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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)

INSIDE INFORMATION

ISSUE OF ASSET-BACKED SECURITIES BY NON-WHOLLY OWNED SUBSIDIARIES OF THE COMPANY

This announcement is made by Yunnan Water Investment Co., Limited* (the “**Company**”) pursuant to Rule 13.09(2)(a) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited and the Inside Information Provisions 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 1 August 2016 (the “**Announcement**”). Unless otherwise defined herein, capitalized terms used in this announcement shall have the same meanings as those defined in the Announcement.

The board of the Company is pleased to announce that, on 21 September 2016, the Company received a no comment letter from The Shanghai Stock Exchange stating that it has no objection to the listing and transfer of the asset-backed securities (the “**Securities**”) with a principal amount of RMB1,000,000,000, which are to be issued by Huize Water (Qingzhou) Company Limited* (暉澤水務(青州)有限公司) and Jinghong Water Supply and Drainage Co., Ltd.* (景洪市給排水有限責任公司) (collectively, the “**Issuers**”), both being non-wholly owned subsidiaries of the Company established in the PRC, to institutional investors in the PRC (the “**Issue**”). The Securities are to be divided into senior asset-backed securities and subordinated asset-backed securities, both with a maturity period of not more than 9 years.

Kaiyuan Securities Co., Ltd.* (開源證券股份有限公司) is the manager of the Issue. Issuers' water tariff collection rights are regarded as the underlying assets in the Issue. Net proceeds from the Issue will be used for general working capital and future business development purposes of the Issuers.

Holders of shares or other securities of the Company and potential investors should exercise caution when dealing in the shares or other securities of the Company.

By Order of the Board
Yunnan Water Investment Co., Limited*
Xu Lei
Chairman

Kunming, the PRC
21 September 2016

As at the date of this announcement, the executive directors of the Company are Mr. Yu Long, Mr. Dai Richeng, Mr. Liu Xujun and Mr. Huang Yunjian, the non-executive directors are Mr. Xu Lei (Chairman), Mr. Jiao Jun, Mr. He Yuanping and Mr. Feng Zhuangzhi, and the independent non-executive directors are Mr. Kwok For Chi, Mr. Hu Song, Mr. Ma Shihao and Mr. Ren Gangfeng.

** For identification purposes only*