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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)

ANNOUNCEMENT PROFIT WARNING

This announcement is made by Yunnan Water Investment Co., Limited* (the “**Company**”) pursuant to Rule 13.09(2)(a) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”) and the Inside Information Provisions (as defined in the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

The board of directors of the Company (the “**Board**”) hereby informs the shareholders and potential investors of the Company that based on the preliminary review of the unfinalized and unaudited management accounts (the “**Management Accounts**”) of the Company and its subsidiaries (the “**Group**”) for the year ended 31 December 2021, it is expected that the Group will record a loss attributable to the ordinary shareholders of the Company in the range from approximately RMB950 million to RMB1,150 million for the year ended 31 December 2021, as compared to the audited profit attributable to the ordinary shareholders of the Company of approximately RMB223 million for the year ended 31 December 2020.

The Board believes that the loss attributable to the ordinary shareholders of the Company for the year ended 31 December 2021 is primarily attributable to the increase in financial expenses as a result of the increase in finance costs of the Group; the provision for expected credit loss of financial assets and the provision for impairment of long-term assets; as well as the decrease in the revenue from construction service.

The Company is still preparing and finalizing the annual results for the year ended 31 December 2021. The above information is only a preliminary assessment made by the management of the Company based on its currently available information and the Management Accounts. The consolidated financial results of the Group as provided in this announcement have not been audited or reviewed by the Company's auditor or the audit committee of the Board, and will be subject to change and finalisation. Therefore, the aforesaid estimated amount of loss attributable to the ordinary shareholders for the year ended 31 December 2021 is subject to any potential adjustments and further provisions, and the Group's annual results may differ from those as disclosed in this announcement. In accordance with the requirements of the Listing Rules, the Company's results announcement for the year ended 31 December 2021 is expected to be published around the end of March 2022.

Shareholders and potential investors of the Company are advised to exercise caution when dealing in the shares of the Company.

By Order of the Board
Yunnan Water Investment Co., Limited*
Yu Long
Acting Chairman

Kunming, the PRC
8 March 2022

As at the date of this announcement, the executive directors of the Company are Mr. Yu Long (Acting Chairman) and Mr. Zhou Zhimi, the non-executive directors of the Company are Mr. Dai Richeng, Mr. Chen Yong and Mr. Liu Hui, and the independent non-executive directors of the Company are Mr. Liu Shuen Kong, Mr. Zhou Beihai and Mr. Zhong Wei.

* *For identification purposes only*