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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)**

## **PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION AND PROPOSED AMENDMENTS TO THE RULES OF PROCEDURES OF THE BOARD OF DIRECTORS**

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

The board (the “**Board**”) of directors (the “**Directors**”) of Kunming Dianchi Water Treatment Co., Ltd. (the “**Company**”) announces that due to the change of the company name of one of the promoter shareholders of the Company, according to relevant requirements of the Company Law and other relevant laws and regulations and the articles of association of the Company (the “**Articles of Association**”), the Board proposed to make the following amendments to relevant articles of the Articles of Association:

Before amendments	After amendments
<p><b>Article 1</b> Kunming Dianchi Water Treatment Co., Ltd. (the “<b>Company</b>”) is a joint stock limited company incorporated in accordance with the “Company Law of the People’s Republic of China” (the “<b>Company Law</b>”) (the “<b>PRC</b>”), the Securities Law of the PRC (the “<b>Securities Law</b>”), the “Special Regulations of the State Council on the Overseas Offering and Listing of Shares by Joint Stock Limited Companies” (the “<b>Special Regulations</b>”), the Mandatory Provisions for Articles of Association of Companies to be Listed Overseas, the Letter of the Opinion on the Supplemental Amendments to the Articles of Association of Companies to be Listed in Hong Kong, the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited (the “<b>Main Board Listing Rules</b>”), and other relevant national laws and administrative regulations.</p> <p>Pursuant to the approval of the State-owned Assets Supervision and Administration Commission of the government of Kunming City, the Company was established by way of promotion on 22 December 2010 and was registered with the Administration for Industry and Commerce of Kunming City on 23 December 2010 to obtain its business license. The number of the business license of the Company is 91530100568810129D.</p> <p>The Company is a joint stock limited company established by Kunming Dianchi Investment Co. Ltd.*, Kunming Development Investment Group Co. Ltd.*, Kunming Industrial Development and Investment Co. Ltd.*, Kunming State-owned Assets Management and Operations Co. Ltd.*, Kunming Xindu Real Estate Co. Ltd.* as its promoters.</p>	<p><b>Article 1</b> Kunming Dianchi Water Treatment Co., Ltd. (the “<b>Company</b>”) is a joint stock limited company incorporated in accordance with the “Company Law of the People’s Republic of China” (the “<b>Company Law</b>”) (the “<b>PRC</b>”), the Securities Law of the PRC (the “<b>Securities Law</b>”), the “Special Regulations of the State Council on the Overseas Offering and Listing of Shares by Joint Stock Limited Companies” (the “<b>Special Regulations</b>”), the Mandatory Provisions for Articles of Association of Companies to be Listed Overseas, the Letter of the Opinion on the Supplemental Amendments to the Articles of Association of Companies to be Listed in Hong Kong, the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited (the “<b>Main Board Listing Rules</b>”), and other relevant national laws and administrative regulations.</p> <p>Pursuant to the approval of the State-owned Assets Supervision and Administration Commission of the government of Kunming City, the Company was established by way of promotion on 22 December 2010 and was registered with the Administration for Industry and Commerce of Kunming City on 23 December 2010 to obtain its business license. The number of the business license of the Company is 91530100568810129D.</p> <p>The Company is a joint stock limited company established by Kunming Dianchi Investment Co. Ltd.*, Kunming Development Investment Group Co. Ltd.*, Kunming Industrial Development and Investment Co. Ltd.*, Kunming State-owned Assets Management and Operations Co. Ltd.*, <del>Kunming Xindu Real Estate Co. Ltd.*</del><b>Kunming Xinzhi Investment Development Co., Ltd.*</b> as its promoters.</p>

Before amendments				After amendments			
<p><b>Article 20</b> The Company issued 360 million ordinary shares to its promoters upon its establishment. All these shares were subscribed for and paid up by promoters of the Company in agreed capital contribution method before 28 December 2012. Shareholding of promoters of the Company upon its establishment sets out as follows:</p>				<p><b>Article 20</b> The Company issued 360 million ordinary shares to its promoters upon its establishment. All these shares were subscribed for and paid up by promoters of the Company in agreed capital contribution method before 28 December 2012. Shareholding of promoters of the Company upon its establishment sets out as follows:</p>			
No.	Promoter	Number of shares (ten thousand)	Shareholding (%)	No.	Promoter	Number of shares (ten thousand)	Shareholding (%)
1.	Kunming Dianchi Investment Co. Ltd.	34,494.30	95.82	1.	Kunming Dianchi Investment Co. Ltd.	34,494.30	95.82
2.	Kunming Development Investment Group Co. Ltd.	1,095.00	3.04	2.	Kunming Development Investment Group Co. Ltd.	1,095.00	3.04
3.	Kunming Industrial Development and Investment Co. Ltd.	136.90	0.38	3.	Kunming Industrial Development and Investment Co. Ltd.	136.90	0.38
4.	Kunming State-owned Assets Management and Operations Co. Ltd.	136.90	0.38	4.	Kunming State-owned Assets Management and Operations Co. Ltd.	136.90	0.38
5.	Kunming Xindu Real Estate Co. Ltd.	136.90	0.38	5.	<del>Kunming Xindu Real Estate Co. Ltd.</del> Kunming Xinzhi Investment Development Co., Ltd.	136.90	0.38
Total		<u>36,000</u>	<u>100</u>	Total		<u>36,000</u>	<u>100</u>

<b>Before amendments</b>				<b>After amendments</b>			
Based on a total of 360,000,000 shares of the Company as at 31 December 2014, bonus shares of 360,000,000 in total were issued to all shareholders by transfer of capital reserve on the basis of 10 shares for 10 shares. Upon completion of the transfer, total share capital of the Company was increased to 720,000,000 shares.				Based on a total of 360,000,000 shares of the Company as at 31 December 2014, bonus shares of 360,000,000 in total were issued to all shareholders by transfer of capital reserve on the basis of 10 shares for 10 shares. Upon completion of the transfer, total share capital of the Company was increased to 720,000,000 shares.			
Number of shares held by and shareholding of each shareholder upon completion of the transfer are as follows:				Number of shares held by and shareholding of each shareholder upon completion of the transfer are as follows:			
No.	Promoter	Number of shares <i>(ten thousand)</i>	Shareholding <i>(%)</i>	No.	Promoter	Number of shares <i>(ten thousand)</i>	Shareholding <i>(%)</i>
1.	Kunming Dianchi Investment Co. Ltd.	68,988.60	95.82	1.	Kunming Dianchi Investment Co. Ltd.	68,988.60	95.82
2.	Kunming Development Investment Group Co. Ltd.	2,190.00	3.04	2.	Kunming Development Investment Group Co. Ltd.	2,190.00	3.04
3.	Kunming Industrial Development and Investment Co. Ltd.	273.80	0.38	3.	Kunming Industrial Development and Investment Co. Ltd.	273.80	0.38
4.	Kunming State-owned Assets Management and Operations Co. Ltd.	273.80	0.38	4.	Kunming State-owned Assets Management and Operations Co. Ltd.	273.80	0.38
5.	Kunming Xindu Real Estate Co. Ltd.	273.80	0.38	5.	<del>Kunming Xindu Real Estate Co. Ltd.</del> Kunming Xinzhi Investment Development Co., Ltd.	273.80	0.38
Total		<u>72,000</u>	<u>100</u>	Total		<u>72,000</u>	<u>100</u>

Before amendments	After amendments
<p><b>Article 21</b> Upon the approval from the competent authority of securities of the State Council, the Company may issue not more than 354,626,000 H shares. Pursuant to the Provisional Administrative Measure on Reduction of State-owned Shares to Raise Social Security Fund (《減持國有股籌集社會保障資金管理暫行辦法》) and relevant requirements of the State Council, the state-owned Shareholders of the Company will transfer not more than 35,462,600 state-owned shares held by it to the National Council for Social Security Fund of the PRC while issuing overseas-listed foreign-invested shares.</p> <p>As at 12 May 2017, subsequent to the completion of the above issuance by the Company through exercise of over-allotment option, the original shares transferred by five state-owned shareholders including Kunming Dianchi Investment Co., Ltd. etc. to the National Council for Social Security Fund of the PRC were converted into H shares, the Company exercised the over-allotment option and issued 340,023,000 H shares, and the shareholding structure of the Company was as follows:</p>	<p><b>Article 21</b> Upon the approval from the competent authority of securities of the State Council, the Company may issue not more than 354,626,000 H shares. Pursuant to the Provisional Administrative Measure on Reduction of State-owned Shares to Raise Social Security Fund (《減持國有股籌集社會保障資金管理暫行辦法》) and relevant requirements of the State Council, the state-owned Shareholders of the Company will transfer not more than 35,462,600 state-owned shares held by it to the National Council for Social Security Fund of the PRC while issuing overseas-listed foreign-invested shares.</p> <p>As at 12 May 2017, subsequent to the completion of the above issuance by the Company through exercise of over-allotment option, the original shares transferred by five state-owned shareholders including Kunming Dianchi Investment Co., Ltd. etc. to the National Council for Social Security Fund of the PRC were converted into H shares, the Company exercised the over-allotment option and issued 340,023,000 H shares, and the shareholding structure of the Company was as follows:</p>

Before amendments				After amendments			
No.	Promoter	Number of shares (ten thousand)	Shareholding (%)	No.	Promoter	Number of shares (ten thousand)	Shareholding (%)
1.	Kunming Dianchi Investment Co. Ltd.	660,266,893	64.17	1.	Kunming Dianchi Investment Co. Ltd.	660,266,893	64.17
2.	Kunming Development Investment Group Co. Ltd.	20,959,760	2.04	2.	Kunming Development Investment Group Co. Ltd.	20,959,760	2.04
3.	Kunming Industrial Development and Investment Co. Ltd.	2,620,449	0.25	3.	Kunming Industrial Development and Investment Co. Ltd.	2,620,449	0.25
4.	Kunming State-owned Assets Management and Operations Co. Ltd.	2,620,449	0.25	4.	Kunming State-owned Assets Management and Operations Co. Ltd.	2,620,449	0.25
5.	Kunming Xindu Real Estate Co. Ltd.	2,620,449	0.25	5.	<del>Kunming Xindu Real Estate Co. Ltd.</del> Kunming Xinzhi Investment Development Co., Ltd.	2,620,449	0.25
6.	Public float	<u>340,023,000</u>	<u>33.04</u>	6.	Public float	<u>340,023,000</u>	<u>33.04</u>
Total		<u><u>1,029,111,000</u></u>	<u><u>100</u></u>	Total		<u><u>1,029,111,000</u></u>	<u><u>100</u></u>

*Note:* The proposed amendments above 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 above, the contents of other chapters and articles of the Articles of Association remain unchanged.

## II. PROPOSED AMENDMENTS TO THE RULES OF PROCEDURES OF THE BOARD OF DIRECTORS

According to the requirements of relevant laws and regulations and the Articles of Association, and based on the actual situation of the Company, the Board proposed to make the following amendments to certain content of the Rules of Procedures of the Board of Directors of the Company (the “**Rules of Procedures of the Board of Directors**”):

Before amendments	After amendments
<p><b>Article 5</b> The chairman of the board of directors shall hold a meeting with the non-executive directors (including independent non-executive directors) without the presence of the executive directors at least once a year.</p>	<p><b>Article 5</b> The chairman of the board of directors shall hold a meeting with the <b>independent</b> non-executive directors (<del>including independent non-executive directors</del>) without the presence of <del>the executive other</del> directors at least once a year.</p>
<p><b>Article 8</b> An extraordinary board meeting shall be convened within ten days in any of the following cases:</p> <ol style="list-style-type: none"> <li>(1) when proposed by shareholders representing more than one tenth of the voting rights;</li> <li>(2) when jointly proposed by more than one third of the directors;</li> <li>(3) when proposed by the board of supervisors;</li> <li>(4) when deemed necessary by the chairman of the board of directors;</li> <li>(5) when proposed by more than half of the independent directors;</li> <li>(6) when proposed by the general manager;</li> <li>(7) when required by the securities regulatory authorities;</li> <li>(8) in other cases as provided in the Articles of Association.</li> </ol>	<p><b>Article 8</b> An extraordinary board meeting shall be convened within <del>ten</del> <b>five</b> days in any of the following cases:</p> <ol style="list-style-type: none"> <li>(1) when proposed by shareholders representing more than one tenth of the voting rights;</li> <li>(2) when jointly proposed by more than one third of the directors;</li> <li>(3) <b>when proposed by the chairman of the board of directors;</b></li> <li>(4) <b>when proposed by more than two independent directors;</b></li> <li>(35) when proposed by the board of supervisors;</li> <li><del>(4) when deemed necessary by the chairman of the board of directors;</del></li> <li><del>(5) when proposed by more than half of the independent directors;</del></li> <li>(6) when proposed <b>to be convened</b> by the general manager;</li> <li>(7) when required by the securities regulatory authorities;</li> <li>(8) in other cases as provided in the Articles of Association.</li> </ol>

Before amendments	After amendments
<p><b>Article 12</b> To convene regular and extraordinary board meetings, the secretary of the board of directors shall give at least 14 days' notice and reasonable notice, respectively, to all directors, supervisors and the general manager by hand, fax, e-mail or other means.</p> <p>Notices that are not served by hand shall be confirmed by telephone and record should be made accordingly.</p> <p>Where an extraordinary board meeting needs to be convened in emergency, the notice of meeting may be sent by telephone, fax or e-mail, but the convener shall make explanations at the meeting.</p>	<p><b>Article 12</b> <del>To convene regular and extraordinary board meetings, the secretary of the board of directors shall give at least 14 days' notice and reasonable notice, respectively,</del> <b>The secretary of the board of directors shall, 14 day before convening the regular board meeting, and before convening the extraordinary board meeting, give reasonable notice of meeting</b> to all directors, supervisors and the general manager by hand, fax, <b>express mail service</b>, e-mail or other means.</p> <p>Notices that are not served by hand shall be confirmed by telephone and record should be made accordingly.</p> <p>Where an extraordinary board meeting needs to be convened in emergency, the notice of meeting may be sent by telephone, fax or e-mail, but the convener shall make explanations at the meeting.</p>
<p><b>Article 48</b> If more than half of the directors present at the meeting or two or more independent directors consider that they are unable to make a judgment on relevant matter as the proposal is unclear or not specific, or due to other reasons such as inadequate meeting materials, the meeting presider shall ask for suspension of voting on such matter at the meeting.</p>	<p><b>Article 48</b> If more than <del>half</del> <b>one fourth</b> of the directors present at the meeting or two or more independent directors consider that they are unable to make a judgment on relevant matter as the proposal is unclear or not specific, or due to other reasons such as inadequate meeting materials, the meeting presider shall ask for suspension of voting on such matter at the meeting.</p>

*Note:* The proposed amendments above are prepared in Chinese. In the event of any discrepancy between the Chinese and the English version of the Rules of Procedures of the Board of Directors, the Chinese version shall prevail.



Save for the proposed amendments above, the contents of other chapters and articles of the Rules of Procedures of the Board of Directors remain unchanged.

The proposed amendments to the Articles of Association and the Rules of Procedures of the Board of Directors have been considered and approved by the Board of the Company and separate resolutions will be proposed at the forthcoming general meeting of the Company for consideration and approval by the shareholders (the “**Shareholders**”) of the Company. The proposed amendments to the Articles of Association and the Rules of Procedures of the Board of Directors are subject to the approval by the Shareholders by way of special resolutions at the 2020 annual general meeting to be held by the Company.

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

Kunming, the PRC, 28 April 2021

*As of the date of this announcement, the Board comprises Ms. Guo Yumei, Mr. Chen Changyong and Mr. Luo Yun, as executive Directors; Ms. Song Hong, Ms. Ren Na and Ms. Yu Yanbo, as non-executive Directors; and Mr. Yin Xiaobing, Mr. He Xifeng and Mr. Johnson Wan, as independent non-executive Directors.*

\* *For identification purpose only*