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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**  
**WATER PROJECT DESIGN & SURVEY SERVICES**

On 1 September 2022, Guangdong Water (a direct wholly-owned subsidiary of the Company), Yue Gang Water Supply (an indirect non-wholly owned subsidiary of the Company) and Water Conservancy Design Institute entered into the Framework Agreement in relation to the provision of the Water Project Design & Survey Services by the Water Conservancy Design Institute Group to the GDI Water Supply Group.

The Caps for the transactions contemplated under the Framework Agreement for the period from 1 September 2022 to 31 December 2022, the year ending 31 December 2023, the year ending 31 December 2024 and the period from 1 January 2025 to 28 June 2025 are RMB80,000,000 (approximately HK\$91,128,000), RMB100,000,000 (approximately HK\$113,910,000), RMB100,000,000 (approximately HK\$113,910,000) and RMB100,000,000 (approximately HK\$113,910,000), respectively.

Guangdong Holdings, the ultimate controlling shareholder of the Company, indirectly holds approximately 56.49% of the total number of shares of the Company in issue as at the date of this announcement and is a connected person of the Company pursuant to the Listing Rules. By virtue of being a direct wholly-owned subsidiary of Guangdong Holdings, Water Conservancy Design Institute is an associate of Guangdong Holdings and thus a connected person of the Company pursuant to the Listing Rules. Accordingly, the transactions contemplated under the Framework Agreement constitute continuing connected transactions of the Company under Chapter 14A of the Listing Rules.

As certain of the applicable percentage ratios calculated in respect of the transactions contemplated under the Framework Agreement exceed 0.1% but all of them are less than 5% in accordance with Rule 14.07 of the Listing Rules, such transactions are only subject to the reporting, annual review and announcement requirements under the Listing Rules, but exempt from the independent shareholders' approval requirement under Chapter 14A of the Listing Rules.

The relevant transactions under the Framework Agreement and the Existing Design & Survey Services Agreements, which are of the same nature, have been aggregated in respect of the year ending 31 December 2022 for the purpose of Rule 14A.81 of the Listing Rules.

Reference is made to the Support Services Announcement in relation to the provision of certain support services by the Guangdong Water Technology Group to Guangdong Water, GH Water Supply and their respective subsidiaries pursuant to the Support Services Framework Agreement, which have been aggregated with the Existing Support Services Agreements in respect of the year ending 31 December 2022.

As there may be similarity in nature between transactions under the Framework Agreement and the Support Services Framework Agreement, for prudence reasons, the transactions under (i) the Framework Agreement and the Existing Design & Survey Services Agreements, and (ii) the Support Services Framework Agreement and the Existing Support Services Agreements for the relevant periods have been aggregated. As all of the applicable percentage ratios in respect of the transactions under the Framework Agreement, the Existing Design & Survey Services Agreements (for the year ending 31 December 2022), the Support Services Framework Agreement and the Existing Support Services Agreements (for the year ending 31 December 2022) on an aggregated basis calculated pursuant to the Listing Rules exceed 0.1% but all of them are less than 5% in accordance with Rule 14.07 of the Listing Rules, such transactions are only subject to the reporting, annual review and announcement requirements under the Listing Rules, but exempt from the independent shareholders' approval requirement under Chapter 14A of the Listing Rules.

## **THE FRAMEWORK AGREEMENT**

On 1 September 2022, Guangdong Water (a direct wholly-owned subsidiary of the Company), Yue Gang Water Supply (an indirect non-wholly owned subsidiary of the Company) and Water Conservancy Design Institute entered into the Framework Agreement in relation to the provision of the Water Project Design & Survey Services by the Water Conservancy Design Institute Group to the GDI Water Supply Group.

The GDI Water Supply Group will engage the Water Conservancy Design Institute Group for the provision of the Water Project Design & Survey Services on a non-exclusive basis. The GDI Water Supply Group is not under any obligation to engage the Water Conservancy Design Institute Group for any particular service under the Framework Agreement and is entitled to engage any service provider at its own discretion.

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

- Date:** 1 September 2022
- Parties:** (1) Guangdong Water;  
(2) Yue Gang Water Supply; and  
(3) Water Conservancy Design Institute
- Term:** 1 September 2022 to 28 June 2025 (both dates inclusive)

**Scope of services:**

The Water Conservancy Design Institute Group shall provide the following services (the “**Water Project Design & Survey Services**”) to the GDI Water Supply Group under the terms and conditions of the Framework Agreement, including but not limited to:

- (i) provision of pre-engineering services (the “**Pre-Engineering Services**”), such as the preparation of reports regarding feasibility study, land requisition and resettlement, social stability risk assessment, environmental supervision, environmental monitoring, environmental impact and, environmental protection for water conservancy engineering projects, municipal engineering projects, etc.;
- (ii) provision of survey, design and technical services (the “**Survey, Design and Technical Services**”), such as survey, project design and construction drawing design for water conservancy engineering projects, municipal engineering projects, etc.; and
- (iii) provision of technical consultation services (the “**Technical Consultation Services**”) that relate to items (i) and (ii) above.

**Specific Agreements:**

Pursuant to the Framework Agreement, member(s) of the GDI Water Supply Group may from time to time enter into Specific Agreements with member(s) of the Water Conservancy Design Institute Group for the provision of the Water Project Design & Survey Services, which shall set out the detailed terms for the relevant transactions contemplated under the Framework Agreement and be on normal commercial terms and on terms no less favourable than those offered by the Independent Third Parties to the GDI Water Supply Group for comparable services. The Specific Agreements shall conform with the provisions set out in the Framework Agreement. If there is any conflict between any provision(s) of the Specific Agreement and the relevant provision(s) of the Framework Agreement, the provision(s) of the Framework Agreement shall prevail and the relevant provision(s) of the Specific Agreement shall be amended accordingly.

**Pricing policy:**

The transactions under the Framework Agreement shall be on normal commercial terms and on terms no less favourable than those offered by the Independent Third Parties to the GDI Water Supply Group for comparable services. On the basis of such principle, the fees for the provision of the Water Project Design & Survey Services paid by the GDI Water Supply Group to the Water Conservancy Design Institute Group shall be determined as follows:

- (i) **Specific Agreements:** Each Specific Agreement for the provision of the Water Project Design & Survey Services shall be negotiated on an arm's length basis to ensure the relevant pricing terms are fair and reasonable and on normal commercial terms;
- (ii) **Government regulated or recommended pricing:** If government regulated or recommended prices apply to any particular type of product, technology or service, the price for the relevant product, technology or service shall be determined according to the regulated or recommended prices promulgated by the relevant government authorities; or
- (iii) **Market price:** The fees for the provision of Water Project Design & Survey Services shall be determined taking into account the prices of the same or similar products or services provided by Independent Third Parties in the ordinary course of business on normal commercial terms.

The market price for the Pre-Engineering Services and the Survey, Design and Technical Services of engineering construction shall be obtained mainly in accordance with the requirements under the Regulation on the Implementation of the Bidding Law of the PRC (《中華人民共和國招標投標法實施條例》) through public tendering or market price offered by the Independent Third Parties.

As for public tendering, the GDI Water Supply Group will issue tender documents to unspecified bidders. The number of bidders depends on the nature of the subject of the tender. The number of bidders is normally not less than three in respect of the relevant services. As for tender by invitation, the GDI Water Supply Group will invite a number of specified companies to participate in the tender. Based on its procurement procedures, at least three companies shall be invited to participate in the tender.

**Payment terms:**

Subject to the relevant Specific Agreements, the fees for the Water Project Design & Survey Services shall be paid by the GDI Water Supply Group to the relevant member(s) of the Water Conservancy Design Institute Group based on a project milestone basis as set out in the Specific Agreements, in accordance with the relevant usual commercial practices and on fair and reasonable terms.

## Caps and basis of determination

### *Historical transaction amounts*

As the entire equity interest in Water Conservancy Design Institute was acquired by Guangdong Holdings (the ultimate controlling shareholder of the Company) on 27 September 2020 and, accordingly, it became an associate of Guangdong Holdings and a connected person of the Company under Chapter 14A of the Listing Rules. The GDI Water Supply Group had engaged the Water Conservancy Design Institute Group for the provision of the Water Project Design & Survey Services (including Pre-Engineering Services, Survey, Design and Technical Services and Technical Consultation Services) pursuant to certain specific agreements entered into between the GDI Water Supply Group and the Water Conservancy Design Institute Group (the “**Existing Design & Survey Services Agreements**”). The Existing Design & Survey Services Agreements were on normal commercial terms and on terms no less favourable than those offered by the Independent Third Parties to the GDI Water Supply Group for comparable services. For the period from 27 September 2020 to 31 December 2020, the year ended 31 December 2021, and the period from 1 January 2022 to 31 August 2022, the transaction amounts of such Water Project Design & Survey Services were RMB12,952,180 (equivalent to approximately HK\$14,753,828), RMB2,583,600 (equivalent to approximately HK\$2,942,979) and RMB5,972,090 (equivalent to approximately HK\$6,802,808, respectively).

As all of the applicable percentage ratios in respect of the transactions under the Existing Design & Survey Services Agreements calculated pursuant to the Listing Rules in any 12-month period were less than 0.1% on an aggregated basis, the Existing Design & Survey Services Agreements were exempt from the reporting, annual review, announcement and independent shareholders’ approval requirements under Chapter 14A of the Listing Rules.

The relevant transaction amounts under the Framework Agreement and the Existing Design & Survey Services Agreements, which are of the same nature, have been aggregated in respect of the year ending 31 December 2022 for the purpose of Rule 14A.81 of the Listing Rules.

### *Caps and basis of determination*

Pursuant to the Framework Agreement, the relevant caps (i.e. the maximum aggregate transaction amounts for the relevant periods) (“**Cap(s)**”) for the transactions contemplated under the Framework Agreement are as follows:

	<b>For the period from 1 September 2022 to 31 December 2022 (RMB)</b>	<b>For the year ending 31 December 2023 (RMB)</b>	<b>For the year ending 31 December 2024 (RMB)</b>	<b>For the period from 1 January 2025 to 28 June 2025 (RMB)</b>
<b>Caps</b>	80,000,000 (equivalent to approximately HK\$91,128,000)	100,000,000 (equivalent to approximately HK\$113,910,000)	100,000,000 (equivalent to approximately HK\$113,910,000)	100,000,000 (equivalent to approximately HK\$113,910,000)

The above Caps were determined after having taken into account the factors set out below:

- (i) the historical amount of the service fees paid by the GDI Water Supply Group to the Water Conservancy Design Institute Group in respect of the provision of the Water Project Design & Survey Services under the Existing Design & Survey Services Agreements;
- (ii) the estimated amount of service fees to be paid by the GDI Water Supply Group to the Water Conservancy Design Institute Group under the Existing Design & Survey Services Agreements in 2022 and 2023 in the amount of approximately RMB5,100,000 (equivalent to approximately HK\$5,809,410) and RMB10,500,000 (equivalent to approximately HK\$11,960,550), respectively; and the estimated amount of service fees to be paid under the proposed Specific Agreements to be entered into between the GDI Water Supply Group and the Water Conservancy Design Institute Group in 2022 in the amount of not less than RMB50,000,000 (equivalent to approximately HK\$56,955,000);
- (iii) the expected demand of the GDI Water Supply Group for the Water Project Design & Survey Services based on the business needs of the GDI Water Supply Group. It is expected that the service fees for the Pre-Engineering Services for the major water conservancy project and municipal water engineering projects invested by the GDI Water Supply Group would amount to no less than RMB15,000,000 (equivalent to approximately HK\$17,086,500) per year and that the services fees for the Survey, Design and Technical Services for the aforesaid projects would amount to no less than RMB30,000,000 (equivalent to approximately HK\$34,173,000) per year ;
- (iv) the pricing principles set out in the Framework Agreement for the Water Project Design & Survey Services;
- (v) the estimated fee rates chargeable by the Water Conservancy Design Institute Group for the provision of the Water Project Design & Survey Services during the term of the Framework Agreement, with reference to the fees for the provision of similar services under the relevant agreements entered into by the GDI Water Supply Group and Independent Third Parties, or the reference prices provided by the relevant government authorities, research institution, industry associations or other similar institutions for such services; and
- (vi) the estimated increase in the market price for comparable services taking into account the impact of inflation and rising costs.

#### *Aggregated Caps*

Reference is made to the Support Services Announcement in relation to the provision of certain support services by the Guangdong Water Technology Group to Guangdong Water, GH Water Supply and their respective subsidiaries pursuant to the Support Services Framework Agreement, which have been aggregated with the Existing Support Services Agreements in respect of the year ending 31 December 2022.

As there may be similarity in nature between transactions under the Framework Agreement and the Support Services Framework Agreement, for prudence reasons, the transactions under (i) the Framework Agreement and the Existing Design & Survey Services Agreements, and (ii) the Support Services Framework Agreement and the Existing Support Services Agreements for the relevant periods have been aggregated.

The existing caps for the transactions under the Support Services Framework Agreement (“**Support Services Caps**”); and the caps for the transactions contemplated under the Framework Agreement and the Support Services Framework Agreement on an aggregated basis (“**Aggregated Caps**”) are as follows:

	For the period from 29 June 2022 to 31 December 2022 <i>(RMB)</i>	For the year ending 31 December 2023 <i>(RMB)</i>	For the year ending 31 December 2024 <i>(RMB)</i>	For the period from 1 January 2025 to 28 June 2025 <i>(RMB)</i>
<b>Support Services Caps</b>	260,000,000 (equivalent to approximately HK\$296,166,000)	450,000,000 (equivalent to approximately HK\$512,595,000)	510,000,000 (equivalent to approximately HK\$580,941,000)	210,000,000 (equivalent to approximately HK\$239,211,000)
<b>Water Project Design &amp; Survey Services Caps</b>	80,000,000 (equivalent to approximately HK\$91,128,000)	100,000,000 (equivalent to approximately HK\$113,910,000)	100,000,000 (equivalent to approximately HK\$113,910,000)	100,000,000 (equivalent to approximately HK\$113,910,000)
<b>Aggregated Caps</b>	<b>340,000,000</b> (equivalent to approximately <b>HK\$387,294,000</b> )	<b>550,000,000</b> (equivalent to approximately <b>HK\$626,505,000</b> )	<b>610,000,000</b> (equivalent to approximately <b>HK\$694,851,000</b> )	<b>310,000,000</b> (equivalent to approximately <b>HK\$353,121,000</b> )

As disclosed in the Support Services Announcement, the total service fees payable under the Existing Support Services Agreements are estimated to amount to approximately RMB2,000,000 (equivalent to approximately HK\$2,278,200) for the year ending 31 December 2022.

## **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.

Before entering into any Specific Agreement as contemplated under the Framework Agreement, the relevant personnel and management of the Group will review and assess the terms of the relevant Specific Agreement to ensure they are consistent with the principles and provisions set out in the Framework Agreement. Also, 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**

Established in 1956, Water Conservancy Design Institute is a state-recognized high-tech enterprise and the first entity in the domestic water conservancy survey and design industry certified by QHSE (Quality, Health, Safety and Environment) management system. It possesses Triple-A+ credit level for engineering surveying and engineering design in the water conservancy industry, holding class-A qualification in comprehensive engineering surveying as well as other fourteen class-A qualifications in the water conservancy, hydrology and water resources industry. Water Conservancy Design Institute is the only enterprise possessing all class-A qualifications throughout the water conservancy industry in Guangdong Province. It has undergone the survey, design and supervision of a number of sizeable water diversion projects including the Dongshen Water Supply Project, the Beibu Gulf Guangdong Water Resources Project and the Pearl River Delta Water Resources Allocation Project and has been highly recognized by the local government and the industry. Water Conservancy Design Institute also provides engineering design, survey and related special consulting services to overseas companies.

In recent years, the GDI Water Supply Group has invested in a number of strategic water projects. With the technical support in the aspect of engineering design and surveying from Water Conservancy Design Institute, GDI Water Supply Group can further expand its business horizon by investing in water projects of greater complexity and larger scale. The Board believes that the Framework Agreement would facilitate the monitoring of the overall transaction amounts and ensure that the relevant transactions are conducted on normal commercial terms or better to the Group and in the interest of the Company and its shareholders as a whole.

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 to the Group, 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, the ultimate controlling shareholder of the Company, indirectly holds approximately 56.49% of the total number of shares of the Company in issue as at the date of this announcement and is a connected person of the Company pursuant to the Listing Rules. By virtue of being a direct wholly-owned subsidiary of Guangdong Holdings, Water Conservancy Design Institute is an associate of Guangdong Holdings and thus a connected person of the Company pursuant to the Listing Rules. Accordingly, the transactions contemplated under the Framework Agreement constitute continuing connected transactions of the Company under Chapter 14A of the Listing Rules.

As certain of the applicable percentage ratios calculated in respect of the transactions contemplated under the Framework Agreement exceed 0.1% but all of them are less than 5% in accordance with Rule 14.07 of the Listing Rules, such transactions are only subject to the



reporting, annual review and announcement requirements under the Listing Rules, but is exempt from the independent shareholders' approval requirement under Chapter 14A of the Listing Rules.

As all of the applicable percentage ratios in respect of the transactions under the Framework Agreement, the Existing Design & Survey Services Agreements (for the year ending 31 December 2022), the Support Services Framework Agreement and the Existing Support Services Agreements (for the year ending 31 December 2022) on an aggregated basis calculated pursuant to the Listing Rules exceed 0.1% but all of them are less than 5% in accordance with Rule 14.07 of the Listing Rules, such transactions are only subject to the reporting, annual review and announcement requirements under the Listing Rules, but exempt from the independent shareholders' approval requirement under Chapter 14A of the Listing Rules.

Mr. Hou Wailin and Mr. Cai Yong, Directors of the Company, are also directors of Guangdong Holdings. They were present at the relevant Board meeting but were not counted in the quorum and abstained from voting on the relevant Board resolutions to approve the Framework Agreement and the transactions contemplated thereunder.

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**

### **Information on the Group and GDI Water Supply 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, investments in energy projects and road and bridge operation. The ultimate controlling shareholder of the Company is Guangdong Holdings.

Guangdong Water is a direct wholly-owned subsidiary of the Company incorporated in Hong Kong and is principally engaged in investment holdings. The ultimate controlling shareholder of Guangdong Water is Guangdong Holdings.

Yue Gang Water Supply is an indirect non-wholly owned subsidiary of the Company established in the PRC and is principally engaged in the operation and management of Dongshen Water Supply Project of the Group. The ultimate controlling shareholder of Yue Gang Water Supply is Guangdong Holdings.

### **Information on Water Conservancy Design Institute**

Water Conservancy Design Institute is a company established in the PRC with limited liability. It is principally engaged in design and survey services for water conservancy, electric power, construction, municipal engineering works, engineering technical consultation

and training and related services. Water Conservancy Design Institute is a direct wholly-owned subsidiary of Guangdong Holdings.

### **Information on Guangdong Holdings**

Guangdong Holdings is a company established in the PRC, which is principally engaged in investment holding. The business activities of Guangdong Holdings and its subsidiaries include public utilities and infrastructure, manufacturing, real estate, hotel, property management, retail and wholesale, finance, etc. Guangdong Holdings is held as to 90% by the Guangdong Government and as to 10% by the Department of Finance of the Guangdong Government while the State-owned Assets Supervision and Administration Commission of the Guangdong Government has been performing ownership and control functions in respect of Guangdong Holdings with the authorisation of the Guangdong Government. Guangdong Holdings is the ultimate controlling shareholder of the Company.

### **DEFINITIONS**

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

“Aggregated Cap(s)”	has the meaning ascribed to it under the section headed “The Framework Agreement – Caps and basis of determination – Aggregated Caps” in this announcement;
“associate”	has the meaning ascribed to it under the Listing Rules;
“Board”	the board of Directors;
“Cap(s)”	has the meaning ascribed to it under the section headed “The Framework Agreement – Caps and basis of determination - Caps and basis of determination” in 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;
“Existing Design & Survey Services Agreements”	has the meaning ascribed to it under the section headed “The Framework Agreement – Caps and basis of determination – Historical transaction amounts” in this announcement;
“Existing Support Services Agreements”	four service agreements entered into by certain wholly-owned subsidiaries of the Company with Jiangsu branch of 廣東粵海水務檢測技術有限公司 (Guangdong Water Testing Technology Co., Ltd.*) on 31 May 2022 concerning the provision of water testing services to the Group for a term

from June 2022 to December 2022, details of which are set out under the section headed “The Existing Agreements” in the Support Services Announcement;

“Framework Agreement”	the framework agreement dated 1 September 2022 and entered into between Guangdong Water, Yue Gang Water Supply and Water Conservancy Design Institute, details of which are set out under the section headed “The Framework Agreement” in this announcement;
“GH Water Supply”	GH Water Supply (Holdings) Limited (粵港供水(控股)有限公司), a company incorporated in Cayman Islands with limited liability and a direct non-wholly owned subsidiary of the Company holding 99% equity interest in Yue Gang Water Supply;
“GDI Water Supply Group”	Guangdong Water, Yue Gang Water Supply and their respective subsidiaries;
“Group”	the Company and its subsidiaries;
“Guangdong Government”	the People’s Government of Guangdong Province in the PRC (中國廣東省人民政府);
“Guangdong Holdings”	廣東粵海控股集團有限公司 (Guangdong Holdings Limited*), a company established in the PRC with limited liability and the ultimate controlling shareholder of the Company;
“Guangdong Water”	Guangdong Water Holdings Limited (粵海水務控股有限公司), a company incorporated in Hong Kong with limited liability and a direct wholly-owned subsidiary of the Company;
“Guangdong Water Technology”	廣東粵海水務科技有限公司 (Guangdong Water Technology Co., Ltd.*) (formerly known as 廣州粵海水務環境有限公司), a company established in the PRC with limited liability and a subsidiary of Guangdong Holdings;
“Guangdong Water Technology Group”	Guangdong Water Technology and its subsidiaries, and Guangdong Holdings and/or its associate(s) (for the purpose of the Support Services Framework Agreement, including its subsidiaries, but excluding the Group);
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong;
“Hong Kong”	The Hong Kong Special Administrative Region of the PRC;

“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 of the Stock Exchange, as amended from time to time;
“PRC”	the People’s Republic of China;
“Pre-Engineering Services”	has the meaning ascribed to it under the section headed “The Framework Agreement – Scope of services” in this announcement;
“RMB”	Renminbi, 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 GDI Water Supply Group and the Water Conservancy Design Institute Group in relation to the provision of the Water Project Design & Survey Services by Water Conservancy Design Institute Group to GDI Water Supply 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; and
“Support Services Announcement”	the announcement of the Company dated 29 June 2022 in relation to the provision of certain support services by the Guangdong Water Technology Group to Guangdong Water, GH Water Supply and their respective subsidiaries;
“Support Services Caps”	has the meaning ascribed to it under the section headed “The Framework Agreement – Caps and basis of determination – Aggregated Caps” in this announcement;
“Support Services Framework Agreement”	the framework agreement dated 29 June 2022 and entered into between Guangdong Water, GH Water Supply and Guangdong Water Technology, details of which are set out in the Support Services Announcement;
“Survey, Design and Technical Services”	has the meaning ascribed to it under the section headed “The Framework Agreement – Scope of services” in this announcement;

“Technical Consultation Services”	has the meaning ascribed to it under the section headed “The Framework Agreement – Scope of services” in this announcement;
“Water Conservancy Design Institute”	廣東省水利電力勘測設計研究院有限公司 (Water Conservancy Electric Power Survey and Design Institute Company Limited*), a company established in the PRC with limited liability and a direct wholly-owned subsidiary of Guangdong Holdings;
“Water Conservancy Design Institute Group”	Water Conservancy Design Institute and its subsidiaries;
“Water Project Design & Survey Services”	has the meaning ascribed to it under the section headed “The Framework Agreement – Scope of services” in this announcement;
“Yue Gang Water Supply”	Guangdong Yue Gang Water Supply Company Limited (廣東粵港供水有限公司), a company established in the PRC with limited liability and an indirect non-wholly owned subsidiary of the Company; and
“%”	per cent.

*For the purpose of this announcement, unless otherwise indicated, the exchange rate of RMB1.00 = HK\$1.1391 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, 1 September 2022

*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 four Independent Non-Executive Directors, namely, Dr. CHAN Cho Chak, John, Mr. FUNG, Daniel R., Dr. the Honourable CHENG Mo Chi, Moses and Mr. LI Man Bun, Brian David.*