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If you are in any doubt as to any aspect of this circular or as to the action to be taken, you should consult your licensed securities dealer, other licensed corporation, bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your shares in the Company, you should at once hand this circular and the accompanying form of proxy to the purchaser(s) or transferee(s) or to the bank, licensed securities dealer, licensed corporation, or other agent through whom the sale or transfer was effected for transmission to the purchaser(s) or transferee(s).



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

**CONTINUING CONNECTED TRANSACTIONS
THE GDL PROPERTY MANAGEMENT SERVICES
FRAMEWORK AGREEMENT
AND
NOTICE OF SPECIAL GENERAL MEETING**

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

BALLAS
C A P I T A L
A subsidiary of Crosby

All capitalised terms used herein shall have the same meanings as those set out in the section headed “Definitions” of this circular.

A letter from the Board is set out on pages 7 to 24 of this circular. A letter from the Independent Board Committee to the Independent Shareholders is set out on pages 25 to 26 of this circular. A letter from the Independent Financial Adviser, containing its advice to the Independent Board Committee and the Independent Shareholders in relation to the GDL Property Management Services Framework Agreement and the transactions contemplated thereunder is set out on pages 27 to 46 of this circular.

A notice convening the SGM to be held at the Boardroom, Basement II, Wharney Hotel, No. 57-73 Lockhart Road, Wanchai, Hong Kong on Tuesday, 26 March 2024 at 11:00 a.m. (and at any adjournment thereof) is set out on pages 57 to 58 of this circular. A form of proxy for the SGM is enclosed with this circular. Whether or not you intend to attend the SGM in person, you are requested to complete the accompanying form of proxy in accordance with the instructions printed thereon and return it to the Company’s branch share registrar and transfer office in Hong Kong, Tricor Tengis Limited, at 17th Floor, Far East Finance Centre, 16 Harcourt Road, Hong Kong as soon as possible and in any event not less than 48 hours before the time scheduled for the SGM or any adjournment thereof. Completion and return of the form of proxy will not preclude you from attending and voting in person at the SGM or any adjournment thereof should you so wish.

5 March 2024

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DEFINITIONS

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

“associates”	has the meaning ascribed to it under the Listing Rules
“Board”	the board of Directors
“Company”	Guangdong Land Holdings Limited (粵海置地控股有限公司), a company incorporated in Bermuda with limited liability and the shares of which are listed on the Main Board of the Stock Exchange
“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
“Director(s)”	the director(s) of the Company
“Effective Date”	has the meaning ascribed to it under the section headed “B. The GDL Property Management Services Framework Agreement – Condition precedent” in the “Letter from the Board” contained in this circular
“Existing Property Management Services Agreements”	Existing (Pre 31/3/2023) Property Management Services Agreements and Existing (Post 31/3/2023) Property Management Services Agreements
“Existing (Pre 31/3/2023) Property Management Services Agreements”	the property management services agreements entered into between the Group and the Yuehai Property Management Group during May 2021 to March 2023, the details of which were disclosed in the Previous Announcements (Pre 31/3/2023) of the Company
“Existing (Post 31/3/2023) Property Management Services Agreements”	the property management services agreements entered into between the Group and the Yuehai Property Management Group during April 2023 to December 2023, the details of which were disclosed in the Previous Announcements (Post 31/3/2023) of the Company
“Expected Specific Agreements”	has the meaning ascribed to it under the section headed “C. The Proposed Caps and Basis of Determination – The Proposed Caps and Basis of Determination” in the “Letter from the Board” contained in this circular and “Expected Specific Agreement” shall be construed accordingly

DEFINITIONS

“Foshan GDL Development”	佛山粵海置地發展有限公司 (Foshan Yuehai Land Development Co., Ltd.), a company established in the PRC with limited liability and an indirect non-wholly owned subsidiary of the Company
“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
“GDL Development”	廣東粵海置地發展有限公司 (Guangdong Yuehai Land Development Co., Ltd.), a company established in the PRC with limited liability and an indirect wholly-owned subsidiary of the Company
“GDL Foshan”	佛山粵海置地有限公司 (Foshan Yuehai Land Co., Ltd.), a company established in the PRC with limited liability and an indirect wholly-owned subsidiary of the Company
“GDL Jiangmen”	江門市粵海置地房地產投資有限公司 (Jiangmen Yuehai Land Real Estate Investment Co., Ltd.), a company established in the PRC with limited liability and an indirect wholly-owned subsidiary of the Company
“GDL Property Management Services Framework Agreement”	the property management services framework agreement dated 30 January 2024 and entered into between the Company and Yuehai Property Management, the details of which are set out under the section headed “B. The GDL Property Management Services Framework Agreement” in the “Letter from the Board” contained in this circular
“GDL Zhongshan”	中山粵海置地有限公司 (Zhongshan Yuehai Land Co., Ltd.), a company established in the PRC with limited liability and an indirect non-wholly owned subsidiary of the Company
“GDL Zhuhai”	珠海粵海置地有限公司 (Zhuhai Yuehai Land Co., Ltd.), a company established in the PRC with limited liability and an indirect wholly-owned subsidiary of the Company
“Group”	the Company and its subsidiaries
“Guangdong Government”	廣東省人民政府 (the People’s Government of Guangdong Province)

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“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, being the ultimate controlling shareholder and a connected person of the Company
“Guangdong Property Development”	廣東粵海房地產開發有限公司 (Guangdong Yuehai Property Development Co., Ltd.), a company established in the PRC with limited liability and an indirect wholly-owned subsidiary of the Company
“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
“Historical Transaction Amounts”	has the meaning ascribed to it under the section headed “C. The Proposed Caps and Basis of Determination – Historical Transaction Amounts” in the “Letter from the Board” contained in this circular
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“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
“Huiyang Development”	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 and an indirect wholly-owned subsidiary of the Company
“Huizhou Property”	惠州市粵海房地產開發有限公司 (Huizhou City Yuehai Property Development Co., Ltd.), a company established in the PRC with limited liability and an indirect wholly-owned subsidiary of the Company
“Independent Board Committee”	an independent board committee of the Company comprising all of the independent non-executive Directors, namely Mr. Felix FONG Wo, Mr. Vincent Marshall LEE Kwan Ho and Mr. LEUNG Luen Cheong

DEFINITIONS

“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 the Company to advise the Independent Board Committee and the Independent Shareholders in respect of the GDL Property Management Services Framework Agreement, the transactions contemplated thereunder and the Proposed Caps
“Independent Shareholder(s)”	the Shareholders other than those who are required to abstain from voting at the SGM pursuant to the Listing Rules
“Independent Third Party(ies)”	independent third party(ies) who is/are not connected person(s) of the Company and is/are independent of and not connected with the Company and its respective directors, chief executive, controlling shareholders and substantial shareholders or any of its subsidiaries or their respective associates
“Jiangmen Yuehai Land”	江門粵海置地有限公司 (Jiangmen Yuehai Land Co., Ltd.), a company established in the PRC with limited liability and an indirect non-wholly owned subsidiary of the Company
“Latest Practicable Date”	20 February 2024, being the latest practicable date prior to the printing of this circular for ascertaining certain information for inclusion herein
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange, as amended from time to time
“percentage ratio”	has the meaning ascribed to it under the Listing Rules
“PRC”	the People’s Republic of China
“Previous Announcements (Pre 31/3/2023)”	the announcements of the Company dated 10 May 2021, 27 July 2021, 10 December 2021, 30 March 2022, 30 December 2022 and 23 February 2023 in relation to, among others, the Existing (Pre 31/3/2023) Property Management Services Agreements

DEFINITIONS

“Previous Announcements (Post 31/3/2023)”	the announcements of the Company dated 28 April 2023, 27 July 2023, 31 October 2023 and 29 December 2023 in relation to, among others, the Existing (Post 31/3/2023) Property Management Services Agreements
“Previous Circular”	the circular of the Company dated 14 March 2023 in relation to, among others, certain Existing (Pre 31/3/2023) Property Management Services Agreements
“Property Management Services”	has the meaning ascribed to it under the section headed “B. The GDL Property Management Services Framework Agreement – Scope of services” in the “Letter from the Board” contained in this circular
“Proposed Cap(s)”	has the meaning ascribed to it under the section headed “C. The Proposed Caps and Basis of Determination – The Proposed Caps and Basis of Determination” in the “Letter from the Board” contained in this circular
“RMB”	Renminbi, the lawful currency of the PRC
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Specific Agreement(s)”	has the meaning ascribed to it under the section headed “B. The GDL Property Management Services Framework Agreement – Pricing and other terms” in the “Letter from the Board” contained in this circular
“SGM”	the special general meeting of the Company to be held to consider and, if thought fit, approve the GDL Property Management Services Framework Agreement, the transactions contemplated thereunder and the Proposed Caps
“Shareholder(s)”	the shareholder(s) of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“subsidiary(ies)”	has the meaning ascribed to it under the Listing Rules

DEFINITIONS

“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
“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
“Yuehai Property Management Group”	Yuehai Property Management and its subsidiaries
“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.

In this circular, the English names of the PRC entities and technical terms are translations of their Chinese versions, and are included herein for identification purposes only. In the event of any inconsistency, the Chinese versions shall prevail.

LETTER FROM THE BOARD



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

Board of Directors:

Executive Directors

LAN Runing (*Chairman*)
KUANG Hu (*Vice Chairman*)
LI Yonggang (*Managing Director*)
WU Mingchang
LI Wenchang
JIAO Li (*Chief Financial Officer*)

Independent Non-Executive Directors

Felix FONG Wo BBS, JP
Vincent Marshall LEE Kwan Ho
*Member of the Chinese People's Political Consultative
Conference (CPPCC) National Committee
of PRC, BBS, Officer of the Order of
the Crown (Belgium)*
LEUNG Luen Cheong

Registered Office:

Clarendon House
2 Church Street
Hamilton HM 11
Bermuda

**Head Office & Principal Place of
Business in Hong Kong:**

Office A, 18th Floor
Guangdong Investment Tower
148 Connaught Road Central
Hong Kong

5 March 2024

To the Shareholders

Dear Sir or Madam,

**CONTINUING CONNECTED TRANSACTIONS
THE GDL PROPERTY MANAGEMENT SERVICES
FRAMEWORK AGREEMENT
AND
NOTICE OF SPECIAL GENERAL MEETING**

A. INTRODUCTION

Reference is made to the joint announcement of the Company and GDI dated 30 January 2024 in relation to the GDL Property Management Services Framework Agreement and the transactions contemplated thereunder. On 30 January 2024, the Company and Yuehai Property Management (a non-wholly owned subsidiary of Guangdong Holdings) entered into the GDL Property Management Services Framework Agreement, pursuant to which the Yuehai Property Management Group shall provide Property Management Services to the Group for a term commencing on the Effective Date to 31 December 2026.

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The purpose of this circular is to provide the Shareholders with, among other things, (i) details of the GDL Property Management Services Framework Agreement, the transactions contemplated thereunder and the Proposed Caps; (ii) a letter from the Independent Board Committee to the Independent Shareholders in relation to the GDL Property Management Services Framework Agreement, the transactions contemplated thereunder and the Proposed Caps; (iii) a letter from the Independent Financial Adviser containing its advice to the Independent Board Committee and the Independent Shareholders; and (iv) the notice convening the SGM.

B. THE GDL PROPERTY MANAGEMENT SERVICES FRAMEWORK AGREEMENT

A summary of the salient terms of the GDL Property Management Services Framework Agreement is set out below:

Date:	30 January 2024
Parties:	(1) The Company; and (2) Yuehai Property Management
Condition precedent:	<p>The GDL Property Management Services Framework Agreement is subject to and shall become effective on the date (the “Effective Date”) of approval of the GDL Property Management Services Framework Agreement and the transactions contemplated thereunder by the Independent Shareholders at the SGM in compliance with the Listing Rules having been obtained. The aforementioned condition precedent cannot be waived.</p> <p>If the aforementioned condition precedent cannot be satisfied within 12 months from the date of the GDL Property Management Services Framework Agreement (or such other date as the Company and Yuehai Property Management may agree in writing), the GDL Property Management Services Framework Agreement will terminate.</p>

LETTER FROM THE BOARD

Term: From the Effective Date to 31 December 2026 (both days inclusive)

The term of each of the Specific Agreements under the GDL Property Management Services Framework Agreement will not exceed the term of the GDL Property Management Services Framework Agreement.

Accordingly, if the term of a Specific Agreement ends on a date that is after the expiry of the GDL Property Management Services Framework Agreement, and:

- (i) the GDL Property Management Services Framework Agreement fails to be renewed up to the last day of the term of the Specific Agreement, the Specific Agreement will terminate on the same date as the GDL Property Management Services Framework Agreement;
- (ii) the GDL Property Management Services Framework Agreement is renewed up to the last day of the term of the Specific Agreement (or a day later than such last day), then the Specific Agreement will terminate according to its original term;

LETTER FROM THE BOARD

- (iii) the GDL Property Management Services Framework Agreement is renewed but the expiry date (inclusive of that day) of the renewed GDL Property Management Services Framework Agreement precedes the last day (inclusive of that day) of the term of the Specific Agreement, then the Specific Agreement will terminate on the same date as the expiry date of the renewed GDL Property Management Services Framework Agreement, unless the renewed GDL Property Management Services Framework Agreement is renewed again on its expiry date (inclusive of that day) up to the last day of the term of the Specific Agreement (or a day later than such last day), in which case the Specific Agreement will terminate according to its original term.

Scope of services:

In respect of various types of properties (including property projects under development) developed by the Group such as residential properties, office buildings, other properties and those for ancillary uses such as property sales sites from time to time, the Yuehai Property Management Group will provide property management services (the “**Property Management Services**”) to the Group, including but not limited to:

- (i) maintenance of properties and the relevant facilities and equipment, security, cleaning and gardening services, maintenance of public area, car parking lot management, and other related services;
- (ii) preliminary planning and design consulting services (including reviewing drawings and services in relation to tendering), at the initial stages of property projects;
- (iii) on-site consulting services and construction site management services during the construction of property projects;

LETTER FROM THE BOARD

- (iv) management and maintenance of sales sites and the relevant facilities and equipment, cleaning, landscaping and customer services, customer complaints management, and other related services;
- (v) arranging for inspection of the property units and public areas of the property project at the delivery stage of the property projects;
- (vi) providing assistance to the Group for the transfer and delivery of the relevant properties to property owners;
- (vii) providing services in assisting the sales of property units and providing daily maintenance and other related services, after completion of construction of the property projects; and
- (viii) management services for the vacant properties and conference facilities, concierge services, and other temporary supplementary management services.

Pricing and other terms:

The parties to the GDL Property Management Services Framework Agreement have agreed as follows:

- (i) the transactions to be conducted under the GDL Property Management Services Framework Agreement will be negotiated on an arm's length basis by the relevant parties and carried out in the ordinary and usual course of business of the Group on normal commercial terms (or better). The terms and conditions of such transactions shall be no less favourable than those being offered by an Independent Third Party to the Group for comparable services, as if the Group were transacting with an Independent Third Party;

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- (ii) member(s) of the Group and member(s) of the Yuehai Property Management Group shall enter into specific agreements (for the provision of Property Management Services) (the “**Specific Agreement(s)**”) which will set out the specific terms for the relevant transactions contemplated under the GDL Property Management Services Framework Agreement;
- (iii) the transactions under the Specific Agreements shall be consistent with the principles and provisions set out in the GDL Property Management Services Framework Agreement and be in compliance with the Listing Rules. If there is any discrepancy between the terms of a transaction under a Specific Agreement and the GDL Property Management Services Framework Agreement, the latter shall prevail;
- (iv) the service fees payable under each Specific Agreement should be based on the pricing policies referred to below under the section headed “PRICING POLICY” in this circular;
- (v) the fees for the Property Management Services shall be paid by the Group to the Yuehai Property Management Group on monthly, quarterly, half-yearly or yearly basis (as determined under each Specific Agreement), in accordance with the usual commercial practices and on fair and reasonable terms;
- (vi) the actual settlement amount, settlement method and payment terms for each transaction contemplated under the GDL Property Management Services Framework Agreement shall be set out in the relevant Specific Agreement for the relevant transaction;

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(vii) each of the Company and Yuehai Property Management shall procure the members of the Group or the Yuehai Property Management Group (as the case may be) to comply with the principles of the GDL Property Management Services Framework Agreement when conducting the transactions contemplated under the GDL Property Management Services Framework Agreement; and

(viii) for the avoidance of doubt, the GDL Property Management Services Framework Agreement is non-exclusive in nature, and the Group is not obliged to obtain Property Management Services from the Yuehai Property Management Group.

C. THE PROPOSED CAPS AND BASIS OF DETERMINATION

Historical Transaction Amounts

The table below summarizes the historical amounts of the service fees paid by the Group to the Yuehai Property Management Group (including those under the Existing Property Management Services Agreements) in relation to the property management services provided for the three years ended 31 December 2023 (the “**Historical Transaction Amounts**”):

	For the year ended 31 December 2021 <i>(RMB, tax inclusive)</i>	For the year ended 31 December 2022 <i>(RMB, tax inclusive)</i>	For the year ended 31 December 2023 ^{<i>(Note)</i>} <i>(RMB, tax inclusive)</i>
Historical Transaction Amounts	27,051,000	42,003,000	60,027,000

Note:

The preliminary figure for the year ended 31 December 2023 disclosed above is subject to change upon review by the auditor of the Company.

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The Proposed Caps and Basis of Determination

Pursuant to the GDL Property Management Services Framework Agreement, the relevant caps (being the maximum amount of service fees payable to the Yuehai Property Management Group under the GDL Property Management Services Framework Agreement annually) for the transactions contemplated under the GDL Property Management Services Framework Agreement (the “**Proposed Cap(s)**”) are as follows:

	For the period from the Effective Date to 31 December 2024 <i>(RMB, tax inclusive)</i>	For the year ending 31 December 2025 <i>(RMB, tax inclusive)</i>	For the year ending 31 December 2026 <i>(RMB, tax inclusive)</i>
Proposed Caps	109,000,000	177,000,000	172,000,000

The following factors have been taken into account when determining the Proposed Caps for the transactions contemplated under the GDL Property Management Services Framework Agreement:

- (a) the Historical Transaction Amounts;
- (b) the expected demand for Property Management Services by the Group having considered (i) the number of existing property projects involving provision of the Property Management Services by the Yuehai Property Management Group to the Group which is expected to be renewed during the term of the GDL Property Management Services Framework Agreement; (ii) the gross floor areas for the properties of each of the existing property projects involving provision of the Property Management Services by the Yuehai Property Management Group to the Group; (iii) the expected time of completion, pre-sale and delivery of existing property projects and the scope of Property Management Services required based on the development plans of existing property projects of the Group;

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- (c) the estimated fees to be charged by the Yuehai Property Management Group under the Expected Specific Agreements for the provision of the Property Management Services during the term of the GDL Property Management Services Framework Agreement, which have taken into account the pricing terms of their corresponding Existing Property Management Services Agreements and factors that may influence the demand of required Property Management Services such as change of project progress or sales plan in response to fluctuations in the real estate market environment in the PRC;

- (d) further to paragraphs (b) and (c) above, it is anticipated that there will be a total of 40 property management services agreements to be entered into between the Yuehai Property Management Group and the Group during the term of the GDL Property Management Services Framework Agreement (“**Expected Specific Agreements**”). All of these 40 Expected Specific Agreements are originated from existing property projects that currently receive Property Management Services from the Yuehai Property Management Group and are expected to have their agreements renewed under the GDL Property Management Services Framework Agreement. For further details of the Expected Specific Agreements under the GDL Property Management Services Framework Agreement, including the anticipated parties involved in each agreement, the expected duration of each agreement and estimated contract sums in each year from 2024 to 2026 (or any part thereof), please refer to Appendix II to this circular; and

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- (e) the inclusion of a buffer of approximately 20% to accommodate for any unexpected increase in the demand for the provision of the Property Management Services or prices taking into account (i) fluctuation in labour cost; (ii) additional labour that may be required for the provision of the Property Management Services; (iii) inflation rate; (iv) the number of new property projects that may be undertaken by the Group during the term of the GDL Property Management Services Framework Agreement that may require the provision of the Property Management Services; (v) any additional Property Management Services that may be required for existing property projects; (vi) the uncertainty in respect of the construction and sale progress of the property projects of the Group which may be affected by factors such as overall real estate market environment and market sentiment in the PRC, and the buffer will accommodate any potential need for prolonged Property Management Services by the Group (for example, for the sales centres and sample units of the various property projects of the Group and for the property projects which the commencement of pre-sale process is delayed); and (vii) the possibility that the ultimate fees charged by the Yuehai Property Management Group for the provision of the Property Management Services required by the Group for a significant property project may deviate from the original estimation and the buffer will allow for adjustments to the service fees within a reasonable range.

The Existing Property Management Services Agreements were entered into between the Group and the Yuehai Property Management Group during May 2021 to December 2023 (for further details, please refer to the Previous Announcements (Pre 31/3/2023), Previous Announcements (Post 31/3/2023) and the Previous Circular of the Company) and the transactions thereunder will end by 31 December 2024. The maximum aggregated services fees payable by the Group to the Yuehai Property Management Group under the Existing Property Management Services Agreements for the year ending 31 December 2024 is RMB57,186,000. For the avoidance of doubt, as the Existing Property Management Services Agreements were entered into prior to the GDL Property Management Services Framework Agreement, the abovementioned maximum aggregated services fees payable for the year ending 31 December 2024 are not included in the Proposed Cap for the year ending 31 December 2024.

D. PRICING POLICY

During the term of the GDL Property Management Services Framework Agreement, the Group may from time to time enter into Specific Agreements with members of the Yuehai Property Management Group for the provision of the relevant Property Management Services, in accordance with the principles and terms of the GDL Property Management Services Framework Agreement.

The Group adopts the following pricing policy for each Specific Agreement:

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- (a) the terms and conditions of each Specific Agreement shall be negotiated on an arm's length basis to ensure that the service fees offered by the Yuehai Property Management Group are no less favourable than those offered by other Independent Third Parties to the Group for comparable services to similar properties;
- (b) the service fees shall be based upon (i) the gross floor area, location and condition of the relevant property; (ii) the nature and standard of service required; (iii) the expected operating costs (including costs of labour, cost of materials required and administrative expenses); and (iv) the matters referred to in (c) below;
- (c) to ensure that the service fees offered by the Yuehai Property Management Group are fair and reasonable and are no less favourable than those offered by other Independent Third Parties to the Group, the Group shall:
 - (i) refer to other transactions of similar services (similar in terms of the scope and requirement of services, the location and condition of properties, and level of difficulty of management, etc.) provided by Independent Third Parties to the Group; or
 - (ii) where the Group has not previously entered into any transactions for similar services with, or quotations are not available from, Independent Third Parties, the Group shall refer to (1) the standard price promulgated by the relevant government authorities (if applicable), or (2) the service fees quoted by at least two other property management companies which are Independent Third Parties in the PRC for comparable transactions (as the case may be). The selection of independent property management companies will primarily be based on (i) their ability to provide a comprehensive range of services that align with the specific requirements of the Group for each relevant property project; (ii) the geographical proximity of the independent property management company to the relevant property project which requires Property Management Services as the Group considers that property management companies located in close proximity to the project site will have a logistical advantage in terms of timely response, on-site management and efficient coordination; and (iii) the reputation and scale of the independent property management company as the Group considers that it reflects the capacity of the property management company to handle projects of varying sizes and complexities.

LETTER FROM THE BOARD

E. INTERNAL CONTROL MEASURES

The pricing policy for the continuing connected transactions of the Group will be supervised and monitored by the relevant personnel and management of the Group to ensure that the relevant continuing connected transactions will be conducted on normal commercial terms and will not be prejudicial to the interests of the Company. In particular, before entering into the relevant Specific Agreement, the sales department of the relevant member(s) of the Group will strictly adhere to the aforementioned pricing policy, including obtaining quotations from independent property management companies where appropriate, in order to ensure that the service fees offered by the Yuehai Property Management Group are fair and reasonable and are no less favourable than those offered by other Independent Third Parties to the Group. Subsequently, all information in relation to the relevant Specific Agreement (including the quotations obtained from the independent property management companies, if any) will be provided to the company secretarial department of the Company for review. Upon receiving the information provided, the company secretarial department will (i) further review, assess or verify (as the case may be) whether the service fees to be charged by the Yuehai Property Management Group for the provision of the Property Management Services under the Specific Agreement is fair and reasonable, whether the aforesaid pricing policy has been complied with and whether the relevant Proposed Cap will be exceeded; (ii) arrange such Specific Agreement to be approved by the Board or any Director as duly authorised by the Board; and (iii) ensure that the relevant requirements under the Listing Rules for the transaction contemplated under the relevant Specific Agreement have been complied with.

After the property management transactions have been entered into, regular checks will be conducted by the Group to review and assess whether the relevant continuing connected transactions are conducted in accordance with the terms of the related Specific Agreements. In addition, review reports containing details such as the latest utilisation rate of the relevant Proposed Cap and the updated list of relevant continuing connected transactions, will be prepared by the company secretarial department of the Company on a half year basis. In the event that the utilisation rate of the relevant Proposed Cap reaches 80%, the Board will be informed for considering if the relevant Proposed Cap shall be revised and, if so, the Company will further comply with relevant requirements under the Listing Rules.

The independent non-executive Directors and the independent auditors of the Company will also conduct annual reviews on the pricing terms and the Proposed Caps therefor. Accordingly, the Directors consider that the internal control mechanism is effective to ensure that the transactions contemplated under the GDL Property Management Services Framework Agreement will be conducted on normal commercial terms and not prejudicial to the interests of the Company.

LETTER FROM THE BOARD

F. REASONS FOR AND BENEFITS OF ENTERING INTO THE GDL PROPERTY MANAGEMENT SERVICES FRAMEWORK AGREEMENT

As the Group is principally engaged in property development and investment businesses, it requires quality property management services in respect of its various property projects in the PRC. The Yuehai Property Management Group is principally engaged in the provision of property management services in the PRC and has extensive experience in the industry. The Yuehai Property Management Group is currently the property management service provider for various property projects of the Group. The Group considers that the Yuehai Property Management Group understands very well the standard of property management services required by the Group and has consistently provided satisfactory and reliable services to the Group. By entering into the GDL Property Management Services Framework Agreement, the Group is able to continue to leverage on the extensive experience of the Yuehai Property Management Group as a property management service provider, and enjoy effective, cost-efficient, reliable and quality property management services.

The GDL Property Management Services Framework Agreement sets out the principles for regulating the individual transactions in relation to the provision of the Property Management Services from the Yuehai Property Management Group to the Group so as to ensure the fairness and reasonableness of such transactions. In addition, under the GDL Property Management Services Framework Agreement, the Group is not required to exclusively engage the Yuehai Property Management Group as the service provider of the Property Management Services for its property projects. By entering into the GDL Property Management Services Framework Agreement, the Group (i) will retain the flexibility in selecting the Yuehai Property Management Group or other independent property management service providers based on arm's length negotiations after taking into account the commercial terms offered to the Group, and (ii) can benefit from administrative convenience in its compliance with Chapter 14A of the Listing Rules.

In light of the above, the Board (including the independent non-executive Directors after taking into account the advice of the Independent Financial Adviser) considers that the terms and conditions of the GDL Property Management Services Framework Agreement, the transactions contemplated thereunder and the Proposed Caps are fair and reasonable, on normal commercial terms or better, are entered into in the ordinary and usual course of business of the Group and are in the interests of the Company and the Shareholders as a whole.

LETTER FROM THE BOARD

Mr. LAN Runing, Mr. LI Yonggang and Mr. LI Wenchang, all being Directors, are also directors of certain subsidiaries of Guangdong Holdings. Mr. LI Yonggang and Mr. LI Wenchang, who were present at the relevant Board meeting, were not counted in the quorum and also had abstained from voting on relevant Board resolution(s) for approving the GDL Property Management Services Framework Agreement and the transactions contemplated thereunder while Mr. LAN Runing 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 had any material interest in the GDL Property Management Services Framework Agreement and the transactions contemplated thereunder. The Shareholders and any of the abovementioned Directors (if any) who shall be entitled to vote at the SGM, but who have a material interest in the GDL Property Management Services Framework Agreement and the transactions contemplated thereunder and the associates of each of them, will abstain from voting at the SGM in respect of the proposed resolution relating to the GDL Property Management Services Framework Agreement, the transactions contemplated thereunder and the Proposed Caps.

G. INFORMATION ON THE PARTIES TO THE GDL PROPERTY MANAGEMENT SERVICES FRAMEWORK AGREEMENT AND THEIR ULTIMATE BENEFICIAL OWNERS

Information on the Company and the Group

The Company is a company incorporated in Bermuda with limited liability and is principally engaged in investment holding. The Group is principally engaged in property development and investment businesses. The ultimate controlling shareholder of the Company is Guangdong Holdings.

Information on the Yuehai Property Management Group

Yuehai Property Management is a company established in the PRC with limited liability and is a non-wholly owned subsidiary of Guangdong Holdings. The Yuehai Property Management Group is principally engaged in property rental services and property management businesses in the PRC. As at the Latest Practicable Date, 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.

LETTER FROM THE BOARD

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 capital 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), as to approximately 15.59% by Wu Enhai (吳恩海) and as to approximately 0.2% in aggregate by two 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 Guangdong Holdings

Guangdong Holdings is the ultimate controlling shareholder of the Company and is principally engaged in investment holding. The business activities of Guangdong Holdings and its subsidiaries include public utilities and infrastructure, manufacturing, real estate, hotel, property management, retail and wholesale, finance, etc. Guangdong Holdings and its subsidiaries 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 Province 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.

H. LISTING RULES IMPLICATIONS

The Company is owned as to approximately 73.82% by GDI, whereas GDI is directly or indirectly held as to approximately 56.49% by GDH Limited which is in turn wholly owned by Guangdong Holdings. As such, Guangdong Holdings is the ultimate controlling shareholder of the Company, and therefore it is a connected person of the Company. As Yuehai Property Management is a non-wholly owned subsidiary of Guangdong Holdings, it is an associate of Guangdong Holdings, hence a connected person of the Company. Accordingly, the entering into of the GDL Property Management Services Framework Agreement and the transactions contemplated thereunder constitute continuing connected transactions of the Company under Chapter 14A of the Listing Rules.

LETTER FROM THE BOARD

Reference is also made to the Previous Announcements (Pre 31/3/2023) of the Company dated 10 May 2021, 27 July 2021, 10 December 2021, 30 March 2022, 30 December 2022 and 23 February 2023 and the Previous Circular of the Company dated 14 March 2023 in relation to the Existing (Pre 31/3/2023) Property Management Services Agreements and the Previous Announcements (Post 31/3/2023) of the Company dated 28 April 2023, 27 July 2023, 31 October 2023 and 29 December 2023 in relation to the Existing (Post 31/3/2023) Property Management Services Agreements.

All relevant Listing Rules requirements in relation to the Existing (Pre 31/3/2023) Property Management Services Agreements had been complied with (including obtaining the independent shareholders' approval for certain Existing Property Management Services Agreements at the special general meeting of the Company held on 31 March 2023). Accordingly, the Existing (Pre 31/3/2023) Property Management Services Agreements are not required to be aggregated with the GDL Property Management Services Framework Agreement.

On the basis that the GDL Property Management Services Framework Agreement and the Existing (Post 31/3/2023) Property Management Services Agreements are all related to the provision of Property Management Services from the Yuehai Property Management Group to the Group, the GDL Property Management Services Framework Agreement and the Existing (Post 31/3/2023) Property Management Services Agreements have been aggregated pursuant to the Listing Rules.

As (i) on a standalone basis, one or more of the applicable percentage ratios in respect of the highest Proposed Cap set for the GDL Property Management Services Framework Agreement exceed 5%, and (ii) on an aggregate basis, one or more of the applicable percentage ratios in respect of the GDL Property Management Services Framework Agreement and the Existing (Post 31/3/2023) Property Management Services Agreements exceed 5%, the GDL Property Management Services Framework Agreement and the transactions contemplated thereunder are subject to the annual review, announcement, circular and Independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

I. SGM

A notice of the SGM is set out on pages 57 to 58 of this circular. The SGM will be convened at the Boardroom, Basement II, Wharney Hotel, No. 57-73 Lockhart Road, Wanchai, Hong Kong on Tuesday, 26 March 2024 at 11:00 a.m., at which the resolution in respect of the GDL Property Management Services Framework Agreement, the transactions contemplated thereunder and the Proposed Caps will be proposed to be considered and, if thought fit, approved by the Independent Shareholders. Pursuant to Rule 13.39(4) of the Listing Rules, all votes to be taken at the SGM will be taken by way of poll.

LETTER FROM THE BOARD

Any Shareholder with a material interest in the GDL Property Management Services Framework Agreement and the transactions contemplated thereunder and its/his close associates are required to abstain from voting on the relevant proposed resolution at the SGM. As at the Latest Practicable Date, GDI holds 1,263,494,221 Shares (representing approximately 73.82% of the total issued Shares), and the ultimate controlling shareholder of GDI is Guangdong Holdings. For the reasons aforementioned, GDI will therefore abstain from voting at the SGM.

Save as disclosed above, to the best of the Directors' knowledge, information and belief, after having made all reasonable enquiries, no other Shareholders or any of their respective associates have any material interest in the GDL Property Management Services Framework Agreement and the transactions contemplated thereunder and thus none of the other Shareholders is required to abstain from voting on the proposed resolution at the SGM.

A form of proxy for use at the SGM is accompanied with this circular. Whether or not you intend to attend the SGM in person, please complete and return the enclosed form of proxy in accordance with the instructions printed thereon to the Company's branch share registrar and transfer office in Hong Kong, Tricor Tengis Limited, at 17th Floor, Far East Finance Centre, 16 Harcourt Road, Hong Kong as soon as possible but in any event not less than 48 hours before the time of the SGM or any adjournment thereof. Completion and return of the form of proxy will not preclude you from attending and voting in person at the SGM or any adjourned meeting should you so wish.

The register of members of the Company will be closed and no transfer of shares will be effected during the period from Thursday, 21 March 2024 to Tuesday, 26 March 2024, both days inclusive, for determining the Shareholders' eligibility to attend and vote at the SGM.

J. RECOMMENDATION

Your attention is drawn to:

- (i) the letter from the Independent Board Committee (comprising Mr. Felix FONG Wo, Mr. Vincent Marshall LEE Kwan Ho and Mr. LEUNG Luen Cheong, all being independent non-executive Directors) set out on pages 25 to 26 of this circular which contains the recommendation of the Independent Board Committee to the Independent Shareholders concerning the fairness and reasonableness of the GDL Property Management Services Framework Agreement, the transactions contemplated thereunder and the Proposed Caps; and

LETTER FROM THE BOARD

- (ii) the letter from the Independent Financial Adviser set out on pages 27 to 46 of this circular which contains its recommendations to the Independent Board Committee and the Independent Shareholders on whether the terms and conditions of the GDL Property Management Services Framework Agreement, the transactions contemplated thereunder and the Proposed Caps are fair and reasonable, on normal commercial terms or better and are in the interest of the Company and the Shareholders as a whole, and the principal factors and reasons taken into account by the Independent Financial Adviser in arriving at its recommendations.

Based on the reasons set out hereinabove, the Board recommends the Independent Shareholders to vote in favour of the proposed ordinary resolution set out in the notice convening the SGM in respect of the GDL Property Management Services Framework Agreement, the transactions contemplated thereunder and the Proposed Caps.

K. ADDITIONAL INFORMATION

Your attention is drawn to the additional information set out in the appendices to this circular.

Yours faithfully,
By Order of the Board
Guangdong Land Holdings Limited
LAN Runing
Chairman

LETTER FROM THE INDEPENDENT BOARD COMMITTEE



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

5 March 2024

To the Independent Shareholders

Dear Sir or Madam,

**CONTINUING CONNECTED TRANSACTIONS
THE GDL PROPERTY MANAGEMENT SERVICES
FRAMEWORK AGREEMENT**

We refer to the circular of the Company to the Shareholders dated 5 March 2024 (the “**Circular**”), of which this letter forms part. Unless the context otherwise requires, capitalised terms used herein shall have the same meanings as defined in the Circular.

We have been appointed by the Board as the Independent Board Committee to advise you as to whether, in our opinion, (i) the terms and conditions of the GDL Property Management Services Framework Agreement are fair and reasonable; (ii) the GDL Property Management Services Framework Agreement and the transactions contemplated thereunder are entered into on normal commercial terms or better and in the ordinary and usual course of business of the Group; and (iii) the GDL Property Management Services Framework Agreement, the transactions contemplated thereunder and the Proposed Caps are in the interests of the Company and the Shareholders as a whole.

Ballas Capital Limited has been appointed as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders in respect of the GDL Property Management Services Framework Agreement, the transactions contemplated thereunder and the Proposed Caps.

We would like to draw your attention to the letter from the Board set out on pages 7 to 24 of the Circular which contains, among other things, information on the GDL Property Management Services Framework Agreement, the transactions contemplated thereunder and the Proposed Caps, and the letter from the Independent Financial Adviser set out on pages 27 to 46 of the Circular which contains its advice in respect of the GDL Property Management Services Framework Agreement, the transactions contemplated thereunder and the Proposed Caps.

LETTER FROM THE INDEPENDENT BOARD COMMITTEE

Having considered the GDL Property Management Services Framework Agreement, the transactions contemplated thereunder and the Proposed Caps, as well as the opinion and advice of the Independent Financial Adviser contained in their letter as set out on pages 27 to 46 of the Circular, we are of the opinion that (i) the terms and conditions of the GDL Property Management Services Framework Agreement are fair and reasonable and on normal commercial terms or better; (ii) the entering into of the GDL Property Management Services Framework Agreement and the transactions contemplated thereunder are in the ordinary and usual course of business of the Group; and (iii) the GDL Property Management Services Framework Agreement, the transactions contemplated thereunder and the Proposed Caps are in the interests of the Company and the Shareholders as a whole.

Accordingly, we recommend the Independent Shareholders to vote in favour of the ordinary resolution in respect of the GDL Property Management Services Framework Agreement, the transactions contemplated thereunder and the Proposed Caps to be proposed at the SGM.

Yours faithfully,
For and on behalf of
the Independent Board Committee

Felix FONG Wo

Vincent Marshall LEE Kwan Ho
Independent Non-Executive Directors

LEUNG Luen Cheong

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

BALLAS

C A P I T A L

A subsidiary of Crosby

5/F, Capital Centre,
151 Gloucester Road,
Wanchai, Hong Kong

5 March 2024

*To the Independent Board Committee and
the Independent Shareholders*

Dear Sir or Madam,

CONTINUING CONNECTED TRANSACTIONS

INTRODUCTION

We refer to our engagement as the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders in respect of the GDL Property Management Services Framework Agreement, the transactions contemplated thereunder (including their respective Proposed Caps), details of which are set out in the letter from the Board (the “**Letter from the Board**”) contained in this circular (the “**Circular**”) of the Company to the Shareholders dated 5 March 2024, of which this letter forms part. Capitalised terms used in this letter shall have the same meanings as those defined in the Circular unless the context otherwise requires.

On 30 January 2024, the Company and Yuehai Property Management (a non-wholly owned subsidiary of Guangdong Holdings) entered into the GDL Property Management Services Framework Agreement, pursuant to which the Yuehai Property Management Group shall provide Property Management Services to the Company and its subsidiaries (the “**Group**”) for a term commencing on the Effective Date to 31 December 2026.

The Company is owned as to approximately 73.82% by GDI, whereas GDI is directly or indirectly held as to approximately 56.49% by GDH Limited which is in turn wholly owned by Guangdong Holdings. As such, Guangdong Holdings is the ultimate controlling shareholder of the Company, and therefore it is a connected person of the Company. As Yuehai Property Management is a non-wholly owned subsidiary of Guangdong Holdings, it is an associate of Guangdong Holdings, hence a connected person of the Company. Accordingly, the entering into of the GDL Property Management Services Framework Agreement and the transactions contemplated thereunder constitute continuing connected transactions (the “**Continuing Connected Transactions**”) of the Company under Chapter 14A of the Listing Rules.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

As set out in the Letter from the Board, on the basis that the GDL Property Management Services Framework Agreement and the Existing (Post 31/3/2023) Property Management Services Agreements are all related to the provision of Property Management Services by the Yuehai Property Management Group to the Group, the GDL Property Management Services Framework Agreement and the Existing (Post 31/3/2023) Property Management Services Agreements have been aggregated pursuant to the Listing Rules. On an aggregated basis, as one or more of the applicable percentage ratios in respect of the GDL Property Management Services Framework Agreement and the Existing (Post 31/3/2023) Property Management Services Agreements exceed 5%, the GDL Property Management Services Framework Agreement are therefore subject to the annual review, announcement and independent shareholders' approval requirements under the Listing Rules.

The Independent Board Committee comprising all the independent non-executive directors of the Company (namely, Mr. Felix FONG Wo, Mr. Vincent Marshall LEE Kwan Ho and Mr. LEUNG Luen Cheong) has been formed to advise the Independent Shareholders in respect of the GDL Property Management Services Framework Agreement, the transactions contemplated thereunder and the Proposed Caps.

INDEPENDENCE DECLARATION

We are not associated or connected with the Company, the counterparties of the Continuing Connected Transactions or their respective core connected persons or associates. In the two years immediately preceding the Latest Practicable Date, save for (i) the appointment as the independent financial adviser by the Company in respect of the term of certain lease agreement being longer than three years as disclosed in the announcement of the Company dated 16 September 2022; (ii) the appointment as the independent financial adviser by GDH Guangnan (Holdings) Limited (stock code: 1203), an associate of Guangdong Holdings, in November 2022 in respect of a proposed share option scheme of GDH Guangnan (Holdings) Limited; (iii) the appointment as the independent financial adviser by the Company in respect of certain continuing connected transactions as disclosed in its circular dated 14 March 2023; (iv) the appointment as the independent financial adviser by the Company in respect of the capital contributions to connected subsidiary as disclosed in its circular dated 29 May 2023; and (v) this appointment as the independent financial adviser in relation to the Continuing Connected Transactions, we did not have any other relationship with or interests in the Company, the counterparties of the Continuing Connected Transactions or their respective core connected persons or associates nor had we acted as an independent financial adviser to other transactions of the Company that could reasonably be regarded as hindrance to our independence as defined under the Listing Rules. Accordingly, we consider we are eligible to give independent advice on the terms of the Continuing Connected Transactions.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

BASIS OF OUR OPINION

In formulating our advice and recommendation, we have relied on the information and facts contained or referred to in the Circular as well as the representations made or provided by the Directors and the senior management of the Company.

The Directors have declared in a responsibility statement set out in the Circular that they collectively and individually accept full responsibility for the accuracy of the information contained and representations made in the Circular and that there are no other matters the omission of which would make any statement in the Circular misleading. We have also assumed that the information and the representations made by the Directors as contained or referred to in the Circular were true and accurate at the time they were made and continue to be so up to the date of the SGM. We have no reason to doubt the truth, accuracy and completeness of the information and representations provided to us by the Directors and the senior management of the Company. We have also been advised by the Directors and believe that no material facts have been omitted from the Circular.

We consider that we have reviewed sufficient information to reach an informed view, to justify reliance on the accuracy of the information contained in the Circular and to provide a reasonable basis for our recommendation. We have not, however, conducted an independent verification of the information nor have we conducted any form of in-depth investigation into the businesses and affairs or the prospects of the Company, the counterparties of the Continuing Connected Transactions or any of their respective subsidiaries or associates.

PRINCIPAL FACTORS AND REASONS CONSIDERED

In arriving at our opinion and advice, we have considered the following principal factors and reasons:

1. Background of the Group and reasons for entering into the GDL Property Management Services Framework Agreement

1.1 Information of the Group

The Company

The Company is a company incorporated in Bermuda with limited liability and is principally engaged in investment holding. The ultimate controlling shareholder of the Company is Guangdong Holdings.

The Group

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

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

1.2 Information of the counterparties to the Continuing Connected Transactions

Yuehai Property Management

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

1.3 Reasons for and benefits of entering into the GDL Property Management Services Framework Agreement

As set out in the Letter from the Board, as the Group is principally engaged in property development and investment businesses, it requires quality property management services in respect of its various property projects in the PRC. The Yuehai Property Management Group is principally engaged in the provision of property management services in the PRC and has extensive experience in the industry. The Yuehai Property Management Group is currently the property management service provider for various property projects of the Group. The Group considers that the Yuehai Property Management Group understands very well the standard of property management services required by the Group and has consistently provided satisfactory and reliable services to the Group. By entering into the GDL Property Management Services Framework Agreement, the Group is able to continue to leverage on the extensive experience of the Yuehai Property Management Group as a property management service provider, and enjoy effective, cost-efficient, reliable and quality property management services.

The GDL Property Management Services Framework Agreement sets out the principles for regulating the individual transactions in relation to the provision of the Property Management Services from the Yuehai Property Management Group to the Group so as to ensure the fairness and reasonableness of such transactions. In addition, under the GDL Property Management Services Framework Agreement, the Group is not required to exclusively engage the Yuehai Property Management Group as the service provider of the Property Management Services for its property projects. By entering into the GDL Property Management Services Framework Agreement, the Group (i) will retain the flexibility in selecting the Yuehai Property Management Group or other independent property management service providers based on arm's length negotiations after taking into account the commercial terms offered to the Group, and (ii) can benefit from administrative convenience in its compliance with Chapter 14A of the Listing Rules.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

Taking into account the above, in particular, (i) the nature of transactions (being property management services in respect of various types of properties developed by the Group) as contemplated under the GDL Property Management Services Framework Agreement; (ii) the principal business of the Group, being property development and investment businesses; (iii) the established and ongoing business relationship between the Yuehai Property Management Group and the Group (which the Yuehai Property Management Group is currently the property management service provider of various property projects of the Group); (iv) the fact that the GDL Property Management Services Framework Agreement does not limit the Group from procuring services from other service providers and provides the Group with a right to choose to engage Yuehai Property Management Group to provide property management services and (v) our analysis on the major terms of the GDL Property Management Services Framework Agreement (as stated below), we concur with the view of the management of the Company that the transactions contemplated under the GDL Property Management Services Framework Agreement fall within the ordinary and usual course of business of the Group and is in the interests of the Company and the Shareholders as a whole.

2. Major terms of the GDL Property Management Services Framework Agreement

Set out below is a summary of the major terms of the GDL Property Management Services Framework Agreement. Please also refer to the Letter from the Board for details of the GDL Property Management Services Framework Agreement.

Date:	30 January 2024
Parties:	(1) the Company; and (2) Yuehai Property Management
Term:	The GDL Property Management Services Framework Agreement shall be effective from the Effective Date to 31 December 2026 (both days inclusive). The term of each of the Specific Agreements under the GDL Property Management Services Framework Agreement will not exceed the term of the GDL Property Management Services Framework Agreement. Details of the term of a Specific Agreement are set out in the paragraph headed “ Term ” in the Letter from the Board.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

Scope of services: In respect of various types of properties (including property projects under development) developed by the Group such as residential properties, office buildings, other properties and those for ancillary uses such as property sales sites from time to time, the Yuehai Property Management Group will provide Property Management Services to the Group, including but not limited to:

- (i) maintenance of properties and the relevant facilities and equipment, security, cleaning and gardening services, maintenance of public area, car parking lot management, and other related services;
- (ii) preliminary planning and design consulting services (including reviewing drawings and services in relation to tendering), at the initial stages of property projects;
- (iii) on-site consulting services and construction site management services during the construction of property projects;
- (iv) management and maintenance of sales sites and the relevant facilities and equipment, cleaning, landscaping and customer services, customer complaints management, and other related services;
- (v) arranging for inspection of the property units and public areas of the property project at the delivery stage of the property projects;
- (vi) providing assistance to the Group for the transfer and delivery of the relevant properties to property owners;
- (vii) providing services in assisting the sales of property units and providing daily maintenance and other related services, after completion of construction of the property projects; and
- (viii) management services for the vacant properties and conference facilities, concierge services, and other temporary supplementary management services.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

Pricing and other terms:

The parties to the GDL Property Management Services Framework Agreement have agreed as follows:

- (a) the transactions to be conducted under the GDL Property Management Services Framework Agreement will be negotiated on an arm's length basis by the relevant parties and carried out in the ordinary and usual course of business of the Group on normal commercial terms (or better). The terms and conditions of such transactions shall be no less favourable than those being offered by an Independent Third Party to the Group for comparable services, as if the Group were transacting with an Independent Third Party;
- (b) member(s) of the Group and member(s) of the Yuehai Property Management Group shall enter into Specific Agreements (for the provision of Property Management Services) which will set out the specific terms for the relevant transactions contemplated under the GDL Property Management Services Framework Agreement;
- (c) the transactions under the Specific Agreements shall be consistent with the principles and provisions set out in the GDL Property Management Services Framework Agreement and be in compliance with the Listing Rules. If there is any discrepancy between the terms of a transaction under a Specific Agreement and the GDL Property Management Services Framework Agreement, the latter shall prevail;
- (d) the service fees payable under each Specific Agreement should be based on the pricing policies referred to the section headed "Pricing Policy" in the Letter from the Board;
- (e) the fees for the Property Management Services shall be paid by the Group to the Yuehai Property Management Group on monthly, quarterly, half-yearly or yearly basis (as determined under each Specific Agreement), in accordance with the usual commercial practices and on fair and reasonable terms;

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

- (f) the actual settlement amount, settlement method and payment terms for each transaction contemplated under the GDL Property Management Services Framework Agreement shall be set out in the relevant Specific Agreement for the relevant transaction;
- (g) each of the Company and Yuehai Property Management shall procure the members of the Group or the Yuehai Property Management Group (as the case may be) to comply with the principles of the GDL Property Management Services Framework Agreement when conducting the transactions contemplated under the GDL Property Management Services Framework Agreement; and
- (h) for the avoidance of doubt, the GDL Property Management Services Framework Agreement is non-exclusive in nature, and the Group is not obliged to obtain Property Management Services from the Yuehai Property Management Group.

Pricing policy:

During the term of the GDL Property Management Services Framework Agreement, the Group may from time to time enter into Specific Agreements with members of the Yuehai Property Management Group for the provision of the relevant Property Management Services, in accordance with the principles and terms of the GDL Property Management Services Framework Agreement.

The Group adopts the following pricing policy for each Specific Agreement:

- (a) the terms and conditions of each Specific Agreement shall be negotiated on an arm's length basis to ensure that the service fees offered by the Yuehai Property Management Group are no less favourable than those offered by other Independent Third Parties to the Group for comparable services to similar properties;
- (b) the service fees shall be based upon (i) the gross floor area, location and condition of the relevant property; (ii) the nature and standard of service required; (iii) the expected operating costs (including costs of labour, cost of materials required and administrative expenses); and (iv) the matters referred to in (c) below;

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

- (c) to ensure that the service fees offered by the Yuehai Property Management Group are fair and reasonable and are no less favourable than those offered by other Independent Third Parties to the Group, the Group shall:
 - (i) refer to other transactions of similar services (similar in terms of the scope and requirement of services, the location and condition of properties, and level of difficulty of management, etc.) provided by Independent Third Parties to the Group; or
 - (ii) where the Group has not previously entered into any transactions for similar services with, or quotations are not available from, Independent Third Parties, the Group shall refer to (1) the standard price promulgated by the relevant government authorities (if applicable), or (2) the service fees quoted by at least two other property management companies which are Independent Third Parties in the PRC for comparable transactions (as the case may be). The selection of independent property management companies will primarily be based on (i) their ability to provide a comprehensive range of services that align with the specific requirements of the Group for each relevant property project; (ii) the geographical proximity of the independent property management company to the relevant property project which requires Property Management Services as the Group considers that property management companies located in close proximity to the project site will have a logistical advantage in terms of timely response, on-site management and efficient coordination; and (iii) the reputation and scale of the independent property management company as the Group considers that it reflects the capacity of the property management company to handle projects of varying sizes and complexities.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

2.1 Assessment on the pricing terms of the GDL Property Management Services Framework Agreement

In assessing the fairness and reasonableness of the pricing terms (the “**Pricing Terms**”) under the GDL Property Management Services Framework Agreement, we note that (a) the service fees shall be based upon the gross floor area, location and condition of the relevant property; the nature and standard of service required; the expected operating costs (including costs of labour, cost of materials required and administrative expenses); and (b) to ensure the service fees offered by the Yuehai Property Management Group are fair and reasonable and are no less favourable than those offered by other Independent Third Parties to the Group, the Group shall (i) refer to other transactions of similar services (similar in terms of the scope and requirement of services, the location and condition of properties, and level of difficulty of management, etc.) provided by Independent Third Parties to the Group, or (ii) where the Group has not previously entered into any transactions for similar services with, or quotations are not available from, Independent Third Parties, the Group shall refer to (1) the standard price promulgated by the relevant government authorities (if applicable), or (2) the service fees quoted by at least two other property management companies which are Independent Third Parties in the PRC for comparable transactions (as the case may be).

Our workdone

For our due diligence purpose, we obtained from the Company the list of the Existing (Post 31/3/2023) Property Management Services Agreements and selected and reviewed eight of them (the “**Selected Contracts**”), which represent approximately 57.1% of the service fees paid by the Group to the Yuehai Property Management Group for the year ended 31 December 2023. We consider that such coverage is sufficient, fair and representative for our due diligence purpose. From our review, we note that the service fees of the Selected Contracts were determined based on (i) the gross floor area, location and condition of the relevant property; (ii) the nature and standard of service required; (iii) the expected operating costs (including costs of labour, cost of materials required and administrative expenses), which are consistent with the Pricing Terms of the GDL Property Management Services Framework Agreement, and based on the two quotations from the Independent Third Parties obtained by the Group for each of the Selected Contracts, the service fees offered by the Yuehai Property Management Group were no less favourable than those offered by Independent Third Parties. We are satisfied that the Pricing Terms are commercial terms and the pricing policy adopted by the Group ensures that the service fees offered by the Yuehai Property Management Group are no less favourable than those offered by Independent Third Parties.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

Internal Control Measures

The internal control measures are set out in the Letter from the Board under the section headed “Internal Control Measures”.

Based on our discussion with the management of the Company that include:

1. as the Group shall (i) refer to other transactions of similar services (similar in terms of the scope and requirement of services, the location and condition of properties, and level of difficulty of management, etc.) provided by Independent Third Parties to the Group; or (ii) where the Group has not previously entered into any transactions for similar services with, or quotations are not available from, Independent Third Parties, the Group shall refer to (1) the standard price promulgated by the relevant government authorities (if applicable), or (2) the service fees quoted by at least two other property management companies which are Independent Third Parties in the PRC for comparable transactions, the Group will be able to ensure that the service fees for the Property Management Services are on commercial terms and no less favourable to the Group than the pricing terms offered to the Group by Independent Third Parties; and
2. the Group has measures in place to ensure that the annual transaction amount under the GDL Property Management Services Framework Agreement will not exceed the Proposed Caps for the respective periods. In the event that the utilisation rate of the relevant Proposed Cap reaches 80%, the Board will be informed for considering if the relevant Proposed Cap shall be reviewed and, if so, the Company will further comply with the relevant requirements under the Listing Rules,

we consider that the Company has sufficient and effective internal control measures in place to ensure that (i) the Proposed Caps will not be exceeded (or if it is expected to be exceeded, the Company will consider measures to be taken to comply with the relevant requirements under the Listing Rules in a timely manner); and (ii) the service fees of the Property Management Services will be determined on normal commercial terms and no less favourable to the Group than the pricing terms offered to the Group by Independent Third Parties.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

Our view

Taking into account the above, we consider that (i) the terms, in particular the Pricing Terms of the GDL Property Management Services Framework Agreement are comparable with and no less favourable to the Group than those offered to the Group by Independent Third Parties and (ii) appropriate internal control procedure is in place to ensure that the transactions in relation to the Property Management Services contemplated under the GDL Property Management Services Framework Agreement will be conducted on normal commercial terms and on terms no less favourable to the Group than those terms offered to the Group by Independent Third Parties, we concur with the view of the Directors that the terms of the GDL Property Management Services Framework Agreement are fair and reasonable, on normal commercial terms and in the interests of the Company and the Shareholders as a whole.

3. The Proposed Caps

As set out in the Letter from the Board, the table below summarises the historical amounts of the service fees paid by the Group to the Yuehai Property Management Group in relation to the property management services provided for the three years ended 31 December 2023 (the “**Historical Transaction Amounts**”):

	For the year ended 31 December 2021 <i>(RMB, tax inclusive)</i>	For the year ended 31 December 2022 <i>(RMB, tax inclusive)</i>	For the year ended 31 December 2023 ^(Note) <i>(RMB, tax inclusive)</i>
Historical Transaction Amounts	27,051,000	42,003,000	60,027,000

Note:

The preliminary figure for the year ended 31 December 2023 disclosed above is subject to change upon review by the auditor of the Company.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

Pursuant to the GDL Property Management Services Framework Agreement, the Proposed Caps are as follows:

	For the period from the Effective Date to 31 December 2024 <i>(RMB, tax inclusive)</i>	For the year ending 31 December 2025 <i>(RMB, tax inclusive)</i>	For the year ending 31 December 2026 <i>(RMB, tax inclusive)</i>
Proposed Caps	109,000,000	177,000,000	172,000,000

As set out in the Letter from the Board, the Proposed Caps for the transactions contemplated under the GDL Property Management Services Framework Agreement have been determined after having considered:

- (a) the Historical Transaction Amounts;
- (b) the expected demand for Property Management Services by the Group having considered (i) the number of existing property projects involving provision of the Property Management Services by the Yuehai Property Management Group to the Group which is expected to be renewed during the term of the GDL Property Management Services Framework Agreement; (ii) the gross floor areas for the properties of each of the existing property projects involving provision of the Property Management Services by the Yuehai Property Management Group to the Group; (iii) the expected time of completion, pre-sale and delivery of existing property projects and the scope of Property Management Services required based on the development plans of existing property projects of the Group;
- (c) the estimated fees to be charged by the Yuehai Property Management Group under the Expected Specific Agreements for the provision of Property Management Services during the term of the GDL Property Management Services Framework Agreement, which have taken into account the pricing terms of their corresponding Existing Property Management Services Agreements and factors that may influence the demand of required Property Management Services such as change of project progress or sales plan in response to fluctuations in the real estate market environment in the PRC;

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

- (d) all of the 40 Expected Specific Agreements are originated from existing property projects that currently receive Property Management Services from the Yuehai Property Management Group and are expected to have their agreements renewed under the GDL Property Management Services Framework Agreement. For further details of the Expected Specific Agreements under the GDL Property Management Services Framework Agreement, including the anticipated parties involved in each agreement, the expected duration of each agreement and estimated contract sums in each year from 2024 to 2026 (or any part thereof), please refer to Appendix II to the Circular; and
- (e) the inclusion of a buffer of approximately 20% to accommodate for any unexpected increase in the demand for the provision of the Property Management Services or prices taking into account (i) fluctuation in labour cost; (ii) additional labour that may be required for the provision of the Property Management Services; (iii) inflation rate; (iv) the number of new property projects that may be undertaken by the Group during the term of the GDL Property Management Services Framework Agreement that may require the provision of the Property Management Services; (v) any additional Property Management Services that may be required for existing property projects; (vi) the uncertainty in respect of the construction and sale progress of the property projects of the Group which may be affected by factors such as overall real estate market environment and market sentiment in the PRC, and the buffer will accommodate any potential need for prolonged Property Management Services by the Group (for example, for the sales centres and sample units of the various property projects of the Group and for the property projects which the commencement of pre-sale process is delayed); and (vii) the possibility that the ultimate fees charged by the Yuehai Property Management Group for the provision of the Property Management Services required by the Group for a significant property project may deviate from the original estimation and the buffer will allow for adjustments to the service fees within a reasonable range.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

Our workdone

In assessing the fairness and reasonableness of the Proposed Caps, we have obtained the underlying calculations and discussed with the management of the Company on the basis and underlying assumptions for the purpose of setting the Proposed Caps. We understand that the Company has considered the following information in arriving at the Proposed Caps:

- (i) the Group currently has 27 Existing Property Management Services Agreements with the Yuehai Property Management Group, which will be expired during 2024. As discussed with the management of the Company, the Group expects to renew these Existing Property Management Services Agreements, subject to the actual requirements for the Property Management Services according to the completion stages of each property projects under each Existing Property Management Services Agreement and the Group's internal selection process of service providers.

As advised by the management of the Company and as supported by the Existing Property Management Services Agreements, situations where a property management service agreement is generally entered into by the Group include (but not limited to) (i) the engagement of a property management service provider before commencement of pre-sale process of relevant property project of the Group in order to fulfill the relevant requirements and obtain the pre-sale license issued by the relevant government authorities. Such engagement usually lasts until the property owner committee of the relevant property (after its formation) appoint another property management service provider in accordance with the relevant laws and regulations in the PRC; and (ii) the engagement of a property management service provider for sales centres and sample units of the various property projects of the Group. Such engagement usually lasts from the establishment of the relevant sales centres or sample units until its closure upon delivery of all the relevant properties; and

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

- (ii) the Proposed Caps are estimated primarily after taking into account (i) the projected demand of the property management services (which may be provided by the Yuehai Property Management Group or independent service providers) based on the Group's expected time of completion, property pre-sale arrangement and property delivery schedule of the Group's property projects according to the best estimate from the management of the Company; and (ii) the gross floor area, location and condition of the relevant property; the nature and standard of service required; and the expected operating costs (including costs of labour, cost of materials required and administrative expenses).

To ascertain if the Proposed Caps are fairly estimated, we have selected 17 out of a total of 40 Expected Specific Agreements (the "**Selected Samples**") for our evaluation. We note that the service fees of the Selected Samples are estimated based on the pricing terms of their corresponding Existing Property Management Services Agreements, which are further adjusted by different factors that may influence the demand of required Property Management Services such as change of project progress or sales plan in response to the change of market environment. Given that the Proposed Caps of the Selected Samples represent approximately 65.0%, 67.9%, 69.4% of the Proposed Caps (before applying the buffer as explained in paragraph (iii) below) for the period from the Effective Date to 31 December 2024 and for the years ending 31 December 2025 and 2026, respectively, we consider that the Selected Samples are sufficient, fair and representative for our due diligence purpose.

According to our review, we consider that the Proposed Caps are fairly estimated; and

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(iii) the Company applied a buffer of approximately 20% (the “**Applied Buffer**”) to accommodate for any market and price fluctuations and/or unexpected increase in the demand for the provision of the Property Management Services which the Group may require from the Yuehai Property Management Group. For details, please refer to the above paragraph under section 3(e) in this letter. As discussed with the management of the Company, we are given to understand that (i) the nature of business involved high uncertainty in respect of the construction and sale progress as affected by different factors such as overall real estate market environment, which may result in prolonged property management services required by the Group; and (ii) the transaction amount of the property management services required by the Group for a sizable project site may deviate from the original estimation significantly. We note that the highest contract sum of the Existing (Post 31/3/2023) Property Management Services Agreements amounted to approximately RMB14,700,000 for the year ended 31 December 2023, representing approximately 77.5%, 49.2% and 50.1% of the buffer for the period from the Effective Date to 31 December 2024 and for the years ending 31 December 2025 and 2026, respectively. Given that the nature of business and the transaction amount of the Property Management Services can vary depending on the project size and expected timing, we consider the Applied Buffer to cater for any potential additional demand arising from additional land parcels or property assets acquired by the Group and/or additional Property Management Services that may be required for existing project is justifiable. Apart from the above, we have also conducted an independent research on the range of the buffer built in the annual caps of continuing connected transactions of companies listed on the Stock Exchange, which are engaged in a diverse range of principal businesses including the provision of property management services, as extracted from their respective circulars published since 1 November 2023 and note that the buffer percentage ranges from 5% to 30% (for companies engaging in property management services, the buffer percentage ranges from 5% to 20%) (the “**Buffer Range**”). Although these continuing connected transactions are not all related to property management services, we consider that they represent a market practice of how much buffer are usually built into their annual caps and is a fair and representative reference for benchmarking the Company’s Applied Buffer. Given that the Applied Buffer proposed by the Company falls within the Buffer Range, we are of the view that the Applied Buffer is reasonable.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

Our view

Based on the above, we are of the view that the basis for determining the Proposed Caps are fair and reasonable and we concur with the Directors' view that it is fair and reasonable and in the interests of both the Company and the Shareholders as a whole to set the Proposed Caps at the proposed levels. However, as the Proposed Caps relate to future events and are based upon assumptions that may or may not remain valid for the whole period up to 31 December 2026, we express no opinion as to how closely the transactions contemplated under the GDL Property Management Services Framework Agreement shall correspond to the Proposed Caps.

4. Requirements by the Listing Rules regarding the Continuing Connected Transactions

Pursuant to Rules 14A.55 to 14A.59 of the Listing Rules, the Continuing Connected Transactions are subject to the following annual review requirements:

- (a) each year the independent non-executive Directors must review the Continuing Connected Transactions and confirm in the annual report and accounts that they have been entered into:
 - in the ordinary and usual course of business of the Group;
 - on normal commercial terms or better; and
 - according to the relevant agreement governing them on terms that are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

- (b) each year the auditors of the Company must provide a letter to the Board (with a copy provided to the Stock Exchange at least 10 business days prior to the bulk printing of the Company's annual report) confirming whether anything has come to their attention that causes them to believe that the Continuing Connected Transactions:
- have not been approved by the Board;
 - were not, in all material respects, in accordance with the pricing policies of the Group if the transactions involve the provision of goods or services by the Group;
 - were not entered into, in all material respects, in accordance with the terms of the respective agreements under the GDL Property Management Services Framework Agreement; and
 - have exceeded the respective annual caps.
- (c) the Company must allow, and ensure that the relevant counterparties to each of the Continuing Connected Transactions allow, the Company's auditors sufficient access to their records for the purpose of reporting on each of the Continuing Connected Transactions; and
- (d) the Company must promptly notify the Stock Exchange and publish an announcement in accordance with the Listing Rules if the independent non-executive Directors and/or the auditors of the Company cannot confirm the matters set out in paragraphs (a) and/or (b) above, respectively.

In light of the review and reporting requirements attached to the Continuing Connected Transactions, in particular, (i) the restriction of transaction value by way of the annual caps; and (ii) the ongoing review by the independent non-executive Directors and the auditors of the Company on the terms of the GDL Property Management Services Framework Agreement and the respective Proposed Caps not being exceeded, we are of the view that appropriate measures will be in place to govern the conduct of each of the Continuing Connected Transactions and safeguard the interests of the Company and the Shareholders as a whole.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

RECOMMENDATION

Having considered the principal factors and reasons referred to above, we are of the opinion that the GDL Property Management Services Framework Agreement and the transactions contemplated thereunder are on normal commercial terms, in the ordinary and usual course of business of the Group and in the interests of the Company and the Shareholders as a whole, and the terms thereof as well as the Proposed Caps are fair and reasonable so far as the Company and the Shareholders are concerned.

Accordingly, we advise the Independent Shareholders and the Independent Board Committee to recommend the Independent Shareholders to vote in favour of the ordinary resolution in respect of the GDL Property Management Services Framework Agreement, the transactions contemplated thereunder and the Proposed Caps to be proposed at the SGM.

Yours faithfully,
For and on behalf of
Ballas Capital Limited

Alex Lau
Managing Director

Michelle Tse
Director

Note: Mr. Alex Lau has been a responsible officer of Type 6 (advising on corporate finance) regulated activities since 2004 and Miss Michelle Tse has been a licensed representative of Type 6 (advising on corporate finance) regulated activity from 2010 to 2015 and since 2019.

1. RESPONSIBILITY STATEMENT

This circular, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief, the information contained in this circular is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this circular misleading.

2. INTERESTS AND SHORT POSITIONS OF DIRECTORS AND CHIEF EXECUTIVE

As at the Latest Practicable Date, the interests and short positions of the Directors and chief executive of the Company in the Shares, underlying Shares and debentures of the Company and its associated corporations (within the meaning of Part XV of the SFO) which were required to be (i) notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which the Directors or the chief executive of the Company were taken or deemed to have under such provisions of the SFO); or (ii) entered in the register kept by the Company pursuant to section 352 of the SFO; or (iii) notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers (the “**Model Code**”) were as follows:

Interests and short positions in the Company

Name of Director	Capacity/Nature of interest	Number of Shares held	Long/Short position	Approximate percentage of interests held ^(Note)
JIAO Li	Personal	200,000	Long position	0.012%
Vincent Marshall LEE Kwan Ho	Corporate	2,000,000	Long position	0.117%

Note: The approximate percentage of interests held was calculated on the basis of 1,711,536,850 Shares in issue as at the Latest Practicable Date.

Save as disclosed above, as at the Latest Practicable Date, to the knowledge of the Company, none of the Directors or chief executive of the Company had any interests or short positions in the Shares, underlying Shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which were required to be (i) notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which the Directors and chief executive were taken or deemed to have under such provisions of the SFO); or (ii) entered in the register kept by the Company pursuant to Section 352 of the SFO; or (iii) notified to the Company and the Stock Exchange pursuant to the Model Code.

3. INTERESTS AND SHORT POSITIONS OF SUBSTANTIAL SHAREHOLDERS

As at the Latest Practicable Date, so far as is known to any Director or chief executive of the Company, the following persons (other than Directors or chief executive of the Company) had, or were deemed or taken to have interests or short positions in the Shares or underlying Shares of the Company which would fall to be disclosed to the Company and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO, or which were recorded in the register required to be kept by the Company pursuant to Section 336 of the SFO:

Name of Shareholder	Type of securities	Number of securities held	Long/Short position	Approximate percentage of interest held ^(Note 1)
廣東粵海控股集團有限公司 (Guangdong Holdings Limited) ^(Note 2)	Shares	1,263,494,221	Long position	73.82%
GDH Limited ^(Note 2)	Shares	1,263,494,221	Long position	73.82%
Guangdong Investment Limited ^(Note 2)	Shares	1,263,494,221	Long position	73.82%

Notes:

- The approximate percentage of interests held was calculated on the basis of 1,711,536,850 Shares in issue as at the Latest Practicable Date.
- The attributable interest which Guangdong Holdings has in the Company is held through its wholly-owned subsidiary, namely GDH Limited (“GDH”), and the attributable interest of the latter is held through its subsidiary, GDI.

3. As at the Latest Practicable Date, each of the following Directors was an employee of Guangdong Holdings and held the positions in Guangdong Holdings and/or GDH as follows:

Name of Director	Position(s) held in	
	Guangdong Holdings	Position(s) held in GDH
LAN Runing	deputy general manager	deputy general manager
WU Mingchang	general counsel	general counsel
LI Wenchang	deputy general manager of investment and capital operations department	deputy general manager of investment and capital operations department

Save as disclosed below, as at the Latest Practicable Date, so far as is known to the Directors or chief executive of the Company, no other person (other than a Director or chief executive of the Company) was directly or indirectly interested in 10% or more of the issued shares carrying rights to vote in all circumstances at general meetings of other member(s) of the Group or had any option in respect of such issued shares:

Name of shareholder interested in 10% or more of the subsidiary of the Company	Name of subsidiary of the Company	Long/Short position	Percentage of interests held by that shareholder
廣州市盈泰房地產有限公司 (Guangzhou Yingtai Real Estate Co., Ltd.)	廣州市番禺粵海房地產有限公司 (Guangzhou Panyu Yuehai Real Estate Company Limited)	Long position	20%
廣東粵港投資開發有限公司 (Guangdong Yuegang Investment Development Co., Ltd.)	廣州粵海置地投資有限公司 (Guangzhou Yuehai Land Investment Limited)	Long position	49%
廣東粵港投資開發有限公司 (Guangdong Yuegang Investment Development Co., Ltd.)	佛山粵海置地發展有限公司 (Foshan Yuehai Land Development Co., Ltd.)	Long position	49%
廣東粵港投資開發有限公司 (Guangdong Yuegang Investment Development Co., Ltd.)	江門粵海置地有限公司 (Jiangmen Yuehai Land Co., Ltd.)	Long position	49%

Save as disclosed herein, as at the Latest Practicable Date, so far as is known to any Director or chief executive of the Company, there was no other person, other than a Director or chief executive of the Company and (in the case of the other members of the Group) other than the Company, who had, or were taken or deemed to have interests or short positions in the Shares or underlying Shares which would fall to be disclosed to the Company and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO, or which were recorded in the register kept by the Company pursuant to Section 336 of the SFO.

4. DISCLOSURE OF OTHER INTERESTS

(i) Interests in competing business

The Group is principally engaged in property development and investment businesses, as at the Latest Practicable Date, so far as is known to the Board, the interests of Directors or their respective associates in the businesses which competed or were likely to compete, either directly or indirectly, with the property development and investment businesses of the Company (the “**Competing Business**”) as required to be disclosed were as follows:

Name of Director	Name of entity	Nature of interest
LAN Runing	粵海投資有限公司 (Guangdong Investment Limited)	non-executive director
LI Yonggang	廣東粵港投資開發有限公司 (Guangdong Yuegang Investment Development Co., Ltd.)*	chairman and managing director
	GDH Real Estates (China) Limited [#]	chairman and managing director

* *Subsidiary of Guangdong Holdings*

[#] *Subsidiary of GDH*

The aforementioned entities are engaged in, *inter alia*, property development and investment businesses, and each of the aforementioned Directors is regarded as being interested in the Competing Business.

Save as disclosed above, as at the Latest Practicable Date, none of the Directors or their respective associates had an interest in any business that competes with or is likely to compete with the business of the Group.

(ii) Interests in assets

As at the Latest Practicable Date, none of the Directors had any direct or indirect interest in any assets which had been acquired or disposed of by or leased to, or which were proposed to be acquired or disposed of by or leased to, any member of the Group since 31 December 2022 (being the date to which the latest published audited accounts of the Company were made up).

(iii) Interests in contract or arrangement

As at the Latest Practicable Date, there was no contract or arrangement in which any Director was materially interested in and which was significant in relation to the business of the Group.

5. DIRECTORS' SERVICE CONTRACTS

As at the Latest Practicable Date, none of the Directors had entered or was proposing to enter into a service contract with any member of the Group (excluding contracts expiring or determinable by the employer within one year without payment of compensation (other than statutory compensation)).

6. MATERIAL ADVERSE CHANGE

The Directors confirmed that there was no material adverse change in the financial or trading position of the Group since 31 December 2022, the date to which the latest published audited accounts of the Group were made up.

7. EXPERT AND CONSENT

The following is the qualification of the expert who has given opinion or advice which is contained herein:

Name	Qualification
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 SFO

The above expert has given and has not withdrawn its written consent to the issue of this circular with the inclusion herein of its report and/or the reference to its name or opinion in the form and context in which they respectively appear as at the Latest Practicable Date. The letter of the Independent Financial Adviser contained in this circular was issued on the date of this circular and was made by the Independent Financial Adviser for incorporation in this circular.

As at the Latest Practicable Date, the above expert did not have any shareholding in any member of the Group, nor did the expert have any right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for securities in any member of the Group.

As at the Latest Practicable Date, the above expert did not have any direct or indirect interest in any assets which had been acquired, disposed of by or leased to, or which were proposed to be acquired, disposed of by or leased to, any member of the Group since 31 December 2022 (being the date to which the latest published audited accounts of the Company were made up).

8. DOCUMENT ON DISPLAY

An electronic copy of the GDL Property Management Services Framework Agreement will be published on the website of the Stock Exchange (<http://www.hkexnews.hk>) and the website of the Company (<http://www.gdland.com.hk>) for a period of 14 days from the date of this circular.

APPENDIX II SUMMARY TABLE OF THE EXPECTED SPECIFIC AGREEMENTS

No.	Expected Specific Agreement (Note)	Expected parties to the Expected Specific Agreement		Expected term	Estimated contract sums (RMB, tax inclusive)		
		Relevant member of the Group	Relevant member of the Yuehai Property Management Group		2024	2025	2026
1.	Fourth supplemental agreement to the Yiguifu Preliminary Property Services Agreement	GDL Jiangmen	Yuehai Property Management	26 March 2024 to 31 December 2026	1,430,000	1,320,000	990,000
2.	Fifth Jiangmen Yiguifu Project Site (Sales Centre and Sample Units) Property Services Agreement	GDL Jiangmen	Yuehai Property Management	1 May 2024 to 30 April 2025	1,936,000	880,000	Not applicable
3.	Sixth Jiangmen Yiguifu Project Site (Sales Centre and Sample Units) Property Services Agreement	GDL Jiangmen	Yuehai Property Management	1 May 2025 to 31 December 2025	Not applicable	1,760,000	Not applicable
4.	Second Laurel House Preliminary Property Services Agreement	Jiangmen Yuehai Land	Yuehai Property Management	26 March 2024 to 31 December 2026	3,520,000	2,200,000	2,200,000
5.	Second GDH Plaza Preliminary Property Services Agreement	Jiangmen Yuehai Land	Yuehai Property Management	10 May 2024 to 31 December 2026	6,595,000	4,728,000	4,256,000
6.	Fifth Jiangmen GDH City Project Site (Sales Centre and Sample Units) Property Services Agreement	Jiangmen Yuehai Land	Yuehai Property Management	1 April 2024 to 31 March 2025	5,114,000	1,705,000	Not applicable
7.	Sixth Jiangmen GDH City Project Site (Sales Centre and Sample Units) Property Services Agreement	Jiangmen Yuehai Land	Yuehai Property Management	1 April 2025 to 31 March 2026	Not applicable	4,500,000	1,500,000
8.	Seventh Jiangmen GDH City Project Site (Sales Centre and Sample Units) Property Services Agreement	Jiangmen Yuehai Land	Yuehai Property Management	1 April 2026 to 31 December 2026	Not applicable	Not applicable	4,500,000
9.	Second Yuecai City (Northwestern Land) Carpark Entrusted Management Agreement	Guangdong Yuehai Land	Yuehai Yueshenghuo	30 March 2024 to 31 December 2026	1,980,000	2,640,000	2,640,000
10.	Second supplemental agreement to the Guangdong Land Tower Preliminary Property Management Services Agreement	Guangdong Yuehai Land	Yuehai Property Management Co., Ltd. Shenzhen Branch	1 May 2024 to 31 December 2026	29,040,000	54,120,000	54,120,000

APPENDIX II SUMMARY TABLE OF THE EXPECTED SPECIFIC AGREEMENTS

No.	Expected Specific Agreement (Note)	Expected parties to the Expected Specific Agreement			Estimated contract sums (RMB, tax inclusive)		
		Relevant member of the Group	Relevant member of the Yuehai Property Management Group	Expected term	2024	2025	2026
11.	First supplemental agreement to Industrial Research and Development Premises Property Management Services Agreement	Guangdong Yuehai Land	Teem Management Co	1 May 2024 to 30 June 2024	4,400,000	Not applicable	Not applicable
12.	First supplemental agreement to Yuecai City Preliminary Property Management Services Agreement	Guangdong Yuehai Land	Yuehai Yueshenghuo	30 June 2025 to 31 December 2026	Not applicable	880,000	1,760,000
13.	Third supplemental agreement to Zhuhai Jinwan Project Preliminary Property Services Agreement	GDL Zhuhai	Yuehai Property Management Co., Ltd. Zhuhai Branch	10 May 2024 to 31 December 2026	3,850,000	4,950,000	4,950,000
14.	Fifth Zhuhai Jinwan Project Site (Sales Centre and Sample Units) Property Services Agreement	GDL Zhuhai	Yuehai Property Management	1 May 2024 to 30 April 2025	2,706,000	1,353,000	Not applicable
15.	Sixth Zhuhai Jinwan Project Site (Sales Centre and Sample Units) Property Services Agreement	GDL Zhuhai	Yuehai Property Management	1 May 2025 to 30 April 2026	Not applicable	2,739,000	1,370,000
16.	Seventh Zhuhai Jinwan Project Site (Sales Centre and Sample Units) Property Services Agreement	GDL Zhuhai	Yuehai Property Management	1 May 2026 to 31 December 2026	Not applicable	Not applicable	2,753,000
17.	Third supplemental agreement to Foshan Yuehai Shiguoyuan Preliminary Property Services Agreement	GDL Foshan	Yuehai Property Management	10 May 2024 to 31 December 2026	2,200,000	3,531,000	3,531,000
18.	Fourth Foshan Wanhua Project Site (Sales Centre and Sample Units) Property Services Agreement	GDL Foshan	Yuehai Property Management	1 May 2024 to 30 April 2025	4,708,000	2,354,000	Not applicable
19.	Fifth Foshan Wanhua Project Site (Sales Centre and Sample Units) Property Services Agreement	GDL Foshan	Yuehai Property Management	1 May 2025 to 30 April 2026	Not applicable	4,268,000	2,145,000
20.	Sixth Foshan Wanhua Project Site (Sales Centre and Sample Units) Property Services Agreement	GDL Foshan	Yuehai Property Management	1 May 2026 to 31 December 2026	Not applicable	Not applicable	4,268,000

APPENDIX II SUMMARY TABLE OF THE EXPECTED SPECIFIC AGREEMENTS

No.	Expected Specific Agreement (Note)	Expected parties to the Expected Specific Agreement			Estimated contract sums (RMB, tax inclusive)		
		Relevant member of the Group	Relevant member of the Yuehai Property Management Group	Expected term	2024	2025	2026
21.	Second supplemental agreement to Foshan Yuehai Yiguiyuan Preliminary Property Services Agreement	Foshan GDL Development	Yuehai Property Management	10 May 2024 to 31 December 2026	0	0	4,422,000
22.	Second Foshan Jihua Project Site (Sales Centre and Sample Units) Property Services Agreement	Foshan GDL Development	Yuehai Property Management	1 May 2024 to 30 April 2025	4,268,000	2,145,000	Not applicable
23.	Third Foshan Jihua Project Site (Sales Centre and Sample Units) Property Services Agreement	Foshan GDL Development	Yuehai Property Management	1 May 2025 to 30 April 2026	Not applicable	4,268,000	2,145,000
24.	Fourth Foshan Jihua Project Site (Sales Centre and Sample Units) Property Services Agreement	Foshan GDL Development	Yuehai Property Management	1 May 2026 to 31 December 2026	Not applicable	2,145,000	4,268,000
25.	Third Huiyang Lijiang Garden Carpark Management Services Agreement	Huiyang Development	Yuehai Property Management Co., Ltd. Huiyang Branch	10 May 2024 to 31 December 2026	62,000	92,000	92,000
26.	Second supplemental agreement to Huizhou Yuehai Riverside Garden Preliminary Property Services Agreement	Huizhou Property	Yuehai Property Management	10 May 2024 to 31 December 2026	1,518,000	2,849,000	2,013,000
27.	Fourth Huizhou Yuehai Riverside Garden Project Site (Sales Centre and Sample Units) Property Services Agreement	Huizhou Property	Yuehai Property Management	1 September 2024 to 31 December 2025	858,000	3,520,000	Not applicable
28.	Fifth Huizhou Yuehai Riverside Garden Project Site (Sales Centre and Sample Units) Property Services Agreement	Huizhou Property	Yuehai Property Management	1 January 2026 to 31 December 2026	Not applicable	Not applicable	3,300,000
29.	Second Zhongshan Yigui Garden Preliminary Property Services Agreement	GDL Zhongshan	Yuehai Property Management	10 May 2024 to 31 December 2026	2,750,000	4,400,000	4,950,000
30.	Sixth Zhongshan Ma'an Island Project Site (Sales Centre and Sample Units) Property Services Agreement	GDL Zhongshan	Yuehai Property Management	1 January 2025 to 31 December 2025	Not applicable	5,500,000	Not applicable

APPENDIX II SUMMARY TABLE OF THE EXPECTED SPECIFIC AGREEMENTS

No.	Expected Specific Agreement (Note)	Expected parties to the Expected Specific Agreement		Expected term	Estimated contract sums (RMB, tax inclusive)		
		Relevant member of the Group	Relevant member of the Yuehai Property Management Group		2024	2025	2026
31.	Seventh Zhongshan Ma'an Island Project Site (Sales Centre and Sample Units) Property Services Agreement	GDL Zhongshan	Yuehai Property Management	1 January 2026 to 31 December 2026	Not applicable	Not applicable	5,500,000
32.	Fifth supplemental agreement to Yuehai Zhuguang Yashe District Preliminary Property Management Services Agreement	Guangdong Property Development	Yuehai Property Management	10 May 2024 to 31 December 2026	3,980,000	4,817,000	4,817,000
33.	Second Yuehai Yunyang Garden Preliminary Property Services Agreement	GDL Development	Yuehai Property Management	10 May 2024 to 31 December 2026	0	2,200,000	1,100,000
34.	Second Yuehai Commercial Centre and Baiyun Yuehai Plaza Preliminary Property Services Agreement	GDL Development	Yuehai Property Management	10 May 2024 to 31 December 2026	0	3,300,000	1,100,000
35.	Fifth GDH Future City Project Site (Sales Centre and Sample Units) Property Services Agreement	GDL Development	Yuehai Property Management	1 July 2024 to 31 December 2024	6,380,000	Not applicable	Not applicable
36.	Sixth GDH Future City Project Site (Sales Centre and Sample Units) Property Services Agreement	GDL Development	Yuehai Property Management	1 January 2025 to 31 December 2025	Not applicable	13,750,000	Not applicable
37.	Seventh GDH Future City Project Site (Sales Centre and Sample Units) Property Services Agreement	GDL Development	Yuehai Property Management	1 January 2026 to 31 December 2026	Not applicable	Not applicable	13,750,000
38.	Fourth Buji Factory Property Services Agreement	Yuehai Technology	Yuehai Yueshenghuo	1 May 2024 to 31 December 2026	546,000	818,000	818,000
39.	Second Teem Tower Property Services Agreement	Guangdong Yuehai Land	Teem Management Co	10 May 2024 to 31 December 2024	2,193,000	Not applicable	Not applicable
40.	Third Teem Tower Property Services Agreement	Guangdong Yuehai Land	Teem Management Co	1 January 2025 to 31 December 2026	Not applicable	3,395,000	3,395,000
Total					90,034,000	147,127,000	142,653,000
Proposed Cap					109,000,000	177,000,000	172,000,000

Note: The Expected Specific Agreements are originated from the existing property projects that currently receive Property Management Services from the Yuehai Property Management Group and are expected to have their agreements renewed under the GDL Property Management Services Framework Agreement.

NOTICE OF SPECIAL GENERAL MEETING



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

NOTICE OF SPECIAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that a special general meeting (the “SGM”) of Guangdong Land Holdings Limited (the “Company”) will be held at the Boardroom, Basement II, Wharney Hotel, No. 57-73 Lockhart Road, Wanchai, Hong Kong on Tuesday, 26 March 2024 at 11:00 a.m. (and at any adjournment thereof) for the purpose of considering and, if thought fit, passing with or without amendments, the following resolution of the Company. Unless otherwise specified, capitalised terms defined in the circular dated 5 March 2024 issued by the Company (the “Circular”) shall have the same meanings when used herein.

ORDINARY RESOLUTION

“**THAT** the GDL Property Management Services Framework Agreement, the transactions contemplated thereunder and the Proposed Caps be and are hereby approved and confirmed.”

By Order of the Board
Guangdong Land Holdings Limited
LAN Runing
Chairman

Hong Kong, 5 March 2024

Registered Office:
Clarendon House
2 Church Street
Hamilton HM 11
Bermuda

Head Office & Principal Place of Business in Hong Kong:
Office A, 18th Floor
Guangdong Investment Tower
148 Connaught Road Central
Hong Kong

NOTICE OF SPECIAL GENERAL MEETING

Notes:

- (a) A shareholder entitled to attend and vote at the SGM may appoint a proxy to attend and vote in his place and such proxy needs not be a shareholder of the Company. A shareholder holding two or more shares may appoint more than one proxy.
- (b) A form of proxy is enclosed. To be valid, the form of proxy together with the power of attorney (if any) or other authority (if any) or the authority under which it is signed (or a notarially certified copy of such power or authority) must be delivered to the Company's branch share registrar and transfer office in Hong Kong, Tricor Tengis Limited, at 17th Floor, Far East Finance Centre, 16 Harcourt Road, Hong Kong, not less than 48 hours before the time fixed for holding the SGM or any adjourned meeting thereof. The appointment of a proxy will not prevent a shareholder from subsequently attending and voting at the SGM or any adjourned meeting thereof if he so wishes. If a shareholder who has lodged a form of proxy attends the SGM, his form of proxy will be deemed to have been revoked.
- (c) In the case of joint shareholders, the vote of the senior who tenders a vote, whether in person, or by proxy, shall be accepted to the exclusion of the votes of the other joint holders, and for this purpose seniority will be determined by the order in which the names stand in the Company's Register of Members in respect of the joint holding.
- (d) The Register of Members of the Company will be closed and no transfer of shares will be effected during the period from Thursday, 21 March 2024 to Tuesday, 26 March 2024, both days inclusive, for determining the shareholders' eligibility to attend and vote at the SGM. Holders of shares of the Company whose names appear on the Register of Members of the Company on Tuesday, 26 March 2024 (i.e the record date) are entitled to attend and vote at the SGM following completion of the registration procedures of the share transfers.
- (e) In order to qualify for attending and voting at the SGM, unregistered holders of shares of the Company should ensure that all transfer documents accompanied by the relevant share certificates must be lodged with the Company's branch share registrar and transfer office in Hong Kong, Tricor Tengis Limited, at 17th Floor, Far East Finance Centre, 16 Harcourt Road, Hong Kong, for registration not later than 4:30 p.m. on Wednesday, 20 March 2024.
- (f) Pursuant to Rule 13.39(4) of the Listing Rules, the resolution sets out in this notice will be voted by way of a poll.
- (g) No provision of refreshment or drinks.