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. 昆明滇池水務股份有限公司

(a joint stock company incorporated in the People's Republic of China with limited liability)

(Stock Code: 3768)

CLARIFICATION ANNOUNCEMENT

Reference is made to the announcement of Kunming Dianchi Water Treatment Co., Ltd. (the "Company") dated 27 March 2020 (the "Announcement"), the annual general meeting circular of of the Company dated 20 April 2020 (the "AGM Circular") and the annual general meeting notice of the Company dated 20 April 2020 (the "AGM Notice") in relation to, among other things, certain proposed amendments to the Company's Articles of Association. Unless otherwise defined herein, capitalized terms used in this announcement shall have the same meanings as those defined in the AGM Circular.

Reference is made to the following proposed amendment to Article 102 of the Articles of Association as disclosed in the Announcement and the AGM Circular:

Version before revision

Article 102 The number of the posts of the Secretary, Deputy Secretary and members of the Party Committee and the Discipline Inspection Committee of the Company shall be set in accordance with the approval of higher Party organizations, and shall be selected or appointed in accordance with the relevant regulations of the Constitution of the Communist Party of China and the Provisional Regulations Governing CPC Grassroots Elections. The Company shall insist on and improve the leadership system of mutual entry and cross appointment under which the qualified members of Party Committee of the Company leading group may enter the Board of Directors, Board of Supervisors and the management level through legal procedures, so as to ensure the limited fulfillment of the role of Party organization at decision making level, supervision level and executive level. The system of periodical leadership transition in enterprise grassroots organizations shall be strictly implemented. This session of Party Committee of the Company consists of six members, including one Secretary and one Deputy Secretary; the Discipline Inspection Committee of the Company consists of five members, including one Secretary.

Version after revision

Article 102 The number of the posts of the Secretary, Deputy Secretary and members of the Party Committee and the Discipline Inspection Committee of the Company shall be set in accordance with the approval of higher Party organizations, and shall be selected or appointed in accordance with the relevant regulations of the Constitution of the Communist Party of China and the Provisional Regulations Governing CPC Grassroots Elections. The Company shall insist on and improve the leadership system of mutual entry and cross appointment under which the qualified members of Party Committee of the Company leading group may enter the Board of Directors, Board of Supervisors and the management level through legal procedures, so as to ensure the effective fulfillment of the role of Party organization at decision making level, supervision level and executive level. The system of periodical leadership transition in enterprise grassroots organizations shall be strictly implemented. This session of Party Committee of the Company consists of six members, including one Secretary and one Deputy Secretary; the Discipline **Inspection Committee of the Company consists** of five members, including one Secretary.

The Board would like to further elaborate the abovementioned proposed amendment to Article 102 of the Articles of Associate and clarify that it should be as follows (as indicated by underline):

Version before revision

Article 102 The number of the posts of the Secretary, Deputy Secretary and members of the Party Committee and the Discipline Inspection Committee of the Company shall be set in accordance with the approval of higher Party organizations, and shall be selected or appointed in accordance with the relevant regulations of the Constitution of the Communist Party of China and the Provisional Regulations Governing CPC Grassroots Elections. The Company shall insist on and improve the leadership system of mutual entry and cross appointment under which the qualified members of Party Committee of the Company leading group may enter the Board of Directors, Board of Supervisors and the management level through legal procedures, so as to ensure the limited fulfillment of the role of Party organization at decision making level, supervision level and executive level. The system of periodical leadership transition in enterprise grassroots organizations shall be strictly implemented. This session of Party Committee of the Company consists of six members, including one Secretary and one Deputy Secretary; the Discipline Inspection Committee of the Company consists of five members, including one Secretary.

Version after revision

Article 102 The number of the posts of the Secretary, Deputy Secretary and members of the Party Committee and the Discipline Inspection Committee of the Company shall be set in accordance with the approval of higher Party organizations, and shall be selected or appointed in accordance with the relevant regulations of the Constitution of the Communist Party of China, the Working Regulations on the Grassroot Organizations of the State-owned Enterprises of the Communist Party of China (Trial) and the Provisional Regulations Governing CPC Grassroots Elections as well as the approval of higher Party organizations. The Company shall insist on and improve the leadership system of mutual entry and cross appointment under which the qualified members of Party Committee of the Company leading group may enter the Board of Directors, Board of Supervisors and the management level through legal procedures, so as to ensure the effective fulfillment of the role of Party organization at decision making level, supervision level and executive level. The system of periodical leadership transition in enterprise grassroots organizations shall be strictly implemented. This session of Party Committee of the Company consists of six members, including one Secretary and one Deputy Secretary; the Discipline Inspection Committee of the Company consists of five members, including one Secretary.

Save as disclosed above, all other contents set forth in the Announcement, the AGM Circular and the AGM Notice remain unchanged. This announcement is supplemental to and should be read in conjunction with the Announcement, the AGM Circular and the AGM Notice and the Board confirms that there is no material change to the proposed amendment to Article 102 of the Articles of Association. The proxy form which has been despatched on 20 April 2020 for the purpose of the AGM will remain valid for use for the AGM.

By order of the Board

Kunming Dianchi Water Treatment Co., Ltd.

Guo Yumei

Chairperson

Kunming, the PRC, 7 June 2020

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.