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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)**

## **VOLUNTARY ANNOUNCEMENT**

The board of directors (the “**Board**”) of Guangdong Investment Limited (the “**Company**”) is pleased to announce that on 10 May 2019, the Company, Guangdong Yue Hai Water Holdings Limited (廣東粵海水務股份有限公司) (“**Guangdong Water Co**”), Jiangsu Chunghe Yongtai Construction Engineering Co., Ltd. (江蘇中和永泰建設工程有限公司) (“**Jiangsu Chunghe Yongtai**”), China First Metallurgical Group Co., Ltd. (中國一冶集團有限公司) (“**China First Metallurgical**”, together with the Company, Guangdong Water Co and Jiangsu Chunghe Yongtai, the “**Private Partners**”) received a preliminary bid-winning notice from Xinghua Municipal Housing and Urban-Rural Development Bureau (興化市住房和城鄉建設局, the “**Public Partner**”) informing that the Private Partners are the preliminary winning bidders for the bid of the public-private-partnership project for Yangtze river water diversion engineering project in Xinghua city (the “**City**”), Jiangsu Province, the People’s Republic of China (the “**PRC**”) (江蘇省興化市長江引水工程 PPP 項目, the “**PPP Project**”). On the same date, the Private Partners and the Public Partner have entered into a negotiation memorandum on the confirmation of the PPP Project procurement results (PPP 項目採購結果確認談判備忘錄).

The PPP Project, if proceeded with, will comprise (i) the water diversion project from Yangtze River (the “**Diversions Project**”) for the City; and (ii) the operation project (the “**Operation Project**”) for the City. The Diversions Project is expected to have a designed and construction capacity of approximately 430,000 tons/day. The Diversions Project primarily includes the construction of approximately 174km of water pipelines, 62km of water mains and two Xinghua booster pump stations (approximately 510,000 tons/day in total). The Operation Project primarily includes water production, water supply and collection of water charges for the City. The total investment in the PPP Project is expected to be approximately RMB2.76 billion (equivalent to approximately HK\$3.217 billion). The final total investment amount and other contract terms of the PPP Project are subject to the final signed project contract in respect of the PPP Project (the “**PPP Contract**”).

The Company confirms that as at the date of this announcement, the PPP Contract has not been signed yet and is expected to be entered into by the Private Partners and the Public Partner after certain procedures have been completed and if the final notice to win the bid of the PPP Project is issued to the Private Partners by the Public Partner.

The PPP Project, if proceeded with, will entail that (i) the Private Partners and the Public Partner will enter into the PPP Contract, (ii) the Private Partners will enter into a joint venture contract with Xinghua City Construction Investment Co., Ltd. (興化市城市建設投資有限公司, as authorized by the Public Partner) to establish a joint venture company (the “**JV Company**”), and (iii) the JV Company will sign an entrusted operation management contract with Xinghua Municipal Water Supply (Group) Co., Ltd. (興化市供水(集團)有限公司) (the “**Transaction**”).

Guangdong Water Co is an indirect wholly owned subsidiary, and hence an associate, of Guangdong Holdings Limited (“Guangdong Holdings”), the Company’s ultimate holding company. Guangdong Holdings indirectly holds approximately 56.49% of the issued shares of the Company as at the date of this announcement and is, therefore, a controlling shareholder of the Company. Thus, Guangdong Holdings and Guangdong Water Co are connected persons of the Company. The Transaction, if proceeded with, will constitute a connected transaction of the Company under the Listing Rules. Based on a preliminary assessment of the information currently available to the Company, as it is expected that the all of the applicable percentage ratios (as defined in Chapter 14 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (Listing Rules) in respect of the Transaction will exceed 0.1% but less than 5%, the Transaction is expected to be subject to the reporting and announcement requirements, but exempt from the independent shareholders' approval requirement, under Chapter 14A of the Listing Rules.

*For the purpose of this announcement, unless otherwise indicated, the exchange rate of RMB1.00=HK\$1.1657 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, 10 May 2019

*As at the date of this announcement, the board of Directors 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.*