

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.



## 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)

## ANNOUNCEMENT OF PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION AND PROPOSED APPOINTMENTS OF EXECUTIVE DIRECTOR AND NON-EXECUTIVE DIRECTOR

### I. PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION

The board of directors (the “**Board**”) of Kunming Dianchi Water Treatment Co., Ltd. (the “**Company**”) announced that, in order to meet the actual needs of the Company and better adapt to future business development needs, the Board proposed to increase members of the Board to contribute to the Company’s business planning and management advice and thus proposed that part of the contents of the Company’s Articles of Association (the “**Articles of Association**”) are revised as follows (the “**Proposed Amendments**”):

Version before revision	Version after revision
<b>Article 4</b> The general manager of the Company is the legal representative of the Company.	<b>Article 4</b> The <u>chairperson</u> of the Company is the legal representative of the Company.
<b>Article 112</b> The Company shall establish a Board. The Board shall comprise seven directors, including three independent directors that account for over one third of the members of the Board with one financial or accounting professional and in compliance with the requirement under Rule 3.10(2) of the Main Board Listing Rules. Independent directors may report directly to the general meeting, the securities regulatory authorities of the State Council and other relevant regulatory departments.	<b>Article 112</b> The Company shall establish a Board. The Board shall comprise <u>nine</u> directors, including three independent directors, <u>Independent directors should account for at least one third of the members of the Board</u> with one financial or accounting professional and in compliance with the requirement under Rule 3.10(2) of the Main Board Listing Rules. Independent directors may report directly to the general meeting, the securities regulatory authorities of the State Council and other relevant regulatory departments.

*Note:* The Proposed Amendments are prepared in Chinese. In the event of any discrepancy between the Chinese and the English version of the Articles of Association, the Chinese version shall prevail.

Save for the Proposed Amendments, the contents of other chapters and articles of the Articles of Association remain unchanged.

The Proposed Amendments have been approved at the 69th meeting of the first session of the Board held by the Company on 14 November 2019 and a resolution will be proposed at the 2020 first extraordinary general meeting (the “EGM”) of the Company for consideration and approval by the shareholders (the “Shareholders”) of the Company. The Proposed Amendments will be subject to approval by the Shareholders at the EGM in the form of special resolution.

## **II. PROPOSED APPOINTMENTS OF EXECUTIVE DIRECTOR AND NON-EXECUTIVE DIRECTOR**

### **(i) Proposed appointment of executive director**

As considered and approved by the Company at the 69th meeting of the first session of the Board held on 14 November 2019, Mr. Chen Changyong (陳昌勇, “Mr. Chen”) was proposed to be appointed as an executive director of the first session of the Board of the Company. A resolution of the proposed appointment of Mr. Chen to serve as the executive director of the Company will be proposed at the EGM for consideration and approval by the Shareholders of the Company. The proposed appointment will be subject to approval by the Shareholders at the EGM in the form of ordinary resolution.

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 (as defined under the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Listing Rules”), “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. He joined the Company on 27 June 2019 and was appointed as the general manager of the Company on 10 July 2019. He is currently the deputy secretary of the party committee and general manager of the Company.

The appointment of Mr. Chen as the executive director of the Company will come into effect after the approval of the resolution of his appointment and the Proposed Amendments at the EGM by the Shareholders. At that time, the Company will enter into a director service agreement with Mr. Chen with a term from the day when the above resolution is considered and approved at the EGM to the day when the election of the next session of the Board is completed. Mr. Chen's remuneration as the Company's executive director includes basic salary, performance bonuses and other benefits. The basic salary is determined in accordance with Mr. Chen's position in the Company. The performance bonus is determined with reference to the Company's business performance. Other benefits include statutory pension, medical and housing fund, etc.. The Board will conduct an annual performance appraisal of Mr. Chen during which the annual remuneration amount will be determined next year in accordance with his annual performance appraisal and relevant laws and regulations and the same will be disclosed in the Company's annual report.

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) Mr. Chen is not connected to any director, supervisor, senior management, substantial shareholder or controlling shareholder (as defined under the Listing Rules) of the Company; and (3) before Mr. Chen's appointment as the executive director of the Company comes into effect, apart from serving as the general manager and deputy secretary of the party committee 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 Listing Rules, nor are there any other matters in relation to Mr. Chen that need to be brought to the attention of the Shareholders.

**(ii) Proposed appointment of non-executive director**

As considered and approved by the Company at the 69th meeting of the first session of the Board held on 14 November 2019, Ms. Yu Yanbo (余燕波, "Ms. Yu") was proposed to be appointed to serve as a non-executive director of the first session of the Board of the Company. A resolution of the proposed appointment of Ms. Yu to serve as the non-executive director of the Company will be proposed at the EGM for consideration and approval by the Shareholders. The proposed appointment will be subject to approval by the Shareholders at the EGM in the form of ordinary resolution.

Biographical details of Ms. Yu are as follows:

Yu Yanbo, aged 48, senior accountant. In July 1988, she graduated from Kunming Second Light Industry School (昆明市二輕工業學校), majoring in finance and graduated from Yunnan Finance and Trade College (雲南財貿學院) in June 1992, majoring in finance. In December 2010, she graduated from CPC Yunnan Provincial Party School (中共雲南省委黨校), majoring in economic management.

Ms. Yu worked in the Kunming Light Union City Credit Cooperative (昆明輕聯城市信用合作社) from August 1988 to April 1993. From May 1993 to March 1994, she worked in Kunming Lianfa City Credit Cooperative (昆明聯發城市信用合作社) and worked at Kunming International Trust and Investment Co., Ltd. (昆明國際信託投資公司) from April 1994 to November 2005. She has been working in Kunming Industrial Development & Investment Co., Ltd. (“**Kunming Industrial**”) (昆明產業開發投資有限責任公司) since November 2005. She has been serving as the deputy manager of the planning and finance department, deputy manager of the contract audit department, manager of the audit legal department, manager of the capital operation department, supervisor and assistant to the general manager of Kunming Industrial.

The appointment of Ms. Yu as the non-executive director of the Company will come into effect after the approval of the resolution of her appointment and the Proposed Amendments at the EGM by the Shareholders. At that time, the Company will enter into a director service agreement with Ms. Yu with a term from the day when the above resolution is considered and approved at the EGM to the day when the election of the next session of the Board is completed. Ms. Yu will not obtain remuneration from the Company during her term as the non-executive director of the Company.

To the best knowledge of the directors of the Company, save as disclosed above: (1) Ms. Yu 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) Ms. Yu is not connected to any director, supervisor, senior management, substantial shareholder or controlling shareholder of the Company; and (3) before Ms. Yu’s appointment as the non-executive director of the Company comes into effect, she 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, Ms. Yu 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 Listing Rules, nor are there any other matters in relation to Ms. Yu that need to be brought to the attention of the Shareholders.

A circular containing detail of, among other things, the Proposed Amendments and the respective proposed appointments of Mr. Chen and Ms. Yu as the executive director and non-executive director, together with a notice convening the EGM, will be dispatched to the Shareholders in due course.

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

Kunming, the PRC, 14 November 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.*