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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
REVISION OF ANNUAL CAPS FOR TENANCY AGREEMENTS**

Reference is made to the Previous Announcement in relation to the continuing connected transactions of the Company and the revision of annual caps for the tenancy agreements in respect of the office premises situate at Teem Tower.

On 31 March 2020, GDH Teem and GDH Leasing entered into the New 28F Teem Tower Tenancy in respect of the Premises for a fixed period of three years from 1 April 2020 to 31 March 2023 (both days inclusive).

Save for the New 28F Teem Tower Tenancy, GDH Teem had also entered into the Existing 35F Teem Tower Tenancy with GDH Finance, the Existing 20F Teem Tower Tenancy, the Existing 31F Teem Tower Tenancy and the Existing 42F and 45F Teem Tower Tenancy with Guangdong Holdings, respectively. A summary of the particulars of the Tenancy Agreements is set out in this announcement.

GDH is the immediate holding company of the Company and therefore a connected person (as defined in the Listing Rules) of the Company. GDH Leasing (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 Tenancy Agreements constitutes a continuing connected transaction of the Company under the Listing Rules.

As all the applicable percentage ratios of the Listing Rules in respect of the annual revenue income receivable by the Group under the New 28F Teem Tower Tenancy are less than 0.1%, the transaction as contemplated under the New 28F Teem Tower Tenancy is exempt from the reporting, annual review, announcement and independent shareholders' approval requirements under Rule 14A.76(1) of the Listing Rules.

The Tenancy Agreements have been aggregated for the Listing Rules purposes on the basis that they all relate to the letting of office premises in the Teem Tower by the Group to the associate of GDH, Guangdong Holdings and its associates.

The aggregated annual caps for the aforementioned continuing connected transactions for the years ending 31 December 2020, 2021, 2022 and 2023 will be revised to RMB20,000,000, RMB8,000,000, RMB4,000,000 and RMB300,000, respectively. The highest annual cap for the aforementioned four calendar years, which is estimated to be RMB20,000,000 (equivalent to approximately HK\$22,256,000), exceeds 0.1% but is less than 5% of the applicable percentage ratios pursuant to Rule 14.07 of the Listing Rules. Accordingly, the transactions as contemplated under the Tenancy Agreements in aggregate 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 Tenancy Agreements.

EXISTING TENANCIES

Existing 20F Teem Tower Tenancy

Pursuant to the Existing 20F Teem Tower Tenancy, GDH Teem lets and Guangdong Holdings takes the premises situate at units 04, 05 and 06 of 20th Floor of Teem Tower for office use at the monthly rent of RMB185,191.50 for a fixed term of three years commencing on 1 August 2019 to 31 July 2022 with a rent free period of three months from 1 August 2019 to 30 September 2019 and from 1 July 2022 to 31 July 2022. Guangdong Holdings is also required to pay management fees and other expenses (which principally consist of water, electricity and other utilities fees, parking fees and overtime air conditioning fees) every month in relation to the above premises to GDH Teem Commercial Management. The rent and management fees for the current month and other expenses for the previous month shall be payable before the seventh day of each calendar month.

Existing 31F Teem Tower Tenancy

Pursuant to the Existing 31F Teem Tower Tenancy, GDH Teem lets and Guangdong Holdings takes the premises situate at units 07-1 and 08 of 31st Floor of Teem Tower for office use at the monthly rent of RMB81,814.20 for a fixed term of 35 months commencing on 1 September 2019 to 31 July 2022 with a rent free period of three months from 1 September 2019 to 31 October 2019 and from 1 July 2022 to 31 July 2022. Guangdong Holdings is also required to pay management fees and other expenses (which principally consist of water, electricity and other utilities fees, parking fees and overtime air conditioning fees) every month in relation to the above premises to GDH Teem Commercial Management. The rent and management fees for the current month and other expenses for the previous month shall be payable before the seventh day of each calendar month.

Existing 35F Teem Tower Tenancy

Pursuant to the Existing 35F Teem Tower Tenancy, GDH Teem lets and GDH Finance takes the premises situate at units 01, 02A, 07B and 08 of 35th Floor of Teem Tower for office use at the monthly rent of RMB161,332.95 for a fixed term of three years commencing on 21 July 2018 to 20 July 2021. The Existing 35F Teem Tower Tenancy has no rent free period. GDH Finance is also required to pay management fees and other expenses (which principally consist of water, electricity and other utilities fees, parking fees and overtime air conditioning fees) every month in relation to the above premises to GDH Teem Commercial Management. The rent and management fees for the current month and other expenses for the previous month shall be payable before the seventh day of each calendar month.

Existing 42F and 45F Teem Tower Tenancy

Pursuant to the Existing 42F and 45F Teem Tower Tenancy, GDH Teem lets and Guangdong Holdings takes the premises situate at the 42nd and 45th Floors of Teem Tower for office use for a fixed term of three years commencing on 1 October 2017 to 30 September 2020, The monthly rent of the first two months of the lease term (i.e. from 1 October 2017 to 30 November 2017) was RMB442,583.05 and the monthly rent for the rest of the lease term shall be RMB885,166.10. The Existing 42F and 45F Teem Tower Tenancy has no rent free period. Guangdong Holdings is also required to pay management fees and other expenses (which principally consist of water, electricity and other utilities fees, parking fees and overtime air conditioning fees) every month in relation to the above premises to GDH Teem Commercial Management. The rent and management fees for the current month and other expenses for the previous month shall be payable before the seventh day of each calendar month.

NEW 28F TEEM TOWER TENANCY

On 31 March 2020, GDH Teem entered into the New 28F Teem Tower Tenancy with GDH Leasing whereby GDH Teem has agreed to let and GDH Leasing has agreed to take the Premises for office use for a fixed term of three years commencing on 1 April 2020 and expiring on 31 March 2023 (both days inclusive). The monthly rent of the first two months of the lease term (from 1 April 2020 to 31 May 2020) shall be RMB28,917.52 and RMB28,917.53 respectively, and the monthly rent for the rest of the lease term (from 1 June 2020 to 31 March 2023) shall be RMB57,835.05. GDH Leasing is also required to pay management fees and other expenses (which principally consist of water, electricity and other utilities fees) every month in relation to the Premises to GDH Teem Commercial Management, which provides property management services to the Teem Tower. The rent and management fees for the current month and other expenses for the previous month shall be payable before the seventh day of each calendar month.

BASIS AND REASONS FOR THE TRANSACTION AND THE ANNUAL CAPS

The New 28F Teem Tower Tenancy will provide the Group with a stable rental income and will maintain the high occupancy rate of Teem Tower. 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 2020, 2021, 2022 and 2023 are as follows:

	2020 (RMB)		2021 (RMB)		2022 (RMB)		2023 (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
Existing Tenancies	13,106,558	5,111,127	4,276,152	2,323,957	1,602,034	933,226	-	-
New 28F Teem Tower Tenancy	462,681	173,320	694,021	231,093	694,021	231,093	173,505	57,774
	13,569,239	5,284,447	4,970,173	2,555,050	2,296,055	1,164,319	173,505	57,774
Total:	18,853,686		7,525,223		3,460,374		231,279	
Annual Caps	20,000,000		8,000,000		4,000,000		300,000	

The rent of the New 28F Teem Tower Tenancy is determined with reference to the market rate of similar office buildings and the current market rent of the Premises as opined by an independent property valuer having taken into account of the prevailing market conditions. The current management fee 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 above estimated total revenue income and the related Annual Caps are calculated based on the total rental income, management fees and the estimated total expenses expected to be received under the Tenancy Agreements, of which the total expenses are calculated by reference to the latest charging rates and current consumption level for the various services used by Guangdong Holdings and GDH Finance in connection with their occupation of the respective premises and the estimated inflation of both the charging rates and consumption level under each of the Tenancy Agreements in the future financial years.

The terms of the New 28F Teem Tower Tenancy were negotiated on an arm's length basis between the parties with reference to the current market rent of the Premises as opined by an independent property valuer having taken into account of the prevailing market conditions; whereas 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. As such, the Directors (including the independent non-executive Directors) are of the view that the New 28F Teem Tower Tenancy was 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 28F Teem Tower Tenancy and the aggregate annual revenue income (comprising the rental income, management fees and other expenses) receivable by the Group under the Tenancy Agreements for the four years from 2020 to 2023 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. HOU Wailin and Mr. CAI Yong, Directors of the Company, are also directors of GDH. The abovenamed two Directors were not counted in the quorum and did not vote on the Directors' resolutions approving, *inter alia*, the entering into of the New 28F Teem Tower Tenancy and 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 four years from 2020 to 2023. Save as disclosed above, to the best of the Directors' knowledge, information and belief having made all reasonable enquiries, no other Directors had any material interest in the Tenancy Agreements and as such they were not required to abstain from voting on the board resolution approving the entering into of the New 28F Teem Tower Tenancy and the Annual Caps.

CONNECTED PERSONS

GDH 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, GDH is a connected person (as defined in the Listing Rules) of the Company. GDH Leasing (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 Tenancy Agreements constitutes a continuing connected transaction of the Company under the Listing Rules.

LISTING RULES IMPLICATIONS

As all the applicable percentage ratios of the Listing Rules in respect of the annual revenue income to be received by the Group under the New 28F Teem Tower Tenancy are less than 0.1%, pursuant to Rule 14A.76(1) of the Listing Rules, the transaction as contemplated under the New 28F Teem Tower Tenancy is exempt from the reporting, annual review, announcement and independent shareholders' approval requirements under the Listing Rules.

The Tenancy Agreements have been aggregated for the Listing Rules purposes on the basis that they all relate to the letting of office premises in the Teem Tower by the Group to the associate of GDH, Guangdong Holdings and its associates.

The aggregate annual revenue income received and to be received for the years of 2019, 2020, 2021 and 2022 disclosed in the Previous Announcement amounted to approximately RMB17,817,089, RMB18,217,685, RMB6,600,109 and RMB2,535,260, respectively. The aggregate annual revenue income received and to be received by the Group under the Tenancy Agreements for the years ending 31 December 2020, 2021, 2022 and 2023 will be revised to approximately RMB18,853,686, RMB7,525,223, RMB3,460,374 and RMB231,279, respectively. The annual caps for the aforementioned continuing connected transactions for the years ending 31 December 2020, 2021, 2022 and 2023 will be revised to RMB20,000,000, RMB8,000,000, RMB4,000,000 and RMB300,000, respectively. The highest annual cap for the aforementioned four calendar years, which is estimated to be RMB20,000,000 (equivalent to approximately HK\$22,256,000), exceeds 0.1% but is less than 5% of the applicable percentage ratios pursuant to Rule 14.07 of the Listing Rules. Accordingly, the transactions as contemplated under the Tenancy Agreements in aggregate 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 Tenancy Agreements.

PRINCIPAL BUSINESS 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, investment in energy projects and road and bridge operation.

GDH Teem is principally engaged in investment holding, property investment and development, department store operation, hotel ownership and operation.

GDH Teem Commercial Management is principally engaged in property management services.

Guangdong Holdings and GDH are principally engaged in investment holding respectively.

GDH Leasing is principally engaged in financial leasing business, leasing business, purchase of leased assets from home country and abroad, residual value treatment and maintenance of leased assets, consulting and guarantee of leasing transactions.

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 of the Company;
“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;
“Existing 20F Teem Tower Tenancy”	the existing tenancy agreement and/or its supplemental tenancy agreements entered into between GDH Teem as landlord and Guangdong Holdings as tenant in respect of leasing of the units 04, 05 and 06 on 20th Floor of Teem Tower;
“Existing 31F Teem Tower Tenancy”	the existing tenancy agreement and/or its supplemental tenancy agreements entered into between GDH Teem as landlord and Guangdong Holdings as tenant in respect of leasing of the units 07-1 and 08 on 31st Floor of Teem Tower;
“Existing 35F Teem Tower Tenancy”	the existing tenancy agreement and/or its supplemental tenancy agreements entered into between GDH Teem as landlord and GDH Finance as tenant in respect of leasing of the units 01, 02A, 07B and 08 on 35th Floor of Teem Tower;
“Existing 42F and 45F Teem Tower Tenancy”	the existing tenancy agreement and/or its supplemental tenancy agreement entered into between GDH Teem as landlord and Guangdong Holdings as tenant in respect of leasing the whole of 42nd and 45th Floors of Teem Tower;
“Existing Tenancies”	the Existing 20F Teem Tower Tenancy, the Existing 31F Teem Tower Tenancy, the Existing 35F Teem Tower Tenancy, and the Existing 42F and 45F Teem Tower Tenancy;

“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;
“GDH Leasing”	廣東粵海融資租賃有限公司 (GDH Financial Leasing Co., Ltd*), a wholly-owned subsidiary of GDH, established under the laws of the PRC;
“GDH Teem”	廣東粵海天河城(集團)股份有限公司 (GDH Teem (Holdings) Limited*) (formerly known as廣東天河城(集團)股份有限公司), a subsidiary of the Company, established under the laws of the PRC;
“GDH Teem Commercial Management”	廣東粵海天河城商業管理有限公司 (GDH Teem Commercial Management Co., Ltd*) (formerly known as廣東天河城物業運營管理有限公司), a subsidiary of GDH Teem, established under the laws of the PRC;
“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;
“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 28F Teem Tower Tenancy”	the new tenancy agreement and/or its supplemental tenancy agreement dated 31 March 2020 entered into between GDH Teem as landlord and GDH Leasing as tenant in respect of the leasing of the Premises;
“PRC”	the People’s Republic of China;
“Premises”	Unit 06 on 28th Floor of Teem Tower;

“Previous Announcement”	the announcement of the Company dated 29 August 2019 in relation to the (i) Existing 20F Teem Tower Tenancy, (ii) Existing 31F Teem Tower Tenancy, (iii) Existing 35F Teem Tower Tenancy and (iv) Existing 42F and 45F Teem Tower Tenancy;
“RMB”	Reminbi, the lawful currency of the PRC;
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“Teem Tower”	Teem Tower, No. 208 Tianhe Road, Tianhe District, Guangzhou, Guangdong Province, PRC;
“Tenancy Agreements”	the Existing Tenancies and the New 28F Teem Tower Tenancy; 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\$1.1128 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, 31 March 2020

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, Ms. ZHAO Chunxiao and Mr. LAN Runing; 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.