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雲南水務投資股份有限公司

**Yunnan Water Investment Co., Limited\***

*(a joint stock limited liability company incorporated in the People's Republic of China)*

**(Stock code: 6839)**

## **SUPPLEMENTAL ANNOUNCEMENT**

Reference is made to the announcement of Yunnan Water Investment Co., Limited\* (the “**Company**”) dated 30 September 2019 in relation to the Acquisition (the “**Announcement**”). Capitalized terms used in this announcement shall have the meanings as ascribed to it in the Announcement unless otherwise requires.

Further to the information disclosed in the Announcement, the Company wishes to provide the shareholders and the public with the additional information in relation to the Acquisition.

### **(I) Basis of Consideration**

The Company hereby supplements that, the consideration for the Acquisition was determined after arm’s length negotiations having considered the Target Company’s circumstances and the appraisal value of the Target Company as assessed by an independent third party assessment agency.

- i The Target Company is located in Liaocheng City, the PRC. The “Liaocheng City 2018 Solid Waste Pollution Prevention and Control Information Release” (《聊城市 2018 年固體廢物污染環境防治資訊發佈》) issued by the Ecological Environment Bureau of Liaocheng City, the PRC on 19 July 2019 indicated: the top five hazardous wastes produced in Liaocheng City in 2018 were surface treatment waste (70,720 tons), waste acid (49,606 tons), incineration residue (46,245 tons), rectification residue (43,825 tons), non-ferrous metal smelting waste (21,059 tons); there were three enterprises in Liaocheng City that hold hazardous waste business licenses in 2018 and one of which was a professional medical waste disposal enterprise. The future development of economic benefits is full of expectation.
- ii The designed treatment scale of the Guanxian Hazardous Waste Project is 90,000 tons per year, including copper etching waste liquid of 20,000 tons per year, waste circuit board and copper clad scrap of 10,000 tons per year, waste emulsion of 25,000 tons per year, surface treatment waste of 30,000 tons per year and waste alkaline of 5,000 tons per year. It is also a resource-based hazardous waste project.

- iii The Guanxian Hazardous Waste Project has obtained the certificate for the registration and filing of the infrastructure investment project and the approval of the environmental assessment as required by the government, and has completed the procedures for factory premises of 50 Mu for the first installment and the undergoing factory premises of 40 Mu for the second installment.
- iv At present, the government has increased the access threshold level for hazardous waste disposal year by year, especially for the obtaining of the production and operation sites, and there is a tendency to limit the total size of the regional scale.
- v If the Guanxian Hazardous Waste Project is put into operation, it is expected to be the fourth enterprise in Liaocheng City to hold a hazardous waste business license. It will enhance the profitability of the Group's solid waste segment and will be in line with the Group's cross-regional development strategy, which will form a scale effect with the Group's other solid waste subsidiaries in Shandong Province, the PRC.
- vi The appraisal value of the Target Company by an independent third party assessment agency is approximately RMB43,000,000.

## **(II) Paid-up capital of the Target Company and current condition of the Guanxian Hazardous Waste Project**

The Target Company was established as a joint venture by Beijing OriginWater and Mr. Lin on 6 January 2017 with a registered capital of RMB30,880,000, of which the paid-up registered capital by Beijing OriginWater was RMB18,433,700, and the paid-up registered capital by Mr. Lin was RMB4,500,000. As for the Guanxian Hazardous Waste Project, the Target Company has obtained the certificate for the registration and filing of the infrastructure investment project and the approval of the environmental assessment as required by the government, and has completed the procedures for factory premises of 50 Mu for the first installment and the application procedures for factory premises of 40 Mu for the second installment. Currently, the factory walls and temporary buildings are completed.

**Save as disclosed above, all other information set out in the Announcement remain unchanged.**

By order of the Board  
**Yunnan Water Investment Co., Limited\***  
**Yang Tao**  
*Chairman*

Kunming, the PRC  
4 October 2019

*As at the date of this announcement, the executive Directors are Mr. Yu Long (Vice-chairman) and Mr. Yang Fang, the non-executive Directors are Mr. Yang Tao (Chairman), Ms. Li Bo, Mr. He Yuanping, and Mr. Chen Yong, and the independent non-executive Directors are Mr. Liu Shuen Kong, Mr. Hu Song and Mr. Ma Shihao.*

\* For identification purposes only