

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.



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

(Incorporated in Bermuda with limited liability)
(Stock Code: 00124)

Discloseable Transaction
Factoring Agreement

The Board hereby announces that, on 9 March 2021, Guangdong Yuehai Land (an indirect wholly-owned subsidiary of the Company), the Factoring Company and Foshan Yuehai (an indirect wholly-owned subsidiary of the Company) entered into the Factoring Agreement pursuant to which the Factoring Company has agreed to grant a funding limit of RMB400,000,000 (equivalent to approximately HK\$475,511,000) to Guangdong Yuehai Land, and Guangdong Yuehai Land is entitled to apply for the transfer(s) of the Accounts Receivable to the Factoring Company for obtaining Funds within the Funding Limit from the Factoring Company.

As the highest applicable percentage ratio in respect of the Factoring Agreement exceeds 5% but is less than 25%, the transaction contemplated under the Factoring Agreement constitutes a discloseable transaction and is subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules.

FACTORING AGREEMENT

The Board hereby announces that, on 9 March 2021, Guangdong Yuehai Land (an indirect wholly-owned subsidiary of the Company), the Factoring Company and Foshan Yuehai (an indirect wholly-owned subsidiary of the Company) entered into the Factoring Agreement pursuant to which the Factoring Company has agreed to grant a funding limit of RMB400,000,000 (equivalent to approximately HK\$475,511,000) to Guangdong Yuehai Land, and Guangdong Yuehai Land is entitled to apply for the transfer(s) of the Accounts Receivable to the Factoring Company for obtaining funds (“**Funds**”) within the Funding Limit from the Factoring Company.

The salient terms of the Factoring Agreement are set out below:

Date

9 March 2021

Parties

- (1) Guangdong Yuehai Land; and
- (2) the Factoring Company; and
- (3) Foshan Yuehai

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, the Factoring Company and its ultimate beneficial owner(s) are third parties independent of the Company and its connected persons.

Factoring Funding Limit

Pursuant to the Factoring Agreement, the Factoring Company has agreed to grant a funding limit (the "**Funding Limit**") of RMB400,000,000 (equivalent to approximately HK\$475,511,000) to Guangdong Yuehai Land, and Guangdong Yuehai Land is entitled to apply for the transfer(s) of the Accounts Receivable to the Factoring Company for obtaining Funds within the Funding Limit from the Factoring Company.

The Funding Limit is available from the date of the Factoring Agreement to 31 December 2021.

Transfer of Accounts Receivable

If Guangdong Yuehai Land decides to obtain Funds from the Factoring Company, it shall submit an application with relevant invoices/bills in respect of the relevant Accounts Receivable and other supporting documents to the Factoring Company for approval. Subject to the assessment by, and the approval of the application at the discretion of, the Factoring Company, Guangdong Yuehai Land shall transfer the creditor's rights and relevant benefits of the relevant Accounts Receivable to the Factoring Company, and the Factoring Company shall receive the creditor's rights and relevant benefits of the relevant Accounts Receivable and provide Funds to Guangdong Yuehai Land.

The amount of the Accounts Receivable to be transferred by Guangdong Yuehai Land to the Factoring Company and the amount of Funds provided to Guangdong Yuehai Land by the Factoring Company will be on a dollar-for-dollar basis.

The Funds shall be payable by the Factoring Company to Guangdong Yuehai Land within 10 days from the date of transfer of the relevant Accounts Receivable.

Type of Factoring

If Foshan Yuehai fails to fully repay the Accounts Receivable to the Factoring Company, the Factoring Company does not have any recourse or claim against Guangdong Yuehai Land in respect of the outstanding amount of the Accounts Receivable.

Factoring Service Charges

The utilisation charges (the “**Factoring Service Charges**”) applicable to the Funds are calculated by:

the amount of the Funds x (6.5%/360) x the total number of days in the period from the date of the provision of the Funds to the due date of the Accounts Receivable (i.e. 31 December 2023) (or in the event that the Accounts Receivable are paid prior to the relevant due date, to the actual payment date of the Accounts Receivable).

The relevant Factoring Service Charges for the periods (i) from the date of the provision of the Funds to 21 December 2021; (ii) from 22 December 2021 to 21 December 2022; and (iii) 22 December 2022 to 21 December 2023; and (iv) 22 December 2023 to 31 December 2023 shall be payable by Guangdong Yuehai Land to the Factoring Company on or before 21 December 2021, 21 December 2022, 21 December 2023 and 31 December 2023, respectively.

The rates of the Factoring Service Charges are determined by the parties after arm’s length negotiation, taking into account (i) the credit rating of Foshan Yuehai, (ii) the due date of the Accounts Receivable and (iii) the market rate of factoring service charges.

FINANCIAL EFFECT OF THE FACTORING AGREEMENT AND USE OF FUNDS

For accounting purposes, immediately after the execution of the Factoring Agreement, it is expected that (i) the relevant Accounts Receivable will continue to be recognised as accounts receivable of Guangdong Yuehai Land, (ii) assuming the Funding Limit has been fully utilised, the Group will receive cash and recognise a liability in an aggregate sum of RMB400,000,000 (equivalent to approximately HK\$475,511,000), respectively, and (iii) there will not be any gain or loss recognised.

The Group intends to use the Funds as general working capital.

REASONS FOR AND BENEFITS OF ENTERING INTO THE FACTORING AGREEMENT

The Company considers that the Factoring Agreement is entered into by the Group in its ordinary and usual course of business, and is beneficial for the Group in terms of monetising its assets, widening its financing channels and enhancing the Group’s cash flow.

The Directors are of the view that the terms of the Factoring Agreement (including but not limited to the Funding Limit and the Factoring Service Charges) are on normal commercial terms, are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

INFORMATION ON THE GROUP, GUANGDONG YUEHAI LAND AND FOSHAN YUEHAI

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

Guangdong Yuehai Land is an indirectly wholly-owned subsidiary of the Company, and is principally engaged in the property development and investment businesses in the PRC.

Foshan Yuehai is an indirectly wholly-owned subsidiary of the Company, and is principally engaged in investment in and development of Foshan Wanhua property project of the Group.

INFORMATION ON THE FACTORING COMPANY

The Factoring Company is a company established in the PRC with limited liability and is indirectly wholly-owned by 江西金融發展集團股份有限公司 (Jiangxi Finance Development Group Company Limited). A total of approximately 55% of the equity interest of Jiangxi Finance Development Group Company Limited is indirectly held by 中國江西省人民政府 (the People's Government of Jiangxi Province, the PRC) and 中國江西省贛州市國有資產監督管理委員會 (the State-owned Assets Supervision and Administration Commission of Ganzhou City, Jiangxi Province, the PRC). The Factoring Company is principally engaged in the provision of factoring and reverse factoring services, and issuance of asset-backed securities / asset-backed notes and etc.

LISTING RULES IMPLICATIONS

As the highest applicable percentage ratio in respect of the Factoring Agreement exceeds 5% but is less than 25%, the transaction contemplated under the Factoring Agreement constitutes a discloseable transaction and is subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules.

DEFINITIONS

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

“Accounts Receivable”	the accounts receivable of Guangdong Yuehai Land owing by Foshan Yuehai under the service agreement (as may be amended or supplemented from time to time) entered into between Guangdong Yuehai Land and Foshan Yuehai and dated 31 December 2020 in relation to the provision of preliminary development services of certain property project by Guangdong Yuehai Land to Foshan Yuehai. The due date of the said accounts receivable is 31 December 2023
-----------------------	--

“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(s)”	has the meaning ascribed to it under the Listing Rules
“Director(s)”	the director(s) of the Company
“Factoring Agreement”	the factoring agreement entered into between Guangdong Yuehai Land, the Factoring Company and Foshan Yuehai on 9 March 2021 in relation to, among other things, the provision of factoring services by the Factoring Company to Guangdong Yuehai Land
“Factoring Company”	深圳漢辰商業保理有限公司 (Shenzhen Hanchen Commercial Factoring Company Limited), a company established in the PRC with limited liability
“Factoring Service Charges”	has the meaning ascribed to it under the section headed “FACTORING AGREEMENT – Factoring Service Charges”
“Foshan Yuehai”	佛山粵海置地有限公司 (Foshan Yuehai Land Company Limited), a company established in the PRC with limited liability and an indirect wholly-owned subsidiary of the Company
“Funding Limit”	has the meaning ascribed to it under the section headed “FACTORING AGREEMENT – Factoring Funding Limit”
“Funds”	has the meaning ascribed to it under the section headed “FACTORING AGREEMENT”
“Group”	the Company and its subsidiaries
“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
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange, as amended from time to time

“percentage ratio(s)”	has the meaning ascribed to it under the Listing Rules
“PRC”	the People’s Republic of China and, for the purpose of this announcement, excludes Hong Kong, the Macao Special Administrative Region of the PRC and Taiwan
“RMB”	Renminbi, the lawful currency of the PRC
“Share(s)”	the share(s) of the Company
“Shareholder(s)”	the shareholder(s) of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“%”	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 specified, conversion of Renminbi, the lawful currency of the PRC, into Hong Kong dollars, the lawful currency of Hong Kong, is based on the approximate exchange rate of HK\$1 to RMB0.8412. No representation is made that any amount in HK\$ and RMB could be converted at such rate.

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

Hong Kong, 9 March 2021

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.