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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 Agreement in relation to
the Southern Land under the GDH City Project**

THE AGREEMENT

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 Southern Land, on 18 November 2019, Guangdong Land Shenzhen (a wholly-owned subsidiary of the Company) entered into the Agreement with the Contractor in relation to the Construction of the Southern Land at the Consideration of RMB626,083,681.73 (equivalent to approximately HK\$699,848,000), 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 Agreement exceeds 25% but all of them are less than 100%, the transactions contemplated under the Agreement 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 Agreement and the transactions contemplated thereunder, and the Company has obtained a written approval for the Agreement 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 Agreement 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 Agreement is expected to be despatched to the Shareholders on or before 9 December 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 Company's interim report for the six months ended 30 June 2019 published on 25 September 2019, the Southern 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 2023 based 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 Southern Land, on 18 November 2019, Guangdong Land Shenzhen (a wholly-owned subsidiary of the Company) entered into the Agreement with the Contractor in relation to the Construction of the Southern Land at the Consideration of RMB626,083,681.73 (equivalent to approximately HK\$699,848,000), subject to adjustments (if any) as set out below. More details of the Agreement are set out below.

B. THE AGREEMENT

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

Parties

- Principal (發包人) : Guangdong Land Shenzhen, a wholly-owned subsidiary of the Company
- Contractor (承攬人) : 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 18 November 2019, the Contractor was appointed as the contractor for main contractor construction of the Southern Land (the "**Construction**"). The Group has considered the quotations, specialised technological know-hows, equipment, construction plan, proposed construction period, experience and other factors of all bidders for the determination of the successful bidder, among which the quotation and the bidders' relevant experience in carrying out construction works of comparable scale and complexity (i.e. constructing office buildings of around 300 metres in

height) were the major factors considered by the Group. After conducting an overall evaluation of the tender proposals, the Construction was awarded to the Contractor on the basis that it obtained the most votes from the Group's tender evaluation committee.

Pursuant to the Agreement, the scope of the Construction shall include the basement and commercial shopping buildings works as well as the office tower works, 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 prefabrication, electrical pipe and wire prefabrication, intelligence prefabrication, ventilation and air-conditioning prefabrication, grounding prefabrication for lightning arrester, decorative and fitting-out works, wall vibration isolation and noise reduction, other sporadic works and etc.

Consideration and basis of determination of Consideration

The total consideration payable to the Contractor for the Construction shall be RMB626,083,681.73 (equivalent to approximately HK\$699,848,000) (the "**Consideration**"). If the volatility of wages, 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) (collectively "**Major Materials**") exceeds such percentage as stated in the Agreement 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 Agreement.

The Consideration comprises (i) sub-project fees (分部分項工程費) ("**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) ("**Measure Fees**"), including safety and civilisation measure fees (安全文明施工措施費) ("**Safety Measure Fees**"), concrete moulding and framework fees (混凝土模板及支架費) ("**Concrete Moulding and Framework Fees**") and other measure fees ("**Other Measure Fees**"); (iii) levies and taxes (徵費及稅金) ("**Levies and Taxes**") payable in relation to the works 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 Agreement, where the Contractor provides the letter from bank performance guarantee and applies for the prepayment, within 42 days upon receipt of the application, Guangdong Land Shenzhen shall pay RMB60,338,461.37 (equivalent to approximately HK\$67,447,000), representing 10% of the aggregate of Sub-project Fees, Measure Fees, Incentives for Good Quality and Price and the relevant Levies and Taxes (net of the payment for Safety Measure Fees, Guangdong Land Shenzhen supplied materials and equipment fees, Incentives for Good Quality and Price, tentative fees and provisionally listed amounts (if any)) under the Agreement; 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 Agreement, upon the review and confirmation of the application for the work progress fees by the engineers and Guangdong Land Shenzhen, Guangdong Land Shenzhen shall pay to the Contractor the work progress fees, which is 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 or deduction shall be made to the 80% of the construction price (reviewed and confirmed by Guangdong Land Shenzhen) of the latest subsequent instalment of work progress fees;
- (3) upon completion of the removal of external wall scaffolding, Guangdong Land Shenzhen shall pay to the Contractor the work progress fees up to 85% of the accrued 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;
- (4) within the context of the Agreement, upon completion inspection of works under level one is conducted and passed, the Contractor may apply to Guangdong Land Shenzhen for settlement in phases. After the review of the settlement amount in phases by Guangdong Land Shenzhen, Guangdong Land Shenzhen shall pay 85% of the settlement amount in phases confirmed by both the Contractor and Guangdong Land Shenzhen; and

- (5) within the context of the Agreement, upon completion inspection of all works is conducted and passed and successful delivery 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 approved under the seal of the engineers and Guangdong Land Shenzhen and delivery 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 the accrued 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 Agreement, Guangdong Land Shenzhen shall pay 50% of the Safety Measure Fees after the proposal on safety and civilisation measures and construction organisational design be assessed and passed by the engineers and Guangdong Land Shenzhen; 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) Guangdong Land Shenzhen shall pay 12% 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) Guangdong Land Shenzhen shall pay to the Contractor up to 90% of total Other Measure Fees under the Agreement upon completion inspection of the works is conducted and passed, receipt of the certificate of compliance for works completion and inspection approved under the seal of the engineers and Guangdong Land Shenzhen 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 the contractor for such professional construction has gained access to the site, Guangdong Land Shenzhen shall pay to the Contractor 20% of the management fees corresponding to such professional construction;
- (2) upon completion inspection of such professional construction is conducted and passed, receipt of the construction works completion inspection filing notice and delivery of the complete completion information to Guangdong Land Shenzhen, Guangdong Land Shenzhen shall pay to the Contractor up to 90% of the management fees corresponding to such professional construction; 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 completion inspection is conducted and passed by both parties, the Contractor submits settlement information as required under the provisions of the Agreement. Upon review and issue of written confirmation of the construction price for settlement of completion of the Construction 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 the Consideration, being quality bond, shall be paid to the Contractor after deduction of deductible amounts upon the expiration of works quality warranty period or the completion inspection of the Construction is conducted and passed, whichever is later;

Note: In general, a warranty period for decorative and fitting-out works is two years. For waterproof related matters, the warranty period is five years. For the foundation and the main structure, the warranty shall cover a reasonable period of usage as per detailed design documentations. Warranty period on other works shall be as required under the relevant rules and regulations of Shenzhen and the PRC (if the relevant rules and

regulations are silent on the warranty period, the warranty period for such works shall be two years).

(vi) *Incentives for Good Quality and Price*

Such consideration shall be paid subject to the following conditions:

- (1) the Contractor shall conduct the works in accordance with the quality requirements specified in the Agreement and have responsibility to report to the relevant institution(s) the related information about “Quality Structure Award for Guangdong Construction Works” and “National Quality Engineering Award” after the completion of filing (竣工備案). The Contractor, who fails to obtain “Quality Structure Award for Guangdong Construction Works” for the relevant construction, shall pay to Guangdong Land Shenzhen RMB1,000,000 (equivalent to approximately HK\$1,118,000); and if the Contractor obtains “National Quality Engineering Award” for the relevant construction, Guangdong Land Shenzhen shall pay RMB3,000,000 (equivalent to approximately HK\$3,353,000) to the Contractor; and
- (2) the Contractor shall allocate and manage on-site safety facilities based on such safety management targets as agreed in the Agreement and have responsibility to report to the relevant institution(s) the related information about “Sample Worksite for Safe Production and Civilised Operation of Housing Municipal Works in Guangdong” and “National AAA Grade Safe and Civilised Standardised Worksite” after the completion of filing. If the Contractor obtains the title of “Sample Worksite for Safe Production and Civilised Operation of Housing Municipal Works in Guangdong” for the relevant construction, Guangdong Land Shenzhen shall then return 50% of the penalty for safety and civilised operation received (if any) to the Contractor; the Contractor, who fails to obtain the title of “Sample Worksite for Safe Production and Civilised Operation of Housing Municipal Works in Guangdong” for the relevant construction, shall pay to Guangdong Land Shenzhen RMB1,000,000 (equivalent to approximately HK\$1,118,000); and if the Contractor obtains the honorary title of “National AAA Grade Safe and Civilised Standardised Worksite” for the relevant construction, Guangdong Land Shenzhen shall pay RMB1,000,000 (equivalent to approximately HK\$1,118,000) to the Contractor.

The Company considers that the abovementioned “incentive mechanism” is in the Group’s interest, as winning the awards and titles would help create a better branding for the Group and have a positive impact on the marketing of the GDH City Project. On the basis of the above, the Board (including the independent non-executive Directors) considers that it is fair and reasonable and in the interests of the Company to provide such an incentive 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.

The Agreement was based on “Shenzhen construction project construction contract” (《深圳市建設工程施工合同》), a standard form construction contract published by Shenzhen Construction Engineering Costs Management Station (深圳市建設工程造價管理站). Such standard form construction contract is widely used in construction projects of similar scale in Shenzhen and the payment terms for each part of the Consideration have followed the terms of such standard form construction contract. On that basis, the Board (including the independent non-executive Directors) considers that the payment terms for each part of the Consideration are in line with the market and industry practice for projects with similar scale and are on normal commercial terms and in the interests of the Company and the Shareholders as a whole.

Adjustment mechanism for the Consideration

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

(i) *Price fluctuations of wages and/or Major Materials*

According to the requirements of the Agreement, 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 Agreement, 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 Agreement and the difference between the then original and the adjusted value-added tax rates.

(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 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 shall forward the same to Guangdong Land Shenzhen upon review and signing 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 budget including complete permitted works quantity calculation sheet and comprehensive order price analysis table, and the engineers shall 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 Agreement.

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

- (1) whether there is an identical or similar applicable item in the Agreement shall be first referred to and, if any, such price shall be used as the basis of price determination.
- (2) if there is no identical or similar applicable item in the Agreement, 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 Agreement. The labour cost, material fee, and mechanical order price shall follow “Shenzhen Construction Works Price Information” (《深圳建设工程价格信息》) issued by the Shenzhen Construction Engineering Costs Management Station (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.

- (3) if the quotation for the works quantity list of the Agreement does not have any identical or similar and related fixed amount item(s) 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.

The above adjustments (if any) under items (i) and (ii) would be the result of the fluctuation in wages and/or the 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 Agreement. The relevant adjustments (if any) as abovementioned in item (iii) are the slight and insignificant changes needed in light of the design and/or actual situation and therefore the Company considers that the relevant adjustments (if any) will not cause the Consideration to be increased significantly.

The Agreement does not include any cap on the maximum Consideration after adjustments and the Company is of the view that it is not a market practice to include such a cap in construction contracts of similar scale and nature in Shenzhen.

Other terms

The Agreement has become effective on the date of this announcement.

Under the Agreement, the construction period is expected to be 948 calendar days and the Construction is therefore expected to be completed in July 2022.

Guarantee

The Contractor shall deliver an irrevocable guarantee in favour of Guangdong Land Shenzhen in respect of the performance of the duties under the Agreement by the Contractor, up to a maximum amount of 10% of contractual tentative total price (net of the Incentives for Good Quality and Price, tentative fees and provisionally listed amounts (if any)) of the Agreement, being RMB62,208,368.17 (equivalent to approximately HK\$69,538,000), for the period from the date of the Agreement up to 28 days after the passing of specific completion inspection of the works, submission of all work completion information and issue of proof of delivery of the works.

Based on the Group's experience, performance guarantees are typically set at 10% of the contract value in transactions of similar scale and nature in Shenzhen including but not limited to the Group's construction contract in relation to the development of Northwestern Land and the Northern Land (for further details, please refer to the Company's circulars dated 19 June 2017 and 26 October 2019). The Group has also taken into account the financial strength of the Contractor and is of the view that the possibility for the Contractor becoming insolvent before completing the Construction is relatively low and therefore the considered amount of Guarantee is sufficient to protect the Group's interests.

On the basis of the above, the Board (including the independent non-executive Directors) considers that the guarantee is fair and reasonable and in the interests of the Company and the Shareholders as a whole.

C. REASONS FOR AND BENEFITS OF ENTERING INTO THE AGREEMENT

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 the adjustment mechanism for the Consideration) 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.

- (1) Guangdong Land Shenzhen employed the Contractor for the provision of services as mentioned in the Agreement 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 Agreement is relatively long, Guangdong Land Shenzhen and the Contractor could not accurately estimate the fluctuations of wages and prices of the Major Materials of the Construction at the time of entering into the Agreement. 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 to the Agreement. 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 Agreement.
- (4) If the Contractor was 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) Variation requests are not uncommon during the course of construction. To ensure the flexibility of the Construction, an adjustment mechanism as described in the section entitled “B. THE AGREEMENT — Adjustment mechanism for the Consideration – (iii) Change of works and permit after on-site review” is, in particular, added into the Agreement and while the relevant adjustment mechanism for the Consideration is customary and fair and reasonable to both parties to the Agreement. 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 the Consideration.

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 Agreement 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 Agreement exceeds 25% but all of them are less than 100%, the transactions contemplated under the Agreement 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 Agreement and the transactions contemplated thereunder, and the Company has obtained a written approval for the Agreement 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 Agreement 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 (including Letter from the Board) of the Agreement is expected to be despatched to the Shareholders on or before 9 December 2019.

H. DEFINITIONS

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

“Agreement”	Guangdong Land Building Works Main Contractor Construction Agreement (粵海置地大廈建築施工總承包工程合同) dated 18 November 2019 between Guangdong Land Shenzhen and the Contractor in respect of the main contractor construction of the Southern 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 AGREEMENT – 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 AGREEMENT – Consideration and basis of determination of Consideration” in this announcement
“Construction”	has the meaning ascribed to it under the section headed “B. THE AGREEMENT – 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 AGREEMENT – 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 AGREEMENT – 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 AGREEMENT – Consideration and basis of determination of Consideration” in this announcement
“Measure Fees”	has the meaning ascribed to it under the section headed “B. THE AGREEMENT – Consideration and basis of determination of Consideration” in this announcement
“Southern Land”	the southern part of the GDH City Land (designated as land number H409-0011) (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 AGREEMENT – 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
“RMB”	Renminbi, the lawful currency of the PRC
“Safety Measure Fees”	has the meaning ascribed to it under the section headed “B. THE AGREEMENT – 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 AGREEMENT – Consideration and basis of determination of Consideration” in this announcement

“Work Fees” has the meaning ascribed to it under the section headed “B. THE AGREEMENT – 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 RMB0.8946. 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, 18 November 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 Ms. ZHU Guang; and three Independent Non-Executive Directors, namely Mr. Alan Howard SMITH, Mr. Felix FONG Wo and Mr. Vincent Marshall LEE Kwan Ho.