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Kunming Dianchi Water Treatment Co., Ltd.

昆明滇池水務股份有限公司

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

(Stock Code: 3768)

CHANGE OF GENERAL MANAGER OF THE COMPANY

The board of directors (the “**Board**”) of Kunming Dianchi Water Treatment Co., Ltd. (the “**Company**”) announces that in order to better coordinate the strategic development of the Company and to achieve better allocation of corporate governance responsibilities, Ms. Guo Yumei (“**Ms. Guo**”) resigned as the general manager of the Company on 10 July 2019. After resigning as the general manager of the Company, Ms. Guo will continue to serve as an executive director of the Company and the Chairperson of the Board. Ms. Guo has confirmed that she has no disagreement with the Board and there are no other matters in relation to her resignation which need to be brought to the attention of the shareholders of the Company, creditors or The Stock Exchange of Hong Kong Limited (the “**Hong Kong Stock Exchange**”).

On 10 July 2019, the Board held a meeting and resolved to appoint Mr. Chen Changyong (陳昌勇, “**Mr. Chen**”) as the general manager of the Company.

Biographical details of Mr. Chen are as follows:

Chen Changyong, aged 49, graduated from the Changchun Institute of Geology (長春地質學院) with a bachelor's degree in July 1992, majoring in geology and mineral exploration and graduated from the Changchun Institute of Geology with a master's degree in July 1995, majoring in mineral prospecting and exploration. Mr. Chen graduated from Kunming University of Science and Technology (昆明理工大學) with a doctorate in July 1999, majoring in mineral prospecting and exploration in the Department of Territorial Development and Urban and Rural Architecture. Mr. Chen is also a senior engineer. Mr. Chen worked in the Land Acquisition Office of the Municipal Land and Resources Bureau of Kunming (昆明市國土資源局) from August 1999 to November 2002 and served as the deputy director of the general office of the Municipal Land and Resources Bureau of Kunming from November 2002 to January 2005. He joined Kunming Dianchi Investment Co., Ltd. (昆明滇池投資有限責任公司, the controlling shareholder of the Company, “**Kunming Dianchi Investment**”) in September 2004 and until March 2016, he successively served as a member of the party committee, director, deputy general manager, deputy secretary of the party committee, secretary of the disciplinary committee and chairman of the labor union of Kunming Dianchi Investment. He was a director and the secretary to the party committee of Kunming Drainage System Management Co., Ltd. (昆明排水設施管理有限責任公司) (a subsidiary of Kunming Dianchi Investment) from March 2016 to June 2019. The appointment of Mr. Chen as the general manager has come into effect after the above resolution has been approved by the Board. The Company will enter into a senior management service agreement with Mr. Chen. The remuneration of Mr. Chen includes basic salary, performance bonuses and other benefits. The basic salary is determined in accordance with Mr. Chen's positions in the Company and the performance bonus is determined with reference to the Company's business performance. Other benefits include statutory pension, medical and housing fund. The Board will conduct an annual performance appraisal of Mr. Chen. Mr. Chen's annual remuneration will be determined at the end of the year and disclosed in the Company's annual report of the corresponding year.

To the best knowledge of the directors of the Company, save as disclosed above: (1) Mr. Chen did not hold any directorship in public companies whose securities are listed in Hong Kong or any overseas securities markets in the past three years; (2) he is not connected to any director, supervisor, senior management, substantial or controlling shareholder of the Company; and (3) apart from serving as the general manager of the Company, he does not hold any other positions in the Company or any other member companies of the Group to which the Company belongs; and (4) as at the date of this announcement, Mr. Chen does not have any interests in the shares of the Company or its associated corporations (as defined in Part XV of the Securities and Futures Ordinance of Hong Kong).

Save as disclosed above, there is no other information that needs to be disclosed pursuant to paragraphs (h) to (v) of Rule 13.51(2) of the Rules Governing the Listing of Securities on the Hong Kong Stock Exchange, nor are there any other matters in relation to Mr. Chen that need to be brought to the attention of the shareholders of the Company, creditors or the Hong Kong Stock Exchange.

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

Kunming, the PRC, 10 July 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.