

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



**GUANGDONG INVESTMENT LIMITED**  
**(粤海投资有限公司)**

*(Incorporated in Hong Kong with limited liability)*  
**(Stock Code: 0270)**

**CONTINUING CONNECTED TRANSACTION  
ON SETTLEMENT AND DEPOSIT SERVICES  
COOPERATION AGREEMENT**

The Board is pleased to announce that on 2 November 2018, GDTDS (a subsidiary of the Company) and GDH Finance entered into the Settlement and Deposit Services Cooperation Agreement pursuant to which GDH Finance has been engaged to settle, at the instruction of GDTDS Group, outstanding invoices issued to GDTDS Group with available funds temporarily deposited by GDTDS Group from time to time according to its business needs and at its discretion in a current account opened with GDH Finance.

Guangdong Holdings is the ultimate controlling shareholder of the Company and thus a connected person of the Company. GDH Finance (being a subsidiary and thus an associate of Guangdong Holdings as defined in the Listing Rules) is also a connected person of the Company. Therefore, the transactions contemplated under the Settlement and Deposit Services Cooperation Agreement constitute a continuing connected transaction of the Company under the Listing Rules.

Since the applicable percentage ratios for the purpose of Chapter 14A of the Listing Rules in respect of the Annual Cap under the Settlement and Deposit Services Cooperation Agreement exceed 0.1% but are less than 5%, the Transaction is subject to the reporting and announcement requirements, but is exempt from the independent shareholders' approval requirement under Rule 14A.76(2) of the Listing Rules.

The Company will comply with the annual review requirements under Rules 14A.55 to 14A.57 of the Listing Rules in relation to the Settlement and Deposit Services Cooperation Agreement.

## **SETTLEMENT AND DEPOSIT SERVICES COOPERATION AGREEMENT**

On 2 November 2018, GDTDS (a subsidiary of the Company) and GDH Finance entered into the Settlement and Deposit Services Cooperation Agreement pursuant to which (i) GDH Finance has been engaged to settle, at the instruction of GDTDS Group, outstanding invoices issued to GDTDS Group with available funds temporarily deposited by GDTDS Group from time to time according to its business needs and at its discretion in a current account opened with GDH Finance; and (ii) GDTDS Group and GDH Finance shall further enter into certain account opening/operation agreements for the purpose of facilitating the performance of the Settlement and Deposit Services Cooperation Agreement. The following is a summary of the salient terms of the Settlement and Deposit Services Cooperation Agreement:

- Term:** A fixed term of two years from 2 November 2018 to 1 November 2020
- Services:** GDH Finance will settle, at the instruction of GDTDS Group, outstanding invoices issued to GDTDS Group with available funds temporarily deposited by GDTDS Group from time to time according to its business needs and at its discretion in a current account opened with GDH Finance.
- Deposit Interests:** The rates at which interest will accrue on the Agreed Deposit placed by GDTDS Group with GDH Finance under the Settlement and Deposit Services Cooperation Agreement will be 50% higher than the RMB Agreed Deposit Rate offered by financial institutions as announced by People's Bank of China from time to time, subject to amendment between the parties upon change of the relevant regulatory policies.
- Service fees:** All service fees on wire transfers, account management and confirmation of balance will be waived by GDH Finance.
- Annual Cap:** The maximum daily balance of deposits placed by GDTDS Group with GDH Finance (including accrued interests payable by GDH Finance) during the term of the Settlement and Deposit Services Cooperation Agreement will not exceed the cap of RMB200,000,000 (equivalent to approximately HK\$225,300,000) (the "Annual Cap") for each of the three financial years ending 31 December 2018, 2019 and 2020.

In determining the cap for the deposit services, the Directors have taken into account the historical settlement amounts and maximum daily settlement amount in peak sales seasons as well as expected growth rate of the GDTDS Group's businesses for the next two years.

GDH Finance will provide the settlement services to GDTDS Group free of charge and hence no annual cap is required to be set in this regard.

## **REASONS FOR ENTERING INTO THE SETTLEMENT AND DEPOSIT SERVICES COOPERATION AGREEMENT**

GDTDS Group requires efficient and reliable settlement services to ensure normal functioning of its daily operation. As GDH Finance is familiar with the business operations of GDTDS Group, it can offer customized settlement services tailored for the business needs of GDTDS Group in a more efficient manner.

The deposit services under the Settlement and Deposit Services Cooperation Agreement are on normal commercial terms and the deposit interest rates offered by GDH Finance to GDTDS Group are equal to or more favorable than those offered by commercial banks in the PRC for comparable deposits. The deposit services under the Settlement and Deposit Services Cooperation Agreement, which are primarily to facilitate the settlement services, are therefore expected to enable GDTDS Group to use its funds more effectively through receiving higher interest income.

The Directors (including the independent non-executive Directors) are of the view that the Settlement and Deposit Services Cooperation Agreement was entered into in the ordinary and usual course of business of the Group, on normal commercial terms or better and that the terms of the Settlement and Deposit Services Cooperation Agreement (including the annual caps of the maximum daily balance of deposits (including accrued interests payable by GDH Finance) for the years from 2018 to 2020 as agreed under the Settlement and Deposit Services Cooperation Agreement) are fair and reasonable under the then prevailing market conditions and are in the interests of the Company and its shareholders as a whole.

Mr. HUANG Xiaofeng and Mr. CAI Yong, being Directors, are also directors of Guangdong Holdings. Mr. LI Wai Keung, a Director, is also a director of GDH Finance. All of the abovenamed Directors present at the meeting of the Board were not counted in the quorum and did not vote on the Directors' resolutions approving, *inter alia*, the entering into of the Settlement and Deposit Services Cooperation Agreement and the annual cap of the maximum daily balance of deposits (including accrued interests) under the Settlement and Deposit Services Cooperation Agreement for the three years from 2018 to 2020. Save as disclosed above, no other Directors have any material interest in the Settlement and Deposit Services Cooperation Agreement.

## **CONNECTED PERSONS**

Guangdong Holdings is the ultimate controlling shareholder of the Company, which holds the entire issued share capital of GDH. GDH in turn is the immediate controlling shareholder of the Company, holding approximately 56.49% of the issued shares of the Company as at the date of this announcement.

Accordingly, Guangdong Holdings is a connected person (as defined in the Listing Rules) of the Company. GDH Finance (being a wholly-owned subsidiary and thus an associate of Guangdong Holdings as defined in the Listing Rules) is also a connected person of the Company. Therefore, the transactions contemplated under the Settlement and Deposit Services Cooperation Agreement constitute a continuing connected transaction of the Company under the Listing Rules.

## **LISTING RULES IMPLICATIONS**

Since the applicable percentage ratios for the purpose of Chapter 14A of the Listing Rules in respect of the Annual Cap under the Settlement and Deposit Services Cooperation Agreement exceed 0.1% but are less than 5%, the Transaction is subject to the reporting and announcement requirements, but is exempt from the independent shareholders' approval requirement under Rule 14A.76(2) of the Listing Rules.

The Company will comply with the annual review requirements under Rules 14A.55 to 14A.57 of the Listing Rules in relation to the Settlement and Deposit Services Cooperation Agreement.

## **PRINCIPAL BUSINESS OF THE GROUP AND CONNECTED PERSONS**

The Group 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.

GD TDS Group is principally engaged in department store operation in the PRC.

Guangdong Holdings is principally engaged in investment holding.

GDH Finance is a wholly-owned subsidiary of Guangdong Holdings and is a non-banking financial institution approved and regulated by the China Banking and Insurance Regulatory Commission. It is principally engaged in providing financial services including but not limited to settlement services, deposit services, entrustment loan services and guarantee services to Guangdong Holdings and, *inter alia*, its subsidiaries.

## 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;
“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;
“Director(s)”	the director(s) of the Company;
“GDH”	GDH Limited (粵海控股集團有限公司), a wholly-owned subsidiary of Guangdong Holdings incorporated in Hong Kong with limited liability;
“GDH Finance”	粵海集團財務有限公司 (GDH Finance Co., Ltd.), a wholly-owned subsidiary of Guangdong Holdings established under the laws of the PRC with licence to provide certain financial services to, amongst others, members of the Group;
“GDTDS”	廣東天河城百貨有限公司 (Guangdong Teemall Department Stores Ltd.*), a subsidiary of the Company established under the laws of the PRC;
“GDTDS Group”	GDTDS and its subsidiary(ies);
“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;
“Group”	the Company and its subsidiaries;
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong;
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC;
“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;
“RMB”	Reminbi, the lawful currency of the PRC;

“Settlement and Deposit Services Cooperation Agreement”	an agreement dated 2 November 2018 entered into between GDTDS and GDH Finance in relation to (i) settlement services; and (ii) deposit services provided by GDH Finance to GDTDS Group;
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“Transaction”	the provision of settlement and deposit services by GDH Finance to GDTDS Group pursuant to the Settlement and Deposit Services Cooperation Agreement; and
“%”	per cent.

*\* The English translation of the Chinese name of the relevant company included in this announcement is prepared by the Company for reference only, and such translation may not be accurate and such company may not have an official English translation/version of its Chinese name.*

*For the purpose of this announcement, unless otherwise indicated, the exchange rate of RMB1.00=HK\$1.1265 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.*

By Order of the Board  
**TSANG Hon Nam**  
*Director*

Hong Kong, 2 November 2018

*As at the date of this announcement, the Board of the Company comprises four Executive Directors, namely, Mr. HUANG Xiaofeng, Mr. WEN Yinheng, Mrs. HO LAM Lai Ping, Theresa and Mr. TSANG Hon Nam; five Non-Executive Directors, namely, Mr. CAI Yong, Mr. ZHANG Hui, Ms. ZHAO Chunxiao, Mr. LAN Runing and Mr. LI Wai Keung; 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.*