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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

**FRAMEWORK AGREEMENT IN RELATION TO
PROPERTY MANAGEMENT SERVICES**

On 10 May 2021, the Company and Yuehai Property Management (a direct wholly-owned subsidiary of Guangdong Holdings) entered into the Framework Agreement in relation to the provision of Property Management Services by the Yuehai Property Management Group to the Group.

The Caps for the transactions contemplated under the Framework Agreement for the period from 10 May 2021 to 31 December 2021, the year ending 31 December 2022, the year ending 31 December 2023, and the period from 1 January 2024 to 9 May 2024 are RMB18,000,000 (approximately HK\$21,607,000), RMB120,000,000 (approximately HK\$144,048,000), RMB130,000,000 (approximately HK\$156,052,000) and RMB70,000,000 (approximately HK\$84,028,000), respectively.

Guangdong Holdings (being the ultimate controlling shareholder of the Company) holds approximately 56.49% of the total number of shares of the Company in issue and therefore, is a connected person of the Company. Yuehai Property Management (being a direct wholly-owned subsidiary of Guangdong Holdings) and its subsidiaries (being subsidiaries of Guangdong Holdings) are associates of Guangdong Holdings, and hence connected persons of the Company pursuant to the Listing Rules. Accordingly, the transactions contemplated under the Framework Agreement between the Group and the Yuehai Property Management Group constitute continuing connected transactions of the Company under the Listing Rules.

As all applicable percentage ratios in respect of the Framework Agreement calculated pursuant to the Listing Rules exceed 0.1% but all of them are less than 5%, the Framework Agreement is therefore subject to the reporting, annual review and announcement requirements under the Listing Rules, but is exempt from the independent shareholders' approval requirement under Rule 14A.76(2) of the Listing Rules.

THE FRAMEWORK AGREEMENT

On 10 May 2021, the Company and Yuehai Property Management entered into the Framework Agreement in relation to the provision of Property Management Services by the Yuehai Property Management Group to the Group.

A summary of the salient terms of the Framework Agreement is set out below:-

Date: 10 May 2021

Parties: (1) The Company; and
(2) Yuehai Property Management

Term: 10 May 2021 to 9 May 2024 (both days inclusive)

Scope of services: In respect of the Group's properties (including property projects under development) such as shopping malls, office buildings and other properties from time to time, the Yuehai Property Management Group will provide the following property management services (the "**Property Management Services**") to the Group, including but not limited to:

- (i) maintenance of properties and the relevant facilities and equipment, security, cleaning and gardening services, maintenance of public area, car parking lot management, and other related services;
- (ii) preliminary planning and design consulting services (including reviewing drawings and services in relation to tendering), at the initial stages of property projects;
- (iii) on-site consulting services and construction site management services during the construction of property projects;
- (iv) inspection of the property units and public areas of the property project at the delivery stage of the property projects;
- (v) providing assistance to the Group for the transfer and delivery of the relevant properties to property owners;
- (vi) providing services in assisting the sales of property units and providing daily maintenance and related services, after completion of construction of the property projects; and
- (vii) management services for the unsold properties and conference facilities, concierge services, and other temporary supplementary management services.

Pricing and other terms:

The parties to the Framework Agreement have agreed as follows:

- (i) the member(s) of the Group and the member(s) of the Yuehai Property Management Group may enter into Specific Agreements (for the provision of Property Management Services) which will set out the detailed terms for the relevant transactions contemplated under the Framework Agreement in the ordinary and usual course of business, after arm's length negotiation and on normal commercial terms or better;
- (ii) the Specific Agreements shall conform with the principles and provisions set out in the Framework Agreement;
- (iii) the terms and conditions of the Specific Agreements shall be no less favourable than those being offered by the Independent Third Parties to the Group for comparable services;
- (iv) the fees for the provision of different Property Management Services by the Yuehai Property Management Group to the Group shall be based on the type and gross floor area of the relevant properties and shall be determined after arm's length negotiations, taking into account the size, location and conditions of the properties, the nature and standard of the services required and the anticipated operational costs (such as labour costs, material costs and administrative costs), and with reference to the fees for the provision of similar services to similar types of property under the relevant agreements entered into by the Group and Independent Third Parties or, if no such agreements, the standard prices promulgated by the relevant government authorities for similar services or the market rates of similar services for similar types of property (with reference to the relevant rates charged by at least two service providers who are Independent Third Parties); and
- (v) the fees for the Property Management Services shall be paid by the Group to the Yuehai Property Management Group on monthly, quarterly, half-yearly or yearly basis, in accordance with the relevant usual commercial practices and on fair and reasonable terms.

Caps and basis of determination

Historical transaction amounts

The table below summarises the historical amount of the service fees paid by the Group (including the fees paid by the Huiyang Yuehai group of companies which were acquired by the Group from the Guangdong Holdings Group in 2020 (see the joint announcement of the Company and GDL dated 29 October 2020 for details) before they

became subsidiaries of the Company), to the Yuehai Property Management Group (including the fees paid to (i) the Teem Management Co group of companies which were disposed of by the Group to Yuehai Property Management in 2020 (see the announcement of the Company dated 1 September 2020 for details) and (ii) Yuehai Yueshenghuo which was disposed of by the Group to Yuehai Property Management in 2020 (see the announcement of GDL dated 19 November 2020 for details) while they were subsidiaries of the Company), in relation to the property management services provided during the two years ended 31 December 2020 (the “**Previous Transaction(s)**”).

	For the year ended 31 December 2019 <i>(RMB)</i>	For the year ended 31 December 2020 <i>(RMB)</i>
Actual amount of service fees under the Previous Transactions	49,228,485 (equivalent to approximately HK\$59,094,000)	71,727,538 (equivalent to approximately HK\$86,102,000)

Caps and basis of determination

Pursuant to the Framework Agreement, the relevant caps (“**Cap(s)**”) for the transactions contemplated under the Framework Agreement are as follows:

	For the period from 10 May 2021 to 31 December 2021 <i>(RMB)</i>	For the year ending 31 December 2022 <i>(RMB)</i>	For the year ending 31 December 2023 <i>(RMB)</i>	For the period from 1 January 2024 to 9 May 2024 <i>(RMB)</i>
Caps	18,000,000 (equivalent to approximately HK\$21,607,000)	120,000,000 (equivalent to approximately HK\$144,048,000)	130,000,000 (equivalent to approximately HK\$156,052,000)	70,000,000 (equivalent to approximately HK\$84,028,000)

The above Caps were determined after having taken into account the historical and pre-existing transaction amounts and the other factors set out below:

- (a) the actual amount of the service fees paid under the Previous Transactions;
- (b) the aggregated amounts of the service fees paid and estimated to be paid by the Group (including the Huiyang Yuehai group of companies) to the Yuehai Property Management Group (including the Teem Management Co group of companies and Yuehai Yueshenghuo) for each of the three years ending 31 December 2023 and the period from 1 January 2024 to 9 May 2024 are approximately RMB77,700,000 (equivalent to approximately HK\$93,271,000), approximately RMB49,671,000 (equivalent to approximately HK\$59,624,000), approximately RMB33,131,000 (equivalent to approximately HK\$39,771,000) and approximately RMB2,958,000 (equivalent to approximately HK\$3,551,000), respectively, pursuant to the agreements entered into between the Group and the Yuehai Property Management Group prior to the date of the Framework Agreement, in relation to the provision of the property management services by the Yuehai Property Management Group to the Group covering the aforementioned period or any part thereof (the “**Previous CCT Agreements**”).

(for details of the Previous CCT Agreements, please refer to the announcements of the Company dated 31 May 2019, 1 September 2020 and 26 March 2021, the joint announcement of the Company and GDL dated 29 October 2020 and the announcement of GDL dated 19 November 2020). (However, as the Previous CCT Agreements were entered into before the Framework Agreement, the abovementioned service fee amounts are not included in the relevant Caps under the Framework Agreement.)

For the avoidance of doubt, the two agreements both dated 10 May 2021 and entered into between GDL Zhuhai (a non-wholly owned subsidiary of the Company) and the Yuehai Property Management Group in relation to the provision of Property Management Services by the Yuehai Property Management Group to GDL Zhuhai (see the announcement of GDL dated 10 May 2021 for details) are Specific Agreements, and thus the amounts of their relevant transaction caps are included in the Caps;

- (c) the expected demand for Property Management Services by the Group based on (i) the amount of the service fees under the Previous Transactions for each of the two years ended 31 December 2020; (ii) the relevant gross floor area of the properties of the Group as at 31 December 2020; (iii) the expected number of the property projects under development by the Group during the term of the Framework Agreement; (iv) the estimated time of pre-sales and delivery of the property projects under development by the Group; (v) the locations and types of the aforementioned properties of and under development by the Group; (vi) the expected types of Property Management Services required; (vii) the expected renewal of certain Previous CCT Agreements upon their expiry during the term of the Framework Agreement; and (viii) a reasonable buffer to allow for increase in demand for the Property Management Services;
- (d) that:
 - (i) among the Previous CCT Agreements which are expected to be renewed upon their expiry during the term of the Framework Agreement, only one of them will expire before 31 December 2021 and majority of them will expire on 31 December 2021 or during the year ending 31 December 2022 and, as such, most renewed terms of such Previous CCT Agreements will not commence until the year ending 31 December 2022, and accordingly, as mentioned in paragraph (b) above, the relevant transaction amounts before the renewal of such Previous CCT Agreements are not included in the Caps (in particular the Cap for the period from 10 May 2021 and 31 December 2021) under the Framework Agreement; and
 - (ii) the demand for Property Management Services by the Group in respect of the Group's property projects under development is expected to be higher for the year ending 31 December 2022 and thereafter, as, according to the Group's business plan that a greater number of property projects (to be developed on land parcels from the Group's land bank and the land parcels anticipated to be acquired by the Group) will commence during the year ending 31 December 2022, and based on the estimated time of pre-sales and delivery of such property projects under development,

therefore, the Caps set for the year ending 31 December 2022, the year ending 31

December 2023 and the period from 1 January 2024 to 9 May 2024, respectively, are higher when compared to that for the period from 10 May 2021 to 31 December 2021; and

- (e) the estimated fee rates chargeable by the Yuehai Property Management Group for the provision of such services during the term of the Framework Agreement, with reference to the fees for the provision of similar services for similar types of properties under the relevant agreements entered into by the Group and Independent Third Parties, the standard price promulgated by the relevant government authorities of similar services and/or the market rates with reference to at least two service providers for the provision of services similar to the relevant property of the Group, and taking into account the impact of inflation.

PRICING POLICY

During the term of the Framework Agreement, the Group may from time to time enter into Specific Agreements with members of the Yuehai Property Management Group for the provision of relevant Property Management Services, in accordance with the principles and terms of the Framework Agreement.

The Group adopts the following pricing policy for each Specific Agreement:

- (i) each Specific Agreement will be negotiated on an arm's length basis to ensure the relevant pricing terms are fair and reasonable and on normal commercial terms;
- (ii) the service fees shall be determined after the arm's length negotiations between both parties in respect of the terms and conditions of each Specific Agreement, to ensure that the service fees offered by the Yuehai Property Management Group are no less favourable than those offered by other Independent Third Parties to Group; and
- (iii) in determining the service fee, the Group shall (a) refer to other transactions of similar services (in terms of the scope and requirement of services, the location and condition of properties, and level of difficulty of management, etc.) provided by Independent Third Parties to the Group or, (b) in the event that the Group has not previously entered into any transaction in relation to the similar services, the Group shall refer to the standard price promulgated by the relevant government authorities or those charged by at least two other property management companies in the PRC for comparable transactions, to negotiate with the Yuehai Property Management Group and to ensure that the service fees offered by the Yuehai Property Management Group are fair and reasonable and are no less favourable than those offered by other Independent Third Parties to Group or market terms.

INTERNAL CONTROL MEASURES

The pricing policy for all the continuing connected transactions of the Group will be supervised and monitored by the relevant personnel and management of the Group to ensure that the relevant continuing connected transaction is conducted on normal commercial terms and will not be prejudicial to the interests of the Company and its shareholders as a whole. The relevant personnel and management of the Group will review and assess the terms before entering into a Specific Agreement to ensure they are consistent with the principles and provisions set out in the Framework Agreement.

Regular checks will be conducted to review and assess whether the relevant continuing connected transactions are conducted in accordance with the terms of the related Specific Agreements and the price charged for a specific transaction is fair and reasonable and in accordance with the aforesaid pricing policy. In addition, review reports containing details such as the latest utilisation rate of the relevant Caps and the updated list of relevant continuing connected transactions, will be prepared by the relevant personnel of the Group on a half-year basis. In the event that the utilisation rate of the relevant Cap reaches 80%, the Board will be informed for considering if the relevant Cap shall be revised and, if so, the Company will further comply with relevant requirements under the Listing Rules.

The independent non-executive Directors and the independent auditor of the Company will also conduct an annual review on the pricing terms and the Caps thereof. Accordingly, the Directors consider that the internal control mechanism is effective to ensure that the transactions contemplated under the Framework Agreement have been and will be conducted on normal commercial terms and not prejudicial to the interests of the Company and the shareholders as a whole.

REASONS FOR AND BENEFITS OF ENTERING INTO THE FRAMEWORK AGREEMENT

Yuehai Property Management and its subsidiaries are principally engaged in providing property management and property leasing services in the PRC and have extensive experience in the industry. The transactions contemplated under the Framework Agreement have been occurring for some time. Such transactions, which are in the ordinary and usual course of business of the Group and the Yuehai Property Management Group, are expected to continue. The Framework Agreement sets out the principles for regulating such transactions and provides flexibility for the entering into of the Specific Agreements in respect of such continuing transactions (when they arise) as well as administrative convenience for the purpose of compliance with Chapter 14A of the Listing Rules. As Yuehai Property Management and its subsidiaries have solid and extensive experience in the property management field in the PRC, the Board believes that it is beneficial to the business of the Group to engage Yuehai Property Management Group to provide property management services, in terms of price, efficiency, quality and reliability in the provision of such services.

In light of the above, the Directors (including the independent non-executive Directors) consider that the terms of the Framework Agreement and the transactions contemplated thereunder and the Caps are fair and reasonable, entered into on normal commercial terms or better, in the ordinary and usual course of business of the Group, and are in the interests of the Company and its shareholders as a whole.

LISTING RULES IMPLICATIONS

Guangdong Holdings (being the ultimate controlling shareholder of the Company) holds approximately 56.49% of the total number of shares of the Company in issue and therefore, is a connected person of the Company. Yuehai Property Management (being a direct wholly-owned subsidiary of Guangdong Holdings) and its subsidiaries (being subsidiaries of Guangdong Holdings) are associates of Guangdong Holdings, and hence connected persons of the Company pursuant to the Listing Rules. Accordingly, the transactions contemplated under the Framework Agreement between the Group and the

Yuehai Property Management Group constitute continuing connected transactions of the Company under the Listing Rules.

As all applicable percentage ratios in respect of the Framework Agreement calculated pursuant to the Listing Rules exceed 0.1% but all of them are less than 5%, the Framework Agreement is therefore subject to the reporting, annual review and announcement requirements under the Listing Rules, but is exempt from the independent shareholders' approval requirement under Rule 14A.76(2) of the Listing Rules.

Mr. Hou Wailin and Mr. Cai Yong, being the Directors, are also directors of Guangdong Holdings and its certain subsidiaries. As such, Mr. Hou, who was present at the relevant Board meeting, was not counted in the quorum and abstained from voting on the relevant Board resolutions to approve the entering into of the Framework Agreement and the transactions contemplated (including the Caps) thereunder. Mr. Cai was absent from the relevant Board meeting.

Save as disclosed, to the best of the Directors' knowledge, information and belief having made all reasonable enquiries, no other Directors had any material interest in the Framework Agreement and the transactions contemplated thereunder and is required to abstain from voting on the relevant Board resolutions.

INFORMATION ON PARTIES TO THE FRAMEWORK AGREEMENT

Information on the Company and the Group

The Company is a company incorporated in Hong Kong with limited liability and is principally engaged in investment holding. 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. The ultimate controlling shareholder of the Company is Guangdong Holdings.

Information on Yuehai Property Management

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

Information on Guangdong Holdings

Guangdong Holdings is the ultimate controlling shareholder of the Group and the Yuehai Property Management Group, and is principally engaged in investment holding. It is wholly-owned by the People's Government of Guangdong Province.

DEFINITIONS

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

“associate(s)” has the meaning ascribed to it under the Listing Rules;

“Board”	the board of Directors;
“Caps”	has the meaning ascribed to it under the section headed “The Framework Agreement - Caps and basis of determination” of this announcement;
“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;
“Director(s)”	the director(s) of the Company;
“Framework Agreement”	the framework agreement dated 10 May 2021 and entered into between the Company and Yuehai Property Management, details of which are set out under the section headed “The Framework Agreement” in this announcement;
“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 controlling shareholder of the Company;
“Guangdong Holdings Group”	Guangdong Holdings and its subsidiaries, and for the purpose of the Framework Agreement, excluding members of the Group;
“GDL”	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, and is a non-wholly subsidiary of the Company;
“GDL Zhuhai”	珠海粵海置地有限公司 (Zhuhai Yuehai Land Co., Ltd*), a company established in the PRC with limited liability and an indirect non-wholly owned subsidiary of the Company;
“HK\$”	Hong Kong dollars, the legal currency of Hong Kong;
“Hong Kong”	The Hong Kong Special Administrative Region of the PRC;
“Huiyang Yuehai”	惠陽粵海房產發展有限公司 (Huiyang Yuehai Property Development Co., Ltd.*), a company established in the PRC with limited liability and an indirect non-wholly owned subsidiary of the Company;

“Independent Third Party(ies)”	independent third party(ies) who is/are not connected person(s) of the Company and is/are independent of and not connected with the Company and Directors, chief executive, controlling shareholders and substantial shareholders of the Company or any of its subsidiaries or their respective associates;
“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, which for the purpose of this announcement, excluding Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan;
“Property Management Services”	has the meaning ascribed to it under the section headed “The Framework Agreement – Scope of services” in this announcement;
“Previous CCT Agreements”	has the meaning ascribed to it under the section headed “The Framework Agreement - Caps and basis of determination” of this announcement;
“Previous Transaction(s)”	has the meaning ascribed to it under the section headed “The Framework Agreement – Caps and basis of determination” in this announcement;
“RMB”	Reminbi, the lawful currency of the PRC;
“Specific Agreement(s)”	the specific individual agreement(s) that may be entered into between the relevant member(s) of the Group and the relevant member(s) of the Yuehai Property Management Group in relation to the provision of relevant Property Management Services by the Yuehai Property Management Group to the Group, in accordance with the principles and terms of the Framework Agreement;
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“subsidiary(ies)”	has the meaning ascribed to it under the Listing Rules;
“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;
“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 Property Management Group”	Yuehai Property Management and its subsidiaries;
“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=RMB1.2004 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, 10 May 2021

As at the date of this announcement, the Board of the Company comprises five Executive Directors, namely, Mr. HOU Wailin, Mr. LIN Tiejun, Mr. WEN Yinheng, Mr. TSANG Hon Nam and Ms. LIANG Yuanjuan; 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, Mr. FUNG, Daniel R., Dr. the Honourable CHENG Mo Chi, Moses, Mr. WU Ting Yuk, Anthony and Mr. LI Man Bun, Brian David.