
THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

If you are in any doubt as to any aspect of this circular or as to the action to be taken, you should consult your stockbroker or other registered dealer in securities, bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your Shares in Kunming Dianchi Water Treatment Co., Ltd., you should at once hand this circular and the accompanying proxy form and the reply slip for the Extraordinary General Meeting to the purchaser or transferee or to the bank, stockbroker or other agent through whom the sale was effected for transmission to the purchaser or transferee.

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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)

2020 FIRST EXTRAORDINARY GENERAL MEETING

The Extraordinary General Meeting will be held at 2:30 p.m. on Thursday, 20 February 2020 at the meeting room of the Company on the 1st floor at Wastewater Treatment Plant No.7, Kunming Dianchi Tourist Resort, Yunnan Province, the PRC. Notice of the EGM is set out on pages 9 to 10 of this circular.

If you intend to appoint a proxy to attend the EGM, you are required to complete and return the accompanying proxy form in accordance with the instructions printed thereon. For holders of H Shares, the proxy form should be returned to Tricor Investor Services Limited and for holders of Domestic Shares, the proxy form should be returned to the Company's registered office and headquarters in the PRC by personal delivery or by post not less than 24 hours before the time fixed for holding the EGM (i.e., before 2:30 p.m. on Wednesday, 19 February 2020) or any adjourned meeting thereof. Completion and return of the proxy form will not preclude you from attending and voting in person at the EGM or at any other adjourned meeting should you so wish.

If you intend to attend the EGM in person or by proxy, you are required to complete and return the accompanying reply slip to Tricor Investor Services Limited (for holders of H Shares) or to the Company's registered office and headquarters in the PRC (for holders of Domestic Shares) on or before Thursday, 30 January 2020.

3 January 2020

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DEFINITIONS

In this circular, unless the context otherwise requires, the following expressions shall have the following meanings:

“Articles of Association”	the Articles of Association of the Company, as amended from time to time
“Board of Directors” or “Board”	the board of Directors of the Company
“Company”	Kunming Dianchi Water Treatment Co., Ltd. (昆明滇池水務股份有限公司), a joint stock Company established in the PRC with limited liability on 23 December 2010, and its H Shares are listed on the Stock Exchange (stock code: 3768)
“controlling shareholder”	has the meaning ascribed to it under the Listing Rules
“Director(s)”	director(s) of the Company
“Domestic Shares”	ordinary Shares in the Company’s capital, with a nominal value of RMB1.00 each, which are subscribed for and paid up in RMB
“EGM” or “Extraordinary General Meeting”	the 2020 first extraordinary general meeting of the Company to be held at 2:30 p.m. on Thursday, 20 February 2020 at the meeting room of the Company on the 1st floor at Wastewater Treatment Plant No.7, Kunming Dianchi Tourist Resort, Yunnan Province, the PRC
“Group”	the Company and its subsidiaries
“H Share(s)”	overseas listed foreign Share(s) in the Share capital of the Company with a nominal value of RMB1.00 each, which is listed on the Main Board of the Stock Exchange and traded in Hong Kong dollars
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Kunming Dianchi Investment”	Kunming Dianchi Investment Co., Ltd. (昆明滇池投資有限責任公司), a Company established in Yunnan Province, the PRC with limited liability on 13 October 2004, which is the controlling shareholder of the Company
“Latest Practicable Date”	27 December 2019, being the latest practicable date prior to the printing of this circular for ascertaining certain information contained herein

DEFINITIONS

“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange, as amended, supplemented and otherwise modified from time to time
“PRC” or “China”	the People’s Republic of China
“RMB”	Renminbi, the lawful currency of the PRC
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), as amended, supplemented or otherwise modified from time to time
“Share(s)”	Share(s) in the Share capital of the Company, with a nominal value of RMB1.00 each, comprising the Domestic Shares and H Shares
“Shareholder(s)”	holder(s) of the Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“subsidiary(ies)”	has the meaning ascribed to it under the Listing Rules
“Supervisor(s)”	supervisors of the Company

LETTER FROM THE BOARD



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)

Board of Directors:

Executive Directors:

Ms. Guo Yumei (*Chairperson*)

Mr. Luo Yun

Non-executive Directors:

Ms. Song Hong

Ms. Zhao Zhu

Independent non-executive Directors:

Mr. Yin Xiaobing

Mr. He Xifeng

Mr. Sin Lik Man

Registered office and headquarters

in the PRC:

Wastewater Treatment Plant No. 7

Kunming Dianchi Tourist Resort

Yunnan Province

the PRC

Principal place of business in Hong Kong:

Room 1901, 19/F, Lee Garden One

33 Hysan Avenue

Causeway Bay, Hong Kong

3 January 2020

To the Shareholders

Dear Sirs and Madams,

2020 FIRST EXTRAORDINARY GENERAL MEETING

1. INTRODUCTION

On behalf of the Board of Directors, I invite you to attend the EGM to be held at 2:30 p.m. on Thursday, 20 February 2020 at the meeting room of the Company on the 1st floor at Wastewater Treatment Plant No. 7, Kunming Dianchi Tourist Resort, Yunnan Province, the PRC.

The purpose of this circular is to provide you with the notice of the EGM and the information reasonably necessary to enable you to make an informed decision on whether to vote for or against the proposed resolutions at the EGM.

LETTER FROM THE BOARD

2. BUSINESSES TO BE CONSIDERED AT THE EGM

The businesses to be considered at the EGM are described in more detail in the notice of the EGM as set out on pages 9 to 10 of this circular.

The resolution to be proposed for approval at the EGM by special resolution includes:

- (a) Amendments to the Articles of Association

Resolutions will be proposed at the EGM and passed as ordinary resolutions, which include:

- (b) To elect Mr. Chen Changyong to serve as an executive Director of the Company
- (c) To elect Ms. Yu Yanbo to serve as a non-executive Director of the Company

In order to enable you to have a better understanding of the resolutions to be proposed at the EGM and to make an informed decision under the circumstances where sufficient and necessary information is available, the Company has provided detailed information in this circular.

3. BUSINESSES OF THE EGM

3.1 Amendments to the Articles of Association

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 are revised as follows (the "**Proposed Amendments**"):

Version before revision	Version after revision
Article 4 The general manager of the Company is the legal representative of the Company.	Article 4 The chairperson of the Company is the legal representative of the Company.
Article 112 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.	Article 112 The Company shall establish a Board. The Board shall comprise nine Directors, including three independent Directors, Independent Directors should account for at least 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.

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.

LETTER FROM THE BOARD

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 special resolution will be proposed at the EGM for consideration and approval by the Shareholders.

3.2 The election of Mr. Chen Changyong to serve as an executive Director of the Company

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.

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, the controlling shareholder of the Company, 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.

LETTER FROM THE BOARD

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 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 Latest Practicable Date, Mr. Chen does not have any interests in the shares of the Company or its associated corporations (as defined in Part XV of the SFO).

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.

3.3 The election of Ms. Yu Yanbo to serve as a non-executive Director of the Company

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.

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.

LETTER FROM THE BOARD

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 Latest Practicable Date, Ms. Yu does not have any interests in the shares of the Company or its associated corporations (as defined in Part XV of the SFO).

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.

4. THE EGM

The proxy form and the reply slip of the EGM are enclosed.

If you intend to appoint a proxy to attend the EGM, you are required to complete and return the accompanying form of proxy in accordance with the instructions printed thereon. For holders of H Shares, the form of proxy should be returned to Tricor Investor Services Limited and for holders of Domestic Shares, the form of proxy should be returned to the Company's registered office and headquarters in the PRC by personal delivery or by post not less than 24 hours before the time fixed for holding the EGM (i.e. before 2:30 p.m. on Wednesday, 19 February 2020) or any adjourned meeting thereof. completion and return of the form of proxy will not preclude you from attending and voting in person at the EGM or at any other adjourned meeting should you so wish.

If you intend to attend the EGM in person or by proxy, you are required to complete and return the accompanying reply slip to (for holders of H Shares) Tricor Investor Services Limited or (for holders of Domestic Shares) to the Company's registered office and headquarters in the PRC on or before Thursday, 30 January 2020.

5. VOTING BY POLL

According to Rule 13.39(4) of the Listing Rules, any vote of Shareholders at a general meeting must be taken by poll. Accordingly, the Chairman of the EGM will exercise his power under the Articles of Association to demand a poll in relation to the proposed resolutions at the EGM.

6. RESPONSIBILITY STATEMENT

This circular, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Group. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief, the information contained in this circular is accurate and complete in all material respects and not misleading or deceptive, nor are there any matters the omission of which would make this circular or any statement herein misleading.

LETTER FROM THE BOARD

7. RECOMMENDATIONS

The Board considers that the resolutions proposed at the EGM are in the interests of the Company and its Shareholders as a whole. Accordingly, the Board recommends the Shareholders to vote in favour of the proposed resolutions at the EGM.

Yours faithfully,
Guo Yumei
Chairperson

NOTICE OF 2020 FIRST EXTRAORDINARY GENERAL MEETING



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)

NOTICE OF 2020 FIRST EXTRAORDINARY GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT the 2020 first extraordinary general meeting (the “EGM”) of Kunming Dianchi Water Treatment Co., Ltd. (the “Company”) will be held at 2:30 p.m. on Thursday, 20 February 2020 at the meeting room of the Company on the 1st floor at Wastewater Treatment Plant No.7, Kunming Dianchi Tourist Resort, Yunnan Province, the People’s Republic of China (“PRC”), for the following purposes:

SPECIAL RESOLUTION

1. To consider and approve the resolution of the amendments to the Articles of Association

ORDINARY RESOLUTIONS

2. To consider and approve the election of Mr. Chen Changyong to serve as an executive director of the Company
3. To consider and approve the election of Ms. Yu Yanbo to serve as a non-executive director of the Company

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

Kunming, the PRC
3 January 2020

NOTICE OF 2020 FIRST EXTRAORDINARY GENERAL MEETING

Notes:

1. According to the Listing Rules, any vote of Shareholders at a general meeting must be taken by poll. Accordingly, the resolutions set out in the notice of EGM will be voted by poll. Results of the poll voting will be published on the Company's website at www.kmdcwt.com and the HKExnews website of Hong Kong Exchanges and Clearing Limited at www.hkexnews.hk after the EGM.
2. Any Shareholder entitled to attend and vote at the EGM convened by the above notice is entitled to appoint one or more proxies to attend and vote instead of him/her. A proxy need not be a Shareholder of the Company.
3. In order to be valid, the instrument appointing a proxy together with the power of attorney or other authority, if any, under which it is signed, or a notarially certified copy of such power of attorney or authority, must be completed and returned to the Company's registered office and headquarters in the PRC (for holders of Domestic Shares) or the H Share Registrar of the Company, Tricor Investor Services Limited (for holders of H Shares), at least 24 hours before the EGM (i.e., before 2:30 p.m. on Wednesday, 19 February 2020) or any adjourned meeting thereof. Tricor Investor Services Limited is located at Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong. completion and return of a proxy form will not preclude a Shareholder from attending and voting at the EGM or any adjourned meeting thereof should he/she so wish.
4. For the purpose of determining the list of holders of H Shares who are entitled to attend the EGM, the H Share register of members of the Company will be closed from Tuesday, 21 January 2020 to Thursday, 20 February 2020 (both days inclusive). The holders of H Shares who wish to attend the EGM are required to submit the Share certificates together with the transfer documents to the H Share Registrar, Tricor Investor Services Limited at Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong not later than 4:30 p.m. on Monday, 20 January 2020 for registration. Holders of H Shares who are registered with Tricor Investor Services Limited on or before the aforementioned date are entitled to attend the EGM.
5. In case of joint Shareholdings, the vote of the senior joint Shareholder who tenders a vote, whether in person or by proxy, will be accepted to the exclusion of the votes of the other joint Shareholder(s) and for this purpose, seniority will be determined by the order in which the names stand in the register of members of the Company in respect of the joint Shareholding.
6. Shareholders of the Company intending to attend the EGM in person or by their proxies should return the reply slip for attending the EGM by personal delivery or by post to the Company's registered office and headquarters in the PRC (for holders of Domestic Shares) or the Company's H Share Registrar, Tricor Investor Services Limited (for holders of H Shares) on or before Thursday, 30 January 2020. The address of Tricor Investor Services Limited is Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong.
7. The EGM is expected to be held for less than half a day. Shareholders who attend the meeting in person or by proxy shall bear their own travelling and accommodation expenses.
8. A Shareholder or his proxy should produce proof of identity when attending the EGM.
9. The Company's registered office and headquarters in the PRC is Wastewater Treatment Plant No. 7, Kunming Dianchi Tourist Resort, Yunnan Province, the PRC.
10. All references to dates and time in this notice are to Hong Kong dates and time.

As of the date of this notice, 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.