

*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  
AND  
REVISION OF ANNUAL CAPS FOR SETTLEMENT AND DEPOSIT  
SERVICES COOPERATION AGREEMENTS**

On 8 November 2019, Zhongshan Energy (a subsidiary of the Company) and GDH Finance entered into the Zhongshan Energy Cooperation Agreement pursuant to which GDH Finance has been engaged to settle, at the instruction of Zhongshan Energy Group, outstanding invoices issued to Zhongshan Energy Group with available funds temporarily deposited by Zhongshan Energy Group from time to time according to its business needs and at its discretion in current account(s) opened with GDH Finance.

Since certain applicable percentage ratios for the purpose of Chapter 14A of the Listing Rules in respect of the maximum daily balance of deposits placed by Zhongshan Energy Group with GDH Finance (including accrued interests payable by GDH Finance) under the Zhongshan Energy 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.

In addition to the Zhongshan Energy Cooperation Agreement, GDTDS (a subsidiary of the Company) had also entered into the GDTDS Cooperation Agreement with GDH Finance, the details of which are contained in the announcement of the Company dated 2 November 2018. A summary of the particulars of the GDTDS Cooperation Agreement is also set out in this announcement.

Each of the transactions contemplated under the Settlement and Deposit Services Cooperation Agreements (comprising the Zhongshan Energy Cooperation Agreement and the GDTDS Cooperation Agreement) constitutes the provision of financial assistance by the Group to GDH Finance and a continuing connected transaction of the Company under the Listing Rules.

The Settlement and Deposit Services Cooperation Agreements have been aggregated for Listing Rules purposes on the basis that they all relate to financial services provided by GDH Finance to the Group.

The aggregate annual cap of maximum daily balance of deposits placed by GDTDS Group and Zhongshan Energy Group with GDH Finance (including accrued interests payable by GDH Finance) during the term of the Settlement and Deposit Services Cooperation Agreements will be RMB300,000,000 for each of the financial years ending 31 December 2019 and 2020. As the highest annual cap for the aforesaid two financial years, which amounts to RMB300,000,000 (equivalent to approximately HK\$333,330,000), exceeds 0.1% but is less than 5% of certain applicable percentage ratios pursuant to Rule 14.07 of the Listing Rules, the transactions as contemplated under the Settlement and Deposit Services Cooperation Agreements 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 Settlement and Deposit Services Cooperation Agreements.

This announcement sets out, amongst other things, the details concerning the Zhongshan Energy Cooperation Agreement, including the background and the reasons for entering into the same, the revised annual caps and how these were determined.

## **BACKGROUND**

On 8 November 2019, Zhongshan Energy (a subsidiary of the Company) and GDH Finance entered into the Zhongshan Energy Cooperation Agreement pursuant to which (i) GDH Finance has been engaged to settle, at the instruction of Zhongshan Energy Group, outstanding invoices issued to Zhongshan Energy Group with available funds temporarily deposited by Zhongshan Energy Group from time to time according to its business needs and at its discretion in current account(s) opened with GDH Finance; and (ii) Zhongshan Energy Group and GDH Finance shall further enter into certain account opening/management agreements for the purpose of facilitating the performance of the Zhongshan Energy Cooperation Agreement.

## ZHONGSHAN ENERGY COOPERATION AGREEMENT

The following is a summary of the salient terms of the Zhongshan Energy Cooperation Agreement:

Term: A fixed term of one year from 8 November 2019 to 7 November 2020

Services: GDH Finance will settle, at the instruction of Zhongshan Energy Group, outstanding invoices issued to Zhongshan Energy Group with available funds temporarily deposited by Zhongshan Energy Group from time to time according to its business needs and at its discretion in current account(s) opened with GDH Finance.

Deposit Interests: The rates at which interest will accrue on the Agreed Deposit placed by Zhongshan Energy Group with GDH Finance under the Zhongshan Energy 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 caps: The maximum daily balance of deposits placed by Zhongshan Energy Group with GDH Finance (including accrued interests payable by GDH Finance) during the term of the Zhongshan Energy Cooperation Agreement will not exceed the cap of RMB100,000,000 (equivalent to approximately HK\$111,110,000) for each of the two financial years ending 31 December 2019 and 2020.

In determining the cap for the deposit services, the Directors have taken into account the historical daily settlement amounts of the Zhongshan Energy Group in 2017 and 2018 as well as the future development trend of the coal power industry.

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

## **GDTDS COOPERATION AGREEMENT**

Reference is made to the announcement of the Company dated 2 November 2018 in relation to the continuing connected transaction under a settlement and deposit services cooperation agreement.

On 2 November 2018, GDTDS (a subsidiary of the Company) and GDH Finance entered into the GDTDS 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 current account(s) opened with GDH Finance for a fixed term expiring on 1 November 2020. 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 GDTDS Cooperation Agreement must not exceed the cap of RMB200,000,000 (equivalent to approximately HK\$222,220,000) for each of the two financial years ending 31 December 2019 and 2020. Please refer to the announcement of the Company dated 2 November 2018 for further details.

## **REASONS FOR AND BENEFITS OF ENTERING INTO THE ZHONGSHAN ENERGY COOPERATION AGREEMENT AND AGGREGATE ANNUAL CAPS**

Zhongshan Energy 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 Zhongshan Energy Group, it can offer customized settlement services tailored for the business needs of Zhongshan Energy Group in a more efficient manner.

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

The Settlement and Deposit Services Cooperation Agreements (comprising the Zhongshan Energy Cooperation Agreement and the GDTDS Cooperation Agreement) have been aggregated for Listing Rules purposes on the basis that they all relate to financial services provided by GDH Finance to the Group. The aggregate annual caps for the maximum daily balance of deposits placed by GDTDS Group and Zhongshan Energy Group with GDH Finance (including accrued interests payable by GDH Finance) during the term of the Settlement and Deposit Services Cooperation Agreements for the two financial years ending 31 December 2019 and 2020 will be as follows:

**Maximum Daily Balance of Deposits Placed**  
**(Including Accrued Interests Payable by GDH Finance)**

<b><u>Settlement and Deposit Services</u></b> <b><u>Cooperation Agreements</u></b>	<b><u>2019</u></b> <b>(RMB)</b>	<b><u>2020</u></b> <b>(RMB)</b>
Zhongshan Energy Cooperation Agreement	100,000,000	100,000,000
GDTDS Cooperation Agreement	200,000,000	200,000,000
<b>Total</b>	<b>300,000,000</b>	<b>300,000,000</b>
<b>Annual caps</b>	<b>300,000,000</b>	<b>300,000,000</b>

The Directors (including the independent non-executive Directors) are of the view that the Zhongshan Energy 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 Zhongshan Energy Cooperation Agreement (including the annual cap of the maximum daily balance of deposits (including accrued interests payable by GDH Finance) for the years from 2019 to 2020 as agreed under the Zhongshan Energy 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. HOU Wailin 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 Zhongshan Energy Cooperation Agreement and the aggregate annual caps of the maximum daily balance of deposits (including accrued interests) under the Settlement and Deposit Services Cooperation Agreements for the two years from 2019 to 2020. Save as disclosed above, no other Directors have any material interest in the Zhongshan Energy 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, each of the transactions contemplated under the Settlement and Deposit Services Cooperation Agreements constitutes the provision of financial assistance by the Group to GDH Finance and a continuing connected transaction of the Company under the Listing Rules.

## **LISTING RULES IMPLICATIONS**

Since certain applicable percentage ratios for the purpose of Chapter 14A of the Listing Rules in respect of the maximum daily balance of deposits placed by Zhongshan Energy Group with GDH Finance (including accrued interests payable by GDH Finance) under the Zhongshan Energy 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 Settlement and Deposit Services Cooperation Agreements have been aggregated for Listing Rules purposes on the basis that they all relate to financial services provided by GDH Finance to the Group.

The aggregate annual cap of maximum daily balance of deposits placed by GDTDS Group and Zhongshan Energy Group with GDH Finance (including accrued interests payable by GDH Finance) during the term of the Settlement and Deposit Services Cooperation Agreements will be RMB300,000,000 for each of the financial years ending 31 December 2019 and 2020. As the highest annual cap for the aforesaid two financial years, which amounts to RMB300,000,000 (equivalent to approximately HK\$333,330,000), exceeds 0.1% but is less than 5% of certain applicable percentage ratios pursuant to Rule 14.07 of the Listing Rules, the transactions as contemplated under the Settlement and Deposit Services Cooperation Agreements 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 Settlement and Deposit Services Cooperation Agreements.

## **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.

GDTDS is principally engaged in department store operation in the PRC.

Zhongshan Energy is principally engaged in power plant operation, supplying electricity and steam power.

Guangdong Holdings is principally engaged in investment holding.

GDH Finance 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 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;
“GDTDS Group”	GDTDS and its subsidiary(ies);
“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, GDH Finance, GDTDS and Zhongshan Energy;
“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 Agreements”	the GDTDS Cooperation Agreement and the Zhongshan Energy Cooperation Agreement;
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“Transaction”	the provision of settlement and deposit services by GDH Finance to Zhongshan Energy Group pursuant to the Zhongshan Energy Cooperation Agreement;
“Zhongshan Energy”	中山粤海能源有限公司(Zhongshan GDH Energy Co., Ltd.*), a subsidiary of the Company established under the laws of the PRC;
“Zhongshan Energy Cooperation Agreement”	an agreement dated 8 November 2019 entered into between Zhongshan Energy and GDH Finance in relation to (i) settlement services; and (ii) deposit services to be provided by GDH Finance to Zhongshan Energy Group;
“Zhongshan Energy Group”	Zhongshan Energy and its subsidiary(ies); 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\$1.1111 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, 8 November 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.*