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

(Incorporated in Bermuda with limited liability)
(Stock Code: 0124)

Major Transaction

**Main Contractor Construction Agreements in relation to the
Northern Land under the GDH City Project**

THE AGREEMENTS

The Board is pleased to announce that, upon the conclusion of a main contracting tender process for the selection of the main contractor for the construction of the Northern Land, on 11 September 2019, Guangdong Land Shenzhen (a wholly-owned subsidiary of the Company) entered into the Agreements with the Contractor in relation to the Construction of the Northern Land at the Consideration of RMB503,017,553.96 (equivalent to approximately HK\$556,743,000), subject to adjustments (if any) as set out below.

LISTING RULES IMPLICATIONS

Since one of the applicable percentage ratios in respect of the transactions contemplated under the Agreements exceeds 25% but all of them are less than 100%, the transactions contemplated under the Agreements shall constitute a major transaction for the Company under Chapter 14 of the Listing Rules and is subject to the approval by the Shareholders. Since no Shareholder is required to abstain from voting if the Company were to convene a special general meeting for the approval of the Agreements and the transactions contemplated thereunder, and the Company has obtained a written approval for the Agreements and the transactions contemplated thereunder from Guangdong Investment Limited (the controlling shareholder of the Company holding 1,263,494,221 Shares, representing approximately 73.82% of the issued share capital of the Company as at the date of this announcement), a special general meeting of the Company for the Agreements and the transactions contemplated thereunder is not required to be and will not be convened pursuant to Rule 14.44 of the Listing Rules.

A circular containing further details (including Letter from the Board) of the Agreements is expected to be despatched to the Shareholders on or before 3 October 2019.

A. INTRODUCTION

Reference is made to the circular of the Company dated 22 June 2016 in relation to the Buxin Project (now known as the GDH City Project), which set out the details of the GDH City Project. As disclosed in the announcement of the Company dated 22 August 2019 in respect of its unaudited interim results of the Group for the six months ended 30 June 2019, the Northern Land is under the second phase of the development of the GDH City Project and the properties thereon are expected to be filed for completion (竣工備案) in the second half of 2022 on current schedule.

The Board is pleased to announce that, upon the conclusion of a main contracting tender process for the selection of the main contractor for the construction of the Northern Land, on 11 September 2019, Guangdong Land Shenzhen (a wholly-owned subsidiary of the Company) entered into the Agreements with the Contractor in relation to the Construction of the Northern Land at the Consideration of RMB503,017,553.96 (equivalent to approximately HK\$556,743,000), subject to adjustments (if any) as set out below, of which the consideration of the basement and commercial shopping buildings works (Contractual Section I) shall be RMB329,952,110.08 (equivalent to approximately HK\$365,193,000) and the consideration of the office tower works (Contractual Section II) shall be RMB173,065,443.88 (equivalent to approximately HK\$191,550,000). More details of the Agreements are set out below.

B. THE AGREEMENTS

A summary of the salient terms of the Agreements is set out below:

Parties

Principal (發包人) : Guangdong Land Shenzhen, a wholly-owned subsidiary of the Company

Contractor (承包人) : China Construction Eighth Engineering Division Corp. Ltd.

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, the Contractor and its ultimate beneficial owner are not connected persons of the Company and thus they are third parties independent of the Group.

Subject matter

On 11 September 2019, the Contractor was appointed as the contractor for main contractor construction of the Northern Land (the “**Construction**”), inclusive of the basement and commercial shopping buildings works (Contractual Section I) as well as the office tower works (Contractual Section II), *inter alia*, secondary earth-and-stone works, anti-floating anchor works, main structural works (including basement structure), steel structure works, roofing works, waterproof works, curtain wall works prefabrication, buildings’ water supply and drainage works, siphon drainage and rainwater recycle, acoustic vibration isolation and noise reduction, electrical pipe and wire prefabrication, grounding prefabrication for lightning arrester, civil air defence works, decorative and fitting-out works, exterior pipe networking works, other sporadic works and etc.

Consideration and basis of determination of Consideration

The total consideration payable to the Contractor for the Construction shall be RMB503,017,553.96 (equivalent to approximately HK\$556,743,000) (the “**Consideration**”), of which the consideration of the basement and commercial shopping buildings works (Contractual Section I) shall be RMB329,952,110.08 (equivalent to approximately HK\$365,193,000) and the consideration of the office tower works (Contractual Section II) shall be RMB173,065,443.88 (equivalent to approximately HK\$191,550,000). If the volatility of wages and/or the prices of steel bars (excluding pre-stressed steel strands, rough decorative works and steel bars for electromechanical parts), shaped steel (excluding embedded parts, embedded bolts, laminated steel plates, rough decorative works and shaped steel for electromechanical parts), commodity concrete (excluding fine stone concrete, underwater concrete, rough decorative works and commodity concrete for electromechanical parts), commodity plastering mortar and ground mortar, aerated concrete blocks (including commodity masonry mortar when calculation of works’ quantity), stainless steel pipe, galvanized steel pipe and centrifugal cast iron pipe (collectively “**Major Materials**”) exceeds such percentage as stated in the Agreements or there is a change of works and permit after on-site inspections or there is a state policy adjustment to value-added tax rate, the Consideration may subject to adjustments pursuant to the corresponding mechanism under the Agreements.

The consideration of basement and commercial shopping buildings works (Contractual Section I) comprises (i) sub-project fees (分部分項工程費), including sub-project fees, management fees and other relevant fees for sub-projects of the works under the Construction as set out in the paragraph headed “Subject matter” above; (ii) measure fees (措施項目費), including safety and civilisation measure fees (安全文明施工措施費), concrete moulding and framework fees (混凝土模板及支架費) and other measure fees (inclusive of fees for miscellaneous construction and measure); (iii) levies and taxes (徵費及稅金) payable in relation to the Construction works under the applicable rules and regulations in the PRC; and (iv) tentative fees of professional civil air defence works (人防專業工程暫估價) (“**Professional Civil Air Defence Construction Tentative Fees**”). The consideration of the office tower works (Contractual Section II) comprises (i) sub-project fees (分部分項工程費) (together with sub-project fees under Contractual Section I, collectively “**Sub-project Fees**”),

including sub-project fees, management fees and other relevant fees for sub-projects of the works under the Construction as set out in the paragraph headed “Subject matter” above; (ii) measure fees (措施項目費) (together with measure fees under Contractual Section I, collectively “**Measure Fees**”), including safety and civilisation measure fees (安全文明施工措施費) (together with safety and civilisation measure fees under Contractual Section I, collectively “**Safety Measure Fees**”), concrete moulding and framework fees (混凝土模板及支架費) (together with concrete moulding and framework fees under Contractual Section I, collectively “**Concrete Moulding and Framework Fees**”) and other measure fees (together with other measure fees under Contractual Section I, collectively “**Other Measure Fees**”); (iii) levies and taxes payable (徵費及稅金) (together with levies and taxes in relation to the Construction under Contractual Section I, collectively “**Levies and Taxes**”) in relation to the Construction under the applicable rules and regulations in the PRC; and (iv) incentives for good quality and price (優質優價獎勵費) (“**Incentives for Good Quality and Price**”).

The Consideration shall be paid by Guangdong Land Shenzhen in cash in the manners set out below:

(i) *Prepayment*

upon signing of the Agreements, where the Contractor provides the letter from bank performance guarantee for the basement and commercial shopping buildings works (Contractual Section I) and the office tower works (Contractual Section II) respectively and applies for the prepayment of each of Contractual Sections, within 42 days upon receipt of the application, Guangdong Land Shenzhen shall pay RMB29,071,763.15 (equivalent to approximately HK\$32,177,000) in respect of the basement and commercial shopping buildings works (Contractual Section I), representing 10% of sub-project fees, measure fees, Professional Civil Air Defence Construction Tentative Fees and the relevant levies and taxes (net of the payment for safety and civilisation measure fees, construction insurance fees, Guangdong Land Shenzhen supplied materials and equipment fees, tentative fees and provisionally listed amounts involved in the basement and commercial shopping buildings works (Contractual Section I)) in respect of the basement and commercial shopping buildings works (Contractual Section I) under the Agreements; RMB16,404,443.71 (equivalent to approximately HK\$18,157,000) in respect of the office tower works (Contractual Section II), representing 10% of sub-project fees, measure fees, Incentives for Good Quality and Price and the relevant levies and taxes (net of the payment for safety and civilisation measure fees, construction insurance fees, Guangdong Land Shenzhen supplied materials and equipment fees, Incentives for Good Quality and Price, tentative fees and provisionally listed amounts involved in the office tower works (Contractual Section II)) in respect of the office tower works (Contractual Section II) under the Agreements; before making such payments, the Contractor shall issue the relevant tax invoice for each of the said amounts to Guangdong Land Shenzhen;

(ii) *Work Fees*

Sub-project Fees, Concrete Moulding and Framework Fees and the relevant Levies and Taxes (collectively “**Work Fees**”) (after deduction of the relevant fees) shall be paid by the following means:

- (1) where the Contractor lodges application for the work progress fees to the engineers and Guangdong Land Shenzhen at the monthly agreed time under the Agreements, upon review of the application for the work progress fees by the engineers and Guangdong Land Shenzhen for confirmation, Guangdong Land Shenzhen shall pay the work progress fees to the Contractor 80% of construction price in respect of the completed works (reviewed and confirmed by Guangdong Land Shenzhen) in that month after deduction of other deductible amounts;
- (2) if Guangdong Land Shenzhen confirms in writing that it is necessary to adjust the construction price for on-site permit and change of works, payment and deduction shall be made based on 80% of the construction price (reviewed and confirmed by Guangdong Land Shenzhen) in respect of the latest subsequent instalment of work progress fees;
- (3) after completion of the removal of external wall scaffolding, Guangdong Land Shenzhen shall pay to the Contractor the work progress fees up to 85% of construction price in respect of the completed works (total sum of Sub-project Fees, Concrete Moulding and Framework Fees, for on-site permit and change of works and the corresponding stipulated fees as well as tax payables) reviewed and confirmed by Guangdong Land Shenzhen after deduction of other deductible amounts; and
- (4) within the context of the Agreements, upon eligible inspection of completion and successful transmission of all works, relocation of all equipment, machineries, materials and other articles of the Contractor from the worksite and receipt of the certificate of compliance for works completion and inspection under the seal of the engineers and Guangdong Land Shenzhen for approval and transmission of the complete completion information to Guangdong Land Shenzhen, Guangdong Land Shenzhen shall pay to the Contractor the work progress fees up to 90% of construction price in respect of the completed works (total sum of Sub-project Fees, Concrete Moulding and Framework Fees, for on-site permit and change of works and the corresponding stipulated fees as well as tax payables) reviewed and confirmed by Guangdong Land Shenzhen after deduction of other deductible amounts;

(iii) *Safety Measure Fees and Other Measure Fees*

(1) *Safety Measure Fees*

Safety Measure Fees shall be paid by the following means:

- (a) upon signing of the Agreements, Guangdong Land Shenzhen shall pay 50% of the Safety Measure Fees after the assessment be passed by the engineers and Guangdong Land Shenzhen for safety and civilisation measures and measures' organisational design; and
- (b) upon delivery of works inspection information that passes inspection without occurrence of any safety incident, Guangdong Land Shenzhen shall pay the remaining 50% of the Safety Measure Fees;

(2) *Other Measure Fees*

- (a) for the basement and commercial shopping buildings works (Contractual Section I), Guangdong Land Shenzhen shall pay 5% of the sub-project items' progress fees (excluding tax) confirmed in that month while the accumulated payment amount of the progress fees for other measure fees shall not exceed 80% of total other measure fees; for the office tower works (Contractual Section II), Guangdong Land Shenzhen shall pay 9% of the sub-project items' progress fees (excluding tax) confirmed in that month while the accumulated payment amount of the progress fees for other measure fees shall not exceed 80% of total other measure fees; and
- (b) for the basement and commercial shopping buildings works (Contractual Section I) and the office tower works (Contractual Section II), Guangdong Land Shenzhen shall pay to the Contractor up to 90% of total Other Measure Fees under the Agreements upon eligible inspection of completion of the works, receipt of the certificate of compliance for works completion and inspection under the seal of the engineers and Guangdong Land Shenzhen for approval and delivery of the complete information to Guangdong Land Shenzhen;

Levies and Taxes corresponding to such measure fees shall be paid according to the relevant policy and requirements in conjunction with the said relevant payments;

(iv) *Management Fees*

Management Fees (after deduction of the relevant fees) of each single professional work shall be paid by the following means:

- (1) upon access by the Contractor for such professional construction, Guangdong Land Shenzhen shall pay to the Contractor 20% of the Management Fees corresponding to such professional construction;
- (2) upon eligible inspection of completion of such professional construction, receipt of the construction works completion inspection filing notice and delivery of the complete completion information to Guangdong Land Shenzhen, up to 90% of the Management Fees corresponding to such professional construction shall be paid; and
- (3) up to 97% of the Management Fees corresponding to such professional construction shall be paid upon settlement of completion of such professional construction but Guangdong Land Shenzhen considers that the deductible amount(s) shall be deducted in the same period;

(v) *Remainder of the Consideration*

Remainder of the Consideration shall be paid by the following means:

- (1) upon confirmation of eligible inspection of completion by both parties, the Contractor submits settlement information as required under the provisions of the Agreements. Upon review and issue of written confirmation of the construction price for settlement of completion of construction works by Guangdong Land Shenzhen, the Contractor shall apply to Guangdong Land Shenzhen for payment for settlement of completion of works while Guangdong Land Shenzhen shall pay to the Contractor up to 97% payment for settlement of completion of works (confirmed by Guangdong Land Shenzhen in writing); and
- (2) the remaining 3% of such consideration, being quality bond, shall be paid to the Contractor after deduction of deductible amounts upon the earlier of works quality warranty period or eligible inspection of completion of construction works.

(vi) *Professional Civil Air Defence Construction Tentative Fees*

Such consideration shall only be applicable to the basement and commercial shopping buildings works (Contractual Section I) and shall be confirmed jointly by the Contractor and Guangdong Land Shenzhen by way of separate tender. Given that the approved documents related to work specifications and scale such as construction plan from the relevant department(s) have been obtained, the existing tentative fees estimated by the Contractor and Guangdong Land Shenzhen in respect of such construction shall amount to RMB30,000,000 (equivalent to approximately HK\$33,204,000). Contractual Section I has not specified the payment terms for such part with the specific

payment method(s) and consideration to be confirmed and adjusted (if any) at the time of further tender.

(vii) *Incentives for Good Quality and Price*

Such consideration shall only be applicable to the office tower works (Contractual Section II) and shall be paid subject to the following conditions:

- (1) the Contractor shall exercise based on the quality requirements in Contractual Section II and have responsibility to report to the relevant institution(s) the related information about “Shenzhen Quality Structural Engineering Award” and “Quality Structure Award for Guangdong Construction Works” after the completion of filing (竣工備案). The Contractor, who fails to obtain “Shenzhen Quality Structural Engineering Award” for the relevant construction, shall pay to Guangdong Land Shenzhen RMB1,000,000 (equivalent to approximately HK\$1,107,000); and if the Contractor obtains “Quality Structure Award for Guangdong Construction Works” for the relevant construction, Guangdong Land Shenzhen shall pay RMB3,000,000 (equivalent to approximately HK\$3,320,000) to the Contractor; and
- (2) the Contractor shall allocate and manage on-site safety facilities based on such safety management targets as agreed in Contractual Section II and have responsibility to report to the relevant institution(s) the related information about “Decent Worksite for Safe Production and Civilised Operation of Construction Works in Shenzhen” and “Sample Worksite for Safe Production and Civilised Operation of Housing Municipal Works in Guangdong” after the completion of filing. The Contractor, who obtains the title of “Decent Worksite for Safe Production and Civilised Operation of Construction Works in Shenzhen” for the relevant construction, shall be returned by Guangdong Land Shenzhen 50% of the received penalty for safety and civilised operation (if any); the Contractor, who fails to obtain the title of “Decent Worksite for Safe Production and Civilised Operation of Construction Works in Shenzhen” for the relevant construction, shall pay to Guangdong Land Shenzhen RMB1,000,000 (equivalent to approximately HK\$1,107,000); and if the Contractor obtains the honorary title of “Sample Worksite for Safe Production and Civilised Operation of Housing Municipal Works in Guangdong” for the relevant construction, Guangdong Land Shenzhen shall pay RMB1,000,000 (equivalent to approximately HK\$1,107,000) to the Contractor.

For each of the payments under Work Fees and Measure Fees above, such payment shall be made within 30 days from receipt of the tax invoice for the relevant payment by Guangdong Land Shenzhen from the Contractor.

The Consideration is expected to be funded by the internal resources and/or borrowings of the Group.

The Consideration was determined based on the bidding price offered by the Contractor.

Adjustment mechanism for the Consideration

The Consideration may be adjusted based on the relevant mechanism under the Agreements:

(i) *Price Fluctuations of Wages and/or Major Materials*

In accordance with the requirements of the Agreements, when the price fluctuations (not caused by the Contractor) of wages and/or Major Materials (based on the price quoted in “Shenzhen Construction Works Price Information” (《深圳建設工程價格信息》)) exceeds $\pm 5\%$, the Consideration will be subject to corresponding adjustment while the adjusted amounts shall be determined based on the relevant price fluctuations, the relevant works quantity/materials quantity and the applicable tax rate.

(ii) *Value-added tax rate adjustments according to the PRC government policy*

According to the terms of the Agreements, in the event that there is any adjustment to the applicable value-added tax rate according to the PRC government policy, the adjusted value-added tax rate would be adopted (and reflected in the value-added tax invoices to be issued by the Contractor), and the amount of the adjustment shall be calculated based on the project price under the Agreements and the difference between the then original and the adjusted value-added tax rates at the relevant time.

(iii) *Change of Works and Permit after On-site Review*

The Contractor will submit the changed works price list (including detailed budget of works accompanied with changed budgetary breakdown inclusive of complete changed works quantity calculation sheet and comprehensive order price analysis table) to the engineers within 14 days upon receipt of work change instruction, and the engineers forward the same to Guangdong Land Shenzhen upon review and signature of the express opinion. The changed work fees are confirmed upon the approval of the engineers and Guangdong Land Shenzhen.

The Contractor has the on-site permit originated and submitted to the engineers with permit budget, accompanied with budgetary breakdown of the permit including complete permitted works quantity calculation sheet and comprehensive order price analysis table, and the engineers forward the same to Guangdong Land Shenzhen upon review and signing of the express opinion. Guangdong Land Shenzhen shall review and confirm the permitted work fees pursuant to the agreed terms of the Agreements.

According to the terms of the Agreements, the relevant adjustment shall be made in the following manners:

- (1) whether there is an identically or similarly applicable item in the Agreements shall be first referred to and, if any, such price shall be used as its price determination basis;
- (2) if there is no identically or similarly applicable item in the Agreements, such price shall be arrived at on the bases of the comprehensive order price calculated in compliance with the basis or requirements issued by the relevant official department(s) such as “Fixed Consumption for Prefabricated Construction Works (2016)” (《装配式建筑工程消耗量定额 (2016)》), “Fixed Consumption for Construction Works in Shenzhen (2016)” (《深圳市建筑工程消耗量定额 (2016)》) and “Fixed Operating Mechanical Capacity per 8-hour Shift for Construction Works in Shenzhen (2014)” (《深圳市建设工程施工机械台班定额 (2014)》) in the PRC and of the price calculation method(s) as agreed under the Agreements, including labour cost, material fee, and mechanical order price are all followed in accordance with “Shenzhen Construction Works Price Information” (《深圳建设工程价格信息》) issued by the Shenzhen Construction Engineering Costs Management Department (深圳市建设工程造价管理站) in current period of month of bidding deadline. If “Shenzhen Construction Works Price Information” (《深圳建设工程价格信息》) (in current period of month of bidding deadline) has no such materials and equipment order price, such materials and equipment order price shall be jointly negotiated and confirmed among Guangdong Land Shenzhen, the engineers and the Contractor with reference to their market prices; and
- (3) if the quotation for the works quantity list of the Agreements is without identical or similar and related item(s) of fixed amount and there is no information available for reference to the benchmarks or regulations issued by the relevant official departments of the PRC, such prices shall be jointly negotiated and confirmed among Guangdong Land Shenzhen, the engineers and the Contractor with reference to their market prices.

(iv) Professional Civil Air Defence Construction Tentative Fees

As stated in “B. THE AGREEMENTS - Consideration and basis of determination of Consideration – (vi) Professional Civil Air Defence Construction Tentative Fees”, this consideration shall be the existing tentative fees estimated by the Contractor and Guangdong Land Shenzhen with the specific payment method(s) and consideration to be confirmed and adjusted (if any) at the time of further tender.

The above adjustments (if any) under items (i) and (ii) would be the result of the fluctuation in prices of the materials or adjustments of the value-added tax rate due to the PRC government policy (both of such adjustments could be upward or downward), which are not within the control of both parties to the Agreements. The relevant adjustment (if any) as abovementioned in item (iii) is slight and insignificant due to design and actual situation and therefore the Company considers that the relevant adjustments (if any) will not cause such Consideration to be increased

significantly. The tentative fees in item (iv) above shall be estimated based on the approved documents related to work specifications and scale such as construction plan from the relevant department(s) and therefore the Company considers that a possibly slight adjustment to such Consideration at the time of tender will not even cause such Consideration to be increased significantly.

Other terms

The Agreements have become effective on the date of this announcement.

The construction (Contractual Section I) is expected to be completed in September 2021 and the construction (Contractual Section II) in February 2022.

Guarantee

The Contractor shall give an irrevocable guarantee in favour of Guangdong Land Shenzhen in respect of the performance of the duties under the Agreements by the Contractor, up to a maximum amount of 10% of contractual tentative total price (net of the Incentives for Good Quality and Price, the Professional Civil Air Defence Construction Tentative Fees and the provisionally listed amounts) under each of Contractual Sections of the Agreements, being RMB29,995,211.01 (equivalent to approximately HK\$33,199,000) for the basement and commercial shopping buildings works (Contractual Section I) and RMB16,906,544.39 (equivalent to approximately HK\$18,712,000) for the office tower works (Contractual Section II), for the period from the date of the Agreements to 28 days after passing of specific inspection of the works for the Northern Land, submission of all work completion information and issue of proof of delivery of the works for the Northern Land.

C. REASONS FOR AND BENEFITS OF ENTERING INTO THE AGREEMENTS

As disclosed in the circular of the Company dated 22 June 2016, the Group has acquired the GDH City Land in June 2016 with a purpose to develop the GDH City Project, being a multi-functional commercial complex with jewellery as the main theme. Guangdong Land Shenzhen selected the Contractor as the main constructor for the Construction through open tender.

Based on the following reasons, the Board (including the independent non-executive Directors) considers that the terms and conditions (including Adjustment Mechanism for the Consideration) of the Agreements and are fair and reasonable, on normal commercial terms and are in the interests of the Company and the Shareholders as a whole.

- (1) Guangdong Land Shenzhen employed the Contractor for the provision of services as mentioned in the Agreements through open tender, being an open and transparent process. Besides, the Company understands that the Contractor has extensive experience in the construction business in the PRC. The Directors believe that engaging the Contractor to carry out the Construction would allow the Group to successfully leverage on the technical expertise and experience of the Contractor and believe that the Construction

will be completed up to the standard as required by Guangdong Land Shenzhen, without devoting the manpower and internal resources of the Group to the Construction, thereby minimising the management and operational costs.

- (2) As the construction period under the Agreements is relatively long, Guangdong Land Shenzhen and the Contractors could not accurately estimate the fluctuations of wages and prices of the Major Materials of the Construction at the time of entering into the Agreements. Thus, the two-way adjustment mechanism as mentioned above based on the price quoted in “Shenzhen Construction Works Price Information” (《深圳建設工程價格信息》) is an usual market practice and fair and reasonable to both parties. The adjustment mechanism was formulated with reference to the relevant requirements of “Code of Valuation with Bill Quantity of Construction Works” (《建設工程工程量清單計價規範》) as promulgated by the Ministry of Housing and Urban-Rural Development of the PRC (中國住房和城鄉建設部).
- (3) For an adjustment due to a change of value-added tax rate, such adjustment would be due to a change in the relevant PRC government policy. Guangdong Land Shenzhen, as a company incorporated in the PRC, must comply with the relevant laws and regulations. Accordingly, such adjustment event is beyond the control of both parties to the Agreements.
- (4) If the Contractors were to bear the additional costs in relation to the said fluctuations of wages and/or the prices of Major Materials or changes in the value-added tax rate, Guangdong Land Shenzhen might need to accept higher bidding prices (hence higher costs to the Group) or fewer bidders would participate in the tenders for the Construction.
- (5) As it is usual to request change of works during the course of works so as to ensure the flexibility of the Construction, an adjustment mechanism as described in the section entitled “B. THE AGREEMENTS - Adjustment mechanism for the Consideration – (iii) Change of Works and Permit after On-site Review” shall be, in particular, added into the Agreements and while the relevant adjustment mechanism for the Consideration is customary and fair and reasonable to both parties to the Agreements. In addition, since it is necessary for the Construction to obtain an approval of the documents related to work specifications and scale such as construction plan from the relevant governmental authority(ies) of the PRC before implementation, none of such changes of works can be significantly modified and will lead to significant increase in such Consideration.
- (6) Such consideration in “B. THE AGREEMENTS - Consideration and basis of determination of Consideration – (vi) Professional Civil Air Defence Construction Tentative Fees” shall be the existing tentative fees estimated by the Contractor and Guangdong Land Shenzhen with the specific payment method(s) and consideration to be confirmed and adjusted (if any) at the time of further tender. Such consideration shall be confirmed jointly by the Contractor and Guangdong Land Shenzhen by way of separate tender and if the bid price is significantly different from the existing tentative fees,

Guangdong Land Shenzhen shall be entitled not to adopt such bidding so as to prevent the Consideration from significant increase.

The possibility of the transactions being re-classified as transactions of a higher category under Chapter 14 of the Listing Rules as a result of adjustment to the Consideration (if any) is very low. In the event that the transactions, after such price adjustments, contemplated under the Agreements would fall into a higher transaction threshold classification under Chapter 14 of the Listing Rules as a result of an adjustment to the Consideration, the Company would re-comply with the relevant Listing Rules.

D. INFORMATION ON THE GROUP

The Group is principally engaged in property development and investment businesses.

E. INFORMATION ON THE CONTRACTOR

The Company understands that the Contractor is principally engaged in the construction general contracting, engineering general contracting and project management businesses of housing construction, highway, railway, municipal and public utilities, ports and waterways, water conservancy and hydropower.

F. LISTING RULES IMPLICATIONS

Since one of the applicable percentage ratios (as defined in Rule 14.07 of the Listing Rules) in respect of the transactions contemplated under the Agreements exceeds 25% but all of them are less than 100%, the transactions contemplated under the Agreements shall constitute a major transaction for the Company under Chapter 14 of the Listing Rules and is subject to the approval by the Shareholders. Since no Shareholder is required to abstain from voting if the Company were to convene a special general meeting for the approval of the Agreements and the transactions contemplated thereunder, and the Company has obtained a written approval for the Agreements and the transactions contemplated thereunder from Guangdong Investment Limited (the controlling shareholder of the Company holding 1,263,494,221 Shares, representing approximately 73.82% of the issued share capital of the Company as at the date of this announcement), a special general meeting of the Company to approve the Agreements and the transactions contemplated thereunder is not required to be and will not be convened pursuant to Rule 14.44 of the Listing Rules.

G. DESPATCH OF CIRCULAR

A circular containing further details of the Agreements is expected to be despatched to the Shareholders on or before 3 October 2019.

H. DEFINITIONS

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

“Agreements”	Yuecai City Northern Land Works Main Contractor Construction Agreements (悅彩城(北地塊)建築施工總承包工程合同) (Contractual Section I) and (Contractual Section II) dated 11 September 2019 between Guangdong Land Shenzhen and the Contractor in respect of the main contractor construction of the Northern Land
“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
“Concrete Moulding and Framework Fees”	has the meaning ascribed to it under the section headed “B. THE AGREEMENTS – Consideration and basis of determination of Consideration” in this announcement
“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 AGREEMENTS – Consideration and basis of determination of Consideration” in this announcement
“Construction”	has the meaning ascribed to it under the section headed “B. THE AGREEMENTS – Subject matter” in this announcement
“Contractor”	China Construction Eighth Engineering Division Corp. Ltd. (中國建築第八工程局有限公司), a company established in the PRC
“Director(s)”	the director(s) of the Company
“GDH City Land”	a plot of land located in the Buxin Area (布心片區), Luohu District, Shenzhen, the PRC to be developed under the GDH City Project (for details, please refer to the circular of the Company dated 22 June 2016)
“GDH City Project”	the development project of a multi-functional commercial complex with the jewellery as the main theme (for details, please refer to the circular of the Company dated 22 June 2016), which is a marketing name used by the Group for promoting the Buxin Project
“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 with limited liability 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
“Incentives for Good Quality and Price”	has the meaning ascribed to it under the section headed “B. THE AGREEMENTS – Consideration and basis of determination of Consideration” in this announcement
“Levies and Taxes”	has the meaning ascribed to it under the section headed “B. THE AGREEMENTS – Consideration and basis of determination of Consideration” in this announcement
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange, as amended from time to time
“Major Materials”	has the meaning ascribed to it under the section headed “B. THE AGREEMENTS – Consideration and basis of determination of Consideration” in this announcement
“Measure Fees”	has the meaning ascribed to it under the section headed “B. THE AGREEMENTS – Consideration and basis of determination of Consideration” in this announcement
“Northern Land”	the northern part of the GDH City Land (designated as land number H409-0092) (for details, please refer to the circular of the Company dated 22 June 2016)
“Other Measure Fees”	has the meaning ascribed to it under the section headed “B. THE AGREEMENTS – Consideration and basis of determination of Consideration” in this announcement
“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
“Professional Civil Air Defence Construction Tentative Fees”	has the meaning ascribed to it under the section headed “B. THE AGREEMENTS – Consideration and basis of determination of Consideration” in this announcement
“RMB”	Renminbi, the lawful currency of the PRC

“Safety Measure Fees”	has the meaning ascribed to it under the section headed “B. THE AGREEMENTS – Consideration and basis of determination of Consideration” 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
“Sub-project Fees”	has the meaning ascribed to it under the section headed “B. THE AGREEMENTS – Consideration and basis of determination of Consideration” in this announcement
“Work Fees”	has the meaning ascribed to it under the section headed “B. THE AGREEMENTS – Consideration and basis of determination of Consideration” in this announcement
“%”	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 RMB0.9035. 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, 11 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.