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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)**

## **PROGRESS ON THE POTENTIAL MAJOR TRANSACTION THROUGH PUBLIC TENDER**

This announcement is made by Yunnan Water Investment Co., Limited\* (the “**Company**”, together with its subsidiaries, the “**Group**”) pursuant to Rule 13.09 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”) and the Inside Information Provisions (as defined in the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

Reference is made to the announcement of the Company dated on 31 July 2020 (the “**Announcement**”) in relation to the resolution of the Board on the Potential Disposal, being the disposal of the 40% equity interest held by the Company in Fujian Dongfei, and the process of Public Tender through Yunnan Equity Exchange (YNEX). Unless otherwise specified, capitalised terms used in this announcement shall have the meanings ascribed to them in the Announcement.

On 28 September 2020, the Company received the notice from YNEX that the process of the Public Tender through YNEX has been completed. After the qualification examination of YNEX, the Potential Disposal has obtained one qualified prospective bidder, Fuzhou Dingrong Environmental Protection Technology Co., Ltd.\* ( 福州市鼎榕環保科技有限公司 ) (“**Dingrong Environmental Protection**”). Huiding Investment Group Co., Ltd.\* ( 匯鼎投資集團有限公司 ), which holds 30% equity interest of Fujian Dongfei, and Xinde Investment Co., Ltd.\* ( 鑫德投資有限公司 ) which holds 30% equity interest of Fujian Dongfei, have been regarded as giving up the first refusal of Potential Disposal in accordance with the relevant requirements of YNEX. Therefore, Dingrong Environmental Protection is the ultimate transferee of the Potential Disposal.

The final Consideration of the Potential Disposal is RMB375,200,000 in accordance with the Valuation Report and the final affirmation by YNEX. The Company expects to enter into the Equity Transaction Agreement with Dingrong Environmental Protection according to the rules of YNEX.

**Upon successful completion of the process of the Public Tender and execution of the Equity Transaction Agreement, based on the final Consideration, one or more of the applicable percentage ratios calculated in accordance with the Listing Rules in respect of the Potential Disposal will exceed 25% but are below 75%, and the Potential Disposal will therefore constitute a major transaction of the Company and will be subject to reporting, announcement and Shareholders' approval requirements under Chapter 14 of the Listing Rules.**

**As at the date of this announcement, the Equity Transaction Agreement has not been entered into. The Potential Disposal may or may not proceed. Therefore, the shareholders and potential investors of the Company are advised to exercise caution when dealing in the shares of the Company.**

On behalf of the Board  
**Yunnan Water Investment Co., Limited\***  
**Li Jialong**  
*Chairman*

Kunming, the PRC  
28 September 2020

*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. Li Jialong (Chairman), Ms. Li Bo, Mr. He Yuanping and Mr. Chen Yong, and the independent non-executive Directors are Mr. Liu Shuen Kong and Mr. Ma Shihao.*

\* *For identification purposes only*