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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**

### **Connected Transaction in relation to the New Tenancy Agreement**

#### **NEW TENANCY AGREEMENT**

On 15 September 2022, the Company (as tenant) and GD Power International (as landlord) entered into the New Tenancy Agreement in respect of the Premises for a term of three years from 1 December 2022 to 30 November 2025 (both days inclusive).

#### **LISTING RULES IMPLICATIONS**

GDI is the immediate controlling shareholder of the Company and hence a connected person of the Company under Rule 14A.07(1) of the Listing Rules. GD Power International (a direct non-wholly owned subsidiary of GDI) is an associate of GDI and hence a connected person of the Company. Accordingly, the New Tenancy Agreement constitutes a connected transaction of the Company under Chapter 14A of the Listing Rules.

Pursuant to HKFRS 16, the Company (as tenant) shall recognise the Premises leased under the New Tenancy Agreement as a right-of-use asset in the consolidated statement of financial position of the Company. Accordingly, the entering into of the New Tenancy Agreement shall be regarded as an acquisition of asset under the definition of transaction as set out in Rule 14.04(1)(a) of the Listing Rules. As at the date of the New Tenancy Agreement, the unaudited value of the right-of-use asset recognised under the New Tenancy Agreement is approximately HK\$4,095,000.

As one of the applicable percentage ratios in respect of the value of the right-of-use asset under the New Tenancy Agreement is more than 0.1% but all of the applicable ratios are less than 5%, the New Tenancy Agreement is subject to the reporting and announcement requirements, but is exempt from the independent shareholders' approval requirement.

## **NEW TENANCY AGREEMENT**

Reference is made to the announcement of the Company dated 18 November 2019 in relation to the Existing Tenancy Agreement in respect of the whole of 18th Floor of GDI Tower for a term of three years. The Existing Tenancy Agreement shall expire on 30 November 2022. Having considered the Group's current use of and future need for office space, the Company decided, upon the expiration of the Existing Tenancy Agreement, to continue to rent only part of 18th Floor of GDI Tower.

### **Salient terms of the New Tenancy Agreement**

On 15 September 2022, the Company and GD Power International entered into the New Tenancy Agreement. A summary of the salient terms of the New Tenancy Agreement is set out below:

<i>Date:</i>	15 September 2022
<i>Parties:</i>	(a) GD Power International (as landlord) (b) the Company (as tenant)
<i>Premises:</i>	Office A of 18th Floor, GDI Tower
<i>Gross floor area:</i>	Approximately 3,901 square feet
<i>Term:</i>	A term of three years from 1 December 2022 to 30 November 2025 (both days inclusive)
<i>Rent:</i>	HK\$124,832 per calendar month payable monthly in advance on the first day of each calendar month in cash (exclusive of rates, service charge and other outgoings)
<i>Use of Premises:</i>	Commercial offices
<i>Rent-free period:</i>	For two months from 1 December 2022 to 31 January 2023. During the aforesaid rent-free period, the Company shall pay rates, service charge, electricity, gas, water charges and all other outgoings
<i>Deposit:</i>	HK\$433,236, equivalent to three calendar months' rent and service charge

### **Basis of determination**

The monthly rent payable by the Company to GD Power International under the New Tenancy Agreement was determined after an arm's length negotiation between the Company and GD Power International and having taken into account the following factors by the Company: (i) the prevailing market rental of comparable premises for use as commercial offices in the vicinity of the Premises; and (ii) the independent property valuer in Hong Kong engaged by the Company, having considered the prevailing market rental value, is of the view that the rent per month in respect of the Premises under the New Tenancy Agreement (i.e. HK\$124,832) is fair and reasonable.

## **REASONS FOR AND BENEFITS OF ENTERING INTO THE NEW TENANCY AGREEMENT**

The Group has been using the whole of 18th Floor of GDI Tower as its head office and the principal place of business in Hong Kong since 1 December 2013. Having considered the Group's current use of and future need for office space, the Company decided, upon the expiration of the Existing Tenancy Agreement, to continue to rent only part of 18th Floor of GDI Tower.

The Company considers that the entering into of the New Tenancy Agreement will enable the Group to secure continuous use of the Premises as its head office and the principal place of business in Hong Kong without incurring additional costs in relocating to alternative premises. In addition, as the gross floor area of the Premises leased under the New Tenancy Agreement will be reduced as compared to that under the Existing Tenancy Agreement, the Company will save costs in respect of renting office space in Hong Kong accordingly.

Having taken into account of the above reasons and benefits, the Directors (including all the independent non-executive Directors) consider that the terms of the New Tenancy Agreement and the transactions contemplated thereunder are fair and reasonable, entered into on normal commercial terms 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 NEW TENANCY AGREEMENT**

### **Information on the Company**

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 immediate controlling shareholder and the ultimate controlling shareholder of the Company are GDI and Guangdong Holdings respectively.

### **Information on GD Power International**

GD Power International is a company incorporated in the British Virgin Islands with limited liability. It is principally engaged in property investment. GD Power International is directly held as to 51% of its issued shares by GDI and the remaining 49% of its issued shares is held by Upper Horn. Upper Horn is a company incorporated in Hong Kong with limited liability and is wholly owned by Guangdong Energy Group Co, a PRC state-owned enterprise. The core businesses of Guangdong Energy Group Co involve thermal power, hydropower, wind power, solar power, biomass power, nuclear power, natural gas, etc., and its upstream and downstream industries including coal mining, shipping, ports, finance and integrated energy services. To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, Upper Horn and its ultimate beneficial owners are third parties independent of the Company and its connected persons.

### **Information on GDI**

GDI is a company incorporated in Hong Kong with limited liability and its shares are listed on the Main Board of the Stock Exchange, and is the immediate controlling shareholder of the Company. GDI and its subsidiaries are principally engaged in investment holding, water resources, property investment and development, department store operation, hotel ownership, operation and management, investment in energy projects and road and bridge

operation. Guangdong Holdings is the ultimate controlling shareholder of GDI, which holds approximately 56.49% shareholding interest in GDI.

### **Information on Guangdong Holdings**

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

### **LISTING RULES IMPLICATIONS**

GDI is the immediate controlling shareholder of the Company and hence a connected person of the Company under Rule 14A.07(1) of the Listing Rules. GD Power International (a direct non-wholly owned subsidiary of GDI) is an associate of GDI and hence a connected person of the Company. Accordingly, the New Tenancy Agreement constitutes a connected transaction of the Company under Chapter 14A of the Listing Rules.

Pursuant to HKFRS 16, the Company (as tenant) shall recognise the Premises leased under the New Tenancy Agreement as a right-of-use asset in the consolidated statement of financial position of the Company. Accordingly, the entering into of the New Tenancy Agreement shall be regarded as an acquisition of asset under the definition of transaction as set out in Rule 14.04(1)(a) of the Listing Rules. As at the date of the New Tenancy Agreement, the unaudited value of the right-of-use asset recognised under the New Tenancy Agreement is approximately HK\$4,095,000.

As one of the applicable percentage ratios in respect of the value of the right-of-use asset under the New Tenancy Agreement is more than 0.1% but all of the applicable ratios are less than 5%, the New Tenancy Agreement is subject to the reporting and announcement requirements, but is exempt from the independent shareholders' approval requirement.

As Mr. LAN Runing, Mr. LI Yonggang, Mr. LI Wenchang and Mr. JIAO Li are directors of certain subsidiaries of Guangdong Holdings and Mr. LAN Runing is also a non-executive director of GDI, they have abstained from voting on the relevant Board resolutions approving the New Tenancy Agreement 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 New Tenancy Agreement and the transactions contemplated thereunder.

## DEFINITIONS

In this announcement, the following expressions shall have the following meanings 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
“Director(s)”	the director(s) of the Company
“Existing Tenancy Agreement”	the tenancy agreement dated 18 November 2019 entered into between GD Power International (as landlord) and the Company (as tenant) in respect of the whole of 18th Floor of GDI Tower, details of which are set out in the announcement of the Company dated 18 November 2019
“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, is the immediate controlling shareholder of the Company
“GDI Tower”	Guangdong Investment Tower, 148 Connaught Road Central, Hong Kong
“GD Power International”	Guangdong Power (International) Limited, a company incorporated in the British Virgin Islands with limited liability and a direct non-wholly owned subsidiary of GDI
“Group”	the Company and its subsidiaries from time to time
“Guangdong Energy Group Co”	廣東省能源集團有限公司 (Guangdong Energy Group Co., Ltd.), a company established in the PRC with limited liability and a PRC state-owned enterprise
“Guangdong Government”	has the meaning ascribed to it under the section headed “Information on Parties to the New Tenancy Agreement - Information on Guangdong Holdings” in this announcement
“Guangdong Holdings”	Guangdong Holdings Limited (廣東粵海控股集團有限公司), a company established in the PRC with limited liability and the ultimate controlling shareholder of GDI and the Company
“Guangdong Holdings Group”	Guangdong Holdings and its subsidiaries from time to time

“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“HKFRS 16”	Hong Kong Financial Reporting Standard 16 “Leases” issued by the Hong Kong Institute of Certified Public Accountants
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange, as amended from time to time
“New Tenancy Agreement”	a tenancy agreement entered into on 15 September 2022 between GD Power International (as landlord) and the Company (as tenant) in respect of the Premises
“PRC”	the People’s Republic of China
“Premises”	Office A of 18th Floor, GDI Tower
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Upper Horn”	Upper Horn Investments Limited, a company incorporated in Hong Kong with limited liability, which holds 49% shareholding interest in GD Power International
“%”	per cent.

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

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

Hong Kong, 15 September 2022

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