粵海置地

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

(Incorporated in Bermuda with limited liability)

(Stock Code: 0124)

Announcement
Connected Transactions
relating to the sales of Property Units

On 2 September 2019, the Vendor and the Purchaser entered into the Subscription Letters, pursuant to which, the Vendor agreed to sell and the Purchaser agreed to purchase the Property Units. It is agreed that the Agreements will be entered into not later than 31 October 2019.

LISTING RULES IMPLICATIONS

According to Rule 14A.07 of the Listing Rules, the Purchaser is a direct wholly-owned subsidiary of Guangdong Holdings, the ultimate controlling shareholder of the Company, and hence, an associate of Guangdong Holdings and therefore, a connected person of the Company. The Vendor is an indirect wholly-owned subsidiary of the Company. Accordingly, the transactions contemplated under the Subscription Letters and the Agreements constitute connected transactions of the Company under Chapter 14A of the Listing Rules.

As all of the relevant percentage ratios calculated in accordance with the Listing Rules in respect of the Connected Transactions (on an aggregate basis) exceed 0.1% but do not exceed 5%, and the Connected Transactions will be subject to the reporting and announcement requirements under Chapter 14A of the Listing Rules but are exempt from independent Shareholders' approval under the Listing Rules.

THE DISPOSAL

On 2 September 2019, the Vendor, a wholly-owned subsidiary of the Company, entered into the Subscription Letters with the Purchaser, pursuant to which, the Vendor agreed to sell and the Purchaser agreed to purchase the property units under the Laurel House Project (formerly known as the Zhuguanglu Project) located in Yuexiu District, Guangzhou City, the PRC, for residential use.

The Subscription Letters

The salient terms of the Subscription Letters entered into are set out below:-

Date	:	2 September 2019
Parties	:	(a) the Vendor (b) the Purchaser
Subject matter	:	The Vendor agreed to sell and the Purchaser agreed to purchase the following Property Units of the Laurel House Project:

Property Units	**Gross floor area**	**Considerations**
A commodity premise, Room 703	Approximately 107.9042 sq. m.	RMB7,611,779 (equivalent to approximately HK$8,420,000)
A commodity premise, Room 704	Approximately 59.381 sq. m.	RMB4,188,855 (equivalent to approximately HK$4,634,000)
A commodity premise, Room 705	Approximately 118.7879 sq. m.	RMB8,284,981 (equivalent to approximately HK$9,165,000)
A commodity premise, Room 803	Approximately 108.5343 sq. m.	RMB7,675,112 (equivalent to approximately HK$8,490,000)
A commodity premise, Room 904	Approximately 59.6312 sq. m.	RMB4,227,316 (equivalent to approximately HK$4,676,000)
A commodity premise, Room 905	Approximately 119.2062 sq. m.	RMB8,355,401 (equivalent to approximately HK$9,243,000)
A commodity premise, Room 1105	Approximately 119.2062 sq. m.	RMB8,396,528 (equivalent to approximately HK$9,288,000)
	Total consideration for the Property Units:	RMB48,739,972 (equivalent to approximately HK$53,916,000)

Formal sale and purchase agreements	:	The Agreements will be entered into by both parties before 31 October 2019
Payment of Considerations	:	The first installment of payment for property sale (i.e. 20% of the Considerations) shall be paid by the Purchaser in cash upon entering into of the Subscription Letters; the second installment of payment for property sale (i.e. 80% of the Considerations) shall be paid in cash upon entering into of the Agreements not later than 31 October 2019 (Note: Such payment methods may also be adopted and enjoyed by the purchasers who are independent third parties.)

The Agreements

The salient terms of the Agreements are set out below:-

Major terms	:	Same as those of the Subscription Letters
Completion	:	The Vendor shall deliver the Property Units to the Purchaser within one month upon entering into of the Agreements

Basis of Determination of the Considerations

The Considerations of the Agreements are determined based on the respective prices of the Property Units that are quoted on the public price list of the Laurel House Project of the Group. They are also determined according to the different discounts that are available from different payment methods selected (the discounts are equally applicable to the purchasers who are independent third parties). The property prices in the price list were determined based on the differences in the size, unit type, orientation, views, floor and other factors of individual units of the Laurel House Project; impact from different adverse factors (such as road noise, etc.); and by reference to the prices of same grade properties in the same district, and the overall market price.

INFORMATION OF THE PROPERTY UNITS

The Group acquired the Vendor, which holds and is responsible for the development of the Laurel House Project, in July 2018 (please refer to the the Company's circular dated 18 May 2018 for details) and, as a result, recognised a gain on bargain purchase of approximately HK$297 million in the consolidated statement of profit or loss in 2018. As the consideration paid for the acquisition of the project was determined with reference to the then market value of the project (but acquired at a discount), the carrying values (and future costs of sales) of the properties under the Laurel House Project include its development costs and fair value appreciation as of the completion date of the acquisition.

The Laurel House Project is located at 43-79 Zhuguang Road, Yuexiu District, Guangzhou City, the PRC. It has a total site area of approximately 12,168 sq. m. and a gross floor area of approximately 119,267 sq. m. It comprises residential units, commercial properties and car-parking spaces, among which all residential units and some of the car-parking spaces are for sale while the remaining properties are for lease. The Property Units are part of the residential commodity premises under the Laurel House Project.

REASONS FOR AND BENEFITS OF THE DISPOSAL

The Purchaser is principally engaged in the development and operation of the i-Club Project (仰忠滙項目) located at 168 Beijing Road, Yuexiu District, Guangzhou City for commercial use. Pursuant to the relevant policies of the local government, the Purchaser is required to purchase certain residential units in the surrounding area of the project as a compensation for the relocation of the previous non-commercial households of the project. After negotiation between both parties, the Purchaser agreed to purchase 7 residential commodity premises under the Laurel House Project from the Vendor at market price, to solve the problem encountered by the Purchaser regarding relocation compensation mentioned above.

On 30 June 2019, the aggregate unaudited carrying value of the Property Units in the Group's unaudited consolidated balance sheet was approximately RMB43,715,000 (equivalent to approximately HK$48,357,000). Upon completion of the Disposal, it is expected that the Group will record unaudited gains before tax of approximately RMB2,624,000 (equivalent to approximately HK$2,903,000), after deducting the costs of sale, value-added tax directly attributable to the sale, other taxes and surcharges and sales commission).

The sales proceeds from the Disposal will be used as the working capital of the Group or repayment of bank loans borrowed for the development of the Laurel House Project.

As engaging in property development for sale is a core business of the Vendor, the Disposal is in the ordinary course of the business of the Group.

The Directors (including the independent non-executive Directors) consider that the Connected Transactions (a) the terms of which are fair and reasonable, (b) are in the ordinary course of business of the Group and on normal commercial terms or better to the Group, and (c) are in the interests of the Company and the Shareholders as a whole.

Mr. HOU Wailin, Ms. ZHAO Chunxiao, Mr. LI Wai Keung and Mr. ZENG Yi, being Directors, are also directors of Guangdong Holdings and/or its subsidiaries. All of the abovementioned Directors present at the relevant Board meeting abstained from voting on the Board resolutions in respect of the Connected Transactions. Save the abovementioned Directors, no Directors had a material interest in the Connected Transactions or abstained from voting on the said Board resolutions.

INFORMATION OF THE GROUP AND THE VENDOR

The Group is principally engaged in property development and investment. The Vendor, an indirect wholly-owned subsidiary of the Company, is principally engaged in the development of the Laurel House Project and the Baohuaxuan Project.

LISTING RULES IMPLICATIONS

According to Rule 14A.07 of the Listing Rules, the Purchaser is a direct wholly-owned subsidiary of Guangdong Holdings, the ultimate controlling shareholder of the Company, and hence, an associate of Guangdong Holdings and therefore, a connected person of the Company. The Vendor is an indirect wholly-owned subsidiary of the Company. Accordingly, the transactions contemplated under the Subscription Letters and the Agreements constitute connected transactions of the Company under Chapter 14A of the Listing Rules.

As all of the relevant percentage ratios calculated in accordance with the Listing Rules in respect of the Connected Transactions (on an aggregate basis) exceed 0.1% but do not exceed 5%, and the Connected Transactions will be subject to the reporting and announcement requirements under Chapter 14A of the Listing Rules but are exempt from independent Shareholders' approval under the Listing Rules.

DEFINITIONS

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

"Agreements"	the respective Sale and Purchase Agreement of Commodity Premise (First Hand Existing Property) (《商品房（一手現房）買賣合同》) entered into between the Purchaser and the Vendor in relation to the sale and purchase of the Property Units (for the salient terms of the Agreements, please refer to the information as set out in the section headed "The Disposal" in this announcement), each an "Agreement". The Agreements are prepared, in accordance with the standard template of the Sale and Purchase Agreement of Commodity Premise from the Land Resources and Housing Management Bureau of Guangzhou Municipality (廣州市國土資源和房屋管理局), for the purpose of registration of the relevant properties
"associate"	has the meaning ascribed to it under the Listing Rules
"Baohuaxuan Project"	the residential property development project located between Wenchang South Road (文昌南路) and Old Baohua Road (舊寶華路) in Liwan District (荔灣區) in Guangzhou City, the PRC, with a total site area of approximately 1,374 sq. m. The project comprises residential units and car-parking spaces, with a gross floor area of approximately 5,240 sq. m.
"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 and 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
"Connected Transactions"	the transactions contemplated under the Subscription Letters and the Agreements, which constitute connected transactions of the Company under Chapter 14A of the Listing Rules
"Considerations"	the considerations payable by the Purchaser to the Vendor under the Agreements
"Director(s)"	the director(s) of the Company
"Disposal"	the sales of the Property Units from the Vendor to the Purchaser pursuant to the Agreements
"Group"	the Company and its subsidiaries

"Guangdong Holdings"	廣東粵海控股集團有限公司 (Guangdong Holdings Limited), the ultimate controlling shareholder and a connected person of the Company
"HK$"	Hong Kong dollars, the lawful currency of Hong Kong
"Hong Kong"	the Hong Kong Special Administrative Region of the PRC
"Laurel House Project"	the residential and commercial development project located at 43-79 Zhuguang Road, Yuexiu District (越秀區珠光路43-79號), Guangzhou City, the PRC, with a total site area of approximately 12,168 sq. m. The project comprises residential units, commercial properties and car-parking spaces, with a gross floor area of approximately 119,267 sq. m.
"Listing Rules"	the Rules Governing the Listing of Securities on the Stock Exchange, as amended from time to time
"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
"Property Units"	certain commodity premises of the Laurel House Project located at 49 Zhuguang Road, Yuexiu District, Guangzhou City, of which the Vendor agreed to sell and the Purchaser agreed to purchase under the Agreements (for details of the relevant information of the Property Units, please refer to the information as set out in the section headed "The Disposal" in this announcement)
"Purchaser"	廣州金東源房地產開發有限公司 (Guangzhou Jindongyuan Real Estate Development Co., Ltd.), a company established in the PRC with limited liability and, being a direct wholly-owned subsidiary of Guangdong Holdings, a connected person of the Company
"RMB"	Renminbi, the lawful currency of the PRC
"Shareholder(s)"	the shareholder(s) of the Company
"sq. m."	square meter(s)
"Stock Exchange"	The Stock Exchange of Hong Kong Limited
"Subscription Letters"	the respective letters of subscription entered into between the Purchaser and the Vendor in respect of sale and purchase of the Property Units (for salient terms of the Subscription Letters, please refer to the information as set out in the section headed "The Disposal" in this announcement), each a "Subscription Letter"

"Vendor"	廣東粵海房地產開發有限公司 (Guangdong Yuehai Property Development Co., Ltd.), a company established in the PRC with limited liability, an indirect wholly-owned subsidiary of the Company and a developer of the Laurel House Project and Baohuaxuan Project
"%"	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, the lawful currency of the PRC, into Hong Kong dollars, the lawful currency of Hong Kong, is based on the approximate exchange rate of HK$1 to RMB0.9040. No representation is made that any amount in HK$ and RMB could be converted at such rate.

By Order of the Board
Guangdong Land Holdings Limited
HOU Wailin
Chairman

Hong Kong, 2 September 2019

As at the date of this announcement, the Board comprises one Non-Executive Director, namely Mr. HOU Wailin; four Executive Directors, namely Ms. ZHAO Chunxiao, Mr. LI Wai Keung, Mr. WU Mingchang and Mr. ZENG Yi; and three Independent Non-Executive Directors, namely Mr. Alan Howard SMITH, Mr. Felix FONG Wo and Mr. Vincent Marshall LEE Kwan Ho.