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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)

VOLUNTARY ANNOUNCEMENT COOPERATION FRAMEWORK AGREEMENT

This announcement is made by Yunnan Water Investment Co., Limited* (the “**Company**”) on a voluntary basis.

On 2 November 2016, the Company and Haining Municipal Water Investment Group Co., Limited* (海寧市水務投資集團有限公司) (“**Haining Water**”) entered into a non-legally binding cooperation framework agreement (the “**Framework Agreement**”) in respect of the strategic cooperation in the investment, construction and operation of water and environmental protection projects located in Haining, Zhejiang Province, the PRC.

The Company has extensive experiences in operation of water and environmental protection projects and will provide services for the environmental protection projects in Haining, Zhejiang Province, the PRC. Haining Water is a state-owned enterprise established with the approval of the Haining Municipal Government. The cooperation will further integrate water, solid waste and other environmental protection projects in the region. Both parties will work together to build a platform for the investment, construction and operation of water projects, sludge treatment, food waste treatment and other environmental protection projects in Haining.

To the best knowledge, information and belief of the directors of the Company (the “**Directors**”) after making all reasonable enquiries, Haining Water and its ultimate beneficial owners (if applicable) are third parties independent of the Company and its connected persons (as defined in the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”).

Should the Company and Haining Water intend to enter into any further agreements under the Framework Agreement within 45 days since the date of the Framework Agreement (the “**Exclusivity Period**”), the Company will make the appropriate disclosures to comply with the applicable requirements under the Listing Rules. The Directors wishes to emphasize that the Framework Agreement only sets out the framework and understanding of the parties thereto and the relevant parties have not yet agreed on any definitive terms or agreement whatsoever. The Framework Agreement does not create any legally binding obligations on any of the parties in any respect except for the provisions relating to the Exclusivity Period and confidentiality. As such, the transactions contemplated under the Framework Agreement may or may not proceed.

The shareholders and potential investors of the Company are advised to exercise caution when dealing in the securities of the Company as the abovementioned transactions contemplated under the Framework Agreement may or may not proceed.

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

Kunming, the PRC
2 November 2016

As at the date of this announcement, the executive Directors 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. Ma Shihao, Mr. Ren Gangfeng and Mr. Hu Song.

** For identification purposes only*