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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**

Further to the announcement dated 21 December 2020 issued by Guangdong Investment Limited (the “Company”), the board of directors of the Company (the “Board”) wishes to provide an update on the water supply agreement for 2021 to 2023 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 Water Supply Agreement for 2021 to 2023**

By way of background, the supply of water to Hong Kong from Guangdong Province is regulated by a 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 2021 to 2023, and on 28 December 2020 signed a new water supply agreement (the “2021-23 Water Supply Agreement”) for a term of three years from 1 January 2021 to 31 December 2023. The principal terms of the 2021-23 Water Supply Agreement are as follows:

- (a) The annual supply ceiling and the ultimate annual water supply quantity shall be maintained at 820 million cubic metres and 1,100 million cubic metres for the three-year period between 2021 and 2023, respectively.

- (b) The annual basic water prices for 2021 to 2023 are HK\$4,885.53 million, HK\$4,950.51 million and HK\$5,016.35 million respectively. In consideration of the impact of the pandemic in Hong Kong and as agreed by the Guangdong Provincial Government, the actual water price for 2021 is to be frozen at the 2020 level (i.e. HK\$4,821.41 million).
- (c) The water price deduction mechanism shall be adopted for at least up to 2029 (including the 2021-23 Water Supply Agreement and another 2 three-year water supply agreements in the future). For details of the water price deduction mechanism, please refer to the announcement of the Company dated 21 December 2020.
- (d) The quality of water supplied to Hong Kong shall comply with Type II water in the Environmental Quality Standards for Surface Water (GB3838-2002), which is the highest national standard for surface water applicable for the abstraction for human consumption.

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

By Order of the Board  
**TSANG Hon Nam**  
*Director*

Hong Kong, 28 December 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, Mr. LAN Runing and Mr. FENG Qingchun; 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.*