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

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

Connected Transaction

Provision of Loan by the Wanhua No.1 Partnership for investing in the Foshan Wanhua Project

INTRODUCTION

The Group has adopted the Property Project Co-investment Scheme which allows the Participants to invest in different Property Projects of the Group in the form of loan to be provided to the respective project companies of the Group. Accordingly, certain Participants (including directors of the Company and/or its subsidiaries, hence connected persons of the Company) have formed the Wanhua No.1 Partnership for the purpose of investing in the Foshan Wanhua Project.

WANHUA NO.1 LOAN AGREEMENT

The Board hereby announces that, on 16 April 2021, the Foshan Project Company (an indirect wholly-owned subsidiary of the Company) and the Wanhua No.1 Partnership entered into the Wanhua No.1 Loan Agreement, pursuant to which the Foshan Project Company has agreed to borrow the Loan in the principal amount of RMB4,440,000 (equivalent to approximately HK$5,282,000) from the Wanhua No.1 Partnership.

LISTING RULES IMPLICATIONS

Certain partners of the Wanhua No.1 Partnership are or controlled by directors of the Company and/or its subsidiaries, hence connected persons of the Company under Chapter 14A of the Listing Rules. Thus, the Wanhua No.1 Loan Agreement constitutes a connected transaction of the Company under Chapter 14A of the Listing Rules.

As the highest applicable percentage ratio in respect of the Wanhua No.1 Loan Agreement calculated pursuant to the Listing Rules is more than 0.1% but all of the applicable percentage ratios are less than 5%, the Wanhua No.1 Loan Agreement is therefore subject to the reporting and announcement requirements under the Listing Rules, but is exempt from the independent shareholders' approval requirement.

INTRODUCTION

The Group has adopted the Property Project Co-investment Scheme which allows the Participants to invest in different Property Projects of the Group in the form of loan to be provided to the respective project companies of the Group. Accordingly, certain Participants (including directors of the Company and/or its subsidiaries, hence connected persons of the Company) have formed the Wanhua No.1 Partnership for the purpose of investing in the Foshan Wanhua Project.

The Board hereby announces that, on 16 April 2021, the Foshan Project Company (an indirect wholly-owned subsidiary of the Company) and the Wanhua No.1 Partnership (of which certain partners are or controlled by directors of the Company and/or its subsidiaries, hence connected persons of the Company) entered into the Wanhua No.1 Loan Agreement, pursuant to which the Foshan Project Company has agreed to borrow a loan (the "**Loan**") in the principal amount of RMB4,440,000 (equivalent to approximately HK$5,282,000) from the Wanhua No.1 Partnership.

WANHUA NO.1 LOAN AGREEMENT

The salient terms of the Wanhua No.1 Loan Agreement are set out below:

Date

16 April 2021

Parties

(1) The Foshan Project Company (as borrower)

(2) The Wanhua No.1 Partnership (as lender)

Principal and Interest Return

The principal amount (the "**Principal**") of the Loan is RMB4,440,000 (equivalent to approximately HK$5,282,000).

The Principal shall be payable by the Wanhua No.1 Partnership to the Foshan Project Company within 10 business days from the date of the Wanhua No.1 Loan Agreement.

The interest return (the "**Interest Return**") in respect of the Loan shall be calculated as follows:

Interest Return = Profit x Contribution Factor x Performance Factor

whereas: Profit = Revenue of the Foshan Wanhua Project at the relevant time – project development costs and expenses – taxes

Contribution Factor = Principal / the registered capital of the Foshan Project Company

Performance Factor shall be:

(a) if the Actual Project IRR is 0% or higher, a figure between 0.4 to 2.5 according to the levels of IRR Percentage Difference[(Note 1)] from the lowest level of "-20% or below" to the highest level of "20% or above"; or

(b) if the Actual Project IRR is less than 0%, equal to 1.

Note 1: IRR Percentage Difference = (Actual Project IRR - Expected Project IRR as at the time of approval of the Foshan Wanhua Project) / Expected Project IRR as at the time of approval of the Foshan Wanhua Project

In event that the Actual Project IRR is a negative figure, the Interest Return (which would also be a negative figure) shall be regarded as a loss (the "**Loss**") attributable to the Principal. The Loss will be deducted from the Principal and shall be capped at the amount of the Principal.

The Interest Return shall be payable by the Foshan Project Company to the Wanhua No.1 Partnership in cash in the following manner:

(a) a maximum of 50% of the Expected Interest Return[(Note 2)] shall be payable after the cumulative operating cash flow of the Foshan Wanhua Project becomes positive and the Foshan Project Company's working capital is sufficient to satisfy its requirements for its business operations for the next three months;

(b) a maximum of 80% (cumulative) of the Expected Interest Return[(Note 2)] shall be payable after the Sell-through Rate of the Foshan Wanhua Project reaches 90%; and

(c) the remaining amount of the Interest Return shall be payable after the Sell-through Rate of the Foshan Wanhua Project reaches 95%. In the event that the aggregated amount paid under paragraphs (a) and (b) above, is greater than the Interest Return calculated at the end of the project, the amount in excess shall be repaid by the Wanhua No.1 Partnership to the Foshan Project Company within 10 business days from the date of notice given by the Foshan Project Company.

Note 2: Expected Interest Return = The expected Profit at the relevant time (as estimated by the Foshan Project Company) x Contribution Factor x the expected Performance Factor at the relevant time (as estimated by the Foshan Project Company)

The Foshan Project Company and the Wanhua No.1 Partnership have agreed that the annualised rate of return of the Loan shall not exceed 18.6%, being four times the over-five-year loan prime rate published by the National Interbank Funding Center as the date of the Wanhua No.1 Loan Agreement.

The Interest Return is determined by the parties after arm's length negotiation, taking into account (i) the amount of the Principal; (ii) the Expected Project IRR of the Foshan Wanhua Project; (iii) the expected period(s) of repayment of the Loan; and (iv) the return rate(s) of similar property project co-investment schemes.

Repayment of Principal

Repayment of the Principal shall be made by the Foshan Project Company to the Wanhua No.1 Partnership in cash in the following manner:

(a) a maximum of 60% of the Principal shall be repaid after the cumulative net negative cash flow of the Foshan Wanhua Project begins to fall from its highest point and the Foshan Project Company's working capital is sufficient to satisfy its requirements for its business operations for the next three months;

(b) a maximum of 30% of the Principal shall be repaid after the cumulative operating cash flow of the Foshan Wanhua Project becomes positive and the Foshan Project Company's working capital is sufficient to satisfy its requirements for its business operations for the next six months; and

(c) the remaining amount of the Principal (after the deduction of the Loss, if any) shall be repaid after the Sell-through Rate of the Foshan Wanhua Project reaches 95%.

In respect of (a) and (b) above, the rate of repayment of Principal shall be the same as that of the payment of the relevant return(s) in relation to the total contribution (in form of equity and loan(s)) made to the Foshan Project Company by the shareholder of the Foshan Project Company. In other words, at the relevant time, the cumulative amount of the Principal repaid in relation to the Principal shall not exceed the cumulative return (paid or payable) to the shareholder of the Foshan Project Company in relation to the shareholder's total contribution.

INFORMATION ON THE GROUP AND THE FOSHAN PROJECT COMPANY

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

The Foshan Project Company is an indirect wholly-owned subsidiary of the Company. The Foshan Project Company is principally engaged in investment in and development of the Foshan Land which is located in Shiwan area (Chengnan Sub-district) of Chancheng District, Foshan City, the PRC, with a site area of approximately 43,284 square metres and a maximum total gross floor area included in the calculation of the plot ratio of approximately 151,493 square metres. The use of the Foshan Land is for the development, construction and sale of properties, including

residential units and car parking spaces, etc., all of which will be for sale (the "**Foshan Wanhua Project**").

INFORMATION ON THE WANHUA NO.1 PARTNERSHIP

The Wanhua No.1 Partnership is a limited partnership enterprise (有限合夥企業) established in the PRC on 31 March 2021. The purpose of the Wanhua No.1 Partnership is to invest in the Foshan Wanhua Project by providing the Loan to the Foshan Project Company.

The General Partner of the Wanhua No.1 Partnership is a company established in the PRC with limited liability. The ultimate beneficial owners of the General Partner are Mr. WANG Jie and Mr. YAN Chao, who are directors of certain subsidiaries of the Company, hence connected persons of the Company. The General Partner is responsible for managing the Wanhua No.1 Partnership, and will only contribute a nominal amount to the Wanhua No.1 Partnership and such nominal amount will not form part of the Loan.

The limited partners of the Wanhua No.1 Partnership who are connected persons of the Company (the "**Connected Partners**") are listed below:

Name of partners who are connected person(s) of the Company	**Positions held with the Group**	**Amount contributed to the Wanhua No.1 Partnership** ***RMB***
XU Yeqin	Chairman of the Board and Executive Director of the Company	360,000
LI Yonggang	Executive Director and Managing Director of the Company	300,000
ZHANG Jun	Executive Director and Chief Financial Officer of the Company	120,000
LI Qing	Director of certain subsidiaries of the Company	300,000
MEI Qingjun	Director of certain subsidiaries of the Company	250,000
LU Jingheng	Director of a subsidiary of the Company	100,000
ZHOU Ziwen	Director of certain subsidiaries of the Company	100,000
XIA Lihao	Director of a subsidiary of the Company	500,000
CHEN Zhishuo	Director of a subsidiary of the Company	300,000
YAN Chao	Director of a subsidiary of the Company	30,000

JIE Yongchao	Director of certain subsidiaries of the Company	30,000
WANG Jie	Director of a subsidiary of the Company	30,000

In addition to the Connected Partners, there are a total of 26 other limited partners in the Wanhua No.1 Partnership and they are employees of the Group and Guangdong Holdings Group. To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, save for being employees of the Group or Guangdong Holdings Group, the aforementioned limited partners are third parties independent of the Company and its connected persons.

REASONS FOR AND BENEFITS OF ENTERING INTO THE WANHUA NO.1 LOAN AGREEMENT

The Group is principally engaged in property development and investment businesses in the PRC and holds interests in various property development projects in the PRC (the "**Property Project(s)**"). In February 2021, the Group adopted a property project co-investment scheme (the "**Property Project Co-investment Scheme**") which allows the participants (the "**Participants**") to invest in different Property Projects (of which the properties to be constructed and developed will be mainly for sale) in the form of loan to be provided to the respective project companies of the Group. In respect of the Foshan Wanhua Project, the relevant Participants participated in the Property Project Co-investment Scheme have formed the Wanhua No.1 Partnership to invest in the form of the Loan.

As the Participants are employees of the Group and Guangdong Holdings Group, the purposes of the Property Project Co-investment Scheme are to establish a "profit and risk sharing" incentive mechanism to directly link up the return to the Participants with the operational efficiency of the Property Projects and align the interests of the Participants with that of the Shareholders and the Property Projects. The Company believes that, as a result, the Property Project Co-investment Scheme will enable the Group to effectively manage the investment and operational risks, further increase the motivation of the operation team of the Property Projects in respect of management and operation, enhance the operation efficiency and quality of the Property Projects and further the positive development of the Group's property businesses. Accordingly, the Company considers that the entering into of the Wanhua No.1 Loan Agreement will bring the aforementioned benefits to the Group's Foshan Wanhua Project.

The terms of the Wanhua No.1 Loan Agreement (including the basis for calculating the Interest Return) were arrived at after arm's length negotiations between the Foshan Project Company and the Wanhua No.1 Partnership.

Having considered the reasons and benefits aforementioned, the Directors (including the independent non-executive Directors) are of the view that (i) the Wanhua No.1 Loan Agreement is conducive to the Group's development, hence conducted its ordinary and usual course of business, and on normal commercial terms; and (ii) the terms of the Wanhua No.1 Loan Agreement are fair and reasonable, and are in the interests of the Company and the Shareholders as a whole.

LISTING RULES IMPLICATIONS

As disclosed in the section headed "Information on the Wanhua No.1 Partnership" in this announcement, certain partners of the Wanhua No.1 Partnership are or controlled by directors of the Company and/or its subsidiaries, hence connected persons of the Company under Chapter 14A of the Listing Rules. Accordingly, the Wanhua No.1 Loan Agreement constitutes a connected transaction of the Company under Chapter 14A of the Listing Rules.

As the highest applicable percentage ratio in respect of the Wanhua No.1 Loan Agreement calculated pursuant to the Listing Rules is more than 0.1% but all of the applicable percentage ratios are less than 5%, the Wanhua No.1 Loan Agreement is therefore subject to the reporting and announcement requirements under the Listing Rules, but is exempt from the independent shareholders' approval requirement.

Mr. XU Yeqin, Mr. LI Yonggang and Mr. ZHANG Jun, being the Directors, are also limited partners of the Wanhua No.1 Partnership. All of the abovementioned Directors present at the relevant Board meeting abstained from voting on the relevant Board resolutions to approve the Wanhua No.1 Loan 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 Wanhua No.1 Loan Agreement and the transactions contemplated thereunder.

DEFINITIONS

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

"Actual Project IRR"	the actual internal rate of return of the Foshan Wanhua Project as calculated by the Foshan Project Company
"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 Partners"	has the meaning ascribed to it under the section headed "Information on the Wanhua No.1 Partnership" in this announcement
"connected person(s)"	has the meaning ascribed to it under the Listing Rules
"Contribution Factor"	has the meaning ascribed to it under the section headed "Wanhua No.1 Loan Agreement – Principal and Interest Return" in this announcement

"Director(s)"	the director(s) of the Company
"Expected Interest Return"	has the meaning ascribed to it under the section headed "Wanhua No.1 Loan Agreement – Principal and Interest Return" in this announcement
"Expected Project IRR"	the internal rate of return of the Foshan Wanhua Project as estimated by the Foshan Project Company
"Foshan Land"	a parcel of land located at west of Wenhua Road, south of Liming 2nd Road, Chancheng District, Foshan City, the PRC (No. TD2020(CC)WG0022), the land use rights of which are held by the Foshan Project Company
"Foshan Project Company"	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
"Foshan Wanhua Project"	has the meaning ascribed to it under the section headed "Reasons for and benefits of entering into the Wanhua No.1 Loan Agreement" in this announcement
"General Partner"	珠海置勝投資有限公司 (Zhuhai Zhisheng Investment Company Limited), a company established in the PRC with limited liability
"Group"	the Company and its subsidiaries
"Guangdong Holdings Group"	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, and its subsidiaries (including the Group)
"HK$"	Hong Kong dollars, the lawful currency of Hong Kong
"Hong Kong"	the Hong Kong Special Administrative Region of the PRC
"Interest Return"	has the meaning ascribed to it under the section headed "Wanhua No.1 Loan Agreement – Principal and Interest Return" in this announcement
"IRR Percentage Difference"	has the meaning ascribed to it under the section headed "Wanhua No.1 Loan Agreement – Principal and Interest Return" in this announcement
"Listing Rules"	the Rules Governing the Listing of Securities on the Stock Exchange, as amended from time to time
"Loan"	has the meaning ascribed to it under the section headed

	"Introduction" in this announcement
"Loss"	has the meaning ascribed to it under the section headed "Wanhua No.1 Loan Agreement – Principal and Interest Return" in this announcement
"Participants"	has the meaning ascribed to it under the section headed "Reasons for and benefits of entering into the Wanhua No.1 Loan Agreement" in this announcement
"percentage ratio(s)"	has the meaning ascribed to it under the Listing Rules
"Performance Factor"	has the meaning ascribed to it under the section headed "Wanhua No.1 Loan Agreement – Principal and Interest Return" in this announcement
"RMB"	Renminbi, the lawful currency of the PRC
"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
"Principal"	has the meaning ascribed to it under the section headed "Wanhua No.1 Loan Agreement – Principal and Interest Return" in this announcement
"Profit"	has the meaning ascribed to it under the section headed "Wanhua No.1 Loan Agreement – Principal and Interest Return" in this announcement
"Property Project(s)"	has the meaning ascribed to it under the section headed "Reasons for and benefits of entering into the Wanhua No.1 Loan Agreement" in this announcement
"Property Project Co-investment Scheme"	has the meaning ascribed to it under the section headed "Reasons for and benefits of entering into the Wanhua No.1 Loan Agreement" in this announcement
"Sell-through Rate"	the percentage represented by dividing the aggregated value of the property units sold with the then total value of the saleable area of the Foshan Wanhua Project
"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
"Wanhua No.1 Partnership"	珠海置勝灣華一號投資合夥企業(有限合夥) (Zhuhai Zhisheng Wanhua No.1 Partnership Enterprise (Limited

	Partnership)), a limited partnership enterprise established in the PRC
"Wanhua No.1 Loan Agreement"	the loan agreement entered into between the Foshan Project Company (as borrower) and the Wanhua No.1 Partnership (as lender) on 16 April 2021 in relation to, among other things, the provision of a loan in the amount of RMB4,440,000 (equivalent to approximately HK$5,282,000) by the Wanhua No.1 Partnership to the Foshan Project Company
"%"	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$1 to RMB0.8406. No representation is made that any amount in HK$ and RMB could be converted at such rate.

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

Hong Kong, 16 April 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.