Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.

粤海置地

GUANGDONG LAND HOLDINGS LIMITED
粤 海 置 地 控 股 有 限 公 司

(Incorporated in Bermuda with limited liability)

(Stock Code: 00124)

Connected transaction Acquisition of 6% equity interest in the controlling shareholder's subsidiary

The Board is pleased to announce that, on 28 January 2022, the Company (as purchaser) and Guangdong Holdings (as vendor) (being the ultimate controlling shareholder of the Company) entered into the Equity Transfer Agreement, pursuant to which the Company agreed to purchase, and Guangdong Holdings agreed to sell the Sale Equity, representing 6% of the equity interest in the Target Company, at the consideration of RMB33,631,098 (equivalent to approximately HK$41,104,000).

Guangdong Holdings is the ultimate controlling shareholder of the Company and hence a connected person of the Company under Rule 14A.07(1) of the Listing Rules. Accordingly, the Acquisition constitutes a connected transaction of the Company under Chapter 14A of the Listing Rules.

As one or more of the applicable percentage ratios in respect of the Acquisition calculated pursuant to the Listing Rules is more than 0.1% but all of the applicable percentage ratios are less than 5%, the Acquisition is subject to the reporting and announcement requirements under the Listing Rules, but is exempt from the independent shareholders' approval requirement.

The Board is pleased to announce that, on 28 January 2022, the Company (as purchaser) and Guangdong Holdings (as vendor) entered into the Equity Transfer Agreement, pursuant to which the Company agreed to purchase, and Guangdong Holdings agreed to sell the Sale Equity, representing 6% of the equity interest in the Target Company, at the consideration of RMB33,631,098 (equivalent to approximately HK$41,104,000).

THE EQUITY TRANSFER AGREEMENT

The salient terms of the Equity Transfer Agreement are set out as follows:

Date : 28 January 2022

Parties:

Vendor : Guangdong Holdings

Purchaser : the Company

Subject matter

As at the date of this announcement, the equity interest of the Target Company is held as to 98% by Guangdong Holdings and as to 2% by Huaxin. For details of the shareholding structure of the Target Company, please refer to the section headed "Information on the Target Group" in this announcement.

Pursuant to the Equity Transfer Agreement, the Company agreed to purchase, and Guangdong Holdings agreed to sell, 6% of the total equity interest of the Target Company (the "**Sale Equity**"), which comprises the paid-up capital of RMB9,000,000 (equivalent to approximately HK$11,000,000) (representing 6% of the total paid-up capital of the Target Company) and the unpaid capital of RMB9,900,000 (equivalent to approximately HK$12,100,000) (representing 6% of the total unpaid capital of the Target Company) which shall be paid by the Company to the Target Company by 31 December 2023.

Consideration and basis of determination

The consideration for the Sale Equity in the aggregate amount of RMB33,631,098 (equivalent to approximately HK$41,104,000) (the "**Consideration**") shall be paid by the Company in cash within 90 days from the date of the Equity Transfer Agreement.

Reference is made to the announcement of the Company dated 22 November 2021 in relation to the Company's bid, through a listing-for-sale tender process, for acquiring a 2% equity interest in the Target Company, from Guangdong Holdings. The Company's bid for the said 2% equity interest in the Target Company was unsuccessful. Huaxin was the successful bidder and the final bid price paid by Huaxin to Guangdong Holdings for acquiring the said 2% equity interest in the Target Company was RMB11,210,366 (equivalent to approximately HK$13,701,000) (the "**Last Successful Bid Price**"). For details of Huaxin's equity interest in the Target Company, please refer to the section headed "Information on the Target Group" in this announcement.

The Consideration was determined after arm's length negotiations between the Company and Guangdong Holdings based on the Last Successful Bid Price and after having taken into account other factors by the Company including: (i) the appraised value of the entire equity interest of the Target Company as at 30 June 2021 of RMB567,187,300 (equivalent to approximately HK$693,214,000) based on the income approach according to the valuation report prepared by an independent professional valuer in the PRC engaged by the Company; (ii) the prospects of the Target Group; and (iii) the other factors set out in the section headed "Reasons for and benefits of the Acquisition" in this announcement.

The Consideration is expected to be funded by internal resources of the Group.

Other terms

After completion of the Acquisition and before the Target Company's submission of an application for listing of it shares on any stock exchange,

(1) if there is an increase in the registered capital of the Target Company, the subscription price for each RMB1 of the new registered capital (or per new share) shall not be lower than (i) the audited net book value for each RMB1 of the new registered capital (or per new share) of the Target Company for the year or the most recent period (as the case may be) immediately before such capital increase or (ii) the price for each RMB1 of the registered capital of the Target Company in respect of the Acquisition, save for any capital contribution made by the shareholders of the Target Company in respect of the new registered capital on a pro rata basis, subscription of new registered capital of the Target Company by its employees and where the Company's consent has been obtained; and

(2) if any shareholder of the Target Company transfers its equity interest in the Target Company (in full or in part) to any other person(s), the price (in respect of such transfer) for each RMB1 of the registered capital (or per share) of the Target Company shall not be lower than (i) the audited net book value for each RMB1 of the registered capital (or per share) of the Target Company for the year or the most recent period (as the case may be) immediately before such transfer or (ii) the price for each RMB1 of the registered capital of the Target Company in respect of the Acquisition, save for the circumstances where the shareholders (other than the transferor of such equity interest in the Target Company) of the Target Company consent to.

Completion

Guangdong Holdings shall, and shall procure the Target Company to proceed with all registration and/or filing procedures with the relevant administration for industry and commerce department in the PRC in respect of the transfer of the Sale Equity, within 10 business days from the date of the Equity Transfer Agreement. The date of completion of the Acquisition shall be the date of completion of the change of registration of the Sale Equity with the relevant administration for industry and commerce department in the PRC.

INFORMATION ON THE TARGET GROUP

The Target Company is a limited liability company established in the PRC on 28 August 1996 and majority of its equity interest was indirectly owned by the People's Government of Guangdong Province (the "**Guangdong Government**") and the remaining of its equity interest was indirectly owned by the People's Government of Panyu District, Guangzhou City. Since September 2002, the Target Company had been indirectly and wholly-owned by Guangdong Holdings through its subsidiaries up to 3 August 2020 when Guangdong Holdings acquired from the relevant subsidiaries the entire equity interest of the Target Company at the aggregate consideration of RMB54,855,122.98 (equivalent to approximately HK$67,044,000). Since then, Guangdong Holdings has made capital contribution (i.e. paid-up capital) to the Target Company in the amount of RMB100,000,000 (equivalent to approximately HK$122,220,000) and as a result, the total paid-up capital of the Target Company was increased to RMB150,000,000 (equivalent to approximately HK$183,329,000).

As disclosed in the section headed "Consideration and basis of determination" in this announcement, Huaxin was the successful bidder in a listing-for-sale tender process for 2% equity interest in the Target Company. In December 2021, Guangdong Holdings disposed of the said 2% equity interest in the Target Company to Huaxin at the consideration of RMB11,210,366 (equivalent to approximately HK$13,701,000). According to the National Enterprise Credit Information Publicity System (國家企業信用信息公示系統), Huaxin is a company established in the PRC with limited liability and its equity interest is held as to approximately 41.22% in aggregate by YANG Shaoqiu (楊少秋) and the companies controlled by him, as to approximately 39.99% by YANG Jiarui (楊珈睿) and as to approximately 18.79% in aggregate by four other shareholders. Huaxin is principally engaged in property management businesses in the PRC. To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, Huaxin and its ultimate beneficial owners are third parties independent of the Company and its connected persons.

Since 23 December 2021 (i.e. the date on which Huaxin became a shareholder of the Target Company) and as at the date of this announcement, the shareholding structure of the Target Company is as follows:

Name of shareholder of the Target Company	Registered capital		Percentage of equity interest in the Target Company (Note 2)
	Paid-up capital (RMB)	Unpaid capital (Note 1) (RMB)	
Guangdong Holdings	147,000,000 (equivalent to approximately HK$179,663,000)	161,700,000 (equivalent to approximately HK$197,629,000)	98%
Huaxin	3,000,000 (equivalent to approximately HK$3,667,000)	3,300,000 (equivalent to approximately HK$4,033,000)	2%

Note 1: Pursuant to the articles of association of the Target Company, the unpaid capital of RMB161,700,000 (equivalent to approximately HK$197,629,000) and RMB3,300,000 (equivalent to approximately HK$4,033,000), shall be paid by Guangdong Holdings and Huaxin, respectively, to the Target Company by 31 December 2023.

Note 2: The percentage figure is arrived at by dividing (i) the aggregate of the paid-up capital and unpaid capital of each shareholder by (ii) the total registered capital (both paid-up and unpaid) of the Target Company in the amount of RMB315,000,000 (equivalent to approximately HK$384,991,000).

Immediately after completion of the Acquisition, the shareholding structure of the Target Company shall be as follows:

Name of shareholder of the Target Company	Registered capital		Percentage of equity interest in the Target Company (Note 4)
	Paid-up capital (RMB)	Unpaid capital (Note 3) (RMB)	
Guangdong Holdings	138,000,000 (equivalent to approximately HK$168,663,000)	151,800,000 (equivalent to approximately HK$185,529,000)	92%
The Company	9,000,000 (equivalent to approximately HK$11,000,000)	9,900,000 (equivalent to approximately HK$12,100,000)	6%
Huaxin	3,000,000 (equivalent to approximately HK$3,667,000)	3,300,000 (equivalent to approximately HK$4,033,000)	2%

Note 3: Pursuant to the articles of association of the Target Company, the unpaid capital of RMB151,800,000 (equivalent to approximately HK$185,529,000), RMB9,900,000 (equivalent to approximately HK$12,100,000) and RMB3,300,000 (equivalent to approximately HK$4,033,000), shall be paid by Guangdong Holdings, the Company and Huaxin, respectively, to the Target Company by 31 December 2023.

Note 4: The percentage figure is arrived at by dividing (i) the aggregate of the paid-up capital and unpaid capital of each shareholder by (ii) the total registered capital (both paid-up and unpaid) of the Target Company in the amount of RMB315,000,000 (equivalent to approximately HK$384,991,000).

The Target Group is principally engaged in property rental services and property management businesses in the PRC.

Financial information of the Target Group

Based on the audited consolidated financial statements of the Target Company for the year ended 31 December 2020 and the audited consolidated financial statements of the Target Company for the six months ended 30 June 2021, which were prepared in accordance with the PRC Accounting Standards for Business Enterprises, set out below is the audited consolidated financial information of the Target Company for each of the two years ended 31 December 2020 and the six months ended 30 June 2021:

	For the year ended 31 December 2019 (RMB) (audited)	**For the year ended 31 December 2020 (RMB) (audited)**	**For the six months ended 30 June 2021 (RMB) (audited)**
Revenue	219,417,412.11 (equivalent to approximately HK$268,171,000)	233,381,829.11 (equivalent to approximately HK$285,238,000)	154,810,083.99 (equivalent to approximately HK$189,208,000)
Profit before income tax (Note)	9,908,781.20 (equivalent to approximately HK$12,110,000)	73,945,989.59 (equivalent to approximately HK$90,376,000)	11,424,165.59 (equivalent to approximately HK$13,963,000)
Profit after income tax (Note)	4,562,399.46 (equivalent to approximately HK$5,576,000)	60,370,349.95 (equivalent to approximately HK$73,784,000)	9,157,930.85 (equivalent to approximately HK$11,193,000)

Note: For the year ended 31 December 2020, investment income derived from, and arising from the disposal of, the Target Group's available-for-sale financial assets in the aggregate amount of RMB40,826,582.58 (equivalent to approximately HK$49,898,000) was recorded and was included in each of the consolidated profit before income tax and consolidated profit after income tax of the Target Company. For each of the year ended 31 December 2019 and the six months ended 30 June 2021, no investment income was recorded in the relevant audited consolidated financial statements of the Target Company.

Based on the audited consolidated financial statements of the Target Company for the six months ended 30 June 2021 which were prepared in accordance with the PRC Accounting Standards for Business Enterprises, as at 30 June 2021, the audited consolidated net asset value of the Target Company was RMB94,188,132.23 (equivalent to approximately HK$115,116,000).

INFORMATION ON THE COMPANY

The Company is a company incorporated in Bermuda with limited liability and is principally engaged in investment holding. The Group is principally engaged in property development and investment businesses. The ultimate controlling shareholder of the Company is Guangdong Holdings.

INFORMATION ON GUANGDONG HOLDINGS

Guangdong Holdings is the ultimate controlling shareholder of the Company and is principally engaged in investment holding. The Guangdong Holdings Group's business activities include public utilities and infrastructure, manufacturing, real estate, hotel, property management, retail and wholesale, finance, etc. The Guangdong Holdings Group takes capital investment as its core business, and invests mainly in business sectors including water and water environment management, urban complex development and related services, modern industrial park development and investment. Guangdong Holdings is held as to 90% by the Guangdong Government and as to 10% by the Department of Finance of the Guangdong Government while the State-owned Assets Supervision and Administration Commission of the Guangdong Government has been performing ownership and control functions in respect of Guangdong Holdings with the authorisation of the Guangdong Government.

REASONS FOR AND BENEFITS OF THE ACQUISITION

The Target Group is principally engaged in the property rental services and property management businesses in the PRC. In recent years, with the growing demand for quality property management services and property rental services in the PRC, the Target Group has achieved excellent operating results, expanded its customer base and enhanced its reputation as a top-tier property management company in the Guangdong Province. Therefore, the Company is optimistic about the business development and prospects of the Target Group. Further, the Company understands that, given the Target Group's successful business model and strategies as reflected by its revenue and profits generated, it is the intention of the Target Company to apply for a listing of its shares on a reputable stock exchange in the future. The Company believes that the Acquisition will enable the Group to capture this excellent opportunity in investing in the Target Group at its fast-growing stage.

In light of the above, the Directors (including the independent non-executive Directors) consider that the terms of the Acquisition are fair and reasonable, on normal commercial terms or better, 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.

LISTING RULES IMPLICATIONS

Guangdong Holdings is the ultimate controlling shareholder of the Company and hence a connected person of the Company under Rule 14A.07(1) of the Listing Rules. Accordingly, the Acquisition constitutes a connected transaction of the Company under Chapter 14A of the Listing Rules.

As one or more of the percentage ratios in respect of the Acquisition calculated pursuant to the Listing Rules is more than 0.1% but all of the applicable percentage ratios are less than 5%, the Acquisition is subject to the reporting and announcement requirements under the Listing Rules, but is exempt from the independent shareholders' approval requirement.

Mr. LAN Runing, Mr. LI Yonggang, Ms. ZHU Guang and Mr. JIAO Li, being the Directors, are also directors of certain subsidiaries of Guangdong Holdings. All of the abovementioned Directors present at the relevant Board meeting abstained from voting on the relevant Board resolutions for approving the Equity Transfer Agreement and the transactions contemplated thereunder. Save as disclosed, to the best of the Directors' knowledge, information and belief having made all reasonable enquiries, no other Directors had any material interest in the Equity Transfer Agreement and the transactions contemplated thereunder.

DEFINITIONS

In this announcement, the following expressions shall have the meanings set out below unless the context requires otherwise:

"Acquisition"	the acquisition of the Sale Equity by the Company from Guangdong Holdings pursuant to the Equity Transfer Agreement
"associates"	has the meaning ascribed to it under the Listing Rules
"Board"	the board of Directors
"Company"	Guangdong Land Holdings Limited (粵海置地控股有限公司), a company incorporated in Bermuda with limited liability, the Shares of which are listed on the Main Board of the Stock Exchange
"connected person(s)"	has the meaning ascribed to it under the Listing Rules
"Consideration"	has the meaning ascribed to it under the section headed "The Equity Transfer Agreement – Consideration and basis of determination" in this announcement
"controlling shareholder(s)"	has the meaning ascribed to it under the Listing Rules
"Director(s)"	the director(s) of the Company
"Equity Transfer Agreement"	the equity transfer agreement dated 28 January 2022 and entered into between the Company and Guangdong Holdings and in relation to the Acquisition
"Group"	the Company and its subsidiaries
"Guangdong Government"	has the meaning ascribed to it under the section headed "Information on the Target Group" in this announcement
"Guangdong Holdings"	廣東粵海控股集團有限公司 (Guangdong Holdings Limited), a company established in the PRC with limited liability and the ultimate controlling shareholder of the Company
"Guangdong Holdings Group"	Guangdong Holdings and its subsidiaries
"HK$"	Hong Kong dollars, the lawful currency of Hong Kong
"Hong Kong"	the Hong Kong Special Administrative Region of the PRC
"Huaxin"	廣東華信服務集團有限公司(Guangdong Huaxin Service Group Co., Ltd.), a company established in the PRC with limited liability
"Last Successful Bid Price"	has the meaning ascribed to it under the section headed "The Equity Transfer Agreement – Consideration and basis of determination" in this announcement
"Listing Rules"	the Rules Governing the Listing of Securities on the Stock Exchange, as amended from time to time

"percentage ratio(s)"	has the meaning ascribed to it under the Listing Rules
"PRC"	the People's Republic of China and, for the purpose of this announcement, excludes Hong Kong, the Macao Special Administrative Region of the PRC and Taiwan
"RMB"	Renminbi, the lawful currency of the PRC
"Sale Equity"	has the meaning ascribed to it under the section headed "The Equity Transfer Agreement – Subject matter" in this announcement
"Share(s)"	the share(s) of the Company
"Shareholder(s)"	the shareholder(s) of the Company
"Stock Exchange"	The Stock Exchange of Hong Kong Limited
"subsidiary(ies)"	has the meaning ascribed to it under the Listing Rules
"Target Company"	粵海物業管理有限公司 (Yuehai Property Management Co., Ltd.), a company established in the PRC with limited liability, details of which are disclosed in the section headed "Information on the Target Group" in this announcement
"Target Group"	the Target Company and its subsidiaries
"%"	per cent.

In this announcement, the English names of the PRC entities are translations of their Chinese names, and are included herein for identification purposes only. In the event of any inconsistency, the Chinese names shall prevail.

For the purpose of this announcement, unless otherwise specified, conversion of Renminbi into Hong Kong dollars is based on the approximate exchange rate of HK$1 to RMB0.8182 (if applicable). No representation is made that any amount in HK$ and RMB could be converted at such rate.

By Order of the Board
Guangdong Land Holdings Limited
JIAO Li
Executive Director

Hong Kong, 28 January 2022

As at the date of this announcement, the Board comprises five Executive Directors, namely Mr. LAN Runing, Mr. LI Yonggang, Mr. WU Mingchang, Ms. ZHU Guang and Mr. JIAO Li; and three Independent Non-Executive Directors, namely Mr. Alan Howard SMITH, Mr. Felix FONG Wo and Mr. Vincent Marshall LEE Kwan Ho.