

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
(粵 海 投 資 有 限 公 司)**

(Incorporated in Hong Kong with limited liability)
(Stock Code: 00270)

**CONTINUING CONNECTED TRANSACTIONS
ON PROPERTY MANAGEMENT AGREEMENTS**

On 31 May 2019, Wanye (a subsidiary of the Company) and Yuehai Property Management (a subsidiary of GDH) entered into the Panyu Property Management Agreement pursuant to which Yuehai Property Management has agreed to provide certain property management services in respect of the properties in Panyu Project for three years commencing on 1 June 2019 and expiring on 31 May 2022.

On 16 November 2018, Wanye and Yuehai Property Management had also entered into the Existing Property Sales and Exhibition Services Agreement pursuant to which Yuehai Property Management had agreed to provide certain property management services in respect of the sales and exhibition of Panyu Project for the period from 1 January 2019 to 31 May 2019. On 31 May 2019, Wanye and Yuehai Property Management entered into the New Property Sales and Exhibition Services Agreement for the renewal of the Existing Property Sales and Exhibition Services Agreement for two years commencing on 1 June 2019 and expiring on 31 May 2021.

On 26 October 2016, Guangdong Property Development (being an indirect wholly-owned subsidiary of GD Land; GD Land being a subsidiary of the Company and listed on the Stock Exchange) and Yuehai Property Management had entered into the Zhuguanglu Property Management Agreement pursuant to which Yuehai Property Management had agreed to provide certain property management services in respect of the Zhuguanglu Properties for three years from 1 September 2016 to 31 August 2019. Further details of the Zhuguanglu Property Management Agreement please refer to the announcement of GD Land dated 18 July 2018.

In addition, on 31 January 2019, Guangdong Property Development and Yuehai Property Management had entered into the Sales Centre Property Services Agreement pursuant to which Yuehai Property Management had agreed to provide certain property services in respect of the sales venue of the Zhuguanglu Project for the period from 1 February 2019 to 31 December 2019. Further details of the Sales Centre Property Services Agreement please refer to the announcement of GD Land dated 31 January 2019.

GDH is holding approximately 56.49% of the issued shares of the Company. By virtue of this shareholding interest, GDH is a controlling shareholder and thus a connected person of the Company. Yuehai Property Management (being a subsidiary and thus an associate of GDH as defined in the Listing Rules) is also a connected person of the Company. Therefore, each of the Transactions contemplated under the Agreements constitutes a continuing connected transaction of the Company under the Listing Rules.

Based on the estimated service fees paid/payable by the Group under the Agreements, the highest annual cap (when aggregated) is estimated to be RMB19,000,000 (equivalent to approximately HK\$22,148,300), which exceeds 0.1% but is less than 5% of the applicable percentage ratio(s) for the purpose of Chapter 14A of the Listing Rules. The Transactions (when aggregated) 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.

The Company will comply with the annual review requirements under Rules 14A.55 to 14A.57 of the Listing Rules in relation to the Agreements.

PANYU PROPERTY MANAGEMENT AGREEMENT

On 31 May 2019, Wanye (a subsidiary of the Company) and Yuehai Property Management (a subsidiary of GDH) entered into the Panyu Property Management Agreement pursuant to which Yuehai Property Management has agreed to provide certain property management services in respect of the properties in Panyu Project on the following terms:-

Parties : Wanye
Yuehai Property Management

Term : 1 June 2019 to 31 May 2022

Services : Yuehai Property Management shall provide certain property management services (including property management, maintenance of public area, centralized air-conditioning, handling of payment of water and electricity charges, restaurant sewage treatment and other miscellaneous services) in respect of the office tower, shopping centre, SOHO office building, and underground car-parking spaces of Panyu Project.

Service Fees : The service fees for the abovementioned services shall be paid by Wanye to Yuehai Property Management on a monthly basis and shall be calculated at the following monthly rates on a pro rata basis:

- (1) Management of office tower: RMB22.50 per sq. m.;
- (2) Management of shopping centre: RMB52.00 per sq. m.;
- (3) Management of SOHO office building: RMB4.80 per sq. m.;
- (4) Management of underground car-parking spaces: RMB180.00 per car-parking space; and
- (5) Restaurant sewage treatment: RMB4.50 per tonne.

As regard the payment of utilities charges in respect of the commercial and shopping units, electricity shall be charged at 1.125 times the electricity tariff set by the PRC Government and water shall be charged at 1.05 times the water tariff set by the PRC Government, taking into account the relevant wear and tear in the provision of such utilities by Yuehai Property Management.

PROPERTY SALES AND EXHIBITION SERVICES AGREEMENT

Existing Property Sales and Exhibition Services Agreement

On 16 November 2018, Wanye and Yuehai Property Management had entered into the Existing Property Sales and Exhibition Services Agreement in relation to the provision of certain property management services in respect of the sales and exhibition of Panyu Project for the period from 1 January 2019 to 31 May 2019. The scope of the services provided by Yuehai Property Management is the same with the New Property Sales and Exhibition Services Agreement.

New Property Sales and Exhibition Services Agreement

On 31 May 2019, Wanye and Yuehai Property Management entered into the New Property Sales and Exhibition Services Agreement pursuant to which Yuehai Property Management has agreed to provide certain property management services in respect of the sales and exhibition of Panyu Project on the following terms:-

- Parties** : Wanye
Yuehai Property Management
- Term** : 1 June 2019 to 31 May 2021
- Service Scope** : Yuehai Property Management shall provide certain preliminary property preparatory services to Wanye in respect of the sales and exhibition (including sales centre and office showroom, etc.) of Panyu Project, including daily customer entertaining, facility maintenance, security and order maintenance, cleaning, greening, pest control, and other preparatory services relating to the preliminary works of Panyu Project
- Service fees** : Shall be settled on a monthly basis and calculated on the basis of the salary and fringe benefits of the labour required to provide such services

ZHUGUANGLU PROPERTY MANAGEMENT AGREEMENT

On 26 October 2016, Guangdong Property Development (being an indirect wholly-owned subsidiary of GD Land; GD Land being a subsidiary of the Company and listed on the Stock Exchange) and Yuehai Property Management had entered into the Zhuguanglu Property Management Agreement pursuant to which Yuehai Property Management had agreed to provide certain property management services in respect of the Zhuguanglu Properties for three years from 1 September 2016 to 31 August 2019. Further details of the Zhuguanglu Property Management Agreement please refer to the announcement of GD Land dated 18 July 2018.

SALES CENTRE PROPERTY SERVICES AGREEMENT

On 31 January 2019, Guangdong Property Development and Yuehai Property Management had also entered into the Sales Centre Property Services Agreement pursuant to which Yuehai Property Management had agreed to provide certain property services in respect of the sales venue of the Zhuguanglu Project for the period from 1 February 2019 to 31 December 2019. Further details of the Sales Centre Property Services Agreement please refer to the announcement of GD Land dated 31 January 2019.

BASIS AND REASONS FOR THE TRANSACTIONS AND THE ANNUAL CAP

The estimated service fees paid/payable by the Group under the Panyu Property Management Agreement, the New Property Sales and Exhibition Services Agreement and the Existing Property Sales and Exhibition Services Agreement for the years of 2019, 2020, 2021 and 2022 are as follows:

	Estimated service fees paid/payable			
	2019 (RMB)	2020 (RMB)	2021 (RMB)	2022 (RMB)
Panyu Property Management Agreement	2,063,794.78	14,899,484.87	6,789,575.93	1,900,000.00
New Property Sales and Exhibition Services Agreement	2,117,854.27	3,781,774.55	1,292,400.13	-
Existing Property Sales and Exhibition Services Agreement	1,484,375.53	-	-	-
Total estimated service fees	5,666,024.58	18,681,259.42	8,081,976.06	1,900,000.00

Based on the above, the aggregate annual caps under the Agreements for the years of 2019, 2020, 2021 and 2022 are as follows:

	Annual Cap			
	2019 (RMB)	2020 (RMB)	2021 (RMB)	2022 (RMB)
Panyu Property Management Agreement	2,200,000.00	15,000,000.00	7,000,000.00	2,100,000.00
New Property Sales and Exhibition Services Agreement	2,300,000.00	4,000,000.00	2,000,000.00	-
Existing Property Sales and Exhibition Services Agreement	1,500,000.00	-	-	-
Panyu Project Annual Cap	6,000,000.00	19,000,000.00	9,000,000.00	2,100,000.00
Zhuguanglu Project Existing Annual Cap	8,394,400.00	-	-	-
Aggregate Annual Cap	14,394,400.00	19,000,000.00	9,000,000.00	2,100,000.00

The Transactions have been aggregated, for the Listing Rules purpose, on the basis that these are agreements where, in principle, Yuehai Property Management provides property management and/or related services to the Group.

The annual caps are determined after arm's length negotiation based on, as the case may be, (i) historical transaction amounts; (ii) the number of staff required to provide the services; (iii) the fixed salary, floating salary, overtime charges, benefits, subsidies, union fees, etc. of such staff; (iv) the one-off payment for various supplies including staff uniforms and toolboxes, etc; (v) gross floor area of the properties; (vi) the consumption level of electricity and water in Guangzhou with reference to that of other property projects; (vii) the estimated sewage treatment fees; and (viii) the prevailing market rates of similar services.

Yuehai Property Management is a national Grade-A property management company, and has ample experience in property management and a high-quality and professional working team. It has received many national, provincial and municipal honours as the best property managers for the properties it has managed. In order to better manage the properties in and the sales and exhibition of Panyu Project, Wanye has decided to work with Yuehai Property Management at this stage.

In view of the above, the Directors (including the independent non-executive Directors) are of the view that the 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 Transactions are fair and reasonable and are in the interests of the Company and its shareholders as a whole.

Mr. HUANG Xiaofeng, Mr. CAI Yong, Mr. ZHANG Hui, Ms. ZHAO Chunxiao, Mr. LAN Runing and Mr. LI Wai Keung, Directors of the Company, are also directors of GDH. All of the abovementioned Directors present at the relevant board meetings of the Company were not counted in the quorum and did not vote on the relevant Directors' resolutions approving, among others, the entering into of the 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 Transactions.

CONNECTED PERSONS

GDH is holding approximately 56.49% of the issued shares of the Company. By virtue of this shareholding interest, GDH is a controlling shareholder and thus a connected person of the Company. Yuehai Property Management (being a subsidiary and thus an associate of GDH as defined in the Listing Rules) is also a connected person of the Company. Therefore, each of the Transactions contemplated under the Agreements constitutes a continuing connected transaction of the Company under the Listing Rules.

LISTING RULES IMPLICATIONS

Since the highest annual cap (when aggregated) is estimated to be RMB19,000,000 (equivalent to approximately HK\$22,148,300), which exceeds 0.1% but is less than 5% of the applicable percentage ratio(s) for the purpose of Chapter 14A of the Listing Rules, the Transactions (when aggregated) 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.

The Company will comply with the annual review requirements under Rules 14A.55 to 14A.57 of the Listing Rules in relation to the Agreements.

PRINCIPAL BUSINESSES OF THE COMPANY AND THE CONNECTED PERSONS

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.

The principal business of GDH is investment holding.

Yuehai Property Management is principally engaged in property management.

DEFINITIONS

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

“Agreements”	the Panyu Property Management Agreement, the Existing Property Sales and Exhibition Services Agreement, the New Property Sales and Exhibition Services Agreement, the Zhuguanglu Property Management Agreement and the Sales Centre Property Services Agreement;
“associate”	has the meaning ascribed to it under the Listing Rules;
“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;
“Existing Property Sales and Exhibition Services Agreement”	番禺粵海廣場項目營銷示範區物業服務協議 (Panyu Project Property Sales and Exhibition Services Agreement) dated 16 November 2018 entered into between Wanye and Yuehai Property Management in respect of the property management services provided by Yuehai Property Management to Wanye regarding the sales and exhibition of Panyu Project for the period from 1 January 2019 to 31 May 2019;
“GDH”	GDH Limited (粵海控股集團有限公司), a company incorporated in Hong Kong with limited liability;
“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;

“Group”	the Company 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.*), an indirect wholly-owned subsidiary of GD Land established in the PRC;
“HK\$”	Hong Kong dollars, the legal 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;
“New Property Sales and Exhibition Services Agreement”	番禺粵海廣場項目營銷示範區物業服務協議 (Panyu Project Property Sales and Exhibition Services Agreement) dated 31 May 2019 entered into between Wanye and Yuehai Property Management in respect of the property management services provided by Yuehai Property Management to Wanye regarding the sales and exhibition of Panyu Project for two years commencing from 1 June 2019 to 31 May 2021;
“Panyu Project”	a large-scale integrated commercial project in 番禺萬博中央商務區 (Panyu Wanbo Central Business District);
“Panyu Property Management Agreement”	番禺粵海廣場前期物業管理服務合同 (Panyu Project Preliminary Property Management Services Agreement) dated 31 May 2019 entered into between Wanye and Yuehai Property Management in respect of the property management services provided by Yuehai Property Management to Wanye regarding the properties in Panyu Project for three years commencing from 1 June 2019 to 31 May 2022;
“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”	Reminbi, the lawful currency of the PRC;
“Sales Centre Property Services Agreement”	粵海珠光路項目樣板房及銷售場所物業服務協議 (Yuehai Zhuguanglu Project Sample Units and Sales Centre Property Services Agreement) dated 31 January 2019 entered into between Guangdong Property Development and Yuehai Property Management;
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“Wanye”	廣州市萬亞投資管理有限公司 (Guangzhou City Wanye Investment Management Limited*), a subsidiary of the Company established under the laws of the PRC;

“Transactions”	the transactions contemplated under the Panyu Property Management Agreement, the Existing Property Sales and Exhibition Services Agreement, the New Property Sales and Exhibition Services Agreement, the Zhuguanglu Property Management Agreement and the Sales Centre Property Services Agreement;
“Yuehai Property Management”	粵海物業管理有限公司 (Yuehai Property Management Co., Ltd.*), a non-wholly owned subsidiary of GDH established under the laws of the PRC;
“Zhuguanglu Project”	the construction and development of the Zhuguanglu Properties undertaken by Guangdong Property Development;
“Zhuguanglu Properties”	the residential and commercial properties located at 43-79 Zhuguang Road, Yuexiu District (越秀區珠光路 43-79 號) in Guangzhou, the PRC;
“Zhuguanglu Property Management Agreement”	粵海珠光雅舍小區前期物業管理服務合同 (Yuehai Zhuguang Yashe District Preliminary Property Management Services Agreement) dated 26 October 2016 entered into between Guangdong Property Development and Yuehai Property Management; and
“%”	per cent.

For the purpose of this announcement, unless otherwise indicated, the exchange rate of RMB1.00=HK\$1.1657 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, 31 May 2019

As at the date of this announcement, the board of Directors 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.