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GUANGDONG INVESTMENT LIMITED
(粵海投資有限公司)

(Incorporated in Hong Kong with limited liability)

(Stock Code: 0270)

CONNECTED TRANSACTION

**ACQUISITION OF
THE TARGET COMPANY**

GUANGDONG LAND HOLDINGS LIMITED

粵海置地控股有限公司

(Incorporated in Bermuda with limited liability)

(Stock Code: 0124)

**MAJOR AND
CONNECTED TRANSACTION**

**ACQUISITION OF
THE TARGET COMPANY**

Financial Adviser



**Independent Financial Adviser to the
Independent Board Committee and the
Independent Shareholders**

BALLAS
C A P I T A L

THE ACQUISITION

The GDI Board and the GDL Board are pleased to announce that after trading hours on 27 April 2018, the Purchaser (being an indirect wholly-owned subsidiary of GDL; GDL is a direct non-wholly owned subsidiary of GDI) entered into the Agreement with the Vendors, pursuant to which the Purchaser has conditionally agreed to (i) acquire from the Vendors the entire equity interest in the Target Company for the aggregate consideration of RMB1,200,490,000 (equivalent to approximately HK\$1,485,939,000) in cash, subject to adjustment (if any) in accordance with the terms of the Agreement; and (ii) procure the Target Company to repay the Outstanding Loans in the amount of RMB842,139,229.20 (equivalent to approximately HK\$1,042,381,000) after Completion. The Total Payment under the Agreement is RMB2,042,629,229.20 (equivalent to approximately HK\$2,528,320,000).

The Target Company is owned by Vendor A and Vendor B as to 95% and 5%, respectively, as at the date of this announcement. After Completion and performance of the terms of the Agreement, the Target Company will become an indirect non-wholly owned subsidiary of GDI and an indirect wholly-owned subsidiary of GDL. The principal assets of the Target Company are the Properties under the Projects, being the Zhuguanglu Project and the Baohuaxuan Project (the details of which are set out in this announcement below).

LISTING RULES IMPLICATIONS

GDI

Since Vendor A and Vendor B are directly and indirectly (as the case may be) wholly-owned by Guangdong Holdings (being the ultimate controlling shareholder and a connected person of GDI), and, hence, associates of Guangdong Holdings and therefore connected persons of GDI, the Acquisition constitutes a connected transaction of GDI under Chapter 14A of the Listing Rules. As all of the applicable percentage ratios (as defined in Chapter 14 of the Listing Rules) in respect of the Acquisition exceed 0.1% but are less than 5%, the Acquisition is subject to the reporting and announcement requirements, but is exempt from the independent shareholders' approval requirement, under Chapter 14A of the Listing Rules.

GDL

Since one or more of the applicable percentage ratios in respect of the Acquisition exceed 25% but all the percentage ratios are under 100% as determined in accordance with Rule 14.07 of the Listing Rules, the Acquisition constitutes a major transaction of GDL under Chapter 14 of the Listing Rules. Further, since Vendor A and Vendor B are directly and indirectly (as the case may be) wholly-owned by Guangdong Holdings (being the ultimate controlling shareholder and therefore a connected person of GDL), and, hence, associates of Guangdong Holdings and connected persons of GDL under Chapter 14A of the Listing Rules, the Acquisition also constitutes a connected transaction of GDL, and is subject to the reporting, announcement and Independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

A circular containing, among other things, (i) further details of the Agreement and the transactions contemplated thereunder; (ii) a letter from the Independent Board Committee to the Independent Shareholders in relation to the Acquisition; (iii) a letter from the Independent Financial Adviser containing its advice to the Independent Board Committee and the Independent Shareholders; (iv) a valuation report on the Properties; and (v) the notice convening the SGM, is expected to be despatched to the GDL Shareholders on or before 21 May 2018.

INTRODUCTION

The GDI Board and the GDL Board are pleased to announce that after trading hours on 27 April 2018, the Purchaser (being an indirect wholly-owned subsidiary of GDL; GDL is a direct non-wholly owned subsidiary of GDI) entered into the Agreement with the Vendors, pursuant to which the Purchaser has conditionally agreed to (i) acquire from the Vendors the entire equity interest in the Target Company for the aggregate consideration of RMB1,200,490,000 (equivalent to approximately HK\$1,485,939,000) in cash, subject to adjustment (if any) in accordance with the terms of the Agreement; and (ii) procure the Target Company to repay the Outstanding Loans in the amount of RMB842,139,229.20 (equivalent to approximately HK\$1,042,381,000) after Completion. The Total Payment under the Agreement is RMB2,042,629,229.20 (equivalent to approximately HK\$2,528,320,000).

THE AGREEMENT

A summary of the salient terms of the Agreement is as follows:

Date 27 April 2018

Parties

Vendors: (a) Vendor A
(b) Vendor B

Purchaser: The Purchaser

The Purchaser is an indirect wholly-owned subsidiary of GDL. GDL is a direct subsidiary of GDI. As at the date of this announcement, GDI holds approximately 73.82% of the issued GDL Shares.

Vendor A and Vendor B are directly and indirectly (as the case may be) wholly-owned by Guangdong Holdings (being the ultimate controlling shareholder and therefore a connected person of both GDI and GDL), and, hence, associates of Guangdong Holdings and connected persons of both GDI and GDL under Chapter 14A of the Listing Rules.

Subject matter

Pursuant to the Agreement, the Purchaser has conditionally agreed to acquire a 95% equity interest in the Target Company from Vendor A and a 5% equity interest in the Target Company from Vendor B.

Please refer to the section headed “Information on the Target Company” in this announcement for details of the Target Company.

Total Payment

Equity Consideration

The consideration (the “**Equity Consideration**”) for the Acquisition in the aggregate amount of RMB1,200,490,000 (equivalent to approximately HK\$1,485,939,000) (subject to adjustment (if any) as set out below) for the entire equity interest in the Target Company shall be paid by the Purchaser in cash into an escrow account (the “**Escrow Account**”) in the name of the Vendor(s) on the Completion Date.

After Completion, the completion accounts as at the Completion Date shall be prepared in respect of the Target Company, and the Equity Consideration shall be subject to a downward adjustment (if any) by an amount equal to the NAV Reduction Value multiplied by the Adjustment Factor (such downward adjustment amount shall be paid by the Vendors to the Purchaser within 14 Business Days from the date of such completion accounts) in the event that (i) there is a decrease in the net asset value of the Target Company as at the Completion Date as compared against its net asset value of RMB256,569,620.69 (equivalent to approximately HK\$317,576,000) as at 31 March 2018 (such difference in the net asset value shall be referred to as the “**NAV Reduction Value**”); and (ii) the net asset value of the Target Company as at the Completion Date is below RMB250,000,000 (equivalent to approximately HK\$309,444,000). (Each net asset value figure referred to above is determined and prepared on an unadjusted basis

(i.e. without taking into account the value of the Properties and the related potential tax liabilities arising therefrom).

The Equity Consideration shall be released from the Escrow Account upon the occurrence of the earlier of the following:

- (i) to the Vendors, on the date of the completion of registration with the relevant administration for industry and commerce department in the PRC in respect of the transfer of the entire equity interest of the Target Company to the Purchaser; or
- (ii) to the Purchaser, on the earlier of the Long Stop Date or date of confirmation by the parties to the Agreement of its termination in accordance with the terms thereof.

Outstanding Loans

The Purchaser has undertaken to the Vendors that on the 14th Business Day after the Completion Date or the release of the Equity Consideration from the Escrow Account under paragraph (i) above (whichever is later) (the “**Repayment Date**”), it shall procure the repayment of certain loans (including designated loans) (the “**Outstanding Loans**”, being loans utilised in the ordinary course of business of the Target Company) due from the Target Company to the Vendors and their associates in the aggregate amount of RMB842,139,229.20 (equivalent to approximately HK\$1,042,381,000) (comprising the principal amounts and the related interests accrued up to and including 31 March 2018), details of which are set out below:

Borrower	Lender	Outstanding principal amount (RMB)	Outstanding interest accrued up to and including 31 March 2018 (RMB)	Interest rate per annum (%)
Target Company	Guangdong Holdings	50,000,000.00	19,201,875.20	4.9
Target Company	Guangdong Holdings	125,000,000.00	22,275,222.31	5
Target Company	廣東三誠經濟發展有限公司 (Guangdong Sancheng Economic Development Co. Ltd., a subsidiary of Guangdong Holdings)	510,600,000.00	6,996,824.19	4.91625
Target Company	廣州市朝粵房地產有限公司 (Guangzhou City Chaoyue Property Co. Ltd., a subsidiary of Guangdong Holdings)	79,900,000.00	115,979.16	4.75
Target Company	Vendor A	28,009,835.37	39,492.97	4.75

The interests which shall accrue under the relevant agreements in respect of the Outstanding Loans during the period from 1 April 2018 (inclusive) up to and including the Repayment Date will be repaid by the Target Company on the Repayment Date.

After Completion (if the Acquisition is completed) and prior to the procured repayment by the Purchaser, the Outstanding Loans will constitute continuing connected transactions of GDI and GDL for the duration pending their repayment. Since such Outstanding Loans will then represent financial assistance received by the Target Company (being a subsidiary of both GDI and GDL) on normal commercial terms or better to the Target Company and is not secured by any of its assets (or assets of the GDI Group or the GDL Group), they are fully exempt from the shareholders' approval, annual review and all disclosure requirements pursuant to Rule 14A.90 of the Listing Rules.

It is expected that the Purchaser will satisfy the Total Payment from its internal resources and bank and/or other borrowings.

Basis of determination of the Total Payment

The amount of the Total Payment was arrived at after arm's length negotiations between the Purchaser and the Vendors taking into account, among other things, the following:

- (i) the value of the Properties, being the principal assets of the Target Company, as at 31 March 2018 of approximately RMB4,560,000,000 (equivalent to approximately HK\$5,644,263,000) according to the valuation report compiled by Vigers Appraisal and Consulting Limited, an independent professional valuer appointed by GDL (such report will be set out in the circular to be despatched by GDL);
- (ii) the adjusted net asset value of the Target Company as at 31 March 2018 in the amount of approximately RMB1,381,082,000 (equivalent to approximately HK\$1,709,471,000) prepared on the basis of the unaudited management accounts of the Target Company dated 31 March 2018 in accordance with PRC GAAP, which was adjusted based on the abovementioned value of the Properties and the related potential tax liabilities arising therefrom;
- (iii) the amount of the Outstanding Loans;
- (iv) the quality and location of the Projects and their sales prospects; and
- (v) the development status of the Projects.

Conditions

The Agreement shall become effective on the 25th day upon the fulfillment or waiver (where applicable) of all the following conditions:

- (i) the approval of the transaction contemplated under the Agreement by the Independent Shareholders at the SGM having been obtained;
- (ii) the approval of the Agreement by Guangdong Holdings having been obtained;
- (iii) the approval of the transaction contemplated under the Agreement and the signing of the Agreement by the shareholders of the Vendors having been obtained; and

- (iv) the approval of the transaction contemplated under the Agreement and the signing of the Agreement by the shareholders of the Purchaser having been obtained.

The Purchaser shall be entitled to waive the conditions under sub-paragraphs (ii) and (iii); and the Vendors shall be entitled to waive the condition under sub-paragraph (iv) above. If the said conditions cannot be satisfied (or waived) before the Long Stop Date, the Agreement shall not become effective.

Within four Business Days after the Agreement has become effective, the Vendors shall procure the Target Company to apply for the change of registration (工商登記) in respect of the transfer of the entire equity interest of the Target Company to the Purchaser with the relevant administration for industry and commerce department in the PRC and obtain the relevant acknowledgment of such application (受理回執) (the “**Application Procedure**”).

The Vendors shall complete or assist the Purchaser to complete all procedures in respect of the transfer of legal title of the equity interest in the Target Company to the Purchaser (including (i) the Target Company having amended the relevant provisions on its articles of association and updated its register of members in respect of the Purchaser holding the entire equity interest in the Target Company; and (ii) the Target Company having completed all registration procedures with the relevant administration for industry and commerce department in the PRC in respect of the transfer of equity interest in the Target Company and change of shareholders of the Target Company, and the Purchaser having been registered as the holder of the entire equity interest in the Target Company) (the “**Transfer Procedure**”) within reasonable time.

Upon completion of the Application Procedure and the Transfer Procedure, the Vendors shall forthwith notify the Purchaser of the same in writing (the “**Completion Notice**”).

Completion shall be conditional upon the fulfilment or waiver of the following conditions:

- (i) the rights to the equity interest of the Target Company being clear and transferrable under the PRC law;
- (ii) the representations and warranties in respect of the Vendors and/or the Target Company (including but not limited to the warranties by the Vendors) being true, accurate and not misleading in all respects on or before the Completion Date; and
- (iii) the Vendors, on or before the Completion Date, having performed and complied with all relevant obligations, commitments, undertakings and promises in accordance with the Agreement.

The Purchaser shall be entitled to waive any and all of the conditions under sub-paragraphs (i) to (iii) above.

Other terms

Completion shall take place on the first Business Day after (i) the Vendors have completed the Application Procedure; or (ii) the Purchaser has given a notice in writing to the Vendors waiving the Vendors’ obligations to complete the Application Procedure and/or the Transfer Procedure; or (iii) such other date as agreed by the Parties in writing.

The obligations of the Vendors to pay the Purchaser (i) the adjustment amount to the Purchaser under the abovementioned adjustment to the Equity Consideration (if any); and (ii) the supplemental land transfer fee (土地出讓金)(if any) in respect of the relevant Zhuguanglu Properties shall be guaranteed by Guangdong Holdings.

INFORMATION ON THE GDI GROUP AND THE GDL GROUP

The GDI Group is principally engaged in investment holding, water resources, property investment and development, department store operation, hotel ownership, operation and management, investment in energy projects and road and bridge operation.

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

INFORMATION ON THE VENDORS

The GDI Group and GDL Group understand that Vendor A is principally engaged in project development, property development consultation, corporate management consultation and investment consultation and Vendor B is principally engaged in project investment and leasing of properties.

INFORMATION ON THE TARGET COMPANY

The Target Company

The Target Company is owned by Vendor A and Vendor B as to 95% and 5%, respectively, as at the date of this announcement, and is principally engaged in property development, project investment, property development consultation, corporate management consultation and investment consultation.

After Completion and performance of the terms of the Agreement, the Target Company will become an indirect wholly-owned subsidiary of GDL (and an indirect non-wholly owned subsidiary of GDI through its interest in GDL) and cease to be a subsidiary of Vendor A.

The Projects

The principal assets of the Target Company are the Properties under the Projects, being the Zhuguanglu Project and the Baohuaxuan Project.

Zhuguanglu Project (珠光路項目)

The Target Company has undertaken the construction and development of certain residential and commercial properties known as “**Zhuguanglu Project**” located at 43-79 Zhuguang Road, Yuexiu District (越秀區珠光路 43-79 號) in Guangzhou, the PRC with a total site area of approximately 12,168 sq. m. (“**Zhuguanglu Properties**”). The Zhuguanglu Properties have an aggregate gross floor area of approximately 119,267 sq. m. (comprising (i) approximately 65,636 sq. m. for residential use; (ii) approximately 22,817 sq. m. for commercial use; and (iii) approximately 18,464 sq. m. as car-parking spaces, with the remainder of approximately 12,350 sq. m. being public facilities).

The filing in respect of the completion of construction (竣工備案) of the Zhuguanglu Project has been completed. The Purchaser intends to (i) sell the residential units; (ii) lease the commercial units; and (iii) sell or lease the car-parking spaces, to third parties independent of the GDI Group and the GDL Group (i.e. not being connected persons of GDI or GDL). It is expected that (i) the sale of the said residential properties is expected to commence in 2018 and (ii) the leasing of the commercial properties will be marketed in accordance with the specific business plan of GDL taking into account the then sales of the residential properties.

Zhuguanglu Properties with a total gross floor area of approximately 22,361 sq. m. have been pledged by the Target Company to a PRC bank according to the relevant pledge agreement for a loan utilised in the ordinary course of business of the Target Company.

The Target Company acquired the land use rights to the land under the Zhuguanglu Project from the PRC Government through public auction. The Target Company's costs for the acquisition of such land and development of the Zhuguanglu Properties (comprising the consideration for land acquisition and the relevant payments in respect of such land and the development costs of the Zhuguanglu Properties) amount to approximately RMB2,029 million (equivalent to approximately HK\$2,511 million) in aggregate as at 31 March 2018.

Baohuaxuan Project (寶華軒項目)

The Target Company has also undertaken the construction and development of certain residential properties known as “**Baohuaxuan Project**” located between Wenchang South Road (文昌南路) and Old Baohua Road (舊寶華路) in Liwan District (荔灣區) in Guangzhou, the PRC with a total site area of approximately 1,374 sq. m. (“**Baohuaxuan Properties**”). The Baohuaxuan Properties comprise 40 residential units and 20 car-parking spaces, with an aggregate gross floor area of approximately 5,240 sq. m.

The filing in respect of the completion of construction (竣工備案) of the Baohuaxuan Project has been completed. As at 31 March 2018, the sale and purchase agreements in respect of 31 residential units with an aggregate gross floor area of approximately 3,044 sq. m. have been signed (of which 17 residential units with an aggregate gross floor area of approximately 1,669 sq. m. have been delivered). The Purchaser intends to sell the remaining 9 residential units (with an aggregate gross floor area of approximately 840 sq. m.) and all the 20 car-parking spaces to third parties independent of the GDI Group and the GDL Group (i.e. not being connected persons of GDI or GDL).

The Target Company acquired the land use rights to the land under the Baohuaxuan Project from the PRC Government through public auction. The Target Company's costs for the acquisition of such land and development of the Baohuaxuan Properties (comprising the consideration for land acquisition and the relevant payments in respect of such land and the development costs of the Baohuaxuan Properties) amount to approximately RMB97.55 million (equivalent to approximately HK\$121 million) in aggregate as at 31 March 2018.

Financial information of the Target Company

Set out below is selected unaudited financial information of the Target Company (prepared in accordance with the HK GAAP), for each of the financial year ended 31 December 2017 and 31 December 2016, respectively.

	For the year ended 31 December 2017 (unaudited) (Note)	For the year ended 31 December 2016 (unaudited) (Note)
Net loss (before tax)	Approximately HK\$105,509,000	Approximately HK\$36,681,000
Net loss (after tax)	Approximately HK\$91,195,000	Approximately HK\$31,035,000

Note:

The Target Company has undergone a demerger (分立) (“Demerger”) of assets and liabilities in January 2018 under the PRC law, pursuant to which certain assets and liabilities were transferred to a separate entity, which will continue to be owned by the Vendors after Completion. The above net loss before tax and net loss after tax of the Target Company for each of the two financial years ended 31 December 2017 represent the financial information of the Target Company in relation to the Properties (being the principal assets of the Target Company after the Demerger).

REASONS FOR AND BENEFITS OF THE ACQUISITION

The GDI Board and the GDL Board believe that the Acquisition is beneficial to the GDI Group and the GDL Group in the following aspects:

The GDL Group, being part of the GDI Group, is engaged in property development and investment, and holds certain investment properties and the Buxin Project (a property development project) in Shenzhen, and the Ruyingju Project (a residential property project) in Panyu, Guangzhou in the PRC. GDL is affirmative about the outlook of the real estate industry’s development in first-tier cities of Mainland China. Development in the Guangdong-Hong Kong-Macau Greater Bay Area is currently in full swing. Subsequent to the implementation of the relevant plans and policies for the Guangdong-Hong Kong-Macau Greater Bay Area by the PRC Government, further integration and development of the cities in the Guangdong-Hong Kong-Macau Greater Bay Area and an enhanced economic position are expected in the foreseeable future. It is anticipated that the real estate industry in this area would benefit from the social and economic integration as a whole. While the GDL Group will continue with its existing strategy of seeking property investment and development project opportunities in first-tier cities, it will also actively study property development and investment projects in the second-tier cities in the Mainland China, and is especially keen on building its foothold in cities within the Guangdong-Hong Kong-Macau Greater Bay Area and the Pearl River Delta region with the view to developing a long-term sustainable business model.

Through the Acquisition, the GDL Group will acquire the Projects, namely (i) the Zhuguanglu Project in Yuexiu District, Guangzhou, being adjacent to the central business district in Beijing Road and adjoining the Tianzi Wharf with a convenient transportation network. The Zhuguanglu Project has a site area of approximately 12,168 sq. m. with an aggregate gross floor area of approximately 119,267 sq. m., and the Zhuguanglu Properties comprise residential and commercial properties with parking lots; and (ii) the Baohuaxuan Project, located in Liwan District, Guangzhou, has comprehensive amenities in the vicinity and a convenient transportation network.

Upon Completion, the GDL Group will have three property projects in Guangzhou, being the Zhuguanglu Project, the Baohuaxuan Project and the existing Ruyingju Project with an aggregate gross floor area of more than 100,000 sq. m. available for sale/lease, which is in line with the GDL Group's business plan and development strategies of seeking investment and development property projects in first-tier cities in Mainland China.

The Buxin Project currently held by the GDL Group is still under development, whereas over 91% of the residential units under the Ruyingju Project have been sold. The Zhuguanglu Project is expected to commence sale during the year, and the Baohuaxuan Properties are currently being sold. The Acquisition is expected to contribute to the increase in the GDL Group's recurrent income in the future and thus enhance its results. Moreover, the GDL Group intends to retain the commercial properties and some of the car-parking spaces under the Zhuguanglu Project for rental purposes, which is expected to generate a stable rental income, profit and cash flow to the GDL Group. Accordingly, the GDL Directors believe that the Projects to be acquired under the Acquisition would establish a sound business and enhance its asset portfolio within the GDL Group's existing property projects, and diversify the operating risks of the GDL Group.

The GDL Board (excluding the independent non-executive directors of GDL, who shall provide their views after taking into account the advice of the Independent Financial Adviser) considers that the terms and conditions of the Acquisition are fair and reasonable, on normal commercial terms, in the usual and ordinary course of business of the GDL Group and are in the interests of GDL and the GDL Shareholders as a whole.

Mr. HUANG Xiaofeng, Ms. ZHAO Chunxiao, Mr. LI Wai Keung, Mr. WU Mingchang and Mr. ZENG Yi, being GDL Directors, are also directors of Guangdong Holdings and/or its subsidiaries. All of the abovementioned GDL Directors present at the relevant Board meeting have abstained from voting on the GDL Board resolutions for the entering into of the Agreement by the Purchaser. Shareholders and any of the abovementioned GDL Directors (if any) who shall be entitled to vote at the SGM, but who have a material interest in the Acquisition, and the associates of each of them, will abstain from voting at the SGM in respect of the proposed resolution relating to the Acquisition, the Agreement and the transactions contemplated thereunder.

The GDI Board (excluding the independent non-executive directors of GDI) considers that the terms and conditions of the Acquisition are fair and reasonable, on normal commercial terms, in the usual and ordinary course of business of the GDI Group and are in the interests of GDI and the GDI Shareholders as a whole; based on the information set out in this announcement, the independent non-executive directors of GDI present at the relevant GDI Board meeting agree in principle with the views of the aforesaid views of the GDI Board, and will, after considering the abovementioned advice of the Independent Financial Adviser to be provided, finalise their views which will be published by GDI under a separate announcement.

Mr. HUANG Xiaofeng, Mr. CAI Yong, Mr. ZHANG Hui, Ms. ZHAO Chunxiao, Mr. LAN Runing and Mr. LI Wai Keung, being GDI Directors, are also directors of Guangdong Holdings and/or its subsidiaries. All of the abovementioned GDI Directors present at the relevant Board meeting have abstained from voting on the GDI Board resolutions for the entering into of the Agreement by the Purchaser.

LISTING RULES IMPLICATIONS

GDI

Since Vendor A and Vendor B are directly and indirectly (as the case may be) wholly-owned by Guangdong Holdings (being the ultimate controlling shareholder and therefore a connected person of GDI), and, hence, associates of Guangdong Holdings and connected persons of GDI, the Acquisition constitutes a connected transaction of GDI under Chapter 14A of the Listing Rules. As all of the applicable percentage ratios (as defined in Chapter 14 of the Listing Rules) in respect of the Acquisition exceed 0.1% but are less than 5%, the Acquisition is subject to the reporting and announcement requirements, but is exempt from the independent shareholders' approval requirement, under Chapter 14A of the Listing Rules.

GDL

Since one or more of the applicable percentage ratios in respect of the Acquisition exceed 25% but all the percentage ratios are under 100% as determined in accordance with Rule 14.07 of the Listing Rules, the Acquisition constitutes a major transaction of GDL under Chapter 14 of the Listing Rules. Further, since Vendor A and Vendor B are directly and indirectly (as the case may be) wholly-owned by Guangdong Holdings (being the ultimate controlling shareholder and therefore a connected person of GDL), and, hence, associates of Guangdong Holdings and connected persons of GDL under Chapter 14A of the Listing Rules, the Acquisition also constitutes a connected transaction of GDL, and is subject to the reporting, announcement and Independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

After Completion and performance of the terms of the Agreement, the Target Company will have certain non-interest bearing outstanding payables (the “**Outstanding Payables**”, which do not form part of the Outstanding Loans) due to the Vendors and their associates arising in the ordinary course of business of the Target Company, which amounted to RMB373,163,683.92 (equivalent to approximately HK\$461,893,000) as at 31 March 2018. Such payables are expected to remain outstanding after Completion (if the Acquisition is completed) and will constitute a continuing connected transaction of GDI and GDL under Chapter 14A of the Listing Rules. Since such payables represent financial assistance received by the Target Company on normal commercial terms or better to the Target Company and is not secured by any of its assets (or of the GDI Group or the GDL Group), it is fully exempt from the shareholders' approval, annual review and all disclosure requirements pursuant to Rule 14A.90 of the Listing Rules.

It is expected that certain other transactions between the Target Company and the Vendors or its associates may constitute continuing connected transactions of the GDI Group and/or the GDL Group under Chapter 14A of the Listing Rules after Completion (if the Acquisition is completed). GDI and/or GDL will comply with the applicable requirements under the Listing Rules as and when appropriate.

INDEPENDENT BOARD COMMITTEE AND INDEPENDENT FINANCIAL ADVISER

An Independent Board Committee comprising all the independent non-executive directors of GDL (namely, Mr. Alan Howard SMITH, Mr. Felix FONG Wo and Mr. Vincent Marshall LEE Kwan Ho) has been formed to consider the Acquisition and an Independent Financial Adviser has been appointed by GDL to advise the Independent Board Committee and the Independent Shareholders on the Acquisition.

DESPATCH OF CIRCULAR

A circular containing, among other things, (i) further details of the Agreement and the transactions contemplated thereunder; (ii) a letter from the Independent Board Committee to the Independent Shareholders in relation to the Acquisition; (iii) a letter from the Independent Financial Adviser containing its advice to the Independent Board Committee and the Independent Shareholders; (iv) a valuation report on the Properties; and (v) the notice convening the SGM, is expected to be despatched to the GDL Shareholders on or before 21 May 2018.

DEFINITIONS

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

“Acquisition”	the proposed acquisition of the entire equity interest in the Target Company by the Purchaser from the Vendors pursuant to the Agreement;
“Adjustment Factor”	86.9%, being the quotient of the Equity Consideration (i.e. RMB 1,200,490,000) divided by the adjusted net asset value of the Target Company set out in paragraph (ii) under the section headed “The Agreement – Basis of determination of the Total Payment” in this announcement (i.e. approximately RMB 1,381,082,000);
“Agreement”	the agreement dated 27 April 2018 entered into between the Purchaser and the Vendors in respect of the Acquisition;
“Application Procedure”	has the meaning ascribed to it under the section headed “The Agreement – Conditions” in this announcement;
“associates”	has the meaning ascribed to it under the Listing Rules;
“Baohuaxuan Project”	has the meaning ascribed to it under the section headed “Information on the Target Company” in this announcement;
“Baohuaxuan Properties”	has the meaning ascribed to it under the section headed “Information on the Target Company” in this announcement;
“Business Day”	a day other than a statutory holiday in the PRC;
“Completion”	completion of the Acquisition in accordance with the terms and conditions of the Agreement;
“Completion Date”	the date on which Completion shall take place;
“Completion Notice”	has the meaning ascribed to it under the section headed “The Agreement – Conditions” in this announcement;
“connected person(s)”	has the meaning ascribed to it under the Listing Rules;

“Demerger”	has the meaning ascribed to it under the section headed “Information on the Target Company - The Target Company” in this announcement;
“Equity Consideration”	has the meaning ascribed to it under the section headed “The Agreement – Total Payment – Equity Consideration” in this announcement;
“Escrow Account”	has the meaning ascribed to it under the section headed “The Agreement – Total Payment – Equity Consideration” in this announcement;
“GDI”	Guangdong Investment Limited (粵海投資有限公司), a company incorporated in Hong Kong with limited liability and the shares of which are listed on the Main Board of the Stock Exchange;
“GDI Board”	the board of GDI Directors;
“GDI Director(s)”	the director(s) of GDI;
“GDI Group”	GDI and its subsidiaries (including GDL);
“GDI Shareholder(s)”	the shareholder(s) of GDI;
“GDL”	Guangdong Land Holdings Limited (粵海置地控股有限公司), a company incorporated in Bermuda with limited liability and the shares of which are listed on the Main Board of the Stock Exchange;
“GDL Board”	the board of GDL Directors;
“GDL Director(s)”	the director(s) of GDL;
“GDL Group”	GDL and its subsidiaries;
“GDL Shareholder(s)”	the shareholder(s) of GDL;
“GDL Share(s)”	share(s) of HK\$0.10 each in the share capital of GDL;
“Guangdong Holdings”	廣東粵海控股集團有限公司 (Guangdong Holdings Limited), the ultimate controlling shareholder and a connected person of both GDI and GDL;
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong;
“HK GAAP”	Hong Kong Generally Accepted Accounting Principles;
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC;

“Independent Board Committee”	an independent board committee of GDL comprising all of the independent non-executive directors of GDL, namely Mr. Alan Howard SMITH, Mr. Felix FONG Wo and Mr. Vincent Marshall LEE Kwan Ho;
“Independent Financial Adviser”	Ballas Capital Limited, a corporation licensed to carry out type 1 (dealing in securities) and type 6 (advising on corporate finance) regulated activities as defined under the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), the independent financial adviser appointed by GDL to advise the Independent Board Committee and the Independent Shareholders in respect of the Acquisition;
“Independent Shareholders”	shareholders of GDL other than those who are required to abstain from voting at the SGM pursuant to the Listing Rules;
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange, as amended from time to time;
“Long Stop Date”	31 August 2018;
“NAV Reduction Value”	has the meaning ascribed to it under the section headed “The Agreement – Total Payment – Equity Consideration” in this announcement;
“Outstanding Loans”	has the meaning ascribed to it under the section headed “The Agreement – Total Payment – Outstanding Loans” in this announcement;
“Outstanding Payables”	has the meaning ascribed to it under the section headed “Listing Rules Implications” in this announcement;
“Parties”	the Vendors and the Purchaser; and “Party” means any one of them;
“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;
“PRC GAAP”	the PRC Accounting Standards for Business Enterprises as promulgated and, from time to time, amended or supplemented by the Ministry of Finance of the PRC;
“Projects”	the Zhuguanglu Project and the Baohuaxuan Project;
“Properties”	the Zhuguang Road Properties and the Baohuaxuan Properties;
“Purchaser”	粵海置地發展（深圳）有限公司（Guangdong Land Development (Shenzhen) Limited), a company established in the PRC and an indirect non-wholly owned subsidiary of GDI and an indirect wholly-owned subsidiary of GDL;

“Repayment Date”	has the meaning ascribed to it under the section headed “The Agreement – Total Payment – Outstanding Loans” in this announcement
“RMB”	Renminbi, the lawful currency of the PRC;
“SGM”	special general meeting of GDL to be held to consider and, if thought fit, approve the Acquisition;
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“sq. m.”	square meter(s);
“Target Company”	廣東粵海房地產開發有限公司 (Guangdong Yuehai Property Development Co., Ltd.), a company established in the PRC with limited liability;
“Total Payment”	the aggregate of the Equity Consideration and the Outstanding Loans;
“Transfer Procedure”	has the meaning ascribed to it under the section headed “The Agreement – Conditions” in this announcement;
“Vendor A”	廣東粵港投資開發有限公司 (Guangdong Yuegang Investment Development Co., Ltd.), a company established in the PRC with limited liability and a connected person of both GDI and GDL;
“Vendor B”	廣東粵港投資置業有限公司 (Guangdong Yuegang Investment Property Co., Ltd.), a company established in the PRC with limited liability and a connected person of both GDI and GDL;
“Vendors”	Vendor A and Vendor B; and “Vendor” means any one of them;
“Zhuguanglu Project”	has the meaning ascribed to it under the section headed “Information on the Target Company” in this announcement;
“Zhuguanglu Properties”	has the meaning ascribed to it under the section headed “Information on the Target Company” in this announcement; and
“%”	per cent.

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 RMB0.8079.

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.

By Order of the Board
Guangdong Investment Limited
HUANG Xiaofeng
Chairman

By Order of the Board
Guangdong Land Holdings Limited
HUANG Xiaofeng
Chairman

Hong Kong, 27 April 2018

As at the date of this announcement, the GDI Board comprises four Executive Directors, namely, Mr. HUANG Xiaofeng, Mr. WEN Yinheng, Mrs. HO LAM Lai Ping, Theresa and Mr. TSANG Hon Nam; five Non-Executive Directors, namely, Mr. CAI Yong, Mr. ZHANG Hui, Ms. ZHAO Chunxiao, Mr. LAN Runing and Mr. LI Wai Keung; and five Independent Non-Executive Directors, namely, Dr. CHAN Cho Chak, John, Dr. the Honourable LI Kwok Po, David, Mr. FUNG, Daniel R., Dr. the Honourable CHENG Mo Chi, Moses and Mr. WU Ting Yuk, Anthony.

As at the date of this announcement, the GDL Board comprises one Non-Executive Director, namely Mr. HUANG Xiaofeng; 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.