
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 proxy form 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)

PROPOSED APPOINTMENT OF EXECUTIVE DIRECTOR AND 2021 FIRST EXTRAORDINARY GENERAL MEETING

The EGM will be held at 2:30 p.m. on Thursday, 16 September 2021 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 7 to 8 of this circular.

If you intend to appoint a proxy to attend the EGM, you are required to complete and return the 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, 15 September 2021) 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.

23 August 2021

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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”	the 2021 first extraordinary general meeting of the Company to be held on Thursday, 16 September 2021 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

DEFINITIONS

“Latest Practicable Date”	17 August 2021, being the latest practicable date prior to the printing of this circular for ascertaining certain information contained in this circular
“Listing”	the listing of the H Shares of the Company on the Stock Exchange on 6 April 2017
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange, as amended, supplemented or otherwise modified from time to time
“PRC” or “China”	the People’s Republic of China
“RMB”	Renminbi, the lawful currency of the PRC
“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

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. Chen Changyong (*General Manager*)

Mr. Luo Yun

Registered office and headquarters in the PRC:

Wastewater Treatment Plant No. 7

Kunming Dianchi Tourist Resort

Yunnan Province

the PRC

Non-executive Directors:

Ms. Song Hong

Ms. Ren Na

Ms. Yu Yanbo

Principal place of business in Hong Kong:

Room 1901, 19/F, Lee Garden One

33 Hysan Avenue

Causeway Bay, Hong Kong

Independent non-executive Directors:

Mr. Yin Xiaobing

Ms. Zheng Dongyu

Mr. Johnson Wan

23 August 2021

To the Shareholders

Dear Sirs and Madams,

PROPOSED APPOINTMENT OF EXECUTIVE DIRECTOR AND 2021 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, 16 September 2021 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 information reasonably necessary to enable you to make an informed decision on whether to vote for or against the proposed resolution 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 details in the notice of the EGM as set out on pages 7 to 8 of this circular.

Resolution will be proposed at the EGM and passed as ordinary resolution to consider and approve the appointment of Mr. Zeng Feng to serve as an executive Director.

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

3. TO CONSIDER AND APPROVE THE APPOINTMENT OF MR. ZENG FENG TO SERVE AS AN EXECUTIVE DIRECTOR

Reference is made to the announcement of the Company dated 10 August 2021 in relation to the resignation of Ms. Guo Yumei as an executive Director and the proposed appointment of Mr. Zeng Feng (“**Mr. Zeng**”) as an executive Director.

Due to health reasons, Ms. Guo Yumei (“**Ms. Guo**”), an executive Director of the Company, submitted a resignation letter to the Board on 10 August 2021, resigning her position as an executive Director, chairperson of the Board, chairperson of the strategy and investment decision committee, member of the nomination committee and member of the remuneration and appraisal committee of the Company. Her resignation will take effect on the day when the replacement executive Director is elected and appointed at the EGM.

As considered and approved by the Company at the 114th meeting of the first session of the Board held on 10 August 2021, Mr. Zeng was proposed to serve as an executive director of the first session of the Board of the Company, and a resolution of the proposed appointment of Mr. Zeng to serve as an 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 by way of ordinary resolution.

Biographical details of Mr. Zeng are as follows:

Mr. Zeng Feng, aged 56, graduated from Yunnan Finance and Trade College (雲南財貿學院) in June 1990, majoring in accounting. Mr. Zeng also obtained the accounting professional and technical qualification certificate in October 1994.

LETTER FROM THE BOARD

From August 1985 to May 1993, Mr. Zeng worked at the Southwest Aviation Forestry Protection General Station of the Ministry of Forestry (林業部西南航空護林總站). From May 1993 to January 2006, he worked at the Administrative Committee of Kunming Hi-tech Industrial Development Zone (昆明高新技術產業開發區管委會) and served as deputy chief officer, chief officer, assistant to director and deputy director of the finance department and director of accounting and settlement center, during which he also attended a postgraduate course in business and economics at the Chinese Academy of Social Sciences (中國社會科學院) from December 1996 to November 1998. From January 2006 to November 2010, he worked at the Management Committee of Kunming Airport Economic Zone (昆明空港經濟區管委會) and served as the person in charge and head of the finance department, deputy director of the management committee, member of the Party working committee, and vice mayor of the People's Government of Guandu District. From November 2010 to August 2021, he worked at Kunming Development Investment Group Co., Ltd. (昆明發展投資集團有限公司) and served as deputy secretary of the Party committee and secretary of the disciplinary inspection committee, chairman of the trade union, general manager, secretary of the Party committee, director and chairman of the board of directors, during which he also served as the secretary of the Party committee and chairman of the board of directors of Kunming Dianchi Investment from March 2011 to June 2012.

The appointment of Mr. Zeng as an executive director of the Company will become effective after the approval of the resolution of his appointment by the Shareholders at the EGM. At that time, the Company will enter into a director service agreement with Mr. Zeng for a term commencing from the day when the above resolution is considered and approved at the general meeting to the day when the election of the next session of the Board is completed. Mr. Zeng's remuneration will include basic annual salary, performance-based bonus and other benefits. Mr. Zeng's annual basic salary shall be determined based on his position in the Company, performance-based bonus shall be determined based on the Company's operating performance, and other benefits include pension, medical insurance and housing provident fund. The Board will conduct an annual appraisal on the performance of Mr. Zeng and his annual remuneration amount will be determined at the end of the year and disclosed in the Company's annual report for the year.

To the best knowledge of the directors of the Company, save as disclosed above: (1) Mr. Zeng 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. Zeng is not connected to any director, supervisor, senior management, substantial shareholder or controlling shareholder of the Company; and (3) before Mr. Zeng's appointment as an executive director of the Company comes into effect, 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. Zeng 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. Zeng that need to be brought to the attention of the Shareholders.

LETTER FROM THE BOARD

4. THE EGM

The proxy form of the EGM is enclosed.

If you intend to appoint a proxy to attend the EGM, you are required to complete and return the 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, 15 September 2021) 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.

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 all the proposed resolution at the EGM.

6. RECOMMENDATIONS

The Board considers that the resolution 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 those proposed resolution at the EGM.

Yours faithfully,
Guo Yumei
Chairperson

NOTICE OF 2021 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 2021 FIRST EXTRAORDINARY GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT the 2021 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, 16 September 2021 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, for the following purpose:

ORDINARY RESOLUTION

1. To consider and approve the appointment of Mr. Zeng Feng to serve as an executive Director

By order of the Board

Kunming Dianchi Water Treatment Co., Ltd.

Guo Yumei

Chairperson

Kunming, the PRC

23 August 2021

Notes:

1. According to the Listing Rules, any vote of Shareholders at a general meeting must be taken by poll. Accordingly, each of 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, 15 September 2021) 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.

NOTICE OF 2021 FIRST EXTRAORDINARY GENERAL MEETING

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 Thursday, 26 August 2021 to Thursday, 16 September 2021 (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 Wednesday, 25 August 2021 for registration. Holders of H Shares who are registered with Tricor Investor Services Limited on or before the above 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. 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.
7. A Shareholder or his proxy should produce proof of identity when attending the EGM.
8. The Company's registered office and headquarters in the PRC is No. 7 Wastewater Treatment Plant, Kunming Dianchi National Tourist Resort, Yunnan Province, the PRC.
9. 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, 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, Ms. Zheng Dongyu and Mr. Johnson Wan, as independent non-executive Directors.