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**GUANGDONG LAND HOLDINGS LIMITED**  
**粵海置地控股有限公司**

*(Incorporated in Bermuda with limited liability)*

**(Stock Code: 00124)**

**Possible connected transaction**  
**Bid for acquiring a 2% equity interest**  
**in the controlling shareholder's subsidiary**

On 22 November 2021, the Company submitted a bid, through a Listing-for-sale tender process, for the acquisition of the Sale Equity, representing 2% of the equity interest in the Target Company, from Guangdong Holdings. Guangdong Holdings is the ultimate controlling shareholder of the Company, hence a connected person of the Company under Rule 14A.07(1) of the Listing Rules. Accordingly, if the Possible Acquisition materialises, the Possible Acquisition will constitute a connected transaction of the Company under Chapter 14A of the Listing Rules.

**As the Possible Acquisition is subject to the result of the Listing-for-sale and the entering into of the equity transfer agreement and other transaction documents (if any) between the Company and Guangdong Holdings, the Possible Acquisition may or may not proceed. Shareholders and potential investors are advised to exercise caution when dealing in the Shares.**

## **BACKGROUND**

On 26 October 2021, Guangdong Holdings (being the ultimate controlling shareholder of the Company) listed 2% of the equity interest in the Target Company (being a direct wholly-owned subsidiary of Guangdong Holdings) for sale through the Guangdong United Assets and Equity Exchange (廣東聯合產權交易中心) (the “**Listing-for-sale**”). The reserve price for the Sale Equity is RMB11,010,366 (equivalent to approximately HK\$13,411,000) (the “**Reserve Price**”).

On 22 November 2021, the Company submitted a bid for the acquisition of the Sale Equity from Guangdong Holdings (the “**Possible Acquisition**”). If the Company is successful in its bid under the Listing-for-sale and enters into the relevant equity transfer agreement and other relevant transaction documents (if any) in respect of the Possible Acquisition with Guangdong Holdings, the Company will make further announcement pursuant to the requirements of the Listing Rules.

## **SUBMISSION OF BID FOR THE POSSIBLE ACQUISITION**

Details of the Company's Bid are set out below.

### **Submission date**

22 November 2021

### **Parties**

Bidder and purchaser : The Company

Vendor : Guangdong Holdings

### **Subject matter**

The registered capital of the Target Company is RMB315,000,000 (equivalent to approximately HK\$383,678,000). The Company has bid to acquire 2% of the entire equity interest of the Target Company, which is the unpaid capital of the Target Company in the amount of RMB6,300,000 (equivalent to approximately HK\$7,674,000) (the "**Sale Equity**").

### **Bid Price**

The Bid price is RMB11,010,366 (equivalent to approximately HK\$13,411,000) (the "**Bid Price**"), which is the same as the Reserve Price.

The Bid Price was determined based on the Reserve 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 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 Possible Acquisition" in this announcement.

The consideration for the Possible Acquisition is expected to be funded by internal resources of the Group.

### **Bid Deposit**

The deposit in the amount of RMB1,101,000 (equivalent to approximately HK\$1,341,000) (the "**Bid Deposit**") has been paid by the Company to the Guangdong United Assets and Equity Exchange.

If the Company is the successful bidder and enters into the relevant equity transfer agreement with Guangdong Holdings in relation to the Possible Acquisition, the Bid Deposit will be transferred to Guangdong Holdings as payment of part of the consideration for the Sale Equity by the Company. If the Company does not succeed in the Listing-for-sale, the Bid Deposit will be refunded in full to the Company within five business days from the date of confirmation of the successful bidder for the Sale Equity.

## **Result of the Listing-for-sale**

The closing date for the Listing-for-sale is 22 November 2021.

The successful bidder will receive notice from the Guangdong United Assets and Equity Exchange on or about 30 November 2021. Pursuant to the terms and conditions set out in the said notice from the Guangdong United Assets and Equity Exchange, the successful bidder shall enter into the relevant equity transfer agreement with Guangdong Holdings in relation to the Possible Acquisition.

## **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 and the remaining of its equity interest was indirectly owned by the People's Government of Panyu District, Guangzhou City. As at the date of this announcement, the entire equity interest of the Target Company is owned by Guangdong Holdings. 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\$66,815,000). Since then, Guangdong Holdings has made capital contribution to the Target Company in the amount of RMB100,000,000 (equivalent to approximately HK\$121,803,000).

The registered capital of the Target Company is RMB315,000,000 (equivalent to approximately HK\$383,678,000), of which RMB150,000,000 (equivalent to approximately HK\$182,704,000) was paid up and RMB165,000,000 (equivalent to approximately HK\$200,974,000) shall be paid to the Target Company by 31 December 2023 pursuant to the articles of association of the Target Company.

If the Possible Acquisition materialises, upon completion, the equity interest of the Target Company will be owned as to 98% by Guangdong Holdings and 2% by the Company.

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, set out below is the audited consolidated financial information of the Target Company for each of the two years ended 31 December 2020:

	<b>For the year ended 31 December 2019 (RMB)</b>	<b>For the year ended 31 December 2020 (RMB)</b>
Profit before income tax	9,908,781.20 (equivalent to approximately HK\$12,069,000)	73,945,989.59 (equivalent to approximately HK\$90,068,000)
Profit after income tax	4,562,399.46 (equivalent to approximately HK\$5,557,000)	60,370,349.95 (equivalent to approximately HK\$73,533,000)

Based on the audited consolidated financial statements of the Target Company for the six months ended 30 June 2021, as at 30 June 2021, the audited consolidated net asset value of the Target Company was RMB94,188,132.23 (equivalent to approximately HK\$114,724,000).

## **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 wholly-owned by the People's Government of Guangdong Province.

## **REASONS FOR AND BENEFITS OF THE POSSIBLE 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 Possible 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 Possible 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, if the Possible Acquisition materialises, the Possible Acquisition will constitute a connected transaction of the Company under Chapter 14A of the Listing Rules.

As the highest applicable percentage ratio in respect of the Bid Price calculated pursuant to the Listing Rules is more than 0.1% but all of the applicable percentage ratios are less than 5%, the Possible Acquisition, if it materialises, will be 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 and Ms. ZHU Guang, 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 Possible Acquisition. 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 Possible Acquisition.

**As the Possible Acquisition is subject to the result of the Listing-for-sale and the entering into of the equity transfer agreement and other transaction documents (if any) between the Company and Guangdong Holdings, the Possible Acquisition may or may not proceed. Shareholders and potential investors are advised to exercise caution when dealing in the Shares.**

## DEFINITIONS

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

“associates”	has the meaning ascribed to it under the Listing Rules
“Bid”	the bid submitted by the Company on 22 November 2021 for the acquisition of the Sale Equity from Guangdong Holdings, details of which are set out in the section headed “Submission of Bid for the Possible Acquisition” in this announcement
“Bid Deposit”	has the meaning ascribed to it under the section headed “Submission of Bid for the Possible Acquisition – Bid Deposit” in this announcement
“Bid Price”	has the meaning ascribed to it under the section headed “Submission of Bid for the Possible Acquisition – Bid Price” in this announcement
“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
“controlling shareholder(s)”	has the meaning ascribed to it under the Listing Rules
“Director(s)”	the director(s) of the Company
“Group”	the Company and its subsidiaries
“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
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange, as amended from time to time
“Listing-for-sale”	has the meaning ascribed to it under the section headed “Background” in this announcement
“percentage ratio(s)”	has the meaning ascribed to it under the Listing Rules
“Possible Acquisition”	the possible acquisition of the Sale Equity by the Company from Guangdong Holdings
“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
“Reserve Price”	has the meaning ascribed to it under the section headed “Background” in this announcement
“RMB”	Renminbi, the lawful currency of the PRC
“Sale Equity”	has the meaning ascribed to it under the section headed “Submission of Bid for the Possible Acquisition – 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 and a direct wholly-owned subsidiary of Guangdong Holdings
“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 RMB0.8210 (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, 22 November 2021

*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.*