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GUANGDONG INVESTMENT LIMITED
(粵海投資有限公司)

(Incorporated in Hong Kong with limited liability)
(Stock Code: 0270)

VOLUNTARY ANNOUNCEMENT

Further to the announcement dated 21 November 2017 issued by Guangdong Investment Limited (the “Company”), the board of directors of the Company (the “Board”) wishes to provide an update on the discussion on the supply of water to Hong Kong from Guangdong Province between the government of the Hong Kong Special Administrative Region (the “HKSAR Government”) and the People’s Government of Guangdong Province (the “Guangdong Provincial Government”).

Update on the Discussion on the Supply of Water to Hong Kong from Guangdong Province between the HKSAR Government and the Guangdong Provincial Government

By way of background, the supply of water to Hong Kong from Guangdong Province is regulated by an agreement (the “Hong Kong Water Supply Agreement”) between the HKSAR Government and the Guangdong Provincial Government which sets out the principal terms of such water supply. Pursuant to a concession agreement dated 18 August 2000 entered into between Guangdong Yue Gang Water Supply Company Limited (“WaterCo”, a subsidiary of the Company) and the Guangdong Provincial Government, the Guangdong Provincial Government has, amongst other things, granted to WaterCo the right to supply water to Hong Kong.

The HKSAR Government and the Guangdong Provincial Government had finalized the water supply arrangement for 2018 to 2020 and on 14 December 2017 signed a new water supply agreement (the “2018 Hong Kong Water Supply Agreement”) for a term of three years from 1 January 2018 to 31 December 2020. The annual fixed price for the capped volume of water supply for the three years 2018, 2019 and 2020 are HK\$4,792.59 million, HK\$4,807.00 million and HK\$4,821.41 million, respectively (2017: HK\$4,778.29 million). The Guangdong Provincial Government will maintain the water quality at its current level and will endeavor to enhance its efforts to conserve water resources.

This announcement is made by the Company on a voluntary basis.

By Order of the Board
HUANG Xiaofeng
Chairman

Hong Kong, 15 December 2017

As at the date of this announcement, the Board of the Company 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.