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YUNNAN WATER

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)**

## ANNOUNCEMENT

References are made to the announcements (the “**Announcements**”) published by the Company on 30 September 2019 and 4 October 2019, respectively, in relation to the connected transaction of the Acquisition. Capitalized terms used in this announcement shall have the meanings as those defined in the Announcements unless otherwise requires.

## BASIS FOR DETERMINING THE CONSIDERATION

The consideration for the Acquisition was determined by the Company and the Vendors through arm's length negotiation after giving consideration to a number of relevant factors including the basic information of the Target Company's project and the potential business opportunities and development prospects of the Target Company and comprehensive consideration. The valuation report (the “**Valuation Report**”) of the Target Company issued by an independent third-party appraisal agency was not the pricing basis for negotiating with the Vendors to determine the consideration and is only an internal document of the Company.

## IMPLICATIONS OF THE LISTING RULES

In accordance with the applicable regulations of the PRC, as the asset-based approach and income approach are adopted as the valuation approaches in the Valuation Report, the appraisal agency shall provide assumptions for profit forecast in valuation. The Company has applied to the Stock Exchange for, and the Stock Exchange has granted, a waiver from strict compliance with the provisions on profit forecast under Rules 14.62 and 14A.68(7) of the Hong Kong Listing Rules.

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

Kunming, the PRC  
12 November 2019

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

\* For identification purposes only