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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 AND DISTRIBUTION OF 2016 FINAL DIVIDEND**

The Board hereby announces the poll results in respect of the resolutions proposed at the AGM held on Monday, 19 June 2017. All resolutions were duly passed.

The final dividend of the Company for the year ended 31 December 2016 will be distributed on Thursday, 31 August 2017.

Reference is made to the circular (the “**Circular**”) and the notice of the annual general meeting (the “**AGM**”) of Kunming Dianchi Water Treatment Co., Ltd. (the “**Company**”) dated 4 May 2017. 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**”) is pleased to announce that the AGM has been convened at the 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 Monday, 19 June 2017 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. Shareholders holding an aggregate of 927,210,000 voting Shares, representing approximately 90.1% of the total number of issued Shares, attended the AGM either in person or by proxy. No shareholder was required to abstain from voting on any of the AGM Resolutions. There was no Share entitling the holder to attend and vote only against the AGM Resolutions. All the AGM Resolutions at the AGM 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:

<b>ORDINARY RESOLUTIONS</b>		<b>Votes (%)</b>		<b>Attending and Voting Number of Shares</b>
		<b>For</b>	<b>Against</b>	
1.	To consider and approve the Report of the Board of the Company for 2016.	927,210,000 (100.00%)	0 (0.00%)	927,210,000
2.	To consider and approve the Report of the Board of Supervisors of the Company for 2016.	927,210,000 (100.00%)	0 (0.00%)	927,210,000
3.	To consider and approve the final accounts of the Company for 2016.	927,210,000 (100.00%)	0 (0.00%)	927,210,000
4.	To consider and approve the audited financial statements of the Company and the independent auditors' report for the year ended 31 December 2016.	927,210,000 (100.00%)	0 (0.00%)	927,210,000
5.	To consider and approve the profit distribution plan of the Company for 2016.	927,210,000 (100.00%)	0 (0.00%)	927,210,000
6.	To consider and approve the annual budget plan of the Company for 2017.	927,210,000 (100.00%)	0 (0.00%)	927,210,000
7.	To consider and approve the re-appointment of PricewaterhouseCoopers as the Company's external auditor for 2017 for a term until the conclusion of the next annual general meeting of the Company, and to authorise the Board to determine its remuneration.	927,210,000 (100.00%)	0 (0.00%)	927,210,000
<b>SPECIAL RESOLUTION</b>		<b>Votes (%)</b>		<b>Attending and Voting Number of Shares</b>
		<b>For</b>	<b>Against</b>	
8.	To consider and approve granting 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.	927,210,000 (100.00%)	0 (0.00%)	927,210,000

As more than one half of the votes were cast in favour of the ordinary resolutions numbered 1 to 7 above, these resolutions were duly passed.

As more than two-thirds of the votes were cast in favour of the special resolutions numbered 8 above, this resolution was duly passed.

## **II. DESCRIPTION ON DISTRIBUTION OF 2016 FINAL DIVIDEND**

As at the AGM, the profit distribution plan for 2016 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 2016 final dividend:

The Company will distribute the final dividend of RMB0.1 (tax inclusive) in cash for the year ended 31 December 2016 (the “**Final Dividend**”). As the Company issued 539,000 new H Shares on 12 May 2017 to satisfy the need under the partial exercise of the over-allotment option by the joint global coordinators (on behalf of the international underwriters) of the global offering of H shares of the Company, the total number of issued shares of the Company increased from 1,028,572,000 Shares from the date of the Circular (namely, 4 May 2017) to 1,029,111,000 Shares. Accordingly, the total amount of the Final Dividend is adjusted from RMB102,857,200 (tax inclusive) (as disclosed in the Circular) to RMB102,911,100 (tax inclusive). The Final Dividend will be distributed in cash on Thursday, 31 August 2017 to the Shareholders whose names appeared on the register of members of the Company on Wednesday, 28 June 2017 (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 for the five business days preceding the date of AGM (i.e. RMB0.8711 against HK\$1), being a cash dividend of HK\$0.1148 per Share (tax inclusive).

## **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 2016 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 by 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 those 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 Thursday, 22 June 2017, 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.

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

Kunming, the PRC, 19 June 2017

*As at the date of this announcement, the Board comprises Ms. Guo Yumei, Mr. Luo Yun, as executive Directors; Mr. Zeng Feng and Ms. Song Hong, as non-executive Directors; and Mr. Wong Man Chung Francis, Mr. Yin Xiaobing and Mr. He Xifeng, as independent non-executive Directors.*