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YUNNAN WATER

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  
TRANSFERRING CERTAIN SHARES OF  
THE COMPANY'S CONTROLLING SHAREHOLDER  
TO FORTIFY THE SOCIAL SECURITY FUNDS BY  
YUNNAN SASAC**

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

The board of directors (the “**Board**”) of the Company hereby announces that, the Company recently received from Yunnan Metropolitan Construction Investment Co., Ltd.\* (雲南省城市建設投資集團有限公司) (“**YMCI**”) which holds 358,800,000 domestic shares of the Company, representing approximately 30.07% of the total issued share capital of the Company, through Yunnan Province Water Industry Investment Co., Ltd.\* (雲南省水務產業投資有限公司) and is the controlling shareholder of the Company, the Notice on Transferring Certain State-Owned Capital to Fortify the Social Security Funds (Yun Cai Zi [2018] No. 258) (《關於劃轉部分國有資本充實社保基金的通知》(雲財資[2018] 258號)) and the Supplemental Notice on Transferring Certain State-Owned Capital to Fortify the Social Security Funds (Yun Cai Zi [2018] No. 309) (《關於劃轉部分國有資本充實社保基金的補充通知》(雲財資[2018] 309號)) which were jointly issued by the Yunnan Provincial Department of Finance\* (雲南省財政廳), the Yunnan Provincial Department of Human Resources and Social Security\* (雲南省人力資源和社會保障廳) and the State-owned Assets Supervision and Administration Commission of the Yunnan Provincial People's Government\* (雲南省人民政府國有資產監督管理委員會) (the “**Yunnan SASAC**”).

According to the above notices, the Yunnan SASAC transferred 10% of the entire equity interests in YMCI directly held by it (being 5.62% equity interests in YMCI directly held by the Yunnan SASAC with a carrying amount of approximately RMB232,832,900) (the “**Equity Interests**”) to the Yunnan Provincial Department of Finance for free. The Equity Interests are held by the Yunnan Provincial Department of Finance on behalf of the Yunnan Provincial People's Government and are used exclusively to fortify the social security funds (the “**Transfer**”).

After the Transfer, the Yunnan SASAC directly holds 2,095,495,776 shares of YMCI, representing 50.59% of the total share capital of YMCI; Yunnan Provincial Department of Finance holds 232,832,864 shares of YMCI, representing 5.62% of the total share capital of YMCI. Up to now, the registration of equity changes of the Transfer has been completed. There were no changes to the controlling shareholder and de facto controller of the Company.

By order of the Board  
**Yunnan Water Investment Co., Limited\***  
**Yang Tao**  
*Chairman*

Kunming, the PRC  
4 January 2019

*As at the date of this announcement, the executive Directors of the Company are Mr. Yu Long (Vice-chairman) and Mr. Yang Fang, the non-executive Directors of the Company are Mr. Yang Tao (Chairman), Ms. Li Bo, Mr. He Yuanping, and Mr. Feng Zhuangzhi, and the independent non-executive Directors of the Company are Mr. Liu Shuen Kong, Mr. Hu Song and Mr. Ma Shihao.*

\* *For identification purposes only*