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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: 00124)**

**Discloseable Transaction in relation to  
the Relocation Compensation Agreement  
and  
Termination of Continuing Connected Transactions**

The Board hereby announces that, on 1 September 2022, Yuehai Technology (an indirect wholly-owned subsidiary of the Company) and Shenzhen Guanlite entered into the Relocation Compensation Agreement, pursuant to which Yuehai Technology has agreed to hand-over to Shenzhen Guanlite the Existing Property (owned by Yuehai Technology) situated on one of the land parcels which are planned by Planning and Natural Resources Bureau of Shenzhen Municipality (深圳市規劃和自然資源局) for the Redevelopment Project to be undertaken by Shenzhen Guanlite, and Shenzhen Guanlite has agreed to (i) pay the Compensation Fee and the Aggregate Settlement Allowance, and (ii) deliver the New Residential Units to be constructed on the Redevelopment Project Land by Shenzhen Guanlite to Yuehai Technology.

As the highest applicable percentage ratio in respect of the arrangements contemplated the Relocation Compensation Agreement exceeds 5% but all applicable percentage ratios are less than 25%, the arrangements contemplated under the Relocation Compensation Agreement constitute a discloseable transaction and is subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules.

In addition, since Yuehai Technology shall hand-over the Existing Property to Shenzhen Guanlite in accordance with the terms of the Relocation Compensation Agreement, Yuehai Technology will not require the property management services in respect of the Existing Property provided by Yuehai Yueshenghuo (being a connected person of the Company) pursuant to the Second Shiyan Factory Property Services Agreement (the transactions thereunder constitute continuing connected transactions of the Company). On 1 September 2022, Yuehai Technology served a notice to Yuehai Yueshenghuo to early terminate the Second Shiyan Factory Property Services Agreement with effect from 30 September 2022.

## INTRODUCTION

The Board hereby announces that, on 1 September 2022, Yuehai Technology (an indirect wholly-owned subsidiary of the Company) and Shenzhen Guanlite entered into the Relocation Compensation Agreement pursuant to which Yuehai Technology has agreed to hand-over to Shenzhen Guanlite the Existing Property (owned by Yuehai Technology) situated on one of the land parcels included in the Redevelopment Project to be undertaken by Shenzhen Guanlite, and Shenzhen Guanlite has agreed to (i) pay the Compensation Fee and the Aggregate Settlement Allowance, and (ii) deliver the New Residential Units to be constructed on the Redevelopment Project Land by Shenzhen Guanlite to Yuehai Technology.

In addition, since Yuehai Technology shall hand-over the Existing Property to Shenzhen Guanlite in accordance with the terms of the Relocation Compensation Agreement, Yuehai Technology will not require the property management services in respect of the Existing Property provided by Yuehai Yueshenghuo (being a connected person of the Company) pursuant to the Second Shiyan Factory Property Services Agreement (for details, please refer to the announcement of the Company dated 26 March 2021). On 1 September 2022, Yuehai Technology served a notice to Yuehai Yueshenghuo to early terminate the Second Shiyan Factory Property Services Agreement with effect from 30 September 2022.

### I. RELOCATION COMPENSATION AGREEMENT

The salient terms of the Relocation Compensation Agreement are set out below:

#### **Date**

1 September 2022

#### **Parties**

- (1) Yuehai Technology; and
- (2) Shenzhen Guanlite

To the best of the Directors' knowledge, information and belief and having made all reasonable enquiries, Shenzhen Guanlite and its ultimate beneficial owners (see details in the section headed "Information on Shenzhen Guanlite and its ultimate beneficial owners" below) are third parties independent of the Company and its connected persons.

#### **Subject property**

The subject property under the Relocation Compensation Agreement is a four-storey factory building located at the LuoZu Fifth Industrial Zone, Shiyan Street, Baoan District, Shenzhen City, Guangdong, the PRC with a total GFA of 4,217.03 sq. m. (the "**Existing Property**").

The Existing Property was previously used for the Group's former brewery business and is currently vacant.

Based on the unaudited consolidated financial statements of the Group for the six months ended 30 June 2022, the unaudited fair value of the Existing Property as at 30 June 2022 was approximately RMB10,498,000 (equivalent to approximately HK\$11,972,000).

## **Handover of the Existing Property**

Pursuant to the Relocation Compensation Agreement, within 60 days from the date of receipt of the Relocation Subsidy in full by Yuehai Technology from Shenzhen Guanlite, Yuehai Technology shall vacate and hand-over the Existing Property to Shenzhen Guanlite (the date of such hand-over shall be referred to as the “**Handover Date**”).

Within ten business days from the date of the payment of the Compensation Fee in full and, if any, the Monthly Settlement Allowance payable up to the date of the payment of the Compensation Fee, Yuehai Technology shall deliver the relevant property certificate and documents to Shenzhen Guanlite and authorise Shenzhen Guanlite to handle the procedures as required by the relevant government authorities for the cancellation of Yuehai Technology’s legal rights under the property ownership certificate (房地產屬權證書) in respect of the Existing Property.

## **Relocation Compensation**

Shenzhen Guanlite shall compensate Yuehai Technology for the relocation as contemplated under the Relocation Compensation Agreement in the following manner (the “**Relocation Compensation**”):

- (i) Shenzhen Guanlite shall pay Yuehai Technology a compensation fee (the “**Compensation Fee**”) in the aggregate amount of RMB191,078.20 (equivalent to approximately HK\$218,000) comprising:
  - (a) the relocation subsidy (the “**Relocation Subsidy**”) in the amount of RMB168,681.20 (equivalent to approximately HK\$192,000) payable within 5 days from the date of the Relocation Compensation Agreement; and
  - (b) the property compensation in the amount of RMB22,397 (equivalent to approximately HK\$26,000) payable within 5 days from the Handover Date;
- (ii) Shenzhen Guanlite shall pay Yuehai Technology, for the period from the Handover Date to the Delivery Date (the “**Transitional Period**”), a monthly temporary settlement allowance in the amount of RMB63,255.45 (equivalent to approximately HK\$72,000) (which is subject to an increase by 3% (year-on year basis) for each year subsequent to the first anniversary of the Handover Date) (the “**Monthly Settlement Allowance**”, and the Monthly Settlement Allowance in aggregate are referred to as the “**Aggregate Settlement Allowance**”). Based on the current development schedule of the Redevelopment Project as advised by Shenzhen Guanlite, it is expected that the Transitional Period will be 50 months and the Aggregate Settlement Allowance is estimated to be approximately RMB3,318,000 (equivalent to approximately HK\$3,784,000).

The Monthly Settlement Allowance for the period from the Handover Date to the 15<sup>th</sup> day of the first month in the calendar quarter following the Handover Date shall be paid by Shenzhen Guanlite to Yuehai Technology within 20 business days from Handover Date; and the Monthly Settlement Allowance thereafter shall be paid by Shenzhen Guanlite to Yuehai Technology on a quarterly basis in advance within 15<sup>th</sup> day of the first month of a calendar quarter; and

- (iii) Shenzhen Guanlite shall deliver certain residential units of commercial nature (商品性質住宅) in the residential buildings to be constructed on the Redevelopment Project Land with an aggregate GFA of 1,898 sq. m. (the “**New Residential Units**”) to Yuehai Technology within three years from the date on which Shenzhen Guanlite obtains the construction work permit (施工許可證) in respect of the Redevelopment Project. Based on the current development schedule of the Redevelopment Project as advised by Shenzhen Guanlite, it is expected that the construction work permit will be obtained in or about December 2023.

Pursuant to the Relocation Compensation Agreement, the residential units to be delivered to Yuehai Technology shall be chosen by Yuehai Technology according to the order to be decided by drawing lots as arranged by Shenzhen Guanlite, and Yuehai Technology, in choosing the residential units, shall follow the principle that the actual GFA of the complete residential units chosen shall be as close to 1,898 sq. m. as possible.

## **BASIS FOR DETERMINING THE RELOCATION COMPENSATION**

The Relocation Compensation was determined after arm’s length negotiations between Yuehai Technology and Shenzhen Guanlite and after having taken into account the following factors by Yuehai Technology: (1) based on the unaudited consolidated financial statements of the Group for the six months ended 30 June 2022, the unaudited fair value of the Existing Property as at 30 June 2022 of approximately RMB10,498,000 (equivalent to approximately HK\$11,972,000); (2) the value of the New Residential Units in 2026 (i.e. the expected Delivery Date) as estimated by the Group of approximately RMB100,670,000 (equivalent to approximately HK\$114,802,000), as calculated with reference to (i) the GFA of the New Residential Units, (ii) the current market price per sq. m. for the residential properties located in comparable property development projects in Baoan District, Shenzhen City, the PRC, and (iii) an estimated growth rate of 0.55% (based on an average growth rate of property prices in the vicinity of the Redevelopment Project for the past five years); (3) the Existing Property having been vacant for some years and the market rent for the properties similar to the Existing Property; and (4) the total GFA of the Existing Property and the market rate per sq. m. for the settlement allowance and the compensation fee for similar redevelopment projects in Shenzhen City, the PRC.

## **FINANCIAL EFFECT OF THE ARRANGEMENTS UNDER THE RELOCATION COMPENSATION AGREEMENT AND USE OF PROCEEDS**

For accounting purposes, immediately after the execution of the Relocation Compensation Agreement and the handover of the Existing Property to Shenzhen Guanlite, it is expected that (i) the fair value of the Existing Property (on the basis of the relocation arrangements in respect of the Existing Property and that Yuehai Technology is entitled to receive the relevant new residential units of commercial nature (商品性質住宅) in the buildings to be constructed on the Redevelopment Project Land with an aggregate GFA of 1,898 sq. m.) shall be in the approximate amount of RMB94,900,000 (equivalent to approximately HK\$108,222,000), of which approximately RMB87,064,000 (equivalent to approximately HK\$99,286,000) will be recognised as non-current assets, and approximately RMB7,836,000 (equivalent to approximately HK\$8,936,000) will be recognised as other receivables - input value-added tax to be certified; (ii) the sum of the Compensation Fee and the Aggregate Settlement Allowance to be received, in the approximate amount of RMB3,509,000 (equivalent to approximately HK\$4,002,000) will be recognised as other receivables, (iii) the Existing

Property will be considered as disposed and such investment property in the approximate amount of RMB10,498,000 (equivalent to approximately HK\$11,972,000) will be derecognised, and (iv) based on the recognition of other non-current assets and other receivables, and the de-recognition of investment property (as mentioned in (i) to (iii)), an unaudited gain on disposal in the approximate amount of RMB87,911,000 (equivalent to approximately HK\$100,252,000) will be recognised, without taking into account any PRC taxes may be charged on this gain. The actual gain to be recorded by the Company is subject to final audit to be performed by the Company's auditors. Immediately after the delivery of the New Residential Units to Yuehai Technology by Shenzhen Guanlite, the other non-current assets aforementioned will be reclassified as completed properties held for sale.

The Group intends to use the Relocation Compensation (including the proceeds from the sale of the New Residential Units) as general working capital.

The Group expects that the New Residential Units will be for sale.

### **REASONS FOR AND BENEFITS OF ENTERING INTO THE RELOCATION COMPENSATION AGREEMENT**

The Existing Property is situated on one of the land parcels which are planned by Planning and Natural Resources Bureau of Shenzhen Municipality (深圳市規劃和自然資源局) for the redevelopment project of the site area of approximately 61,009 sq. m. located at Shiyan Street, Baoan District, Shenzhen City (the "**Redevelopment Project**"). The Redevelopment Project was included in the 2011 Shenzhen City Urban Renewal Planning Third Proposal (2011年深圳市城市更新單元規劃制定計劃第三批計劃); and Shenzhen Guanlida Shiye Co., Ltd. (深圳冠利達實業有限公司) (the parent company of Shenzhen Guanlite), which owns majority of the land parcels being included in the Redevelopment Project, has obtained approval from the relevant government authorities as the development principal for the Redevelopment Project.

Having considered that:

- (i) the Existing Property have been vacant for some years and major refurbishment is required for renting out the Existing Property; and
- (ii) the Existing Properties is situated on one of the land parcels included in the Redevelopment Project to be undertaken by Shenzhen Guanlite. Therefore, by entering into the Relocation Compensation Agreement, the Group does not have to make application for any reconstruction work in respect of the Existing Property, or bear the future construction costs of the New Residential Units, and is expected to obtain the New Residential Units which has an estimated value significantly higher than the unaudited fair value of the Existing Property as at 30 June 2022,

the Company believes that the arrangements under the Relocation Compensation Agreement represent a good business opportunity with minimal costs and risks.

Based on the foregoing, the Directors are of the view that the terms of the Relocation Compensation Agreement are on normal commercial terms, are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

## **INFORMATION ON YUEHAI TECHNOLOGY AND THE COMPANY**

### **Information on Yuehai Technology**

Yuehai Technology is a company established in the PRC with limited liability. It is principally engaged in property investment business in the PRC and is an indirect wholly-owned subsidiary of the Company.

### **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.

## **INFORMATION ON SHENZHEN GUANLITE AND ITS ULTIMATE BENEFICIAL OWNERS**

Shenzhen Guanlite is a company established in the PRC with limited liability and is principally engaged in the business of property development on the land parcels with land use rights legally obtained and property management. In so far as the Company is aware and based on the information available in the public domain, Shenzhen Guanlite is wholly owned by Shenzhen Guanlida Shiye Co., Ltd. (深圳冠利達實業有限公司), which is ultimately controlled as to 58.1108% by an individual named Wong Ming Bun (王明均), 23.1562% by an individual named Wang Zhiwei (王智威), and as to 18.7330% by State-owned Assets Supervision and Administration Commission of Shanghai Municipal Government (上海市國有資產監督管理委員會).

## **LISTING RULES IMPLICATIONS**

As the highest applicable percentage ratio in respect of the arrangements contemplated the Relocation Compensation Agreement exceeds 5% but all applicable percentage ratios are less than 25%, the arrangements contemplated under the Relocation Compensation Agreement constitute a discloseable transaction and is subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules.

## **II. TERMINATION OF THE SECOND SHIYAN FACTORY PROPERTY SERVICES AGREEMENT**

Reference is made to the announcement of the Company dated 26 March 2021 in relation to, among other things, the continuing connected transactions under the Second Shiyan Factory Property Services Agreement entered into between Yuehai Technology and Yuehai Yueshenghuo (being a connected person of the Company). Pursuant to the Second Shiyan Factory Property Services Agreement, Yuehai Yueshenghuo shall provide property management services at the Existing Property to Yuehai Technology for the period from 1 April 2021 to 31 March 2023.

Since Yuehai Technology shall hand-over the Existing Property to Shenzhen Guanlite in accordance with the terms of the Relocation Compensation Agreement, Yuehai Technology will not require the property management services in respect of the Existing Property provided by Yuehai Yueshenghuo pursuant to the Second Shiyan Factory Property Services Agreement. On 1 September 2022, Yuehai Technology served a notice to Yuehai

Yueshenghuo to early terminate the Second Shiyuan Factory Property Services Agreement with effect from 30 September 2022.

## DEFINITIONS

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

“Aggregate Settlement Allowance”	has the meaning ascribed to it under the section headed “Relocation Compensation Agreement – Relocation Compensation” in this announcement
“associates”	has the meaning ascribed to it under the Listing Rules
“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
“Compensation Fee”	has the meaning ascribed to it under the section headed “Relocation Compensation Agreement – Relocation Compensation” in this announcement
“connected person(s)”	has the meaning ascribed to it under the Listing Rules
“Delivery Date”	the date on which Shenzhen Guanlite shall deliver the New Residential Units to Yuehai Technology pursuant to the Relocation Compensation Agreement
“Director(s)”	the director(s) of the Company
“Existing Property”	has the meaning ascribed to it under the section headed “Relocation Compensation Agreement – Subject property” in this announcement
“GFA”	gross floor area
“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
“Handover Date”	has the meaning ascribed to it under the section headed “Relocation Compensation Agreement – Handover of the Existing Property” in this announcement
“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
“Monthly Settlement Allowance”	has the meaning ascribed to it under the section headed “Relocation Compensation Agreement – Relocation Compensation” in this announcement
“New Residential Units”	has the meaning ascribed to it under the section headed “Relocation Compensation Agreement – Relocation Compensation” in this announcement
“percentage ratio(s)”	has the meaning ascribed to it under the Listing Rules
“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
“Relocation Compensation”	has the meaning ascribed to it under the section headed “Relocation Compensation Agreement – Relocation Compensation” in this announcement
“Relocation Compensation Agreement”	the relocation compensation agreement dated 1 September 2022 and entered into between Yuehai Technology and Shenzhen Guanlite, details of which are set out in the section headed “Relocation Compensation Agreement” in this announcement
“Relocation Subsidy”	has the meaning ascribed to it under the section headed “Relocation Compensation Agreement – Relocation Compensation” in this announcement
“Redevelopment Project”	has the meaning ascribed to it under the section headed “Reasons for and benefits of entering into the Relocation Compensation Agreement” in this announcement
“Redevelopment Project Land”	the land parcels included in the Redevelopment Project
“RMB”	Renminbi, the lawful currency of the PRC
“Share(s)”	the share(s) of the Company
“Shareholder(s)”	the shareholder(s) of the Company
“Shenzhen Guanlite”	深圳冠利特房地產開發有限公司 (Shenzhen Guanlite Real Estate Development Co., Ltd.), a company established in the PRC with limited liability
“Second Shiyan Factory Property Services Agreement”	the agreement dated 26 March 2021 entered into between Yuehai Technology and Yuehai Yueshenghuo in relation to the provision of property management services for the Existing Property by Yuehai Yueshenghuo to Yuehai Technology
“Stock Exchange”	The Stock Exchange of Hong Kong Limited

“subsidiary(ies)”	has the meaning ascribed to it under the Listing Rules
“Transitional Period”	has the meaning ascribed to it under the section headed “Relocation Compensation Agreement – Relocation Compensation” in this announcement
“Yuehai Technology”	粵海科技（深圳）有限公司（Yuehai Technology (Shenzhen) Co., Ltd.），a company established in the PRC with limited liability and an indirect wholly-owned subsidiary of the Company
“Yuehai Yueshenghuo”	深圳市粵海悅生活物業管理有限公司（Shenzhen Yuehai Yueshenghuo Property Management Co., Ltd.），a company established in the PRC with limited liability and an indirect non-wholly owned subsidiary of Guangdong Holdings
“%”	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 RMB0.8769 (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, 1 September 2022

*As at the date of this announcement, the Board comprises six Executive Directors, namely Mr. LAN Runing, Mr. KUANG Hu, Mr. LI Yonggang, Mr. WU Mingchang, Mr. LI Wenchang 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.*