粤海置地

GUANGDONG LAND HOLDINGS LIMITED
粵 海 置 地 控 股 有 限 公 司
(Incorporated in Bermuda with limited liability)
(Stock Code: 0124)

Discloseable Transaction

Payment of Land Premium for the Underground Commercial Area under the Buxin Project

The Board is pleased to announce that the Group has entered into the Agreement on 21 December 2018 with the Shenzhen Urban Planning Committee to pay RMB470,010,000 (equivalent to approximately HK$534,527,000), representing the relevant land premium for a gross floor area of 12,000 sq. m. in the Underground Commercial Area.

LISTING RULES IMPLICATIONS

Since all of the applicable percentage ratios (as defined in Rule 14.07 of the Listing Rules) in respect of the Agreement exceed 5% but are less than 25%, the transaction contemplated under the Agreement constitutes a discloseable transaction for the Company under the Listing Rules, which is subject to the reporting and announcement requirements under the Listing Rules.

A. INTRODUCTION

The Board is pleased to announce that the Group has entered into the Agreement on 21 December 2018 with the Shenzhen Urban Planning Committee to pay RMB470,010,000 (equivalent to approximately HK$534,527,000), representing the relevant land premium for a gross floor area of 12,000 sq. m. in the Underground Commercial Area.

B. THE AGREEMENT

A summary of the salient terms of the Agreement is as follows:

Date: 21 December 2018

Parties

Transferor: Shenzhen Urban Planning Committee

Transferee: Guangdong Land Shenzhen

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, the Shenzhen Urban Planning Committee is a third party independent of the Company and its connected persons.

Subject matter

In accordance with the relevant PRC laws and regulations, the Shenzhen Urban Planning Committee agrees to increase the gross floor area of the underground commercial area in the Northern Land ("**Underground Commercial Area**") from 9,000 sq. m. to 21,000 sq. m. After the said increase, the gross floor area of the Northern Land will be increased from approximately 134,551 sq. m. to approximately 146,551 sq. m., while the gross floor area included in the calculation of plot ratio shall remain at not exceeding 125,551 sq. m. The properties to be constructed on the Underground Commercial Area will be (a) as to approximately 12,158 sq. m., commercial units (商品房) which may be divided and sold; and (b) as to approximately 8,842 sq. m., non-commercial units (非商品房) for self-use. For details of the Northern Land, please refer to the announcement of the Company dated 7 June 2016 and the circular of the Company dated 22 June 2016.

Consideration

The Consideration under the Agreement is RMB470,010,000 (equivalent to approximately HK$534,527,000), which is paid by Guangdong Land Shenzhen in cash and funded by the Group's internal resources.

Basis of determination of the Consideration

The Consideration was arrived at after arm's length negotiations between the Group and the Shenzhen Urban Planning Committee by reference to the various measures promulgated by the PRC Government in relation to the properties in Shenzhen and the valuation of the Underground Commercial Area as at 17 September 2018, commissioned by the PRC Government and conducted in accordance with the applicable PRC laws and regulations, in the amount of the Consideration.

C. REASONS FOR AND BENEFITS OF THE TRANSACTION UNDER THE AGREEMENT

The Group has optimised the commercial layout in formulating the overall planning of the Buxin Project. According to the advice of the professional consultant engaged by the Group, the commercial area for the Northern Land shall be increased on the basis of various research and analysis, and taking into account, *inter alia*, the following factors: (a) it is more suitable to construct commercially-oriented properties on the Northern Land due to its lower plot ratio and relatively large site area, which will also create and achieve a connection effect with other businesses within the Buxin Project; (b) a commercial area of 21,000 sq. m. can be achieved simply by the construction of the lower ground floor of the shopping mall in the Northern Land, which is cost-efficient; and (c) with the road and traffic planning of Buxin Project and the relatively small commercial area originally designed for the Northern Land, it would be difficult to attract consumer traffic, while a larger commercial area in the Northern Land under the current plan is expected to garner different kinds of shops and increase customer flow.

Therefore, the Board is of the view that it is more beneficial to the overall business plan and future development of the Buxin Project as well as the Group as a result of increasing the gross floor area of the Underground Commercial Area. At the same time, as part of the overall planning of the Buxin Project, since the Southern Land, consisting mainly of landmark tower(s) and building(s), is not desirable for large-scale commercial use, the gross floor area of the underground commercial area in the Southern Land has been reduced from 21,000 sq. m. to 9,000 sq. m.

It is expected that the Underground Commercial Area will be developed as a shopping mall for leasing purposes. It is currently expected that the filing in respect of the completion of construction (竣工備案) of the Northern Land will be completed in the second half of 2022 and the leasing of the properties in the Northern Land (including the Underground Commercial Area) will commence as and when appropriate.

On the basis of the above, the Board (including the independent non-executive Directors) considers that the terms and conditions of the Agreement are fair and reasonable, on normal commercial terms and are in the interests of the Company and the Shareholders as a whole.

D. INFORMATION ON THE GROUP

The Group is principally engaged in property development and investment. Guangdong Land Shenzhen is principally engaged in the development of the Buxin Project.

E. INFORMATION ON THE SHENZHEN URBAN PLANNING COMMITTEE

The Shenzhen Urban Planning Committee is a PRC governmental body responsible for, *inter alia*, the urban planning works and management of land resources in Shenzhen.

F. LISTING RULES IMPLICATIONS

Since all of the applicable percentage ratios (as defined in Rule 14.07 of the Listing Rules) in respect of the Agreement exceed 5% but are less than 25%, the transaction contemplated under the Agreement constitutes a discloseable transaction for the Company under the Listing Rules, which is subject to the reporting and announcement requirements under the Listing Rules.

G. DEFINITIONS

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

"Agreement"	the agreement dated 21 December 2018 entered into between Guandgong Land Shenzhen and the Shenzhen Urban Planning Committee in relation to the increase of the gross floor area of the Underground Commercial Area from 9,000 sq. m. to 21,000 sq. m.;
"Board"	the board of Directors;
"Buxin Land"	a plot of land located in the Buxin Area (布心片區), Luohu District, Shenzhen City, the PRC to be developed under the Buxin Project (for details, please refer to the circular of the Company dated 22 June 2016);
"Buxin Project"	the property development project of the Group in the Buxin Area, Luohu District, Shenzhen City, the PRC;
"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;
"Consideration"	has the meaning ascribed to it under the section headed "B. The Agreement" in this announcement;
"Director(s)"	the director(s) of the Company;
"Group"	the Company and its subsidiaries;
"Guangdong Land Shenzhen"	粵海置地（深圳）有限公司 (Guangdong Land (Shenzhen) Limited), a company established in the PRC and a wholly-owned subsidiary of the Company;
"HK$"	Hong Kong dollars, the lawful currency of Hong Kong;
"Hong Kong"	the Hong Kong Special Administrative Region of the PRC;
"Listing Rules"	the Rules Governing the Listing of Securities on the Stock Exchange, as amended from time to time;

"Northern Land"	the northern part of the Buxin Land (designated as land number H409-0092) with a total site area of approximately 33,802.10 sq. m.;
"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;
"Share(s)"	the share(s) of the Company;
"Shareholder(s)"	the holder(s) of Share(s);
"Shenzhen Urban Planning Committee"	深圳市規劃和國土資源委員會 (Urban Planning, Land and Resources Commission of Shenzhen Municipality);
"sq. m."	square meter(s);
"Stock Exchange"	The Stock Exchange of Hong Kong Limited;
"Underground Commercial Area"	has the meaning ascribed to it under the section headed "B. The Agreement" in this announcement; and
"%"	per cent.

In this announcement, the English names of the PRC entities and PRC laws and regulations 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 RMB into HK$ is based on the approximate exchange rate of HK$1 to RMB0.8793. No representation is made that any amount in HK$ and RMB could be converted at such rate.

By Order of the Board
Guangdong Land Holdings Limited
HUANG Xiaofeng
Chairman

Hong Kong, 21 December 2018

As at the date of this announcement, the Board comprises one Non-Executive Director, namely Mr. HUANG Xiaofeng; 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.