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

*(Incorporated in Bermuda with limited liability)*

**(Stock Code: 00124)**

**Announcement**

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

**BACKGROUND**

On 13 November 2020, the Group and the Guangdong Holdings Group entered into certain Property Management Services Agreements concerning the provision of property management services by the Guangdong Holdings Group to the Group.

**LISTING RULES IMPLICATIONS**

Guangdong Holdings is the ultimate controlling shareholder of the Company and hence a connected person of the Company under Rule 14A.07(1) of the Listing Rules. Accordingly, the transactions contemplated under the Property Management Services Agreements, being transactions between the Group and the Guangdong Holdings Group, constitute continuing connected transactions of the Company under Chapter 14A of the Listing Rules.

Reference is made to the announcements of the Company dated 30 August 2019 and 31 December 2019. The Previous Property Management Services Agreements and the Property Management Services Agreements have been aggregated pursuant to the Listing Rules on the basis that they all relate to the provision of property management services by the Guangdong Holdings Group to the Group. As the highest applicable percentage ratio (on an aggregated basis) in respect of the relevant transactions under the Previous Property Management Services Agreements and the Property Management Services Agreements calculated pursuant to the Listing Rules is more than 0.1% but all of the ratios are less than 5%, the Property Management Services Agreements are therefore subject to the annual review and announcement requirements under the Listing Rules, but are exempt from the independent shareholders' approval requirement.

## BACKGROUND

On 13 November 2020, the Group and the Guangdong Holdings Group entered into certain Property Management Services Agreements concerning the provision of property management services by the Guangdong Holdings Group to the Group.

## PROPERTY MANAGEMENT SERVICES AGREEMENTS

### 1. Jiangmen Yiguifu Sales Centre and Sample Units Property Services Agreement

A summary of the salient terms of the Jiangmen Yiguifu Sales Centre and Sample Units Property Services Agreement is set out below: -

*Date:* 13 November 2020

*Parties:* (a) Jiangmen Yuehai Land  
(b) Yuehai Property Management

*Term:* 15 November 2020 to 31 December 2021

*Subject matter:* Yuehai Property Management shall provide property services such as customer relations, utilities repair, security and order, cleaning, greening and pest control at the sales centre of Yiguifu.

*Service fees and payment terms:* (i) A monthly service fee including labour costs, third party subcontractor fees and property management service fee shall be payable monthly by Jiangmen Yuehai Land to Yuehai Property Management within one month of Jiangmen Yuehai Land's receipt of the relevant invoice issued by Yuehai Property Management.

The relevant labour costs shall be calculated according to the actual labour costs incurred in the relevant month, and the relevant third party subcontractor fees shall be calculated based on estimated labour costs. The relevant property management service fee shall be charged at RMB31,805.28 per month and may be deducted by 5-10% depending on the service satisfaction rating rated by Jiangmen Yuehai Land.

(ii) A lump sum service fee including one-off costs for supplies and cleaning costs shall be payable by Jiangmen Yuehai Land to Yuehai Property Management within one month of the date of the agreement.

The total service fee charged by Yuehai Property Management under the Jiangmen Yiguifu Sales Centre and Sample Units Property Services Agreement is estimated to be approximately RMB870,982 (equivalent to approximately HK\$1,019,000) for the period from 15 November 2020 to 31 December 2020 and RMB4,027,031 (equivalent to approximately HK\$4,711,000) for the period from 1 January 2021 to 31 December 2021.

The rates of the service fees are determined after arm's length negotiation between the relevant parties, after considering (i) the area of the relevant premises, (ii) the number of staff as required by the services under the Jiangmen Yiguifu Sales Centre and Sample Units Property Services Agreement (excluding cleaning and greening outsourced staff), (iii) labour costs including salary, overtime charges, benefits, union fees, etc., (iv) other staff costs, outsourcing services fees, a lump sum supplies fee, opening fees and fixed remuneration fees, and (v) the prevailing market rates for similar services.

*Annual cap:* RMB1,000,000 (equivalent to approximately HK\$1,170,000) for the period from 15 November 2020 to 31 December 2020; and RMB5,000,000 (equivalent to approximately HK\$5,849,000 ) for the year ending 31 December 2021.

The annual caps have been set based on the total service fee expected to be paid by Jiangmen Yuehai Land under the Jiangmen Yiguifu Sales Centre and Sample Units Property Services Agreement. The total service fee expected to be paid by Jiangmen Yuehai Land for the period from 15 November 2020 to 31 December 2020 is relatively high due to the expected one-off costs for supplies and one-off cleaning expenses for the opening of the relevant sales centre as mentioned in sub-paragraph (ii) of the paragraph headed "Service fees and payment terms" above.

## **2. Shenzhen City Preliminary Property Services Agreement**

A summary of the salient terms of the Shenzhen City Preliminary Property Services Agreement is set out below: -

*Date:* 13 November 2020

*Parties:* (a) Guangdong Yuehai Land  
(b) Teem Management Co

*Term:* 13 November 2020 to 12 November 2022

*Subject matter:*

Guangdong Yuehai Land, as the property developer, shall engage Teem Management Co to provide property management services such as maintenance of common areas and public utilities, greening, cleaning, lift maintenance and management, decorations and renovation management, files management, and working with the relevant government authorities regarding building safety, garbage collection, fire safety, security and public hygiene, in respect of the properties of the Yuecai City (Northern Land) of the Buxin Project.

Owners of research and development properties shall pay a management fee of RMB50 (equivalent to approximately HK\$58) per month per square metre in advance, while owners of commercial properties shall pay a maximum management fee of RMB75 (equivalent to approximately HK\$88) per month per square metre in advance, and owners of underground commercial properties shall pay a maximum management fee of RMB75 (equivalent to approximately HK\$88) per month per square metre in advance. Management fee of the properties completed but not yet delivered to property owners shall be paid by Guangdong Yuehai Land in advance. (For the avoidance of doubt, once the properties have been delivered to the relevant owners, such owners will be responsible for the payment of the management fees for these properties.) The abovementioned management fee shall be paid by the relevant property owners or Guangdong Yuehai Land (as the case maybe) before the 10<sup>th</sup> calendar day of each month.

*Service fee to be received by Teem Management Co and payment terms:*

After delivery of the properties to property owners, the service fee to be received by Teem Management Co shall be calculated at 10% of the total management fees collected in advance from property owners mentioned above, and shall be received by Teem Management Co on the 15<sup>th</sup> calendar day of each month. The balance of the total management fees collected from property owners shall be used for property management services expenses, including the salaries and benefits of the property management staff, costs and relevant tax payment arising from the abovementioned property management services.

The service fee to be received by Teem Management Co was determined with reference to factors such as (i) the salary and benefits of labour involved in the relevant property management services, (ii) the administrative and daily operation costs involved in the relevant property management services, (iii) the expected schedule of provision of property management services to the properties, and (iv) the prevailing market rates for similar services.

*Annual caps:*

	<b>For the period from 13 November 2020 to 31 December 2020</b>	<b>For the year ending 31 December 2021</b>	<b>For the period from 1 January 2022 to 12 November 2022</b>
	<i>RMB</i>	<i>RMB</i>	<i>RMB</i>
Annual caps	100,000 (equivalent to approximately HK\$117,000)	1,000,000 (equivalent to approximately HK\$1,170,000)	4,000,000 (equivalent to approximately HK\$4,679,000)

The annual caps have been set based on (i) the schedule of provision of property management services to the properties on the relevant premises, and (ii) the expected fee for preliminary team recruiting, office expenses, administrative expenses, etc., to be paid by Guangdong Yuehai Land to Teem Management Co.

As it is expected that Teem Management Co will start the preparation work for providing property management services to the commercial properties and underground commercial properties on the relevant premises in November 2021, and that Guangdong Yuehai Land will start to pay the abovementioned management fees, the annual cap for the year ending 31 December 2021 has been set to be higher than that for the period from 13 November 2020 to 31 December 2020.

It is also expected that Teem Management Co will start to provide property management services to all properties on the relevant premises in 2022, such that Guangdong Yuehai Land will also start to pay the abovementioned management fees in 2022. Thus, the annual cap for the period from 1 January 2022 to 12 November 2022 has been set to be higher than that for the year ending 31 December 2021.

### **3. Second Supplemental Agreement**

Reference is made to the announcements of the Company dated 18 July 2018 and 30 August 2019 in relation to the Preliminary Property Management Services Agreement of the Laurel House Properties and the Supplemental Agreement.

Pursuant to the Supplemental Agreement, the relevant service term shall expire on 31 December 2020. On 13 November 2020, Guangdong Property Development and Yuehai Property Management entered into the Second Supplemental Agreement.

A summary of the salient terms of the Second Supplemental Agreement is set out below: -

*Date:* 13 November 2020

*Parties:* (a) Guangdong Property Development  
(b) Yuehai Property Management

*Term:* 1 January 2021 to 31 December 2021

*Subject matter:*

Pursuant to the Second Supplemental Agreement, Yuehai Property Management shall continue to provide property management services in respect of the Laurel House Properties to Guangdong Property Development for the period from 1 January 2021 to 31 December 2021.

Yuehai Property Management shall also provide property management services to the 僑商樓 (Qiaoshang Building) of the Laurel House Properties for the period from 1 January 2021 to 31 December 2021. The floor area of the Qiaoshang Building is 1,620 square metres and the relevant property management service fee charged by Yuehai Property Management shall be RMB10 (equivalent to approximately HK\$12) per square metre per month. The service fee of the Qiaoshang Building is determined after arm's length negotiation between the relevant parties, after considering (i) the area of the relevant premises and (ii) the prevailing market rates for similar services.

Save and except the above, all other terms in the Preliminary Property Management Services Agreement of the Laurel House Properties (as amended by the Supplemental Agreement) shall remain unchanged.

Accordingly, Yuehai Property Management shall continue to provide certain property management services (including property management, centralised air-conditioning, entrusted collection and payment of water and electricity charges, restaurant sewage treatment for the shops in the restaurant area and other miscellaneous services) in respect of the commercial shopping buildings, a sky garden, residential buildings, common facilities, a central garden, and the underground levels (including carpark and equipment rooms), etc. of the Laurel House Properties.

*Historical transaction amounts*

The table below summarises the actual transaction amounts of the property management services under the Preliminary Property Management Services Agreement of the Laurel House Properties (as amended by the Supplemental Agreement) for the two years ended 31 December 2019 and the ten months ended 31 October 2020:

	<b>From 11 July 2018 to 31 December 2018</b>	<b>For the year ended 31 December 2019</b>	<b>For the ten months ended 31 October 2020</b>
	<i>(Note)</i>		
	<i>RMB</i>	<i>RMB</i>	<i>RMB</i>
Actual transaction amount	721,465 (equivalent to approximately HK\$844,000)	8,335,300 (equivalent to approximately HK\$9,750,000)	2,912,497 (equivalent to approximately HK\$3,407,000)

*Note:*

*This covers the period from the completion of the acquisition of the entire equity interest of Guangdong Property Development by the Group and the relevant registration procedures (i.e. 11 July 2018) to 31 December 2018.*

*Annual cap:* RMB3,000,000 (equivalent to approximately HK\$3,509,000) for the year ending 31 December 2021.

The annual cap has been set based on (i) the total service fee expected to be paid by Guangdong Property Development to Yuehai Property Management under the Preliminary Property Management Services Agreement of the Laurel House Properties (as amended by the Supplemental Agreement and the Second Supplemental Agreement) and (ii) the historical transaction amounts as set out above.

### **Reasons for and benefits of entering into the Property Management Services Agreements**

Yuehai Property Management is principally engaged in providing property management services in the PRC and is currently the property management service provider of the Laurel House properties. By entering into the Second Supplemental Agreement, the Group will continue to enjoy un-interrupted, smooth and quality property management services provided to it by Yuehai Property Management. In addition, as Yuehai Property Management and Teem Management Co have extensive property management experience in the PRC, by entering into the Jiangmen Yiguifu Sales Centre and Sample Units Property Services Agreement and the Shenzhen City Preliminary Property Services Agreement, the Group will also be able to enjoy the quality property management services provided to it by Yuehai Property Management and Teem Management Co.

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

## **INFORMATION ON PARTIES TO THE AGREEMENTS**

### **Information on Jiangmen Yuehai Land**

Jiangmen Yuehai Land is a limited liability company established in the PRC on 7 November 2019. It is principally engaged in property development and investment in the PRC and is a direct wholly-owned subsidiary of Guangdong Property Development.

### **Information on Guangdong Yuehai Land**

Guangdong Yuehai Land is a limited liability company established in the PRC on 10 August 2015 and was renamed as 廣東粵海置地集團有限公司 (Guangdong Yuehai Land Holdings Limited) on 6 November 2020. It is principally engaged in property development and investment in the PRC and is an indirect wholly-owned subsidiary of the Company.

### **Information on Guangdong Property Development**

Guangdong Property Development is a limited liability company established in the PRC on 14 June 2006. It is principally engaged in property development and investment in the PRC and is an indirect wholly-owned subsidiary of the Company.

### **Information on the Group**

The Group is principally engaged in property development and investment.

### **Information on Yuehai Property Management**

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

### **Information on Teem Management Co**

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

### **Information on Guangdong Holdings**

Guangdong Holdings is the ultimate controlling shareholder of the Group and is principally engaged in investment holding. It is wholly-owned by the People's Government of Guangdong Province.

## **LISTING RULES IMPLICATIONS**

Guangdong Holdings is the ultimate controlling shareholder of the Company and hence a connected person of the Company under Rule 14A.07(1) of the Listing Rules. Accordingly, the transactions contemplated under the Property Management Services Agreements, being



transactions between the Group and the Guangdong Holdings Group, constitute continuing connected transactions of the Company under Chapter 14A of the Listing Rules.

Reference is made to the announcements of the Company dated 30 August 2019 and 31 December 2019. The Previous Property Management Services Agreements and the Property Management Services Agreements have been aggregated pursuant to the Listing Rules on the basis that they all relate to the provision of property management services by the Guangdong Holdings Group to the Group. As the highest applicable percentage ratio (on an aggregated basis) in respect of the relevant transactions under the Previous Property Management Services Agreements and the Property Management Services Agreements calculated pursuant to the Listing Rules is more than 0.1% but all of the ratios are less than 5%, the Property Management Services Agreements are therefore subject to the annual review and announcement requirements under the Listing Rules, but are exempt from the independent shareholders' approval requirement.

Mr. LI Yonggang, Ms. ZHU Guang and Mr. ZHANG Jun, being the Directors, are also directors of certain subsidiaries of Guangdong Holdings. All of the abovementioned Directors present at the relevant Board meeting abstained from voting on the relevant Board resolutions to approve the Property Management Services Agreements and the transactions contemplated thereunder. Save as disclosed, to the best of the Directors' knowledge, information and belief having made all reasonable enquiries, no other Directors had any material interest in the Property Management Services Agreements and the transactions contemplated thereunder.

## **DEFINITIONS**

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

“Board”	the board of Directors
“Buxin Project”	the property development project of the Group in the Buxin Area, Luohu District, Shenzhen City, the PRC, details of which are set out in the circular of the Company dated 22 June 2016
“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
“Group”	the Company and its subsidiaries from time to time

“Guangdong Holdings”	廣東粵海控股集團有限公司 (Guangdong Holdings Limited), a company established in the PRC and the ultimate controlling shareholder of the Company
“Guangdong Holdings Group”	Guangdong Holdings and its subsidiaries from time to time
“Guangdong Property Development”	廣東粵海房地產開發有限公司 (Guangdong Yuehai Property Development Co., Ltd.), a limited liability company established in the PRC 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) (formerly known as 粵海置地 (深圳) 有限公司 (Guangdong Land (Shenzhen) Limited)), a limited liability company established in the PRC and an indirect wholly-owned subsidiary of the Company
“HK\$”	Hong Kong dollars, the legal currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Jiangmen Yiguifu Sales Centre and Sample Units Property Services Agreement”	the agreement dated 13 November 2020, entered into between Jiangmen Yuehai Land and Yuehai Property Management in respect of the provision of property services by Yuehai Property Management to Jiangmen Yuehai Land
“Jiangmen Yuehai Land”	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 limited liability company established in the PRC, a direct wholly-owned subsidiary of Guangdong Property Development, and hence an indirect wholly-owned subsidiary of the Company
“Laurel House Properties”	the residential and commercial properties located at 43-79 Zhuguang Road, Yuexiu District in Guangzhou, the PRC
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange, as amended from time to time
“PRC”	the People’s Republic of China, which for the purpose of this announcement, shall exclude Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan

“Preliminary Property Management Services Agreement of the Laurel House Properties”	粵海拾桂府（原稱粵海珠光雅舍小區）前期物業管理服務合同 (Preliminary Property Management Services Agreement of the Laurel House Properties (originally known as Yuehai Zhuguang Yashe District)) dated 26 October 2016 entered into between Guangdong Property Development and Yuehai Property Management, details of which are set out in the announcement of the Company dated 18 July 2018
“Previous Property Management Services Agreements”	<p>(i) the Preliminary Property Management Services Agreement of the Laurel House Properties (as amended by the Supplemental Agreement); and</p> <p>(ii) 粵海拾桂府項目樣板房及銷售場所物業管理服務協議 (Yuehai Laurel House Project Sample Units and Sales Centre Property Management Services Agreement) entered into between Guangdong Property Development and Yuehai Property Management on 31 December 2019, details of which are set out in the announcement of the Company dated 31 December 2019</p>
“Property Management Services Agreements”	Jiangmen Yiguifu Sales Centre and Sample Units Property Services Agreement, Shenzhen City Preliminary Property Services Agreement and the Second Supplemental Agreement
“RMB”	Renminbi, the lawful currency of the PRC
“Second Supplemental Agreement”	the second supplemental agreement dated 13 November 2020 entered into between Guangdong Property Development and Yuehai Property Management for the purpose of amending the Preliminary Property Management Services Agreement of the Laurel House Properties
“Shenzhen City Preliminary Property Services Agreement”	the agreement dated 13 November 2020, entered into between Guangdong Yuehai Land and Teem Management Co in respect of the provision of property management services to properties of the Yuecai City (Northern Land) of the Buxin Project by Teem Management Co to Guangdong Yuehai Land
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“subsidiary(ies)”	has the meaning ascribed to it under the Listing Rules

“Supplemental Agreement”	the supplemental agreement dated 30 August 2019 entered into between Guangdong Property Development and Yuehai Property Management for the purpose of amending the Preliminary Property Management Services Agreement of the Laurel House Properties, details of which are set out in the announcement of the Company dated 30 August 2019
“Teem Management Co”	廣東粵海天河城商業管理有限公司 (GDH Teem Commercial Management Co., Ltd.), a limited liability company established in the PRC and an indirect wholly-owned subsidiary of Guangdong Holdings
“Yiguifu”	located at 132 Longteng Road, Tangxia Town, Pengjiang District, Jiangmen City
“Yuehai Property Management”	粵海物業管理有限公司 (Yuehai Property Management Co., Ltd.), a limited liability company established in the PRC and a direct wholly-owned subsidiary of Guangdong Holdings
“%”	per cent.

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

*For the purpose of this announcement, unless otherwise indicated, the exchange rate of HK\$1.00 = RMB0.8549 has been used, where applicable, for purpose of illustration only and it does not constitute any representation that any amount has been, could have been or may be exchanged at that rate or at any other rate.*

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

Hong Kong, 13 November 2020

*As at the date of this announcement, the Board comprises five Executive Directors, namely Mr. XU Yeqin, Mr. LI Yonggang, Mr. WU Mingchang, Ms. ZHU Guang and Mr. ZHANG Jun; and three Independent Non-Executive Directors, namely Mr. Alan Howard SMITH, Mr. Felix FONG Wo and Mr. Vincent Marshall LEE Kwan Ho.*