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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)

SUPPLEMENTAL ANNOUNCEMENT
CONTINUING CONNECTED TRANSACTION
AND
REVISION OF ANNUAL CAPS FOR TENANCY AGREEMENTS

Reference is made to the announcement of the Company dated 4 July 2019 (the “**Announcement**”) in relation to the continuing connected transaction of the Company and the revision of annual caps for the tenancy agreements in respect of the office premises situate at Teem Tower. Terms used herein shall have the same meanings as defined in the Announcement unless otherwise stated.

FURTHER INFORMATION

The Board of the Company would like to provide further information about the “other expenses” to be paid by Guangdong Holdings and GDH Finance, respectively, to the Group under the Tenancy Agreements which principally consist of water, electricity and other utilities fees, parking fees and overtime air conditioning fees.

The estimated amounts of management fees and other expenses to be paid by Guangdong Holdings and GDH Finance under the Tenancy Agreements for the years ending 31 December 2019, 2020, 2021 and 2022 will be approximately RMB4,326,625 (equivalent to approximately HK\$4,918,507), RMB4,471,310 (equivalent to approximately HK\$5,082,985), RMB1,684,140 (equivalent to approximately HK\$1,914,530), and RMB560,000 (equivalent to approximately HK\$636,608), respectively.

Thus, for illustration purpose, the Annual Caps for the aggregate annual revenue income (comprising the rental income, management fees and other expenses) receivable by the Group under the Tenancy Agreements for the years ending 31 December 2019, 2020, 2021 and 2022 are as follows:

	2019 (RMB)		2020 (RMB)		2021 (RMB)		2022 (RMB)	
	Rental	Management fees and other expenses	Rental	Management fees and other expenses	Rental	Management fees and other expenses	Rental	Management fees and other expenses
New 20F Teem Tower Tenancy	555,575 ¹	400,000	2,222,298 ²	960,000	2,222,298 ²	960,000	1,111,149 ³	560,000
35F, 42F and 45F Teem Tower Tenancies ⁴	12,557,989	3,926,625	9,902,490	3,511,310	1,072,084	724,140	—	—
	13,113,564	4,326,625	12,124,788	4,471,310	3,294,382	1,684,140	1,111,149	560,000
Total:	17,440,189		16,596,098		4,978,522		1,671,149	
Annual Caps	18,000,000		17,000,000		5,000,000		2,000,000	

Note 1: This figure represents the total gross rental income for the rental period commencing 1 August 2019 to 31 December 2019. As the aforesaid period consists of a 2-month rent free period from 1 August 2019 to 30 September 2019, the monthly rental income for the occupation period from 1 October to 31 December 2019 is the same as that for 2020, 2021 and 2022.

Note 2: This represents the annual gross rental income for the relevant year.

Note 3: This figure represents the total gross rental income for the rental period commencing 1 January 2022 to 31 July 2022. As the aforesaid period consists of a 1-month rent free period from 1 July 2022 to 31 July 2022, the monthly rental income for the occupation period from 1 January to 30 June 2022 is the same as that for 2019, 2020 and 2021.

Note 4: The Existing 35F Teem Tower Tenancy will be expired by 20 July 2021 and the Existing 42F and 45F Teem Tower Tenancy will be expired by 30 September 2020.

The current monthly management fee under the Tenancy Agreements is charged at the rate of RMB32 per month per square meter (including tax). The charging rate of the management fee is determined with reference to the market rate of similar office buildings and relevant costs. The other expenses are determined by reference to the charging rates of the respective utilities as set by the government or the utilities suppliers, the market rates of the parking fees and overtime air conditioning fees, the relevant labor and equipment costs.

As the management fees and other expenses are determined based on the same charging rates of the respective services or utilities for all the other tenants of Teem Tower being independent third parties to the Group, the Directors (including the independent non-executive Directors) are of the view that the management fees and other expenses are fair and reasonable, on normal commercial terms and in the interest of the Company and its shareholders as a whole.

Save as disclosed above, all other information and content set out in the Announcement remain unchanged and shall continue to be valid for all purposes. This supplemental announcement is supplemental to and should be read in conjunction with the Announcement.

* *For the purpose of this announcement, unless otherwise indicated, the exchange rate of RMB1.00=HK\$1.1368 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, 16 July 2019

As at the date of this announcement, the Board of the Company comprises four Executive Directors, namely, Mr. HOU Wailin, Mr. WEN Yinheng, Mrs. HO LAM Lai Ping, Theresa and Mr. TSANG Hon Nam; four Non-Executive Directors, namely, Mr. CAI Yong, 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.