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GUANGDONG INVESTMENT LIMITED
(粵海投資有限公司)
(Incorporated in Hong Kong with limited liability)
(Stock Code: 00270)

CONNECTED TRANSACTIONS

AND

**CONTINUING CONNECTED
TRANSACTIONS PURSUANT TO
RULE 14A.60(1) OF THE LISTING
RULES**



GUANGDONG LAND HOLDINGS LIMITED
粵海置地控股有限公司
(Incorporated in Bermuda with limited liability)
(Stock Code: 00124)

**MAJOR AND
CONNECTED TRANSACTIONS**

AND

**CONTINUING CONNECTED
TRANSACTIONS PURSUANT TO
RULE 14A.60(1) OF THE LISTING
RULES**

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

BALLAS
CAPITAL

THE ACQUISITIONS

The GDI Board and the GDL Board are pleased to announce that, on 29 October 2020 (after trading hours), Guangdong Land Shenzhen (being an indirect wholly-owned subsidiary of GDL, while GDL is a direct non-wholly owned subsidiary of GDI) entered into:

- (a) the Jiangmen Equity and Loan Transfer Agreement with Yuegang Investment, pursuant to which Guangdong Land Shenzhen has conditionally agreed to purchase, and Yuegang Investment has conditionally agreed to sell, (i) the Jiangmen Sale Equity for the aggregate consideration of RMB648,179,553 (equivalent to approximately HK\$746,923,000) in cash, subject to adjustment (if any) in accordance with the terms of the Jiangmen Equity and Loan Transfer Agreement; and (ii) the Sale Loan for the consideration of RMB306,000,000 (equivalent to approximately HK\$352,616,000). The Jiangmen Acquisition Total Consideration is RMB954,179,553 (equivalent to approximately HK\$1,099,539,000); and
- (b) the Huizhou Equity Transfer Agreement with the Huizhou Vendors, pursuant to which Guangdong Land Shenzhen has conditionally agreed to purchase, and the Huizhou Vendors have conditionally agreed to sell, the Huizhou Sale Equity for the aggregate consideration of RMB273,797,700 (equivalent to approximately HK\$315,508,000) in cash, subject to adjustment (if any) in accordance with the terms of the Huizhou Equity Transfer Agreement.

Upon the Jiangmen Acquisition Completion, Jiangmen Yuehai will become (i) an indirect non-wholly owned subsidiary of GDL, and (ii) an indirect non-wholly owned subsidiary of GDI (through its interest in GDL).

Upon the Huizhou Acquisition Completion, Huiyang Yuehai and Huizhou Yuehai will become (i) indirect wholly-owned subsidiaries of GDL, and (ii) indirect non-wholly owned subsidiaries of GDI (through its interest in GDL).

LISTING RULES IMPLICATIONS

GDI

Since Yuegang Investment and GDH (Hui Yang) 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, each of the Acquisitions constitutes a connected transaction of GDI under Chapter 14A of the Listing Rules. As certain applicable percentage ratios in respect of the Acquisitions (on an aggregated basis) exceed 0.1% but all the applicable percentage ratios are less than 5%, the Acquisitions are subject to the reporting and announcement requirements, but are exempt from the independent shareholders' approval requirement, under Chapter 14A of the Listing Rules.

GDL

Further, as GDI is the controlling shareholder of GDL, thus, for the reasons mentioned above, Yuegang Investment and GDH (Hui Yang) are connected persons of GDL under Chapter 14A of the Listing Rules, each of the Acquisitions 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. As one of the applicable percentage ratios in respect of the Acquisitions (on an aggregated basis) exceeds 25% but all the applicable percentage ratios are less than 100%, the Acquisitions also constitute major transactions of GDL under Chapter 14 of the Listing Rules.

A circular containing, among other things, (i) further details of the Acquisition Agreements and the transactions contemplated thereunder; (ii) a letter from the Independent Board Committee to the Independent Shareholders in relation to the Acquisitions; (iii) a letter from the Independent Financial Adviser containing its advice to the Independent Board Committee and the Independent Shareholders; (iv) the Valuation Report; and (v) the notice convening the SGM, is expected to be despatched to the GDL Shareholders on or before 19 November 2020.

CONTINUING CONNECTED TRANSACTIONS PURSUANT TO RULE 14A.60(1) OF THE LISTING RULES

Huiyang Yuehai or Huizhou Yuehai (as the case may be) and Yuehai Property Management, Yuehai Property Management Huiyang Branch or Teem Management Co (as the case may be) have entered into the Existing Continuing Agreements concerning certain continuing transactions between them.

Upon Huizhou Acquisition Completion, Huiyang Yuehai and Huizhou Yuehai will become (i) indirect wholly-owned subsidiaries of GDL, and (ii) indirect non-wholly owned subsidiaries of GDI (through its interest in GDL), while Yuehai Property Management, Yuehai Property Management Huiyang Branch and Teem Management Co, being direct or indirect (as the case may be) wholly-owned subsidiaries of Guangdong Holdings, will remain connected persons of GDI and GDL.

Therefore, the Existing Continuing Transactions between Huiyang Yuehai or Huizhou Yuehai (as the case may be) and Yuehai Property Management, Yuehai Property Management Huiyang Branch or Teem Management Co (as the case may be) will constitute continuing connected transactions of GDI and GDL under Chapter 14A of the Listing Rules.

INTRODUCTION

The GDI Board and the GDL Board are pleased to announce that on 29 October 2020 (after trading hours), Guangdong Land Shenzhen (being an indirect wholly-owned subsidiary of GDL, while GDL is a direct non-wholly owned subsidiary of GDI) entered into:

- (a) the Jiangmen Equity and Loan Transfer Agreement with Yuegang Investment, pursuant to which Guangdong Land Shenzhen has conditionally agreed to purchase, and Yuegang Investment has conditionally agreed to sell (i) the Jiangmen Sale Equity for the aggregate consideration of RMB648,179,553 (equivalent to approximately HK\$746,923,000) in cash, subject to adjustment (if any) in accordance with the terms of the Jiangmen Equity and Loan Transfer Agreement; and (ii) the Sale Loan for the consideration of

RMB306,000,000 (equivalent to approximately HK\$352,616,000). The Jiangmen Acquisition Total Consideration is RMB954,179,553 (equivalent to approximately HK\$1,099,539,000); and

- (b) the Huizhou Equity Transfer Agreement with the Huizhou Vendors, pursuant to which Guangdong Land Shenzhen has conditionally agreed to purchase, and the Huizhou Vendors have conditionally agreed to sell the Huizhou Sale Equity for the aggregate consideration of RMB273,797,700 (equivalent to approximately HK\$315,508,000) in cash, subject to adjustment (if any) in accordance with the terms of the Huizhou Equity Transfer Agreement.

A. THE JIANGMEN ACQUISITION

A.1 The Jiangmen Equity and Loan Transfer Agreement

The salient terms of the Jiangmen Equity and Loan Transfer Agreement are set out as follows:

Date: 29 October 2020 (after trading hours)

Parties:

Purchaser: Guangdong Land Shenzhen

Vendor: Yuegang Investment

Target company: Jiangmen Yuehai

Subject matter

Pursuant to the Jiangmen Equity and Loan Transfer Agreement, Guangdong Land Shenzhen has conditionally agreed to purchase, and Yuegang Investment has conditionally agreed to sell, (i) the Jiangmen Sale Equity and (ii) the Sale Loan.

Please refer to the section headed “A. The Jiangmen Acquisition – A.2 Information on Jiangmen Yuehai” in this announcement for details of Jiangmen Yuehai.

The Sale Loan amounts to RMB306,000,000 (equivalent to approximately HK\$352,616,000) and represents 51% of the principal amount of the Outstanding Shareholder’s Loan. Upon the Jiangmen Acquisition Completion, there will be an outstanding shareholder’s loan owing by Jiangmen Yuehai to Yuegang Investment in the amount of RMB294,000,000 (equivalent to approximately HK\$338,788,000), representing 49% of the Outstanding Shareholder’s Loan.

Pursuant to the Jiangmen Equity and Loan Transfer Agreement, the accrued interest on the Outstanding Shareholder’s Loan up to the Sale Loan Transfer Date shall be paid by Jiangmen Yuehai to Yuegang Investment on the Sale Loan Transfer Date.

Jiangmen Acquisition Total Consideration

Jiangmen Equity Consideration

The consideration (the “**Jiangmen Equity Consideration**”) for the Jiangmen Sale Equity in the aggregate amount of RMB648,179,553 (equivalent to approximately HK\$746,923,000) (subject

to adjustment as set out below) shall be payable by Guangdong Land Shenzhen to Yuegang Investment and settled in cash in two tranches in the following manner:

- (a) a sum of RMB194,453,866 (equivalent to approximately HK\$224,077,000), representing 30% of the Jiangmen Equity Consideration shall be payable within 5 Business Days from the Jiangmen Effective Date; and
- (b) the balance (the “**Jiangmen Equity Consideration Balance**”) of the Jiangmen Equity Consideration (after adjustment, if any) and the Jiangmen Equity Consideration Balance Interest shall be payable on the date which is the first anniversary of the Jiangmen Effective Date.

Pursuant to the Jiangmen Equity and Loan Transfer Agreement, Guangdong Land Shenzhen shall pay an interest (the “**Jiangmen Equity Consideration Balance Interest**”) for the amount of the Jiangmen Equity Consideration Balance at a rate of 4.35% per annum (being the benchmark interest rate for one-year loans for financial institutions as at the date of the Jiangmen Equity and Loan Transfer Agreement as stipulated by the People’s Bank of China) for the period from the fifth Business Day after the Jiangmen Effective Date to the payment date of the Jiangmen Equity Consideration Balance (both days inclusive).

The obligations of Guangdong Land Shenzhen to pay Yuegang Investment (i) the Jiangmen Equity Consideration Balance and (ii) the Jiangmen Equity Consideration Balance Interest shall be guaranteed by Yuehai Technology, an indirect wholly-owned subsidiary of GDL and thus an indirect non-wholly owned subsidiary of GDI.

Jiangmen Equity Consideration adjustment

Guangdong Land Shenzhen and Yuegang Investment shall jointly appoint an auditor to issue the Jiangmen Completion Accounts no later than 60 Business Days after the date of the Jiangmen Acquisition Completion.

The Jiangmen Equity Consideration shall be subject to a downward adjustment (if any) by an amount equal to the Jiangmen NAV Reduction Value multiplied by 51% in the event that (i) there is a shortfall in the net asset value of Jiangmen Yuehai as shown in the Jiangmen Completion Accounts as compared against the audited net asset value of Jiangmen Yuehai of RMB1,259,192,441 (equivalent to approximately HK\$1,451,017,000) as at 31 August 2020 prepared in accordance with PRC GAAP (such difference in the net asset value shall be referred to as the “**Jiangmen NAV Reduction Value**”); and (ii) the Jiangmen NAV Reduction Value is greater than or equal to RMB5,000,000 (equivalent to approximately HK\$5,762,000).

Sale Loan Consideration

The consideration (the “**Sale Loan Consideration**”) for the Sale Loan in the amount of RMB306,000,000 (equivalent to approximately HK\$352,616,000) shall be payable and settled by Guangdong Land Shenzhen to Yuegang Investment within 5 Business Days from the date of the Jiangmen Acquisition Completion (the “**Sale Loan Transfer Date**”).

The Jiangmen Acquisition Total Consideration is expected to be funded by the GDL Group’s internal resources and/or bank borrowings.

Basis of the Jiangmen Acquisition Total Consideration

The amount of the Jiangmen Acquisition Total Consideration was arrived at after arm's length negotiations between Guangdong Land Shenzhen and Yuegang Investment and after taking into account the following:

- (i) the value of the Jiangmen Land, being the principal asset of Jiangmen Yuehai, as at 31 August 2020 of approximately RMB1,759,000,000 (equivalent to approximately HK\$2,026,965,000) according to the Valuation Report (such report will be set out in the circular to be despatched by GDL);
- (ii) the adjusted net asset value of Jiangmen Yuehai as at 31 August 2020 in the amount of approximately RMB1,275,807,428 (equivalent to approximately HK\$1,470,163,000) prepared on the basis of the unaudited management accounts of Jiangmen Yuehai dated 31 August 2020 in accordance with HK GAAP, which was adjusted based on, among other things, the abovementioned value of the Jiangmen Land and the related deferred tax liabilities arising therefrom;
- (iii) the location and development potential of the Jiangmen Ganhua Project (further details are set out in the section headed "A. The Jiangmen Acquisition – A.2 Information on Jiangmen Yuehai - The Jiangmen Ganhua Project" below); and
- (iv) the principal amount of the Sale Loan.

Conditions precedent

The Jiangmen Equity and Loan Transfer Agreement shall become effective on the 25th day upon the fulfillment or waiver (where applicable) of, among other things, the following conditions (the "**Jiangmen Effective Date**"):

- (i) the approval of the transactions contemplated under the Jiangmen Equity and Loan Transfer Agreement by the Independent Shareholders at a special general meeting of GDL in compliance with the Listing Rules, having been obtained;
- (ii) the approval of the Jiangmen Equity and Loan Transfer Agreement and the transactions contemplated thereunder by the shareholder(s) of each of Yuegang Investment and Jiangmen Yuehai, as required by the PRC laws and their respective articles of association, having been obtained;
- (iii) the approval of the entering into of the Jiangmen Equity and Loan Transfer Agreement and the transactions contemplated thereunder by the shareholder(s) of Guangdong Land Shenzhen, as required by the PRC laws and its articles of association, having been obtained;
- (iv) the approval of the Jiangmen Equity and Loan Transfer Agreement by Guangdong Holdings having been obtained;
- (v) the rights to the Jiangmen Sale Equity being free from encumbrance and transferrable under the PRC laws;

- (vi) the representations and warranties given by Yuegang Investment continue to be true, accurate and not misleading in all respects from the date of the Jiangmen Equity and Loan Transfer Agreement to the Jiangmen Effective Date; and
- (vii) Yuegang Investment having performed and complied with all relevant obligations, commitments and undertakings in accordance with the Jiangmen Equity and Loan Transfer Agreement on or before the Jiangmen Effective Date.

Save for conditions (i) and (iv) which are not capable of being waived, Guangdong Land Shenzhen and Yuegang Investment (as the case may be) shall be entitled to waive the conditions relevant to them in writing. If the said conditions cannot be satisfied (or waived) within six months from the date of the Jiangmen Equity and Loan Transfer Agreement (or such other date as the parties to the Jiangmen Equity and Loan Transfer Agreement may agree in writing), the Jiangmen Equity and Loan Transfer Agreement will terminate.

Completion

After the Jiangmen Effective Date, Yuegang Investment shall proceed with all registration and/or filing procedures with the relevant administration for industry and commerce department in the PRC in respect of the transfer of the Jiangmen Sale Equity, the change of shareholder of Jiangmen Yuehai and the amendments of articles of association of Jiangmen Yuehai. Yuegang Investment shall complete the change of registration (工商登記) in respect of the transfer of the Jiangmen Sale Equity with the relevant administration for industry and commerce department in the PRC within 7 days from the Jiangmen Effective Date.

The date of the Jiangmen Acquisition Completion shall be the date of completion of the change of registration of the Jiangmen Sale Equity with the relevant administration for industry and commerce department in the PRC.

A.2 Information on Jiangmen Yuehai

Jiangmen Yuehai is a limited liability company established in the PRC on 23 June 2020. As at the date of this announcement, its principal assets comprise interests in the Jiangmen Land and it will be principally engaged in the development of the Jiangmen Ganhua Project. As at the date of this announcement, 100% of the equity capital of Jiangmen Yuehai is owned by Yuegang Investment.

Upon the Jiangmen Acquisition Completion, 51% of the equity capital of Jiangmen Yuehai will be owned by Guangdong Land Shenzhen, and Jiangmen Yuehai will become (i) an indirect non-wholly owned subsidiary of GDL, and (ii) an indirect non-wholly owned subsidiary of GDI (through its interest in GDL) and cease to be a subsidiary of Yuegang Investment.

The Jiangmen Ganhua Project

The principal assets of Jiangmen Yuehai are three adjoining parcels of land located at the east of Ganbei Road, Pengjiang District, Jiangmen City, Guangdong Province, the PRC with an aggregate site area of 174,537.52 sq. m. (the “**Jiangmen (No. 3 – 5) Land**”). The Jiangmen (No. 3 – 5) Land has been approved for city and town residential, and other commercial and service uses. In addition, there is a parcel of land adjacent to the Jiangmen (No. 3 – 5) Land with an aggregate site area of 18,114.82 sq. m. (the “**Jiangmen (No. 6) Land**”), which, together with the Jiangmen (No. 3 – 5) Land shall be referred to as the “**Jiangmen Land**”), which has been approved for medical and health, and commercial service uses; and, subject to the approval of

the relevant government authorities in accordance with the policy of “Three Olds” Renovation (「三舊」改造) in relation to, among other things, the resettlement of the residents. Jiangmen Yuehai shall be entitled to acquire the relevant land use right in respect of Jiangmen (No. 6) Land without paying any land premium.

Ganhua Sub-district, where the Jiangmen Land is situated in, will be positioned as a waterfront community integrating high-end commercial/financial and residential areas. The Jiangmen Land is located to the east of Ganbei Road, west of Xi River, south of Panbian Street and north of Beixin Road in Pengjiang District, Jiangmen City, Guangdong Province, and in a traditional old town district in Jiangmen City with high density population and a convenient transportation network. The Jiangmen Land also is adjacent to Xi River, connects to the Chaolian Talent Island and is accessible to five parks nearby, providing a quality living environment with an excellent river scenery.

The GDL Group intends to develop a large-scale integrated property project (the “**Jiangmen Ganhua Project**”) on the Jiangmen Land, which will have an aggregate gross floor area of approximately 438,198.02 sq. m., comprising (i) on the Jiangmen (No. 3 - 5) Land, approximately 274,371.00 sq. m. for residential use, approximately 119,194.52 sq. m. for commercial use and approximately 3,035.00 sq. m. for ancillary public facilities; and (ii) on the Jiangmen (No. 6) Land, approximately 28,797.00 sq. m. for elderly residential apartments and public service facilities, and approximately 12,800.50 sq. m. for care homes and health centers. The construction of the Jiangmen Ganhua Project is divided into three phases and the whole project is expected to be completed in December 2026. The pre-sale of the first phase of the Jiangmen Ganhua Project is expected to be commenced in May 2021. As at the date of this announcement, the land leveling work for the Jiangmen Ganhua Project is in progress.

Jiangmen Yuehai acquired the land use rights to the Jiangmen (No. 3 – 5) Land from the PRC Government through online listing-for-sale in June 2020. Jiangmen Yuehai’s acquisition costs for the Jiangmen (No. 3 – 5) Land is approximately RMB1,683,650,000 (equivalent to approximately HK\$1,940,136,000). The relevant payments in respect of the up-front development costs of the Jiangmen Ganhua Project amount to approximately RMB53,201,000 (equivalent to approximately HK\$61,306,000) in aggregate as at 31 August 2020. As at 31 August 2020, the book value of the total assets of Jiangmen Yuehai was approximately RMB1,762,130,000 (equivalent to approximately HK\$2,030,572,000).

Financial information of Jiangmen Yuehai

Based on the unaudited management accounts of Jiangmen Yuehai (prepared in accordance with HK GAAP) for the period from 23 June 2020 (i.e. the incorporation date of Jiangmen Yuehai) to 31 July 2020, the unaudited loss before tax was approximately RMB752,000 (equivalent to approximately HK\$867,000) and the unaudited loss after tax was RMB752,000 (equivalent to approximately HK\$867,000).

Based on the unaudited management accounts of Jiangmen Yuehai (prepared in accordance with HK GAAP), the unaudited net asset value of Jiangmen Yuehai as at 31 July 2020 was approximately RMB1,259,248,000 (equivalent to approximately HK\$1,451,081,000).

A.3 Information on Guangdong Land Shenzhen, the GDI Group and the GDL Group

Guangdong Land Shenzhen is an indirect wholly-owned subsidiary of GDL, while GDL is a direct non-wholly owned subsidiary of GDI. Guangdong Land Shenzhen is principally engaged in property development and investment in the PRC.

The GDL Group is principally engaged in property development and investment businesses. As at the date of this announcement, GDI holds approximately 73.82% of the issued share capital of GDL.

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 ultimate controlling shareholder of GDL and GDI is Guangdong Holdings. Guangdong Holdings is wholly-owned by the People's Government of Guangdong Province.

A.4 Information on Yuegang Investment

Yuegang Investment is principally engaged in investment, project development, property development consultancy services, corporate management consultancy services, investment consultancy services, property agency and relevant consultancy services.

Yuegang Investment is a direct wholly-owned subsidiary of Guangdong Holdings (being the ultimate controlling shareholder and therefore a connected person of both GDI and GDL), and, hence, an associate of Guangdong Holdings and a connected person of both GDI and GDL under Chapter 14A of the Listing Rules.

A.5 Reasons for and benefits of the Jiangmen Acquisition

The GDI Board and the GDL Board, respectively believe that the Jiangmen 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 principally engaged in property development and investment businesses. GDL is optimistic about the real estate market in Jiangmen City which is one of the nine municipalities in the Guangdong-Hong Kong-Macau Greater Bay Area (the “**Greater Bay Area**”). Subsequent to the implementation of the relevant plans and policies for the Greater Bay Area by the PRC Government, further integration and development of various cities in the 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 the first-tier cities in the PRC, it is also keen on building its foothold in cities within the Greater Bay Area and the Pearl River Delta region with the view to developing a long-term sustainable business model.

Through the Jiangmen Acquisition, the GDL Group will acquire the Jiangmen Land and develop the Jiangmen Ganhua Project. The Jiangmen Ganhua Project is located only about three to four kilometers away from the central commercial district of Beixin Sub-district, and is adjacent to a reputable secondary school and a first-class general hospital. The Jiangmen Ganhua Project is connected to the major transportation network with city rails, main roads, coach terminus, trunk roads and expressways within a five-kilometer radius, and is highly accessible to the respective entrances of Fojiang Expressway and Guangzhongjiang Expressway. Accordingly, GDL believes that the abovementioned characteristics would attract a wide spectrum of potential purchasers.

The Jiangmen Ganhua Project has a site area of approximately 192,652.34 sq. m. with an expected aggregate gross floor area of approximately 438,198.02 sq. m.. The GDL Group intends to sell all the residential and commercial properties to be developed under the Jiangmen Ganhua Project (other than the area reserved for re-settlement purposes, further details of which will be set out in the Valuation Report). Leveraging on the strategic development of the Greater Bay Area as supported by the PRC Government, it is expected that the Jiangmen Ganhua Project will generate good investment return to the GDL Group. In 2019, the GDL Group already acquired a land parcel at Chenyuan Road, Pengjiang District, Jiangmen City for developing a property project. Together with the Jiangmen Ganhua Project, it is considered that the brand image of the GDL Group as a quality and established property developer will be further enhanced and Guangdong Land Shenzhen will become more widely known in Jiangmen City, one of the major metropolitan cities in the Greater Bay Area. Accordingly, the GDL Directors believe that the Jiangmen Acquisition is an excellent investment opportunity which is in line with the GDL Group's long-term business plan and development strategies.

B. THE HUIZHOU ACQUISITION

B.1 The Huizhou Equity Transfer Agreement

The salient terms of the Huizhou Equity Transfer Agreement are set out as follows:

Date: 29 October 2020 (after trading hours)

Parties:

Purchaser: Guangdong Land Shenzhen

Vendors: (a) GDH (Hui Yang) (as vendor of 80% of the Huizhou Sale Equity)
(b) Yuegang Investment (as vendor of 20% of the Huizhou Sale Equity)

Subject matter

Pursuant to the Huizhou Equity Transfer Agreement, Guangdong Land Shenzhen has conditionally agreed to purchase, and the Huizhou Vendors have conditionally agreed to sell, the Huizhou Sale Equity, representing the entire equity capital of Huiyang Yuehai.

Please refer to the section headed "B. The Huizhou Acquisition – B.2 Information on the Huizhou Target Group" in this announcement for details of Huiyang Yuehai.

Huizhou Acquisition Consideration

The consideration (the "**Huizhou Acquisition Consideration**") for the Huizhou Sale Equity in the aggregate amount of RMB273,797,700 (equivalent to approximately HK\$315,508,000) (subject to adjustment as set out below), amongst which, RMB219,038,160 (equivalent to approximately HK\$252,406,000) shall be payable by Guangdong Land Shenzhen to GDH (Hui Yang), and RMB54,759,540 (equivalent to approximately HK\$63,102,000) shall be payable by Guangdong Land Shenzhen to Yuegang Investment, and shall be settled in cash in two tranches in the following manner:

- (a) a sum of RMB82,139,310 (equivalent to approximately HK\$94,652,000), representing 30% of the Huizhou Acquisition Consideration shall be payable within 5 Business Days from the Huizhou Effective Date, amongst which, RMB65,711,448 (equivalent to approximately HK\$75,722,000) shall be payable by Guangdong Land Shenzhen to GDH (Hui Yang), and RMB16,427,862 (equivalent to approximately HK\$18,930,000) shall be payable by Guangdong Land Shenzhen to Yuegang Investment; and
- (b) the balance (the “**Huizhou Acquisition Consideration Balance**”) of the Huizhou Acquisition Consideration (after adjustment, if any) and the Huizhou Acquisition Consideration Balance Interest shall be payable on the date which is the first anniversary of the Huizhou Effective Date.

Pursuant to the Huizhou Equity Transfer Agreement, Guangdong Land Shenzhen shall pay an interest (the “**Huizhou Acquisition Consideration Balance Interest**”) for the amount of the Huizhou Acquisition Consideration Balance at a rate of 4.35% per annum (being the benchmark interest rate for one-year loans for financial institutions as at the date of the Huizhou Equity Transfer Agreement as stipulated by the People’s Bank of China) for the period from the fifth Business Day after the Huizhou Effective Date to the payment date of the Huizhou Acquisition Consideration Balance (both days inclusive).

The obligations of Guangdong Land Shenzhen to pay the Huizhou Vendors the Huizhou Acquisition Consideration Balance and the Huizhou Acquisition Consideration Balance Interest shall be guaranteed by Yuehai Technology, an indirect wholly-owned subsidiary of GDL and thus an indirect non-wholly owned subsidiary of GDI.

Huizhou Acquisition Consideration adjustment

Guangdong Land Shenzhen and the Huizhou Vendors shall jointly appoint an auditor to issue the Huizhou Completion Accounts no later than 60 Business Days after the date of the Huizhou Acquisition Completion.

The Huizhou Acquisition Consideration shall be subject to a downward adjustment (if any) by an amount equal to the Huizhou NAV Reduction Value multiplied by 94.74% in the event that (i) there is a shortfall in the consolidated net asset value of Huiyang Yuehai as shown in the Huizhou Completion Accounts as compared against the audited consolidated net asset value of Huiyang Yuehai of RMB146,430,204 (equivalent to approximately HK\$168,737,000) as at 31 August 2020 prepared in accordance with PRC GAAP (such difference in the net asset value shall be referred to as the “**Huizhou NAV Reduction Value**”); and (ii) the Huizhou NAV Reduction Value is greater than or equal to RMB2,500,000 (equivalent to approximately HK\$2,881,000).

The Huizhou Acquisition Consideration is expected to be funded by the GDL Group’s internal resources and/or bank borrowings.

Basis of the Huizhou Acquisition Consideration

The amount of the Huizhou Acquisition Consideration was arrived at after arm’s length negotiations between Guangdong Land Shenzhen and the Huizhou Vendors and after taking into account the following:

- (i) the value of the Huizhou Land, being the principal asset of the Huizhou Target Group, as at 31 August 2020 of approximately RMB360,820,000 (equivalent to approximately HK\$415,787,000) according to the Valuation Report (such report will be set out in the circular to be despatched by GDL);
- (ii) the adjusted consolidated net asset value of Huiyang Yuehai as at 31 August 2020 in the amount of approximately RMB288,990,472 (equivalent to approximately HK\$333,015,000) prepared on the basis of the unaudited consolidated management accounts of Huiyang Yuehai dated 31 August 2020 in accordance with HK GAAP, which was adjusted mainly based on the abovementioned value of the Huizhou Land and the related deferred tax liabilities arising therefrom; and
- (iii) the location and development potential of the Huizhou Dayawan Project (further details are set out in the section headed “B. The Huizhou Acquisition – B.2 Information on the Huizhou Target Group - The Huizhou Dayawan Project” in this announcement).

Conditions precedent

The Huizhou Equity Transfer Agreement shall become effective on the 25th day upon the fulfillment or waiver (where applicable) of, among other things, the following conditions (the “**Huizhou Effective Date**”):

- (i) the approval of the transactions contemplated under the Huizhou Equity Transfer Agreement by the Independent Shareholders at a special general meeting of GDL in compliance with the Listing Rules having been obtained;
- (ii) the approval of the Huizhou Equity Transfer Agreement and the transactions contemplated thereunder by the shareholder(s) of each of the Huizhou Vendors and Huiyang Yuehai, as required by the PRC laws and their respective articles of association, having been obtained;
- (iii) the approval of the entering into of the Huizhou Equity Transfer Agreement and the transactions contemplated thereunder by the shareholder(s) of Guangdong Land Shenzhen, as required by the PRC laws and its articles of association, having been obtained;
- (iv) the approval of the Huizhou Equity Transfer Agreement by Guangdong Holdings having been obtained;
- (v) the rights to the Huizhou Sale Equity being free from encumbrance and transferrable under the PRC laws;
- (vi) the representations and warranties given by the Huizhou Vendors continue to be true, accurate and not misleading in all respects from the date of the Huizhou Equity Transfer Agreement to the Huizhou Effective Date; and
- (vii) the Huizhou Vendors having performed and complied with all relevant obligations, commitments and undertakings in accordance with the Huizhou Equity Transfer Agreement on or before the Huizhou Effective Date.

Save for conditions (i) and (iv) which are not capable of being waived, Guangdong Land Shenzhen and the Huizhou Vendors (as the case may be) shall be entitled to waive the

conditions relevant to them in writing. If the said conditions cannot be satisfied (or waived) within six months from the date of the Huizhou Equity Transfer Agreement (or such other date as the parties to the Huizhou Equity Transfer Agreement may agree in writing), the Huizhou Equity Transfer Agreement will terminate.

Completion

After the Huizhou Effective Date, the Huizhou Vendors shall proceed with (i) all registration and/or filing procedures with the relevant administration for industry and commerce department in the PRC in respect of the transfer of the Huizhou Sale Equity, the change of shareholder of Huiyang Yuehai and the amendments of articles of association of Huiyang Yuehai and (ii) all the required procedures for the change of nature of Huiyang Yuehai in respect of a wholly foreign-owned enterprises under PRC law. The Huizhou Vendors shall apply for the change of registration (工商登記) in respect of the transfer of the Huizhou Sale Equity with the relevant administration for industry and commerce department in the PRC within 5 Business Days from the Huizhou Effective Date.

The date of the Huizhou Acquisition Completion shall be the date of completion of the change of registration of the Huizhou Sale Equity with the relevant administration for industry and commerce department in the PRC.

B.2 Information on the Huizhou Target Group

Huiyang Yuehai is a limited liability company established in the PRC on 18 January 1993 and is principally engaged in the development, construction, operation and management of properties. As at the date of this announcement, the equity interest of Huiyang Yuehai is owned as to 80% and 20% by GDH (Hui Yang) and Yuegang Investment, respectively.

Huizhou Yuehai is a wholly-owned subsidiary of Huiyang Yuehai. Huizhou Yuehai is a limited liability company established in the PRC on 10 September 2007. Its principal assets comprise interest in the Huizhou Land, and it will be principally engaged in the development of the Huizhou Dayawan Project. The principal asset of Huizhou Yuehai is the Huizhou Land.

Upon the Huizhou Acquisition Completion, 100% of the equity capital of Huiyang Yuehai will be owned by Guangdong Land Shenzhen, and Huiyang Yuehai and Huizhou Yuehai will become (i) indirect wholly-owned subsidiaries of GDL, and (ii) indirect non-wholly owned subsidiaries of GDI (through its interest in GDL).

The Huizhou Dayawan Project

The principal asset of the Huizhou Target Group is a parcel of land located at Mamiao, Aotou, Dayawan District, Huizhou City, Guangdong Province, the PRC with a total site area of approximately 30,698 sq. m. (the “**Huizhou Land**”). The Huizhou Land has been approved for city and town residential uses. Huizhou City is an important gateway on the east coast of the Greater Bay Area and has good transport infrastructure including an airport. The Huizhou Land is located in the southern part of Huizhou City, and north of Huiyang and west of Pingshan, Shenzhen. The Huizhou Land is close to Xin’ao Avenue, a trunk road connecting Huiyang and Dayawan District, and is only seven kilometers away from the Huizhou High-speed South Railway Station. The Huizhou Land is situated at an excellent geographical location which is 100 kilometers from Hong Kong, 68 kilometers from Macau, 60 kilometers from Shenzhen city center and 120 kilometers from Dongguan city center.

The GDL Group intends to develop a property project on the Huizhou Land, which will have an aggregate gross floor area of approximately 92,094 sq. m., comprising (i) approximately 81,469 sq. m. for residential use, (ii) approximately 9,209 sq. m. for commercial use, and (iii) 1,416 sq. m. for ancillary public facilities (the “**Huizhou Dayawan Project**”). The Huizhou Dayawan Project is positioned to be a quality urban residential community with natural slope land garden view and features residential, sports, leisure, culture and education functions. The development of the Huizhou Dayawan Project is expected to be completed in October 2023 and the pre-sale of the Huizhou Dayawan Project is expected to commence in March 2022. As at the date of this announcement, the land leveling work for the Huizhou Dayawan Project is in progress.

Huiyang Yuehai acquired the land use rights to the Huizhou Land from the PRC Government through online listing-for-sale in August 2007. Huizhou Yuehai’s acquisition costs for the Huizhou Land is approximately RMB54,228,000 (equivalent to approximately HK\$62,489,000). The relevant payments in respect of the up-front development costs of the Huizhou Dayawan Project amount to approximately RMB6,762,000 (equivalent to approximately HK\$7,792,000) in aggregate as at 31 August 2020. As at 31 August 2020, the book value of the consolidated total assets of Huiyang Yuehai was approximately RMB153,212,000 (equivalent to approximately HK\$176,552,000).

Financial information of Huiyang Yuehai

Set out below is selected unaudited consolidated financial information of Huiyang Yuehai based on the unaudited consolidated management accounts of Huiyang Yuehai prepared in accordance with HK GAAP, for each of the two financial years ended 31 December 2019, respectively.

	For the year ended 31 December 2018 (unaudited)	For the year ended 31 December 2019 (unaudited)
Profit/(loss) before tax	RMB1,193,000 (equivalent to approximately HK\$1,375,000)	RMB(1,862,000) (equivalent to approximately HK\$(2,146,000))
Loss after tax	RMB(97,000) (equivalent to approximately HK\$(112,000))	RMB(2,539,000) (equivalent to approximately HK\$(2,926,000))

Based on the unaudited consolidated management accounts of Huiyang Yuehai, the unaudited consolidated net asset value of Huiyang Yuehai as at 31 July 2020 was approximately RMB148,563,000 (equivalent to approximately HK\$171,195,000).

B.3 Information on the parties to the Huizhou Equity Transfer Agreement

For information on Guangdong Land Shenzhen, please refer to the section headed “A. The Jiangmen Acquisition - A.3 Information on Guangdong Land Shenzhen, the GDI Group and the GDL Group” in this announcement.

For information on Yuegang Investment, please refer to the section headed “A. The Jiangmen Acquisition - A.4 Information on Yuegang Investment” in this announcement.

GDH (Hui Yang) is a company incorporated in Hong Kong with limited liability on 7 June 2006 and is principally engaged in investment holding. GDH (Hui Yang) is an indirect wholly-owned

subsidiary of Guangdong Holdings (being the ultimate controlling shareholder and therefore a connected person of both GDI and GDL), and, hence, an associate of Guangdong Holdings and a connected person of both GDI and GDL under Chapter 14A of the Listing Rules.

B.4 Reasons for and benefits of the Huizhou Acquisition

The GDI Board and the GDL Board, respectively believe that the Huizhou 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 principally engaged in property development and investment businesses. GDL is optimistic about the real estate market in Huizhou City which is one of the nine municipalities in the Greater Bay Area. Subsequent to the implementation of the relevant plans and policies for the Greater Bay Area by the PRC Government, further integration and development of the cities in the 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 the first-tier cities in the PRC, it is also keen on building its foothold in cities within the Greater Bay Area and the Pearl River Delta region with the view to developing a long-term sustainable business model.

Through the Huizhou Acquisition, the GDL Group will acquire the Huizhou Land and continue to develop the Huizhou Dayawan Project. The Huizhou Dayawan Project is adjacent to certain shopping areas, reputable schools and two hospitals. The Huizhou Dayawan Project is also connected to a major transportation network with expressways, the high-speed railway and other public transport, making it accessible to Shenzhen within one hour. The Huizhou Dayawan Project has a site area of approximately 30,698 sq. m. with an expected aggregate gross floor area of approximately 92,094 sq. m. The GDL Group intends to sell all the properties to be developed under the Huizhou Dayawan Project. Leveraging on the strategic development of the Greater Bay Area as supported by the PRC Government, it is expected that the Huizhou Dayawan Project will generate good investment return to the GDL Group and enhance the brand image of Guangdong Land Shenzhen as a quality and established property developer. Accordingly, the GDL Directors believe that the Huizhou Acquisition is an excellent investment opportunity which is in line with the GDL Group's long-term business plan and development strategies.

C. LISTING RULES IMPLICATIONS OF THE ACQUISITIONS

Given the above, the GDI Board (excluding the independent non-executive directors of GDI) considers that the terms and conditions of the Acquisitions are fair and reasonable, on normal commercial terms or better, 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 aforesaid view of the GDI Board, and will, after considering the advice to be provided by the Independent Financial Adviser to the independent non-executive directors of GDL, finalize their view which will be published by GDI under a separate announcement.

Mr. Hou Wailin and Mr. Cai Yong, being GDI Directors, are also directors of Guangdong Holdings. Mr. Cai, who was present at the relevant GDI Board meeting was not counted in the quorum and also abstained from voting on the GDI Board resolutions for the entering into of the

Acquisition Agreements by Guangdong Land Shenzhen, while Mr. Hou was absent from the relevant GDI Board meeting. Save as disclosed, to the best of the GDI Directors' knowledge, information and belief having made all reasonable enquiries, no other GDI Directors had any material interest in the Acquisition Agreements and the transactions contemplated thereunder.

Given the above, the GDL Board (other than the independent non-executive directors of GDL, who shall provide their view after taking into account the advice of the Independent Financial Adviser) considers that the terms and conditions of the Acquisitions are fair and reasonable, on normal commercial terms or better, 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. Li Yonggang, Ms. Zhu Guang and Mr. Zhang Jun, being GDL Directors, are also directors of certain subsidiaries of Guangdong Holdings. All of the abovementioned GDL Directors present at the relevant GDL Board meeting abstained from voting on the GDL Board resolutions for the entering into of the Acquisition Agreements by Guangdong Land Shenzhen. 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 Acquisitions, and the associates of each of them, will abstain from voting at the SGM in respect of the proposed resolution relating to the Acquisitions, the Acquisition Agreements and the transactions contemplated thereunder.

GDI

Since Yuegang Investment and GDH (Hui Yang) 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, each of the Acquisitions constitutes a connected transaction of GDI under Chapter 14A of the Listing Rules.

As the Acquisition Agreements were entered into by Guangdong Land Shenzhen (an indirect non-wholly owned subsidiary of GDI) with parties who are associates of Guangdong Holdings (and hence connected persons of GDI) and within a 12-month period, the Acquisition Agreements shall be aggregated pursuant to Rules 14.22 and 14A.81 of the Listing Rules. As certain applicable percentage ratios in respect of the Acquisitions (on an aggregated basis) exceed 0.1% but all the applicable percentage ratios are less than 5%, the Acquisitions are subject to the reporting and announcement requirements, but are exempt from the independent shareholders' approval requirement, under Chapter 14A of the Listing Rules.

GDL

Further, as GDI is a controlling shareholder of GDL, thus, for the reasons mentioned above, Yuegang Investment and GDH (Hui Yang) are connected persons of GDL under Chapter 14A of the Listing Rules, each of the Acquisitions 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.

On a standalone basis, since one of the applicable percentage ratios in respect of the Jiangmen Acquisition exceeds 25% but all the applicable percentage ratios are less than 100%, the Jiangmen Acquisition constitutes a major transaction of GDL under Chapter 14 of the Listing Rules. On a standalone basis, since one of the applicable percentage ratios in respect of the Huizhou Acquisition is more than 5% but all the applicable percentage ratios are less than 25%, the Huizhou Acquisition constitutes a discloseable transaction of GDL under Chapter 14 of the Listing Rules.

As the Acquisition Agreements were entered into by Guangdong Land Shenzhen (an indirect wholly-owned subsidiary of GDL) with the parties who are associates of Guangdong Holdings (and hence connected persons of GDL) and within a 12-month period, the Acquisition Agreements shall be aggregated pursuant to Rules 14.22 and 14A.81 of the Listing Rules. On an aggregated basis, as the one of the applicable percentage ratios in respect of the Acquisitions exceeds 25% but all the applicable percentage ratios are less than 100%, the Acquisitions constitute major transactions of GDL under Chapter 14 of the Listing Rules.

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 Acquisitions and an Independent Financial Adviser has been appointed by GDL to advise the Independent Board Committee and the Independent Shareholders on the Acquisitions.

Despatch of circular

A circular containing, among other things, (i) further details of the Acquisition Agreements and the transactions contemplated thereunder; (ii) a letter from the Independent Board Committee to the Independent Shareholders in relation to the Acquisitions; (iii) a letter from the Independent Financial Adviser containing its advice to the Independent Board Committee and the Independent Shareholders; (iv) the Valuation Report; and (v) the notice convening the SGM, is expected to be despatched to the GDL Shareholders on or before 19 November 2020.

D. CONTINUING CONNECTED TRANSACTIONS PURSUANT TO RULE 14A.60(1) OF THE LISTING RULES

Huiyang Yuehai or Huizhou Yuehai (as the case may be) and Yuehai Property Management, Yuehai Property Management Huiyang Branch or Teem Management Co (as the case may be) have entered into the Existing Continuing Agreements concerning certain continuing transactions between them.

Prior to the Huizhou Acquisition Completion, Huiyang Yuehai and Huizhou Yuehai are wholly-owned subsidiaries of Guangdong Holdings (being the ultimate controlling shareholder and therefore a connected person of both GDI and GDL).

Yuehai Property Management, Yuehai Property Management Huiyang Branch and Teem Management Co are wholly-owned subsidiaries of Guangdong Holdings (the ultimate controlling shareholder of GDL and GDI), and, hence, associates of Guangdong Holdings and connected persons of GDL and GDI.

Upon the Huizhou Acquisition Completion, Huiyang Yuehai and Huizhou Yuehai will become (i) indirect wholly-owned subsidiaries of GDL, and (ii) indirect non-wholly owned subsidiaries of GDI (through its interest in GDL), while Yuehai Property Management, Yuehai Property Management Huiyang Branch and Teem Management Co, being direct or indirect (as the case may be) wholly-owned subsidiaries of Guangdong Holdings, will remain connected persons of GDL and GDI.

Therefore, the continuing transactions (detailed below) under the Existing Continuing Agreements (the “**Existing Continuing Transactions**”) between Huiyang Yuehai or Huizhou

Yuehai (as the case may be) and Yuehai Property Management, Yuehai Property Management Huiyang Branch or Teem Management Co (as the case may be) will constitute continuing connected transactions of GDI and the GDL under Chapter 14A of the Listing Rules.

D.1 Summary of the Existing Continuing Transactions

	Connected person	Connected person's relationship with the GDI Group and the GDL Group	Nature of the transaction
1. Huizhou Dayawan Project Site Security Services Agreement	Yuehai Property Management	A wholly-owned subsidiary of Guangdong Holdings (being the ultimate controlling shareholder of both GDI and GDL)	Provision of security services by Yuehai Property Management to Huizhou Yuehai
2. Huiyang Lijiang Garden Administrative Services Agreement	Yuehai Property Management	A wholly-owned subsidiary of Guangdong Holdings (being the ultimate controlling shareholder of both GDI and GDL)	Provision of administrative services for Huiyang Lijiang Garden project by Yuehai Property Management to Huiyang Yuehai
3. Huiyang Lijiang Garden Commercial Property Rental Services Agreement	Teem Management Co	A wholly-owned subsidiary of Guangdong Holdings (being the ultimate controlling shareholder of both GDI and GDL)	Provision of commercial property rental services in relation to Huiyang Lijiang Garden by Teem Management Co to Huiyang Yuehai
4. Huiyang Lijiang Garden Car Park Operation Management Services Agreement	Yuehai Property Management Huiyang Branch	A wholly-owned subsidiary of Guangdong Holdings (being the ultimate controlling shareholder of both GDI and GDL)	Provision of operation management services of the car parks in Huiyang Lijiang Garden by Yuehai Property Management to Huiyang Yuehai

D.2 Details of the Existing Continuing Transactions and the Existing Continuing Agreements

1. *Huizhou Dayawan Project Site Security Services Agreement*

A summary of the salient terms of the Huizhou Dayawan Project Site Security Services Agreement is set out below: -

Date: 29 February 2020

Parties: (a) Huizhou Yuehai
(b) Yuehai Property Management

Term: 1 March 2020 to 28 February 2021

Subject matter: Yuehai Property Management shall provide security services to Huizhou Yuehai at the site of Huizhou Dayawan Project.

Service fee: The service fee is charged according to the actual costs incurred each month and is estimated to be RMB276,371.63 (equivalent to approximately HK\$318,000).

The abovementioned service fee was determined based on the area of the relevant site and with reference to (i) the number of security guards required and their salaries, and (ii) the prevailing market rates for similar services.

Payment terms: The service fee shall be settled by Huizhou Yuehai within one week after receiving the invoice issued by Yuehai Property Management each month.

2. *Huiyang Lijiang Garden Administrative Services Agreement*

A summary of the salient terms of the Huiyang Lijiang Garden Administrative Services Agreement is set out below: -

Date: 30 September 2020

Parties: (a) Huiyang Yuehai
(b) Yuehai Property Management

Term: 1 October 2020 to 30 September 2021

Subject matter: Yuehai Property Management shall provide day-to-day administrative services for the Huiyang Lijiang Garden project.

Service fee: The service fee is charged according to the actual costs incurred each month and is estimated to be RMB107,754.68 (equivalent to approximately HK\$124,000).

The abovementioned service fee was determined with reference to (i) the remuneration of the administrative staff and (ii) the prevailing market rates for similar services.

Payment terms: The service fee shall be settled by Huiyang Yuehai within one week after receiving the invoice issued by Yuehai Property Management each month.

3. ***Huiyang Lijiang Garden Commercial Property Rental Services Agreement***

A summary of the salient terms of the Huiyang Lijiang Garden Commercial Property Rental Services Agreement is set out below: -

Date: 22 October 2020

Parties: (a) Huiyang Yuehai
(b) Teem Management Co

Term: 16 September 2020 to 31 December 2025

Subject matter: Teem Management Co shall provide commercial property rental services such as tenant referral, daily operation management, consumer relations management, tenant relations management and recovery of outstanding rent, in respect of certain commercial properties in Huiyang Lijiang Garden, to Huiyang Yuehai.

Service fee: The service fee is charged at 11-16% of the actual rental income to be received by Huiyang Yuehai derived from the relevant tenancies in respect of Huiyang Lijiang Garden. The percentage level of the service fee to be received by Teem Management Co depends on the fulfillment of the rental income target set for the period from 16 September 2020 to 31 December 2020, and each of the five years ending 31 December 2025.

The abovementioned service fee was determined with reference to (i) the salaries and benefits of the relevant staff for the provision of property management services and (ii) the prevailing market rates for similar services.

Based on the rental income target and the service fee to be charged by Teem Management Co at a maximum of 16%, the service fees payable by Huiyang Yuehai to Teem Management Co are estimated to be as follows:

For the period from 16 September 2020 to 31 December 2020	:	RMB19,274 (equivalent to approximately HK\$22,000)
For the year ending 31 December 2021	:	RMB83,339 (equivalent to approximately HK\$96,000)
For the year ending 31 December 2022	:	RMB99,086 (equivalent to approximately HK\$114,000)
For the year ending 31 December 2023	:	RMB101,731 (equivalent to approximately HK\$117,000)

For the year ending 31 : RMB104,464
December 2024 (equivalent to approximately
HK\$120,000)

For the year ending 31 : RMB107,284
December 2025 (equivalent to approximately
HK\$124,000)

Payment terms: Teem Management Co shall charge the minimum service fee on a quarterly basis, which shall be calculated based on 11% of the actual rental income received by Huiyang Yuehai each quarter of the year, and Huiyang Yuehai shall pay such minimum service fee to Teem Management Co at the end of each quarter. Before 31 March of each year during the term of the agreement, Huiyang Yuehai and Teem Management Co shall calculate the relevant annual service fee to be received by Teem Management Co according to the actual annual rental income received by Huiyang Yuehai derived from the relevant tenancies in respect of Huiyang Lijiang Garden. If the relevant amount of annual service fee payable by Huiyang Yuehai is higher than the amount already paid, Huiyang Yuehai shall pay the shortfall to Teem Management Co before 31 March of the relevant year.

4. *Huiyang Lijiang Garden Car Park Operation Management Services Agreement*

A summary of the salient terms of the Huiyang Lijiang Garden Car Park Operation Management Services Agreement is set out below: -

Date: 31 December 2019

Parties: (a) Huiyang Yuehai
(b) Yuehai Property Management Huiyang Branch

Term: 1 January 2020 to 31 December 2022

Subject matter: Huiyang Yuehai shall provide daily operation management services for the car park in Huiyang Lijiang Garden.

Service fee: The service fee is charged (i) quarterly at RMB40 per month per vacant car park space and (ii) at 20% of the car park revenue received by Huiyang Yuehai, and is estimated to be RMB19,500 (equivalent to approximately HK\$22,000) per month.

The abovementioned service fee was determined after arms' length negotiation with reference to (i) the salaries and benefits of the relevant staff for the provision of property management services and (ii) the prevailing market rates for similar services.

Payment terms: The service fee shall be settled by Huiyang Yuehai at the end of each quarter after receiving the relevant invoices issued by Yuehai Property Management.

D.3 Information on the parties to the Existing Continuing Agreements

For information on Huiyang Yuehai and Huizhou Yuehai, please refer to the section headed “B. The Huizhou Acquisition – B.2 Information on the Huizhou Target Group” in this announcement.

Yuehai Property Management is a limited liability company established in the PRC on 28 August 1996. It is principally engaged in property rental services and property management businesses in the PRC and is a direct wholly-owned subsidiary of Guangdong Holdings.

Yuehai Property Management Huiyang Branch is a limited liability company established in the PRC on 8 December 2006. It is principally engaged in property rental services and property management businesses in the PRC and is an indirect wholly-owned subsidiary of Guangdong Holdings.

Teem Management Co is a limited liability company established in the PRC on 8 September 1995. It is principally engaged in property management businesses in the PRC and is an indirect wholly-owned subsidiary of Guangdong Holdings.

Guangdong Holdings is wholly-owned by the People’s Government of Guangdong Province.

D.4 Reasons and Benefits for the Existing Continuing Transactions

Yuehai Property Management, Yuehai Property Management Huiyang Branch and Teem Management Co are all principally engaged in providing property management services in the PRC and are the current security services, rental services or property management services provider (as the case may be) for the relevant premises. By continuing with the Existing Continuing Transactions, Huizhou Yuehai and Huiyang Yuehai will continue to enjoy the security services, rental services and property management services provided to them by Yuehai Property Management, Yuehai Property Management Huiyang Branch and Teem Management Co, and can ensure un-interrupted and smooth services received by them despite the Huizhou Acquisition.

In light of the above, the GDI Directors (including the independent non-executive GDI Directors) consider that the terms of the Existing Continuing Agreements and the transactions contemplated thereunder are fair and reasonable, entered into on normal commercial terms or better and in the ordinary and usual course of business of the GDI Group, and are in the interests of GDI and its shareholders as a whole.

In light of the above, the GDL Directors (including the independent non-executive GDL Directors) consider that the terms of the Existing Continuing Agreements and the transactions contemplated thereunder are fair and reasonable, entered into on normal commercial terms or better and in the ordinary and usual course of business of the GDL Group, and are in the interests of GDL and its shareholders as a whole.

D.5 Listing Rules Implications

Upon the Huizhou Acquisition Completion, Huiyang Yuehai and Huizhou Yuehai will become (i) indirect wholly-owned subsidiaries of GDL, and (ii) indirect non-wholly owned subsidiaries of GDI (through its interest in GDL), while Yuehai Property Management, Yuehai Property Management Huiyang Branch and Teem Management Co, being direct or indirect (as the case may be) wholly-owned subsidiaries of Guangdong Holdings, will remain connected persons of GDL and GDI.

Therefore, the Existing Continuing Transactions between Huiyang Yuehai or Huizhou Yuehai (as the case may be) and Yuehai Property Management, Yuehai Property Management Huiyang Branch or Teem Management Co (as the case may be) will constitute continuing connected transactions of GDL and GDI, respectively under Chapter 14A of the Listing Rules.

Pursuant to Rule 14A.60(1) of the Listing Rules, each of GDL and GDI is required to comply with the annual review and disclosure requirements including publishing announcement and annual reporting if the GDL Group and the GDI Group continues to conduct the transactions under the Existing Continuing Agreements.

Mr. Hou Wailin and Mr. Cai Yong, being GDI Directors, are also directors of Guangdong Holdings. Mr. Cai, who was present at the relevant GDI Board meeting was not counted in the quorum and also abstained from voting on the relevant GDI Board resolutions to approve the Existing Continuing Agreements and the transactions contemplated thereunder, while Mr. Hou was absent from the relevant GDI Board meeting. Save as disclosed, to the best of the GDI Directors' knowledge, information and belief having made all reasonable enquiries, no other GDI Directors had any material interest in the Existing Continuing Agreements and the transactions contemplated thereunder.

Mr. Li Yonggang, Ms. Zhu Guang and Mr. Zhang Jun, being GDL Directors, are also directors of certain subsidiaries of Guangdong Holdings. All of the abovementioned GDL Directors abstained from voting on the relevant GDL Board resolutions to approve the Existing Continuing Agreements and the transactions contemplated thereunder. Save as disclosed, to the best of the GDL Directors' knowledge, information and belief having made all reasonable enquiries, no other GDL Directors had any material interest in the Existing Continuing Agreements and the transactions contemplated thereunder.

DEFINITIONS

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

“Acquisitions”	the Huizhou Acquisition and the Jiangmen Acquisition;
“Acquisition Agreements”	the Huizhou Equity Transfer Agreement and the Jiangmen Equity and Loan Transfer Agreement;
“associates”	has the meaning ascribed to it under the Listing Rules;

“Business Day”	a day on which banks are open for business in Shenzhen, the PRC (other than Saturday, Sunday and a statutory holiday in the PRC);
“connected person(s)”	has the meaning ascribed to it under the Listing Rules;
“controlling shareholder(s)”	has the meaning ascribed to it under the Listing Rules;
“Existing Continuing Agreements”	the Huizhou Dayawan Project Site Security Services Agreement, the Huiyang Lijiang Garden Administrative Services Agreement, the Huiyang Lijiang Garden Commercial Property Rental Services Agreement and the Huiyang Lijiang Garden Car Park Operation Management Services Agreement;
“Existing Continuing Transactions”	has the meaning ascribed to it under the section headed “D. Continuing connected transactions pursuant to Rule 14A.60(1) of the Listing Rules” in this announcement;
“GDH (Hui Yang)”	GDH Real Estates (Hui Yang) Limited (粵海房地產開發(惠陽)有限公司), a company incorporated in Hong Kong with limited liability and a connected person of both GDI and GDL;
“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;
“Greater Bay Area”	has the meaning ascribed to it under the section headed “A. The Jiangmen Acquisition – A.5 Reasons for and benefits of the Jiangmen Acquisition” in this announcement;

“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;
“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 an indirect wholly-owned subsidiary of GDL and thus an indirect non-wholly owned subsidiary of GDI;
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong;
“HK GAAP”	the generally accepted accounting principles, standards and practices in Hong Kong (including all applicable Hong Kong Financial Reporting Standards issued by the Hong Kong Institute of Certified Public Accountants);
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC;
“Huiyang Lijiang Garden”	Huiyang Lijiang Garden (惠陽麗江花園), Baiyun Second Road, Danshui, Huiyang District, Huizhou City, Guangdong Province, the PRC, which is a large-scale residential area;
“Huiyang Lijiang Garden Administrative Services Agreement”	the agreement dated 30 September 2020 and entered into between Huiyang Yuehai and Yuehai Property Management in respect of the provision of administrative services for the Huiyang Lijiang Garden project by Yuehai Property Management to Huiyang Yuehai;
“Huiyang Lijiang Garden Car Park Operation Management Services Agreement”	the agreement dated 31 December 2019 and entered into between Huiyang Yuehai and Yuehai Property Management Huiyang Branch in respect of the provision of daily operation management services for the car park in Huiyang Lijiang Garden by Yuehai Property Management Huiyang Branch to Huiyang Yuehai;
“Huiyang Lijiang Garden Commercial Property Rental Services Agreement”	the agreement dated 22 October 2020 and entered into between Huiyang Yuehai and Teem Management Co in respect of the provision of commercial property rental services for certain commercial properties in Huiyang Lijiang Garden by Teem Management Co to Huiyang Yuehai;
“Huiyang Yuehai”	惠陽粵海房產發展有限公司 (Huiyang Yuehai Property Development Co., Ltd.), a company established in the PRC with limited liability;
“Huizhou Acquisition”	the proposed acquisition of Huizhou Sale Equity by Guangdong Land Shenzhen from the Huizhou Vendors pursuant to the Huizhou Equity Transfer Agreement;
“Huizhou Acquisition Completion”	the completion of the Huizhou Acquisition in accordance with the terms and conditions of the Huizhou Equity Transfer Agreement;

“Huizhou Acquisition Consideration”	has the meaning ascribed to it under the section headed “B. The Huizhou Acquisition – B.1 The Huizhou Equity Transfer Agreement – Huizhou Acquisition Consideration” in this announcement;
“Huizhou Acquisition Consideration Balance”	has the meaning ascribed to it under the section headed “B. The Huizhou Acquisition – B.1 The Huizhou Equity Transfer Agreement – Huizhou Acquisition Consideration” in this announcement;
“Huizhou Acquisition Consideration Balance Interest”	has the meaning ascribed to it under the section headed “B. The Huizhou Acquisition – B.1 The Huizhou Equity Transfer Agreement – Huizhou Acquisition Consideration” in this announcement;
“Huizhou Completion Accounts”	the audited consolidated accounts of Huiyang Yuehai comprising the consolidated balance sheet as at the Huizhou Completion Date and the consolidated profit and loss accounts for the relevant period (up to the date of the Huizhou Acquisition Completion), prepared in accordance with the accounting principles, standards, and practices adopted by Huiyang Yuehai for its consolidated audited accounts, and PRC GAAP;
“Huizhou Effective Date”	has the meaning ascribed to it under the section headed “B. The Huizhou Acquisition – B.1 The Huizhou Equity Transfer Agreement – Conditions precedent” in this announcement;
“Huizhou Dayawan Project”	has the meaning ascribed to it under the section headed “B. The Huizhou Acquisition – B.2 Information on the Huizhou Target Group – The Huizhou Dayawan Project” in this announcement;
“Huizhou Dayawan Project Site Security Services Agreement”	the agreement dated 29 February 2020 and entered into between Huizhou Yuehai and Yuehai Property Management in respect of the provision of security services by Yuehai Property Management to Huizhou Yuehai;
“Huizhou Equity Transfer Agreement”	the equity transfer agreement dated 29 October 2020 and entered into between Guangdong Land Shenzhen, GDH (Hui Yang) and Yuegang Investment and in relation to the Huizhou Acquisition;
“Huizhou Land”	has the meaning ascribed to it under the section headed “B. The Huizhou Acquisition – B.2 Information on the Huizhou Target Group – The Huizhou Dayawan Project” in this announcement;
“Huizhou NAV Reduction Value”	has the meaning ascribed to it under the section headed “B. The Huizhou Acquisition – B.1 The Huizhou Equity Transfer Agreement – Huizhou Acquisition Consideration – Huizhou Acquisition Consideration adjustment” in this announcement;

“Huizhou Sale Equity”	the entire equity capital of Huiyang Yuehai agreed to be purchased by the Guangdong Land Shenzhen and agreed to be sold by the Huizhou Vendors, pursuant to the terms of the Huizhou Equity Transfer Agreement;
“Huizhou Target Group”	Huiyang Yuehai and Huizhou Yuehai;
“Huizhou Vendors”	GDH (Hui Yang) and Yuegang Investment;
“Huizhou Yuehai”	惠州市粵海房地產開發有限公司 (Huizhou City Yuehai Property Development Co., Ltd.), a wholly-owned subsidiary of Huiyang Yuehai;
“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 Acquisitions;
“Independent Shareholders”	shareholders of GDL other than those who are required to abstain from voting at the SGM pursuant to the Listing Rules;
“Jiangmen Acquisition”	the proposed acquisition of the Jiangmen Sale Equity and the Sale Loan by Guangdong Land Shenzhen from Yuegang Investment pursuant to the Jiangmen Equity and Loan Transfer Agreement;
“Jiangmen Acquisition Completion”	the completion of the Jiangmen Acquisition in accordance with the terms and conditions of the Jiangmen Equity and Loan Transfer Agreement;
“Jiangmen Acquisition Total Consideration”	the Jiangmen Equity Consideration and the Sale Loan Consideration;
“Jiangmen Completion Accounts”	means the audited accounts of Jiangmen Yuehai comprising the balance sheet as at the date of the Jiangmen Acquisition Completion and the profit and loss accounts for the relevant period (up to the date of the Jiangmen Acquisition Completion), prepared in accordance with the accounting principles, standards, and practices adopted by Jiangmen Yuehai for its audited accounts, and PRC GAAP;

“Jiangmen Effective Date”	has the meaning ascribed to it under the section headed “A. The Jiangmen Acquisition – A.1 The Jiangmen Equity and Loan Transfer Agreement – Conditions precedent” in this announcement;
“Jiangmen Equity Consideration”	has the meaning ascribed to it under the section headed “A. The Jiangmen Acquisition – A.1 The Jiangmen Equity and Loan Transfer Agreement – Jiangmen Acquisition Total Consideration – Jiangmen Equity Consideration” in this announcement;
“Jiangmen Equity Consideration Balance”	has the meaning ascribed to it under the section headed “A. The Jiangmen Acquisition – A.1 The Jiangmen Equity and Loan Transfer Agreement – Jiangmen Acquisition Total Consideration – Jiangmen Equity Consideration” in this announcement;
“Jiangmen Equity Consideration Balance Interest”	has the meaning ascribed to it under the section headed “A. The Jiangmen Acquisition – A.1 The Jiangmen Equity and Loan Transfer Agreement – Jiangmen Acquisition Total Consideration – Jiangmen Equity Consideration” in this announcement;
“Jiangmen Equity and Loan Transfer Agreement”	the equity and loan transfer agreement dated 29 October 2020 entered into between Guangdong Land Shenzhen, Yuegang Investment and Jiangmen Yuehai in relation to the Jiangmen Acquisition;
“Jiangmen Ganhua Project”	has the meaning ascribed to it under the section headed “A. The Jiangmen Acquisition – A.2 Information on Jiangmen Yuehai” in this announcement;
“Jiangmen Land”	has the meaning ascribed to it under the section headed “A. The Jiangmen Acquisition – A.2 Information on Jiangmen Yuehai – The Jiangmen Ganhua Project” in this announcement;
“Jiangmen (No. 3 – 5) Land”	has the meaning ascribed to it under the section headed “A. The Jiangmen Acquisition – A.2 Information on Jiangmen Yuehai – The Jiangmen Ganhua Project” in this announcement;
“Jiangmen (No. 6) Land”	has the meaning ascribed to it under the section headed “A. The Jiangmen Acquisition – A.2 Information on Jiangmen Yuehai – The Jiangmen Ganhua Project” in this announcement;
“Jiangmen NAV Reduction Value”	has the meaning ascribed to it under the section headed “A. The Jiangmen Acquisition – A.1 The Jiangmen Equity and Loan Transfer Agreement – Jiangmen Acquisition Total Consideration – Jiangmen Equity Consideration adjustment” in this announcement;

“Jiangmen Sale Equity”	51% of the total equity capital of Jiangmen Yuehai agreed to be purchased by the Guangdong Land Shenzhen and agreed to be sold by Yuegang Investment, pursuant to the terms of the Jiangmen Equity and Loan Transfer Agreement;
“Jiangmen Yuehai”	江門粵海置地有限公司 (Jiangmen Yuehai Land Co., Ltd.), a company established in the PRC with limited liability;
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange, as amended from time to time;
“Outstanding Shareholder’s Loan”	the principal of the outstanding shareholder’s loan owing by Jiangmen Yuehai to Yuegang Investment in the aggregate amount of RMB600,000,000 (equivalent to approximately HK\$691,404,000), as at the date of the Jiangmen Equity and Loan Transfer Agreement;
“percentage ratio”	has the meaning ascribed to it under Chapter 14 of 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;
“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;
“RMB”	Renminbi, the lawful currency of the PRC;
“Sale Loan”	RMB306,000,000 (equivalent to approximately HK\$352,616,000), representing 51% of the Outstanding Shareholder’s Loan;
“Sale Loan Consideration”	has the meaning ascribed to it under the section headed “A. The Jiangmen Acquisition – A.1 The Jiangmen Equity and Loan Transfer Agreement – Jiangmen Acquisition Total Consideration” in this announcement;
“Sale Loan Transfer Date”	has the meaning ascribed to it under the section headed “A. The Jiangmen Acquisition – A.1 The Jiangmen Equity and Loan Transfer Agreement – Jiangmen Acquisition Total Consideration – Sale Loan Consideration” in this announcement;
“SGM”	special general meeting of GDL to be held to consider and, if thought fit, approve the Acquisitions;
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“subsidiary(ies)”	has the meaning ascribed to it under the Listing Rules;

“sq. m.”	square meter(s);
“Teem Management Co”	廣東粵海天河城商業管理有限公司 (GDH Teem Commercial Management Co., Ltd.), a limited liability company established in the PRC, being an indirect wholly-owned subsidiary of Guangdong Holdings, a connected person of both GDI and GDL;
“Valuation Report”	the valuation report issued by the Valuer as to the valuation of (i) the Jiangmen Land; (ii) the Huizhou Land and (iii) certain properties in Huiyang Lijiang Garden which are owned by Huiyang Yuehai, respectively;
“Valuer”	Vigers Appraisal and Consulting Limited, an independent professional valuer in the PRC and Hong Kong appointed by GDL;
“Yuegang Investment”	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;
“Yuehai Property Management”	粵海物業管理有限公司 (Yuehai Property Management Co., Ltd.), a company established in the PRC with limited liability and, being an direct wholly-owned subsidiary of Guangdong Holdings, a connected person of both GDI and GDL;
“Yuehai Property Management Huiyang Branch”	粵海物業管理有限公司惠陽分公司 (Yuehai Property Management Co., Ltd. Huiyang Branch), a company established in the PRC with limited liability and, being an indirect wholly-owned subsidiary of Guangdong Holdings, a connected person of both GDI and GDL;
“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 GDL and thus an indirect non-wholly owned subsidiary of GDI; 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 RMB0.8678.

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
TSANG Hon Nam
Director

By Order of the Board
Guangdong Land Holdings Limited
XU Yeqin
Chairman

Hong Kong, 29 October 2020

As at the date of this announcement, the GDI Board comprises four Executive Directors, namely, Mr. HOU Wailin, Mr. LIN Tiejun, Mr. WEN Yinheng and Mr. TSANG Hon Nam; three Non-Executive Directors, namely, Mr. CAI Yong, Mr. LAN Runing and Mr. FENG Qingchun; 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 five Executive Directors, namely Mr. XU Yeqin, Mr. LI Yonggang, Mr. WU Mingchang, Ms. ZHU Guang and Mr. ZHANG Jun; and three Independent Non-Executive Directors, namely Mr. Alan Howard SMITH, Mr. Felix FONG Wo and Mr. Vincent Marshall LEE Kwan Ho.