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粤海置地

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 the letting of certain sites for temporary carpark operations

On 15 July 2022, Jiangmen Yuehai Land (an indirect non-wholly owned subsidiary of the Company) (as lessor) and Yuehai Property Management (as lessee) entered into the Lease (Site A) Agreement pursuant to which Jiangmen Yuehai Land leases Site A to Yuehai Property Management for a term of one year for Yuehai Property Management to operate a temporary open-air carpark with a capacity of 300 car parking spaces.

In addition, on 15 April 2022, Jiangmen Yuehai Land (as lessor) and Yuehai Property Management (as lessee) entered into the Lease (Site B) Agreement pursuant to which Jiangmen Yuehai Land leases Site B to Yuehai Property Management for a term of one year for Yuehai Property Management to operate a temporary open-air carpark with a capacity of 700 car parking spaces.

Guangdong Holdings is the ultimate controlling shareholder of the Company, 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, therefore, it is a connected person of the Company. Accordingly, the transactions contemplated under the Lease Agreements constitute continuing connected transactions of the Company under Chapter 14A of the Listing Rules.

On a standalone basis, as all the applicable percentage ratios in respect of the Lease (Site A) Agreement are less than 0.1%, the said transaction is fully exempt from the annual review, announcement and independent shareholders' approval requirements under the Listing Rules. On a standalone basis, as all the applicable percentage ratios in respect of the Lease (Site B) Agreement are less than 5% and the highest annual cap set for the continuing connected transactions contemplated thereunder is less than HK$3,000,000, the said transaction is fully exempt from the annual review, announcement and independent shareholders' approval requirements under the Listing Rules.

On an aggregated basis, as the highest applicable percentage ratio in respect of the transactions under the Lease Agreements calculated pursuant to the Listing Rules is more than 0.1% but all of them are less than 5%, the Lease Agreements are therefore subject to the annual review and announcement requirements under the Listing Rules, but are exempt from the independent shareholders' approval requirement.

A. LEASE (SITE A) AGREEMENT

On 15 July 2022, Jiangmen Yuehai Land (an indirect non-wholly owned subsidiary of the Company) (as lessor) and Yuehai Property Management (as lessee) entered into the Lease (Site A) Agreement pursuant to which Jiangmen Yuehai Land leases Site A to Yuehai Property Management for a term of one year for Yuehai Property Management to operate a temporary open-air carpark with a capacity of 300 car parking spaces.

A summary of the salient terms of the Lease (Site A) Agreement is set out below:

Date:	15 July 2022
Parties:	(a) Jiangmen Yuehai Land (as lessor) (b) Yuehai Property Management (as lessee)
Term:	One year, from 15 July 2022 to 14 July 2023
Leased premises:	A parcel of land (which was the southeast part of the old sugarcane chemical factory in Jiangmen City) located at the north of Jiangmen Central Hospital, Baisha Sub-district, Pengjiang District, Jiangmen City, Guangdong Province, the PRC with a site area of 8,950.46 sq. m. ("**Site A**")
Use:	Yuehai Property Management shall only use Site A to operate a carpark ("**Site A Carpark**").
Rent:	The rent payable by Yuehai Property Management to Jiangmen Yuehai Land on a monthly basis shall be in the amount equal to 75% of the revenue of the Site A Carpark. Before the 7th business day of each month, Yuehai Property Management shall provide the revenue breakdown in respect of the Site A Carpark for the previous month to Jiangmen Yuehai Land for its confirmation and issuance of invoice. Yuehai Property Management shall pay the relevant rent to Jiangmen Yuehai Land within 15 business days from the date of receipt of the relevant invoice issued by Jiangmen Yuehai Land. All costs and outgoings (including utility charges, salaries for the carpark staff, etc.) arising out of the use of Site A shall be borne by Yuehai Property Management. The rate of the rent in respect of the Lease (Site A) Agreement was determined based on arm's length negotiations between the parties after taking into account that (i) the variable rent model based on revenue sharing is a common commercial term for the leasing of sites for the purpose of operating carparks, (ii) the market rates of the rent for similar type of lease agreements in respect of the land parcels located in Jiangmen City, Guangdong Province, the PRC and (iii) the rate (i.e. 75%) under the Lease (Site A) Agreement is no less favorable than those in the fee quotes obtained by the Group from other Independent Third Parties.

Deposit:	A deposit of RMB10,000 (equivalent to approximately HK$12,000) is payable by Yuehai Property Management to Jiangmen Yuehai Land within 15 days after the signing of the Lease (Site A) Agreement.

Caps and basis of determination

There is no historical transaction amount for the transactions in respect of the letting of Site A under the Lease (Site A) Agreement.

The relevant caps for the transactions contemplated under the Lease (Site A) Agreement have been set as:

(a) RMB554,000 (equivalent to approximately HK$644,000) for the period from 15 July 2022 to 31 December 2022; and

(b) RMB924,000 (equivalent to approximately HK$1,075,000) for the period from 1 January 2023 to 14 July 2023.

The above caps for the transactions contemplated under the Lease (Site A) Agreement have been determined after taking into account the estimated revenue of the Site A Carpark as calculated based on (i) the number of car parking spaces of the Site A Carpark, (ii) the hourly parking fee of the Site A Carpark as set by Jiangmen Yuehai Land with reference to the hourly parking fees of the carparks in the vicinity and (iii) the expected utilisation rate of the Site A Carpark, for the period from 15 July 2022 to 31 December 2022 and the period from 1 January 2023 to 14 July 2023, respectively.

B. LEASE (SITE B) AGREEMENT

On 15 April 2022, Jiangmen Yuehai Land (as lessor) and Yuehai Property Management (as lessee) entered into the Lease (Site B) Agreement pursuant to which Jiangmen Yuehai Land leases Site B to Yuehai Property Management for a term of one year for Yuehai Property Management to operate a temporary open-air carpark with a capacity of 700 car parking spaces. On a standalone basis, as all the applicable percentage ratios in respect of the Lease (Site B) Agreement are less than 5% and the highest annual cap set for the continuing connected transactions contemplated thereunder is less than HK$3,000,000, the said transactions are fully exempt from the annual review, announcement and independent shareholders' approval requirements under the Listing Rules.

A summary of the salient terms of the Lease (Site B) Agreement is set out below:

Date:	15 April 2022
Parties:	(a) Jiangmen Yuehai Land (as lessor) (b) Yuehai Property Management (as lessee)
Term:	One year, from 16 April 2022 to 15 April 2023
Leased premises:	A parcel of land located at the north of Gantang Road, Baisha Sub-district, Pengjiang District, Jiangmen City, Guangdong Province, the PRC with a site area of 10,500 sq. m. ("**Site B**")
Use:	Yuehai Property Management shall only use Site B to operate a carpark ("**Site B Carpark**").

Rent:	The rent payable by Yuehai Property Management to Jiangmen Yuehai Land on a monthly basis shall be in the amount equal to 75% of the revenue of the Site B Carpark. Before the 7th business day of each month, Yuehai Property Management shall provide the revenue breakdown in respect of the Site B Carpark for the previous month to Jiangmen Yuehai Land for its confirmation and issuance of invoice. Yuehai Property Management shall pay the relevant rent to Jiangmen Yuehai Land within 15 business days from the date of receipt of the relevant invoice issued by Jiangmen Yuehai Land. All costs and outgoings (including utility charges, salaries for the carpark staff, etc.) arising out of the use of Site B shall be borne by Yuehai Property Management. The rate of the rent in respect of the Lease (Site B) Agreement was determined based on arm's length negotiations between the parties after taking into account that (i) the variable rent model based on revenue sharing is a common commercial term for the leasing of sites for the purpose of operating carparks, (ii) the market rates of the rent for similar type of lease agreements in respect of the land parcels located in Jiangmen City, Guangdong Province, the PRC and (iii) the rate (i.e. 75%) under the Lease (Site B) Agreement is no less favorable than those in the fee quotes obtained by the Group from other Independent Third Parties.
Deposit:	A deposit of RMB20,000 (equivalent to approximately HK$23,000) is payable by Yuehai Property Management to Jiangmen Yuehai Land within 15 days after the signing of the Lease (Site B) Agreement.

Caps and basis of determination

There is no historical transaction amount for the transactions in respect of the letting of Site B under the Lease (Site B) Agreement.

The relevant caps for the transactions contemplated under the Lease (Site B) Agreement have been set as:

(a) RMB2,240,000 (equivalent to approximately HK$2,605,000) for the period from 16 April 2022 to 31 December 2022; and

(b) RMB930,000 (equivalent to approximately HK$1,082,000) for the period from 1 January 2023 to 16 April 2023.

The above caps for the transactions contemplated under the Lease (Site B) Agreement have been determined after taking into account the estimated revenue of the Site B Carpark as calculated based on (i) the number of car parking spaces of the Site B Carpark, (ii) the hourly parking fee of the Site B Carpark as set by Jiangmen Yuehai Land with reference to the hourly parking fees of the carparks in the vicinity and (iii) the expected utilisation rate of the Site B Carpark, for the period from 16 April 2022 to 31 December 2022 and the period from 1 January 2023 to 16 April 2023, respectively.

C. REASONS FOR AND BENEFITS OF ENTERING INTO THE LEASE AGREEMENTS

Yuehai Property Management is principally engaged in real estate agency services, property rental services and property management businesses in the PRC and is experienced in operating carparks in the PRC. The site formation work in respect of Site A and Site B has been completed and, according to Jiangmen Yuehai Land's property development plan, development is scheduled to commence by phases in the near future. By leasing the Sites to Yuehai Property Management for it to operate open-air carparks on a temporary basis, the Group will be able to generate income from the currently vacant Sites without incurring modification costs, before the relevant property development works commence. Since Jiangmen Yuehai Land does not have a team of employees specializing in carpark operations, the Company believes that by leasing the Sites to Yuehai Property Management, it will lower the Group's operational risks as Jiangmen Yuehai Land is not required to build a temporary team for a short period, and it will enable the Group to generate an income.

In light of the above reasons, the Directors (including the independent non-executive Directors) consider that the terms of each of the Lease 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.

D. INFORMATION ON JIANGMEN YUEHAI LAND AND THE COMPANY

Information on Jiangmen Yuehai Land

Jiangmen Yuehai Land 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. 51% of the equity interest of Jiangmen Yuehai Land is held by a wholly-owned subsidiary of the Company and the remaining 49% equity interest is held by a wholly-owned subsidiary of Guangdong Holdings (which is the ultimate controlling shareholder of the Company).

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 ultimate controlling shareholder of the Company is Guangdong Holdings.

E. INFORMATION ON YUEHAI PROPERTY MANAGEMENT AND 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 real estate agency services, 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, the equity interest of Yuehai Property Management is held as to 92% by Guangdong Holdings, as to 6% by the Company and as to 2% 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 39.99% by YANG Jiarui (楊珈睿) and as to approximately 18.79% in aggregate by four 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 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.

F. LISTING RULES IMPLICATIONS

Guangdong Holdings is the ultimate controlling shareholder of the Company, 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, therefore, it is a connected person of the Company. Accordingly, the transactions contemplated under each of the Lease Agreements constitute continuing connected transactions of the Company under Chapter 14A of the Listing Rules.

On a standalone basis, as all the applicable percentage ratios in respect of the Lease (Site A) Agreement are less than 0.1%, the said transaction is fully exempt from the annual review, announcement and independent shareholders' approval requirements under the Listing Rules. On a standalone basis, as all the applicable percentage ratios in respect of the Lease (Site B) Agreement are less than 5% and the highest annual cap set for the continuing connected transactions contemplated thereunder is less than HK$3,000,000, the said transaction is fully exempt from the annual review, announcement and independent shareholders' approval requirements under the Listing Rules.

The Lease Agreements have been aggregated pursuant to the Listing Rules on the basis that they relate to the leasing of two parcels of land which are adjacent to each other by Jiangmen Yuehai Land to Yuehai Property Management for operating temporary carparks. On an aggregated basis, as the highest applicable percentage ratio in respect of the transactions under the Lease Agreements calculated pursuant to the Listing Rules is more than 0.1% but all of them are less than 5%, the Lease Agreements are therefore subject to the annual review and announcement requirements under the Listing Rules, but are exempt from the independent shareholders' approval requirement.

In respect of the Lease (Site A) Agreement, as Mr. LAN Runing, Mr. LI Yonggang, Mr. JIAO Li and Ms. ZHU Guang (who was an executive Director on the date of the relevant Board meeting), being the Directors, are directors of certain subsidiaries of Guangdong Holdings, they have abstained from voting on the relevant Board resolutions approving the Lease (Site A) Agreement and the transactions contemplated thereunder at the relevant Board meeting. 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 Lease (Site A) Agreement and the transactions contemplated thereunder.

In respect of the Lease (Site B) Agreement, as Mr. LAN Runing, Mr. LI Yonggang, Mr. JIAO Li and Ms. ZHU Guang (who was an executive Director on the date of the relevant Board meeting), being the Directors, are directors of certain subsidiaries of Guangdong Holdings, they have abstained from voting on the relevant Board resolutions approving the Lease (Site B) Agreement and the transactions contemplated thereunder at the relevant Board meeting. 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 Lease (Site B) Agreement and the transactions contemplated thereunder.

G. 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
"Group"	the Company and its subsidiaries from time to time
"Guangdong Government"	has the meaning ascribed to it under the section headed "E. Information on Yuehai Property Management and Guangdong Holdings – Information on Guangdong Holdings" in this announcement
"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
"HK$"	Hong Kong dollars, the lawful currency of Hong Kong
"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
"Independent Third Party(ies)"	independent third party(ies) who is/are not connected person(s) of the Company and is/are independent of and not connected with the Company and directors, chief executive, controlling shareholders and substantial shareholders of the Company or any of its subsidiaries or their respective associates
"Jiangmen Yuehai Land"	江門粵海置地有限公司 (Jiangmen Yuehai Land Co., Ltd.), a company established in the PRC with limited liability and an indirect non-wholly owned subsidiary of the Company
"Lease (Site A) Agreement"	the lease agreement dated 15 July 2022 and entered into between Jiangmen Yuehai Land (as lessor) and Yuehai Property Management (as lessee) in respect of Site A
"Lease (Site B) Agreement"	the lease agreement dated 15 April 2022 and entered into between Jiangmen Yuehai Land (as lessor) and Yuehai Property Management (as lessee) in respect of Site B
"Lease Agreements"	the Lease (Site A) Agreement and the Lease (Site B) Agreement
"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 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
"sq. m."	square metres
"Site A"	has the meaning ascribed to it under the section headed "A. Lease (Site A) Agreement – Leased premises" in this announcement
"Site A Carpark"	has the meaning ascribed to it under the section headed "A. Lease (Site A) Agreement – Use" in this announcement
"Site B"	has the meaning ascribed to it under the section headed "B. Lease (Site B) Agreement – Leased premises" in this announcement
"Site B Carpark"	has the meaning ascribed to it under the section headed "B. Lease (Site B) Agreement – Use" in this announcement
"Sites"	Site A and Site B

"Stock Exchange"	The Stock Exchange of Hong Kong Limited
"subsidiary(ies)"	has the meaning ascribed to it under the Listing Rules
"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. As at the date of this announcement, the equity interest of Yuehai Property Management is held as to 92% by Guangdong Holdings, as to 6% by the Company and as to 2% by Huaxin
"%"	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$1 to RMB0.8599. No representation is made that any amount in HK$ and RMB could be converted at such rate.

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

Hong Kong, 15 July 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.