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GUANGDONG LAND HOLDINGS LIMITED
粤海置地控股有限公司

(Incorporated in Bermuda with limited liability)

(Stock Code: 00124)

Announcement

**Continuing Connected Transactions
in relation to the Property Management Services Agreements**

On 28 April 2023, (i) Guangdong Yuehai Land (an indirect wholly-owned subsidiary of the Company) and Teem Management Co (a wholly-owned subsidiary of Yuehai Property Management) entered into the Industrial Research and Development Premises Property Management Services Agreement in relation to the provision of property management services by Teem Management Co to Guangdong Yuehai Land; and (ii) Yuehai Technology (an indirect wholly-owned subsidiary of the Company) and Yuehai Yueshenghuo (a wholly-owned subsidiary of Yuehai Property Management) entered into the Third Buji Factory Property Services Agreement in relation to the provision of property management services by Yuehai Yueshenghuo to Yuehai Technology.

LISTING RULES IMPLICATIONS

Guangdong Holdings is the ultimate controlling shareholder of the Company and hence a connected person of the Company under Rule 14A.07(1) of the Listing Rules. Yuehai Property Management is a non-wholly owned subsidiary of Guangdong Holdings. Teem Management Co (an indirect non-wholly owned subsidiary of Guangdong Holdings) and Yuehai Yueshenghuo (an indirect non-wholly owned subsidiary of Guangdong Holdings) are associates of Guangdong Holdings and therefore, they are connected persons of the Company. Accordingly, the transactions contemplated under the Property Management Services Agreements, being the transactions between the Group and the Yuehai Property Management Group, constitute continuing connected transactions of the Company under Chapter 14A of the Listing Rules.

On the basis that the Industrial Research and Development Premises Property Management Services Agreement and the Third Buji Factory Property Services Agreement are all related to the provision of property management services by the Yuehai Property Management Group to the Group, the Property Management Services Agreements have been aggregated pursuant to the Listing Rules. As the highest applicable percentage ratio (on an aggregated basis) in respect of relevant transactions under the Property Management Services Agreements calculated pursuant to the Listing Rules is more than 0.1% but all of the applicable percentage ratios are less than 5%, the Property Management Services Agreements are therefore subject to the annual review and announcement requirements under the Listing Rules, but are exempt from the circular (including opinion from independent financial adviser) and independent shareholders' approval requirements.

THE PROPERTY MANAGEMENT SERVICES AGREEMENTS

On 28 April 2023, the Group and the Yuehai Property Management Group entered into the Property Management Services Agreements in relation to the provision of property management services by the Yuehai Property Management Group to the Group.

1. The Industrial Research and Development Premises Property Management Services Agreement

On 28 April 2023, Guangdong Yuehai Land and Teem Management Co entered into the Industrial Research and Development Premises Property Management Services Agreement in relation to the provision of property management services in respect of the industrial research and development premises at Yuecai City (Northern Land) of Shenzhen GDH City Project by Teem Management Co to Guangdong Yuehai Land.

A summary of the salient terms of the Industrial Research and Development Premises Property Management Services Agreement is set out below:

- Date:** 28 April 2023
- Parties:** (a) Guangdong Yuehai Land
(b) Teem Management Co
- Service term:** 1 May 2023 to 30 April 2024 (both dates inclusive)
- Subject matter:** Teem Management Co shall provide property management services to Guangdong Yuehai Land in respect of the industrial research and development premises at Yuecai City (Northern Land) of Shenzhen GDH City Project, such as maintenance of common areas and public utilities, cleaning, greening, order maintaining and documentary management for the Property.
- Service fees and payment terms:** The sales of industrial research and development premises will be conducted by Guangdong Yuehai Land. (1) During the period in which the Property are in vacant possession before the delivery of the Property by Guangdong Yuehai Land to the owners, Guangdong Yuehai Land shall pay services fees to Teem Management Co at approximately RMB1,233,612 per month; (2) Upon the Property are delivered to the owners by Guangdong Yuehai Land and subject to the delivery rate of the Property (the proportion as a percentage of the gross floor area confirmed receipt by the owners to the gross floor area of the property management zone within the industrial research and development premises) being $\leq 5\%$, Guangdong Yuehai Land shall pay services fees monthly to Teem Management Co based on the difference of the operating costs of Teem Management Co at approximately RMB1,976,700 per month and the total property management fees per month to be paid by those owners confirmed receipt of the Property; (3) In case that the delivery rate of the Property is $> 5\%$, Guangdong Yuehai Land shall pay services fees to Teem Management Co at the standard as referred to in (2) above; and a rise of service fees, wherever necessary, during the service term may be negotiated otherwise by means of an agreement signed by both parties stipulating the amount of service fees and the payment terms.

The monthly service fees paid by Guangdong Yuehai Land shall comprise all necessary costs for all the property management services provided by Teem Management Co (except for the utilities fees incurred during the period in which the Property are in vacant possession before the delivery of the Property to the owners, which are to be paid by Guangdong Yuehai Land itself). Unless otherwise stipulated, Guangdong Yuehai Land is not obliged to pay any other costs to Teem Management Co or third parties.

The abovementioned service fees shall be settled monthly by Guangdong Yuehai Land within 20 working days after receiving an invoice issued by Teem Management Co.

The above service fees are determined after arm's length negotiations between the relevant parties, taking into account (i) the estimated delivery rate (according to the sales plan and process made by Guangdong Yuehai Land with respect to the Property, the delivery rate during the service term of the Industrial Research and Development Premises Property Management Services Agreement is estimated to be 5%) and area of the Property; (ii) the salaries and benefits of the labour involved in relevant property management services; (iii) the administration and daily operation costs involved in relevant property management services; (iv) the expected schedules in relation to the deliverable Property during the service term and the provision of property management services to the Property by Teem Management Co respectively; and (v) the prevailing market prices for similar services.

Annual caps

The relevant annual caps for the transactions contemplated under the Industrial Research and Development Premises Property Management Services Agreement have been set as:

- (a) RMB15,300,000 for the period from 1 May 2023 to 31 December 2023; and
- (b) RMB8,600,000 for the period from 1 January 2024 to 30 April 2024.

The above annual caps have been determined after having considered: (i) the amount of service fees to be paid monthly as estimated by Guangdong Yuehai Land pursuant to the Industrial Research and Development Premises Property Management Services Agreement; (ii) the expected schedule and the delivery rate of the deliverable Property during the service term; (iii) the expected schedule in relation to the provision of property management services to the Property by Teem Management Co; and (iv) the possible increase in the operating costs of Teem Management Co as a result of increased actual demand required (for example, the headcount and the working hour for services are more than expected).

2. Third Buji Factory Property Services Agreement

Reference are made to the announcements of the Company dated 19 November 2020 and 26 March 2021 in relation to the First Buji Factory Property Services Agreement and the Second Buji Factory Property Services Agreement respectively. Pursuant to the Second Buji Factory Property Services Agreement, the relevant service term was expired on 31 March 2023.

On 28 April 2023, Yuehai Technology and Yuehai Yueshenghuo entered into the Third Buji Factory Property Services Agreement.

A summary of the salient terms of the Third Buji Factory Property Services Agreement is set out below:

<i>Date:</i>	28 April 2023
<i>Parties:</i>	(a) Yuehai Technology (b) Yuehai Yueshenghuo
<i>Service term:</i>	1 May 2023 to 30 April 2024 (both dates inclusive)
<i>Subject matter:</i>	Yuehai Yueshenghuo shall provide property management services, such as security, building maintenance and repair, fire safety, cleaning and utilities maintenance at Buji Factory Property to Yuehai Technology.
<i>Service fees and payment terms:</i>	<p>The service fees amount to RMB55,968 per month and comprise (i) property management costs, including security labour fees, cleaning and utilities fees, fire safety materials fees, special safety inspection and rectification fees, as well as property management tax; and (ii) management remunerations, which are calculated at 10% of total property management costs.</p> <p>The abovementioned service fees shall be settled monthly by Yuehai Technology within 10 working days after receiving an invoice issued by Yuehai Yueshenghuo.</p> <p>The above service fees are determined after arm's length negotiations between the relevant parties, taking into account (i) the salaries and benefits of the labour involved in relevant property management services; (ii) the maintenance material costs for the provision of relevant services; and (iii) the prevailing market rates and market prices for similar services.</p>

Caps and basis of determination

Historical transaction amounts

The total actual transaction amount of the property management services under the First Buji Factory Property Services Agreement and the Second Buji Factory Property Services Agreement for the period from 1 January 2021 to 31 December 2021 is approximately RMB504,000.

The actual transaction amount of the property management services under the Second Buji Factory Property Services Agreement for the period from 1 January 2022 to 31 December 2022 is approximately RMB672,000.

The actual transaction amount of the property management services under the Second Buji Factory Property Services Agreement for the period from 1 January 2023 to 31 March 2023 is approximately RMB168,000.

Annual caps

The relevant annual caps for the transactions contemplated under the Third Buji Factory Property Services Agreement have been set as:

- (a) RMB490,000 for the period from 1 May 2023 to 31 December 2023; and
- (b) RMB250,000 for the period from 1 January 2024 to 30 April 2024.

The above annual caps have been determined after having considered: (i) the above historical transaction amounts (for the avoidance of doubt, there was no transaction existed between Yuehai Technology and Yuehai Yueshenghuo in relation to the provision of property management services by Yuehai Yueshenghuo to Yuehai Technology at Buji Factory Property for the period from 1 April 2023 to 30 April 2023, and thus recorded no actual transaction amount); (ii) the total annual service fees expected to be paid by Yuehai Technology under the Third Buji Factory Property Services Agreement to Yuehai Yueshenghuo; and (iii) the labour costs that may be adjusted according to the minimum wage standards set by the relevant government.

REASONS FOR AND BENEFITS OF ENTERING INTO THE PROPERTY MANAGEMENT SERVICES AGREEMENTS

As the Group is principally engaged in property development and investment businesses, it requires quality property management services in respect of various property projects and property investment projects in the PRC. Yuehai Property Management and its subsidiaries (including Yuehai Yueshenghuo and Teem Management Co) are principally engaged in property management business in the PRC, and are currently the property management service providers for various property projects of the Group. The Company considers that the Yuehai Property Management Group understands very well the standard of property management services required by the Group and has consistently provided excellent and reliable services to the Group. Yuehai Yueshenghuo is currently the property management service provider for Buji Factory Property. By entering into the Third Buji Factory Property Services Agreement, the Group will continue to enjoy un-interrupted, smooth and quality property management services provided to it by Yuehai Yueshenghuo. Besides, as Teem Management Co has extensive property management experience in the PRC, by entering into the Industrial Research and Development Premises Property Management Services Agreement, the Group will also be able to enjoy the quality property management services provided to it by Teem Management Co.

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

INFORMATION ON PARTIES TO THE PROPERTY MANAGEMENT SERVICES AGREEMENTS

Information on Guangdong Yuehai Land

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

Information on Yuehai Technology

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

Information on the Group

The Group is principally engaged in property development and investment businesses. The ultimate controlling shareholder of the Company is Guangdong Holdings.

Information on Yuehai Property Management

Yuehai Property Management is a company established in the PRC with limited liability. It is principally engaged in property rental services and property management businesses in the PRC and is a non-wholly owned subsidiary of Guangdong Holdings. As at the date of this announcement, 92% of the equity interest of Yuehai Property Management is held by Guangdong Holdings, 6% of the equity interest is held by the Company and 2% of the equity interest is held by Huaxin.

According to the National Enterprise Credit Information Publicity System (國家企業信用信息公示系統), Huaxin is a company established in the PRC with limited liability and its equity interest is held as to approximately 41.22% in aggregate by YANG Shaoqiu (楊少秋) and the companies controlled by him, as to approximately 42.99% by YANG Jiarui (楊珈睿) and as to approximately 15.79% in aggregate by three other shareholders. Huaxin is principally engaged in property management business in the PRC. To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, Huaxin and its ultimate beneficial owner(s) are third parties independent of the Company and its connected persons.

Information on Teem Management Co

Teem Management Co is a company established in the PRC with limited liability. It is principally engaged in property management business in the PRC. The equity interest of Teem Management Co is wholly-owned by Yuehai Property Management.

Information on Yuehai Yueshenghuo

Yuehai Yueshenghuo is a company established in the PRC with limited liability. It is principally engaged in property management business in the PRC. The equity interest of Yuehai Yueshenghuo is wholly-owned by Yuehai Property Management.

Information on Guangdong Holdings

Guangdong Holdings is the ultimate controlling shareholder of the Company and is principally engaged in investment holding. The Guangdong Holdings Group's business activities include public utilities and infrastructure, manufacturing, real estate, hotel, property management, retail and wholesale, finance, etc. The Guangdong Holdings Group takes capital investment as its core business, and invests mainly in business sectors including water and water environment management, urban complex development and related services, modern industrial park development and investment. Guangdong Holdings is held as to 90% by the Guangdong Government and as to 10% by the Department of Finance of the Guangdong Government while the State-owned Assets Supervision and Administration Commission of the Guangdong Government has been performing ownership and control functions in respect of Guangdong Holdings with the authorisation of the Guangdong Government.

LISTING RULES IMPLICATIONS

Guangdong Holdings is the ultimate controlling shareholder of the Company and hence a connected person of the Company under Rule 14A.07(1) of the Listing Rules. Yuehai Property Management is a non-wholly owned subsidiary of Guangdong Holdings. Teem Management Co (a wholly-owned subsidiary of Yuehai Property Management and an indirect non-wholly owned subsidiary of Guangdong Holdings) and Yuehai Yueshenghuo (a wholly-owned subsidiary of Yuehai Property Management and an indirect non-wholly owned subsidiary of Guangdong Holdings) are associates of Guangdong Holdings and therefore, they are connected persons of the Company. Accordingly, the transactions contemplated under the Property Management Services Agreements, being the transactions between the Group and the Yuehai Property Management Group, constitute continuing connected transactions of the Company under Chapter 14A of the Listing Rules.

On a standalone basis, as the highest applicable percentage ratio in respect of the continuing connected transaction under the Industrial Research and Development Premises Property Management Services Agreement calculated pursuant to the Listing Rules is more than 0.1% but all of the applicable percentage ratios are less than 5%, such transaction is therefore subject to the annual review and announcement requirements under the Listing Rules, but is exempt from the independent shareholders' approval requirement.

In addition, on a standalone basis, as all of the applicable percentage ratios in respect of the continuing connected transaction under the Third Buji Factory Property Services Agreement calculated pursuant to the Listing Rules are less than 0.1%, such transaction is therefore fully exempt from the annual review, announcement and independent shareholders' approval requirements under the Listing Rules.

On the basis that the Industrial Research and Development Premises Property Management Services Agreement and the Third Buji Factory Property Services Agreement are all related to the provision of property management services by the Yuehai Property Management Group to the Group, the Property Management Services Agreements have been aggregated pursuant to the Listing Rules. As the highest applicable percentage ratio (on an aggregated basis) in respect of relevant transactions under the Property Management Services Agreements calculated pursuant to the Listing Rules is more than 0.1% but all of the applicable percentage ratios are less than 5%, the Property Management Services Agreements are therefore subject to the annual review and announcement requirements under the Listing Rules, but are exempt from the circular (including opinion from independent financial adviser) and independent shareholders' approval requirements.

Mr. LAN Runing, Mr. LI Yonggang and Mr. LI Wenchang, being Directors, are also directors of certain subsidiaries of Guangdong Holdings. Mr. LAN Runing and Mr. LI Yonggang, who were present at the relevant Board meeting, were not counted in the quorum and also abstained from voting on relevant Board resolutions approving the Property Management Services Agreements and the transactions contemplated thereunder, while Mr. LI Wenchang was absent from the relevant Board meeting. Save as disclosed above, to the best of the Directors' knowledge, information and belief having made all reasonable enquiries, no other Directors have any material interest in the Property Management Services 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:

“associate”	has the meaning ascribed to it under the Listing Rules
“Board”	the board of Directors
“Buji Factory Property”	the factory property of the Group located at 54 Jizheng Road, Longgang District, Shenzhen, Guangdong Province, the PRC
“Company”	Guangdong Land Holdings Limited (粵海置地控股有限公司), a company incorporated in Bermuda with limited liability, the shares of which are listed on the Main Board of the Stock Exchange
“connected person”	has the meaning ascribed to it under the Listing Rules
“controlling shareholder”	has the meaning ascribed to it under the Listing Rules
“Director(s)”	the director(s) of the Company
“First Buji Factory Property Services Agreement”	the agreement dated 31 March 2020 entered into between Yuehai Technology and Yuehai Yueshenghuo in relation to the provision of property management services for Buji Factory Property by Yuehai Yueshenghuo to Yuehai Technology, details of which are set out in the announcement of the Company dated 19 November 2020
“Group”	the Company and its subsidiaries from time to time
“Guangdong Government”	the People's Government of Guangdong Province
“Guangdong Yuehai Land”	廣東粵海置地集團有限公司 (Guangdong Yuehai Land Holdings Limited), a company established in the PRC with limited liability and an indirect wholly-owned subsidiary of the Company
“Guangdong Holdings”	廣東粵海控股集團有限公司 (Guangdong Holdings Limited), a company established in the PRC with limited liability and the ultimate controlling shareholder of the Company

“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Huaxin”	廣東華信服務集團有限公司 (Guangdong Huaxin Service Group 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
“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
“Industrial Research and Development Premises Property Management Services Agreement”	the agreement dated 28 April 2023 entered into between Guangdong Yuehai Land and Teem Management Co in relation to the provision of property management services in respect of the Industrial Research and Development Premises at Yuecai City (Northern Land) of Shenzhen GDH City Project by Teem Management Co
“Property”	the industrial research and development premises at Yuecai City (Northern Land) of Shenzhen GDH City Project located at Dongxiao Street, Luohu District, Shenzhen, Guangdong Province, the PRC
“Property Management Services Agreements”	(1) the Industrial Research and Development Premises Property Management Services Agreement; and (2) the Third Buji Factory Property Services Agreement
“RMB”	Renminbi, the lawful currency of the PRC
“Second Buji Factory Property Services Agreement”	the agreement dated 26 March 2021 entered into between Yuehai Technology and Yuehai Yueshenghuo in relation to the provision of property management services for Buji Factory Property by Yuehai Yueshenghuo to Yuehai Technology, details of which are set out in the announcement of the Company dated 26 March 2021
“Shenzhen GDH City Project”	a property development project of the Group located at Buxin Area (布心片區), Luohu District, Shenzhen, Guangdong Province, the PRC, a multi-module commercial complex development project of the Group with jewellery products industry as the theme, details of which are set out in the circular of the Company dated 22 June 2016
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“subsidiary(ies)”	has the meaning ascribed to it under the Listing Rules

“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 company established in the PRC with limited liability, being a wholly-owned subsidiary of Yuehai Property Management and an indirect non-wholly owned subsidiary of Guangdong Holdings
“Third Buji Factory Property Services Agreement”	the agreement dated 28 April 2023 entered into between Yuehai Technology and Yuehai Yueshenghuo in relation to the provision of property management services for Buji Factory Property by Yuehai Yueshenghuo to Yuehai Technology
“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 a non-wholly owned subsidiary of Guangdong Holdings, whereas 92% of the equity interests is held by Guangdong Holdings, 6% of the equity interests is held by the Company and 2% of the equity interests is held by Huaxin as at the date of this announcement
“Yuehai Property Management Group”	Yuehai Property Management and its subsidiaries from time to time
“Yuecai City”	Shenzhen GDH City Project located at Buxin Area (布心片區), Luohu District, Shenzhen, Guangdong Province, the PRC. Yuecai City is the registered name for properties at the Northern Land of such project
“Yuehai Technology”	粵海科技(深圳)有限公司 (Yuehai Technology (Shenzhen) Co., Ltd.), a company established in the PRC with limited liability and an indirect wholly-owned subsidiary of the Company
“Yuehai Yueshenghuo”	深圳市粵海悅生活物業管理有限公司 (Shenzhen Yuehai Yueshenghuo Property Management Co., Ltd.), a company established in the PRC with limited liability, being a wholly-owned subsidiary of Yuehai Property Management and an indirect non-wholly owned subsidiary of Guangdong Holdings
“%”	per cent.

By Order of the Board
Guangdong Land Holdings Limited
JIAO Li
Executive Director

Hong Kong, 28 April 2023

As at the date of this announcement, the Board comprises six Executive Directors, namely Mr. LAN Runing, Mr. KUANG Hu, Mr. LI Yonggang, Mr. WU Mingchang, Mr. LI Wenchang and Mr. JIAO Li; and three Independent Non-Executive Directors, namely Mr. Felix FONG Wo, Mr. Vincent Marshall LEE Kwan Ho and Mr. LEUNG Luen Cheong.