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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)

Announcement

Continuing Connected Transactions in relation to Property Leasing Services Agreements

On 15 January 2021, Guangdong Yuehai Land (an indirect wholly-owned subsidiary of the Company) and GDH Teem (an indirect non-wholly owned subsidiary of GDI, the immediate controlling shareholder of the Company, and hence a connected person of the Company) entered into the Guangdong Land Buxin Project Property Leasing Services Agreement. The transaction contemplated under the Guangdong Land Buxin Project Property Leasing Services Agreement constitutes a continuing connected transaction of the Company under Chapter 14A of the Listing Rules.

On 24 December 2020, Guangdong Property Development (an indirect wholly-owned subsidiary of the Company) and Teem Management Co (an indirect wholly-owned subsidiary of Guangdong Holdings, the ultimate controlling shareholder of the Company, and hence a connected person of the Company) had entered into the Laurel House Nursery Property Leasing Services Agreement. The transaction contemplated under the Laurel House Nursery Property Leasing Services Agreement constituted a continuing connected transaction of the Company under Chapter 14A of the Listing Rules, which, on a standalone basis, was fully exempt from the annual review, announcement and independent shareholders' approval requirements under the Listing Rules.

The Guangdong Land Buxin Project Property Leasing Services Agreement has been aggregated with the Laurel House Nursery Property Leasing Services Agreement pursuant to the Listing Rules on the basis that both of them relate to the provision of property leasing services by the Guangdong Holdings Group to the Group. As the highest applicable percentage ratio (on an aggregated basis) in respect of the Property Leasing Services Agreements calculated pursuant to the Listing Rules is more than 0.1% but all of the applicable percentage ratios are less than 5%, the Property Leasing 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.

GUANGDONG LAND BUXIN PROJECT PROPERTY LEASING SERVICES AGREEMENT

On 15 January 2021, Guangdong Yuehai Land (an indirect wholly-owned subsidiary of the Company) and GDH Teem (an indirect non-wholly owned subsidiary of GDI, the controlling shareholder of the Company, and hence a connected person of the Company) entered into the Guangdong Land Buxin Project Property Leasing Services Agreement in relation to, among other things, the provision of property leasing services by GDH Teem to Guangdong Yuehai Land.

A summary of the salient terms of the Guangdong Land Buxin Project Property Leasing Services Agreement is set out below: -

Date:	15 January 2021
Parties:	(a) Guangdong Yuehai Land (b) GDH Teem
Term:	16 January 2021 to 15 January 2022
Subject matter:	GDH Teem shall (i) grant the right to use the name of "天河城" for the commercial and shopping center under the Buxin Project (the "**Property**") and (ii) provide property leasing services in respect of the Property, to Guangdong Yuehai Land.
Naming Fee and payment terms:	During the term of the agreement, GDH Teem shall grant the right to Guangdong Yuehai Land to use the name of "天河城" for the Property, and Guangdong Yuehai Land shall pay GDH Teem a fee (the "**Naming Fee**") in the amount of RMB1,500,000 (equivalent to approximately HK$1,799,000) annually. The Naming Fee shall be payable by Guangdong Yuehai Land to GDH Teem within 15 working days from the day of Guangdong Yuehai Land's receipt of the relevant invoice issued by GDH Teem, after the signing of the agreement. The Naming Fee is determined after arm's length negotiation between the relevant parties after considering the market naming fees of similar premises in the neighbouring locations of the Property.
Leasing Service Fee and payment terms:	GDH Teem shall provide property leasing services, in respect of the Property, such as planning for the market positioning strategies of the Property and assessing the tenant mix, tenant referral, providing design consultancy services, and planning and implementing marketing activities of the Property; and Guangdong Yuehai Land shall pay GDH Teem the delegated property management service fee (which is essentially the fee for the said property leasing services and referred to as "**Leasing Service Fee**" hereinafter) at RMB200,000 (equivalent to approximately HK$240,000) per month .

The Leasing Service Fee shall be payable monthly by Guangdong Yuehai Land to GDH Teem within 15 working days from the day of Guangdong Yuehai Land's receipt of the relevant invoice issued by GDH Teem.

The Leasing Service Fee is determined after arm's length negotiation between the relevant parties, after considering (i) the salary and benefits of labour involved in the relevant property leasing services abovementioned, and (ii) the prevailing market rates for similar services.

Leasing commission and payment terms:

Calculation of leasing commission

For every tenant in the Property having entered into a tenancy agreement (with a term of 24 months or longer) during the period from 16 January 2021 to 31 December 2021, GDH Teem shall charge Guangdong Yuehai Land the leasing commission, calculated as follows:

(1) for the tenancies based on (i) fixed rent and (ii) the higher of the fixed rent and turnover rent, (a) in respect of the Northern Land under the Buxin Project (the "**Northern Land**"), a leasing commission equivalent to 1.3 times to 1.7 times of the relevant average monthly rent (depending on the relevant letting rate being calculated in accordance with the term of the agreement) and (b) in respect of the Southern Land under the Buxin Project (the "**Southern Land**"), a leasing commission equivalent to 1.5 times of the relevant average monthly rent; and

(2) for the tenancies based on turnover rent, (a) in respect of the Northern Land, a leasing commission equivalent to 1.3 times to 1.7 times of the relevant average monthly rent (depending on the relevant letting rate being calculated in accordance with the term of the agreement) and (b) in respect of the Southern Land, a leasing commission equivalent to 1.5 times of the relevant average monthly rent.

Payment terms of leasing commission

(1) In respect of the tenancies based on (i) fixed rent and (ii) the higher of the fixed rent and turnover rent, GDH Teem shall charge the leasing commission on a monthly basis which shall be calculated on the 5th calendar day of each month based on 1.3 times or 1.5 times (in respect of the Northern Land and the Southern Land, respectively) of the total relevant rent of the previous month. Guangdong Yuehai Land shall pay GDH Teem within 15 working days from the day of Guangdong Yuehai Land's receipt of the relevant invoice issued by GDH Teem. In addition, only in respect of the Northern Land, before 31 March 2022, Guangdong Yuehai Land and GDH Teem shall calculate the actual annual leasing commission to be charged

by GDH Teem according to the relevant letting rate for the period from 16 January 2021 to 31 December 2021. If the relevant leasing commission payable by Guangdong Yuehai Land is higher than the amount already paid, Guangdong Yuehai Land shall pay the shortfall to GDH Teem before 31 March 2022.

(2) In respect of the tenancies based on turnover rent, the relevant leasing commission shall be payable on an annual basis by Guangdong Yuehai Land to GDH Teem. Before 31 March 2022, Guangdong Yuehai Land and GDH Teem shall calculate the actual annual leasing commission, in respect of the Northern Land, according to the relevant average monthly rent and the relevant letting rate for the period from 16 January 2021 to 31 December 2021, and in respect of the Southern Land, according to 1.5 times of the relevant average monthly rent for the said period; and Guangdong Yuehai Land shall pay the relevant leasing commission to GDH Teem.

The leasing commission is determined after arm's length negotiation between the relevant parties, after considering (i) the estimated monthly leasing income and letting rate, and (ii) the prevailing market rates for similar services. The leasing commission for the period from 16 January 2021 to 31 December 2021 is estimated to be RMB8,850,000 (equivalent to approximately HK$10,617,000).

Annual cap: The transaction cap amount for the period from 16 January 2021 to 31 December 2021 is set at RMB12,650,000 (equivalent to approximately HK$15,175,000); and the transaction cap amount for the period from 1 January 2022 to 15 January 2022 is set at RMB350,000 (equivalent to approximately HK$420,000).

The relevant transaction caps have been set based on (i) the Naming Fee and (ii) the Leasing Service Fee, and/or (iii) the estimated leasing commission, for the relevant periods, which are expected to be paid by Guangdong Yuehai Land to GDH Teem under the Guangdong Land Buxin Project Property Leasing Services Agreement.

LAUREL HOUSE NURSERY PROPERTY LEASING SERVICES AGREEMENT

On 24 December 2020, Guangdong Property Development (an indirect wholly-owned subsidiary of the Company) and Teem Management Co (an indirect wholly-owned subsidiary of Guangdong Holdings, the ultimate controlling shareholder of the Company, and hence a connected person of the Company) had entered into the Laurel House Nursery Property Leasing Services Agreement. The transaction contemplated under the Laurel House Nursery Property Leasing Services Agreement constituted a continuing connected transaction of the Company under Chapter 14A of the Listing Rules, which, on a standalone basis, was fully exempt from the annual review, announcement and independent shareholders' approval requirements under the Listing Rules.

A summary of the salient terms of the Laurel House Nursery Property Leasing Services Agreement is set out below: -

Date: 24 December 2020

Parties:
(a) Guangdong Property Development
(b) Teem Management Co

Term: 1 January 2021 to 31 December 2023

Subject matter: Teem Management Co shall provide property leasing services such as tenant referral, daily operation management, consumer relations management, tenant relations management and recovery of outstanding rent, in respect of the Laurel House Nursery, to Guangdong Property Development.

Service fee: The service fee shall be charged at 11% to 16% of the actual leasing income derived from the relevant tenancies in respect of the Laurel House Nursery. The percentage level of the service fee to be received by Teem Management Co depends on the fulfilment of the leasing income target set for each of the three years ending 31 December 2023.

Payment terms: Teem Management Co shall charge the minimum service fee on a quarterly basis, which shall be calculated based on 11% of the actual leasing income received by Guangdong Property Development for each quarter of the year, and Guangdong Property Development shall pay such minimum service fee to Teem Management Co at the end of each quarter. Before 31 March of each year during the term of the agreement, Guangdong Property Development and Teem Management Co shall calculate the relevant annual service fee to be charged by Teem Management Co according to the annual financial results of Guangdong Property Development. If the relevant amount of annual service fee payable by Guangdong Property Development is higher than the amount already paid, Guangdong Property Development shall pay the shortfall to Teem Management Co before 31 March of the relevant year.

The service fee is determined after arm's length negotiation between the relevant parties, after considering (i) the expected annual leasing income and letting rate, and (ii) the prevailing market rates for similar services.

Based on the expected annual leasing income and the service fee to be charged by Teem Management Co at a maximum of 16%, the service fees to be paid by Guangdong Property Development to Teem Management Co are estimated to be as follows:

For the year ending 31 December 2021	:	RMB53,407 (equivalent to approximately HK$64,000)

	For the year ending 31 December 2022	: RMB128,177 (equivalent to approximately HK$154,000)
	For the year ending 31 December 2023	: RMB131,382 (equivalent to approximately HK$158,000)

Annual cap: RMB150,000 (equivalent to approximately HK$180,000) for each of the three years ending 31 December 2023.

The annual cap has been set with reference to the estimated annual service fee calculated based on the highest expected annual leasing income among each of the three years ending 31 December 2023, to be paid by Guangdong Property Development to Teem Management Co under the Laurel House Nursery Property Leasing Services Agreement.

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

GDH Teem and Teem Management Co are both principally engaged in providing property leasing services in the PRC and have extensive experience in the industry. By entering into the Property Leasing Services Agreements, the Group will enjoy the quality property leasing services provided to it by GDH Teem and Teem Management Co.

In light of the above, the Directors (including the independent non-executive Directors) consider that the terms of the Property Leasing Services Agreements and the transactions contemplated thereunder and their respective annual caps 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 LEASING SERVICES AGREEMENTS

Information on Guangdong Yuehai Land

Guangdong Yuehai Land is a limited liability company established in the PRC. 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. 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 GDH Teem

GDH Teem is a limited liability company established in the PRC. It is principally engaged in investment holding, providing property leasing services, property investment and development, department store operation, hotel ownership and operation and is indirectly held as to approximately 76.13% by GDI effectively, as to approximately 14.01% by 廣州市城市建設開發集團有限公司 (Guangzhou City Construction & Development Holdings Ltd., which in turn is indirectly wholly-owned by the Guangzhou Municipal Government), as to approximately 5.04% by 廣東潤達資產經營有限公司 (Guangdong Runda Assets Management Co., Ltd., which in turn is indirectly wholly-owned by the Guangzhou Municipal Government), as to approximately 3.26% by 廣州市設計院 (Guangzhou Design Institute, which in turn is indirectly wholly-owned by the Guangzhou Municipal Government), as to approximately 1.17% by 廣東省工業設備安裝有限公司 (Guangdong Industrial Equipment Installation Co., Ltd., which in turn is indirectly wholly-owned by the Guangzhou Municipal Government), and as to approximately 0.39% by Mr. ZHANG Ping on behalf of certain employees or ex-employees of GDH Teem.

Information on GDI

GDI is the immediate controlling shareholder of the Company and is a company incorporated in Hong Kong with limited liability. It is 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. Its ultimate controlling shareholder is Guangdong Holdings.

Information on Teem Management Co

Teem Management Co is a limited liability company established in the PRC. It is principally engaged in property management business and providing property leasing services 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

GDI is the immediate controlling shareholder of the Company and is an indirect non-wholly owned subsidiary of Guangdong Holdings. Accordingly, GDH Teem (a non-wholly owned subsidiary of GDI) is an associate of GDI and hence a connected person of the Company. Therefore, the transaction contemplated under the Guangdong Land Buxin Project Property Leasing Services Agreement constitutes a continuing connected transaction of the Company under Chapter 14A of the Listing Rules. On a standalone basis, as the highest applicable percentage ratio in respect of the Guangdong Land Buxin Project Property Leasing Services Agreement calculated pursuant to the Listing Rules is more than 0.1% but all of the applicable percentage ratios are less than 5%, the Guangdong Land Buxin Project Property Leasing Services Agreement is therefore subject to the annual review and announcement requirements under the Listing Rules, but are exempt from the independent shareholders' approval requirement.

Guangdong Holdings is the ultimate controlling shareholder of the Company. Accordingly Teem Management Co (an indirect wholly-owned subsidiary of Guangdong Holdings) is an associate of Guangdong Holdings and hence a connected person of the Company. Therefore, the transaction contemplated under the Laurel House Nursery Property Leasing Services Agreement constitutes a continuing connected transaction of the Company under Chapter 14A of the Listing Rules. On a standalone basis, since all of the applicable percentage ratios in respect of the Laurel House Nursery Property Leasing Services Agreement calculated pursuant to the Listing Rules are less than 0.1%, the Laurel House Nursery Property Leasing Services Agreement was fully exempt from the annual review, announcement and independent shareholders' approval requirements under the Listing Rules.

The Guangdong Land Buxin Project Property Leasing Services Agreement has been aggregated with the Laurel House Nursery Property Leasing Services Agreement pursuant to the Listing Rules on the basis that both of them relate to the provision of property leasing services by the Guangdong Holdings Group to the Group. As the highest applicable percentage ratio (on an aggregated basis) in respect of the Property Leasing Services Agreements calculated pursuant to the Listing Rules is more than 0.1% but all of the applicable percentage ratios are less than 5%, the Property Leasing 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 meetings abstained from voting on the relevant Board resolutions to approve the Property Leasing 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 Leasing 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
"GDH Teem"	廣東粵海天河城（集團）股份有限公司 (GDH Teem (Holdings) Limited), a limited liability company established in the PRC and an indirect non-wholly owned subsidiary of GDI
"GDI"	Guangdong Investment Limited (粵海投資有限公司), a company incorporated in Hong Kong with limited liability, the shares of which are listed on the Main Board of the Stock Exchange and the immediate controlling shareholder 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 Land Buxin Project Property Leasing Services Agreement"	the agreement dated 15 January 2021, entered into between Guangdong Yuehai Land and GDH Teem in relation to, among other things, the provision of property leasing services in respect of the Property by GDH Teem to Guangdong Yuehai Land
"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
"Laurel House Nursery"	the property located at Level 1-2, Block 1, Yuehai Laurel House Southern District (粵海拾桂府南區), 43-79 Zhuguang Road, Yuexiu District (越秀區珠光路 43-79 號) in Guangzhou, the PRC
"Laurel House Nursery Property Leasing Services Agreement"	the agreement dated 24 December 2020, entered into between Guangdong Property Development and Teem Management Co in relation to the provision of property leasing services in respect of the Laurel House Nursery by Teem Management Co to Guangdong Property Development

"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
"Property"	has the meaning ascribed to it under the section headed "Guangdong Land Buxin Project Property Leasing Services Agreement" in this announcement
"Property Leasing Services Agreements"	the Laurel House Nursery Property Leasing Services Agreement and the Guangdong Land Buxin Project Property Leasing Services Agreement
"RMB"	Renminbi, the lawful currency of the PRC
"Stock Exchange"	The Stock Exchange of Hong Kong Limited
"subsidiary(ies)"	has the meaning ascribed to it under the Listing Rules
"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
"%"	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 into Hong Kong dollars is based on the approximate exchange rate of HK$1 to RMB0.8336. No representation is made that any amount in HK$ and RMB could be converted at such rate.

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

Hong Kong, 15 January 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.