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Broad Greenstate International Company Limited

博大綠澤國際有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock code: 1253)

INSIDE INFORMATION:

FRAMEWORK AGREEMENT IN RELATION TO THE PROPOSED ACQUISITION

This announcement is made by Broad Greenstate International Company Limited (the “**Company**”) pursuant to Rule 13.09(2) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”) and the Inside Information Provisions (as defined under the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

The board (the “**Board**”) of the directors (the “**Directors**”) of the Company is pleased to announce that on 23 September 2016, the Company entered into a non-legally binding framework agreement (the “**Framework Agreement**”) with an independent third party (the “**Vendor**”) in relation to a proposed acquisition (the “**Proposed Acquisition**”) from the Vendor of 60% equity interest in a target company (the “**Target Company**”). The Target Company is a company established under the laws of the People’s Republic of China and is principally engaged in cultivation, research and development, and wholesale and retail of seedlings; sale and plantation of miniature tree; landscaping projects, municipal projects, city lighting projects, building construction and excavation works, and design and construction of Chinese garden and ancient architecture. The Company and the Vendor have tentatively agreed to value the Target Company based on 75% of its net asset value and to set the consideration of the Proposed Acquisition at 60% of such valuation. As of the date of the Framework Agreement, the Vendor owns as to 80% equity interest in the Target Company.

The terms of the Proposed Acquisition under the Framework Agreement are subject to further negotiation between the parties thereof and due diligence are not finalized as at the date of this announcement. The Framework Agreement does not constitute legally binding commitment in respect of the Proposed Acquisition and the Proposed Acquisition may or may not materialize. Shareholders of the Company and public investors are advised to exercise caution when dealing in the shares of the Company.

The Framework Agreement may or may not lead to the entering into of any formal agreement(s). If the Proposed Acquisition is materialised, it may constitute a notifiable transaction on the part of the Company pursuant to the Listing Rules. The Company will comply with the relevant requirements of the Listing Rules when formal agreement(s) in relation to the Proposed Acquisition is entered into. Shareholders and potential investors are advised to exercise caution when trading in the Company's securities.

By Order of the Board
Broad Greenstate International Company Limited
WU Zhengping
Chairman and Executive Director

Shanghai, the People's Republic of China
23 September 2016

As at the date of this announcement, our executive Directors are Mr. Wu Zhengping, Ms. Xiao Li, Ms. Zhu Wen and Mr. Wang Lei and our independent non-executive Directors are Mr. Dai Guoqiang, Mr. Zhang Qing and Dr. Jin Hexian.