paid following completion and acceptance of the construction works, and 95% of the adjusted total contract sum shall have been paid after the audit of the completion settlement report has been completed. The remaining 5% of the total contract sum payable under each Contractor Agreement will be withheld as warranty payment and shall, subject to deductions due to necessary repair works, be released after the expiry of up to 5 years.

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

We have compared the Payment Terms with the payment terms of the Independent Construction Projects and note that they are comparable and the Payment Terms are not less favorable than the payment terms of the Independent Construction Projects, specifically, (i) the percentages of total contract sum of each settlement are similar; (ii) the settlement criteria are similar; and (iii) the payment period of the final settlement for the Construction Projects being similar to those of the Independent Construction Projects provide flexibility in cash flow of the Group. Therefore, we are of the view that the Payment Terms, which are comparable with and not less favorable than the payment terms of the Independent Construction Projects, are on normal commercial terms and fair and reasonable so far as the Independent Shareholders are concerned.

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

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

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

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

$$\text{Adjusted Price} = \text{Contract Price} - (\text{Pre-agreed Reference Price} \times (1 - \text{Pre-agreed Threshold}) - \text{Average Price})$$

Notes:

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

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

In this regard, we have obtained a project list of completed main contractor construction projects of the Company (the “**Completed Construction Projects**”) in which the relevant contract sum were fully settled, representing all completed construction and fully settled projects of the Group during the previous three years up to the Latest Practicable Date. The project list contains project nature, estimated total contract sum, actual total contract sum and adjustment of total contract sum. We have also obtained the quantity surveyor reports issued by third party quantity surveyors qualified in PRC, who were engaged to review the actual construction costs and adjustment of contract sum. As advised by the Company, the Completed Construction Projects in the list are all the main contractor construction projects which were completed before the Latest Practicable Date and did not involve any material change in construction plan during their construction period. According to the project list, we understand that the Completed Construction Projects did not involve any material change of their construction plans and the

adjustment on the estimated contract sum of the Completed Construction Projects range from -2.7% to 3.7% in accordance with the quantity surveyor reports.

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

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

RECOMMENDATION

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

Yours faithfully,
For and on behalf of
Octal Capital Limited

Alan Fung **Louis Chan**
Managing Director *Director*

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

1. RESPONSIBILITY STATEMENT

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

2. DISCLOSURE OF INTERESTS

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

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

Long positions in the Shares:

Name of Director	Capacity / Nature of interest	Number of Shares	Approximately percentage of shareholding in the Company's issued share capital (Note 7)
Mr. WANG Weixian	Interest of controlled corporation (Note 1)	38,804,571	1.39%
	Founder of discretionary trust (Note 2)	367,254,133	13.15%
Ms. WANG Xuling	Beneficial owner (Note 3)	7,390,000	0.26%
	Interest of controlled corporation (Note 4)	7,010,448	0.25%

Name of Director	Capacity / Nature of interest	Number of Shares	Approximately percentage of shareholding in the Company's issued share capital (<i>Note 7</i>)
	Beneficiary of discretionary trust (<i>Note 2</i>)	367,254,133	13.15%
Mr. CHEONG Ying Chew, Henry	Beneficial owner	500,000	0.02%
Mr. FONG Wo, Felix, JP	Beneficial owner	500,000	0.02%
Mr. KWAN Kai Cheong	Beneficial owner	500,000	0.02%
Mr. CHEN Jun	Beneficial owner (<i>Note 5</i>)	3,500,000	0.13%
Mr. HOU Guangjun	Beneficial owner (<i>Note 6</i>)	2,700,000	0.10%

Notes:

- (1) Mr. WANG Weixian was deemed to be interested in 38,804,571 Shares, which were held by Prestige Glory Enterprises Limited. The entire issued share capital of Prestige Glory Enterprises Limited was beneficially owned by Mr. WANG Weixian.
- (2) Each of Mr. WANG Weixian and Ms. WANG Xuling was deemed to be interested in 367,254,133 Shares, which were held by The Duanyuan Trust.
- (3) Ms. WANG Xuling beneficially owned 7,390,000 Shares, 3,390,000 Shares of which were deemed to be interested by her under the subscription agreement between her and the Company dated 23 January 2018.
- (4) Ms. WANG Xuling was deemed to be interested in 7,010,448 Shares, which were held by Boom Rich Investments Limited. The entire issued share capital of Boom Rich Investments Limited was beneficially owned by Ms. WANG Xuling.
- (5) Mr. CHEN Jun was deemed to be interested in 3,500,000 Shares under the subscription agreement between him and the Company dated 23 January 2018.
- (6) Mr. HOU Guangjun was deemed to be interested in 2,700,000 Shares under the subscription agreement between him and the Company dated 23 January 2018.
- (7) Representing the issued share capital of the Company as at the Latest Practicable Date comprising 2,791,884,683 Shares.

(b) Other interests of the Directors

As at the Latest Practicable Date,

- (i) save as disclosed above and except for Mr. Chen Jun and Mr. Wu Zhengkui (being senior management of Greenland Holdings), none of the Directors was a director or employee of a company which had an interest or short position in the Shares and underlying shares of the Company which fell to be disclosed to the Company and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO;
- (ii) none of the Directors had any interest, direct or indirect, in any asset which had been, since 31 December 2018 (being the date to which the latest published audited consolidated financial statements of the Group were made up) acquired or disposed of by or leased to, any member of the Group, or were proposed to be acquired or disposed of by or leased to any member of the Group; and
- (iii) none of the Directors was materially interested in any contract or arrangement entered into by any member of the Group which was subsisting at the Latest Practicable Date, and which was significant in relation to the business of the Group.

3. SERVICE CONTRACTS

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

4. MATERIAL ADVERSE CHANGE

Save as disclosed by the Company at the website of the HKExnews (<http://www.hkexnews.hk>), as at the Latest Practicable Date, the Directors were not aware of any material adverse changes in the financial or trading position of the Group since 31 December 2018, being the date to which the latest published audited consolidated financial statements of the Group were made up.

5. COMPETING INTERESTS

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

6. EXPERT'S QUALIFICATION AND CONSENT

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

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

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

As at the Latest Practicable Date, the above expert did not have any interest, direct or indirect, in the promotion of, or in any assets which have been, since 31 December 2018 (being the date to which the latest published audited consolidated financial statements of the Group were made up), acquired or disposed of by or leased to, any member of the Group, or are proposed to be acquired or disposed of by or leased to any member of the Group.

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

7. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the Contractor Agreements will be available for inspection at the principal office of the Company in Hong Kong at Unit 5711, 57/F., The Center, 99 Queen's Road Central, Hong Kong during normal business hours from the date of this circular up to and including 21 November 2019.

NOTICE OF EGM

GREENLAND HONG KONG HOLDINGS LIMITED

綠地香港控股有限公司

(incorporated in the Cayman Islands with limited liability)

(Stock Code: 337)

NOTICE IS HEREBY GIVEN THAT an extraordinary general meeting (the “EGM”) of Greenland Hong Kong Holdings Limited (the “**Company**”) will be held at Queensway & Victoria Room, Level 3, JW Marriott Hotel Hong Kong, Pacific Place, 88 Queensway, Hong Kong on Thursday, 5 December 2019 at 9 a.m. for the purposes of considering and, if thought fit, passing the following ordinary resolutions of the Company:

1. “**THAT** the Sky Tree Contractor Agreement (as defined in the circular of the Company dated 7 November 2019) and the transactions contemplated thereunder be and are hereby approved, confirmed, authorised and ratified, and any one of the directors of the Company be and is hereby authorised to execute all such documents and to do all such acts as he/she may in his/her absolute opinion deem necessary, desirable or expedient to give effect to the transactions contemplated thereunder with such changes as he/she may in his/her absolute opinion deem necessary, desirable or expedient.”
2. “**THAT** the Lakeside Villa (Jiaoshan Lake No. 98) Contractor Agreement (as defined in the circular of the Company dated 7 November 2019) and the transactions contemplated thereunder be and are hereby approved, confirmed, authorised and ratified, and any one of the directors of the Company be and is hereby authorised to execute all such documents and to do all such acts as he/she may in his/her absolute opinion deem necessary, desirable or expedient to give effect to the transactions contemplated thereunder with such changes as he/she may in his/her absolute opinion deem necessary, desirable or expedient.”
3. “**THAT** the Lakeside Villa (Jiaoshan Lake No. 97) Contractor Agreement (as defined in the circular of the Company dated 7 November 2019) and the transactions contemplated thereunder be and are hereby approved, confirmed, authorised and ratified, and any one of the directors of the Company be and is hereby authorised to execute all such documents and to do all such acts as he/she may in his/her absolute opinion deem necessary, desirable or expedient to give effect to the transactions contemplated thereunder with such changes as he/she may in his/her absolute opinion deem necessary, desirable or expedient.”
4. “**THAT** the Dian Lake Contractor Agreement (as defined in the circular of the Company dated 7 November 2019) and the transactions contemplated thereunder be and are hereby approved, confirmed, authorised and ratified, and any one of the directors of the Company be and is hereby authorised to execute all such documents and to do all such acts as he/she may in his/her absolute opinion deem necessary, desirable or expedient to give effect to the transactions contemplated thereunder with such changes as he/she may in his/her absolute opinion deem necessary, desirable or expedient.”

NOTICE OF EGM

5. “**THAT** the Mountain Time Contractor Agreement (as defined in the circular of the Company dated 7 November 2019) and the transactions contemplated thereunder be and are hereby approved, confirmed, authorised and ratified, and any one of the directors of the Company be and is hereby authorised to execute all such documents and to do all such acts as he/she may in his/her absolute opinion deem necessary, desirable or expedient to give effect to the transactions contemplated thereunder with such changes as he/she may in his/her absolute opinion deem necessary, desirable or expedient.”

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

Hong Kong, 7 November 2019

Registered office:
Cricket Square
Hutchins Drive
P.O. Box 2681
Grand Cayman, KY1-1111
Cayman Islands

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

Notes:

1. Any Shareholder entitled to attend and vote at the EGM convened by this notice is entitled to appoint one or more (if he/she/it holds two or more shares) proxies to attend and vote in his/her/its place. A proxy need not be a member of the Company.
2. In order to be valid, the completed form of proxy together with a power of attorney or other authority (if any) under which it is signed (or a notarially certified copy of that power or other authority) must be deposited at the Company’s branch share registrar in Hong Kong, Tricor Investor Services Limited, at Level 54, Hopewell Centre, 183 Queen’s Road East, Hong Kong in accordance with the instructions printed thereon not less than 48 hours before the time appointed for the holding of the EGM or any adjournment thereof (as the case may be).
3. Completion and return of the form of proxy will not preclude a member from attending and voting in person at the EGM or at any adjournment thereof (as the case may be) and, in such event, the instrument appointing a proxy shall be deemed to be revoked.
4. In the case of joint holders of any share(s), any one of such joint holders may vote (either in person or by proxy) in respect of such share(s) as if he/she/it was solely entitled thereto, but if more than one of such joint holders are present at the EGM (whether in person or by proxy), the vote of the joint holder whose name stands first in the register of members of the Company in respect of such share(s) shall alone be entitled to vote in respect thereof.
5. Record date for determine the entitlement of the shareholders of the Company to attend and vote at the EGM will be Wednesday, 4 December 2019. In order to qualify for the EGM, all transfers, accompanied by the relevant share certificates, have to be lodged with the Company’s branch share registrar in Hong Kong, Tricor Investor Services Limited, at Level 54, Hopewell Centre, 183 Queen’s Road East, Hong Kong, not later than 4:30 p.m. on Wednesday, 4 December 2019.

NOTICE OF EGM

6. If a Typhoon Signal No. 8 or above is hoisted or a Black Rainstorm Warning Signal is in force at or at any time between 7:00 a.m. and 9:00 a.m. on the date of the EGM, the EGM will be adjourned. The Company will post an announcement on the websites of the Company and the Stock Exchange to notify Shareholders of the date, time and place of the adjourned EGM. The EGM will be held as scheduled when an Amber or Red Rainstorm Warning Signal is in force. Shareholders should decide on their own whether they would attend the meeting under bad weather conditions bearing in mind their own situation.
7. The Chinese translation of this notice is for reference only. In case of any inconsistency, the English version shall prevail.