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## **GREENLAND HONG KONG HOLDINGS LIMITED**

### **綠地香港控股有限公司**

*(incorporated in the Cayman Islands with limited liability)*

**(Stock Code: 337)**

#### **MAJOR TRANSACTION:**

#### **DISPOSAL OF 49% EQUITY INTEREST IN**

#### **THE TARGET COMPANY**

The Board is pleased to announce that after trading hours on 28 December 2023, the Seller, a wholly-owned subsidiary of the Company, entered into the Agreement with the Purchaser and the Target Company, pursuant to which the Seller shall sell to the Purchaser the 49% equity interest in the Target Company at a consideration of approximately RMB440.0 million.

As the highest Applicable Percentage Ratio in respect of the Disposal is more than 25% but less than 75%, the Disposal constitutes a major transaction for the Company, and is subject to the notification, publication and shareholders' approval requirements under Chapter 14 of the Listing Rules.

As at the date of this announcement, Gluon Xima, a wholly-owned subsidiary of Greenland Holdings, holds 1,650,244,409 Shares representing an approximately 59.1% of the issued ordinary share capital of the Company. Prior to the signing of the Agreement, the Company has obtained the written approval from Gluon Xima in respect of the Disposal. Pursuant to Rule 14.44(2) of the Listing Rules, the written Shareholder's approval from Gluon Xima will be accepted in lieu of holding a general meeting of the Shareholders for the approval of the Disposal. Accordingly, no Shareholders' meeting will be held by the Company to approve the Disposal.

Under Rule 14.41(a) of the Listing Rules, a circular containing, among other things, further details of the Disposal is required to be despatched to the Shareholders for information purposes within 15 business days after the publication of this announcement. As the Company requires more time to prepare the relevant information for inclusion in the circular, the Company will apply to the Stock Exchange for a waiver from strict compliance with Rule 14.41(a) of the Listing Rules so that the Company is permitted to despatch the said circular to the Shareholders on or before 29 February 2024. Further announcement will be made by the Company if there is any update to the despatch date of the said circular.

The Board is pleased to announce that after trading hours on 28 December 2023, the Seller, a wholly-owned subsidiary of the Company, entered into the Agreement with the Purchaser and the Target Company, pursuant to which the Seller shall sell to the Purchaser the 49% equity interest in the Target Company at a consideration of approximately RMB440.0 million. The principal terms of the Agreement and the details of the Disposal are summarised as follows:

## THE AGREEMENT

Date	:	28 December 2023
Parties	:	(i) the Seller as the seller
	:	(ii) the Purchaser as the purchaser
	:	(iii) the Target Company as the covenantor to provide certain undertakings to the Purchaser for the completion of the Agreement
Consideration	:	The Consideration is approximately RMB440.0 million, which has been fully settled by the Purchaser as at the date of the Agreement. The Consideration was arrived at after arm's length negotiation between the parties and was determined with reference to (i) the financial position and business prospects of the Target Company; (ii) the value of the Properties as determined by the Company; and (iii) the reasons for and benefits of the Disposal as set out below.
Subject matter	:	The 49% equity interest in the Target Company.
Completion	:	Within two business days from the date of the Agreement, the Purchaser and the Seller shall submit the business registration change documents to the relevant market supervision and administration department of the PRC for the transfer under the Agreement for the transfer of 49% equity interest in the Target Company by the Seller to the Purchaser.

## INFORMATION ON THE TARGET COMPANY

The Target Company was established on 12 June 2019 in the PRC with limited liability with a registered capital of RMB500 million, which have been fully contributed. Since 29 October 2021, the Target Company has been a joint venture company of the Seller and the Purchaser having been owned as to 49% by the Seller and as to 51% by the Purchaser. After completion of the Disposal, the Group will cease to have any interest in the Target Company.

The Target Company is principally engaged in property development project in respect of the properties (the “**Properties**”), which mainly consist of commercial, office and hotel apartment property units. The Properties are located at the southern starting area of Knowledge City in Guangzhou, south of Knowledge Avenue and east of Yongjiu Expressway (廣州市知識城南起步區知識大道以南、永九快速路以東) with a site area of approximately 142,627 square meters, and a land use right for other commercial and service use of 40 years commencing from 19 June 2019. The said project has not been completely constructed.

The Target Company is currently equity accounted for as a joint venture company of the Group in its financial statements. The unaudited net losses before and after taxation of the Target Company for the year ended 31 December 2021 were approximately RMB5.2 million and RMB3.9 million respectively. The unaudited net losses before and after taxation of the Target Company for the year ended 31 December 2022 were approximately RMB11.2 million and RMB10.9 million respectively. As at 31 October 2023, the unaudited net asset value of the Target Company was approximately RMB1,128 million. Upon Completion, it is estimated that the Group will realise a disposal loss of approximately RMB116 million, which is calculated on the basis of the difference between the Consideration and the unaudited carrying amount of the investment on the Target Company as at 31 October 2023 as recorded in the financial statements of the Group (net of transaction expenses). The actual loss on disposal to be recorded is subject to audit and may be different from the estimated amount as the actual loss will depend on, amongst other factors, the actual carrying amount of the investment on the Target Company as at Completion.

## **GENERAL INFORMATION**

The Company is an investment holding company. The Group is principally engaged in property development, property and hotel investment and property management.

The Seller is principally engaged in property investment and development.

The Purchaser is principally engaged in the investment and development of the science park. Insofar as the Company is aware, as at the date of this announcement, the Purchaser is wholly-owned by the PRC government.

As at the date of this announcement, the Purchaser directly holds a 40% equity interest in Guangzhou Lvlong Property Development Co., Ltd.\* (廣州綠龍房地產開發有限公司) (the “**Subsidiary**”), which is a 60%-owned subsidiary of the Company. To the best knowledge, information and belief of the Directors having made all reasonable enquires, other than the Purchaser being a substantial shareholder of the Subsidiary, the Purchaser and its ultimate beneficial owner are third parties independent of the Company and its connected persons.

## **REASONS FOR AND BENEFITS OF THE DISPOSAL**

The Directors consider that the Disposal will enhance the Company’s cashflow position, and provide additional capital resources for the Company to capture other investment opportunities. The proceeds generated from the Disposal will be used as general working capital of the Group. The Board considers that the Disposal is on normal commercial terms which are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

## **IMPLICATIONS UNDER THE LISTING RULES**

As the highest Applicable Percentage Ratio in respect of the Disposal is more than 25% but less than 75%, the Disposal constitutes a major transaction for the Company, and is subject to the notification, publication and shareholders’ approval requirements under Chapter 14 of the Listing Rules.

As at the date of this announcement, Gluon Xima, a wholly-owned subsidiary of Greenland Holdings, holds 1,650,244,409 Shares representing an approximately 59.1% of the issued ordinary share capital of the Company. Prior to the signing of the Agreement, the Company has obtained the written approval from Gluon Xima in respect of the Disposal. Pursuant to Rule 14.44(2) of the Listing Rules, the written Shareholder’s approval from Gluon Xima will be accepted in lieu of holding a general meeting of the Shareholders for the approval of the Disposal. Accordingly, no Shareholders’ meeting will be held by the Company to approve the Disposal.

Under Rule 14.41(a) of the Listing Rules, a circular containing, among other things, further details of the Disposal is required to be despatched to the Shareholders for information purposes within 15 business days after the publication of this announcement. As the Company requires more time to prepare the relevant information for inclusion in the circular, the Company will apply to the Stock Exchange for a waiver from strict compliance with Rule 14.41(a) of the Listing Rules so that the Company is permitted to despatch the said circular to the Shareholders on or before 29 February 2024. Further announcement will be made by the Company if there is any update to the despatch date of the said circular.

Although the Purchaser is a “substantial shareholder” of the Subsidiary within the meaning of the Listing Rules, as the subsidiary is an “insignificant subsidiary” of the Company within the meaning of Rule 14A.09 of the Listing Rules, the Purchaser is not regarded as a connected person of the Company under the Listing Rules. The entering into of the Agreement therefore does not constitute a connected transaction for the Company under Chapter 14A of the Listing Rules.

## **DEFINITIONS**

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

“Agreement”	the share transfer agreement dated 28 December 2023 between the Seller and the Purchaser for the Disposal;
“Applicable Percentage Ratio”	has the meanings ascribed to it under the Listing Rules;
“Board”	board of Directors;
“Company”	Greenland Hong Kong Holdings Limited (綠地香港控股有限公司), a company incorporated in the Cayman Islands with limited liability whose ordinary shares are listed on the Stock Exchange (stock code: 337);
“Completion”	completion of the Disposal as set out in the paragraph headed “The Agreement” of this announcement;
“connected person(s)”	has the meaning ascribed to it under the Listing Rules;

“Consideration”	the consideration for the disposal of the 49% equity interest in the Target Company, being approximately RMB440.0 million;
“Directors”	the directors of the Company;
“Disposal”	the disposal of the 49% equity interest in the Target Company under the Agreement;
“Gluon Xima”	Gluon Xima International Limited, a wholly-owned subsidiary of Greenland Holdings;
“Greenland Holdings”	Greenland Holdings Corporation Limited (綠地控股集團股份有限公司), a company established in the PRC and listed on the Shanghai Stock Exchange (stock code: 600606), and the controlling shareholder of the Company;
“Group”	collectively, the Company and its subsidiaries;
“HK\$”	Hong Kong dollar, 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;
“PRC”	People’s Republic of China, which, for the purposes of this announcement, excludes Hong Kong, the Macao Special Administrative Region of the PRC and Taiwan;
“Purchaser”	Guangzhou Development District Investment Holding Limited* (廣州開發區投資控股有限公司), a company established in the PRC with limited liability;
“RMB”	Renminbi, the lawful currency of the PRC;
“Seller”	Guangdong Greenland Investment Co., Ltd.* (廣東綠地投資有限公司), a company established in the PRC with limited liability, which is a wholly-owned subsidiary of the Company;
“Share(s)”	ordinary share(s) of HK\$0.5 each in the capital of the Company;
“Shareholder(s)”	holder(s) of the Shares;

“Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“subsidiary(ies)”	has the meaning ascribed to it under the Listing Rules;
“Target Company”	Guangzhou Green Holding Real Estate Co., Ltd.* (廣州綠控置業有限公司), a company established in the PRC with limited liability and owned as to 49% by the Company as at the date of this announcement; and
“%”	per cent.

\* *For identification purposes only*

By Order of the Board  
**Greenland Hong Kong Holdings Limited**  
**Chen Jun**  
*Chairman*

Hong Kong, 28 December 2023

*As at the date of this announcement, the executive directors of the Company are Mr. Chen Jun, Mr. Wang Weixian, Mr. Hou Guangjun, Mr. Wu Zhengkui, Ms. Wang Xuling and Dr. Li Wei; and the independent non-executive directors are Mr. Fong Wo, Felix, JP, Mr. Kwan Kai Cheong, and Dr. Lam, Lee G., JP.*