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

(Incorporated in Bermuda with limited liability)

(Stock Code: 00124)

Announcement

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

On 27 July 2023, (i) GDL Foshan (an indirect wholly-owned subsidiary of the Company) and Yuehai Property Management entered into the Third Foshan Wanhua Project Site (Sales Centre and Sample Units) Property Services Agreement in relation to the provision of property management services at sales centre and sample units of the Foshan Wanhua Project site by Yuehai Property Management to GDL Foshan; and (ii) Foshan GDL Development (an indirect non-wholly owned subsidiary of the Company) and Yuehai Property Management entered into the Foshan Jihua Project Site (Sales Centre and Sample Units) Property Services Agreement in relation to the provision of property management services at sales centre and sample units of the Foshan Jihua Project site by Yuehai Property Management to Foshan GDL Development.

LISTING RULES IMPLICATIONS

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

On the basis that the Third Foshan Wanhua Project Site (Sales Centre and Sample Units) Property Services Agreement and the Foshan Jihua Project Site (Sales Centre and Sample Units) Property Services Agreement are both related to the provision of property management services by Yuehai Property Management to the Group, the Property Management Services Agreements have been aggregated pursuant to the Listing Rules. As the highest applicable percentage ratio (on an aggregated basis) in respect of relevant transactions contemplated under the Property Management Services Agreements calculated pursuant to the Listing Rules is more than 0.1% but all of them 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.

THE PROPERTY MANAGEMENT SERVICES AGREEMENTS

On 27 July 2023, the Group and Yuehai Property Management entered into the Property Management Services Agreements in relation to the provision of property management services by Yuehai Property Management to the Group.

1. THIRD FOSHAN WANHUA PROJECT SITE (SALES CENTRE AND SAMPLE UNITS) PROPERTY SERVICES AGREEMENT

Reference is made to the announcements of the Company dated 27 July 2021 and 26 July 2022 in relation to the First Foshan Wanhua Project Site (Sales Centre and Sample Units) Property Services Agreement and the Second Foshan Wanhua Project Site (Sales Centre and Sample Units) Property Services Agreement respectively. According to the Second Foshan Wanhua Project Site (Sales Centre and Sample Units) Property Services Agreement, the relevant service term shall expire on 31 July 2023.

In view of the impending expiry of the Second Foshan Wanhua Project Site (Sales Centre and Sample Units) Property Services Agreement, on 27 July 2023, GDL Foshan (an indirect wholly-owned subsidiary of the Company) and Yuehai Property Management entered into the Third Foshan Wanhua Project Site (Sales Centre and Sample Units) Property Services Agreement.

A summary of the salient terms of the Third Foshan Wanhua Project Site (Sales Centre and Sample Units) Property Services Agreement is set out below:

Date: 27 July 2023

Parties: (a) GDL Foshan
(b) Yuehai Property Management

Term: 1 August 2023 to 30 April 2024 (both dates inclusive)

Subject matter: Yuehai Property Management shall provide property management services at sales centre and sample units of the Foshan Wanhua Project site, including daily customer services, equipment maintenance, order maintenance, cleaning (including the display area), greening and pest control.

Service fees and payment terms: (1) GDL Foshan shall pay such service fees to Yuehai Property Management on a monthly basis within one month after receiving a valid invoice issued by Yuehai Property Management on the 8th to 15th day of each month (and the relevant information as basis for the settlement is provided).

The service fees payable by GDL Foshan to Yuehai Property Management include labour costs, other staff costs, outsourcing service fees, one-off service fees and property management remunerations.

The labour costs shall be calculated based on the actual labour costs incurred in the relevant month. Other staff costs shall be calculated based on the actual number of staff and expenses related to work clothing cleaning, meal and dormitory. Outsourcing service fees shall be calculated based on the expenses related to cleaning, greening and pest control agreed under the services agreement and the actual number of service staff for cleaning and greening. Yuehai Property Management shall charge property management remunerations on a monthly basis which are calculated based on 10% of the actual total amount of the labour costs, other staff costs, outsourcing service fees, staff uniform procurement fees (if applicable) and initial cleaning fees for sample units (if applicable) for the relevant month and the relevant property management remunerations may be deducted by 5% to 10% depending on the service satisfaction rating rated by GDL Foshan.

- (2) GDL Foshan shall pay one-off service fees to Yuehai Property Management, which comprises one-off material procurement fees (e.g. staff uniform fees) and initial cleaning fees for sample units, after the acceptance of relevant inspections and within one month from receiving the valid invoice issued by Yuehai Property Management. Staff uniform procurement fees shall be calculated based on the number of staff and the unit price of uniform as agreed under the services agreement. The initial cleaning fees for sample units shall be calculated based on the cleaning fee of RMB25 per square metre and formaldehyde removal fee of RMB25 per square metre.

The total service fees to be received by Yuehai Property Management under the Third Foshan Wanhua Project Site (Sales Centre and Sample Units) Property Services Agreement for the period from 1 August 2023 to 30 April 2024 is expected to be approximately RMB3,970,000. Among them, the total service fees to be received by Yuehai Property Management for the period from 1 August 2023 to 31 December 2023 is expected to be approximately RMB2,200,000, and the total service fees to be received by Yuehai Property Management for the period from 1 January 2024 to 30 April 2024 is expected to be approximately RMB1,770,000.

The service fees are determined after arm's length negotiations between the relevant parties after taking into account (i) the areas of the relevant properties; (ii) the number of staff required for the provision of services under the Third Foshan Wanhua Project Site (Sales Centre and Sample Units) Property Services Agreement (excluding outsourced staff for cleaning, greening and pest control); (iii) the labour costs including wages, overtime payment, welfare expenses and labour union fees; (iv) the other staff costs, outsourcing service fees, staff uniform procurement fees and initial cleaning fees; (v) the property management remunerations; and (vi) the prevailing market rates and market prices for similar services.

Caps and basis of determination

Historical Transaction Amounts

The actual transaction amount of the property management services under the First Foshan Wanhua Project Site (Sales Centre and Sample Units) Property Services Agreement for the period from 27 July 2021 to 31 December 2021 is approximately RMB2,777,000.

The actual transaction amount of the property management services under the First Foshan Wanhua Project Site (Sales Centre and Sample Units) Property Services Agreement and the Second Foshan Wanhua Project Site (Sales Centre and Sample Units) Property Services Agreement for the period from 1 January 2022 to 31 December 2022 is approximately RMB5,334,000.

The actual transaction amount of the property management services under the Second Foshan Wanhua Project Site (Sales Centre and Sample Units) Property Services Agreement for the period from 1 January 2023 to 30 June 2023 is approximately RMB2,332,000.

Annual Caps

The relevant annual caps for the transactions contemplated under the Third Foshan Wanhua Project Site (Sales Centre and Sample Units) Property Services Agreement have been set as:

- (a) RMB2,420,000 for the period from 1 August 2023 to 31 December 2023; and
- (b) RMB1,947,000 for the period from 1 January 2024 to 30 April 2024.

The annual caps have been determined after having considered: (i) the above historical transaction amounts; (ii) the basis of the service fee determined by and the total service fees expected to be paid by GDL Foshan under the Third Foshan Wanhua Project Site (Sales Centre and Sample Units) Property Services Agreement; (iii) the expected increase in relevant staff costs and the administrative and daily operational costs; and (iv) the possible increase in the service required (for example service manpower and hours), depending on the actual circumstances.

2. FOSHAN JIHUA PROJECT SITE (SALES CENTRE AND SAMPLE UNITS) PROPERTY SERVICES AGREEMENT

On 27 July 2023, Foshan GDL Development (an indirect non-wholly owned subsidiary of the Company) and Yuehai Property Management entered into the Foshan Jihua Project Site (Sales Centre and Sample Units) Property Services Agreement in relation to the provision of property management services by Yuehai Property Management to Foshan GDL Development.

A summary of the salient terms of the Foshan Jihua Project Site (Sales Centre and Sample Units) Property Services Agreement is set out below:

Date: 27 July 2023

Parties: (a) Foshan GDL Development
(b) Yuehai Property Management

Term: 1 August 2023 to 30 April 2024 (both dates inclusive)

Subject matter: Yuehai Property Management shall provide property management services at sales centre and sample units of the Foshan Jihua Project site, including daily customer services, equipment maintenance, order maintenance, cleaning (including the display area) and pest control.

Service fees and payment terms: (1) Foshan GDL Development shall pay such service fees to Yuehai Property Management on a monthly basis within one month after receiving a valid invoice issued by Yuehai Property Management on the 8th to 15th day of each month (and the relevant information as basis for the settlement is provided).

The service fees payable by Foshan GDL Development to Yuehai Property Management include labour costs, other staff costs, outsourcing service fees, one-off service fees and property management remunerations.

The labour costs shall be calculated based on the actual labour costs incurred in the relevant month. Other staff costs shall be calculated based on the actual number of staff and expenses related to work clothing cleaning, meal and dormitory. Outsourcing service fees shall be calculated based on the expenses related to cleaning and pest control agreed under the services agreement and the actual number of service staff for cleaning. Yuehai Property Management shall charge property management remunerations on a monthly basis which are calculated based on 10% of the actual total amount of the labour costs, other staff costs, outsourcing service fees and one-off material procurement fees (if applicable) for the relevant month and the relevant property management remunerations may be deducted by 5% to 10% depending on the service satisfaction rating rated by Foshan GDL Development.

(2) Foshan GDL Development shall pay one-off service fees to Yuehai Property Management, which comprises one-off material procurement fees (e.g. computer, walkie talkie, fire extinguisher, other equipment and staff uniform fees etc.), after the acceptance of relevant inspections and within one month from receiving the valid invoice issued by Yuehai Property Management. Staff uniform procurement fees shall be calculated based on the number of staff and the unit price of uniform as agreed under the services agreement. Computer and

other equipment procurement fees shall be calculated based on the unit price of computer and other equipment as agreed under the services agreement.

The total service fees to be received by Yuehai Property Management under the Foshan Jihua Project Site (Sales Centre and Sample Units) Property Services Agreement for the period from 1 August 2023 to 30 April 2024 are expected to be approximately RMB3,890,000. Among them, the total service fees to be received by Yuehai Property Management for the period from 1 August 2023 to 31 December 2023 are expected to be approximately RMB2,160,000, and the total service fees to be received by Yuehai Property Management for the period from 1 January 2024 to 30 April 2024 are expected to be approximately RMB1,730,000.

The service fees are determined after arm's length negotiations between the relevant parties after taking into account (i) the areas of the relevant properties; (ii) the number of staff required for the provision of services under the Foshan Jihua Project Site (Sales Centre and Sample Units) Property Services Agreement (excluding outsourced staff for cleaning and pest control); (iii) the labour costs including wages, overtime payment, welfare expenses and labour union fees; (iv) the other staff costs, outsourcing service fees, staff uniform procurement fees and computer and other equipment procurement fees; (v) the property management remunerations; and (vi) the prevailing market rates and market prices for similar services.

Caps and basis of determination

There is no historical transaction amount of the transactions contemplated under the Foshan Jihua Project Site (Sales Centre and Sample Units) Property Services Agreement.

Annual Caps

The relevant annual caps for the transactions contemplated under the Foshan Jihua Project Site (Sales Centre and Sample Units) Property Services Agreement have been set as:

- (a) RMB2,376,000 for the period from 1 August 2023 to 31 December 2023; and
- (b) RMB1,903,000 for the period from 1 January 2024 to 30 April 2024.

The annual caps have been determined after having considered: (i) the basis of the service fee determined by and the total service fees expected to be paid by Foshan GDL Development under the Foshan Jihua Project Site (Sales Centre and Sample Units) Property Services Agreement; (ii) the expected increase in relevant staff costs and the administrative and daily operational costs; and (iii) the possible increase in the service required (for example service manpower and hours), depending on the actual circumstances.

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

Yuehai Property Management is principally engaged in property management business in the PRC and is currently the property management service providers of various property projects of the Group. By entering into the Third Foshan Wanhua Project Site (Sales Centre and Sample Units) Property Services Agreement and the Foshan Jihua Project Site (Sales Centre and Sample Units) Property Services Agreement, the Group will continue to enjoy un-interrupted, smooth and quality property management services provided to it by Yuehai Property Management.

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

INFORMATION ON PARTIES TO THE PROPERTY MANAGEMENT SERVICES AGREEMENTS

Information on GDL Foshan

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

Information on Foshan GDL Development

Foshan GDL Development is a company established in the PRC with limited liability. It is principally engaged in property development and investment businesses in the PRC and is an indirect non-wholly owned subsidiary of the Company.

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 Yuehai Property Management

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

According to the National Enterprise Credit Information Publicity System (國家企業信用信息公示系統), Huaxin is a company established in the PRC with limited liability and its equity interest is held as to approximately 41.22% in aggregate by YANG Shaoqiu (楊少秋) and the companies controlled by him, as to approximately 42.99% by YANG Jiarui (楊珈睿) and as to

approximately 15.79% in aggregate by three other shareholders. Huaxin is principally engaged in property management business in the PRC. To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, Huaxin and its ultimate beneficial owner(s) are third parties independent of the Company and its connected persons.

Information on Guangdong Holdings

Guangdong Holdings is the ultimate controlling shareholder of the Company and is principally engaged in investment holding. The Guangdong Holdings Group's business activities include public utilities and infrastructure, manufacturing, real estate, hotel, property management, retail and wholesale, finance, etc. The Guangdong Holdings Group takes capital investment as its core business, and invests mainly in business sectors including water and water environment management, urban complex development and related services, modern industrial park development and investment. Guangdong Holdings is held as to 90% by the Guangdong Government and as to 10% by the Department of Finance of the Guangdong 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.

LISTING RULES IMPLICATIONS

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

On the basis that the Third Foshan Wanhua Project Site (Sales Centre and Sample Units) Property Services Agreement and the Foshan Jihua Project Site (Sales Centre and Sample Units) Property Services Agreement are both related to the provision of property management services by Yuehai Property Management to the Group, the Property Management Services Agreements have been aggregated pursuant to the Listing Rules. As the highest applicable percentage ratio (on an aggregated basis) in respect of the relevant transactions contemplated under the Property Management Services Agreements calculated pursuant to the Listing Rules is more than 0.1% but all of them 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. LAN Runing, Mr. LI Yonggang and Mr. LI Wenchang, being Directors, are also directors of certain subsidiaries of Guangdong Holdings. Mr. LAN Runing and Mr. LI Yonggang, who were present at the relevant Board meeting, were not counted in the quorum and also abstained from voting on relevant Board resolutions approving the Property Management Services Agreements and the transactions contemplated thereunder, while Mr. LI Wenchang was absent from the relevant Board meeting. Save as disclosed above, to the best of the Directors' knowledge, information and belief having made all reasonable enquiries, no other Directors 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 meanings set out below unless the context requires otherwise:

“associate”	has the meaning ascribed to it under the Listing Rules
“Board”	the board of Directors
“Company”	Guangdong Land Holdings Limited (粵海置地控股有限公司), a company incorporated in Bermuda with limited liability, the shares of which are listed on the Main Board of the Stock Exchange
“connected person”	has the meaning ascribed to it under the Listing Rules
“controlling shareholder”	has the meaning ascribed to it under the Listing Rules
“Director(s)”	the director(s) of the Company
“First Foshan Wanhua Project Site (Sales Centre and Sample Units) Property Services Agreement”	the agreement dated 27 July 2021 entered into between GDL Foshan and Yuehai Property Management in relation to the provision of property management services at sales centre and sample units of the Foshan Wanhua Project site by Yuehai Property Management to GDL Foshan, details of which are set out in the announcement of the Company dated 27 July 2021
“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
“Foshan Jihua Project”	the property development project of the Group at west side of Fenjiang Road, north side of Lujing Road and east side of Luying West Street, Chancheng District, Foshan City, the PRC, also known as the Foshan One Mansion Project
“Foshan Jihua Project Site (Sales Centre and Sample Units) Property Services Agreement”	the agreement dated 27 July 2023 entered into between Foshan GDL Development and Yuehai Property Management in relation to the provision of property management services at sales centre and sample units of the Foshan Jihua Project site by Yuehai Property Management to Foshan GDL Development
“Foshan Wanhua Project”	the property development project of the Group in No. 3 Wenhua South Road, Chancheng District, Foshan City, the PRC, also known as the Foshan Laurel House Project
“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

“Group”	the Company and its subsidiaries from time to time
“Guangdong Government”	the People’s Government of Guangdong Province
“Guangdong Holdings”	廣東粵海控股集團有限公司 (Guangdong Holdings Limited), a company established in the PRC with limited liability and the ultimate controlling shareholder of the Company
“Hong Kong”	the Hong Kong Special Administrative Region of the 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
“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
“Property Management Services Agreements”	the Third Foshan Wanhua Project Site (Sales Centre and Sample Units) Property Services Agreement and the Foshan Jihua Project Site (Sales Centre and Sample Units) Property Services Agreement
“RMB”	Renminbi, the lawful currency of the PRC
“Second Foshan Wanhua Project Site (Sales Centre and Sample Units) Property Services Agreement”	the agreement dated 26 July 2022 entered into between GDL Foshan and Yuehai Property Management in relation to the provision of property management services at sales centre and sample units of the Foshan Wanhua Project site by Yuehai Property Management to GDL Foshan, details of which are set out in the announcement of the Company dated 26 July 2022
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“subsidiary(ies)”	has the meaning ascribed to it under the Listing Rules
“Third Foshan Wanhua Project Site (Sales Centre and Sample Units) Property Services Agreement”	the agreement dated 27 July 2023 entered into between GDL Foshan and Yuehai Property Management in relation to the provision of property management services at sales centre and sample units of the Foshan Wanhua Project site by Yuehai Property Management to GDL Foshan

“Yuehai Property Management”

粵海物業管理有限公司 (Yuehai Property Management Co., Ltd.), a company established in the PRC with limited liability and a non-wholly owned subsidiary of Guangdong Holdings, whereas 92% of the equity interest 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 as at the date of this announcement

“%”

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.

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

Hong Kong, 27 July 2023

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