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GUANGDONG INVESTMENT LIMITED
(粵 海 投 資 有 限 公 司)

(Incorporated in Hong Kong with limited liability)

(Stock Code: 00270)

CONTINUING CONNECTED TRANSACTIONS

PROPERTY MANAGEMENT AGREEMENTS

Reference is made to the announcement of the Company dated 1 September 2020 in relation to connected transaction and continuing connected transactions.

On 26 March 2021, the GD Land Group and the Guangdong Holdings Group entered into the New Property Management Agreements concerning the provision of property management services by the Guangdong Holdings Group to the GD Land Group.

The New Property Management Agreements and the Signed Property Management Agreements have been aggregated for the Listing Rules purposes on the basis that they all relate to the property management and/or related services provided by the associates of Guangdong Holdings to the Group. As the highest applicable percentage ratio (on an aggregated basis) in respect of the transactions contemplated under the New Property Management Agreements and the Signed Property Management Agreements calculated pursuant to the Listing Rules exceeds 0.1% but all of the ratios are less than 5%, therefore, the New Property Management Agreements and the Signed Property Management Agreements are subject to the reporting and announcement requirements, but are exempt from the independent shareholders' approval requirement under Rule 14A.76(2) of the Listing Rules.

This announcement sets out, amongst other things, the details concerning the New Property Management Agreements and the Signed Property Management Agreements, including the background and the reasons for entering into the same, the historical transaction values (where applicable), the annual caps and how these were determined.

BACKGROUND

Reference is made to the announcement of the Company dated 1 September 2020 in relation to connected transaction and continuing connected transactions.

On 26 March 2021, the GD Land Group and the Guangdong Holdings Group entered into the New Property Management Agreements concerning the provision of property management services by the Guangdong Holdings Group to the GD Land Group.

A summary of the New Property Management Agreements is set out below: -

	Connected person	The relationship between the connected person and the Group	Nature of transaction
1. Second Buji Factory Property Services Agreement	Yuehai Yueshenghuo	An indirect wholly-owned subsidiary of Guangdong Holdings (the ultimate controlling shareholder of the Company)	Provision of property management services by Yuehai Yueshenghuo to Yuehai Technology (a non-wholly owned subsidiary of the Company)
2. Second Shiyan Factory Property Services Agreement	Yuehai Yueshenghuo	An indirect wholly-owned subsidiary of Guangdong Holdings (the ultimate controlling shareholder of the Company)	Provision of property management services by Yuehai Yueshenghuo to Yuehai Technology (a non-wholly owned subsidiary of the Company)
3. Yuecai City North Tower Sales Centre and Sample Units Display Zone Property Management Agreement	Teem Management Co	An indirect wholly-owned subsidiary of Guangdong Holdings (the ultimate controlling shareholder of the Company)	Provision of property management services by Teem Management Co Guangdong Yuehai Land (a non-wholly owned subsidiary of the Company)
4. Yiguifu Preliminary Property Services Agreement	Yuehai Property Management	A direct wholly-owned subsidiary of Guangdong Holdings (the ultimate controlling shareholder of the Company)	Provision of property management services by Yuehai Property Management to GDL Jiangmen (a non-wholly owned subsidiary of the Company)
5. Yuehai Laurel House Preliminary Property Services Agreement	Yuehai Property Management	A direct wholly-owned subsidiary of Guangdong Holdings (the ultimate controlling shareholder of the Company)	Provision of property management services by Yuehai Property Management to Jiangmen Yuehai Land (a non-wholly owned subsidiary of the Company)
6. Jiangmen GDH City Project Site (Sales Centre and Sample Units) Property Services Agreement	Yuehai Property Management	A direct wholly-owned subsidiary of Guangdong Holdings (the ultimate controlling shareholder of the Company)	Provision of property management services by Yuehai Property Management to Jiangmen Yuehai Land (a non-wholly owned subsidiary of the Company)

The annual caps of the New Property Management Agreement are as follow:

	Annual Cap			
	2021 (RMB)	2022 (RMB)	2023 (RMB)	2024 (RMB)
1. Second Buji Factory Property Services Agreement	610,000	810,000	210,000	-
2. Second Shiyan Factory Property Services Agreement	330,000	440,000	110,000	-
3. Yuecai City North Tower Sales Centre and Sample Units Display Zone Property Management Agreement	4,000,000	1,500,000	-	-
4. Yiguifu Preliminary Property Services Agreement	-	1,500,000	2,300,000	800,000
5. Yuehai Laurel House Preliminary Property Services Agreement	-	1,200,000	2,000,000	1,400,000
6. Jiangmen GDH City Project Site (Sales Centre and Sample Units) Property Services Agreement	6,000,000	-	-	-

A. THE NEW PROPERTY MANAGEMENT AGREEMENTS

1. Second Buji Factory Property Services Agreement

The First Buji Factory Property Services Agreement shall expire on 31 March 2021. On 26 March 2021, Yuehai Technology and Yuehai Yueshenghuo entered into the Second Buji Factory Property Services Agreement.

A summary of the salient terms of the Second Buji Factory Property Services Agreement is set out below: -

- Parties** : Yuehai Technology
Yuehai Yueshenghuo
- Term** : Two years, from 1 April 2021 to 31 March 2023 (both days inclusive)
- Services** : Yuehai Yueshenghuo shall provide to Yuehai Technology property management services, including security, building maintenance, fire safety, cleaning and utilities maintenance at the Buji Factory Property.
- Service Fees** : The service fees comprise: (i) property management costs, including security labour fees, cleaning and utilities fees, fire safety materials fees, special safety inspection and rectification fees, as well as property management tax; and (ii) the management remuneration fees, which are calculated at 10% of the total property management costs. The service fee is RMB55,968 per month.

The above service fees are determined after taking into account (i) the salaries and benefits of the labour involved in the relevant property management services; (ii) the costs and expenses of consumables for the provision of the relevant services; and (iii) the prevailing market rates for similar services.

The abovementioned service fees shall be settled by Yuehai Technology within 10 business days after receiving the invoice issued by Yuehai Yueshenghuo.

Historical transaction amounts

The table below summarises the actual transaction amounts of the relevant service fees under the First Buji Factory Property Services Agreement:

	From 1 April 2020 to 31 December 2020 (RMB)	From 1 January 2021 to 28 February 2021 (RMB)
Actual transaction amounts	660,393	146,754

The annual caps

Pursuant to the Second Buji Factory Property Services Agreement, the annual caps of the Group for the years of 2021 to 2023 are as follows:

	2021	2022	2023
	(RMB)	(RMB)	(RMB)
Annual Cap	610,000	810,000	210,000
	(equivalent to approximately HK\$724,982)	(equivalent to approximately HK\$962,681)	(equivalent to approximately HK\$249,584)

The annual caps have been set based on (i) the total service fees expected to be paid by Yuehai Technology under the Second Buji Factory Property Services Agreement to Yuehai Yueshenghuo; (ii) labour costs which may be adjusted according to the minimum wage standards set by the government; and (iii) the historical transaction amounts as set out above.

2. Second Shiyan Factory Property Services Agreement

The First Shiyan Factory Property Services Agreement shall expire on 31 March 2021. On 26 March 2021, Yuehai Technology and Yuehai Yueshenghuo entered into the Second Shiyan Factory Property Services Agreement.

A summary of the salient terms of the Second Shiyan Factory Property Services Agreement is set out below: -

- Parties** : Yuehai Technology
Yuehai Yueshenghuo
- Term** : Two years, from 1 April 2021 to 31 March 2023 (both days inclusive)
- Services** : Yuehai Yueshenghuo shall provide to Yuehai Technology property management services, such as security, building maintenance, fire safety, cleaning and utilities maintenance at the Shiyan Factory Property.
- Service Fees** : The service fees comprise: (i) property management costs, including security labour fees, cleaning and utilities fees, fire safety materials fees, special safety inspection and rectification fees, as well as property management tax; and (ii) the management remuneration fees, which are calculated at 10% of the total property management costs. The service fee is RMB30,316 per month.

The above service fees are determined after taking into account (i) the salaries and benefits of the labour involved in the relevant property management services; (ii) the costs and expenses of consumables for the provision of the relevant services; and (iii) the prevailing market rates for similar services.

The abovementioned service fees shall be settled by Yuehai Technology within 10 business days after receiving the invoice issued by Yuehai Yueshenghuo.

Historical transaction amounts

The table below summarises the actual transaction amounts of the relevant service fees under the First Shiyan Factory Property Services Agreement:

	From 1 April 2020 to 31 December 2020	From 1 January 2021 to 28 February 2021
	(RMB)	(RMB)
Actual transaction amounts	339,390	75,420

The annual caps

Pursuant to the Second Shiyan Factory Property Services Agreement, the annual caps of the Group for the years of 2021 to 2023 are as follows:

	2021	2022	2023
	(RMB)	(RMB)	(RMB)
Annual Cap	330,000	440,000	110,000
	(equivalent to approximately HK\$392,203)	(equivalent to approximately HK\$522,938)	(equivalent to approximately HK\$130,734)

The annual caps have been set based on (i) the total service fees expected to be paid by Yuehai Technology under the Second Shiyan Factory Property Services Agreement to Yuehai Yueshenghuo; (ii) labour costs which may be adjusted according to the minimum wage standards set by the government; and (iii) the historical transaction amounts as set out above.

3. Yuecai City North Tower Sales Centre and Sample Units Display Zone Property Management Agreement

On 26 March 2021, Guangdong Yuehai Land and Teem Management Co entered into the Yuecai City North Tower Sales Centre and Sample Units Display Zone Property Management Agreement.

A summary of the salient terms of the Yuecai City North Tower Sales Centre and Sample Units Display Zone Property Management Agreement is set out below: -

Parties	: Guangdong Yuehai Land Teem Management Co
Term	: One year, from 1 April 2021 to 31 March 2022 (both days inclusive)
Services	: Teem Management Co provides property management services at the sales centre and sample units display zone of Yuecai City north tower, including property services such as security, security concierge services, customer services, order maintenance, shuttle vehicle arrangement and management, parking management, repair and maintenance of equipment and facilities, fire safety, cleaning services, pest control, waste collection and sewage pipe clearance.

Service Fees : The service fees consist of (i) staff costs; (ii) property management remuneration fees; and (iii) other service fees as follows:

- (i) the staff costs shall be calculated based on the salary costs of the actual number of staff providing property management services;
- (ii) the property management remuneration fees shall be charged at RMB35,000 per month and may be deducted by 10-20% of the property management remuneration fees depending on the satisfaction rating for Teem Management Co's services rated by Guangdong Yuehai Land on a monthly basis; and
- (iii) other service fees include cleaning service fee, administrative fees and equipment and facilities fees, other staff costs, greening fees and insurance fees. Cleaning service fees and greening fees shall be calculated based on the agreed service areas on a lump sum basis. Administrative fees and equipment and facilities fees shall be calculated based on the actual number of the relevant equipment or number of staff and the relevant actual costs and expenses, while maintenance fees for water supply and drainage, lighting, elevators, etc. shall be calculated based on the agreed service areas on a lump sum basis. Other staff costs shall be calculated based on the number of staff providing the property management services and expenses related to uniforms, laundry, meal and dormitory. Insurance fees shall be calculated based on the number of staff providing the property management services and the insured amounts. Other service fees shall not exceed the basis as agreed under the Yuecai City North Tower Sales Centre and Sample Units Display Zone Property Management Agreement. If Guangdong Yuehai Land requires any additional services, the service fee will be determined and agreed separately.

The service fees shall be settled on a monthly basis. Teem Management Co shall provide Guangdong Yuehai Land with a payment application in relation to the service fees for the previous month before the 5th day of each month. Guangdong Yuehai Land shall pay the service fees for the previous month to Teem Management Co within 20 working days after receiving the payment application and invoice from Teem Management Co.

The estimated service fees and the annual caps

Pursuant to the Yuecai City North Tower Sales Centre and Sample Units Display Zone Property Management Agreement, the estimated service fees payable by the Group and the annual caps for the years of 2021 and 2022 are as follows:

	2021	2022
	(RMB)	(RMB)
Estimated service fees payable	3,596,800	1,322,500
Annual Caps	4,000,000	1,500,000
	(equivalent to approximately HK\$4,753,981)	(equivalent to approximately HK\$1,782,743)

The service fees are determined after arm's length negotiations between the relevant parties after taking into account: (i) the salaries and benefits of the relevant staff providing property management services; (ii) the administrative and daily operational costs, cleaning service fees, greening fees and maintenance fees for water supply and drainage, lighting, elevators, etc. involved in the relevant property management services; and (iii) the prevailing market rates for similar services.

The annual caps have been set based on: (i) the total service fees expected to be paid under the Yuecai City North Tower Sales Centre and Sample Units Display Zone Property Management Agreement; (ii) the corresponding staff costs may be adjusted according to the actual number of staff involved; and (iii) possible additional services (for example cleaning service items required) requested by Guangdong Yuehai Land.

4. Yiguifu Preliminary Property Services Agreement

On 26 March 2021, GDL Jiangmen and Yuehai Property Management entered into the Yiguifu Preliminary Property Services Agreement.

A summary of the salient terms of the Yiguifu Preliminary Property Services Agreement is set out below: -

- Parties** : GDL Jiangmen
Yuehai Property Management
- Term** : Three years, from 26 March 2021 to 25 March 2024 (both days inclusive)
- Services** : Yuehai Property Management shall provide property management services to GDL Jiangmen for public areas and public facilities at the Yiguifu, including maintenance, cleaning, greening, parking management, order maintenance, decoration and renovation assistance management and services, property document management, community festival decoration and social cultural activities, etc.
- Service Fees** : Pursuant to the Yiguifu Preliminary Property Services Agreement:
- (i) the property service fees shall be charged on a lump sum basis, which means the fixed property service fees per square metre or per car parking space per month payable by GDL Jiangmen for properties completed but not delivered to the property owners) or the property owners (upon delivery of the properties to Yuehai Property Management for the relevant properties;

(1) The residential property owners shall be charged at RMB2.4 per square metre per month; (2) the owners of apartment premises shall be charged at RMB3.5 per square metre per month; (3) the property owners of stores shall be charged at RMB5 per square metre per month; and (4) the car parking spaces shall be charged a property service fee of RMB60 per unit per month; and

(ii) the respective property owners of (1), (2) and (3) above shall share and pay the actual water and electricity charges for the public areas, amounts of which shall be calculated according to the charging standards of relevant water and power supply enterprises.

The aforesaid fees shall be payable by the relevant property owners before the 10th day of each month.

The service fees for the property owners of properties completed but not delivered shall be payable by GDL Jiangmen in advance. For the avoidance of doubt, the relevant property owners shall be responsible for the payment of management fees for the properties once the properties are delivered to the relevant property owners. Yuehai Property Management shall provide the breakdown of the income and expenditure for the previous month and the budget for the prevailing month as well as the relevant information such as the ancillary staff services made based on the actual information and make application to GDL Jiangmen before the 10th day of each month. After the review and confirmation, GDL Jiangmen shall pay the difference between the actual amount of the prevailing month and the advance payment to Yuehai Property Management before the 20th day of each month.

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 remuneration and benefits of the labour involved in the relevant property management services; (iii) the administrative and daily operational costs involved in the relevant property management services; and (iv) the prevailing market rates for similar services.

The annual caps

Pursuant to the Yiguifu Preliminary Property Services Agreement, the annual caps of the Group for the years of 2021 to 2024 are as follows:

	2021	2022	2023	2024
	(RMB)	(RMB)	(RMB)	(RMB)
Annual Cap	-	1,500,000 (equivalent to approximately HK\$1,782,743)	2,300,000 (equivalent to approximately HK\$2,733,539)	800,000 (equivalent to approximately HK\$950,796)

The annual caps have been set based on: (i) the schedule for the property management services to the properties at the relevant premises (based on the projected delivery assessment, as it is expected that the Yiguifu will be completed in June 2022 and the relevant properties will commence to be delivered to the property owners in August 2022, while GDL Jiangmen will pay the above management fees for certain unsold properties); and (ii) the total property service fees expected to be paid by GDL Jiangmen under the Yiguifu Preliminary Property Services Agreement, which shall be calculated based on the aforementioned fixed property service fees per square metre or per car parking space per month and the expected area of properties completed but not delivered to the property owners (and the appropriate shared portion of the expected water and electricity charges).

5. Yuehai Laurel House Preliminary Property Services Agreement

On 26 March 2021, Jiangmen Yuehai Land and Yuehai Property Management entered into the Yuehai Laurel House Preliminary Property Services Agreement.

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

- Parties** : Jiangmen Yuehai Land
Yuehai Property Management
- Term** : Three years, from 26 March 2021 to 25 March 2024 (both days inclusive)
- Services** : Yuehai Property Management shall provide property management services to Jiangmen Yuehai Land for public areas and public facilities at the Yuehai Laurel House, including maintenance, cleaning, greening, parking management, order maintenance, decoration and renovation assistance management and services, property document management, community festival decoration and social cultural activities.
- Service Fees** : (i) Pursuant to the Yuehai Laurel House Preliminary Property Services Agreement, the property service fees shall be charged on a lump sum basis, which means the fixed property service fees per square metre or per car parking space per month payable by Jiangmen Yuehai Land (for properties completed but not delivered to the property owners) or the property owners (upon delivery of the properties) to Yuehai Property Management for the relevant properties, plus the costs of sharing the water and electricity charges in the public areas.

The residential property owners shall be charged at RMB2.4 per square metre per month; the owners of car parking spaces at carpark shall be charged at a service fee of RMB60 per unit per month; and the owners of cluster car parking spaces at carpark shall be charged at a service fee of RMB90 per unit per month.

The residential property owners shall share and pay the actual water and electricity charges for the public areas, amounts of which shall be calculated according to the charging standards of relevant water and power supply enterprises.

The aforesaid fees shall be payable by the relevant property owners before the 10th day of each month.

- (ii) The service fees for the property owners of properties completed but not delivered shall be payable by Jiangmen Yuehai Land in advance. For the avoidance of doubt, the relevant property owners shall be responsible for the payment of management fees for the properties once the properties are delivered to the relevant property owners. Yuehai Property Management shall provide the breakdown of the income and expenditure for the previous month and the budget for the prevailing month as well as the relevant information such as the ancillary staff services made based on the actual information and make application to Jiangmen Yuehai Land before the 10th day of each month. After the review and confirmation, Jiangmen Yuehai Land shall pay the difference between the actual amount of the prevailing month and the advance payment to Yuehai Property Management before the 20th day of each month.

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 remuneration and benefits of the labour involved in the relevant property management services; (iii) the administrative and daily operational costs involved in the relevant property management services; and (iv) the prevailing market rates for similar services.

The annual caps

Pursuant to the Yuehai Laurel House Preliminary Property Services Agreement, the annual caps for the years of 2021 to 2024 are as follows:

	2021	2022	2023	2024
	(RMB)	(RMB)	(RMB)	(RMB)
Annual Cap	-	1,200,000 (equivalent to approximately HK\$1,426,194)	2,000,000 (equivalent to approximately HK\$2,376,991)	1,400,000 (equivalent to approximately HK\$1,663,894)

The annual caps have been set based on (i) the schedule for the property management services to the properties at the relevant premises (based on the projected delivery assessment, as it is expected that the Yiguifu will be completed in October 2022 and the residential properties and car parking spaces at the relevant premises will commence to be delivered to the property owners in December 2022, while Jiangmen Yuehai Land will pay the above management fees for certain unsold residential properties and car parking spaces); and (ii) the total property service fees expected to be paid by Jiangmen Yuehai Land under the Yuehai Laurel House Preliminary Property Services Agreement, which shall be calculated based on the aforementioned fixed property service fees per square metre or per car parking space per month and the expected area of properties completed but not delivered to the property owners (and the appropriate shared portion of the expected water and electricity charges).

6. Jiangmen GDH City Project Site (Sales Centre and Sample Units) Property Services Agreement

On 26 March 2021, Jiangmen Yuehai Land and Yuehai Property Management entered into the Jiangmen GDH City Project Site (Sales Centre and Sample Units) Property Services Agreement.

A summary of the salient terms of the Jiangmen GDH City Project Site (Sales Centre and Sample Units) Property Services Agreement is set out below: -

- Parties** : Jiangmen Yuehai Land
Yuehai Property Management
- Term** : From 26 March 2021 to 31 December 2021 (both days inclusive)
- Services** : Yuehai Property Management shall provide property services at the Jiangmen GDH City Project site (sales centre and sample units), including daily customer services, equipment maintenance, order maintenance, cleaning (including the display area), greening and pest control.
- Service Fees** : (i) Jiangmen Yuehai Land shall pay a monthly service fee to Yuehai Property Management which comprises labour costs, other staff costs, outsourcing service fees and property management service fees on a monthly basis within one month after receiving the relevant invoice issued by Yuehai Property Management.

The labour costs shall be calculated based on the actual labour costs incurred in the relevant month, and the outsourcing service fees shall be calculated based on the estimated labour costs. Other staff costs shall be calculated based on the actual number of staff and expenses related to uniforms, laundry, meal and dormitory. The property management service fees shall be charged at approximately RMB50,400 per month and may be deducted by 5-10% depending on the service satisfaction rating rated by Jiangmen Yuehai Land.

- (ii) Jiangmen Yuehai Land shall pay a one-off service fee to Yuehai Property Management within one month from the date of the agreement, which includes one-off material input fees (such as walkie-talkies, fire extinguishers and other equipment, and staff uniforms, etc.) and cleaning fees.

The estimated service fees and the annual cap

Pursuant to the Jiangmen GDH City Project Site (Sales Centre and Sample Units) Property Services Agreement, the estimated service fees payable by the Group and the annual cap for the year of 2021 are as follows:

	2021
	(RMB)
Estimated service fees payable	5,543,975
Annual Cap	6,000,000
	(equivalent to approximately HK\$7,130,972)

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 Jiangmen GDH City Project Site (Sales Centre and Sample Units) Property Services Agreement (excluding outsourced cleaning and greening staff); (iii) the labour costs including wages, overtime payment, welfare expenses and labour union fees; (iv) the other staff costs, outsourcing service fees, one-off material costs and cleaning fees and the property management service fees; and (v) the prevailing market rates for similar services.

The annual cap has been set based on: (i) the total service fees expected to be paid by Jiangmen Yuehai Land under the Jiangmen GDH City Project Site (Sales Centre and Sample Units) Property Services Agreement; (ii) the expected increase in labour costs of staff and the administrative and daily operational costs involved; and (iii) service requests (such as additional service area required) under other service fees.

B. LISTING RULES IMPLICATIONS

Guangdong Holdings (being the ultimate controlling shareholder of the Company) holds approximately 56.49% of the issued shares of the Company and therefore, is a connected person of the Company. Yuehai Property Management, Teem Management Co and Yuehai Yueshenghuo are wholly-owned subsidiaries of Guangdong Holdings, and hence, associates of Guangdong Holdings and connected persons of the Company pursuant to the Listing Rules. Guangdong Property Development, Guangdong Yuehai Land, Yuehai Technology, GDL Jiangmen and Jiangmen Yuehai Land (subsidiaries of GD Land) are in turn subsidiaries of the Company. Therefore, each of the transactions contemplated under the New Property Management Agreements and the Signed Property Management Agreements constitutes a continuing connected transaction of the Company under the Listing Rules.

The New Property Management Agreements and the Signed Property Management Agreements have been aggregated for the Listing Rules purposes on the basis that they all relate to the property management and/or related services provided by the associates of Guangdong Holdings to the Group. As the highest applicable percentage ratio (on an aggregated basis) in respect of the transactions contemplated under the New Property Management Agreements and the Signed Property Management Agreements calculated pursuant to the Listing Rules exceeds 0.1% but all of the ratios are less than 5%, therefore, the New Property Management Agreements and the Signed Property Management Agreements are subject to the reporting and announcement requirements, but are exempt from the independent shareholders' approval requirement under Rule 14A.76(2) of the Listing Rules. A summary of the salient terms of the Signed Property Management Agreements is set out in section C headed "The Signed Property Management Agreements" in this announcement.

The Company will comply with the annual review requirements under Rules 14A.55 to 14A.57 of the Listing Rules in relation to the New Property Management Agreement and the Signed Property Management Agreement.

C. THE SIGNED PROPERTY MANAGEMENT AGREEMENTS

1. Jiangmen Yiguifu Sales Centre and Sample Units Property Services Agreement

A summary of the salient terms of the Jiangmen Yiguifu Sales Centre and Sample Units Property Services Agreement is as follows:-

- Date** : 13 November 2020
- Parties** : GDL Jiangmen
Yuehai Property Management
- Term** : From 15 November 2020 to 31 December 2021 (both days inclusive)
- Services** : Yuehai Property Management shall provide property services such as customer relations, utilities repair, security and order, cleaning, greening and pest control at the sales centre of Yiguifu.
- Service Fees** : A monthly service fee including labour costs, third party subcontractor fees and property management service fee shall be payable monthly by GDL Jiangmen to Yuehai Property Management within one month of GDL Jiangmen's receipt of the relevant invoice issued by Yuehai Property Management.

The relevant labour costs shall be calculated according to the actual labour costs incurred in the relevant month, and the relevant third party subcontractor fees shall be calculated based on estimated labour costs. The relevant property management service fees shall be charged at RMB31,805.28 per month and may be deducted by 5%-10% depending on the service satisfaction rating rated by GDL Jiangmen.

A lump sum service fee including one-off costs for supplies and cleaning costs shall be payable by GDL Jiangmen to Yuehai Property Management within one month of the date of the agreement.

The estimated service fees and the annual cap

Pursuant to the Jiangmen Yiguifu Sales Centre and Sample Units Property Services Agreement, the estimated service fees payable by the Group and the annual caps for the years of 2020 and 2021 are as follows:

	2020 (RMB)	2021 (RMB)
Estimated service fees payable	870,982	4,027,031
Annual Cap	1,000,000 (equivalent to approximately HK\$1,188,495)	5,000,000 (equivalent to approximately HK\$5,942,477)

The rates of the service fees are determined after arm's length negotiation between the relevant parties, after considering: (i) the area of the relevant premises; (ii) the number of staff as required by the services under the Jiangmen Yiguifu Sales Centre and Sample Units Property Services Agreement (excluding outsourced cleaning and greening staff); (iii) labour costs including salary, overtime charges, benefits, union fees, etc.; (iv) other staff costs, outsourcing services fees, a lump sum supplies fee, opening fees and fixed remuneration fees; and (v) the prevailing market rates for similar services.

The annual caps have been set based on the total service fees expected to be paid by GDL Jiangmen under the Jiangmen Yiguifu Sales Centre and Sample Units Property Services Agreement. The total service fees expected to be paid by GDL Jiangmen for the period from 15 November 2020 to 31 December 2020 are relatively high due to the expected one-off costs for supplies and one-off cleaning expenses for the opening of the relevant sales centre as mentioned in the paragraph headed "Service fees" above.

2. Shenzhen City Preliminary Property Services Agreement

A summary of the salient terms of the Shenzhen City Preliminary Property Services Agreement is set out below: -

Date	: 13 November 2020
Parties	: Guangdong Yuehai Land Teem Management Co
Term	: Two years, from 13 November 2020 to 12 November 2022 (both days inclusive)

Services : Teem Management Co shall provide property management services including maintenance of common areas and public utilities, greening, cleaning, lift maintenance and management, decorations and renovation management, files management, and working with the relevant government authorities regarding building safety, garbage collection, fire safety, security and public hygiene, in respect of the properties of the Yuecai City (Northern Land) of the Buxin Project.

Owners of research and development properties shall pay a management fee of RMB50 per month per square metre in advance, while owners of commercial properties shall pay a maximum management fee of RMB75 per month per square metre in advance, and owners of underground commercial properties shall pay a maximum management fee of RMB75 per month per square metre in advance. Management fees of the properties completed but not yet delivered to property owners shall be paid by Guangdong Yuehai Land in advance. For the avoidance of doubt, once the properties have been delivered to the relevant owners, such owners will be responsible for the payment of the management fees for these properties. The abovementioned management fees shall be paid by the relevant property owners or Guangdong Yuehai Land (as the case maybe) before the 10th calendar day of each month.

Service Fees : After delivery of the properties to property owners, the service fees to be received by Teem Management Co shall be calculated at 10% of the total management fees collected in advance from property owners mentioned above, and shall be received by Teem Management Co on the 15th calendar day of each month. The balance of the total management fees collected from property owners shall be used for property management services expenses, including the salaries and benefits of the property management staff, costs and relevant tax payment arising from the abovementioned property management services.

The service fees to be received by Teem Management Co were determined with reference to factors such as: (i) the salary and benefits of labour involved in the relevant property management services; (ii) the administrative and daily operation costs involved in the relevant property management services; (iii) the expected schedule of provision of property management services to the properties; and (iv) the prevailing market rates for similar services.

The annual caps

Pursuant to the Shenzhen City Preliminary Property Services Agreement, the annual caps of the Group for the years of 2020 to 2022 are as follows:

	2020	2021	2022
Annual Cap	(RMB) 100,000 (equivalent to approximately HK\$118,850)	(RMB) 1,000,000 (equivalent to approximately HK\$1,188,495)	(RMB) 4,000,000 (equivalent to approximately HK\$4,753,981)

The annual caps have been set based on: (i) the schedule of provision of property management services to the properties on the relevant premises; and (ii) the expected fees for preliminary team recruiting, office expenses, administrative expenses, etc., to be paid by Guangdong Yuehai Land to Teem Management Co.

As it is expected that Teem Management Co will start the preparation work for providing property management services to the commercial properties and underground commercial properties on the relevant premises in November 2021, and that Guangdong Yuehai Land will start to pay the abovementioned management fees, the annual cap for the year ending 31 December 2021 has been set to be higher than that for the period from 13 November 2020 to 31 December 2020.

It is also expected that Teem Management Co will start to provide property management services to all properties on the relevant premises in 2022, such that Guangdong Yuehai Land will also start to pay the abovementioned management fees in 2022. Thus, the annual cap for the period from 1 January 2022 to 12 November 2022 has been set to be higher than that for the year ending 31 December 2021.

3. Laurel House Second Supplemental Agreement

A summary of the salient terms of the Laurel House Second Supplemental Agreement is set out below: -

- Date** : 13 November 2020
- Parties** : Guangdong Property Development
Yuehai Property Management
- Term** : One year, from 1 January 2021 to 31 December 2021 (both days inclusive)
- Services** : Yuehai Property Management shall continue to provide certain property management services (including property management, centralised air-conditioning, entrusted collection and payment of water and electricity charges, restaurant sewage treatment for the shops in the restaurant area and other miscellaneous services) in respect of the commercial shopping buildings, a sky garden, residential buildings, common facilities, a central garden, and the underground levels (including carpark and equipment rooms), etc. of the Laurel House Properties.

Yuehai Property Management shall also provide property management services to the 僑商樓 (Qiaoshang Building) of the Laurel House Properties. The floor area of the Qiaoshang Building is 1,620 square metres and the relevant property management service fee charged by Yuehai Property Management shall be RMB10 per square metre per month. The service fees of the Qiaoshang Building are determined after arm's length negotiation between the relevant parties, after considering: (i) the area of the relevant premises; and (ii) the prevailing market rates for similar services.

Save and except the above, all other terms in the Preliminary Property Management Services Agreement of the Laurel House Properties (as amended by the Supplemental Agreement) shall remain unchanged.

Historical transaction amounts

The table below summarises the actual transaction amounts of the relevant service fees under the Preliminary Property Management Services Agreement of the Laurel House Properties (as amended by the Supplemental Agreement) for the two years ended 31 December 2019 and the ten months ended 31 October 2020:

	From 11 July 2018 to 31 December 2018^(Note) (RMB)	For the year ended 31 December 2019 (RMB)	For the ten months ended 31 October 2020 (RMB)
Actual transaction amounts	721,465	8,335,300	2,912,497

Note: This covers the period from the completion of the acquisition of the entire equity interest of Guangdong Property Development by the GD Land Group and the relevant registration procedures (i.e. 11 July 2018) to 31 December 2018.

The annual cap

Pursuant to the Laurel House Second Supplemental Agreement, the annual cap of the Group for the year of 2021 is as follows:

Annual Cap	2021 (RMB) 3,000,000 (equivalent to approximately HK\$3,565,486)
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The annual cap has been set based on: (i) the total service fees expected to be paid by Guangdong Property Development to Yuehai Property Management under the Preliminary Property Management Services Agreement of the Laurel House Properties (as amended by the Supplemental Agreement and the Laurel House Second Supplemental Agreement); and (ii) the historical transaction amounts as set out above.

4. Supplemental Agreement to the Yuecai City Sales Centre Property Services Agreement

A summary of the salient terms of the Supplemental Agreement to the Yuecai City Sales Centre Property Services Agreement is set out below: -

Date	: 19 November 2020
Parties	: Guangdong Yuehai Land Yuehai Yueshenghuo
Term	: From 1 January 2021 to 31 May 2021 (both days inclusive)

Services : Yuehai Yueshenghuo shall continue to provide property management services including concierge services, customer services, traffic control, carpark management, utilities maintenance, fire safety management, greening, cleaning, sales promotion and marketing activities support and property management consultation at the sales centre of Yuecai City.

Historical transaction amount

The table below summarises the actual transaction amount of the relevant service fees under the Yuecai City Sales Centre Property Services Agreement for the ten months ended 31 October 2020:

	For the ten months ended 31 October 2020 (RMB)
Actual transaction amount	4,719,570

The annual cap

Pursuant to the Supplemental Agreement to the Yuecai City Sales Centre Property Services Agreement, the annual cap of the Group for the year of 2021 is as follows:

Annual Cap	2021 (RMB) 3,000,000 (equivalent to approximately HK\$3,565,486)
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The annual cap has been set based on: (i) the total service fees expected to be paid by Guangdong Yuehai Land under the Yuecai City Sales Centre Property Services Agreement (as amended by the Supplemental Agreement to the Yuecai City Sales Centre Property Services Agreement); and (ii) the historical transaction amounts as set out above.

D. REASONS FOR AND BENEFITS OF ENTERING INTO THE NEW PROPERTY MANAGEMENT AGREEMENTS AND THE SIGNED PROPERTY MANAGEMENT AGREEMENTS

As Teem Management Co and Yuehai Property Management have extensive property management experience in the PRC, by entering into the Laurel House Second Supplemental Agreement, the Jiangmen Yiguifu Sales Centre and Sample Units Property Services Agreement, the Shenzhen City Preliminary Property Services Agreement, the Yuecai City North Tower Sales Centre and Sample Units Display Zone Property Management Agreement, the Yiguifu Preliminary Property Services Agreement, the Yuehai Laurel House Preliminary Property Services Agreement and the Jiangmen GDH City Project Site (Sales Centre and Sample Units) Property Services Agreement, the GD Land Group will also be able to enjoy the quality property management services provided to it by Teem Management Co and Yuehai Property Management.

In addition, Yuehai Yueshenghuo is principally engaged in providing property management services in the PRC and is currently the property management service provider of the Buji Factory Property and Shiyang Factory Property. By entering into the Supplemental Agreement to the Yuecai City Sales Centre Property Services Agreement, the Second Buji Factory Property Services Agreement and the Second Shiyang Factory Property Services Agreement, the GD Land Group will continue to enjoy un-interrupted, smooth and quality property management services provided to it by Yuehai Yueshenghuo.

Having taken into account the above factors, the Directors (including the independent non-executive Directors) are of the view that the New Property Management Agreements and the Signed Property Management Agreements were entered into in the ordinary and usual course of business of the Group and on normal commercial terms or better, and that the terms of the New Property Management Agreements and the Signed Property Management Agreements are fair and reasonable and are in the interests of the Company and its shareholders as a whole.

Mr. HOU Wailin and Mr. CAI Yong, Directors of the Company, are also directors of Guangdong Holdings. Both of the abovementioned Directors present at the relevant Board Meeting of the Company were not counted in the quorum and did not vote on the Directors' resolutions approving, among others, the entering into of the New Property Management Agreements and the Signed Property Management Agreements and the annual caps. Save as disclosed above, to the best knowledge, information and belief of the Directors and having made all reasonable enquiries, no other Directors have any material interest in the New Property Management Agreements and the Signed Property Management Agreements.

E. INFORMATION ON PARTIES TO THE AGREEMENTS

The Group is principally engaged in investment holding, water resources, property investment and development, department store operation, hotel ownership, operation and management, investments in energy projects and road and bridge operation.

GD Land is principally engaged in property development and investment businesses.

Yuehai Technology is principally engaged in real estate investment business in the PRC and is an indirect wholly-owned subsidiary of GD Land.

GDL Jiangmen is principally engaged in property development and investment businesses in the PRC and is an indirect wholly-owned subsidiary of GD Land.

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

Jiangmen Yuehai Land is principally engaged in property development and investment businesses in the PRC and is an indirect non-wholly owned subsidiary of GD Land.

Guangdong Holdings is principally engaged in investment holding and is wholly-owned by the People's Government of Guangdong Province.

Yuehai Property Management is principally engaged in property rental service and property management businesses in the PRC and is a direct wholly-owned subsidiary of Guangdong Holdings.

Teem Management Co is principally engaged in property management business in the PRC and is an indirect wholly-owned subsidiary of Guangdong Holdings.

Yuehai Yueshenghuo is principally engaged in property management business in the PRC and is an indirect wholly-owned subsidiary of Guangdong Holdings.

F. DEFINITIONS

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

“associate”	has the meaning ascribed to it under the Listing Rules;
“Board”	the board of Directors;
“Buji Factory Property”	the factory property of the GD Land Group located at 54 Jizheng Road, Longgang District, Shenzhen City, Guangdong, the PRC;
“Buxin Project”	the property development project of the GD Land Group in the Buxin Area, Luohu District, Shenzhen City, the PRC;
“Company”	Guangdong Investment Limited (粵海投資有限公司), a company incorporated in Hong Kong 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;
“Directors”	the directors of the Company;
“First Buji Factory Property Services Agreement”	the agreement dated 31 March 2020 entered into between Yuehai Technology and Yuehai Yueshenghuo in relation to the provision of property management services for Buji Factory Property by Yuehai Yueshenghuo to Yuehai Technology, details of which are set out in the announcement of GD Land dated 19 November 2020;
“First Shiyan Factory Property Services Agreement”	the agreement dated 31 March 2020 entered into between Yuehai Technology and Yuehai Yueshenghuo in relation to the provision of property management services for Shiyan Factory Property by Yuehai Yueshenghuo to Yuehai Technology, details of which are set out in the announcement of GD Land dated 19 November 2020;

“GD Land”	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, is a subsidiary of the Company;
“GD Land Group”	GD Land and its subsidiaries;
“GDL Jiangmen”	江門市粵海置地房地產投資有限公司 (Jiangmen Yuehai Land Real Estate Investment Co., Ltd.*), a company established in the PRC with limited liability and an indirect wholly-owned subsidiary of GD Land;
“Group”	the Company and its subsidiaries;
“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 holding company of the Company and GD Land;
“Guangdong Holdings Group”	Guangdong Holdings and its subsidiaries;
“Guangdong Property Development”	廣東粵海房地產開發有限公司 (Guangdong Yuehai Property Development Co., Ltd.*), a company established in the PRC with limited liability and an indirect wholly-owned subsidiary of GD Land;
“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 GD Land;
“HK\$”	Hong Kong dollars, the legal currency of Hong Kong;
“Hong Kong”	The Hong Kong Special Administrative Region of the PRC;
“Jiangmen GDH City Project”	the property development project of the GD Land Group in Pengjiang District, Jiangmen City, the PRC;
“Jiangmen GDH City Project Site (Sales Centre and Sample Units) Property Services Agreement”	the agreement dated 26 March 2021 entered into between Jiangmen Yuehai Land and Yuehai Property Management in relation to the provision of property management services at Jiangmen GDH City Project site (sales centre and sample units) property by Yuehai Property Management to Jiangmen Yuehai Land;

“Jiangmen Yiguifu Sales Centre and Sample Units Property Services Agreement”	the agreement dated 13 November 2020 entered into between GDL Jiangmen and Yuehai Property Management in relation to the provision of property services by Yuehai Property Management to GDL Jiangmen;
“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 GD Land;
“Laurel House Properties”	the residential and commercial properties located at 43-79 Zhuguang Road, Yuexiu District in Guangzhou, the PRC;
“Laurel House Second Supplemental Agreement”	the second supplemental agreement dated 13 November 2020 entered into between Guangdong Property Development and Yuehai Property Management for the purpose of amending the Preliminary Property Management Services Agreement of the Laurel House Properties (as amended by the Supplemental Agreement);
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange, as amended from time to time;
“New Property Management Agreements”	(i) Second Buji Factory Property Services Agreement; (ii) Second Shiyan Factory Property Services Agreement; (iii) Yuecai City North Tower Sales Centre and Sample Units Display Zone Property Management Agreement; (iv) Yiguifu Preliminary Property Services Agreement; (v) Yuehai Laurel House Preliminary Property Services Agreement; and (vi) Jiangmen GDH City Project Site (Sales Centre and Sample Units) Property Services Agreement;
“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;
“Preliminary Property Management Services Agreement of the Laurel House Properties”	the agreement dated 26 October 2016 entered into between Guangdong Property Development and Yuehai Property Management, details of which are set out in the announcement of GD Land dated 18 July 2018;
“RMB”	Reminbi, the legal currency of the PRC;
“Second Buji Factory Property Services Agreement”	the agreement dated 26 March 2021 entered into between Yuehai Technology and Yuehai Yueshenghuo in relation to the provision of property management services for Buji Factory Property by Yuehai Yueshenghuo to Yuehai Technology;

“Second Shiyan Factory Property Services Agreement”	the agreement dated 26 March 2021 entered into between Yuehai Technology and Yuehai Yueshenghuo in relation to the provision of property management services for Shiyan Factory Property by Yuehai Yueshenghuo to Yuehai Technology;
“Shenzhen City Preliminary Property Services Agreement”	the agreement dated 13 November 2020 entered into between Guangdong Yuehai Land and Teem Management Co in relation to the provision of property management services to the properties of the Yuecai City (Northern Land) of the Buxin Project by Teem Management Co to Guangdong Yuehai Land;
“Shiyan Factory Property”	the factory property of the GD Land Group located at the Luoze Jindao Fifth Industrial Zone, Shiyan Street, Baoan District, Shenzhen City, Guangdong, the PRC;
“Signed Property Management Agreement”	(i) Jiangmen Yiguifu Sales Centre and Sample Units Property Services Agreement; (ii) Shenzhen City Preliminary Property Services Agreement; (iii) Laurel House Second Supplemental Agreement; and (iv) Supplemental Agreement to the Yuecai City Sales Centre Property Services Agreement;
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“Supplemental Agreement”	the supplemental agreement dated 30 August 2019 entered into between Guangdong Property Development and Yuehai Property Management for the purpose of amending the Preliminary Property Management Services Agreement of the Laurel House Properties, details of which are set out in the announcement of GD Land dated 30 August 2019;
“Supplemental Agreement to the Yuecai City Sales Centre Property Services Agreement”	the supplemental agreement dated 19 November 2020 entered into between Guangdong Yuehai Land and Yuehai Yueshenghuo for the purpose of amending the Yuecai City Sales Centre Property Services Agreement;
“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 company established in the PRC with limited liability and an indirect wholly-owned subsidiary of Guangdong Holdings;
“Yiguifu”	located at 132 Longteng Road, Tangxia Town, Pengjiang District, Jiangmen City, the PRC;
“Yiguifu Preliminary Property Services Agreement”	the agreement dated 26 March 2021 entered into between GDL Jiangmen and Yuehai Property Management in relation to the provision of property management services at Yiguifu by Yuehai Property Management to GDL Jiangmen;

“Yuecai City”	the GDH City Project located at the Buxin Area (布心片區), Luohu District, Shenzhen City, the PRC, a multi-module commercial complex development project of the GD Land Group with jewellery products industry as the theme (for details, please refer to the circular of GD Land dated 22 June 2016). Yuecai City is the registered name of the Northwestern and Northern land properties of such project;
“Yuecai City North Tower Sales Centre and Sample Units Display Zone Property Management Agreement”	the agreement dated 26 March 2021 entered into between Guangdong Yuehai Land and Teem Management Co in relation to the provision of property management services at the Yuecai City North Tower sales centre and sample units display zone by Teem Management Co to Guangdong Yuehai Land;
“Yuecai City Sales Centre Property Services Agreement”	the agreement dated 3 January 2020 entered into between Guangdong Yuehai Land and the Yuehai Yueshenghuo in relation to the provision of property management services by the Yuehai Yueshenghuo to Guangdong Yuehai Land;
“Yuehai Laurel House”	located at the east of Ganbei Road, west of Xi River, south of Panbian Street and north of Beixin Road, Pengjiang District, Jiangmen City, the PRC;
“Yuehai Laurel House Preliminary Property Services Agreement”	the agreement dated 26 March 2021 entered into between Jiangmen Yuehai Land and Yuehai Property Management in relation to the provision of property management services at the Yuehai Laurel House by Yuehai Property Management to Jiangmen Yuehai Land;
“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 direct wholly-owned subsidiary of Guangdong Holdings;
“Yuehai Technology”	粵海科技(深圳)有限公司 (Yuehai Technology (Shenzhen) Co., Ltd.*), a company established in the PRC with limited liability and an indirect wholly-owned subsidiary of GD Land;
“Yuehai Yueshenghuo”	深圳市粵海悅生活物業管理有限公司 (Shenzhen Yuehai Yueshenghuo Property Management Co., Ltd*), a company established in the PRC with limited liability and an indirect wholly-owned subsidiary of Guangdong Holdings; and

“%”

per cent.

For the purpose of this announcement, unless otherwise indicated, the exchange rate of HK\$1.00=RMB0.8414 has been used, where applicable, for purpose of illustration only and it does not constitute any representation that any amount has been, could have been or may be exchanged at that rate or at any other rate.

** In this announcement, the English name of the PRC entity marked with an asterisk(*) is translation of its Chinese name, and is included herein for identification purposes only. In the event of any inconsistency, the Chinese name shall prevail.*

By Order of the Board
TSANG Hon Nam
Director

Hong Kong, 26 March 2021

As at the date of this announcement, the Board of the Company comprises four Executive Directors, namely, Mr. HOU Wailin, Mr. LIN Tiejun, Mr. WEN Yinheng and Mr. TSANG Hon Nam; three Non-Executive Directors, namely, Mr. CAI Yong, Mr. LAN Runing and Mr. Feng Qingchun; and five Independent Non-Executive Directors, namely, Dr. CHAN Cho Chak, John, Dr. the Honourable LI Kwok Po, David, Mr. FUNG, Daniel R., Dr. the Honourable CHENG Mo Chi, Moses and Mr. WU Ting Yuk, Anthony.