
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)

2022 ANNUAL GENERAL MEETING

The Annual General Meeting will be held at 2:30 p.m. on Thursday, 29 June 2023 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 AGM is set out on pages 26 to 28 of this circular.

If you intend to appoint a proxy to attend the AGM, 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 AGM (i.e., before 2:30 p.m. on Wednesday, 28 June 2023) or any adjourned meeting thereof. Completion and return of the proxy form will not preclude you from attending and voting in person at the AGM or at any other adjourned meeting should you so wish.

30 May 2023

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DEFINITIONS

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

“AGM” or “Annual General Meeting”	the 2022 annual general meeting of the Company to be held on Thursday, 29 June 2023 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
“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
“Board of Supervisors”	the board of Supervisors 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
“General Mandate”	a general mandate to be granted to the Board to allot, issue or deal with additional Domestic Shares and H Shares not exceeding 20% of the total number of the Domestic Shares and H Shares of the Company, respectively, in issue on the date of passing the related resolution, subject to the conditions set out in the resolution proposed at the AGM for approving the general mandate
“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
“HKD” or “HK\$”	Hong Kong dollar, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China

DEFINITIONS

“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”	23 May 2023, 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
“Rules of Procedures of the Shareholders’ General Meeting”	the rules of procedures of the shareholders’ general meeting of the Company, as amended 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 in 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:

Mr. Zeng Feng (*Chairperson*)

Mr. Chen Changyong (*General Manager*)

Non-executive Directors:

Mr. Zhou Jianbo

Mr. Zhang Yang

Independent non-executive Directors:

Ms. Wang Dongfang

Ms. Zheng Dongyu

Mr. Ong King Keung

*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

30 May 2023

To the Shareholders

Dear Sirs and Madams,

2022 ANNUAL GENERAL MEETING

1. INTRODUCTION

On behalf of the Board of Directors, I invite you to attend the AGM to be held at 2:30 p.m. on Thursday, 29 June 2023 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 resolutions at the AGM.

LETTER FROM THE BOARD

2. BUSINESSES TO BE CONSIDERED AT THE AGM

The businesses to be considered at the AGM are described in more details in the notice of the AGM as set out on pages 26 to 28 of this circular.

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

- (a) the Report of the Board of Directors for 2022
- (b) the Report of the Board of Supervisors for 2022
- (c) the final accounts for 2022
- (d) the audited financial statements and independent auditor's report for the year ended 31 December 2022
- (e) the profit distribution plan for 2022
- (f) the annual financial budget plan for 2023
- (g) the authorization to the Board to determine the domestic and international auditors of the Company for the year 2023 and their remunerations
- (h) the appointment of Mr. Xu Jingdong as a non-executive Director

Resolutions will be proposed at the AGM and passed as special resolutions, which include:

- (i) the proposed amendments to the Articles of Association
- (j) the proposed amendments to the Rules of Procedures of the Shareholders' General Meeting
- (k) the General Mandate to issue Shares

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

LETTER FROM THE BOARD

3. BUSINESSES OF THE AGM

3.1 To consider and approve the Report of the Board of Directors of the Company for 2022

The text of the Report of the Board of Directors for 2022 is set out in the section headed “Report of the Board of Directors” in the Company’s 2022 annual report published on the website of the Stock Exchange on 24 April 2023.

3.2 To consider and approve the Report of the Board of Supervisors of the Company for 2022

The text of the Report of the Board of Supervisors for 2022 is set out in the section headed “Report of the Board of Supervisors” in the Company’s 2022 annual report published on the website of the Stock Exchange on 24 April 2023.

3.3 To consider and approve the final accounts of the Company for 2022

The auditors of the Company, Baker Tilly China Certified Public Accountants (Special General Partnership) (“**Baker Tilly**”) and Baker Tilly Hong Kong Limited (“**Baker Tilly Hong Kong**”), have audited the financial statements of the Company for 2022 based on the operations of the Company in 2022, and have issued an auditor’s report with standard unqualified opinions.

Summary of the final accounts of the Company for 2022 prepared in accordance with International Financial Reporting Standards is as follows:

Total assets amounted to approximately RMB11,702.204 million, total liabilities amounted to approximately RMB7,044.613 million, net assets amounted to approximately RMB4,657.591 million, revenues amounted to approximately RMB2,065.863 million and total profits amounted to approximately RMB367.465 million.

3.4 To consider and approve the audited financial statements of the Company and the independent auditor’s report for the year ended 31 December 2022

The audited financial statements and independent auditor’s report for the year ended 31 December 2022 are set out in the sections headed “Independent Auditor’s Report” and “Consolidated Financial Statements” in the Company’s 2022 annual report published on the website of the Stock Exchange on 24 April 2023.

3.5 To consider and approve the profit distribution plan of the Company for 2022

Taking into account the future plans and the financial position and cash flow position of the Company, the Board does not recommend the distribution of a final dividend for the year ended 31 December 2022.

LETTER FROM THE BOARD

3.6 To consider and approve the annual financial budget plan of the Company for 2023

A resolution for approving the annual financial budget plan for 2023 shall be proposed at the Annual General Meeting. The specific details of the annual financial budget plan for 2023 are as follows:

In 2023, the Company plans to invest a total of approximately RMB0.63 billion in marketing, engineering projects construction, technology research and development and other areas, with estimated aggregate cash payments of approximately RMB0.37 billion, including engineering projects construction expense, purchase of fixed assets and other project expenses.

3.7 To consider and approve the authorization to the Board to determine the domestic and international auditors of the Company for the year 2023 and their remunerations

Reference is made to the announcement of the Company dated 18 May 2023 in relation to, among others, the proposed change of auditors. Given that the service contracts of the current domestic auditor of the Company, Baker Tilly, and the current international auditor of the Company, Baker Tilly Hong Kong, will soon expire, according to the Law of the People's Republic of China on Tenders and Bids (《中華人民共和國招標投標法》), the Notice of the State-owned Assets Supervision and Administration Commission of Kunming Municipal People's Government on Regulation and Supervision of the Appointment of Intermediaries by Enterprises (《昆明市人民政府國有資產監督管理委員會關於規範監管企業選聘中介機構有關事項的通知》) and other relevant laws, regulations and normative documents, and based on the actual situation of the Company, the Company proposed to appoint the domestic and international auditors for the year 2023 by way of public tender.

In the recent bidding process conducted by the Company, only Zhongshen Zhonghuan Certified Public Accountants (Special General Partnership) (domestic auditor) (“**ZSZH**”) and Mazars CPA Limited (international auditor) (“**Mazars**”) participated in the final round of bidding. According to Baker Tilly Hong Kong, it had decided not to seek for reappointment as the international auditor of the Company. In reaching such decision, Baker Tilly Hong Kong has taken into account many factors including the professional risk associated with the audit, the available internal resources in light of current work flows and the level of audit fees. In accordance with the requirements of relevant laws, regulations and normative documents, provided that the qualifications, service quality and service offerings of the intermediaries to be appointed match the requirements of the listed company and that the service fees are fair and reasonable, ZSZH and Mazars, which are the only participants in the bidding, may be directly appointed to provide relevant services after consideration and approval by the Board. Having considered the selection standards (taking into account factors including but not limited to qualification, quotation, reputation, experience in auditing of financial statements of listed companies and staffing), the Board proposed to appoint ZSZH and Mazars as the domestic and international auditors of the Company for the year 2023, respectively.

The proposed appointment of ZSZH and Mazars as the domestic and international auditors of the Company for the year 2023 will be effective after the AGM approves the resolution authorizing the Board to determine the domestic and international auditors of the Company for the year 2023 and after the Company signs engagement letters with ZSZH and Mazars, respectively, and they shall hold office until the conclusion of the next annual general meeting of the Company.

LETTER FROM THE BOARD

Baker Tilly and Baker Tilly Hong Kong will retire as the Company's domestic and international auditors, respectively, at the conclusion of the AGM. Baker Tilly and Baker Tilly Hong Kong have confirmed that there is no matter relating to the proposed change of auditors of the Company that needs to be brought to the attention of the Shareholders and creditors of the Company. The Board and the audit committee of the Company were not aware of any matter relating to the proposed change of domestic and international auditors or any other matter that needs to be brought to the attention of the Shareholders.

3.8 To consider and approve the appointment of Mr. Xu Jingdong as a non-executive Director

Reference is made to the announcement of the Company dated 24 April 2023 in relation to the resignation of Ms. Song Hong (“**Ms. Song**”) as a non-executive Director and the proposed appointment of Mr. Xu Jingdong (“**Mr. Xu**”) as a non-executive Director.

Ms. Song, a non-executive Director, tendered her resignation as a non-executive Director to the Board due to change in her employment, and her resignation became effective on 24 April 2023.

As considered and approved by the Company at the 168th meeting of the first session of the Board held on 24 April 2023, Mr. Xu was proposed to be appointed as a non-executive Director on the first session of the Board, and a resolution in relation to the proposed appointment of Mr. Xu as a non-executive Director of the Company will be submitted at the AGM for consideration and approval by the Shareholders. The aforementioned proposed appointment will be subject to approval by the Shareholders at the AGM by way of ordinary resolution.

Biographical details of Mr. Xu are as follows:

Xu Jingdong, aged 55, graduated from Yunnan Arts University (雲南藝術學院) in July 1989 majoring in drama writing and directing. Mr. Xu worked at Kunming Price Bureau* (昆明市物價局) from December 1990 to March 1993; worked at Kunming Television Station* (昆明電視台) from March 1993 to March 2009 as deputy director of the community channel and deputy director of the broadcasting guidance office; worked at Kunming Radio and Television Network Co., Ltd.* (昆明廣播電視網絡有限公司) from March 2009 to November 2013 as project team leader and project director; worked at Kunming Herui Investment Co., Ltd.* (昆明和瑞投資有限公司) from November 2013 to July 2019 as deputy general manager and general manager; and has served as deputy general manager of Kunming Dianchi Investment since July 2019.

The appointment of Mr. Xu as a non-executive Director will become effective after the resolution of his appointment is approved at the AGM. Thereafter, the Company will enter into a director service agreement with Mr. Xu for a term commencing from the day when the aforementioned resolution is considered and approved at the AGM till the day when the election of the next session of the Board is completed. Mr. Xu will not receive any remuneration from the Company during his tenure as a non-executive Director.

* For identification purpose only

LETTER FROM THE BOARD

To the best knowledge of the Board, save as disclosed above and as at the Latest Practicable Date: (1) Mr. Xu 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. Xu is not connected to any Director, Supervisor, senior management, substantial shareholder or controlling shareholder of the Company; (3) before Mr. Xu's appointment as a non-executive Director comes into effect, he does not hold any other positions in the Company or any other member companies of the Group; and (4) Mr. Xu 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. Xu that need to be brought to the attention of the Shareholders.

3.9 To consider and approve the proposed amendments to the Articles of Association

Reference is made to the announcements of the Company dated 7 March 2023 and 18 May 2023, respectively, in relation to, among others, the proposed amendments to the Articles of Association. According to the requirements of relevant provisions on core shareholder protection standards under the Listing Rules, the "Company Law of the People's Republic of China", the Notice on Incorporation of the Requirements of the 20th National Congress of the Chinese Communist Party on Party Building Work in the Articles of Association of Municipal State-owned Enterprises (《關於市屬國有企業將黨的二十大對黨建工作要求寫入公司章程的通知》) issued by the State-owned Assets Supervision and Administration Commission of the Kunming Municipal People's Government, and other relevant laws and regulations and relevant requirements of supervision of state-owned assets, the resolutions on proposed amendments to the Articles of Association (the "**Proposed Amendments**") were considered and approved at the Board meetings held on 7 March 2023 and 18 May 2023, respectively, details of the Proposed Amendments are as follows:

Current version	Amended version
<p>Article 58 The ordinary shareholders of the Company shall enjoy the following rights:</p> <p>...</p> <p>(2) the right to request, convene, chair, attend and vote in person or appoint a proxy to attend and vote on his/her behalf at general meetings in proportion to the number of shares held in accordance with the law;</p> <p>...</p>	<p>Article 58 The ordinary shareholders of the Company shall enjoy the following rights:</p> <p>...</p> <p>(2) the right to request, convene, chair, attend and vote in person or appoint a proxy to attend, exercise the right of speech and vote on his/her behalf at general meetings in proportion to the number of shares held in accordance with the law (<u>unless a shareholder is required by the Main Board Listing Rules to abstain from voting on a particular matter</u>);</p> <p>...</p>

LETTER FROM THE BOARD

Current version	Amended version
<p>Article 67 Shareholders requesting the convening of extraordinary general meetings or class shareholders’ meetings shall follow the procedures listed below:</p> <p>(1) Shareholder(s) individually or collectively holding at least 10% (including 10%) of the shares carrying voting rights at the meeting to be convened may, by signing one or more counterpart written requisition(s) stating the object of the meeting, require the Board to convene an extraordinary general meeting or a class shareholders’ meeting. The Board shall as soon as possible after receipt of such written requisition(s) proceed to so convene the extraordinary general meeting or class shareholders’ meeting. The shareholdings referred to above shall be calculated as at the date of the delivery of the written requisition(s).</p> <p>(2) Where the Board fails to issue notice of convening meeting within 30 days upon receipt of the above written request, the shareholder(s) making the request mentioned in subsection (1) may request by written requisition(s) the Board of Supervisors to convene the extraordinary general meeting or class shareholders’ meeting.</p>	<p>Article 67 Shareholders requesting the convening of extraordinary general meetings or class shareholders’ meetings shall follow the procedures listed below:</p> <p>(1) Shareholder(s) individually or collectively holding at least 10% (including 10%) of the total number of shares carrying voting rights at the meeting to be convened in the share capital of the Company may, by signing one or more counterpart written requisition(s) stating the object of the meeting, require the Board to convene an extraordinary general meeting or a class shareholders’ meeting. The Board shall as soon as possible after receipt of such written requisition(s) proceed to so convene the extraordinary general meeting or class shareholders’ meeting. The shareholdings referred to above shall be calculated as at the date of the delivery of the written requisition(s).</p> <p>(2) Where the Board fails to issue notice of convening meeting within 30 days upon receipt of the above written request, the shareholder(s) making the request mentioned in subsection (1) may request by written requisition(s) the Board of Supervisors to convene the extraordinary general meeting or class shareholders’ meeting.</p>

LETTER FROM THE BOARD

Current version	Amended version
<p>(3) Where the Board of Supervisors fails to issue notice of convening meeting within 30 days upon receipt of the above written request, shareholder(s), for at least 90 consecutive days, individually or collectively holding at least 10% of the shares carrying voting rights at the meeting to be convened may convene the meeting on their own accord within four months upon the Board having received such request. The convening procedures shall, to the extent possible, be identical to procedures according to which general meetings are to be convened by the Board.</p> <p>All reasonable expenses incurred for such meeting convened by the shareholders as a result of the failure of the Board and Board of Supervisors to convene a meeting as required by the above request(s) shall be borne by the Company and be set off against sums owed by the Company to the defaulting directors or supervisors.</p>	<p>(3) Where the Board of Supervisors fails to issue notice of convening meeting within 30 days upon receipt of the above written request, shareholder(s), for at least 90 consecutive days, individually or collectively holding at least 10% of the <u>total number of</u> shares carrying voting rights at the meeting to be convened in <u>the share capital of the Company</u> may convene the meeting on their own accord within four months upon the Board having received such request. The convening procedures shall, to the extent possible, be identical to procedures according to which general meetings are to be convened by the Board.</p> <p>All reasonable expenses incurred for such meeting convened by the shareholders as a result of the failure of the Board and Board of Supervisors to convene a meeting as required by the above request(s) shall be borne by the Company and be set off against sums owed by the Company to the defaulting directors or supervisors.</p>
<p>Article 68 When the Company convenes a shareholders' annual general meeting, shareholders individually or jointly holding 3% or more of the total voting shares of the Company shall be entitled to propose new resolutions in writing to the Company and submit to the convener 10 days prior to the convening of the general meeting. The convener of the general meeting shall issue a supplemental notice of general meeting to other shareholders within 2 days after the receipt of such proposal and incorporate the matters falling within the scope of duties of the general meeting into the agenda of such meeting. The new agenda shall be tabled to the general meeting for consideration.</p>	<p>Article 68 When the Company convenes a shareholders' annual general meeting, shareholders individually or jointly holding 3% or more of the total voting shares of in the <u>share capital of</u> the Company shall be entitled to propose new resolutions in writing to the Company and submit to the convener 10 days prior to the convening of the general meeting. The convener of the general meeting shall issue a supplemental notice of general meeting to other shareholders within 2 days after the receipt of such proposal and incorporate the matters falling within the scope of duties of the general meeting into the agenda of such meeting. The new agenda shall be tabled to the general meeting for consideration.</p>

LETTER FROM THE BOARD

Current version	Amended version
<p>Article 69 To convene a shareholders’ annual general meeting, the Company shall give written notices 20 business days before the date of meeting, and to convene an extraordinary general meeting, the Company shall give written notices 10 business days or 15 days (whichever is longer) before the date of meeting, informing all registered shareholders of the matters proposed to be considered at the meeting and the date and place of the meeting. When calculating the starting date, the date of the meeting shall be excluded. (“Business days” referred to in the Articles of Association represent the days on which the stock exchange where the Company is listed opens for trading of securities).</p> <p>Unless otherwise provided in the Articles of Association, the notice of the shareholders’ general meeting shall be delivered by personal delivery or prepaid mail to the shareholders (whether or not such shareholders have a voting right at the shareholders’ general meeting). The address of the recipient shall be the address registered in the register of shareholders. For the holders of domestic shares, notice of the meeting may be issued by way of public announcement.</p> <p>“The public announcement” referred to in the preceding paragraph shall be published in one or more newspapers designated by the securities governing authority of the State Council. Upon the publication of the announcement, all holders of domestic shares shall be deemed to have received the notice of the relevant shareholders’ general meeting.</p>	<p>Article 69 To convene a shareholders’ annual general meeting, the Company shall give written notices 20 business days before the date of meeting, and to convene an extraordinary general meeting, the Company shall give written notices 10 business days or 15 days (whichever is longer) before the date of meeting, informing all registered shareholders of the matters proposed to be considered at the meeting and the date and place of the meeting. When calculating the starting date, the date of the meeting shall be excluded. (“Business days” referred to in the Articles of Association represent the days on which the stock exchange where the Company is listed opens for trading of securities).</p> <p>Unless otherwise provided in the Articles of Association, the notice of the shareholders’ general meeting shall be delivered by personal delivery or prepaid mail to the shareholders (whether or not such shareholders have a voting right at the shareholders’ general meeting). The address of the recipient shall be the address registered in the register of shareholders. For the holders of domestic shares, notice of the meeting may be issued by way of public announcement.</p> <p>“The public announcement” referred to in the preceding paragraph shall be published in one or more newspapers designated by the securities governing authority of the State Council. Upon the publication of the announcement, all holders of domestic shares shall be deemed to have received the notice of the relevant shareholders’ general meeting.</p>

LETTER FROM THE BOARD

Current version	Amended version
<p>The notice, information or written statement of a shareholders' general meeting served on the holders of overseas-listed foreign-invested shares may be published through the websites of the Hong Kong Stock Exchange and the Company. Upon the publication of the announcement, all holders of overseas-listed foreign-invested shares shall be deemed to have received the notice of the relevant shareholders' general meeting.</p> <p>A general meeting shall not transact matters not stated in the notice of meeting.</p>	<p>The notice, information or written statement of a shareholders' general meeting served on the holders of overseas-listed foreign-invested shares may be published through the websites of the Hong Kong Stock Exchange and the Company. Upon the publication of the announcement, all holders of overseas-listed foreign-invested shares shall be deemed to have received the notice of the relevant shareholders' general meeting.</p> <p>A general meeting shall not transact matters not stated in the notice of meeting.</p>
<p>Article 74 The instrument appointing a voting proxy shall be deposited at the Company's domicile or at such other place as is specified in the notice convening the meeting not less than 24 hours prior to the time for holding the meeting at which the proxy proposes to vote. If such instrument is signed by another person under a power of attorney or other authorization documents given by the appointor, such power of attorney or other authorization documents shall be notarized. The notarized power of attorney or other authorization documents shall, together with the instrument appointing the voting proxy, be deposited at the Company's domicile or at such other place as is specified in the notice convening the meeting.</p> <p>If the appointor is a legal person, its legal representative or any person authorized by the resolutions of the Board or other governing body shall attend the shareholders' general meeting of the Company as the appointor's representative.</p>	<p>Article 74 The instrument appointing a voting proxy shall be deposited at the Company's domicile or at such other place as is specified in the notice convening the meeting not less than 24 hours prior to the time for holding the meeting at which the proxy proposes to vote. If such instrument is signed by another person under a power of attorney or other authorization documents given by the appointor, such power of attorney or other authorization documents shall be notarized. The notarized power of attorney or other authorization documents shall, together with the instrument appointing the voting proxy, be deposited at the Company's domicile or at such other place as is specified in the notice convening the meeting.</p> <p>If the appointor is a legal person, its legal representative or any person authorized by the resolutions of the Board or other governing body shall attend the shareholders' general meeting of the Company as the appointor's representative, <u>and it shall be deemed to attend in person at any general meeting if it has appointed a representative to attend thereat.</u></p>

LETTER FROM THE BOARD

Current version	Amended version
<p>The instrument appointing a proxy shall be in writing under the hand of the appointor or his attorney duly authorized in writing, or if the appointor is a legal person or other organization either under seal or under the hand of its legal representative or attorney duly authorized.</p> <p>Where such shareholder is a Recognized Clearing House (or its nominees), it may authorize one or more persons as it thinks fit to act as its representative(s) at any shareholders' general meeting or any class meeting provided that, if more than one person are so authorized, the power of attorney shall specify the number and class of shares in respect of which each such person is so authorized. The person(s) so authorized will be entitled to exercise the same power on behalf of the Recognized Clearing House (or its nominees) as if such person were an individual shareholder of the Company.</p>	<p>The instrument appointing a proxy shall be in writing under the hand of the appointor or his attorney duly authorized in writing, or if the appointor is a legal person or other organization either under seal or under the hand of its legal representative or attorney duly authorized.</p> <p>Where such shareholder is a Recognized Clearing House (or its nominees), it may authorize <u>its company representative or</u> one or more persons as it thinks fit to act as its representative(s) at any shareholders' general meeting or any class meeting <u>or creditors' meeting</u> provided that, if more than one person are so authorized, the power of attorney shall specify the number and class of shares in respect of which each such person is so authorized. The person(s) so authorized will be entitled to exercise the same power <u>(including but not limited to right of speech and voting right)</u> on behalf of the Recognized Clearing House (or its nominees) as if such person were an individual shareholder of the Company.</p>

LETTER FROM THE BOARD

Current version	Amended version
<p>Article 100 The Company shall uphold the great idea of socialism with Chinese characteristics, follow the guidance of Marxism-Leninism, Mao Zedong Thought, Deng Xiaoping Theory, the Theory of “Three Represents”, the Scientific Outlook on Development, Xi Jinping’s Thought on Socialism with Chinese Characteristics for a New Era, adhere to the basic theory, basic path and basic strategy of the Party, strengthen the “Four Awareness”, consolidate the “Four Confidences”, ensure “Two Upholds”, and adhere to and strengthen the Party’s overall leadership over enterprises.</p>	<p>Article 100 The Company shall uphold the great idea of socialism with Chinese characteristics, follow the guidance of Marxism-Leninism, Mao Zedong Thought, Deng Xiaoping Theory, the Theory of “Three Represents”, the Scientific Outlook on Development, Xi Jinping’s Thought on Socialism with Chinese Characteristics for a New Era, adhere to the basic theory, basic path and basic strategy of the Party, strengthen the “Four Awareness”, consolidate the “Four Confidences”, ensure “Two Upholds”, and adhere to and strengthen the Party’s overall leadership over enterprises.</p> <p><u>The Company shall strengthen the political and organizational functions of party organization. It shall facilitate state-owned enterprises to strengthen the leadership of the party in improving corporate governance, and strengthen the party building work of enterprises under mixed ownership. It shall focus on developing party members from among younger generation, industrial workers and intellectuals, and strengthen and improve the education and management of party members, especially mobile party members. It shall implement the democratic system within the party, protect the rights of party members, and encourage them to play a pioneering and exemplary role. It shall also deal with non-conforming party members seriously and properly to maintain the progressiveness and integrity of the party members.</u></p>

LETTER FROM THE BOARD

Current version	Amended version
<p>Article 111 Directors may resign before expiry of their terms of office. The directors who resign shall submit to the Board a written report in relation to their resignation. The relevant information shall be disclosed within two days by the Board.</p> <p>In the event that the resignation of any director during his term of office results in the number of members of the Board being less than the statutory minimum requirement, the existing directors shall continue to perform their duties in accordance with laws, administrative regulations and departmental rules and the Articles of Association until the re-elected directors assume their office.</p> <p>Save for the circumstances referred to in the preceding paragraph, the resignation of a director becomes effective upon submission of his resignation report to the Board. Subject to the relevant laws and regulations, as well as regulatory rules of the local authority where the Company's shares are listed, if the Board appoints a new director to fill a casual vacancy, the appointed director should be subject to election by shareholders at the first general meeting after the appointment.</p>	<p>Article 111 Directors may resign before expiry of their terms of office. The directors who resign shall submit to the Board a written report in relation to their resignation. The relevant information shall be disclosed within two days by the Board.</p> <p>In the event that the resignation of any director during his term of office results in the number of members of the Board being less than the statutory minimum requirement, the existing directors shall continue to perform their duties in accordance with laws, administrative regulations and departmental rules and the Articles of Association until the re-elected directors assume their office.</p> <p>Save for the circumstances referred to in the preceding paragraph, the resignation of a director becomes effective upon submission of his resignation report to the Board. Subject to the relevant laws and regulations, as well as regulatory rules of the local authority where the Company's shares are listed, if the Board appoints a new director to fill a casual vacancy <u>or as an addition to the Board</u>, the appointed director should be subject to election by shareholders at <u>shall only hold office until</u> the first <u>annual</u> general meeting after the appointment <u>and shall be eligible for re-election at such general meeting.</u></p>

LETTER FROM THE BOARD

Current version	Amended version
<p>Article 118 The Board exercises the following powers:</p> <p>(1) to be responsible for convening general meetings, to propose at a general meeting to pass the relevant matters and to report on its work to the general meeting;</p> <p>...</p> <p>(12) to draw up proposals for any modifications to the Articles of Association;</p> <p>(13) to determine the establishment of the Company's domestic or overseas sub-branches;</p> <p>...</p> <p>Except the resolutions of the Board in respect of the matters specified in paragraphs (6), (7) and (13) above, which shall be passed by at least two-thirds of the directors, the resolutions of the Board in respect of all other matters may be passed by more than half of the directors.</p>	<p>Article 118 The Board <u>is accountable to the general meeting, performs the duties of formulating strategies, making decisions and preventing risks and</u> exercises the following powers:</p> <p>(1) to be responsible for convening general meetings, to propose at a general meeting to pass the relevant matters and to report on its work to the general meeting;</p> <p>...</p> <p>(12) to draw up proposals for any modifications to the Articles of Association;</p> <p>(13) to determine the establishment of the Company's domestic or overseas sub-branches;</p> <p>...</p> <p>Except the resolutions of the Board in respect of the matters specified in paragraphs (6), (7) and (1312) above, which shall be passed by at least two-thirds of the directors, the resolutions of the Board in respect of all other matters may be passed by more than half of the directors.</p> <p><u>Any director who is connected with the enterprise involved in a resolution at a Board meeting shall not exercise the right to vote on such resolution, nor shall he/she exercise the right to vote on behalf of other directors. A Board meeting may be held with the attendance of more than half of the unrelated directors, and resolutions made at such Board meetings shall be passed by more than half of the votes of the unrelated directors. If less than three unrelated directors attend the Board meeting, the matter shall be submitted to the general meeting for consideration.</u></p>

LETTER FROM THE BOARD

Current version	Amended version
Resolutions in respect of connected transactions made by the Board shall not come into force unless it is signed by independent directors.	Resolutions in respect of connected transactions made by the Board shall not come into force unless it is signed by independent directors.
<p>Article 133 The Company shall have one general manager, who shall be engaged or dismissed by the Board; the Company shall have one chief financial officer, one chief engineer and several deputy general managers, who shall be nominated by the general manager and engaged or dismissed by the Board. The chief financial officer shall be accountable to the Board and the general manager. A director may serve concurrently as the general manager or other senior management members.</p>	<p>Article 133 The Company shall have one general manager, who shall be engaged or dismissed by the Board; the Company shall have one chief financial officer, one chief engineer and several deputy general managers, who shall be nominated by the general manager and engaged or dismissed by the Board. The chief financial officer shall be accountable to the Board and the general manager. A director may serve concurrently as the general manager or other senior management members.</p> <p><u>The management team performs the duties of making and implementing business plans and strengthening management.</u></p>

LETTER FROM THE BOARD

Current version	Amended version
	<p><u>Chapter 16 Employee Democratic Management and Labour and Personnel System</u></p> <p><u>Article 165 The Company shall comply with national laws and administrative regulations on labour protection and production safety, implement relevant national policies, and protect the legitimate rights and interests of workers. In accordance with national laws, administrative regulations and policies on labour and personnel affairs, and based on the needs of production and operation, the Company shall formulate its systems regarding labour management, personnel affairs and wages. The Company shall continue to improve its market-oriented employment and remuneration structure, implement open recruitment of employees, competition for management promotion and performance appraisal for all staff, establish a market competitive remuneration structure for key and core talents, and flexibly carry out various forms of medium- and long-term incentives.</u></p> <p><u>Article 166 The employees of the Company may, according to the “Labour Union Law of the PRC”, organize a labour union, which shall carry out union activities and safeguard the legitimate rights and interests of the employees. The Company shall provide necessary conditions for its labour union to carry out activities. The labour union shall, on behalf of the employees, conclude the collective contract with the Company with respect to the remuneration, working hours, welfare, insurance, work safety and other matters.</u></p>

LETTER FROM THE BOARD

Current version	Amended version
	<p><u>Article 167</u> To make a decision on restructuring and any important issue related to business operation, or to formulate any important regulation, the Company shall solicit the opinions of its labour union, and shall solicit the opinions and recommendation of the employees through the employee representative meeting or in any other way.</p>
<p>Chapter 16 Financial and Accounting System</p> <p>Article 165 The Company shall establish its financial and accounting systems in accordance with the laws, administrative regulations and rules formulated by relevant state authorities.</p>	<p><u>Chapter 1617</u> Financial and Accounting and <u>Legal Advisor</u> System</p> <p>Article 165168 The Company shall establish its financial and accounting systems in accordance with the laws, administrative regulations and rules formulated by relevant state authorities.</p> <p><u>The Company shall establish a work mechanism to prevent legal risks and implement corporate legal advisor system in accordance with relevant national and local regulations.</u></p>
<p>Article 196 Where the Company is dissolved by virtue of the reasons set out in item (1), (3), (5) of Article 195 of the Articles of Association, the Company shall establish a liquidation group within 15 days commencing from the date on which the events being the grounds for dissolution has been occurred to start liquidation process. The members of the liquidation group shall be composed of persons selected by directors or decided at shareholders' general meeting. If no liquidation group has been established to conduct liquidation within the time limit, the creditors may request the People's Court to designate the relevant personnel to form a liquidation group to conduct liquidation.</p>	<p>Article 196199 Where the Company is dissolved by virtue of the reasons set out in item (1), (3), (5) of Article 195198 of the Articles of Association, the Company shall establish a liquidation group within 15 days commencing from the date on which the events being the grounds for dissolution has been occurred to start liquidation process. The members of the liquidation group shall be composed of persons selected by directors or decided at shareholders' general meeting. If no liquidation group has been established to conduct liquidation within the time limit, the creditors may request the People's Court to designate the relevant personnel to form a liquidation group to conduct liquidation.</p>

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 above, the contents of other chapters and articles of the Articles of Association remain unchanged. If the numbering of any chapter and article of the Articles of Association is affected as a result of the Proposed Amendments, the numbering of the articles of the existing Articles of Association shall be adjusted accordingly.

LETTER FROM THE BOARD

The Proposed Amendments above shall be subject to approval by the Shareholders at the AGM by way of special resolution.

3.10 To consider and approve the proposed amendments to the Rules of Procedures of the Shareholders' General Meeting

Reference is made to the announcement of the Company dated 7 March 2023, in relation to, among others, the proposed amendments to the the Rules of Procedures of the Shareholders' General Meeting of the Company. In accordance with the requirements of relevant laws and regulations and the Articles of Association, and based on the actual needs of the Company, the Board proposes to make certain amendments to the Rules of Procedures of the Shareholders' General Meeting as follows:

Current version	Amended version
<p>Article 8 Shareholders individually or collectively holding at least 10% of the shares of the Company shall have the right to request the Board to convene an extraordinary general meeting and shall submit such request in writing to the Board. The Board shall, in accordance with the laws, administrative regulations and the Articles of Association, provide written feedback on whether it agrees or disagrees to convene an extraordinary general meeting within 10 days upon receipt of the request.</p> <p>If the Board agrees to convene an extraordinary general meeting, it shall give notice of the general meeting within 5 days after making a Board resolution, and any changes to the original request in the notice shall be subject to the consent of the relevant shareholders.</p> <p>If the Board does not agree to convene an extraordinary general meeting, or if no feedback is given within 10 days upon receipt of the request, shareholders individually or collectively holding at least 10% of the shares of the Company shall have the right to propose to the Supervisory Committee to convene an extraordinary general meeting and shall submit the request in writing to the Supervisory Committee.</p>	<p>Article 8 Shareholders individually or collectively holding at least 10% of the <u>total number of voting</u> shares <u>in the share capital</u> of the Company shall have the right to request the Board to convene an extraordinary general meeting and shall submit such request in writing to the Board. The Board shall, in accordance with the laws, administrative regulations and the Articles of Association, provide written feedback on whether it agrees or disagrees to convene an extraordinary general meeting within 10 days upon receipt of the request.</p> <p>If the Board agrees to convene an extraordinary general meeting, it shall give notice of the general meeting within 5 days after making a Board resolution, and any changes to the original request in the notice shall be subject to the consent of the relevant shareholders.</p> <p>If the Board does not agree to convene an extraordinary general meeting, or if no feedback is given within 10 days upon receipt of the request, shareholders individually or collectively holding at least 10% of the <u>total number of voting</u> shares <u>in the share capital</u> of the Company shall have the right to propose to the Supervisory Committee to convene an extraordinary general meeting and shall submit the request in writing to the Supervisory Committee.</p>

LETTER FROM THE BOARD

Current version	Amended version
<p>If the Supervisory Committee agrees to convene an extraordinary general meeting, it shall, within 5 days upon receipt of the request, give notice of the general meeting, and any changes to the original request in the notice shall be subject to the consent of the relevant shareholders.</p> <p>If the Supervisory Committee fails to give notice of the general meeting within the prescribed period, the Supervisory Committee shall be deemed not to convene and preside over the general meeting, and shareholders individually or collectively holding at least 10% of the shares of the Company for at least 90 consecutive days may convene and preside over the general meeting on their own.</p>	<p>If the Supervisory Committee agrees to convene an extraordinary general meeting, it shall, within 5 days upon receipt of the request, give notice of the general meeting, and any changes to the original request in the notice shall be subject to the consent of the relevant shareholders.</p> <p>If the Supervisory Committee fails to give notice of the general meeting within the prescribed period, the Supervisory Committee shall be deemed not to convene and preside over the general meeting, and shareholders individually or collectively holding at least 10% of the <u>total number of voting shares in the share capital</u> of the Company for at least 90 consecutive days may convene and preside over the general meeting on their own.</p>
<p>Article 13 Shareholders individually or collectively holding at least 3% of the shares of the Company may submit a provisional motion in writing to the convener 10 days prior to the date of the general meeting. The convener shall issue a supplemental notice of the general meeting within 2 days upon receipt of the motion, specifying the contents of the provisional motion.</p> <p>Except as provided in the preceding paragraph, the convener shall not, after giving notice of a general meeting, amend a motion specified in the notice of general meeting or add a new motion.</p> <p>A motion which is not specified in the notice of a general meeting or which does not comply with the requirements of Article 12 of these Rules shall not be voted on and resolved by the general meeting.</p>	<p>Article 13 Shareholders individually or collectively holding at least 3% of the <u>total number of voting shares in the share capital</u> of the Company may submit a provisional motion in writing to the convener 10 days prior to the date of the general meeting. The convener shall issue a supplemental notice of the general meeting within 2 days upon receipt of the motion, specifying the contents of the provisional motion.</p> <p>Except as provided in the preceding paragraph, the convener shall not, after giving notice of a general meeting, amend a motion specified in the notice of general meeting or add a new motion.</p> <p>A motion which is not specified in the notice of a general meeting or which does not comply with the requirements of Article 12 of these Rules shall not be voted on and resolved by the general meeting.</p>

LETTER FROM THE BOARD

Current version	Amended version
<p>Article 14 The convenor shall give notice in writing to the shareholders at least 20 working days before the annual general meeting and at least 15 working days before the extraordinary general meeting.</p> <p>When calculating the starting date, the date of the meeting shall be excluded.</p>	<p>Article 14 The convenor shall give notice in writing to the shareholders at least 20 working days before the annual general meeting and at least 15 working days before the extraordinary general meeting.</p> <p>When calculating the starting date, the date of the meeting shall be excluded.</p>
<p>Article 24 The instrument appointing a voting proxy shall be deposited at the Company's domicile or at such other place as is specified in the notice convening the meeting not less than 48 hours prior to the time for holding the meeting. If such instrument is signed by another person under a power of attorney or other authorization documents given by the appointor, such power of attorney or other authorization documents shall be notarized. The notarized power of attorney or other authorization documents shall, together with the instrument appointing the voting proxy, be deposited at the Company's domicile or at such other place as is specified in the notice convening the meeting.</p>	<p>Article 24 The instrument appointing a voting proxy shall be deposited at the Company's domicile or at such other place as is specified in the notice convening the meeting not less than 4824 hours prior to the time for holding the meeting. If such instrument is signed by another person under a power of attorney or other authorization documents given by the appointor, such power of attorney or other authorization documents shall be notarized. The notarized power of attorney or other authorization documents shall, together with the instrument appointing the voting proxy, be deposited at the Company's domicile or at such other place as is specified in the notice convening the meeting.</p>
<p>Article 25 If the appointor is a legal person, its legal representative or any person authorized by the legal representative shall attend the shareholders' general meeting of the Company on behalf of the appointor.</p>	<p>Article 25 If the appointor is a legal person, its legal representative or any person authorized by the legal representative shall attend the shareholders' general meeting of the Company on behalf of the appointor, <u>and it shall be deemed to attend in person at any general meeting if it has appointed a representative to attend thereat.</u></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 Shareholders' General Meeting, 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 Shareholders' General Meeting remain unchanged.

The proposed amendments above shall be subject to approval by the Shareholders at the AGM by way of special resolution.

LETTER FROM THE BOARD

3.11 To consider and approve the General Mandate to issue Shares

In order to meet the capital requirements of the Company for its continuous business development, to utilize financing platforms effectively and flexibly and to take advantage of capital market windows in a timely manner, in accordance with the applicable laws and regulations of the PRC, the Listing Rules and the Articles of Association, the Company proposes to grant the General Mandate to the Board by way of resolution at the AGM to allot, issue or deal with additional Domestic Shares and H Shares not exceeding 20% of the total number of Domestic Shares and H Shares of the Company, respectively, in issue on the date of passing such resolution. As at the Latest Practicable Date, the issued share capital of the Company comprised 689,088,000 Domestic Shares and 340,023,000 H Shares. Subject to the passing of the resolution related to the granting of the General Mandate and on the basis that no further Shares will be issued before the AGM, the Company will be allowed to issue a maximum of 137,817,600 Domestic Shares and 68,004,600 H Shares in accordance with the General Mandate.

(A) Specific plans on the General Mandate to issue Shares:

- (a) Subject to the conditions set out in (b) below, the Board is hereby authorized to approve, allot, issue, grant and/or otherwise deal with Shares (Domestic Shares and/or H Shares), securities convertible into Shares, and options, warrants to subscribe for or convertible into Shares or other securities with rights to subscribe for or convert into Shares, separately or at the same time during the Relevant Period (as defined below).

Notwithstanding the fulfillment of the conditions set out in (b) below, if the allotment of voting shares will result in a de facto change of control of the Company, the Board of the Company shall separately obtain authorization by way of a special resolution in advance before making such an allotment.

- (b) The number of Shares (Domestic Shares and/or H Shares), securities convertible into Shares, or options, warrants to subscribe for or convertible into Shares or other securities with rights to subscribe for or convert into Shares (which shall be calculated on the basis of the number of Domestic Shares and/or H Shares that such securities can be converted into/be allotted) proposed to be approved, allotted, issued, granted and/or otherwise dealt with by the Board shall not exceed 20% of each class of the Domestic Shares and H Shares issued of the Company as at the date on which this resolution is passed at the AGM.
- (c) For the purposes of this resolution:

“Relevant Period” means the period from the date on which this special resolution is passed at the general meeting until the earliest of: 1. the conclusion of the next annual general meeting of the Company following the date of passing of this resolution; 2. the expiration of twelve months following the date of passing of this resolution at a general meeting; 3. the date on which the authority granted to the Board under this resolution is revoked or varied by a special resolution of the Shareholders at a general meeting.

LETTER FROM THE BOARD

- (d) The Board is hereby authorized to determine the details of the issuance plan, including but not limited to: 1. the class and number of Shares proposed to be issued; 2. the pricing basis and/or the offer price (including the price range); 3. the date of opening and closing of the issuance; 4. the specific use of the proceeds raised; 5. the recommendation, agreement and share options to be made or granted for the exercise of the said power; 6. other content to be included in the detailed issuance plan as required by the relevant laws and regulations and other regulatory documents, the relevant regulatory authorities and the local stock exchange.
- (e) The Board is hereby authorized to implement the issuance plan and deal with the matters related to an increase in the registered capital of the Company so as to reflect the Shares authorized to be issued by the Company under this resolution, and to make such amendments as it deems appropriate and necessary to the provisions related to the issuance of Shares and registered capital in the Articles of Association, and to adopt and complete any other actions and procedures that are necessary for the implementation of the issuance plan and the completion of the increase in the registered capital of the Company.

(B) Relevant mandate

In order to enhance the efficiency of decision-making, reduce internal approval procedures and grasp market opportunities, in respect of the general mandate to issue Shares, it is proposed to the Board, which in turn proposed to the general meeting to approve the authorization of the Board and any persons authorized by the Board to deal with the matters in connection with the general mandate to issue Shares. The specific details of the mandate given to the authorized persons will be separately determined upon the exercise of the general mandate by the Board under this resolution.

4. THE AGM

The proxy form of the AGM is enclosed.

If you intend to appoint a proxy to attend the AGM, 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 AGM (i.e. before 2:30 p.m. on Wednesday, 28 June 2023) 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 AGM 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 AGM will exercise his power under the Articles of Association to demand a poll in relation to all the proposed resolutions at the AGM.

LETTER FROM THE BOARD

6. RECOMMENDATIONS

The Board considers that the resolutions proposed at the AGM 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 resolutions at the AGM.

Yours faithfully,
Zeng Feng
Chairperson

NOTICE OF 2022 ANNUAL 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 2022 ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT the 2022 annual general meeting (the “AGM”) of Kunming Dianchi Water Treatment Co., Ltd. (the “Company”) will be held at 2:30 p.m. on Thursday, 29 June 2023 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 purposes:

ORDINARY RESOLUTIONS

1. To consider and approve the Report of the Board of Directors (the “Director(s)”) of the Company (the “Board”) for 2022
2. To consider and approve the Report of the Board of Supervisors of the Company for 2022
3. To consider and approve the final accounts of the Company for 2022
4. To consider and approve the audited financial statements of the Company and the independent auditor’s report for the year ended 31 December 2022
5. To consider and approve the profit distribution plan of the Company for 2022
6. To consider and approve the annual financial budget plan of the Company for 2023
7. To consider and approve the authorization to the Board to determine the domestic and international auditors of the Company for the year 2023 and their remunerations
8. To consider and approve the appointment of Mr. Xu Jingdong as a non-executive Director

NOTICE OF 2022 ANNUAL GENERAL MEETING

SPECIAL RESOLUTIONS

9. To consider and approve the proposed amendments to the Articles of Association of the Company, the details of which are set out in the circular of the Company dated 30 May 2023
10. To consider and approve the proposed amendments to the Rules of Procedures of the Shareholders' General Meeting of the Company, the details of which are set out in the circular of the Company dated 30 May 2023
11. To consider and approve the granting of the general mandate to the Board to allot, issue or deal with additional Domestic Shares/H Shares not exceeding 20% of the total number of Domestic Shares and H Shares of the Company, respectively, in issue on the date of passing of this resolution and authorise the Board to make such amendments as it deems appropriate to the provisions of the articles of association of the Company, so as to reflect the new capital structure upon additional allotment and issuance of shares pursuant to such mandate, the details of which are set out in the circular of the Company dated 30 May 2023

By order of the Board
Kunming Dianchi Water Treatment Co., Ltd.
Zeng Feng
Chairperson

Kunming, the PRC
30 May 2023

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 the AGM 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 AGM.
2. Any Shareholder entitled to attend and vote at the AGM 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 AGM (i.e. before 2:30 p.m. on 28 June 2023) or any adjourned meeting thereof. Tricor Investor Services Limited is located at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong. Completion and return of a proxy form will not preclude a Shareholder from attending and voting at the AGM 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 AGM, the H Share register of members of the Company will be closed from Thursday, 8 June 2023 to Thursday, 29 June 2023 (both days inclusive). The holders of H Shares who wish to attend the AGM are required to submit the share certificates together with the transfer documents to the H Share Registrar, Tricor Investor Services Limited at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong not later than 4:30 p.m. on Wednesday, 7 June 2023 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 AGM.

NOTICE OF 2022 ANNUAL GENERAL MEETING

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 AGM 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 AGM.
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 Mr. Zeng Feng and Mr. Chen Changyong, as executive Directors; Mr. Zhou Jianbo and Mr. Zhang Yang, as non-executive Directors; and Ms. Wang Dongfang, Ms. Zheng Dongyu and Mr. Ong King Keung, as independent non-executive Directors.