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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 INVOLVING ISSUE OF NEW SHARES UNDER SPECIFIC MANDATE EMPLOYEE SHARE OWNERSHIP AND INCENTIVE PLAN 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 5 to 14 of this circular.

A letter from the Independent Board Committee containing its recommendations to the Independent Shareholders is set out on pages 15 to 16 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 17 to 33 of this circular.

A form of proxy for the EGM is enclosed with this circular. Whether or not you intend to be present at the EGM, you are requested to complete the form of proxy and return it to the Company's branch share registrar in Hong Kong, Tricor Investor Services Limited, at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong in accordance with the instructions printed thereon not less than 48 hours before the time appointed for holding the EGM or any adjournment thereof (as the case may be). The completion and return of a form of proxy will not preclude you from attending and voting at the EGM in person.

14 February 2018

CONTENTS

	<i>Page</i>
DEFINITIONS	1
LETTER FROM THE BOARD	5
LETTER FROM THE INDEPENDENT BOARD COMMITTEE	15
LETTER FROM OCTAL CAPITAL	17
APPENDIX — GENERAL INFORMATION	APP-1
NOTICE OF EGM	EGM-1

DEFINITIONS

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

“associate(s)”	has the meaning as ascribed to it under the Listing Rules
“Board”	the board of Directors
“Boom Rich”	Boom Rich Investments Limited, which was entirely beneficially owned by Ms. Wang Xuling, an executive Director, and was holding 7,010,448 Shares as at the Latest Practicable Date
“close associate(s)”	has the meaning as ascribed to it under the Listing Rules
“Company”	Greenland Hong Kong Holdings Limited (綠地香港控股有限公司), a company incorporated with limited liability in the Cayman Islands whose ordinary shares are listed on the Stock Exchange (stock code: 337)
“connected person(s)”	has the meaning ascribed to it under the Listing Rules
“Connected Mandate”	the specific mandate to be sought from the Independent Shareholders at the EGM to allot and issue the Connected Subscription Shares to the Connected Subscribers as contemplated under the Connected Subscription Agreements
“Connected Subscribers”	Mr. Chen Jun, Mr. Hou Guangjun, Ms. Wang Xuling and Mr. Gu Minqi
“Connected Subscriptions”	the subscriptions of the Connected Subscription Shares by the Connected Subscribers in accordance with the terms and conditions of the respective Connected Subscription Agreements
“Connected Subscription Agreements”	a total of 4 subscription agreements entered into between the Company and each of the Connected Subscribers, all dated 23 January 2018, the terms of which are the same, save and except for the numbers of Connected Subscription Shares being subscribed for by the respective Connected Subscribers
“Connected Subscription Completion”	completion of the Connected Subscriptions in accordance with the terms and conditions of the Connection Subscription Agreements

DEFINITIONS

“Connected Subscription Shares”	13,590,000 new Shares to be subscribed for by the Connected Subscribers and allotted and issued by the Company in accordance with the terms and conditions of the Connected Subscription Agreements
“Director(s)”	director(s) of the Company
“EGM”	the extraordinary general meeting of the Company to be convened on 6 March 2018 for the purpose of approving the Subscription Agreements and the transactions contemplated thereunder, and the grant of the Connected Mandate
“Employee Subscribers”	collectively, a total of 120 employees of the Group, all of whom are not connected persons of the Company
“Employee Subscriptions”	the subscriptions of the Employee Subscription Shares by the Employee Subscribers in accordance with the terms and conditions of the Employee Subscription Agreements
“Employee Subscription Agreements”	a total of 120 subscription agreements entered into between the Company and each of the Employee Subscribers, all dated 23 January 2018, the terms of which are the same, save and except for the numbers of Employee Subscription Shares being subscribed for by the respective Employee Subscribers
“Employee Subscription Completion”	completion of the Employee Subscriptions in accordance with the terms and conditions of the Employee Subscription Agreements
“Employee Subscription Shares”	46,680,000 new Shares to be subscribed for by the Employee Subscribers and allotted and issued by the Company in accordance with the terms and conditions of the Employee Subscription Agreements
“ESOP”	the employee share ownership and incentive plan adopted by the Company on 22 January 2018 pursuant to which the Company may allot and issue new Shares to certain eligible employees
“General Mandate”	the general mandate to allot and issue new Shares, which was granted to the Directors pursuant to an ordinary resolution passed at the annual general meeting of the Company on 15 June 2017

DEFINITIONS

“Greenland Holdings”	Greenland Holdings Corporation Limited (綠地控股集團股份有限公司), a company established under the laws of the PRC and listed on the Shanghai Stock Exchange (stock code: 600606.SH), and the controlling shareholder of the Company
“Group”	collectively, 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
“Independent Board Committee”	an independent board 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, established for the purpose of advising the Independent Shareholders in respect of, among other things, the Connected Subscription Agreements and the transactions contemplated thereunder (including the grant of the Connected Mandate)
“Independent Financial Adviser” or “Octal Capital”	Octal Capital Limited, a licensed corporation permitted under the SFO to carry out Type 1 (dealing in securities) and Type 6 (advising on corporate finance) regulated activities
“Independent Shareholders”	Shareholders other than those who are required by the Listing Rules to abstain from voting on the resolutions approving the Connected Subscription Agreements and the transactions contemplated thereunder (including the grant of the Connected Mandate)
“Latest Practicable Date”	12 February 2018, being the latest practicable date prior to the printing of this circular for the purposes of ascertaining certain information contained in this circular
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange

DEFINITIONS

“PRC”	the People’s Republic of China which, for the purposes of this circular only, shall exclude Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Share(s)”	the ordinary share(s) of HK\$0.50 each in the share capital of the Company
“Shareholder(s)”	holder(s) of the Shares
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subscription Agreements”	the Connected Subscription Agreements and/or the Employee Subscription Agreements
“Subscription Price”	HK\$3.78 per Connected Subscription Share or Employee Subscription Share (as the case may be)
“subsidiary(ies)”	has the meaning as ascribed to it under the Listing Rules
“%”	per cent.

LETTER FROM THE BOARD

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

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

Executive Directors:

Mr. Chen Jun *(Chairman and Chief Executive Officer)*
Mr. Wang Weixian *(Honorary Chairman)*
Mr. Hou Guangjun *(Chief Operation Officer)*
Mr. Wu Zhengkui
Ms. Wang Xuling

Registered Office:

Cricket Square
Hutchins Drive
P.O. Box 2681
Grand Cayman 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, 57th Floor
The Center
99 Queen's Road Central
Hong Kong

14 February 2018

To the Shareholders

Dear Sir or Madam,

**CONNECTED TRANSACTIONS
INVOLVING ISSUE OF NEW SHARES UNDER SPECIFIC MANDATE
AND
EMPLOYEE SHARE OWNERSHIP AND INCENTIVE PLAN**

INTRODUCTION

On 24 January 2018, the Board announced that the Company adopted the ESOP on 22 January 2018, pursuant to which the Board may from time to time issue new Shares to any eligible employee, namely any director or employee of the Company or any of its subsidiaries, during the duration of five years from the date of the adoption of the ESOP, namely 22 January 2018 (the “**Effective Date**”), provided that any issue of new Shares under the ESOP shall be in compliance with the applicable law, rules and regulations and requirements of the relevant regulatory authorities. The subscription price for the Shares to be subscribed for by an eligible employee shall be 90% of the higher of (i) the closing price of the Shares as at the date of the relevant subscription agreements and (ii) the average closing price of the Shares for the five trading days immediately prior to the date of the relevant subscription agreements (the “**Pricing Basis**”). The aggregate number of Shares which may be subscribed for under the ESOP throughout its duration shall not exceed 5% of the total number of issued Shares as at the Effective Date. The purpose of the ESOP is to align the interests of eligible employees and the Group through shareholding in the Company and encourage them to contribute to the long term growth and success of the Group.

LETTER FROM THE BOARD

Pursuant to the ESOP, on 23 January 2018, the Connected Subscribers and the Employee Subscribers applied for the subscription of the Connected Subscription Shares and the Employee Subscription Shares under the Connected Subscription Agreements and the Employee Subscription Agreements respectively.

The main purpose of this circular is to provide you with, among other things, (i) further details of the Subscription Agreements and the transactions contemplated thereunder; (ii) the advice of Octal Capital to the Independent Board Committee and the Independent Shareholders in relation to the Connected Subscription Agreements and the transactions contemplated thereunder; (iii) the recommendation of the Independent Board Committee to the Independent Shareholders in relation to the Connected Subscription Agreements and the transactions contemplated thereunder; (iv) the grant of the Connected Mandate; and (v) a notice of EGM.

CONNECTED SUBSCRIPTIONS

Connected Subscription Agreements

On 23 January 2018, the Company and each of the Connected Subscribers entered into the respective Connected Subscription Agreements, pursuant to which each of the Connected Subscribers conditionally agreed to subscribe for, and the Company conditionally agreed to allot and issue, an aggregate of 13,590,000 Connected Subscription Shares for the aggregate subscription consideration of HK\$51,370,200 in cash, representing a Subscription Price of HK\$3.78 per Connected Subscription Share.

The principal terms of each of the Connected Subscription Agreements are set out as follows:

Date

23 January 2018 (after trading hours)

Parties

- (i) the Company (as the issuer); and
- (ii) each of the Connected Subscribers (as the subscriber).

LETTER FROM THE BOARD

Details of the Connected Subscribers and the Connected Subscription Shares

Pursuant to the respective Connected Subscription Agreements, each of the Connected Subscribers conditionally agreed to subscribe for, and the Company conditionally agreed to allot and issue, such number of Connected Subscription Shares at a Subscription Price of HK\$3.78 per Connected Subscription Share as set out against his/her name as follows:

Connected Subscriber	Position in the Company	Subscription consideration (HK\$)	Number of Connected Subscription Shares	Approximate percentage of total issued Shares as at the Latest Practicable Date (%)
Mr. Chen Jun	Chairman of the Board, Chief Executive Officer and executive Director	13,230,000	3,500,000	0.13
Mr. Hou Guangjun	Chief Operating Officer and executive Director	10,206,000	2,700,000	0.10
Ms. Wang Xuling	Executive Director	12,814,200	3,390,000	0.12
Mr. Gu Minqi	Vice-President of the Company and a director of its subsidiary	15,120,000	4,000,000	0.14
Total		<u>51,370,200</u>	<u>13,590,000</u>	<u>0.49</u>

The aggregate nominal value of the 13,590,000 Connected Subscription Shares (representing approximately 0.49% of the total issued Shares as at the Latest Practicable Date) is HK\$6,795,000.

The Connected Subscription Shares, when fully paid for and allotted and issued, will rank pari passu in all respects among themselves and with the Shares in issue on the date of allotment and issue of the Connected Subscription Shares.

LETTER FROM THE BOARD

Conditions precedent

Completion of each Connected Subscription is conditional upon the following conditions (the “**Connected Subscription Conditions**”):

- (a) the approval from the Independent Shareholders and, if needed, all necessary approvals from the Stock Exchange in respect of the issue of Connected Subscription Shares having been obtained;
- (b) (if needed) all necessary approvals from the relevant government authorities in the PRC in respect of the issue of Connected Subscription Shares having been obtained; and
- (c) the Listing Committee of the Stock Exchange granting listing of, and permission to deal in, the Connected Subscription Shares.

Connected Subscription Completion

Completion of each of the Connected Subscription Agreements shall take place on the third business day following the day on which the last of the Connected Subscription Conditions shall have been fulfilled.

The subscription consideration for the Connected Subscription Shares will be payable by the respective Connected Subscribers to the Company in cash upon the respective Connected Subscription Completion.

Use of Proceeds

The aggregate gross proceeds of the Connected Subscriptions will be approximately HK\$51 million and the aggregate net proceeds of the Connected Subscriptions, after the deduction of the related expenses, are estimated to be approximately HK\$51 million.

The Company intends to use the net proceeds of the Connected Subscriptions for the development of the Group’s existing property projects.

EMPLOYEE SUBSCRIPTIONS

The Employee Subscription Agreements

On 23 January 2018, the Company and each of the Employee Subscribers entered into the respective Employee Subscription Agreements, pursuant to which each of the Employee Subscribers conditionally agreed to subscribe for, and the Company conditionally agreed to allot and issue, an aggregate of 46,680,000 Employee Subscription Shares for the aggregate subscription consideration of HK\$176,450,400 in cash, representing a Subscription Price of HK\$3.78 per Employee Subscription Share.

LETTER FROM THE BOARD

The principal terms of each of the Employee Subscription Agreements are set out as follows:

Date

23 January 2018 (after trading hours)

Parties

- (i) the Company (as the issuer); and
- (ii) each of the Employee Subscribers (as the subscriber).

Details of the Employee Subscribers and the Employee Subscription Shares

The Employee Subscribers comprise a total of 120 employees of the Group, all of whom are not connected persons of the Company.

The aggregate nominal value of the 46,680,000 Employee Subscription Shares (representing approximately 1.67% of the total issued Shares as at the Latest Practicable Date) is HK\$23,340,000.

The Employee Subscription Shares, when fully paid for and allotted and issued, will rank pari passu in all respects among themselves and with the Shares in issue on the date of allotment and issue of the Employee Subscription Shares.

Conditions precedent

Completion of each Employee Subscription is conditional upon the following conditions (the “**Employee Subscription Conditions**”):

- (a) the approvals from the Shareholders and, if needed, all necessary approvals from the Stock Exchange in respect of the issue of Employee Subscription Shares having been obtained;
- (b) (if needed) all necessary approvals from the relevant government authorities in the PRC in respect of the issue of Employee Subscription Shares having been obtained; and
- (c) the Listing Committee of the Stock Exchange granting listing of, and permission to deal in, the Employee Subscription Shares.

LETTER FROM THE BOARD

Employee Subscription Completion

Completion of each of the Employee Subscription Agreements shall take place on the third business day following the day on which the last of the Employee Subscription Conditions shall have been fulfilled.

The subscription consideration for the Employee Subscription Shares will be payable by the respective Employee Subscribers to the Company in cash upon Employee Subscription Completion.

THE SUBSCRIPTION PRICE

The Subscription Price is HK\$3.78 per Connected Subscription Share or Employee Subscription Share (as the case may be).

The Subscription Price represents:

- (i) a discount of approximately 10% to the closing price of HK\$4.20 per Share as quoted on the Stock Exchange on 23 January 2018, being the date of the Subscription Agreements; and
- (ii) a discount of approximately 4.93% to the average closing price of approximately HK\$3.976 per Share as quoted on the Stock Exchange for the last five consecutive trading days up to and including 22 January 2018, being the trading day immediately preceding the date of the Subscription Agreements.

The net Subscription Price, after deduction of relevant expenses, is estimated to be approximately HK\$3.78 per Connected Subscription Share or Employee Subscription Share.

The Subscription Price was arrived at after arm's length negotiations between the Company and the Connected Subscribers and the Employee Subscribers based on the Pricing Basis.

APPLICATION FOR LISTING

The Company will apply to the Listing Committee of the Stock Exchange for the listing of, and permission to deal in, the Connected Subscription Shares and the Employee Subscription Shares.

LETTER FROM THE BOARD

EQUITY FUND RAISING ACTIVITIES IN THE PAST TWELVE MONTHS

The Company had not conducted any equity fund raising activities in the past twelve months immediately preceding the Latest Practicable Date.

REASONS FOR AND BENEFITS OF THE CONNECTED SUBSCRIPTIONS AND THE EMPLOYEE SUBSCRIPTIONS

The Company adopted the ESOP on 22 January 2018, pursuant to which the Company may allot and issue new Shares to eligible employees, including the Connected Subscribers and the Employee Subscribers, to align the interests of eligible employees and the Group through shareholding in the Company and encourage them to contribute to the long term growth and success of the Group. Accordingly, the allotment and issue of the Connected Subscription Shares to the Connected Subscribers and the Employee Subscription Shares to the Employee Subscribers will enable the Company to achieve such objective.

In particular, the Board has recognised that the Connected Subscribers, all being members of the Group's senior management, play an important role in the success of the Group. The Board considers it appropriate to recognise and motivate their continuous contribution to the long-term development and growth of the Group and to align their interests with those of the shareholders of the Company through the Connected Subscriptions.

Having considered the reasons for and benefits of the Connected Subscriptions and the Employee Subscriptions and the terms of the Connected Subscription Agreements and the Employee Subscription Agreements:

- (a) with regard to the Connected Subscription Agreements, the Directors (other than Mr. Chen Jun, Mr. Hou Guangjun and Ms. Wang Xuling, who abstained from voting at the meeting of the Board due to conflict of interest) consider that the terms of the Connected Subscription Agreements (including the Subscription Price) are fair and reasonable and in the interests of the Company and the Shareholders as a whole; and
- (b) with regard to the Employee Subscription Agreements, the Directors consider that the terms of the Employee Subscription Agreements (including the Subscription Price) are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

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.

LISTING RULES IMPLICATIONS

The Connected Subscription Shares will be allotted and issued pursuant to the Connected Mandate.

The Employee Subscription Shares will be allotted and issued pursuant to the General Mandate, which was granted to the Directors pursuant to an ordinary resolution of the Shareholders passed at the annual general meeting on 15 June 2017 to allot and issue up to 558,735,336 Shares, representing 20% of the aggregate nominal value of the share capital of the Company in issue on the date of passing such resolution. The General Mandate has not been previously utilized prior to the Latest Practicable Date.

The aggregate number of the Connected Subscription Shares and the Employee Subscription Shares represents approximately 2.16% of the total issued Shares as at the Latest Practicable Date.

The issue of the Connected Subscription Shares under the Connected Mandate to the Connected Subscribers is subject to the announcement requirement under Rule 13.28 of the Listing Rules.

The Connected Subscribers are directors of the Company and/or the Company's subsidiaries (as the case may be), and therefore are connected persons of the Company under Chapter 14A of the Listing Rules. Accordingly, the Connected Subscriptions constitute connected transactions for the Company under Chapter 14A of the Listing Rules and are subject to the reporting, announcement, circular and Independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

Mr. Chen Jun, Mr. Hou Guangjun and Ms. Wang Xuling, being the Connected Subscribers, abstained from voting at the Board Meeting due to conflict of interest.

As at the Latest Practicable Date, Ms. Wang Xuling (an executive Director) and her associates (namely, Boom Rich) were together controlled over the voting rights in respect of 381,654,581 Shares, representing approximately 13.66% of the entire issued ordinary share capital of the Company. Save for Boom Rich, none of Ms. Wang Xuling and her 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 Boom Rich 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. Ms. Wang Xuling, Boom Rich and their respective associates will be required to abstain from voting on the shareholders' resolutions in relation to the Connected Subscription Agreements and the Connected Mandate.

LETTER FROM THE BOARD

Save as disclosed, as at the Latest Practicable Date, the Company was not aware of any other Shareholder which would be required to abstain from voting in respect of the transactions contemplated under each of the Subscription Agreements and the grant of the Connected Mandate.

The Independent Board Committee, comprising all independent non-executive Directors, has been formed to consider, and to advise the Independent Shareholders on, the fairness and reasonableness of the terms of the Connected Subscription Agreements and the transactions contemplated thereunder (including the grant of the Connected Mandate). Octal Capital has been appointed as the independent financial adviser to make recommendations to the Independent Board Committee and the Independent Shareholders in respect of the same.

Shareholders and potential investors should note that the Connected Subscription Completion and the Employee Subscription Completion are subject to the fulfilment of certain conditions precedent under the Connected Subscription Agreements and the Employee Subscription Agreements, respectively, and the Connected Subscriptions and/or the Employee Subscriptions may or may not proceed. Shareholders and potential investors of the Company are advised to exercise caution when dealing in the securities of the Company.

EGM AND PROXY ARRANGEMENT

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

As the register of members will not be closed for the purpose of determining the Shareholders' eligibility to attend and vote at the EGM, only persons who are registered holders of Shares after close of business on 5 March 2018 (based on the register of members of the Company) will qualify for attending and voting at the EGM.

In order to qualify for attending and voting at the EGM, unregistered holders of Shares should ensure that all transfer documents accompanied by the relevant share certificates must be lodged with the Company's branch share registrar in Hong Kong, Tricor Investor Services Limited at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong for registration not later than 4:30 p.m. on 5 March 2018.

LETTER FROM THE BOARD

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

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

RECOMMENDATIONS

The Independent Board Committee, having taken into account the advice of Octal Capital, considers that the terms of the Connected Subscription Agreements are fair and reasonable, and are also in the interest of the Company and its Shareholders as a whole. Accordingly, the Independent Board Committee recommends the Independent Shareholders to vote in favour of the resolutions in relation to the Connected Subscription Agreements (including the grant of Connected Mandate) to be proposed at the EGM. The text of the letter from the Independent Board Committee is set out on pages 15 and 16 of this circular, and the text of the letter from Octal Capital is set out on pages 17 to 33 of this circular.

Having considered the above, the Directors considers that the terms of the Subscription Agreements are fair and reasonable, and are also in the interest of the Company and its Shareholders as a whole. Accordingly, the Directors recommends the Independent Shareholders and/or the Shareholders (as the case may be) to vote in favour of the resolutions in relation to the Subscription Agreements (including the grant of the Connected Mandate) to be proposed at the EGM.

ADDITIONAL INFORMATION

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

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

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)

14 February 2018

To the Independent Shareholders

Dear Sir or Madam,

**CONNECTED TRANSACTIONS
INVOLVING ISSUE OF NEW SHARES UNDER SPECIFIC MANDATE
EMPLOYEE SHARE OWNERSHIP AND INCENTIVE PLAN
AND
NOTICE OF EXTRAORDINARY GENERAL MEETING**

We refer to the circular dated 14 February 2018 of the Company (“**Circular**”) of which this letter forms part. Terms defined in the Circular bear the same meanings herein unless the context otherwise requires.

We have been appointed as members of the Independent Board Committee to consider and to advise the Independent Shareholders whether the terms of each of the Connected Subscription Agreements are fair and reasonable and whether the transactions contemplated thereunder (including the grant of the Connected Mandate) 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 Connected Subscription Agreements and the advice from Octal Capital in respect of the transactions contemplated under the Connected Subscription Agreements (including the grant of the Connected Mandate).

Having taking into account the reasons for and benefits of the transactions contemplated under the Connected Subscription 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 17 to 33 of the Circular, we are of the view that the Connected Subscription Agreements were entered into upon normal and commercial terms following arm's length negotiations between the Company and the Connected Subscribers, and that the terms of the Connected Subscription Agreements and the transactions contemplated thereunder (including the grant of the Connected Mandate) are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

LETTER FROM THE INDEPENDENT BOARD COMMITTEE

Accordingly, we recommend that the Independent Shareholders vote in favour of the ordinary resolutions as set out in the notice of EGM to be held on 6 March 2018 and thereby approve the transactions contemplated under the Connected Subscription Agreements (including the grant of the Connected Mandate).

Yours faithfully

For and on behalf of

Independent Board Committee

Cheong Ying Chew, Henry

*Independent
Non-executive
Director*

Fong Wo, Felix, JP

*Independent
Non-executive
Director*

Kwan Kai Cheong

*Independent
Non-executive
Director*

LETTER FROM OCTAL CAPITAL



Octal Capital Limited
801-805, 8th Floor, Nan Fung Tower
88 Connaught Road Central
Hong Kong

14 February 2018

To the Independent Board Committee and the Independent Shareholders

Dear Sirs,

CONNECTED TRANSACTIONS INVOLVING ISSUE OF NEW SHARES UNDER SPECIFIC MANDATE

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 Connected Subscription Agreements in respect of the issue of the Connected Subscription Shares to connected persons under the Connected Mandate, 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 14 February 2018 (the “**Circular**”), of which this letter forms a part. Unless the context requires otherwise, capitalised terms used in this letter shall have the same meanings as ascribed to them under the section headed “Definitions” in the Circular.

As set out in the Letter from the Board, on 23 January 2018, the Company and each of the Connected Subscribers entered into the respective Connected Subscription Agreements, pursuant to which each of the Connected Subscribers conditionally agreed to subscribe for, and the Company conditionally agreed to allot and issue, an aggregate of 13,590,000 Connected Subscription Shares for the aggregate subscription consideration of approximately HK\$51,370,200 in cash, representing a Subscription Price of HK\$3.78 per Connected Subscription Share.

The Connected Subscription Shares under the Connected Mandate to the Connected Subscribers is subject to the announcement requirement under Rule 13.28 of the Listing Rules. The Connected Subscribers are directors of the Company and/or its subsidiaries (as the case may be), and therefore are connected persons of the Company under Chapter 14A of the Listing Rules. Accordingly, the Connected Subscriptions constitute connected transactions for the Company under Chapter 14A of the Listing Rules and are subject to the reporting, announcement, circular and Independent Shareholders’ approval requirements under Chapter 14A of the Listing Rules.

LETTER FROM OCTAL CAPITAL

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 (i) advise the Independent Shareholders as to whether the terms of the Connected Subscription Agreements are fair and reasonable and the transactions contemplated thereunder are fair and reasonable so far as the Independent Shareholders are concerned, conducted on normal commercial terms or better and in the ordinary and usual course of business of the Group, and in the interests of the Company and the Shareholders as a whole; and (ii) 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 Connected Subscription Agreements in this regard. We are not connected with the directors, chief executive and substantial shareholders of the Company 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 14 June 2017) and (ii) the connected transactions in relation to appointment of connected persons as contractor for construction works in respect of the Group’s property development projects (details of which are set out in the circular of the Company dated 1 December 2017).

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

LETTER FROM OCTAL CAPITAL

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 (the “**Management**”) 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 regarding the Connected Subscription 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 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. We have not, however, conducted any independent investigation into the business and affairs of the Group, the Connected Subscribers 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 regarding the terms of the Connected Subscription Agreements, we have considered the following principal factors and reasons:

1. Information of the Group

The Group is principally engaged in the business of property development, commercial operation and management, property leasing in the PRC.

Set out below is the financial highlight of the Group in accordance with the Hong Kong Financial Reporting Standards, as extracted from the annual report of the Company for the year ended 31 December 2015 (the “**2015 Annual Report**”), the annual report of the Company for the year ended 31 December 2016 (the “**2016 Annual Report**”) and the interim report of the Company for the six months ended 30 June 2017 (the “**2017 Interim Report**”):

	For the year ended 31 December			For the six months ended	
				30 June	
	2014	2015	2016	2016	2017
	<i>(Audited)</i>	<i>(Audited)</i>	<i>(Audited)</i>	<i>(Unaudited)</i>	<i>(Unaudited)</i>
	<i>(RMB'000)</i>	<i>(RMB'000)</i>	<i>(RMB'000)</i>	<i>(RMB'000)</i>	<i>(RMB'000)</i>
Revenue	2,840,025	5,687,953	16,919,188	5,232,250	4,754,481
Net profit attributable to owners of the Company	107,690	220,240	1,112,543	101,021	227,077
Earnings per Share from continuing operations (basic) (RMB)	0.04	0.08	0.39	0.04	0.07

LETTER FROM OCTAL CAPITAL

For the year ended 31 December 2015

From the above table, we note that the Group recorded total revenue of approximately RMB5,688 million for the year ended 31 December 2015, representing an increase of approximately 100.3% as compared to that for the year ended 31 December 2014. The net profit attributable to owners of the Company was approximately RMB220 million for the year ended 31 December 2015, representing an increase of approximately 104.5% as compared to that for the year ended 31 December 2014. The basic earnings per Share from continuing operation of the Company was approximately RMB0.08 per Share for the year ended 31 December 2015, representing an increase of approximately 100.0% as compared to that for the year ended 31 December 2014. As set out in the 2015 Annual Report, such increases in revenue and net profit for the year ended 31 December 2015 was mainly due to more GFA sold and delivered during the year.

For the year ended 31 December 2016

The Group recorded total revenue of approximately RMB16,919 million for the year ended 31 December 2016, representing an increase of approximately 197.5% as compared to that for the year ended 31 December 2015. The net profit attributable to owners of the Company was approximately RMB1,113 million for the year ended 31 December 2016, representing an increase of approximately 405.2% as compared to that for the year ended 31 December 2015. The basic earnings per Share from continuing operation of the Company was approximately RMB0.39 per Share for the year ended 31 December 2016, representing an increase of approximately 387.5% as compared to that for the year ended 31 December 2015. As set out in the 2016 Annual Report, such increases in revenue and net profit for the year ended 31 December 2016 was mainly due to the sharp increase in GFA sold and delivered during the year.

For the six months ended 30 June 2017

The Group recorded total revenue of approximately RMB4,754 million for the six months ended 30 June 2017, representing a decrease of approximately 9.1% as compared to that for the six months ended 30 June 2016. The net profit attributable to owners of the Company was approximately RMB227.1 million for the six months ended 30 June 2017, representing an increase of approximately 124.8% as compared to that for the six months ended 30 June 2016. The basic earnings per Share from continuing operation of the Company was approximately RMB0.07 per Share for the six months ended 30 June 2017, representing an increase of approximately 75% as compared to that for the six months ended 30 June 2016. As set out in the 2017 Interim Report, such decrease in revenue for the six months ended 30 June 2017 was mainly due to decrease in GFA sold and delivered during the period. However, the Group still recorded the increase in the Group's net profit for the six months ended 30 June 2017 which was mainly due to the improvement on the gross margin when compared to that for the corresponding period.

2. Information of the Subscribers

Mr. Chen Jun

Mr. Chen Jun is the executive Director, chairman of the Board and chief executive officer of the Company. Mr. Chen Jun is responsible for the overall planning, formulation of strategies and overall daily operations of the Group. Mr. Chen Jun has more than 18 years of experience in the real estate and construction industry, with extensive management experience in the industry. Since he joined the Greenland Holdings Group in February 2001, Mr. Chen Jun has served as project manager, assistant general manager, deputy general manager and general manager of the business divisions of the Greenland Holdings Group and vice president and executive vice president of the Greenland Holdings Group. Mr. Chen Jun also serves as the honorary chairman of Shanghai Chamber of Commerce in Shaanxi, vice chairman of the Airport City Development Committee under the China City Development Research Society and a member of the 10th standing committee of the Shaanxi Youth Federation. He has also been elected as a deputy of the 11th and 12th People's Congress of Shaanxi Province successively. Mr. Chen Jun obtained a bachelor's degree in industrial and civil architecture from the College of Architecture and Engineering of Nanjing University of Technology, a master's degree in architectural and civil engineering from Xi'an University of Architecture and Technology, an EMBA degree from Tsinghua University School of Economics and Management and a PhD degree in national economics from the Chinese Academy of Social Sciences.

Mr. Hou Guangjun

Mr. Hou Guangjun is the executive Director and chief operating officer of the Company. Mr. Hou Guangjun has over 20 years of experience in the real estate and construction industry, with extensive management experience in the industry. Since he joined the Greenland Holdings Group in November 1996, Mr. Hou Guangjun has held the posts of engineer, project manager, assistant general manager, deputy general manager and general manager of the business divisions of the Greenland Holdings Group. Before joining Greenland Holdings Group, he worked for Shanghai Railway Sub-administration. Mr. Hou Guangjun also serves as a member of the People's Political Consultative Conference of Jinan, Shandong Province, China. Mr. Hou Guangjun graduated from Tongji University with a bachelor's degree in materials engineering.

Ms. Wang Xuling

Ms. Wang Xuling is the executive Director of the Company. Ms. Wang Xuling graduated from Ji'nan University (Guangzhou). Prior to joining the Company, Ms. Wang was the executive director and deputy general manager of Mission Hills Golf Club (Mission Hills Group), responsible for sales and

LETTER FROM OCTAL CAPITAL

marketing of properties. Before joining Mission Hills Group (Mission Hills Golf Club), Ms. Wang Xuling had about 12 years of experience in the news and media business. Ms. Wang Xuling joined the Company as executive Director in 2007 and was once the chief executive officer of the Company since April 2011.

Mr. Gu Minqi

Mr. Gu Minqi is the vice president of the Company and the director of one of the subsidiary of the Group. Mr. Gu Minqi obtained a bachelor's degree in industrial and civil architecture from Zhengzhou University. He is a senior engineer with the qualifications of National First Class Registered Architect and National Supervision Engineer. With more than 20 years of experience in the real estate industry and strong multi-project management capability, he held senior management positions with several renowned property developers in Henan and Shanghai for a long period of time. Mr. Gu Minqi joined the Group at the end of 2013 and was recognized as the "Model Staff of Greenland Group for 2014", "Outstanding Manager of Greenland Hong Kong for 2016" and "Person of the Year of 2016". Mr. Gu Minqi also serves as a member of the People's Political Consultative Conference of Nanning, Guangxi Zhuang Autonomous Region.

3. Reasons for entering into the Connected Subscription Agreements

As set out in the Letter from the Board, the Company adopted the ESOP on 22 January 2018, pursuant to which the Company may allot and issue new Shares to eligible employees, including the Connected Subscribers and the Employee Subscribers, to align the interests of eligible employees and the Group through shareholding in the Company and encourage them to contribute to the long term growth and success of the Group. Accordingly, the allotment and issue of the Connected Subscription Shares to the Connected Subscribers and the Employee Subscription Shares to the Employee Subscribers will enable the Company to achieve such objective.

As disclosed in the announcement of the Company dated 27 August 2013, Gluon Xima International Limited, being an indirectly wholly-owned subsidiary of Greenland Holding Group, has completed its subscription of Shares of approximately 60% of the issued share capital of the Company on 27 August 2013 (the "**2013 Subscription**"). Upon completion of the 2013 Subscription, the Connected Subscribers (except Mr. Gu Minqi, being one of the directors of a subsidiary of the Group) were appointed as executive Directors of the Company on 27 August 2013. As a result of their continuous contribution over the years, the Group completed and delivered several key major projects including properties development projects in Shanghai and Yangtze River Delta, and therefore has recorded promising results over the recent years since the 2013 Subscription. With reference to the financial highlight of the Group in the section headed "Information of the Group" in this letter, the revenue and the net profit attributable to owners of the Company surged to a record high of approximately RMB16,919 million and

LETTER FROM OCTAL CAPITAL

RMB1,113 million respectively, which grew at a compound annual growth rate (“CAGR”) of approximately 144.1% and 221.4% from 2014 to 2016 respectively. As advised by the management of the Company, the Directors (including the Connected Subscribers) are optimistic about the Company’s future prospects and are willing to provide full support and assistance for the future development and growth of the Company. Therefore, they agreed to the terms and conditions of the Connected Subscription Agreement and participated in the Connected Subscriptions to subscribe for the Shares of the Company issued under the Connected Mandate. As such, we concur with the view of the Directors that each of the Connected Subscribers plays a significant role in leading the continuous business growth of the Group. As the purpose of the Connected Subscriptions is to align the interests of the Connected Subscribers and the Group through shareholding in the Company and encourage them to contribute to the long term growth and success of the Group, we consider that the Connected Subscriptions will motivate the Connected Subscribers to devote their efforts and contribute their expertise to the long term development of the Group, which in turn can ensure the stable and sustainable growth of the Company and enhance the market competitiveness of the Company.

According to the Connected Subscription Agreements, the Connected Subscribers would subscribe for the Connected Subscription Shares at the Subscription Price of HK\$3.78 per Connected Subscription Share, representing a discount of approximately 10% of the closing price of the Company on the date of the Connected Subscription Agreements. Given the discount is not significant and therefore the Subscription Price is fair and reasonable (to be illustrated in the section headed “Principal terms of the Connected Subscription Agreements” of this letter), the capital injected by the Connected Subscribers represents the management’s confidence in the prospects of business operations and long-term growth of the Company.

Moreover, after deducting subsequent issue fee, professional fees and other expenses incidental to the Connected Subscriptions, the Company estimates that the total net proceeds from the Connected Subscriptions would be approximately HK\$51 million. The net proceeds (after deduction of relevant expenses) from the Connected Subscriptions will be used for the development of the Group’s existing property projects. According to the recent announcements of the Company, we noted that the Group has entered into several acquisitions recently, including (i) an acquisition of properties and parcel of lands in Tongxiang Economic Development Zone of Zhejiang Province with the aggregate consideration of approximately RMB673 million in cash on 30 August 2017; and (ii) an acquisition of property development project in Zhaoqing city of Guangdong Province with the aggregate consideration of RMB1,855 million in cash on 23 January 2018. As such, we consider that the net proceeds from the Connected Subscriptions, which may not be sufficient to fund all of the Group’s existing property projects, but can enhance the cash position of the Group after the abovementioned expenditure.

LETTER FROM OCTAL CAPITAL

Based on the above, notwithstanding that the shareholding of the existing public Shareholders will be diluted by the Connected Subscriptions, after taking into account (i) the alignment of interest between the Connected Subscribers and the Group; (ii) the positive impact of the Connected Subscriptions which signifies the management's confidence in the prospects of business operations and long-term growth of the Company; and (iii) the net proceeds will be applied for the development of the Group's existing property projects, the Board is of the view that the Connected Subscriptions enabling the Shareholders to benefit from the value appreciation of the Company as a result of the future development of the Company is fair and reasonable and in the interest of the Company and the Shareholders as a whole.

4. Principal terms of the Connected Subscription Agreements

Connected Subscription Shares

Pursuant to the respective Connected Subscription Agreements, each of the Connected Subscribers conditionally agreed to subscribe for, and the Company conditionally agreed to allot and issue, such numbers of Connected Subscription Shares at a Subscription Price of HK\$3.78 per Connected Subscription Share and the relevant percentage of shareholding as set out against his/her name are as follow:

Connected Subscriber	Position in the Company	Number of Connected Subscription Shares	Approximate percentage of total issued Shares as at the date of the announcement (%)	Approximate percentage of total issued Shares as after the Connected Subscription Completion (%)	Approximate percentage of total issued Shares after the Connected Subscription Completion (%)
Mr. Chen Jun	Chairman of the Board, Chief Executive Officer and executive Director	3,500,000	0.13	0.12	0.12
Mr. Hou Guangjun	Chief Operating Officer and executive Director	2,700,000	0.10	0.10	0.09
Ms. Wang Xuling	Executive Director	3,390,000	0.12	0.12	0.12
Mr. Gu Minqi	Vice-President of the Company and a director of its subsidiary	4,000,000	0.14	0.14	0.14
Total		13,590,000	0.49	0.48	0.47

LETTER FROM OCTAL CAPITAL

The aggregate nominal value of the 13,590,000 Connected Subscription Shares (representing approximately 0.49% of the total issued Shares as at the date of this announcement) is HK\$6,795,000. The Connected Subscription Shares, when fully paid for and allotted and issued, will rank pari passu in all respects among themselves and with the Shares in issue on the date of allotment and issue of the Connected Subscription Shares.

Subscription Price

The Subscription Price is HK\$3.78 per Connected Subscription Share or Employee Subscription Share:

The Subscription Price represents:

- i. a discount of approximately 10% to the closing price of HK\$4.20 per Share as quoted on the Stock Exchange on 23 January 2018, being the date of the Connected Subscription Agreements and the Employee Subscription Agreements;
- ii. a discount of approximately 4.93% to the average closing price of approximately HK\$3.976 per Share as quoted on the Stock Exchange for the last five consecutive trading days up to and including 22 January 2018, being the trading day immediately preceding the date of the Connected Subscription Agreements and the Employee Subscription Agreements;
- iii. a premium of approximately 7.08% over the closing price of approximately HK\$3.53 per Share as quoted on the Stock Exchange on the Latest Practicable Date; and
- iv. a discount of approximately 2.33% to the consolidated net asset value per Share of the Group of approximately HK\$3.87 based on the consolidated net assets of approximately RMB8,789,674,000 (equivalent to approximately HK\$10,811,407,134 using exchange rate of HK\$1 equivalent to RMB0.8130) as disclosed in the 2017 Interim Report (based on the total number of issued Shares of 2,793,676,683 Shares on the date of the Connected Subscription Agreements).

Based on the Subscription Price of HK\$3.78 for the Connected Subscriptions, the value of 13,590,000 Connected Subscription Shares is approximately HK\$51.4 million. The nominal value of 13,590,000 Connected Subscription Shares is HK\$6,795,000.

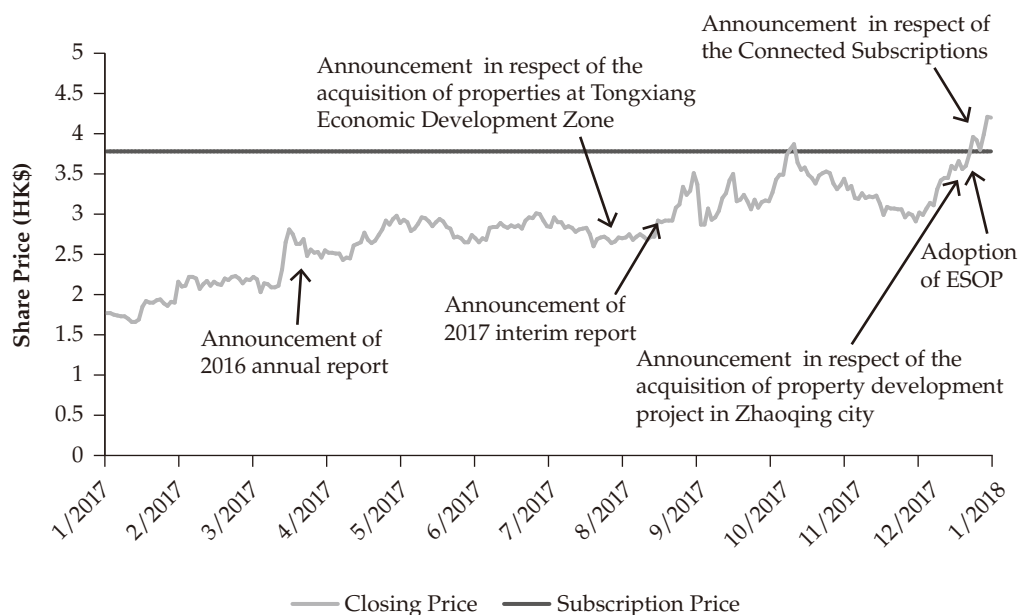
LETTER FROM OCTAL CAPITAL

As set out in the Letter from the Board, the Subscription Price was arrived at after arm's length negotiations between the Company and the Connected Subscribers and the Employee Subscribers based on the Pricing Basis in which the Subscription Price to be subscribed for by an eligible employee (including Connected Subscribers) shall be 90% of the higher of (i) the closing price of the Shares as at the date of the Connected Subscription Agreements and (ii) the average closing price of the Shares for the five trading days immediately prior to the date of the Connected Subscription Agreements. The Directors consider the terms of the Connected Subscription Agreements and the transactions contemplated thereunder to be fair and reasonable and in the best interests of the Company and the Shareholders as a whole.

(i) *Comparison with historical price of the Shares*

In order to assess the fairness and reasonableness of the Subscription Price, we have compared the Subscription Price with the trading price of the Shares in the past 12 months. We consider that the period of 12 months represent a reasonable timeframe that covers the recent trend of the Share price reflecting the Company's fundamental financial performance and the business cycle in the corresponding period to illustrate the recent price movement of the Shares for conducting a reasonable comparison among the historical closing prices of the Shares and the Subscription Price. The following share price chart of the Company illustrates the highest and lowest closing prices and the average closing price of the Shares as quoted on the Stock Exchange during the period commencing from 23 January 2017 up to and including the Latest Practicable Date (the "Review Period"):

Historical share price performance



Source: Stock Exchange (www.hkex.com.hk)

LETTER FROM OCTAL CAPITAL

As shown by the chart above, the daily closing prices of the Shares range from HK\$1.66 per Share to HK\$4.21 per Share during the Review Period. Throughout the Review Period, the Subscription Price only represents a discount of 8 out of 248 days. In addition, the Subscription Price of HK\$3.78 per Share is within the range of the lowest and highest closing prices of the Shares as quoted on the website of the Hong Kong Stock Exchange during the Review Period, and represented a premium of approximately 128% over the lowest closing price of HK\$1.66 recorded on 3 February 2017 and 6 February 2017, and a discount of approximately 10.2% to the highest closing price of HK\$4.21 recorded on 22 January 2018. Also, given the fact that the Subscription Price represents a premium to the average closing price of the Shares of approximately HK\$2.82 per Share during the Review Period, and thus we considered that the Subscription Price is fair and reasonable and in the interests of the Company and the Shareholders as a whole.

(ii) Comparison with recent issues of subscription shares by other listed issuers

To further assess the fairness and reasonableness of the Subscription Price, we have conducted a comparable analysis through identifying companies listed on the Stock Exchange which announced subscription of new shares or placing of shares using specific mandate during the last six months commencing from 24 July 2017 to the date of the Connected Subscription Agreements. We consider that the terms of the comparable fund raising exercises within the last six months are appropriate benchmarks to reflect the recent market sentiment and the risk appetite of the investment community and the adopted time span can cover sufficient number of comparable subscriptions to reflect the prevailing market trends.

LETTER FROM OCTAL CAPITAL

Based on the above, we have searched through published information on the Stock Exchange's website, identified of share subscriptions and placing of shares using specific mandate conducted by 26 companies (the "Subscription Comparables") listed on the Stock Exchange. Having considered the business nature of the Company being property development in the PRC, only one of the Subscription Comparables, namely "C&D International Investment Group Limited", is similar to that of the Company. In order to gather sufficient samples for our comparison purpose, we considered the selection of comparables is fair and reasonable although the business nature and market capitalization of the Subscription Comparables may not be identical to that of the Company. For each of the 26 Subscription Comparables identified, we compared the premium/(discount) of its subscription price/placing price over/(to) (a) the respective closing price on the date of the corresponding announcement; and (b) the average closing price for the last five consecutive trading days prior to the date of the corresponding announcement, summarised in the following table:

Date of announcement	Stock code	Company	Subscription/ placing price (HK\$)	Premium/ (discount) over/to the closing price of the shares as at the last trading day prior to the date of the corresponding announcement	Premium/ (discount) over/ to the closing price of the shares for the last five consecutive trading days prior to the date of the corresponding announcement
1/8/2017	269	China Resources And Transportation Group Limited	0.230	(19.30)%	(9.59)%
17/8/2017	3639	Yida China Holdings Limited	2.300	1.77%	1.77%
22/8/2017	762	China Unicom (Hong Kong) Limited	13.240	9.97%	7.12%
30/8/2017	1908	C&D International Investment Group Limited	4.510	(13.10)%	(11.88)%
12/9/2017	6899	Ourgame International Holdings Limited	1.850	(3.65)%	(0.43)%
12/9/2017	732	Truly International Holdings Limited	2.020	(12.90)%	(13.50)%
28/9/2017	959	Amx International Holdings Limited	0.360	(4.00)%	0.84%

LETTER FROM OCTAL CAPITAL

Date of announcement	Stock code	Company	Subscription/ placing price (HK\$)	Premium/ (discount) over/ to the closing price of the shares as at the last trading day prior to the date of the corresponding announcement	Premium/ (discount) over/ to the closing price of the shares for the last five consecutive trading days prior to the date of the corresponding announcement
11/10/2017	936	Eagle Legend Asia Limited	1.010	7.80%	0.90%
11/10/2017	2668	Pak Tak International Limited	0.224	(21.40)%	(20.85)%
13/10/2017	578	Rosan Resources Holdings Limited	0.200	34.23%	32.10%
16/10/2017	1133	Harbin Electric Company Limited	4.790	20.96%	20.53%
20/10/2017	627	U-right International Holdings Limited	0.220	(82.11)%	(81.45)%
8/11/2017	891	Trinity Limited	1.200	(80.62)%	(86.92)%
16/11/2017	1140	OP Financial Investments Limited	2.100	(4.55)%	(3.93)%
17/11/2017	241	Alibaba Health Information Technology Limited	4.000	(4.31)%	(6.80)%
29/11/2017	1639	AKM Industrial Company Limited	1.500	(6.83)%	(7.29)%
30/11/2017	351	Asia Energy Logistics Group Limited	0.108	(26.82)%	(29.95)%
4/12/2017	445	China Fire Safety Enterprise Group Limited	0.366	(20.40)%	(16.80)%
5/12/2017	364	Blockchain Group Company Limited	0.030	114.29%	111.27%
6/12/2017	159	Brockman Mining Limited	0.100	(13.79)%	(16.10)%
13/12/2017	650	IDG Energy Investment Group Limited	1.000	(31.03)%	(29.68)%
14/12/2017	206	TSC Group Holdings Limited	0.670	(19.27)%	(21.18)%

LETTER FROM OCTAL CAPITAL

Date of announcement	Stock code	Company	Subscription/ placing price (HK\$)	Premium/ (discount) over/to	Premium/ (discount) over/ to the closing
				the closing price of the shares as at the last trading day prior to the date of the corresponding announcement	price of the shares for the last five consecutive trading days prior to the date of the corresponding announcement
21/12/2017	360	New Focus Auto Tech Holdings Limited	0.420	(40.00)%	(36.75)%
3/1/2018	1280	Huiyin Smart Community Co., Ltd.	0.500	(29.58)%	(28.77)%
10/1/2018	299	New Sports Group Limited	0.500	(23.08)%	(34.03)%
19/1/2018	3818	China Dongxiang (Group) Co., Ltd.	1.350	(8.16)%	(9.88)%
			Maximum	114.29%	111.27%
			Minimum	(84.62)%	(86.92)%
			Mean	(10.78)%	(11.20)%
			Median	(13.00)%	(10.88)%
24/1/2018	337	The Company	3.78	(10.0)%	(4.93)%

From the above table, we noted that the Subscription Comparables using specific mandate show (i) a mean of discount of approximately 10.78% to the closing price of the last trading day prior to the date of the corresponding announcement; (ii) a median of discount of approximately 13.00% to the closing price of the last trading day prior to the date of the corresponding announcement; (iii) a mean of discount of approximately 11.20% to the average closing prices of the last five consecutive trading days prior to the date of the corresponding announcement; and (iv) a median of discount of approximately 10.88% to the average closing prices of the last five consecutive trading days prior to the date of the corresponding announcement. Upon comparison, we noted that the discounts of the Subscription Price to the closing price on the date of the Connected Subscription Agreements and the average closing prices of the last five consecutive trading days preceding the date of the Connected Subscription Agreements fall within the range of the Subscription Comparables and is comparable to the relevant means and median of discount of the Subscription Comparables.

LETTER FROM OCTAL CAPITAL

(iii) Comparison with the subscription price under the Employee Subscription Agreements

With reference to the Letter from the Board, we note that the Employee Subscription Agreements dated on the date of the Connected Subscription Agreement were entered between the Company and the Employee Subscribers, in which the Employee Subscribers are Independent Third Parties as stated in the Letter from the Board. The subscription price under the Employee Subscription Agreements being the same as to the Subscription Price was negotiated on an arm's length basis.

Therefore, based on the above findings, in particular, the Subscription Price (i) is close to the average closing price of the Shares during the Review Period; (ii) is comparable to the relevant means of discount of the Subscription Comparables; and (iii) represents the same subscription price of Employee Subscriptions, we consider that the Subscription Price is fair and reasonable.

5. Dilution effects of the issue of the Connected Subscription Shares

As set out in the Letter from the Board, upon the issue of the Connected Subscription Shares, the shareholding of the Independent Shareholders will be diluted immediately after the issue of the Connected Subscription Shares. Having considered that the dilution effect is not significant and the reasons for and benefits of the Connected Subscriptions as discussed before and, in particular, the Group's financial position will be improved after the Completion which in turn will strengthen the Group for any upcoming development opportunities in the future, we consider that such dilution effect on the shareholding interests of the existing public Shareholders is acceptable.

6. Financial effects of the issue of the Connected Subscription Shares

The financial effects of the issue of the Connected Subscription Shares by the Group set out below are purely for illustrative purposes only and do not reflect the future financial position of the Company or the Group after the Connected Subscription Completion.

(i) Net asset value

According to the 2017 Interim Report, the net asset value and net asset value per Share of the Company as at 30 June 2017 amounted to approximately RMB8,790 million (equivalent to approximately HK\$10,811 million using exchange rate of HK\$1 equivalent to RMB0.8130) and HK\$3.87 (based on 2,793,676,683 Shares in issue as at 30 June 2017). Upon the Connected Subscription Completion, the net asset value of the Company will increase by approximately HK\$51.4 million. Therefore, there will be an increase in the net asset value upon the Connected Subscription Completion.

LETTER FROM OCTAL CAPITAL

(ii) Gearing

As set out in the 2017 Interim Report, the gearing ratio calculated as net debt divided by total equity was approximately 80% as at 30 June 2017. Upon the Connected Subscription Completion, the equity of the Company will increase by the same of the proceeds raised by the Connected Subscriptions while the debt will keep unchanged. Therefore, the gearing ratio will be improved slightly.

(iii) Working capital

According to the 2017 Interim Report, the Group had cash and bank balances of approximately RMB5,782 million as at 30 June 2017. Given that the proceeds to be generated from the Connected Subscription, the working capital of the Group is expected to improve upon Connected Subscription Completion.

(iv) Earnings

Based on the 2016 Annual Report, the Group recorded profit attributable to owners of the Company of approximately RMB1,113 million. As set out in the Letter from the Board, the Group intends to apply all of the net proceeds raised by Connected Subscriptions, together with the Employee Subscriptions, to increase its working capital. Thus, it is expected that there will be no material impact on the Group's net profit.

Based on the aforementioned financial effects of the issue of the Connected Subscription Shares, in particular the positive impact on net asset value, gearing ratio and working capital, we are of the view that the issue of the Connected Subscription Shares will have an overall positive financial effect on the Group and is in the interest of the Group and its Shareholders as a whole.

LETTER FROM OCTAL CAPITAL

RECOMMENDATION

Having considered the above principal factors, we are of the opinion that the entering into of the Connected Subscription Agreements is 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 Connected Subscription 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 23 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 15 years of experience in corporate finance and investment banking and has participated in and completed various advisory transactions in respect of mergers and acquisitions, connected transactions and transactions subject to the compliance to the Takeovers Code of listed companies in Hong Kong.

1. RESPONSIBILITY STATEMENT

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

2. DISCLOSURE OF INTERESTS

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

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

Long positions in the Shares:

Name of Director	Capacity/Nature of interest	Number of Shares	Approximately percentage of shareholding in the Company's issued share capital (Note 4)
Mr. CHEN Jun	Beneficial owner	3,500,000 (Note 1)	0.13%
Mr. WANG Weixian	Interest of controlled corporation	32,958,571 (Note 2)	1.18%
	Founder of discretionary trust	367,254,133 (Note 3)	13.15%
Mr. HOU Guangjun	Beneficial owner	2,700,000 (Note 4)	0.10%
Ms. WANG Xuling	Beneficial owner	7,390,000 (Note 5)	0.26%
	Interest of controlled corporation	7,010,448 (Note 6)	0.25%
	Beneficiary of discretionary trust	367,254,133 (Note 3)	13.15%

Name of Director	Capacity/Nature of interest	Number of Shares	Approximately percentage of shareholding in the Company's issued share capital (<i>Note 4</i>)
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%

Notes:

1. Mr. CHEN Jun was deemed to be interested in 3,500,000 Shares under his Connected Subscription Agreement.
2. Mr. WANG Weixian was deemed to be interested in 32,958,571 Shares which are held by Prestige Glory Enterprises Limited. The entire issued share capital of Prestige Glory Enterprises Limited was beneficially owned by Mr. WANG Weixian.
3. Each of Mr. WANG Weixian and Ms. WANG Xuling was deemed to be interested in an aggregate of 367,254,133 Shares, which were held by The Duanyuan Trust.
4. Mr. HOU Guangjun was deemed to be interested in 2,700,000 Shares under his Connected Subscription Agreement.
5. Ms. WANG Xuling was beneficially owned 7,390,000 Shares, 3,390,000 Shares of which were deemed to be owned by her under her Connected Subscription Agreement.
6. Ms. WANG Xuling was deemed to be interested in 7,010,448 Shares, which were held by Boom Rich Investments Limited which was in turn entirely beneficially owned by Ms. WANG Xuling.
7. Representing the issued and fully paid-up capital of the Company as at the Latest Practicable Date comprising 2,793,676,683 Shares.

(b) Other interests of the Directors

As at the Latest Practicable Date,

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

- (ii) none of the Directors had any interest, direct or indirect, in any asset which have been, since 31 December 2016 (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;
- (iii) none of the Directors was materially interested in any contract or arrangement entered into by any member of the Group which was subsisting at the Latest Practicable Date, and which was significant in relation to the business of the Group.

3. SERVICE CONTRACTS

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

4. MATERIAL ADVERSE CHANGE

As at the Latest Practicable Date, the Directors were not aware of any material adverse changes in the financial or trading position of the Group since 31 December 2016, 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. EXPERTS' 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

The letter from Octal Capital is given as of the date of this circular for incorporation herein. Octal Capital 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 respectively appear.

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 2016 (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.

7. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the Connected Subscription 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 28 February 2018.

NOTICE OF EGM

GREENLAND HONG KONG HOLDINGS LIMITED

綠地香港控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 337)

NOTICE IS HEREBY GIVEN THAT the extraordinary general meeting (the “EGM”) of Greenland Hong Kong Holdings Limited (the “Company”) will be held at 7th Floor, Conrad Hong Kong Hotel, Pacific Place, 88 Queensway, Hong Kong on Tuesday, 6 March 2018 at 9:00 a.m. for the purpose of considering and, if thought fit, passing the following ordinary resolutions of the Company:

1. “THAT:
 - (a) the entering into of the connected subscription agreements (the “**Connected Subscription Agreements**”) (as defined and described in the circular of the Company dated 14 February 2018) and the transactions contemplated thereunder be and are hereby approved, confirmed, authorised and ratified, and any one of the directors of the Company (the “**Directors**”) be and is hereby authorised to do all such further acts and things and execute all such further documents and take all steps as he/she may in his/her absolute opinion deem necessary, desirable or expedient to implement and/or give effect to the transactions contemplated thereunder with such changes as he/she may in his/her absolute opinion deem necessary, desirable or expedient; and
 - (b) subject to the fulfillment of the conditions of the Connected Subscription Agreements and conditional upon the listing committee of The Stock Exchange of Hong Kong Limited granting the listing of, and permission to deal in, the Connected Subscription Shares (as defined in the Connected Subscription Agreements) (the “**Connected Subscription Shares**”), the Directors be and are hereby granted a specific mandate (the “**Connected Mandate**”) to allot and issue the Connected Subscription Shares on the terms and conditions of the Connected Subscription Agreements; and the Connected Mandate is in addition to and shall not prejudice or revoke any general or specific mandate(s) which has/have been granted or may from time to time be granted to the Directors by the shareholders of the Company.”
2. “THAT the entering into of the employee subscription agreements (the “**Employee Subscription Agreements**”) (as defined and described in the circular (the “**Circular**”) of the Company dated 14 February 2018) and the transactions contemplated thereunder be and are hereby approved, confirmed, authorised and ratified, and any one of the directors of the Company (the “**Directors**”) be and is hereby authorised to allot and issue the Employee Subscription Shares (as defined in the Circular) subject to the terms and conditions as set out in the ESOP (as defined in the Circular) and the respective Subscription Agreements, and to do all such further acts and things

NOTICE OF EGM

and execute all such further documents and take all steps as he/she may in his/her absolute opinion deem necessary, desirable or expedient to implement and/or 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, 14 February 2018

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. All the resolutions at the EGM will be taken by way of poll and the results of the poll will be published on the websites of Hong Kong Exchanges and Clearing Limited and the Company in accordance with the Listing Rules.
2. Any Shareholder entitled to attend and vote at the EGM convened by the above notice is entitled to appoint one or more (if he/she/it holds two or more shares) proxies to attend and vote in his/her/its place. A proxy need not be a member of the Company.
3. In order to be valid, the completed form of proxy together with a power of attorney or other authority (if any) under which it is signed (or a notarially certified copy of that power or authority or other authority) must be deposited at the Company’s branch share registrar in Hong Kong, Tricor Investor Services Limited, at Level 22, Hopewell Centre, 183 Queen’s Road East, Hong Kong in accordance with the instructions printed thereon not less than 48 hours before the time appointed for holding the EGM or any adjournment thereof (as the case may be).
4. Completion and return of the form of proxy will not preclude a member from attending and voting in person at the EGM or at any adjournment thereof (as the case may be) and, in such event, the instrument appointing a proxy shall be deemed to be revoked.
5. In the case of joint holders of any share(s), any one of such joint holders may vote (either in person or by proxy) in respect of such share(s) as if he/she/it was solely entitled thereto, but if more than one of such joint holders are present at the EGM (whether in person or by proxy), the vote of the joint holder whose name stands first in the register of members of the Company in respect of such share(s) shall alone be entitled to vote in respect thereof.
6. The Chinese translation of this notice is for reference only. In case of any inconsistency, the English version shall prevail.
7. Record date (being the last date for registration of any share transfer given there will be no book closure) for determining the entitlement of the shareholders of the Company to attend and vote at the proposed EGM will be 5 March 2018.