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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 TRANSACTION **Appointment of connected persons** **as contractors for construction works** **AND** **NOTICE OF EXTRAORDINARY GENERAL MEETING**

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

 **金融有限公司**
OCTAL Capital Limited

Terms defined in the section headed “Definitions” in this circular shall have the same meaning when used in this cover page unless the context otherwise requires.

A notice convening the EGM to be held at 9:00 a.m. on Friday, 15 July 2022 is set out on pages EGM-1 and EGM-2 of this circular.

A form of proxy for the EGM is enclosed with this circular. Whether or not you intend to attend the EGM via e-Meeting System, 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 via e-Meeting System.

28 June 2022

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DEFINITIONS

In this circular, the following expressions have the following meanings unless the context otherwise requires:

“Applicable Percentage Ratio”, “associate(s)”, “close associate(s)”, “connected person(s)” and “subsidiary(ies)”	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”	the Greenland Oujiang Sky Tree Project, the Mountain Series B1 Project and the Mountain Series B2 Project, and a “Construction Project” means any one of them;
“Contractor A”	Tianjin City Construction Engineering Main Contracting Co., Ltd.* (天津市建工工程總承包有限公司), a company established in the PRC with limited liability, which is controlled as to approximately 72.2% by Greenland Holdings;
“Contractor Agreements”	the Greenland Oujiang Sky Tree Contractor Agreement, the Mountain Series B1 Contractor Agreement and the Mountain Series B2 Contractor Agreement, and a “Contractor Agreement” means any one of them;
“Contractor B”	Guangxi Construction Engineering Group Civil Engineering Co., Ltd.* (廣西建工集團土木工程有限公司), a company established in the PRC with limited liability, which is controlled as to 100% by Greenland Holdings;
“Contractors”	Contractor A and Contractor B, and a “Contractor” means any one of them;
“controlled”	in relation to an entity being controlled by another entity, the latter entity controls the exercise of certain percentage of the voting power at general meeting of the first-mentioned entity;

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“Cost Management Department”, “Engineering Department”, “Financial Management Department”, “Operation Management Department”, and “Technology Research and Development Department”	cost management department, engineering department, financial management department, operation management department, and technology research and development department of the Group;
“Costing Consultants”	Zhejiang Zhongrui Zhijiang Engineering Cost Consultancy Co., Ltd.* (浙江中瑞之江工程造價諮詢有限公司) and Guangzhou Jianhong Construction Technology Consultancy Co., Ltd.* (廣州市建鋳建築技術諮詢有限公司), each of them being an independent third party, and a “Costing Consultant” shall mean either one of them;
“Director(s)”	the director(s) of the Company;
“EGM”	the extraordinary general meeting of the Company to be held via e-Meeting System on Friday, 15 July 2022 at 9:00 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;
“Greenland Oujiang Sky Tree Contractor Agreement”	the contractor agreement dated 26 April 2022 entered into between Greenland Oujiang Sky Tree Project Company and Contractor A in relation to the construction works to be undertaken for the Greenland Oujiang Sky Tree Project;

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“Greenland Oujiang Sky Tree Project”	the main contracting of construction and installation works for the Greenland Oujiang Sky Tree Project (綠地甌江天空樹項目) to be undertaken on the land parcel situated at the southwest side of the intersection of Ouxiu Avenue and Yanhong Road, Oujiangkou, Wenzhou City, Zhejiang Province, the PRC (中國浙江省溫州市甌江口甌繡大道和雁鴻路交匯處西南側);
“Greenland Oujiang Sky Tree Project Company”	Wenzhou Lvxin Real Estate Co., Ltd.* (溫州綠信置業有限公司), a company established in the PRC with limited liability and a 75%-owned subsidiary 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;
“Independent Board Committee”	the committee of the Board comprising all the independent non-executive Directors;
“Independent Financial Adviser” or “Octal Capital”	Octal Capital Limited, a licensed corporation permitted under the SFO to carry out Type 1 (dealing in securities) and Type 6 (advising on corporate finance) regulated activities;
“Independent Shareholders”	Shareholders other than those who are required by the Listing Rules to abstain from voting on the resolutions approving the Contractor Agreements;
“Latest Practicable Date”	23 June 2022, 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;
“Mountain Series B1 Contractor Agreement”	the contractor agreement dated 26 April 2022 between Mountain Series Project Company and Contractor B for the contracting of the construction works for the Mountain Series B1 Project;

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“Mountain Series B1 Project”	the contracting of pile foundation engineering work for the villa area in land parcel B of the Mountain Series Project (綠地朗峯項目B地塊別墅區樁基工程) to be developed on land parcel situated at the western side of Pingle Avenue, the southern side of Fengwei Road and the northern side of Huawei Road, Comprehensive Bonded Zone, Nanning City, Guangxi Zhuang Autonomous Region, the PRC (中國廣西壯族自治區南寧市綜保區平樂大道西面、豐威路南面、華威路北面);
“Mountain Series B2 Contractor Agreement”	the contractor agreement dated 26 April 2022 between Mountain Series Project Company and Contractor B for the contracting of the construction works for the Mountain Series B2 Project;
“Mountain Series B2 Project”	the contracting of foundation pit enclosure engineering work for the villa hotel in land parcel B of the Greenland Langfeng Project (綠地朗峯項目B地塊別墅酒店基坑圍護工程) to be developed on land parcel situated at western side of Pingle Avenue, the southern side of Fengwei Road and the northern side of Huawei Road, Comprehensive Bonded Zone, Nanning City, Guangxi Zhuang Autonomous Region, the PRC (中國廣西壯族自治區南寧市綜保區平樂大道西面、豐威路南面、華威路北面);
“Mountain Series Project Company”	Guangxi Yingzhi Investment Development Co., Ltd.* (廣西穎置投資發展有限公司), a wholly-owned subsidiary of the Company established in the PRC with limited liabilities;
“PRC”	the People’s Republic of China, which, for the purposes of this circular, excludes Hong Kong, the Macau Special Administrative Region and Taiwan;
“Project Company”	any one of Greenland Oujiang Sky Tree Project Company and Mountain Series Project Company;
“RMB”	Renminbi, the lawful currency of the PRC;
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the laws of Hong Kong);
“Shareholder(s)”	holder(s) of the ordinary share(s) of HK\$0.50 each in the share capital of the Company;

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“sq.m.” square meters;

“Stock Exchange” The Stock Exchange of Hong Kong Limited;

“%” per cent.

For the purposes of this circular, an exchange rate of HK\$1 = RMB0.82 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 RMB or HK\$ has been, could have been or may be converted at such rate.

* *For identification purposes only*

SPECIAL ARRANGEMENTS FOR THE EGM

All registered shareholders will be able to join the EGM via the e-Meeting System. Our e-Meeting System can be accessed from any location with access to the internet via smartphone, tablet device or computer.

Through the e-Meeting System, our registered Shareholders will be able to view the live video broadcast and participate in voting and submit questions online. Login details and information will be included in our letters to registered shareholders regarding the e-Meeting System.

The live broadcast can broaden the reach of the EGM to Shareholders who do not wish to attend physically due to concerns on attending events under the current COVID-19 situation, or for other overseas Shareholders who are unable to attend in person.

HOW TO ATTEND AND VOTE

Shareholders who wish to attend the EGM and exercise their voting rights can be achieved in one of the following ways:

- (1) attend the EGM via the e-Meeting System which enables live streaming and interactive platform for submitting questions and voting online; or
- (2) appoint the Chairman of the EGM or other persons as your proxy by providing their email address for receiving the designated log-in username and password to attend and vote on your behalf via the e-Meeting System.

Your proxy's authority and instruction will be revoked if you attend and vote via the e-Meeting System.

If you are a non-registered Shareholder, you may instruct your banks, brokers or other custodians to appoint a proxy to attend and vote via the e-Meeting System for the EGM on your behalf if you wish.

Due to the constantly evolving COVID-19 pandemic situation in Hong Kong, the Company may be required to adopt further changes to the EGM arrangements at short notice. Shareholders are advised to check the websites of the Company (<http://www.greenlandhk.com>) and HKEX (www.hkexnews.hk) for the latest announcement and information relating to the EGM.

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. Fong Wo, Felix, JP

Mr. Kwan Kai Cheong

Dr. Lam, Lee G.

Headquarters:

No. 193 Xiehe Road

Changning District

Shanghai, China

Principal place of business

in Hong Kong:

Unit 5711, 57th Floor

The Center

99 Queen's Road Central

Hong Kong

28 June 2022

To the Shareholders

Dear Sir or Madam,

**CONNECTED TRANSACTION
Appointment of connected persons
as contractors for construction works
AND**

NOTICE OF EXTRAORDINARY GENERAL MEETING

INTRODUCTION

Reference is made to the announcement of the Company dated 26 April 2022 in relation to the Contractor Agreements.

The purposes 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 recommendation of the Independent Board Committee to the Independent Shareholders in relation to the Contractor Agreements and the transactions contemplated thereunder; (c) the advice of the Independent Financial Advisor to the Independent Board

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Committee and the Independent Shareholders in relation to the Contractor Agreements and the transactions contemplated thereunder; and (d) the notice of the EGM.

THE CONTRACTOR AGREEMENTS

The principal terms of the Contractor Agreements are as follows:

(a) Greenland Oujiang Sky Tree Contractor Agreement

Date:	26 April 2022
Parties:	(i) Greenland Oujiang Sky Tree Project Company as the principal (ii) Contractor A as the main contractor
Subject matter:	To undertake civil engineering works, and electrical and plumbing and drainage installation works in respect of the Greenland Oujiang Sky Tree Project in accordance with the construction drawings, design modification and the instruction of Greenland Oujiang Sky Tree Project Company
Project description and location:	The main contracting of construction and installation works for the Greenland Oujiang Sky Tree Project (綠地甌江天空樹項目) to be developed on the land parcel situated at the southwest side of the intersection of Ouxiu Avenue and Yanhong Road, Oujiangkou, Wenzhou City, Zhejiang Province, the PRC (中國浙江省溫州市甌江口甌繡大道和雁鴻路交匯處西南側)
Estimated construction area:	Approximately 301,758 sq.m.
Estimated total contract sum:	Approximately RMB430.56 million inclusive of value-added tax (approximately HK\$525.08 million) subject to adjustment in accordance with relevant provisions in the agreement
Expected commencement date:	10 September 2022
Expected completion date:	29 December 2024

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(b) Mountain Series B1 Contractor Agreement

Date:	26 April 2022
Parties:	(i) Mountain Series Project Company as the developer (ii) Contractor B as the contractor
Subject matter:	To undertake pile foundation engineering work in respect of the Mountain Series B1 Project in accordance with the tender drawings, the bill of quantities and detailed drawings agreed upon by the Project Company and the Contractor
Project description and location:	The contracting of pile foundation engineering work for the villa area in land parcel B of the Greenland Mountain Series Project (綠地朗峯項目B地塊別墅區樁基工程) to be developed on land parcel situated at the western side of Pingle Avenue, the southern side of Fengwei Road and the northern side of Huawei Road, Comprehensive Bonded Zone, Nanning City, Guangxi Zhuang Autonomous Region, the PRC (中國廣西壯族自治區南寧市綜保區平樂大道西面、豐威路南面、華威路北面)
Estimated construction area:	Approximately 19,800 sq.m.
Estimated total contract sum:	Approximately RMB10.63 million (approximately HK\$12.96 million) inclusive of value-added tax subject to adjustment in accordance with relevant provisions in the agreement
Expected commencement date:	22 November 2022
Expected completion date:	22 February 2023

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(c) Mountain Series B2 Contractor Agreement

Date:	26 April 2022
Parties:	(i) Mountain Series Project Company as the developer (ii) Contractor B as the contractor
Subject matter:	To undertake foundation pit enclosure engineering work in respect of the Mountain Series B2 Project in accordance with the tender drawings, the bill of quantities and the detailed drawings agreed upon by the Project Company and the Contractor
Project description and location:	The contracting of foundation pit enclosure engineering work for the villa hotel in land parcel B of the Greenland Langfeng Project (綠地朗峯項目B地塊別墅酒店基坑圍護工程) to be developed on land parcel situated at western side of Pingle Avenue, the southern side of Fengwei Road and the northern side of Huawei Road, Comprehensive Bonded Zone, Nanning City, Guangxi Zhuang Autonomous Region, the PRC (中國廣西壯族自治區南寧市綜保區平樂大道西面、豐威路南面、華威路北面)
Estimated construction area:	Approximately 27,700 sq.m.
Estimated total contract sum:	Approximately RMB0.80 million (approximately HK\$0.98 million) inclusive of value-added tax subject to adjustment in accordance with relevant provisions in the agreement
Expected commencement date:	22 November 2022
Expected completion date:	21 December 2022

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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 Contractor shall report to the relevant Project Company the amount of construction works performed by it in each month for the relevant Project Company to verify and accept. In the subsequent month, the relevant Project Company shall pay to the Contractor for 70% of the accepted construction works of the previous month at an amount calculated by multiplying the unit price for the different types of construction works listed in the relevant Contractor Agreement by the amount of the different types of construction works verified and accepted by the relevant Project Company. 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 Project Company or its appointed Costing Consultant in accordance with the terms of the relevant Contractor Agreement (the "**Final Settlement Report**"). The Final Settlement Report upon the completion of the Greenland Oujiang Sky Tree Project, the Mountain Series B1 Project and the Mountain Series B2 Project shall be available within 9 months, 4 months and 4 months of the date of filing of the completion acceptance report with the relevant construction administrative department by the Project Company (the "**Completion Acceptance Filing Date**") in respect of the construction works of the said projects respectively. The completion acceptance report for the Greenland Oujiang Sky Tree Project, the Mountain Series B1 Project and the Mountain Series B2 Project shall be filed 1 month before the completion of the said projects respectively.

In general, 70% of the estimated total contract sum shall have been fully paid up following completion and acceptance of the construction works, and up to 97% of the adjusted total contract sum shall have been fully paid after the audit of the Final Settlement Report has been completed. The remaining 3% of the adjusted total contract sum payable under each Contractor Agreement shall be withheld as warranty money and shall, subject to deductions due to necessary repair works, be released after the expiry of a period of 2 years (in the case of the Mountain Series B1 Contractor Agreement and the Mountain Series B2 Contractor Agreement) or 5 years (in the case of the Greenland Oujiang Sky Tree Contractor Agreement) from the Completion Acceptance Filing Date in respect of the construction works.

Furthermore, the total contract sum of the Greenland Oujiang Sky Tree Contractor Agreement will be adjusted in response to fluctuation in the market price of concrete only, being one of the major construction materials, when such fluctuation is larger than the Pre-agreed Threshold multiplied by the Pre-agreed Reference Price. Concrete is expected to be used for approximately 1 year, whereas the two other major construction materials, being Aerated concrete blocks and Mortar, are expected to be used for approximately 3 months. As the expected use period of Aerated concrete blocks and Mortar is quite short, the Project Company and the Contractor A consider that any fluctuations in the market prices of such construction materials will be immaterial and thus adjustment of the contract sum is not necessary. As the expected construction period of the Mountain Series B1 Project of around 3 months and the Mountain Series B2 Project of around 1 month is quite short, the Mountain Series Project Company and the Contractor B consider that any fluctuations in the market prices of construction materials used in such projects will be immaterial and thus adjustment of the contract sum is not necessary.

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In the event the market price of the relevant construction materials is higher than the Pre-agreed Reference Price by an amount equal to the Pre-agreed Reference Price multiplied by the Pre-agreed Threshold, the adjustment mechanism and formula is as follows:

$$\text{Adjusted Price} = \text{Contract Price} + (\text{Average Price} - \text{Pre-agreed Reference Price} \times (1 + 5\%))$$

In the event the market price of the relevant construction materials is lower than the Pre-agreed Reference Price by an amount equal to the Pre-agreed Reference Price multiplied by the Pre-agreed Threshold, the adjustment mechanism and formula is as follows:

$$\text{Adjusted Price} = \text{Contract Price} - (\text{Pre-agreed Reference Price} \times (1 - 5\%) - \text{Average Price})$$

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, which period begins from the commencement date of the construction of the structural work and ending on the date of the completion of the structural work
“Contract Price”	means the original price of the major construction materials contracted under the Greenland Oujiang Sky Tree Contractor Agreement
“Pre-agreed Reference Price”	means the pre-agreed reference price contracted under the Greenland Oujiang Sky Tree Contractor Agreement, which has been determined at the time of contract based on the reference price of the relevant construction materials stated in the “Wenzhou Construction Works Cost Information”* (《温州工程造价信息》) issued by the Wenzhou City Cost Station* (温州市造价站) at the time of the tender invitation for the Greenland Oujiang Sky Tree Project and will not be revised by the parties to the Greenland Oujiang Sky Tree Contractor Agreement for the purposes of the aforesaid adjustment formula
“Pre-agreed Threshold”	means the pre-agreed threshold of 5% agreed upon under the Greenland Oujiang Sky Tree Contractor Agreement

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The above adjustment is based on dollar-to-dollar basis and is in line with the market practice of the construction industry in the PRC. The above adjustment is calculated at the time of the preparation of the Final Settlement Report, and will be adjusted in one go under the Final Settlement Report. There are 6 types of concrete used in the Greenland Oujiang Sky Tree Project, comprising (1) C20 concrete with a Pre-agreed Reference Price of RMB482 per m³, (2) C30 concrete with a Pre-agreed Reference Price of RMB523 per m³, (3) C40 concrete with a Pre-agreed Reference Price of RMB603 per m³, (4) C45 concrete with a Pre-agreed Reference Price of RMB628 per m³, (5) C50 concrete with a Pre-agreed Reference Price of RMB704 per m³, and (6) C60 concrete with a Pre-agreed Reference Price of RMB809 per m³, respectively.

In addition to the above adjustment mechanism, the original total contract sum of a Contractor Agreement may be adjusted if additional works are subsequently required by the Project Company. Save as disclosed above, there will not be any adjustments to the original total contract sum of the Contractor Agreements. The actual adjustment shall be determined based on the Final Settlement Report, and there is no agreed maximum amount of the total contract sum under each Contractor Agreement. After the Project Company and the Contractor have agreed on the amount of the additional works, the increase in the total contract sum will be determined by multiplying the agreed amount of additional works by (i) the unit price for the additional works listed in the relevant Contractor Agreement; (ii) if no unit prices for such additional works have been provided for under the Greenland Oujiang Sky Tree Contractor Agreement, such unit prices shall be determined by reference to the “Zhejiang Province (City) Building Decoration Engineering Consumption Quota and Unified Base Price List (18th Edition)”* (《浙江省(市)建築裝飾裝修工程消耗量定額及統一基價表》(18版)), the “Zhejiang Province (City) Installation Project Consumption Quota and Unit Valuation Table (18th Edition)”* (《浙江省(市)安裝工程消耗量定額及單位估價表》(18版)) and the “Zhejiang Province Construction and Installation Project Cost Quota”* (《浙江省建築安裝工程費用定額》); or (iii) if no unit prices for such additional works have been provided for under the Mountain Series B1 Contractor Agreement or the Mountain Series B2 Contractor Agreement, such unit prices shall be determined by reference to the “Guangxi Building Decoration Engineering Consumption Quota (2013)”* (廣西建築裝飾裝修工程消耗量定額(2013)). During the course of the construction works, the Project Companies, the Costing Consultants and the Cost Management Department, the Operation Management Department and Financial Management Department will monitor on a monthly basis the cumulative amount of all the progress payments of the total contract sum having been paid to the Contractor so that the Project Company is able to monitor whether the final amount of the total contract sum exceeds 105% of its original total contract sum. According to the Company’s previous experience and practice, the adjustments to the total contract sum of similar contractor agreements did not exceed 5% of the total contract sum of the relevant contractor agreement. In the event that the adjustment to any of the Contractor Agreements exceeds 5% of its total contract sum, the Company will seek the Independent Shareholders’ approval for the relevant adjustment and the revised total contract sum of such Contractor Agreement at extraordinary general meeting of the Company, and will enter into a supplemental agreement with the relevant contractor to govern the relevant adjustment.

Before entering into each of the Contractor Agreement, the Cost Management Department of the Company invited at least two other contractors (which are independent

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third parties) and the Contractor to tender for the Construction Project. The tenderers invited were those contractors who were in the Company's contractors approved list, they were assessed by the Company to ensure they have sufficient capability and expertise to undertake the construction works in a cost efficient manner based on the Company's experience and/or understanding. For the invitation for the submission of tenders for the Contractor Agreements, the Company specified the non-construction material portion of the total contract sum for each of the Construction Projects and invited tenders to submit tender for the Construction Project based on their quotes for the construction material portion of the total contract sum (subject to adjustment as mentioned above) plus the said non-construction material portion of the total contract sum. In the case of the Greenland Oujang Sky Tree Project, such non-construction material portion comprises the labour cost, cost of auxiliary materials (such as screws, welding materials, etc.), and machinery cost, and is determined based on the market price estimated by the Group. In the case of the Mountain Series B1 Project and the Mountain Series B2 Project, such non-construction material portion comprises the labour cost, cost of auxiliary materials (such as steel wire ropes, pile follower, etc.) and machinery cost, and is determined based on the market price estimated by the Group. The market prices for such non-construction materials are estimated by reference to a pricing database maintained by the Company (the "**Pricing Database**") comprising quotes for non-construction materials and other construction materials from past tender submissions. The Company reviews the reference prices in the Pricing Database at the end of each year based on a survey conducted by the Group by way of requesting for quotations for the prices for non-construction materials and other construction materials provided by those contractors potentially interested in bidding for construction projects of the Group in the following year. When the Company invited tenders for the Construction Projects, the tender invitation requested that the prices for non-construction materials and other construction materials shall be based on the reference prices in the Pricing Database. If the price quoted by a tenderer for any of the non-construction materials or the other construction materials in its tender for any Construction Project exceeded the reference price in the Pricing Database substantially, the Company would perform independent checks to ascertain whether the said quoted price was in line with the market price. Such checks included comparing the quotes of such non-construction material or other construction material from other tenderers of that Construction Project, obtaining not fewer than 2 quotes from the independent third party suppliers/factories supplying such non-construction material or other construction material and/or the other contractors which had not submitted any tender for that Construction Project. The Company noted that the prices quoted by the Contractors for the non-construction materials and the other construction materials were in line with the market price based on the said checks. The Company had adopted a totality approach to select the successful tenderers for the Construction Projects, taking into account the total contract sum, the commercial terms and the reliability of the services of the tenderer. 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.

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

LETTER FROM THE BOARD

fees payable by the Group to independent third parties for construction works of a similar nature and the applicable local rules and regulations (which may also provide for the expected quantities of materials to be used in, and/or the amount of construction works for, a Construction Project) that govern the fees to be charged in respect of the construction works to be undertaken under the relevant Contractor Agreement.

Such rules and regulations includes:

- (1) in the case of the Greenland Oujiang Sky Tree Project:
 - “Wenzhou Construction Works Cost Information”* (《溫州工程造價信息》) issued by the Wenzhou City Cost Station* (溫州市造價站);
- (2) in the case of the Mountain Series B1 Project and the Mountain Series B2 Project:
 - “Code of Bill of Quantities and Valuation for Construction Works”* (GB50500-2013) (《建設工程工程量清單計價格規範》(GB50500-2013)); and “Nanning Construction Engineering Cost Information”* (《南寧建設工程造價信息》).

The total contract sum of each Construction Project was arrived at by totalling up the estimated amount of required construction work (in terms of units of construction work and quantity of construction materials) set out in the relevant local rules and regulations or required by the Project Company multiplied by the current market prices for the relevant place for each unit of construction works and construction materials respectively as published in writing and/or on-line at the website of the relevant PRC government or industry authority from time to time. The amount of construction works cost per unit of construction works was primarily based on labour cost and other costs stipulated by the relevant PRC government or industry.

The major construction materials for the Greenland Oujiang Sky Tree Project are steel bars, aerated concrete blocks, mortar and concrete. The steel bars are sourced by Greenland Oujiang Sky Tree Project Company from other independent third parties instead of Contractor A, because the Greenland Oujiang Sky Tree Project Company is able to source them from other independent third party at a price lower than that from Contractor A. The other major construction materials used for the Greenland Oujiang Sky Tree Project are provided by Contractor A, the amounts and average prices of which are as follows:

Aerated concrete blocks		Mortar		Concrete	
Amount	Average price	Amount	Average price	Amount	Average price
<i>(m³)</i>	<i>(RMB)</i>	<i>(m³)</i>	<i>(RMB)</i>	<i>(m³)</i>	<i>(RMB)</i>
45,264	368	22,500	650	181,055	530

The estimated contract sum for the Greenland Oujiang Sky Tree Project of approximately RMB430.56 million comprises: (i) the cost of the above major construction

LETTER FROM THE BOARD

materials of approximately RMB127.24 million, (ii) the cost of non-construction materials of approximately RMB236.34 million, (iii) the cost of other construction materials of approximately RMB31.43 million, and (iv) the taxes of approximately RMB35.55 million.

The major construction material for the Mountain Series B1 Project is pipe piles, and is provided by Contractor B, the amount and average price of which are as follows:

Pipe piles	
Amount (<i>m</i>)	Average price (<i>RMB</i>)
26,424	271

The estimated contract sum for the Mountain Series B1 Project of approximately RMB10.63 million comprises: (i) the cost of the above major construction material of approximately RMB7.16 million, (ii) the cost of non-construction materials of approximately RMB2.32 million, (iii) the cost of other construction materials of approximately RMB0.27 million, and (iv) the taxes of approximately RMB0.88 million.

The major construction materials for the Mountain Series B2 Project are concrete and anchor bolts, and are provided by Contractor B, the amounts and average prices of which are as follows:

Concrete		Anchor bolts	
Amount (<i>m³</i>)	Average price (<i>RMB</i>)	Amount (<i>m</i>)	Average price (<i>RMB</i>)
336	355	3,170	29

The estimated contract sum for the Mountain Series B2 Project of approximately RMB0.80 million comprises: (i) the cost of the above major construction materials of approximately RMB0.21 million, (ii) the cost of non-construction materials of approximately RMB0.37 million, (iii) the cost of other construction materials of approximately RMB0.15 million, and (iv) the taxes of approximately RMB0.07 million.

The other construction materials include materials for construction procedures, materials for water resistance and materials for simple renovation. The costs of such materials are determined by reference to the Pricing Database maintained by the Company in the manner adopted by the non-construction materials as mentioned above.

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 or unit of construction work, the project's construction work costs and the price charged for precedent projects.

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The Cost Management Department, Engineering Department and Technology Research and Development Department worked with independent third party Costing Consultants, would determine which tender was successful by (i) reviewing the unit prices of the construction materials quoted by the tenderers, the results of which shows that the unit prices of the major components of construction materials quoted by the Contractors (for example, C30 concrete and pipe piles) were lower than or the same as the lowest unit prices quoted by the other tenderers. For instance, the unit prices of the C30 concrete and pipe piles quoted by one of the Contractors for one of the Construction Projects were RMB506.74 per cubic metre and RMB270.90 per metre respectively, whereas for the same Construction Project, the other tenderers quoted RMB536.86 per cubic metre for the C30 concrete and RMB280.00 per metre for pipe piles; (ii) evaluating the commercial terms of the tenderers, the result of which shows that the commercial terms of the Contractors are in compliance with the Company's policy; and (iii) evaluating the reliability of services of the tenderers through a review conducted by the Company to assess a tenderers' financial capacity, its degree of cooperation, its technical expertise and whether it has any adverse track record, the result of which shows that the Contractors passed this review.

The Company understands that the Costing Consultants (i) are professional surveyors whose qualification in surveying has been approved by the Construction Department in the PRC; (ii) have at least five years' experience participating in relevant surveying projects in the PRC; and (iii) are independent of the Group. Taking into account the said background of the Costing Consultants, the Board considers that working with them to determine which tenders were successful in respect of the Construction Projects is in the interests of the Company and its Shareholders as a whole.

In relation to the tenderers' financial capacity, the tenderers shall have certain amount of registered capital as required by the Company, which is not less than RMB100 million for the Greenland Oujiang Sky Tree Project, not less than RMB15 million for the Mountain Series B1 Project and the Mountain Series B2 Project. In relation to the tenderers' degree of cooperation, the Company requires that the tenderers do not have any bad publicities (such as freezing of equity interest, being auctioned, material breaches of law and etc.), and shall achieve certain minimum scores under the internal grading system of the Group, which takes into account various factors such as the cooperation history, site visit results of other projects done by such tenderers and etc. In relation to the tenderers' technical expertise, the tenderers shall meet certain levels of expertise qualifications. The tenderers for the Greenland Oujiang Sky Tree Project shall have the professional qualification of Building Construction General Contracting Class 1 or above. The tenderers for the Mountain Series B1 Project and the Mountain Series B2 Project shall generally have the professional qualification of Foundation and Foundation Engineering Professional Contracting Works Class 1 or above. The tenderers also need to have annual construction works capability (in terms of contract sum), which is not less than RMB5 billion for the Greenland Oujiang Sky Tree Project, not less than RMB100 million for the Mountain Series B1 Project and the Mountain Series B2 Project. If the tenderers have adverse track record, including insufficient degree of cooperation, making troubles, deficiencies in work quality and etc., the tenderers will be removed from the Company's supplier whitelist. The Group will only cooperate with the tenderers which are on the supplier whitelist.

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In conclusion, the tenders submitted by the Contractors are more favourable to the Group than those of other tenderers. 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 shall not take effect until the obtaining of the approval by the Independent Shareholders at the EGM. If the Independent Shareholders do not approve any Contractor Agreement at the EGM, such Contractor Agreement will not have any legal effect.

Funding

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

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 Directors are of the view that the Contractor Agreements do not have any disadvantages to the Group.

The Board (including the independent non-executive Directors, whose opinion is set out in the "Letter from the Independent Board Committee" reproduced in appendix I to this circular but excluding Mr. Chen Jun (who also serves as the executive president of Greenland Holdings) and Mr. Wu Zhengkui (who also serves as the general manager of the finance department of Greenland Holdings), who abstained from voting at the meeting of the Board due to conflict of interest) considers that the Contractor Agreements were entered into in the ordinary and usual course of business of the Group, and that the terms of the Contractor Agreements are normal commercial terms, which are fair and reasonable, and in the interests of the Company and the Shareholders as a whole.

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 and Contractor B are principally engaged in construction works design and construction operation, foundation works contracting, municipal works contracting, engineering technology services and so forth.

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Contractor A is owned as to (i) approximately 72.2% by Tianjin Construction Group (Holding) Co., Ltd.* (天津市建工集團(控股)有限公司), which in turn is owned as to 55% by Greenland Large Infrastructure Co., Ltd.* (綠地大基建有限公司) (a wholly-owned subsidiary of Greenland Holdings), 35% indirectly by the State-owned Assets Supervision and Administration Commission of Tianjin Municipal People's Government* (天津市人民政府國有資產監督管理委員會) and 10% by Tianjian City Tianjian Holding Enterprise Management Centre (Limited Liability Partnership)* (天津天建持股企業管理中心(有限合夥)); and (ii) approximately 27.8% by Tianjian City Tianjian Holding Three Enterprise Management Centre (Limited Liability Partnership)* (天津天建持股三企業管理中心(有限合夥)). Hence, Contractor A is controlled as to 72.2% by Greenland Holdings.

Contractor B is owned as to 100% by Guangxi Jiandong Group Co., Ltd.* (廣西建工集團有限責任公司), which in turn is owned as to 51% by Greenland Holdings Group Company Limited (a wholly-owned subsidiary of Greenland Holdings), approximately 34% indirectly by the State-owned Assets Supervision and Administration Commission of the Autonomous Region People's Government of Guangxi Zhuang Autonomous Region of the PRC* (廣西壯族自治區人民政府國有資產監督管理委員會), and 15% by Nanning Zhongxin Investment Management Centre (Limited Liability Partnership)* (南寧眾鑫投資管理中心(有限合夥)). Hence, Contractor B is controlled as to 100% by Greenland Holdings.

Greenland Holdings is principally engaged in asset investment, property development and operation, residential and infrastructure facility ancillary construction, hotel management and property management.

LISTING RULES IMPLICATIONS

As at the Latest Practicable Date, Greenland Holdings indirectly held approximately 59.1% of the entire issued ordinary share capital of the Company and was a connected person of the Company. Contractor A and Contractor B are controlled as to approximately 72.2% and 100% by Greenland Holdings respectively.

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 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.

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

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.

EXTRAORDINARY GENERAL MEETING

A notice convening the EGM is set out on pages EGM-1 to EGM-2 of this circular. Ordinary resolutions will be proposed at the EGM to seek the Independent Shareholders' approval of the Contractor Agreements and the transactions contemplated thereunder.

Save as disclosed above, as at the Latest Practicable Date, to the best knowledge, information and belief of the Directors having made all reasonable enquiries, no other Shareholder has any material interest in the transactions contemplated under the Contractor Agreements, and therefore no other Shareholder is required to abstain from voting on the relevant resolution approving the Contractor Agreements and transactions contemplated thereunder at the EGM.

For the purpose of determining shareholders' eligibility to attend and vote at the EGM, the register of members of the Company will be closed from Thursday, 14 July 2022 to Friday, 15 July 2022 (both dates inclusive), during which period no transfer of Shares will be effected. In order to qualify for attending and voting at the EGM, all transfers, 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 54, Hopewell Centre, 183 Queen's Road East, Hong Kong for registration not later than 4:30 p.m. on Wednesday, 13 July 2022.

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>). Whether or not you intend to attend the EGM or any adjournment thereof via e-Meeting System (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 via e-Meeting System (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.

LETTER FROM THE BOARD

RECOMMENDATION

The Independent Board Committee, having taken into account the advice of Octal Capital, considers that the terms of Contractor Agreements are on normal commercial terms, 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, the Independent Board Committee recommends the Independent Shareholders to vote in favour of all 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 reproduced in appendix I to this circular, and the text of the letter from Octal Capital is reproduced in appendix II to circular.

Yours faithfully,
For and on behalf 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)**

28 June 2022

To the Independent Shareholders

Dear Sir or Madam,

CONNECTED TRANSACTION
Appointment of connected persons
as contractors for construction works

We refer to the circular dated 28 June 2022 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 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 Group, 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 the Independent Financial Adviser” 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 the Independent Financial Adviser” reproduced in appendix II to the Circular, we consider 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 are in the interests of the Company and the Shareholders as a whole.

Accordingly, we recommend that the Independent Shareholders vote in favour of all the ordinary resolutions set out in the notice of EGM to be held on Friday, 15 July 2022 and thereby approve the Contractor Agreements and the transactions contemplated under the Contractor Agreements.

Yours faithfully

For and on behalf of

Independent Board Committee

Fong Wo, Felix, JP

*Independent
Non-executive Director*

Kwan Kai Cheong

*Independent
Non-executive Director*

Dr. Lam, Lee G.

*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

28 June 2022

To the Independent Board Committee and the Independent Shareholders

Dear Sirs,

CONNECTED TRANSACTION
Appointment of connected persons
as contractors for construction works

INTRODUCTION

We refer to our appointment as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders in respect of the Contractor Agreements, details of which are set out in the letter from the Board (the “**Letter from the Board**”) contained in the circular of the Company dated 28 June 2022 (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 26 April 2022 (after trading hours),

- (a) Greenland Oujiang Sky Tree Project Company, a 75%-owned subsidiary of the Company, entered into the Greenland Oujiang Sky Tree Contractor Agreement with Contractor A to conditionally appoint Contractor A as the main contractor for the Greenland Oujiang Sky Tree Project; and
- (b) Mountain Series Project Company, a wholly-owned subsidiary of the Company, entered into the Mountain Series B1 Contractor Agreement and the Mountain Series B2 Contractor Agreement with Contractor B to appoint Contractor B as the contractor for the Mountain Series B1 Project and the Mountain Series B2 Project respectively.

As at the Latest Practicable Date, Greenland Holdings indirectly held approximately 59.1% of the entire issued ordinary shares capital of the Company and was a connected person of the Company. Contractor A and Contractor B are controlled as to approximately 72.2% and 100% by Greenland Holdings respectively.

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.

The Independent Board Committee, comprising all the independent non-executive Directors, namely Mr. Fong Wo, Felix, JP, Mr. Kwan Kai Cheong and Dr. Lam, Lee G., has been formed 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 advise by us.

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 very substantial acquisition and connected transaction (details of which are set out in the circular of the Company dated 25 November 2020); (ii) 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 29 June 2021); and (iii) major and connected transaction in relation to the formation of joint venture and continuing connected transaction (details of which are set out in the circular of the Company dated 26 October 2021).

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 (i) the Company's annual report for the year ended 31 December 2021; (ii) the Contractor Agreements; (iii) the announcement of the Company dated 26 April 2022 in relation to the Contractor Agreements; (iv) the information and facts contained or referred to in the Circular; (v) the information supplied by the Group; (vi) the opinions expressed by and the representations of the Directors and the management of the Group and professional parties engaged by the Group; and (vii) our review of the relevant public information. 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 Group 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 Group 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 Group 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 Group. We have not, however, conducted an independent in-depth investigation into the business and affairs of the Group, Greenland Holdings, the Contractors 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 asset investment, property development and operation, residential and infrastructure facility ancillary construction, hotel management and property management. As at the Latest Practicable Date, Greenland Holdings indirectly held approximately 59.1% of the entire issued share capital of the Company.

Contractor A is controlled as to 72.2% 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 Contractor A's company profile documents including its business license and Construction Enterprise Qualification Certificate, Contractor A was established in 2000 with a registered capital of RMB1,258.01 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), Electromechanical Installation Engineering Contracting Works Class 1 (機電工程施工總承包一級), Steel Structure Engineering Professional Contracting Works Class 1 (鋼結構工程專業承包一級), Foundation and Foundation Engineering Professional Contracting Works Class 1 (地基與基礎工程專業承包一級) and Professional Engineering of Building Decoration Class 1 (建築裝修裝飾工程專業承包一級).

Contractor B is controlled as to 100% by Greenland Holdings and is principally engaged in undertaking industrial and civil construction works, interior and exterior construction, installation and decoration works and construction of urban roads. According to the Contractor B's company profile documents including its business license and Construction Enterprise Qualification Certificate, Contractor B was established in 2012 with a registered capital of RMB100 million and possesses the necessary licenses mainly including Building Construction General Contracting Class 1 (建築工程施工總承包一級), Foundation and Foundation Engineering Professional Contracting Works Class 1 (地基與基礎工程專業承包一級), Professional Engineering of Building Decoration Class 1 (建築裝修裝飾工程專業承包一級) and Professional Engineering of Curtain Wall Construction Class 1 (建築幕牆工程專業承包一級).

According to the Regulations on Qualification Management of Construction Enterprises (建築業企業資質管理規定) promulgated in 2015 by the Ministry of Housing and Urban-Rural Development of the PRC, the enterprises are allowed to engage in the construction activities that are covered in the qualification certificate of construction enterprise. The enterprises apply for construction enterprise qualification based on their own assets, staffing, completed project performance and technical equipment and other conditions. As advised by the management of the Group, before selecting contractors from the Group's supplier whitelist (the "**Approved List**") for invitation of tenders of the Construction Projects, the Group performed assessments (the "**Assessments**") on the competence and capabilities of the contractors by mainly reviewing their licenses and qualifications, and relevant construction contracting experiences, in order to ensure the selected contractors to comply with requirements to undertake the Construction Projects. Therefore, we are of the view that the Contractors, being chosen among the contractors in the Approved List, 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 that the construction works are completed up to the standards desired by the Company. Moreover, based on our discussion with the management of the Group, we understand that the Group has engaged Contractor A and Contractor B to carry out construction projects for approximately two years and seven years respectively. Apart from the Construction Projects, Contractor A and Contractor B have undertaken two and nineteen construction projects subcontracted by the Group respectively. As advised by the management of the Group, the Contractors have been able to meet construction progress and the requirement of construction work and have not involved in any dispute with the Group during the construction of the construction projects, the management of the Group considered that the Group and the Contractors are working effectively and efficiently. We understand from the Group that

Contractors are included in the recognised contractors of the Approved List and meet the requirements under the Assessments including technical capabilities, experience and staffing requirements.

Having considered (i) the capability of the Contractors to carry out the Construction Projects; (ii) the proven track records of the Contractors; (iii) the current cooperation relationship with Contractors; and (iv) the Contractors meet the requirements under the Assessments including technical capabilities, experience and staffing requirements, 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 Contractor Agreements

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

2.1 *Greenland Oujiang Sky Tree Contractor Agreement*

Date:	26 April 2022
Parties:	(i) Greenland Oujiang Sky Tree Project Company as the principal (ii) Contractor A as the main contractor
Subject matter:	To undertake civil engineering works, and electrical and plumbing and drainage installation works in respect of the Greenland Oujiang Sky Tree Project in accordance with the construction drawings, design modification and the instruction of Greenland Oujiang Sky Tree Project Company
Project description and location:	The main contracting of construction and installation works for the Greenland Oujiang Sky Tree Project (綠地甌江天空樹項目) to be developed on the land parcel situated at the southwest side of the intersection of Ouxiu Avenue and Yanhong Road, Oujiangkou, Wenzhou City, Zhejiang Province, the PRC (中國浙江省溫州市甌江口甌繡大道和雁鴻路交匯處西南側)
Estimated construction area:	Approximately 301,758 sq.m.

Estimated total contract sum:	Approximately RMB430.56 million inclusive of value-added tax (approximately HK\$525.08 million), subject to adjustment in accordance with relevant provisions in the agreement
Expected commencement date:	10 September 2022
Expected completion date:	29 December 2024

2.2 *Mountain Series B1 Contractor Agreement*

Date:	26 April 2022
Parties:	(i) Mountain Series Project Company as the developer (ii) Contractor B as the contractor
Subject matter:	To undertake pile foundation engineering works in respect of the Mountain Series B1 Project in accordance with the tender drawings, the bill of quantities and detailed drawings agreed upon by the Project Company and the Contractor
Project description and location:	The contracting of pile foundation engineering work for the villa area in land parcel B of the Greenland Mountain Series Project (綠地朗峯項目B地塊別墅區樁基工程) to be developed on land parcel situated at the western side of Pingle Avenue, the southern side of Fengwei Road and the northern side of Huawei Road, Comprehensive Bonded Zone, Nanning City, Guangxi Zhuang Autonomous Region, the PRC (中國廣西壯族自治區南寧市綜保區平樂大道西面、豐威路南面、華威路北面)
Estimated construction area:	Approximately 19,800 sq.m.
Estimated total contract sum:	Approximately RMB10.63 million (approximately HK\$12.96 million) inclusive of value-added tax subject to adjustment in accordance with relevant provisions in the agreement

Expected commencement date: 22 November 2022

Expected completion date: 22 February 2023

2.3 *Mountain Series B2 Contractor Agreement*

Date: 26 April 2022

Parties: (i) Mountain Series Project Company as the developer
(ii) Contractor B as the contractor

Subject matter: To undertake foundation pit enclosure engineering work in respect of the Mountain Series B2 Project in accordance with the tender drawings, the bill of quantities and the detailed drawings agreed upon by the Project Company and the Contractor

Project description and location: The contracting of foundation pit enclosure engineering work for the villa hotel in land parcel B of the Greenland Langfeng Project (綠地朗峯項目B地塊別墅酒店基坑圍護工程) to be developed on land parcel situated at western side of Pingle Avenue, the southern side of Fengwei Road and the northern side of Huawei Road, Comprehensive Bonded Zone, Nanning City, Guangxi Zhuang Autonomous Region, the PRC (中國廣西壯族自治區南寧市綜保區平樂大道西面、豐威路南面、華威路北面)

Estimated construction area: Approximately 27,700 sq.m.

Estimated total contract sum: Approximately RMB0.80 million (approximately HK\$0.98 million) inclusive of value added tax subject to adjustment in accordance with relevant provisions in the agreement

Expected commencement date: 22 November 2022

Expected completion date: 21 December 2022

3. Information of the Construction Projects

According to the annual report of the Company for the year ended 31 December 2021, the property development project of the Greenland Oujiang Sky Tree Project, which is located in Wenzhou City, Zhejiang Province, comprises a mixed development of residential, commercial, office and hotel. The estimated GFA of the development project is approximately 330,701 sq.m. In respect of the property development project of the Mountain Series B1 Project and the Mountain Series B2 Project, it is located in Nanning City, Guangxi Zhuang Autonomous Region, comprises a mixed development of residential and commercial. The estimated GFA of the development project is approximately 403,189 sq.m.

The Construction Projects comprise the Greenland Oujiang Sky Tree Projects, the Mountain Series B1 Project and the Mountain Series B2 Project, which can be categorised into (i) civil engineering works, and electrical and plumbing and drainage installation works (the “**Main Construction**”); (ii) pile foundation engineering work (the “**Pile Foundation Work**”); and (iii) foundation pit enclosure engineering work (the “**Foundation Pit Work**”) on the relevant construction sites. Set out below is the summary of the Construction Projects:

Construction Projects	General nature of construction projects	Regions	Estimated	Estimated	Estimated
			total contract sum (RMB' million)	construction area (sq.m.)	total contract sum per sq.m. (RMB)
Main Construction					
Greenland Oujiang Sky Tree Project	Civil engineering works, and electrical and plumbing and drainage installation works	Zhejiang Province	430.56	301,758	1,427
Pile Foundation Work					
Mountain Series B1 Project	Pile foundation engineering work	Guangxi Zhuang Autonomous Region	10.63	19,800	537

Construction Projects	General nature of construction projects	Regions	Estimated	Estimated	Estimated
			total contract sum (RMB' million)	construction area (sq.m.)	total contract sum per sq.m. (RMB)
Foundation Pit Work					
Mountain Series B2 Project	Foundation pit enclosure engineering work	Guangxi Zhuang Autonomous Region	0.80	27,700	29

Based on the summary above, the estimated total contract sum per sq.m. of the Greenland Oujiang Sky Tree Project, the Mountain Series B1 Project and the Mountain Series B2 Project (i.e. being calculated based on estimated total contract sum divided by estimated construction area) are approximately RMB1,427, RMB537 and RMB29 respectively.

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 and the applicable local rules and regulations (which may also provide for the expected quantities of materials to be used in, and/or the amount of construction works for, a Construction Project) that govern the fees to be charged in respect of the construction works to be undertaken under the relevant Contractor Agreement.

(i) *Comparison with independent construction projects*

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 and up to the Latest Practicable Date (the "**Independent Construction Projects**"). Taking into account the nature of the Construction Projects is similar to those of the Independent Construction Projects, we are of the view that the Project List is fair and representative for our assessment of the total contract sum and the payment terms of the Construction Projects.

Moreover, as stated in the Letter from the Board, the total contract sum of Construction Projects are determined with reference to the applicable local rules and regulations in force where the relevant construction project is located, we compared the total contract sum of the Construction Projects with those of the Independent Construction Projects according to their type of construction works and the regions of the construction site as set out in the section headed “Information of the Construction Projects” in this letter. We are of the view that the Independent Construction Projects provide us with relevant information for our analysis and such information is sufficient to support our opinion. Set out below are the summary of the total contract sum of the Independent Construction Projects categorized by types of construction work and regions:

Independent Construction Projects / Region	Range of total contract sum per sq.m. (RMB)	Average total contract sum per sq.m. (RMB)
Main Construction		
Zhejiang Province	1,219-1,471	1,330
Pile Foundation Work		
Guangxi Zhuang Autonomous Region	496-734	628
Foundation Pit Work		
Guangxi Zhuang Autonomous Region	26-33	30

Upon comparison, we noted that (i) the Greenland Oujiang Sky Tree Project is a Main Construction project located in Zhejiang Province and has estimated total contract sum per sq.m. of approximately RMB1,427 per sq.m., being within the range of the total contract sum per sq.m. of the Main Construction of the Independent Construction Projects located in Zhejiang Province and higher than the average total contract sum per sq.m. of the comparable Independent Construction Projects; (ii) the Mountain Series B1 Project is a Pile Foundation Work project located in Guangxi Zhuang Autonomous Region and has estimated total contract sum per sq.m. of approximately RMB537 per sq.m., being within the range of the total contract sum per sq.m. of the Pile Foundation Work of the Independent Construction Projects located in Guangxi Zhuang Autonomous Region and lower than the average total contract sum per sq.m. of the comparable Independent Construction Projects; and (iii) the Mountain Series B2 Project is a Foundation Pit Work project located in Guangxi Zhuang Autonomous Region and has estimated total contract sum per sq.m. of approximately RMB29 per sq.m., being within the range of the total contract sum per sq.m. of the Foundation Pit Work of the Independent Construction Projects located in Guangxi Zhuang Autonomous Region and lower than the average total contract sum per sq.m. of the comparable Independent Construction Projects.

Based on our further discussion with the management of the Group, in respect of the Greenland Oujiang Sky Tree Project, the estimated total contract sum per sq.m. higher than the average total contract sum per sq.m. of the comparable Independent Construction Projects is mainly due to the fact that the structural requirement of the Greenland Oujiang Sky Tree Project is generally higher than that of the comparable Independent Construction Projects, as the Greenland Oujiang Sky Tree Project is situated near the coast of Wenzhou City whereas the comparable Independent Construction Projects are located in inland areas of Zhejiang Province. Based on the information provided by the Company, we understand that the buildings to be constructed in the Greenland Oujiang Sky Tree Project require higher wind loading capacity, therefore the construction of the Greenland Oujiang Sky Tree Project requires more concrete per sq.m. than the comparable Independent Construction Projects. Moreover, we understand from the Company that precast concrete components will be used for construction in the Greenland Oujiang Sky Tree Project in accordance with relevant local environmental construction requirements, whereas traditional site cast concretes were used in most of the comparable Independent Construction Projects. The use of precast concrete components will enhance construction efficiency by shortening construction period, but the cost of precast concrete components is normally higher than the traditional site cast concretes under similar scale of construction area, taking into account higher production cost, transportation cost and installation cost.

Based on our discussion with the Company, we understand that, among the Independent Construction Projects of the Greenland Oujiang Sky Tree Project, which represent all of the main contracting construction projects in Zhejiang Province entered into between the Group and independent third party contractors for the past three years and up to the Latest Practicable Date, there were no Independent Construction Projects which were built near the coast and/or used precast concrete components for construction. As such, we further discussed with the Group and Zhejiang Zhongrui Zhijiang Engineering Cost Consulting Co., Ltd.* (浙江中瑞之江工程造價諮詢有限公司)¹, being the Costing Consultant appointed by the Group in respect of the Greenland Oujiang Sky Tree Project, and conducted a comparison on the cost breakdown between the Greenland Oujiang Sky Tree Project and the Independent Construction Projects. According to 溫州地區高層居住建築結構設計細則(試行) (transliterated as Structural Design Rules for High-rise Residential Buildings in Wenzhou Area (Trial)) (the “**Structural Design Rules**”) issued by 溫州市住房和城鄉建設局 (transliterated as Wenzhou Housing and Urban Rural Development Bureau), the wind pressure of Oujiangkou of Wenzhou City where the Greenland Oujiang Sky Tree Project located is 0.75kN per sq.m. Based on the internal standard of the construction structure of the Group, an additional concrete of approximately 0.05m³ per sq.m. is required if the wind pressure exceeds 0.6kN per sq.m. Moreover, in view of the adoption of precast concrete components, an additional concrete of approximately 0.03m³ per sq.m. is required for assembling precast concrete components during construction process. We understand from the

1. Zhejiang Zhongrui Zhijiang Engineering Cost Consulting Co., Ltd.* (浙江中瑞之江工程造價諮詢有限公司) is an independent surveyor appointed by the Group. For details of our assessment on its competence and independence, please refer to the paragraph headed “Breakdown of total contract sum” in this letter.

Group that the Group has another independent main construction project outside Zhejiang Province commenced in 2022 which has adopted precast concrete components for its construction. Based on our review on the breakdown of its total contract sum, we understand that the Group has also applied the same markup of additional concrete of approximately 0.03 m³ per sq.m. on the determination of the total contract sum of that independent main construction project. In consideration of the average price of concrete being used in the Greenland Oujiang Sky Tree Project of approximately RMB530 per sq.m. as stated in the Letter from the Board, the additional usage on the concrete of approximately 0.08 m³ per sq.m. in aggregate would contribute additional cost of approximately RMB42 per sq.m. to the total contract sum.

On the other hand, we also observed that the Greenland Oujiang Sky Tree Project would incur higher rental cost of tower cranes and labour cost for the assembly of precast concrete components during the construction period. We understand from the Group that the total rental cost of tower cranes of the Greenland Oujiang Sky Tree Project are approximately RMB85 per sq.m. and the average rental cost of tower cranes of the comparable Independent Construction Projects which had not adopted precast concrete components is approximately RMB50 per sq.m. The difference is mainly resulted from the use of tower cranes with load capacity of 3 tonnes and boom length of 70 meters for assembling precast concrete components in the Greenland Oujiang Sky Tree Project, whereas ordinary tower cranes with load capacity of 1 ton and boom length of 60 meters were mainly used in the comparable Independent Construction Projects. Based on the price quotation provided by the Group, the rental cost of tower crane with load capacity of 3 tonnes and boom length of 70 meters is approximately 2.5 times higher than that of the tower crane with load capacity of 1 ton and boom length of 60 meters. Therefore, the Greenland Oujiang Sky Tree Project would incur additional RMB35 per sq.m. for rental cost of tower cranes. In respect of the additional labour cost, we understand from the Group that the adoption of precast concrete components and the enhanced structural design of building in catering for the wind pressure over 0.6kN per sq.m. would consume additional steel than other independent construction projects without above factors by approximately 5 and 2 kilograms per sq.m. respectively, which are determined with reference to the Structural Design Rules and the internal standard of the construction structure of the Group. In consideration of the additional steel consumption, the Group estimated the corresponding additional labour cost of approximately RMB8 per sq.m. based on the prevailing market price of relevant labour cost of RMB1.2 per kilogram.

Based on (i) the additional material cost of approximately RMB42 per sq.m. resulting from the increase in usage on concrete; (ii) the additional rental cost of tower cranes of approximately RMB35 per sq.m. resulting from usage on tower cranes with higher specification for assembling precast concrete components; and (iii) the additional labour cost of approximately RMB8 per sq.m. resulting from the increase in usage of steel as mentioned above, the total additional cost to the total contract sum would be approximately RMB85 per sq.m. (the “**Additional Cost**”). We further discussed with Zhejiang Zhongrui Zhijiang Engineering Cost Consulting Co., Ltd. * (浙江中瑞之江工程造价咨询有限公司) and understand that the Additional

Cost, which have been determined with reference to the Structural Design Rules and the internal standard of the construction structure of the Group, is reasonable in catering for the wind loading factor requirement and the use of precast concrete components under the Greenland Oujiang Sky Tree Project taking into account the industry standards and the prevailing market price of relevant costs.

We further compare the total contract sum of the Greenland Oujiang Sky Tree Project after exclusion of the Additional Cost (the “**Adjusted Total Contract Sum**”) with the comparable Independent Construction Projects. By comparison, the Adjusted Total Contract Sum is approximately RMB1,342 per sq.m., which is slightly higher than the average total contract sum per sq.m. of the comparable Independent Construction Projects of approximately RMB1,330 per sq.m.. Among the ten comparable Independent Construction Projects for the previous three years and up to the Latest Practicable Date, there were five, four and one comparable Independent Construction Projects commenced in 2019, 2020 and 2021 respectively. The total contract sum of the comparable Independent Construction Projects ranged from approximately RMB1,219 per sq.m. to RMB1,471 per sq.m. We also observed that there was an increasing trend of the total contract sum of the comparable Independent Construction Projects during the previous three years. The average total contract sum of the five comparable Independent Construction Projects in 2019 was approximately RMB1,309 per sq.m., whereas the average total contract sum of the five comparable Independent Construction Projects in 2020 and 2021 was approximately RMB1,351 per sq.m. Taking into account that the Adjusted Total Contract Sum (i) is within the range of the total contract sum of the comparable Independent Construction Projects; and (ii) is lower than the average total contract sum of the five comparable Independent Construction Projects in 2020 and 2021, we consider that the slightly higher of the Adjusted Total Contract Sum over the average total contract sum per sq.m. of the comparable Independent Construction Projects is justifiable.

In light of the above, based on (i) the total contract sum of the Construction Projects under the Mountain Series B1 Project and the Mountain Series B2 Project are lower than those of the average total contract sum of the Independent Construction Projects located in relevant regions; (ii) the Adjusted Total Contract Sum of the Greenland Oujiang Sky Tree Project is slightly higher than that of the average total contract sum of the Independent Construction Projects located in relevant regions while the slight difference is justifiable; and (iii) the Additional Cost is reasonable in catering for the wind loading factor requirement and the use of precast concrete components, we are of the view that the total contract sum of the Construction Projects is no less favourable than those offered to the Group by independent third parties for the similar nature of construction projects.

(ii) *Breakdown of total contract sum*

As set out in the Letter from the Board, we noted 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 each Construction Project was arrived at by totalling up the estimated amount of required construction work (in terms of units of construction work and quantity of construction materials) set out in the relevant local rules and regulations or required by the Project Company multiplied by the current market prices for the relevant place for each unit of construction works and construction materials respectively as published in writing and/or on-line at the website of the relevant PRC government or industry authority from time to time. The amount of construction works cost per unit of construction works was primarily based on labour cost and other costs stipulated by the relevant PRC government or industry.

In order to assess the reasonableness of the units of construction work 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 composition of the estimated total contract sum of the Construction Projects. Based on our studies of the Detailed Breakdown and further discussions with the management of the Group, we noted that the unit of construction work required in each Construction Project depends on the size of construction area and the complexity of the construction work. The unit of construction work and the quantity of construction materials of each Construction Project were estimated by the Costing Consultants, namely, (i) Zhejiang Zhongrui Zhijiang Engineering Cost Consulting Co., Ltd.* (浙江中瑞之江工程造價諮詢有限公司) for the Greenland Oujian Sky Tree Project; and (ii) Guangzhou Jianhong Construction Technology Consulting Co., Ltd.* (廣州市建鉉建築技術諮詢有限公司) for the Mountain Series B1 Project and the Mountain Series B2 Project.

To assess the competence and independence of the Costing Consultants, we have obtained the background information of the Costing Consultants and conducted interview with them, and noted that they are professional surveyors whose qualification in surveying has been approved by the Construction Department in the PRC and have at least five years’ experience in participating relevant surveying projects in the PRC. As confirmed by the Costing Consultants, except for being appointed as the surveyors of the Group, the Costing Consultants do not have any relationship with the Group and the Contractors and their respective associates. Having considered their qualification, practical experience and independence, we are satisfied that the Costing Consultants are capable and independent of performing the relevant estimation of the unit of construction work and quantity of construction materials for each of the Construction Projects.

Moreover, the Contractors are required to comply with the “Code of Bills of Quantities and Valuation for Construction Works (GB50500-2013)” (《建設工程工程量清單計價規範(GB50500-2013)》) (the “**Code**”) in the determination of the units of construction work 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 unit of construction work and quantity of construction materials 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 units of construction work and quantity of construction materials to its principal for approval before procurement of certain materials for construction project. Based on our interview with the Costing Consultants, the Costing Consultants confirmed that (i) the methodology of estimating the unit of construction work, the unit price and quantity of construction materials for the Construction Project are in compliance with the local rules and regulations; and (ii) they have reviewed the calculation of the total contract sum of the Construction Projects based on their professionalism and experience. Moreover, we also understand from the management of the Group that contractors, including any connected contractors and independence contractors, would confirm unit of construction work and quantity of construction materials to the Group for approval before procurement of certain materials for construction project, being in accordance with terms stipulated in contracting agreement.

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 Detailed Breakdown of the Construction Projects 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 Cost Management Department has made reference to the local price information (the “**Construction Material Price Information**”), including but not limited to “Wenzhou Construction Works Cost Information”* (《溫州工程造價信息》) issued by the Wenzhou City Cost Station* (溫州市造價站) for the Greenland Oujiang Sky Tree Project; and “Code of Bill of Quantities and Valuation for Construction Works”* (GB50500-2013) (《建設工程工程量清單計價格規範》) (GB50500-2013) and “Nanning Construction Engineering Cost Information”* (《南寧建設工程造價信息》) for the Mountain Series B1 Project and Mountain Series B2 Project. Based on our interview with the Costing Consultants, the Costing Consultants confirmed that the Construction Material Price Information are commonly used in the industry and are authorised by local government in disclosing pricing information of the construction materials. In view of the above, we consider the Construction Material Price Information is reliable.

To assess whether the price of construction materials being used in the Construction Projects are no less favourable to the Group than the prices provided by independent third parties, we identified major construction materials (the “**Major Construction Material(s)**”) being used in the Construction Projects from the Detailed Breakdown, on a sample basis, which accounted for majority of the total

expenditure on construction materials of each Construction Project. In respect of the Greenland Oujiang Sky Tree Project, we identified aerated concrete blocks, mortar and concrete, being the Major Construction Materials of the Greenland Oujiang Sky Tree Project from its Detailed Breakdown, in which the expected expenditure on those construction materials accounts for approximately half of the expected total expenditure on the relevant construction materials being used in the Greenland Oujiang Sky Tree Project. In respect of the Mountain Series B1 Project and the Mountain Series B2 Project, we identified pipe piles, being the Major Construction Material for Mountain Series B1 Project and concrete and anchor bolts, being the Major Construction Materials for Mountain Series B2 Project, which account for majority of the expected total expenditure on the relevant construction materials being used in the Mountain Series B1 Project and the Mountain Series B2 Project respectively. For details of the pricing information of the abovementioned construction materials, please refer to the section headed "Basis of Determining the Total Contract Sum" in the Circular. Based on the above sampling basis, we considered that the above selected samples of the construction materials are fair and representative. Upon comparison, we noted that the price of the Major Construction Materials is comparable to or lower than their market price 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 because of their operation scale and relationship with their suppliers.

(iii) Tendering procedures

Before finalising the total contract sum and entering into contracting agreement with any contractor, we understand from the management of the Group that the Cost Management Department would invite at least two other contractors (which are independent third parties) and the Contractor to tender for the Construction Projects. The Approved List 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. In selecting potential contractors from the Approved List, the Group has considered a range of factors such as geographical coverage of operations, size of registered capital and permitted scope of qualifications. We have obtained and reviewed the assessment documents and the list of the contractors being invited to submit tenders to the Construction Projects and noted that (i) the selected potential contractors have met above factors in the assessments; (ii) the potential contractors, including Contractors and independent third party contractors, were assessed based on the same factors as abovementioned; and (iii) under each of the Construction Projects, majority of the potential contractors being invited were independent third party contractors. Based on above, we are of the view that the tender invitation procedures for the Construction Projects are fair and reasonable.

For the invitation for the submission of tenders for the Contractor Agreements, the Company specified the non-construction material portion of the total contract sum for each of the Construction Projects and invited tenders to submit tender for the Construction Project based on their quotes for the construction material portion of the total contract sum (subject to adjustment as mentioned

above) plus the said non-construction material portion of the total contract sum. In the case of the Greenland Oujiang Sky Tree Project, such non-construction material portion comprises the labour cost, cost of auxiliary materials (such as screws, welding materials, etc.), and machinery cost, and is determined based on the market price estimated by the Group. In the case of the Mountain Series B1 Project and the Mountain Series B2 Project, such non-construction material portion comprises the labour cost, cost of auxiliary materials (such as steel wire ropes, pile follower, etc.) and machinery cost, and is determined based on the market price estimated by the Group. The market prices for such non-construction materials are estimated by reference to a pricing database maintained by the Company (the “**Pricing Database**”) comprising quotes for non-construction materials and other construction materials from past tender submissions. The Company reviews the reference prices in the Pricing Database at the end of each year based on a survey conducted by the Group by way of requesting for quotations for the prices for non-construction materials and other construction materials provided by those contractors potentially interested in bidding for construction projects of the Group in the following year. When the Company invited tenders for the Construction Projects, the tender invitation requested that the prices for non-construction materials and other construction materials shall be based on the reference prices in the Pricing Database. If the price quoted by a tenderer for any of the non-construction materials or the other construction materials in its tender for any Construction Project exceeded the reference price in the Pricing Database substantially, the Company would perform independent checks to ascertain whether the said quoted price was in line with the market price. Such checks included comparing the quotes of such non-construction material or other construction material from other tenderers of that Construction Project, obtaining not fewer than 2 quotes from the independent third party suppliers/factories supplying such non-construction material or other construction material and/or the other contractors which had not submitted any tender for that Construction Project. The Company noted that the prices quoted by the Contractors for the non-construction materials and the other construction materials were in line with the market price based on the said checks. The Company had adopted a totality approach to select the successful tenderers for the Construction Projects, taking into account the total contract sum, the commercial terms and the reliability of the services of the tenderer. 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.

The invited contractors who wish to participate in the tendering would submit tendering documents with bidding price to the Group. In evaluating biddings from the invited contractors, except for the factors being considered during the tender invitation procedures, the Group would primarily consider the bidding price of tenders. The Group would allocate different tasks of bidding evaluation to its departments, including Cost Management Department, Engineering Department and Technical Research and Development Department, and work with the Costing Consultants to determine which tender would be

successful by (i) reviewing the unit price of the construction materials quoted by the tenders, the results of which shows that the unit prices of the major components of construction materials quoted by the Contractors (for example, concrete and pipe piles) were lower than or the same as the lowest unit prices quoted by the other tenderers; (ii) evaluating the commercial terms of the tenderers, the result of which shows that the commercial terms of the Contractors are in compliance with the Company's policy; and (iii) evaluating the reliability of services of the tenderers through a review conducted by the Company to assess a tenderers' financial capacity, its degree of cooperation, its technical expertise and whether it has any adverse track record. After above evaluation, the departments would prepare a tender review report to determine the winning candidate.

In relation to the tenderers' financial capacity, the tenderers shall have certain amount of registered capital as required by the Company, which is not less than RMB100 million for the Greenland Oujang Sky Tree Project and not less than RMB15 million for the Mountain Series B1 Project and the Mountain Series B2 Project. In relation to the tenderers' degree of cooperation, the Company requires that the tenderers do not have any bad publicities (such as freezing of equity interest, being auctioned, material breaches of law and etc.), and shall achieve certain minimum scores under the internal grading system of the Group, which takes into account various factors such as the cooperation history, site visit results of other projects done by such tenderers and etc. In relation to the tenderers' technical expertise, the tenderers shall meet certain levels of expertise qualifications. The tenderers for the Greenland Oujang Sky Tree Project shall have the professional qualification of Building Construction General Contracting Class 1 or above. The tenderers for the Mountain Series B1 Project and the Mountain Series B2 Project shall generally have the professional qualification of Foundation and Foundation Engineering Professional Contracting Works Class 1 or above. The tenderers also need to have annual construction works capability (in terms of contract sum), which is not less than RMB5 billion for the Greenland Oujang Sky Tree Project, not less than RMB100 million for the Mountain Series B1 Project and the Mountain Series B2 Project. If the tenderers have adverse track record, including insufficient degree of cooperation, making troubles, deficiencies in work quality and etc., the tenderers will be removed from the Approved List. The Group will only cooperate with the tenderers which are on the Approved List.

To assess whether the tender review procedure for the Construction Projects implemented by the Group is fair and reasonable, we have obtained and reviewed the tender review reports of the Construction Projects and the tender review reports of their comparable Independent Construction Projects. Based on our review, we noted that same tender selection criteria including historical quality of work, financial capacity, expected completion time and measures on environmental protection, safety and workers' health undertaken, are applicable to tenders submitted by the Contractors and other independent third party contractors. We noted 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. Moreover, based on our further discussion with the

management of the Group, we understand that the Group has (a) conducted site visit at the tenderers' operation site and interview with the tenderers; (b) conducted research on any unsettled litigation proceedings of the tenderers; and (c) conducted research in the Group's internal grading system to assess the ranking of the tenders in terms of different area mainly including cost control and collaboration, work quality and safety, and timeliness of service. Based on above, we are of the view that the above factors in which the Group has considered during the tender review procedure are sufficient to evaluate the reliability of services of the tenderers for each of the Contractors.

Having considered that (i) the total contract sum of the Construction Projects is no less favourable than those offered to the Group by independent third parties for the similar nature of construction projects; (ii) the units of construction work and the quantity of construction materials of each Construction Project were estimated by the Costing Consultants who are independent and capable of performing the relevant estimations; (iii) the price of the Major Construction Materials being used for the Construction Projects is comparable to or lower than 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 units of construction work and quantity of construction materials for the Construction Projects; and (v) same standard and systematic tender submission procedure applied to both connected persons and independent third parties in selecting capable contractor, 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 payable under each Contractor Agreement shall be payable in stages based on the progress of the construction works. The Contractor shall report to the relevant Project Company the amount of construction works performed by it in each month for the relevant Project Company to verify and accept. In the subsequent month, the relevant Project Company shall pay to the Contractor for 70% of the accepted construction works of the previous month at an amount calculated by multiplying the unit price for the different types of construction works listed in the relevant Contractor Agreement by the amount of the different types of construction works verified and accepted by the relevant Project Company. 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 Contractors and audited by the Project Company or its appointed Costing Consultant in accordance with the terms of the relevant Contractor Agreement (the "**Final Settlement Report**"). The Final Settlement Report upon the completion of the Greenland Oujiang Sky Tree Project, the Mountain Series B1 Project and the Mountain Series B2 Project shall be available within 9 months, 4 months and 4 months of the date of filing of the completion acceptance report with the relevant construction administrative department by the Project Company (the "**Completion Acceptance Filing Date**") in respect of the construction works of the said projects respectively. The completion acceptance report for the Greenland Oujiang Sky

Tree Project, the Mountain Series B1 Project and the Mountain Series B2 Project shall be filed 1 month before the completion of the said projects respectively.

In general, 70% of the estimated total contract sum shall have been fully paid following completion and acceptance of the construction works, and up to 97% of the adjusted total contract sum shall have been fully paid after the audit of the Final Settlement Report has been completed. The remaining 3% of the adjusted total contract sum payable under each Contractor Agreement shall be withheld as warranty money and shall, subject to deductions due to necessary repair works, be released after the expiry of a period of 2 years (in the case of the Mountain Series B1 Contractor Agreement and the Mountain Series B2 Contractor Agreement) or 5 years (in the case of the Greenland Oujiang Sky Tree Contractor Agreement) from the Completion Acceptance Filing Date in respect of the construction works.

Based on our discussion with the management of the Group, we understand that the warranty period of 5 years for the Greenland Oujiang Sky Tree Project and the warranty period of 2 years for the Mountain Series B1 Project and the Mountain Series B2 Project were determined in accordance with market practice. The longer warranty period of the Greenland Oujiang Sky Tree Project is mainly due to the waterproof and leak-proof requirements of the main contracting project.

In order to assess the fairness and reasonableness of the payment terms (the “**Payment Terms**”) and the warranty period (the “**Warranty Period**”) of the Contractor Agreements, we have discussed with the management of the Group the basis of the Payment Terms and the Warranty Period of the Contractor Agreements and understand that they are similar to other construction projects contracted to independent third parties contractors. Based on our review on the Project List, we have compared the Payment Terms and the Warranty Period of the Contractor Agreements with those of the Independent Construction Projects.

In respect of the Payment Terms, we observed that the Payment Terms of the Construction Projects are the same as the payment terms of those Independent Construction Projects, including (i) the percentage of 70% of the total contract sum shall have been fully paid up following completion and acceptance of the construction works; (ii) the percentage of 97% of the adjusted total contract sum shall have been fully paid after the audit of the Final Settlement Report has been completed; and (iii) the remaining 3% of the adjusted total contract sum shall be withheld as warranty money and be released after the expiry of the warranty period.

In respect of the Warranty Period, we observed that (i) the Warranty Period of the Greenland Oujiang Sky Tree Project of 5 years is the same as the warranty period of its comparable Independent Construction Projects; and (ii) the Warranty Period of the Mountain Series B1 Project and the Mountain Series B2 Project of 2 years is the same as the warranty period of their comparable Independent Construction Projects.

Based on the above, we are of the view that the Payment Terms, together with the Warranty Period, which are comparable with and not less favorable than those 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 the Greenland Oujiang Sky Tree Contractor Agreement will be adjusted in response to fluctuation in the market price of concrete only, being one of the major construction materials, when such fluctuation is larger than the Pre-agreed Threshold multiplied by the Pre-agreed Reference Price. Concrete is expected to be used for approximately 1 year, whereas the two other major construction materials, being Aerated concrete blocks and Mortar, are expected to be used for approximately 3 months. As the expected use period of Aerated concrete blocks and Mortar is quite short, the Project Company and the Contractor A consider that any fluctuations in the market prices of such construction materials will be immaterial and thus adjustment of the contract sum is not necessary. As the expected construction period of the Mountain Series B1 Project of around 3 months and the Mountain Series B2 Project of around 1 month is quite short, the Mountain Series Project Company and the Contractor B consider that any fluctuations in the market prices of construction materials used in such projects will be immaterial and thus adjustment of the contract sum is not necessary.

In the event the market price of the relevant construction materials is higher than the Pre-agreed Reference Price multiplied by the Pre-agreed Threshold, the adjustment mechanism and formula is as follows:

$$\text{Adjusted Price} = \text{Contract Price} + [\text{Average Price} - \text{Pre-agreed Reference Price} \times (1 + 5\%)]$$

In the event the market price of the relevant construction materials is lower than the Pre-agreed Reference Price by an amount equal to the Pre-agreed Reference Price multiplied by the Pre-agreed Threshold, the adjustment mechanism and formula is as follows:

$$\text{Adjusted Price} = \text{Contract Price} - [\text{Pre-agreed Reference Price} \times (1 - 5\%) - \text{Average Price}]$$

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 , which period begins from the commencement date of the construction of the structural work and ending on the date of the completion of the structural work
“Contract Price”	means the original price of the major construction materials contracted under the Greenland Oujiang Sky Tree Contractor Agreement

“Pre-agreed Reference Price”	means the pre-agreed reference price contracted under the Greenland Oujiang Sky Tree Contractor Agreement, which has been determined at the time of contract based on the reference price of the relevant construction materials stated in the “Wenzhou Construction Works Cost Information”* (《溫州工程造價信息》) issued by the Wenzhou City Cost Station* (溫州市造價站) at the time of the tender invitation for the Greenland Oujiang Sky Tree Project will not be revised by the parties to the Greenland Oujiang Sky Tree Contractor Agreement for the purposes of the aforesaid adjustment formula
“Pre-agreed Threshold”	means the pre-agreed threshold of 5% agreed upon under the Greenland Oujiang Sky Tree Contractor Agreement

As advised by the management of the Group, we understand that the total contract sum of the Greenland Oujiang Sky Tree Contractor Agreement will be adjusted in response to fluctuation in the market price of major construction materials. With reference to the Greenland Oujiang Sky Tree Contractor Agreement, the basis of determination of the threshold is by making reference to a maximum of 5% of the estimated construction materials cost of the Greenland Oujiang Sky Tree Contractor Agreement based on the past experience of the management of the Group which could cater for any possible fluctuation on the construction materials price during the construction period agreed between the Company and the Contractor A. 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. We have been advised by the Company that the adjustment mechanism offers protection against increasing construction material costs during construction period of the Greenland Oujiang Sky Tree Project 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 addition to the above adjustment mechanism, the original total contract sum of the Contractor Agreements may be adjusted if additional works are subsequently required by the Project Company. Save as disclosed above, there will not be any adjustments to the original total contract sum of the Contractor Agreements. The actual adjustment shall be determined based on the Final Settlement Report, and there is no agreed maximum amount of the total contract sum under the Contractor Agreements. After the Project Company and the Contractor have agreed on the amount of the additional works, the increase in the total contract sum will be determined by multiplying the agreed amount of additional works by (i) the unit price for the additional works listed in the relevant Contractor Agreement; (ii) if no unit prices for such additional works have been provided for under the Greenland Oujiang Sky Tree Contractor Agreement, such unit price shall be determined by reference to the “Zhejiang Province (City) Building Decoration Engineering Consumption Quota and Unified Base Price List (18th Edition)”* (《浙江省(市)建築裝飾裝修工程消耗量定額及統一基價表》(18版)), the “Zhejiang Province (City) Installation Project Consumption Quota and Unit Valuation Table (18th Edition)”* (《浙江省(市)安裝工程消耗量定額及單位估價表》(18版)) and the “Zhejiang Province Construction and Installation Project Cost Quota”* (《浙江省建築安裝工程費用定額》); or (iii) if no unit prices for such additional works have been provided for under the

Mountain Series B1 Contractor Agreement or the Mountain Series B2 Contractor Agreement, such unit price shall be determined by reference to the “Guangxi Building Decoration Engineering Consumption Quota (2013)”* (廣西建築裝飾裝修工程消耗量定額 (2013)). During the course of the construction works, the Project Companies, the Costing Consultants and the Cost Management Department, the Operation Management Department and Financial Management Department will monitor on a monthly basis the cumulative amount of all the progress payments of the total contract sum having been paid to the Contractor so that the Project Company is able to monitor whether the final amount of the total contract sum exceeds 105% of its original total contract sum. According to the Company’s previous experience and practice, the adjustments to the total contract sum of similar contractor agreements did not exceed 5% of the total contract sum of the relevant contractor agreement. In the event that the adjustment to the Contractor Agreements exceeds 5% of its total contract sum, the Company will seek the Independent Shareholders’ approval for the relevant adjustment and the revised total contract sum of the Contractor Agreements at extraordinary general meeting of the Company and will enter into a supplemental agreement with the relevant contractor to govern the relevant adjustment.

In this regard, we have obtained a project list of 33 completed construction projects of the Company (the “**Completed Construction Projects**”), representing all completed construction projects of the Group during the previous year and up to the Latest Practicable Date. As advised by the Company, the Completed Construction Projects in the list are all construction projects similar to that of the Construction Projects. According to the list of Completed Construction Projects, we understand that the Completed Construction Projects did not involve any material change of their construction plans and there were no material adjustment on the total contract sum of the Completed Construction Projects.

In addition, based on our review on the Project List, we noted that there are similar terms in relation to the adjustment on contract sum and threshold of change in material price in those Independent Construction Projects. Hence, we consider the terms of the adjustment and the level of the threshold are in line with those of the Group’s construction projects undertaken by independent third party contractors.

On the basis that (i) the adjustment mechanism provides protection against cost fluctuation of construction materials during the construction period; (ii) the adjustment mechanism are determined based on the historical transactions of the Company; (iii) the actual adjustment will be determined based on the Final Settlement Report prepared by the Contractors and audited by the Project Company or its independent surveyor; and (iv) the threshold and the adjustment are common terms in the Group’s contracting construction agreements, 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 28 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 20 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.

* *For identification purposes only*

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 purposes 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 INTEREST

(a) Directors' and chief executives' interests and short position in shares, underlying shares and debentures of the Company, and its associated corporations

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	Approximate percentage of the Company's issued Shares <i>(Note 6)</i>
Mr. Wang Weixian	Interest of controlled corporation	38,804,571 <i>(Note 1)</i>	1.39%
	Founder of discretionary trust	367,254,133 <i>(Note 2)</i>	13.15%
Ms. Wang Xuling	Beneficial owner	3,390,000	0.12%
	Beneficiary of discretionary trust	367,254,133 <i>(Note 2)</i>	13.15%

Name of Director	Capacity/Nature of interest	Number of Shares	Approximate percentage of the Company's issued Shares (Note 6)
Mr. Fong Wo, Felix, JP	Beneficial owner	500,000	0.02%
Mr. Kwan Kai Cheong	Beneficial owner	500,000	0.02%
Mr. Chen Jun	Beneficial owner	3,500,000 (Note 4)	0.13%
Mr. Hou Guangjun	Beneficial owner	2,700,000 (Note 5)	0.10%

Notes:

- Under the SFO, 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.
- Under the SFO, each of Mr. Wang Weixian and Ms. Wang Xuling was deemed to be interested in an aggregate of 367,254,133 Shares, which were indirectly held by a family trust of Mr. Wang Weixian (namely The Duanyuan Trust). Mr. Wang Weixian is the founder of The Duanyuan Trust. Ms. Wang Xuling is a discretionary object of The Duanyuan Trust.
- Ms. Wang Xuling was deemed to be interested in 3,390,000 Shares under the subscription agreement between her and the Company dated 23 January 2018 under the SFO.
- Mr. Chen Jun was deemed to be interested in 3,500,000 Shares under the subscription agreement between him and the Company dated 23 January 2018 under the SFO.
- Mr. Hou Guangjun was deemed to be interested in 2,700,000 Shares under the subscription agreement between him and the Company dated 23 January 2018 under the SFO.
- Based on the total issued Shares of 2,791,884,683 Shares as at the Latest Practicable Date.

Long position in the debentures:

Name of Director	Capacity/Nature of interest	Currency of Debentures	Denomination or Unit Size of the Debentures	Amount of Debentures
Mr. Wang Weixian	Interest of controlled corporation (Note 1)	USD	200,000	4,475,000

Note:

- Under the SFO, Mr. Wang Weixian was deemed to be interested in debentures of the Company in an aggregate principal amount of US\$4,475,000, which were held by SPG Investment Holdings Ltd. The entire issued share capital of SPG Investment Holdings Ltd. was beneficially owned by Mr. Wang Weixian. The said debentures comprised 5.625% perpetual securities in the aggregate principal amount of US\$4,475,000.

Long position in the shares of an associated corporation of the Company (the "Associated Corporation"), namely Guangzhou Guangyun Real Estate Development Co., Ltd. (廣州廣雲房地產開發有限公司):*

Name of Director	Capacity/Nature of interest	Amount of registered capital	Approximate percentage of the Associated Corporation's registered capital
Mr. Wang Weixian	Founder of discretionary trust	RMB2,858,000 (Note 1)	28.58%
Ms. Wang Xuling	Beneficiary of discretionary trust	RMB2,858,000 (Note 1)	28.58%

Note:

- Under the SFO, each of Mr. Wang Weixian and Ms. Wang Xuling was deemed to be interested in RMB2,858,000 of the registered capital of the Associated Corporation, which was indirectly held by a family trust of Mr. Wang Weixian (namely The Duanyuan Trust). Mr. Wang Weixian is the founder of The Duanyuan Trust. Ms. Wang Xuling is a discretionary object of The Duanyuan Trust.

(b) Other interests of the Directors

As at the Latest Practicable Date, 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.

3. DIRECTOR'S 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 2021, being the date to which the latest published audited consolidated financial statements of the Group were made up.

5. DIRECTORS' INTEREST IN COMPETING BUSINESS

The Duanyuan Trust, of which Mr. Wang Weixian is the founder and Ms. Wang Xuling is a discretionary object, indirectly owns a 80% interest in Guangzhou SPG Investment Limited* (廣州盛高投資有限公司), which, together with its subsidiaries, is currently and principally engaged in urban renewal project investment in the Greater Bay Area, the PRC that competes or is likely to compete, either directly or indirectly, with the business of the Group. Save as disclosed above and as at the Latest Practicable Date, so far as known to the Directors, none of the executive Directors or their respective close associates had an interest in any business apart from the Group's business which competes or is likely to compete, either directly or indirectly, with the business of the Group.

6. DIRECTORS' INTERESTS IN THE GROUP'S ASSETS OR CONTRACTS OR ARRANGEMENTS SIGNIFICANT TO THE GROUP**(a) Interests in assets**

Save as disclosed in this circular, as at the Latest Practicable Date, none of the Directors had any direct or indirect interest in any assets which have been, since 31 December 2021 (being the date up to which the latest published audited consolidated financial statements of the Group was made), acquired or disposed of by, or leased to any member of the Group, or which were proposed to be acquired or disposed of by, or leased to any member of the Group.

(b) Interests in contracts

Save as disclosed in this circular, as at the Latest Practicable Date, none of the Directors was materially interested, directly or indirectly, in any subsisting contract or arrangement which was significant in relation to the business of the Group.

7. EXPERT QUALIFICATION AND CONSENT

The following is the qualification of the expert who has given opinion or advice contained in this circular:

Name	Qualification
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

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 2021 (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 reference to its name and/or its opinion and advice in the form and context in which it is included.

8. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the Contractor Agreements and the consent letter issued by the Independent Financial Adviser are published on the websites of the Stock Exchange (www.hkexnews.hk) and the Company (www.greenlandhk.com) from the date of this circular up to and including 12 July 2022.

NOTICE OF THE EXTRAORDINARY GENERAL MEETING

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 OF THE EXTRAORDINARY GENERAL MEETING

NOTICE IS HEREBY GIVEN that an extraordinary general meeting (the “EGM”) of Greenland Hong Kong Holdings Limited (the “Company”) will be held at 9:00 a.m. on Friday, 15 July 2022 for the purpose of considering and, if thought fit, passing the following ordinary resolutions of the Company:

1. “**THAT** the Greenland Oujiang Sky Tree Contractor Agreement (as defined in the circular of the Company dated 28 June 2022) 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 amendments as he/she may in his/her absolute opinion deem necessary, desirable or expedient.”
2. “**THAT** the Mountain Series B1 Contractor Agreement (as defined in the circular of the Company dated 28 June 2022) 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 amendments as he/she may in his/her absolute opinion deem necessary, desirable or expedient.”
3. “**THAT** the Mountain Series B2 Contractor Agreement (as defined in the circular of the Company dated 28 June 2022) 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 amendments 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 and Chief Executive Officer

Hong Kong
28 June 2022

NOTICE OF THE EXTRAORDINARY GENERAL MEETING

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 registered Shareholders will be able to join the EGM via the e-Meeting System. The e-Meeting System can be accessed from any location with access to the internet via smartphone, tablet device or computer.
2. Any Shareholder entitled to attend and vote at the EGM convened by this notice is entitled to appoint one or more (if he/she/it holds two or more Shares) proxies to attend and vote in his/her/its stead. A proxy need not be a member of the Company.
3. In order to be valid, the completed form of proxy together with a power of attorney or other authority (if any) under which it is signed (or a notarially certified copy of that power or other authority) must be deposited at the Company's branch share registrar in Hong Kong, Tricor Investor Services Limited, at Level 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).
4. Completion and return of the form of proxy will not preclude a member from attending and voting via the e-Meeting System 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), only **ONE PAIR** of log-in username and password will be provided to the joint holders. Any one of such joint holders may attend or vote in respect of such share(s) as if he/she/it was solely entitled thereto.
6. For the purpose of determining shareholders' eligibility to attend and vote via the e-Meeting System at the EGM, the register of members of the Company will be closed from Thursday, 14 July 2022 to Friday, 15 July 2022 (both dates inclusive), during which period no transfer of Shares will be effected. In order to qualify for attending and voting at 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 for registration not later than 4:30 p.m. on Wednesday, 13 July 2022.
7. The Chinese translation of this notice is for reference only. In case of any inconsistency, the English version shall prevail.