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Kunming Dianchi Water Treatment Co., Ltd.

昆明滇池水务股份有限公司

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

(Stock Code: 3768)

POLL RESULTS OF THE ANNUAL GENERAL MEETING, DISTRIBUTION OF 2018 FINAL DIVIDEND, CHANGE OF MEMBER OF THE BOARD OF DIRECTORS, AND CHANGE OF ADDRESS OF H SHARE REGISTRAR AND TRANSFER OFFICE

POLL RESULTS OF THE AGM

The Board hereby announces the poll results in respect of the resolutions proposed at the AGM held on Friday, 21 June 2019. All resolutions were duly passed.

DISTRIBUTION OF 2018 FINAL DIVIDEND

The final dividend of the Company for the year ended 31 December 2018 will be distributed on Thursday, 8 August 2019.

CHANGE OF MEMBERS OF THE BOARD

The Board hereby announces Ms. Zhao Zhu was elected as a non-executive Director of the Company. Ms. Ma Ce, a former non-executive Director of the Company, ceased to act as a non-executive Director when the appointment of Ms. Zhao Zhu took effect.

CHANGE OF ADDRESS OF H SHARE REGISTRAR AND TRANSFER OFFICE

The address of the H Share Registrar, will be changed to Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong with effect from 11 July 2019.

References are made to the notice (the “**Notice**”) of the annual general meeting (the “**AGM**”) dated 6 May 2019 and the circular (the “**Circular**”) of the AGM dated 31 May 2019 of Kunming Dianchi Water Treatment Co., Ltd. (the “**Company**”). Unless otherwise defined in this announcement, the capitalized terms used in this announcement shall have the same meanings as those defined in the Circular.

I. POLL RESULTS OF THE AGM

The board of directors (the “**Board**”) of the Company is pleased to announce that the AGM has been convened at the Company’s meeting room on the 1st floor at the Wastewater Treatment Plant No.7, Kunming Dianchi Tourist Resort, Yunnan Province, the PRC at 2:30 p.m. on Friday, 21 June 2019 and the resolutions set out below were duly passed by way of poll. The AGM was convened by the Board and chaired by Ms. Guo Yumei, the Chairperson. The AGM has been held in accordance with the requirements of the Company Law of the PRC and the Articles of Association.

As at the date of the AGM, the total number of issued shares of the Company (the “**Share(s)**”) is 1,029,111,000 Shares, including 689,088,000 Domestic Shares and 340,023,000 H Shares, representing 100% of the total issued share capital of the Company, all of which entitle the holders to attend and vote for or against the resolutions put forward at the AGM (the “**AGM Resolutions**”) based on their shareholdings.

In view of its interests in the continuing connected transaction under the New Framework Agreement, our controlling shareholder, Kunming Dianchi Investment Co., Ltd. (“**Kunming Dianchi Investment**”) (holding a total of approximately 64.16% of the Company’s interests in the total issued share capital as at the date of this announcement) and its associates have been required to abstain from voting on the resolution numbered 10. Save as disclosed in this announcement, there were no Shares entitling the holders thereof to attend and abstain from voting in favour of any of the AGM Resolutions. No party had stated his or her intention in the Circular to vote against or abstain from voting on the resolutions and no Shareholders were required to abstain from voting on any of the AGM Resolutions.

Shareholders holding an aggregate of 915,104,000 voting Shares, representing approximately 88.92% of the total number of issued Shares, attended the AGM either in person or by proxy. All the AGM Resolutions were put to vote by way of poll. Tricor Investor Services Limited, the Company’s H share registrar in Hong Kong, was appointed as the scrutineer of the AGM for the purpose of vote-taking of the poll at the AGM.

The poll results in respect of the AGM Resolutions are as follows:

| ORDINARY RESOLUTIONS | | Votes (%) | | Attending and Voting Number of Shares |
|----------------------|--|--------------------------|--------------|---------------------------------------|
| | | For | Against | |
| 1. | To consider and approve the Report of the Board of Directors of the Company for 2018. | 915,104,000 (100.00%) | 0 (0.00%) | 915,104,000 |
| 2. | To consider and approve the Report of the Board of Supervisors of the Company for 2018. | 915,104,000 (100.00%) | 0 (0.00%) | 915,104,000 |
| 3. | To consider and approve the final accounts of the Company for 2018. | 915,104,000 (100.00%) | 0 (0.00%) | 915,104,000 |
| 4. | To consider and approve the audited financial statements of the Company and the independent auditors' report for the year ended 31 December 2018. | 915,104,000 (100.00%) | 0 (0.00%) | 915,104,000 |
| 5. | To consider and approve the profit distribution plan of the Company for 2018. | 915,104,000 (100.00%) | 0 (0.00%) | 915,104,000 |
| 6. | To consider and approve the annual financial budget plan of the Company for 2019. | 915,104,000 (100.00%) | 0 (0.00%) | 915,104,000 |
| 7. | To consider and approve the authorization to the Board to determine the domestic and international auditors of the Company for the year 2019 and their remunerations. | 915,104,000 (100.00%) | 0 (0.00%) | 915,104,000 |
| 8. | To consider and approve the amendment to the "Implementation Rules for Audit Committee of the Board". | 915,104,000 (100.00%) | 0 (0.00%) | 915,104,000 |
| 9. | To elect Ms. Zhao Zhu as a non-executive Director of the Company. | 915,104,000 (100.00%) | 0 (0.00%) | 915,104,000 |
| 10. | To consider and approve the New Framework Agreement and the continuing connected transaction thereunder: | | | |
| | (a) to approve, ratify and confirm the New Framework Agreement and the continuing connected transaction thereunder (including the corresponding proposed annual caps); and | 254,837,107 (100.00%) | 0 (0.00%) | 254,837,107 |

| ORDINARY RESOLUTIONS | | Votes (%) | | Attending and Voting Number of Shares |
|-----------------------------|--|--------------------------|-----------------------|--|
| | | For | Against | |
| | (b) to authorize any executive Director to sign, execute, perfect and deliver all such documents (including the New Framework Agreement) and do all such measures, acts, matters and things as he or she may in his or her sole and absolute discretion consider necessary or desirable for the purpose of the implementation of each transaction under the New Framework Agreement, the proposed annual caps and other matters contemplated thereunder or ancillary thereto, to waive compliance from and/or agree to any amendment or supplement to the New Framework Agreement which in his or her opinion is not of a material nature and to effect or implement any other matters referred to in this resolution. | 254,837,107 (100.00%) | 0 (0.00%) | 254,837,107 |
| SPECIAL RESOLUTION | | Votes (%) | | Attending and Voting Number of Shares |
| | | For | Against | |
| 11. | To grant the general mandate to the Board to issue, allot and deal with additional Domestic Shares/H Shares not exceeding 20% of the total number of issued Domestic Shares and H Shares of the Company, respectively, and authorise the Board to make such amendments as it deems appropriate to the provisions of the Articles of Association, so as to reflect the new capital structure upon additional allotment and issuance of shares pursuant to such mandate. | 869,298,000 (94.99%) | 45,806,000 (5.01%) | 915,104,000 |

The full text of all resolutions is set out in the Circular and the Notice.

As more than one half of the votes were cast in favour of the ordinary resolutions numbered 1 to 10 above, these resolutions were duly passed.

As more than two-thirds of the votes were cast in favour of the special resolution numbered 11 above, the resolution was duly passed.

II. DESCRIPTION ON DISTRIBUTION OF 2018 FINAL DIVIDEND

At the AGM, the profit distribution plan for 2018 of the Company has been duly approved by the Shareholders, the full text of which has been set out in the Circular. The Board hereby also makes the following descriptions relating to the distribution of 2018 final dividend:

The Company will distribute the final dividend of RMB0.1714 per Share (tax inclusive) in cash for the year ended 31 December 2018 (the “**Final Dividend**”), for an aggregate amount of RMB176,389,625.40 (tax inclusive). The Final Dividend will be distributed in cash on Thursday, 8 August 2019 to the Shareholders whose names appeared on the register of members of the Company on Tuesday, 2 July 2019 (the “**Record Date**”).

In accordance with the Articles of Association, the dividends shall be denominated and declared in Renminbi. The dividends payable to holders of Domestic Shares shall be paid in Renminbi and the dividends payable to holders of H Shares shall be paid in Hong Kong dollars. The actual amount of H Share dividends distributed in Hong Kong dollars is calculated according to the average benchmark exchange rate of Renminbi against Hong Kong dollars as published by the People’s Bank of China within one week prior to the date of AGM (i.e. RMB0.880052 against HK\$1), being a cash dividend of HK\$0.194761 per Share (tax inclusive).

For the purpose of determining the list of holders of H Shares who are entitled to the Final Dividend, the H Share register of members of the Company will be closed from Thursday, 27 June 2019 to Tuesday, 2 July 2019 (both days inclusive). In order to be qualified for the Final Dividend for the year ended 31 December 2018, the holders of unregistered H Shares of the Company are required to submit the transfer documents to the H Share Registrar of the Company, Tricor Investor Services Limited at Level 22, Hopewell Centre, 183 Queen’s Road East, Hong Kong not later than 4:30 p.m. on Wednesday, 26 June 2019.

The Company has appointed Bank of Communications Trustee Limited as the receiving agent in Hong Kong (the “**Receiving Agent**”) which will receive from the Company on behalf of holders of H shares final dividends declared. The final dividend will be paid by the Receiving Agent and the dividend cheques will be posted by the H share registrar of the Company, Tricor Investor Services Limited, by ordinary mail to holders of H shares entitled to receive the dividend at their own risk on Thursday, 8 August 2019.

III. WITHHOLDING AND PAYMENT OF INCOME TAX ON DIVIDENDS

i. Enterprise Income Tax Payable by Non-resident Enterprise Shareholders

Pursuant to the Enterprise Income Tax Law of the PRC and its implementation rules, which came into force on 1 January 2008 and other relevant rules, where the Company distributes the 2018 Final Dividend to non-resident enterprise Shareholders whose names appear on the register of members for H Shares of the Company as at the Record Date, it is required to withhold enterprise income tax at the rate of 10%. Any H Shares registered in the name of non-individual registered Shareholders, including HKSCC Nominees Limited, other nominees or trustees, or other organisations or groups, will be treated as Shares being held by non-resident enterprise Shareholders, and consequently will be subject to the withholding of the enterprise income tax.

ii. Individual Income Tax Payable by Non-resident Individual Shareholders

According to regulations of the State Administration of Taxation (Guo Shui Han [2011] No. 348) and relevant laws and regulations, if the individual holders of H Shares are residents of Hong Kong or Macau or other countries which have entered into a tax treaty with the PRC stipulating a dividend tax rate of 10%, the Company will withhold and pay individual income tax at the rate of 10% on behalf of these Shareholders. If the individual holders of H Shares are residents of those countries which have entered into a tax treaty with the PRC stipulating a dividend tax rate of less than 10%, the Company will make applications on their behalf to seek entitlement of the relevant agreed preferential treatments pursuant to the relevant tax treaty. If the individual holders of H Shares are residents of those countries which have entered into a tax treaty with the PRC stipulating a dividend tax rate of more than 10% but less than 20%, the Company will withhold and pay individual income tax at the actual tax rate stipulated in the relevant tax treaty. If the individual holders of H Shares are residents of those countries which have entered into a tax treaty with the PRC stipulating a dividend tax rate of 20%, or those countries which have not entered into any tax treaties with the PRC, or under any other circumstances, the Company will withhold and pay individual income tax at the rate of 20% on behalf of these Shareholders.

The Company will determine the resident status of the individual holders of H Shares based on the registered address as recorded in the register of members of the Company as at the Record Date (the “**Registered Address**”). If the resident status of any individual holders of H Shares is not in consistency with that indicated by the Registered Address, such individual holders of H Shares shall notify the Company’s H Share registrar not later than 4:30 p.m. on Wednesday, 26 June 2019, and provide relevant supporting documents to the Company’s H Share registrar, Tricor Investor Services Limited at Level 22, Hopewell Centre, 183 Queen’s Road East, Hong Kong.

The Shareholders are advised to read the above information carefully, and if anyone would like to change the identity of the Shareholder, please enquire about the relevant procedures with the nominees or trustees. The Company is neither obligated nor responsible for ascertaining the identity of the Shareholders. In addition, the Company will withhold the enterprise income tax and the individual income tax in strict compliance with the relevant laws or regulations and the registered information on the H Shares register of members of the Company as at the Record Date. The Company will not entertain, or take any responsibilities for, any requests or claims in relation to any delay or inaccuracies in ascertaining the identity of the Shareholders or any disputes over the mechanism of withholding of the enterprise income tax and the individual income tax.

IV. CHANGE OF MEMBER OF THE BOARD

At the AGM, Ms. Zhao Zhu was elected as a non-executive Director of the first session of the Board. The appointment of Ms. Zhao Zhu came into effect immediately after the conclusion of the AGM and will expire on the day when the election of the next session of the Board is completed. For the details of Ms. Zhao Zhu's biography and the determination of her remuneration, please refer to the announcement of the Company dated 22 March 2019 and the Circular. As at the date of this announcement, there has been no change in such information.

Ms. Ma Ce, a former non-executive Director of the Company, ceased to act as a non-executive Director of the Company when the appointment of Ms. Zhao Zhu took effect.

V. CHANGE OF ADDRESS OF H SHARE REGISTRAR AND TRANSFER OFFICE

With effect from 11 July 2019, the H Share Registrar and Transfer Office of the Company, Tricor Investor Services Limited (the "**H Share Registrar**"), will change its address from Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong to:

**Level 54, Hopewell Centre
183 Queen's Road East
Hong Kong**

All telephone and facsimile numbers of the H Share Registrar remain unchanged.

By order of the Board
Kunming Dianchi Water Treatment Co., Ltd.
Guo Yumei
Chairperson

Kunming, the PRC, 21 June 2019

As at the date of this announcement, the Board comprises Ms. Guo Yumei and Mr. Luo Yun, as executive Directors; Ms. Song Hong and Ms. Zhao Zhu, as non-executive Directors; and Mr. Yin Xiaobing, Mr. He Xifeng and Mr. Sin Lik Man, as independent non-executive Directors.