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

If you have sold or transferred all your Shares in Yunnan Water Investment Co., Limited*, you should at once hand this circular, together with the enclosed proxy form, to the purchaser or transferee or to the bank, licensed stockbroker or registered dealer in securities or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

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YUNNAN WATER

雲南水務投資股份有限公司

Yunnan Water Investment Co., Limited*

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

(Stock code: 6839)

**(I) PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION;
(II) PROPOSED RE-ELECTION OF DIRECTORS AND SUPERVISORS FOR
THE FORTHCOMING SESSION;
(III) PROPOSED PROVISION OF GUARANTEES BY THE GROUP; AND
(IV) NOTICE OF EXTRAORDINARY GENERAL MEETING**

The Extraordinary General Meeting of Yunnan Water Investment Co., Limited* will be held at 10:00 a.m. on Friday, 29 December 2023 at Conference Room 5th Floor, Yunnan Water, 2089 Haiyuan Bei Road, Gaoxin District, Kunming, Yunnan Province, the PRC. The Notice of Extraordinary General Meeting is set out on page 29 of this circular. The proxy form for the Extraordinary General Meeting is enclosed herewith, the same is also published on the website of the Hong Kong Exchanges and Clearing Limited (www.hkexnews.hk) and the website of the Company (www.yunnanwater.cn).

Whether or not you are able to attend the Extraordinary General Meeting, you are advised to complete and return as soon as possible the enclosed proxy form in accordance with the instructions printed thereon. The proxy form for holders of H Shares should be returned to the Company's H Share registrar in Hong Kong, Tricor Investor Services Limited, located at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong, and the proxy form for holders of Domestic Shares should be returned to the secretariat of the Board at 5th Floor, Yunnan Water, 2089 Haiyuan Bei Road, Gaoxin District, Kunming, Yunnan Province, the PRC by no later than 24 hours before the time appointed for convening the Extraordinary General Meeting or any adjourned meeting thereof. Completion and return of the proxy form will not preclude you from attending and voting at the Extraordinary General Meeting, or any adjourned meeting, in person if you so wish.

* For identification purposes only

13 December 2023

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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;
“Board” or “Board of Directors”	the board of Directors;
“Chairman”	the chairman of the Board of the Company;
“Company”	Yunnan Water Investment Co., Limited* (雲南水務投資股份有限公司), a joint stock limited liability company incorporated in the PRC, whose H Shares are listed on the Stock Exchange (stock code: 6839);
“Director(s)”	the director(s) of the Company;
“Domestic Shares”	the ordinary shares in issue in the share capital of the Company with a nominal value of RMB1.00 each, which are subscribed in RMB or credited as fully paid;
“Extraordinary General Meeting” or “EGM”	the extraordinary general meeting of the Company to be held at 10:00 a.m. on Friday, 29 December 2023 at Conference Room 5th Floor, Yunnan Water, 2089 Haiyuan Bei Road, Gaoxin District, Kunming, Yunnan Province, the PRC;
“Group”	the Company and its subsidiaries;
“H Shares”	the ordinary shares in issue in the share capital of the Company with a nominal value of RMB1.00 each, which are listed on the Main Board of the Stock Exchange;
“Hong Kong”	Hong Kong Special Administrative Region of the PRC;
“Latest Practicable Date”	8 December 2023, being the latest practicable date prior to the printing of this circular for the purpose of ascertaining certain information contained herein;
“Listing Rules”	the Rules Governing the Listing of Securities on the Hong Kong Stock Exchange;
“Notice of Extraordinary General Meeting”	the notice to convene the EGM as set out on page 29 of this circular;
“PRC”	the People’s Republic of China, for the purpose of this circular only, excluding Hong Kong, Macau Special Administrative Region of the People’s Republic of China and Taiwan;
“RMB”	Renminbi, the lawful currency of the PRC;
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong);

DEFINITIONS

“Shares”	Domestic Shares and/or H Shares;
“Shareholders”	the holders of the Shares;
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“Supervisor(s)”	the supervisor(s) of the Company;
“Supervisory Committee”	the supervisory committee of the Company;
“subsidiary/(ies)”	has the meaning ascribed to it under the Listing Rules; and
“%”	per cent.

EXPECTED TIMETABLE

2023

Deadline for registration of transfer of Shares
in order to be eligible for attending and
voting at the Extraordinary General Meeting 4:30 p.m. on Thursday, 21 December

Suspension of registration of transfer of Shares From Friday, 22 December to
Friday, 29 December
(both dates inclusive)

Deadline for returning the proxy form for the
Extraordinary General Meeting 2:30 p.m. on Thursday, 28 December

Extraordinary General Meeting 10:00 a.m. on Friday, 29 December

Resumption of registration of transfer of Shares Tuesday, 2 January 2024

LETTER FROM THE BOARD



YUNNAN WATER

雲南水務投資股份有限公司

Yunnan Water Investment Co., Limited*

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

(Stock code: 6839)

Executive Directors:

Mr. Liu Jianjun (*Vice-Chairman, General Manager*)

Mr. Liu Hui

Mr. Zhou Zhimi

Non-executive Directors:

Mr. Mei Wei (*Chairman*)

Mr. Dai Richeng

Mr. Chen Yong

Independent Non-executive Directors:

Mr. Liu Shuen Kong

Mr. Zhou Beihai

Mr. Zhong Wei

Registered office and principal place

of business in the PRC:

Yunnan Water

2089 Haiyuan Bei Road

Gaoxin District

Kunming, Yunnan Province

the PRC

Principal place of business in Hong Kong:

Suites 3110–11,

31/F, Tower 1, The Gateway, Harbour City

21 Canton Road, Tsim Sha Tsui, Kowloon

Hong Kong

To the Shareholders

Dear Sir or Madam,

**(I) PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION;
(II) PROPOSED RE-ELECTION OF DIRECTORS AND SUPERVISORS FOR
THE FORTHCOMING SESSION;
(III) PROPOSED PROVISION OF GUARANTEES BY THE GROUP; AND
(IV) NOTICE OF EXTRAORDINARY GENERAL MEETING**

1. INTRODUCTION

Reference is made to the announcement of the Company dated 6 December 2023 in relation to, among others, (i) proposed amendments to the Articles of Association; (ii) proposed re-election of Directors and Supervisors for the forthcoming session; and (iii) proposed provision of guarantees by the Group, for the consideration and approval by Shareholders.

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

* *For identification purposes only*

LETTER FROM THE BOARD

2. PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION

Due to the operational and strategic development needs of the Company, the Board proposed to make certain amendments to the Articles of Association (the “**Proposed Amendments**”). The details of the proposed amendments to the Articles of Association are set out as follows (all amendments are marked with a horizontal line):

Original Provision	Amended Provision
CHAPTER 1 GENERAL PROVISIONS	CHAPTER 1 GENERAL PROVISIONS
Article 10 “Senior management members” referred to in the Articles of Association include general manager, chief financial officer, deputy general manager and secretary of the Board of Directors of the Company.	Article 10 “Senior management members” referred to in the Articles of Association include general manager, chief financial officer, deputy general manager, secretary of the Board of Directors <u>and general counsel</u> of the Company.
	Addition of Article 11 <u>The Company shall thoroughly implement the “Three Importance and One Significance” decision-making system, and implement specific measures with the approval by the State-owned Assets Supervision and Administration Commission.</u>
	Addition of Article 12 <u>The Company is subject to supervision in accordance with the Supervision Law of the People’s Republic of China.</u>
CHAPTER 8 SHAREHOLDERS’ GENERAL MEETING	CHAPTER 8 SHAREHOLDERS’ GENERAL MEETING
Original Article 62	Amended Article 62
(1) to decide on the Company’s business policies and investment plans;	(1) to decide on the Company’s business policies and investment plans;
(2) to elect and replace directors and supervisors that are not staff representatives and decide on matters relating to their remuneration;	(2) to elect and replace directors and supervisors that are not staff representatives and decide on matters relating to their remuneration;
(3) to consider and approve the reports of the Board;	(3) to consider and approve the reports of the Board;
(4) to consider and approve the reports of the Board of Supervisors;	(4) to consider and approve the reports of the Board of Supervisors;
(5) to consider and approve the Company’s proposed annual financial budgets and final account plans;	(5) to consider and approve the Company’s proposed annual financial budgets and final account plans;

LETTER FROM THE BOARD

Original Provision	Amended Provision
(6) to consider and approve the Company's profit distribution plans and deficit-deduction plans;	(6) to consider and approve the Company's profit distribution plans and deficit-deduction plans;
(7) to resolve on the increase or reduction of the Company's registered capital;	(7) to resolve on the increase or reduction of the Company's registered capital;
(8) to resolve on the issuance of debentures, any kind of securities, warrants or other similar securities by the Company;	(8) to resolve on the issuance of debentures, any kind of securities, warrants or other similar securities by the Company;
(9) to pass resolutions on matters such as the merger, division, dissolution, liquidation or change of the corporate form of the company;	(9) to pass resolutions on matters such as the merger, division, dissolution, liquidation or change of the corporate form of the company;
(10) to amend the Articles of Association;	(10) to amend the Articles of Association;
(11) to consider the motions raised by shareholders who represent 3% or more of the total number of voting shares of the Company;	(11) to consider the motions raised by shareholders who represent 3% or more of the total number of voting shares of the Company;
(12) to resolve on the engagement, re-appointment or termination of engagement of the accountants of the Company;	(12) to resolve on the engagement, re-appointment or termination of <u>engagement of the accountants of the Company for auditing annual reports</u> ;
(13) to resolve on the guarantees specified in Article 63 of the Articles of Association;	(13) to resolve on the guarantees specified in Article 65 of the Articles of Association;
(14) to consider the acquisition or disposal of significant assets within one year which account for more than 30% of the latest audited total assets of the Company;	(14) to consider the acquisition or disposal of significant assets within one year which account for more than 30% of the latest audited total assets of the Company;
(15) to consider and approve the share incentive scheme;	(15) <u>to decide on changes of state-owned property rights of the Company and its subsidiaries within the authority</u> ;
(16) to resolve the repurchase of the Company's Shares;	(16) to consider and approve the share incentive scheme;

LETTER FROM THE BOARD

Original Provision	Amended Provision
<p>(17) to consider other matters which, according to the laws, administrative regulations and the Articles of Association, should be resolved by the shareholders at general meetings;</p> <p>(18) to consider other matters as required by the listing rules of the stock exchange on which the Company's shares are listed;</p> <p>to authorise or delegate the Board to deal with matters as authorised and instructed at the general meetings.</p>	<p>(17) to resolve the repurchase of the Company's Shares;</p> <p>(18) to consider other matters which, according to the laws, administrative regulations and the Articles of Association, should be resolved by the shareholders at general meetings;</p> <p>(19) to consider other matters as required by the listing rules of the stock exchange on which the Company's shares are listed;</p> <p>to authorise or delegate the Board to deal with matters as authorised and instructed at the general meetings.</p>
CHAPTER 10 PARTY COMMITTEE OF THE COMPANY	CHAPTER 10 PARTY COMMITTEE AND DISCIPLINE INSPECTION COMMITTEE OF THE COMPANY
	<p>Addition of Article 108 <u>Major operation and management matters of the Company must be studied and discussed by the Party Committee before they are submitted to the Board or the management for determination. The main topics studied and discussed include:</u></p> <p>(1) <u>thorough implementation of the decisions and deployments of the Party Central Committee and important measures of national development strategies;</u></p> <p>(2) <u>the development strategies, medium and long term development plans and important reform proposals of the Company;</u></p> <p>(3) <u>principal and directional matters in respect of the asset restructuring, asset transfer, capital operation and significant investment of the Company;</u></p> <p>(4) <u>the establishment of and adjustment to the Company's organizational structure and the formulation and amendment of the Company's important rules and systems;</u></p>

LETTER FROM THE BOARD

Original Provision	Amended Provision
	<p>(5) <u>important matters regarding the Company's safe production, maintenance of stability, interests of employees and social responsibilities;</u></p> <p>(6) <u>other important matters that should be studied and discussed by the Party Committee.</u></p>
	<p>Addition of Article 109 <u>The Discipline Inspection Commission of the Company is a special organ for internal supervision of the Party of the Company. Its main tasks and responsibilities are as follows:</u></p> <p>(1) <u>to safeguard the Constitution of the Communist Party of China and other Party laws and regulations;</u></p> <p>(2) <u>to check the implementation of the Party's routes, guidelines, policies and decisions;</u></p> <p>(3) <u>to implement the relevant important decisions, resolutions and work arrangements of senior Party organizations and the Party Committee of the Company; to assist the Party Committee of the Company in promoting comprehensive and strict governance of the Party, enhancing the construction of the Party conduct and organizing and coordinating anti-corruption work;</u></p> <p>(4) <u>to perform the responsibilities of supervision, discipline enforcement and accountability, carry out discipline observance education to Party members on a regular basis, and make relevant decisions to safeguard the Party's disciplines;</u></p>

LETTER FROM THE BOARD

Original Provision	Amended Provision
	<p>(5) <u>to supervise Party organizations and leading cadres of Party members in performing their duties and exercising their powers, accept and handle the complaints and reports made by Party members and the general public, and carry out conversation reminder, interview and letter inquiries;</u></p> <p>(6) <u>to supervise and handle the relatively important or complicated cases of Party organizations and Party members violating the Constitution of the Party and other internal Party laws and regulations, and make decisions on determination or cancellation of the punishments on those Party members involved in these cases;</u></p> <p>(7) <u>to pursue accountability or propose enforcing accountability;</u></p> <p>(8) <u>to accept and hear the complaints and appeals from the Party members;</u></p> <p>(9) <u>to safeguard the rights of the Party members;</u></p> <p>(10) <u>other duties and responsibilities that shall be performed by the Discipline Inspection Committee of the Company.</u></p>
	<p>Addition of Article 110</p> <p><u>The secretaries, deputy secretaries and members of the Discipline Inspection Committee shall be established according to the approval by senior Party organizations, and shall be elected or appointed in accordance with the Party Constitution and other relevant regulations.</u></p>

LETTER FROM THE BOARD

Original Provision	Amended Provision
CHAPTER 11 DIRECTORS AND BOARD OF DIRECTORS	CHAPTER 11 DIRECTORS AND BOARD OF DIRECTORS
Original Article 116	Amended Article 116
<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>(2) to implement the resolutions of the general meetings;</p> <p>(3) to decide on the Company’s business plans and investment plans;</p> <p>(4) to formulate the Company’s proposed annual preliminary and final financial budgets;</p> <p>(5) to formulate the Company’s profit distribution plan and plan for recovery of losses;</p> <p>(6) to formulate proposals for increases or reductions of the Company’s registered share capital and issue and listing of corporate debentures or other securities;</p> <p>(7) to draw up plans for the material asset acquisition or disposal, repurchase of shares of the Company or merger, division, dissolution and alteration of corporate form of the Company;</p> <p>(8) to decide on the establishment of the Company’s internal management structure;</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>(2) to implement the resolutions of the general meetings;</p> <p>(3) to decide on the Company’s business plans and investment plans;</p> <p>(4) <u>to decide on the Company’s strategies and development plans;</u></p> <p>(5) to formulate the Company’s proposed annual preliminary and final financial budgets;</p> <p>(6) to formulate the Company’s profit distribution plan and plan for recovery of losses;</p> <p>(7) to formulate proposals for increases or reductions of the Company’s registered share capital and issue and listing of corporate debentures or other securities;</p> <p>(8) to <u>formulate</u> plans for the material asset acquisition or disposal, repurchase of shares of the Company or merger, division, dissolution and alteration of corporate form of the Company;</p>

LETTER FROM THE BOARD

Original Provision	Amended Provision
<p>(9) to appoint or remove the Company's general manager and secretary of the Board, to appoint or remove other senior officers, and to determine the above mentioned matters relating to the remuneration, incentives and punishments of the senior officers;</p>	<p>(9) <u>to decide on changes of state-owned property rights of the Company and its subsidiaries within the authority;</u></p>
<p>(10) to decide on the proposals for salaries, incentives and punishments of the Company's staff;</p>	<p>(10) <u>to decide on material reform and reorganization matters within the Company, or make resolutions on relevant matters according to the authorization of shareholders' general meeting;</u></p>
<p>(11) to approve the appointment or replacement of Directors and Supervisors representing shareholders of the Company's wholly-owned subsidiaries, appointment, replacement or nomination of shareholder representatives, Directors (candidates) and Supervisors representing shareholders of the Company's controlling subsidiaries and associated companies;</p>	<p>(11) to decide on the establishment of the Company's internal management structure;</p> <p>(12) to appoint or remove the Company's general manager and secretary of the Board <u>in accordance with relevant regulations and procedures</u>, to appoint or remove other senior officers as nominated by the general manager;</p>
<p>(12) to draw up the Company's basic management system;</p>	<p>(13) to decide <u>the operational performance appraisal and remuneration of the Company's general manager, secretary of the Board and other senior officers in accordance with relevant regulations;</u></p>
<p>(13) to draw up proposals for any modifications to the Articles of Association;</p>	<p>(14) <u>to decide the appointment or removal of accounting firm for audit of non-annual report and its remuneration;</u></p>
<p>(14) to determine the establishment of the Company's domestic or overseas sub-branches;</p>	<p>(15) to review and determine the performance appraisal and major income distribution plan of the Company, <u>including the total salary budget and liquidation plan of the Company (if otherwise provided by the State-owned Assets Supervision and Administration Commission, such regulations shall prevail); to approve the income distribution plan and annuity plan of the Company;</u></p>
<p>(15) to decide on the matters such as merger, division, reorganization or dissolution of the Company's wholly-owned subsidiaries and associated companies;</p>	

LETTER FROM THE BOARD

Original Provision	Amended Provision
<p>(16) to decide on the establishment of special committees under the Board and to appoint or remove its person-in-charge;</p> <p>(17) to propose at general meetings a resolution in respect of candidates for Independent Directors and replacement of Independent Directors;</p> <p>(18) to propose at general meetings for the appointment, renewal or remove of accountants' firm conducting auditing for the Company;</p> <p>(19) to hear the work report and inspect the work of the general manager;</p> <p>(20) to manage information disclosure of the Company;</p> <p>(21) to formulate the equity incentives plan;</p> <p>(22) to exercise decision-making power on issues in respect of external investment (including increase in investment and equity transfer), financing, venture investment, entrusted wealth management, provision of external guarantees, save and except for those decisions to be decided by the shareholders' general meeting pursuant to the law, regulations and the Articles of Association;</p> <p>(23) to formulate and review the corporate governance policy and practices of the Company;</p> <p>(24) to review and supervise the training and continuing professional development of directors, supervisors and senior management;</p>	<p>(16) <u>to audit the Company's annual financial decisions, to conduct random inspections on major issues of the Company, and to conduct economic responsibility audits in accordance with the management authority of the Company;</u></p> <p>(17) <u>to decide the Company's risk management system, internal control system, accountability system for illegal operation and investment, legal compliance management system, to formulate plans for changes in significant accounting policies and accounting estimates of the Company, to guide, inspect and evaluate the Company's internal audit work, to review and approve the Company's internal audit reports, to decide the person in charge of the Company's internal audit department, to establish a mechanism in which the audit department is accountable to the Board, to approve the annual audit plan and important audit reports in accordance with the law, and to conduct overall monitoring and evaluation on the Company's risk management, internal control and legal compliance management systems and their effective implementation;</u></p> <p>(18) to draw up the Company's basic management system;</p> <p>(19) to draw up proposals for any modifications to the Articles of Association;</p> <p>(20) to determine the establishment of the Company's domestic or overseas sub-branches;</p>

LETTER FROM THE BOARD

Original Provision	Amended Provision
<p>(25) to review and supervise the policies and practices of the Company in compliance with legal and regulatory requirements;</p> <p>(26) to formulate, review and supervise the code of conduct and compliance manual (if any) applicable to employees and directors;</p> <p>(27) to review the Company's compliance with the Code on Corporate Governance Practices as set out in the listing rules and disclosure in the Corporate Governance Report;</p> <p>(28) to decide on other major affairs of the Company, save for matters to be resolved at shareholders' general meetings as required by the Company Law and the Articles of Association;</p> <p>(29) other powers conferred by the Articles of Association or the general meetings;</p> <p>(30) other matters as required by the PRC laws and regulations.</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 two-thirds or more 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>Resolutions in respect of connected transactions made by the Board shall not come into force unless it is signed by Independent Directors.</p>	<p>(21) to decide on the matters such as merger, division, reorganization or dissolution of the Company's wholly-owned subsidiaries and associated companies;</p> <p>(22) to decide on the establishment of special committees under the Board and to appoint and <u>decide</u> its person-in-charge;</p> <p>(23) to propose at general meetings a resolution in respect of candidates for Independent Directors and replacement of Independent Directors;</p> <p>(24) to propose at general meetings for the appointment, renewal or remove of accountants' firm conducting <u>annual</u> auditing for the Company;</p> <p>(25) to <u>manage</u> information disclosure of the Company;</p> <p>(26) to formulate the equity incentives plan;</p> <p>(27) <u>to decide annual external donation, sponsorship program and donation plan of the Company, and to report in accordance with the requirements of the State-owned Assets Supervision and Administration Commission;</u></p> <p>(28) to exercise decision-making power on issues in respect of external investment (including increase in investment and equity transfer), financing, venture investment, entrusted wealth management, provision of external guarantees, <u>asset disposal</u>, save and except for those decisions to be decided by the shareholders' general meeting pursuant to the law, regulations and the Articles of Association;</p> <p>(29) to formulate and review the corporate governance policy and practices of the Company;</p>

LETTER FROM THE BOARD

Original Provision	Amended Provision
	(30) to review and supervise the training and continuing professional development of directors, supervisors and senior management;
	(31) to review and supervise the policies and practices of the Company in compliance with legal and regulatory requirements;
	(32) to formulate, review and supervise the code of conduct and compliance manual (if any) applicable to employees and directors;
	(33) to review the Company's compliance with the Code on Corporate Governance Practices as set out in the listing rules and disclosure in the Corporate Governance Report;
	(34) <u>to receive reports of the general manager on his/her work, to inspect the implementation of the resolutions of the Board by the general manager and other senior management members, and to establish and perfect the accountability mechanism for the general manager and other senior management members;</u>
	(35) <u>to decide on proposals for matters relating to the exercise by the Company of the rights of shareholders in the investee company, save for matters to be resolved at shareholders' general meetings as required by the Company Law and the Articles of Association;</u>
	(36) to decide on other major affairs of the Company, save for matters to be resolved at shareholders' general meetings as required by the Company Law and the Articles of Association;
	(37) other powers conferred by the Articles of Association or the general meetings;
	(38) other matters as required by the PRC laws and regulations.

LETTER FROM THE BOARD

Original Provision	Amended Provision
	<p>Except the resolutions of the Board in respect of the matters specified in paragraphs (7), (8) and (19) above, which shall be passed by two-thirds or more 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>Addition of Article 127 <u>The Board may, if necessary, invite senior officers, persons in charge of relevant business departments, experts and other relevant personnel of the Company to attend the meeting to explain, provide advice, express opinions and accept inquiries on the proposals involved.</u></p> <p><u>If the matters to be considered by the Board involve legal issues, the general counsel shall attend the meeting and provide legal opinions.</u></p>
CHAPTER 13 THE GENERAL MANAGER AND OTHER SENIOR OFFICERS	CHAPTER 13 THE GENERAL MANAGER AND OTHER SENIOR OFFICERS
<p>Original Article 131</p> <p>The Company shall have one general manager, who shall be engaged or dismissed by the board of directors; The Company shall have one chief financial officer and several deputy general managers, who shall be nominated by the general manager and engaged or dismissed by the board of directors. A director may serve concurrently as the general manager or other senior officers.</p>	<p>Amended Article 131</p> <p>The Company shall have one general manager, <u>one general counsel</u>, who shall be engaged or dismissed by the board of directors; The Company shall have one chief financial officer and several deputy general managers, who shall be nominated by the general manager and engaged or dismissed by the board of directors. A director may serve concurrently as the general manager or other senior officers.</p>

LETTER FROM THE BOARD

Original Provision	Amended Provision
<p>Original Article 132</p> <p>The general manager shall be accountable to the board of directors and shall exercise the following functions and powers:</p> <p>(1) to be in charge of the production, operation and management of the Company, and to report to the board of directors;</p> <p>(2) to organize the implementation of the resolutions of the board of directors, the annual business plans and investment plans of the Company;</p> <p>(3) to draft the plan of the Company’s annual finance budgets and final accounts, and propose to the board of directors;</p> <p>(4) to draft the basic management system of the Company and the plan for the establishment of the Company’s internal management organization;</p> <p>(5) to formulate the specific rules and regulations of the Company;</p> <p>(6) to request the board of directors to employ or dismiss other senior officers;</p> <p>(7) to decide on the employment or dismissal of management personnel other than those to be employed or dismissed by the board of directors;</p> <p>(8) to propose to convene extraordinary board meetings in case of emergence;</p>	<p>Amended Article 132</p> <p>The general manager shall be accountable to the board of directors and shall exercise the following functions and powers:</p> <p>(1) to be in charge of the production, operation and management of the Company, and to report to the board of directors;</p> <p>(2) to organize the implementation of the resolutions of the board of directors</p> <p>(3) <u>to draft the business plan and investment plan of the Company, and organize the implementation after approval by the board of directors;</u></p> <p>(4) <u>to draft the strategy and development planning of the Company;</u></p> <p>(5) to draft the plan of the Company’s annual finance budgets and final accounts, and propose to the board of directors;</p> <p>(6) <u>to draft the profit distribution plan and loss compensation plan of the Company;</u></p> <p>(7) <u>to draft plans for the Company to increase or decrease its registered capital, as well as plans for issuing and listing corporate bonds or other securities;</u></p> <p>(8) <u>to draft plans for the material acquisition and sale of the assets of the Company, repurchase of the shares of the Company, or merger, division, dissolution and change of company form;</u></p> <p>(9) <u>to draft matters regarding changes in state-owned property rights of the Company and important subsidiaries;</u></p>

LETTER FROM THE BOARD

Original Provision	Amended Provision
<p>(9) to decide matters of the Company such as investment, financing, contracts and transactions to the extent of powers delegated by the board of directors;</p> <p>(10) other functions and powers delegated by the Articles of Association and the board of directors.</p>	<p>(10) to draft the basic management system of the Company and the plan for the establishment of the Company's internal management organization;</p> <p>(11) to formulate the specific rules and regulations of the Company;</p> <p>(12) to request the board of directors to employ or dismiss other senior officers <u>in accordance with relevant regulations and procedures</u>;</p> <p>(13) to decide on the employment or dismissal of management personnel other than those to be employed or dismissed by the board of directors <u>in accordance with relevant regulations and procedures</u>;</p> <p>(14) <u>to decide on the appointment or dismissal of the audit institution and its remuneration for related services other than annual report audit in accordance with the authorization of the board of directors</u>;</p> <p>(15) <u>to draft the performance appraisal and major income distribution plan of the Company, including the total salary budget and liquidation plan of the Company (if there are other provisions on state-owned assets supervision, such provisions shall prevail); to draft the Company's employee income distribution plan and the Company's annuity plan; to decide on the Company's Employee remuneration implementation matters, including but not limited to monthly salary payment quota, performance appraisal implementation and cashing, etc.</u>;</p>

LETTER FROM THE BOARD

Original Provision	Amended Provision
	<p>(16) <u>to draft the Company’s plans for establishing a risk management system, internal control system, illegal operation and investment liability investigation system, and legal compliance management system; to decide on the Company’s major accounting policies and accounting estimate change plans; to decide on the person in charge of the Company’s internal audit department;</u></p> <p>(17) <u>to propose appointment or replacement of Directors and shareholder representative Supervisors of wholly-owned subsidiaries directly managed by the Company, to propose appointment, replacement or recommendation of shareholder representatives, directors (candidates) and shareholder representative supervisors (candidates) of subsidiaries directly managed by the Company;</u></p> <p>(18) <u>to draft amendment plans to this Articles of Association;</u></p> <p>(19) <u>to draft matters such as the merger, division, reorganization or dissolution of the wholly-owned subsidiaries or holding subsidiaries of the Company;</u></p> <p>(20) <u>to draft share incentive scheme;</u></p> <p>(21) <u>to draft the annual external donation, sponsorship plan and donation plan of the Company;</u></p> <p>(22) to propose to convene extraordinary board meetings in case of emergence;</p> <p>(23) <u>to organize and implement the Company’s external investment (including capital increase and equity transfer of investee enterprises), financing, risk investment and entrusted financial management, external guarantees, asset disposal and other matters within its authority under the authorization of the board of directors;</u></p>

LETTER FROM THE BOARD

Original Provision	Amended Provision
	<p>(24) <u>to formulate corporate governance policies and practices of the Company;</u></p> <p>(25) <u>to establish a general manager office meeting and special meeting system, convene and preside over general manager office meetings and special meetings;</u></p> <p>(26) <u>to coordinate, inspect and supervise the production, operation, reform and management of various departments and branches (subsidiaries);</u></p> <p>(27) <u>to propose suggestions on matters relating to the Company's exercise of the rights of shareholders in the investee company;</u></p> <p>(28) other functions and powers delegated by the Articles of Association and the board of directors.</p>
	<p>Addition of Article 134 <u>The management shall formulate the working rules for the general manager, which shall be implemented upon approval by the Board. The general manager shall exercise his/her powers through meetings such as general manager office meetings.</u></p>
	<p>Addition of Article 135 <u>The Company implements the general counsel system, gives full play to the role of the general counsel in the legal review and control of the operation and management, and promotes the legal operation and compliance management of the Company.</u></p>

The Board considers that the Proposed Amendments are in the interests of the Company and its Shareholders as a whole. The Proposed Amendments shall be subject to the approval by the Shareholders at the EGM by way of special resolutions and the obtaining of any required approval or endorsement from, or registration with, the relevant regulatory authorities. The special resolutions (among others) will be proposed at the Company's EGM to be held for the Shareholders to consider and, if thought fit, approve the Proposed Amendments. A circular containing, among other things, details of the Proposed Amendments, together with a notice of the EGM will be dispatched to the Shareholders as soon as practicable.

Upon the approval from the Shareholders of the relevant special resolutions at the EGM, the Proposed Amendments will be filed with the relevant PRC authorities. The Proposed Amendments will take effect on the date of approval at the EGM.

Save for the Proposed Amendments, other sections and articles of the Articles of Association remain unchanged. Changes in section and article numbering of the Articles of Association as a result of the Proposed Amendments shall be adjusted accordingly.

LETTER FROM THE BOARD

The Proposed Amendments are prepared in Chinese and the English version is therefore a translation only. In the event of any discrepancy between the English translation and the Chinese version of the Articles of Association, the Chinese version shall prevail.

3. PROPOSED RE-ELECTION OF DIRECTORS AND SUPERVISORS FOR THE FORTHCOMING SESSION

PROPOSED RE-ELECTION OF DIRECTORS

Reference is made to the announcement of the Company dated 17 October 2023 in relation to the extension of, among others, the terms of office of the Directors of the third session of Board and the supervisors of the third session of the Supervisory Committee until the election and appointment of the Directors of the fourth session of the Board and the Supervisors of the Supervisory Committee.

The Company was informed that the nomination of candidates for Directors of the fourth session of the Board and Supervisors of the fourth session of the Supervisory Committee has been completed.

The members of the third session of the Board and the third session of the Supervisory Committee (except the employee representative Supervisors) have confirmed that they will offer themselves for re-election as Directors and re-election as Supervisors at the EGM.

In accordance with the Articles of Association, the Board proposed the re-election of following Directors:

- (i) Mr. Liu Jianjun, Mr. Liu Hui and Mr. Zhou Zhimi as executive Director candidates of the fourth session of the Board;
- (ii) Mr. Mei Wei, Mr. Dai Richeng and Mr. Chen Yong as non-executive Director candidates of the fourth session of the Board; and
- (iii) Mr. Liu Shuen Kong, Mr. Zhou Beihai and Mr. Zhong Wei as independent non-executive Director candidates of the fourth session of the Board.

The re-election of executive Directors, non-executive Directors and independent non-executive Directors as mentioned above shall be subject to Shareholders' approval at the EGM.

The biographical details of the above Directors proposed for re-election are set out as follows:

Executive Directors candidates

Mr. Liu Jianjun, aged 44, was awarded a bachelor's degree in Environmental Engineering from Beijing Technology and Business University in June 2001 and was awarded the title of senior engineer in September 2022. From June 2001 to August 2005, Mr. Liu Jianjun served as department manager of Beijing Zhongkemo Membrane Technology Co., Ltd.* (北京中科膜技術有限公司). From September 2005 to April 2006, Mr. Liu Jianjun served as the regional manager of Beijing Yulong Water Engineering Company* (北京禹龍水務工程公司). Since May 2006, Mr. Liu Jianjun has successively served as Vice President, Senior Vice President and Vice President of Beijing OriginWater Technology Co., Ltd. (北京碧水源科技股份有限公司), and concurrently serves as Chairman and General Manager of several of its affiliated companies. Since May 2023, Mr. Liu Jianjun serves as the general manager of the Company. Since June 2023, Mr. Liu Jianjun serves as the Executive Director and vice-Chairman of the Company.

LETTER FROM THE BOARD

Mr. Liu Hui, aged 45, obtained a bachelor's degree in medical insurance from Nanjing Railway Medical College in August 1999 and a master's degree in political economy from Yunnan University in July 2008. Mr. Liu Hui has over 22 years of experience in corporate finance management. From August 1999 to September 2005, Mr. Liu Hui served as an assistant economist in the Third People's Hospital of Yunnan Province. From July 2008 to November 2010, Mr. Liu Hui worked in the finance and accounting department of the Rural Credit Cooperative Union in Wuhua District, Kunming. From November 2010 to July 2012, Mr. Liu Hui has successively served as the deputy business head and senior business manager in the finance management department of Yunnan Metropolitan Construction Investment Co., Ltd.* (雲南省城市建設投資集團有限公司). From July 2012 to November 2020, Mr. Liu Hui has successively served as senior business manager of the finance management department, head of the finance management center, and deputy general manager of the finance management department of Yunnan Metropolitan Construction Investment Co., Ltd., and also served as the chief financial controller of its subsidiary. From November 2020 to February 2023, Mr. Liu Hui was the deputy general manager of the finance management center of Yunnan Health & Cultural Tourism Holding Group Co., Ltd.* (雲南省康旅控股集團有限公司). Since March 2023, Mr. Liu Hui serves as the deputy general manager of the Company. Since June 2023, Mr. Liu Hui serves as the executive director of the Company.

Mr. Zhou Zhimi, aged 49, obtained a bachelor's degree in statistics from Shanxi University of Finance and Economics in July 1999. Mr. Zhou Zhimi has over 22 years of experience in corporate finance management. From July 1999 to August 2005, Mr. Zhou Zhimi worked in Yunnan Beifang Optical Electronics Group Co., Ltd.* (雲南北方光學電子集團有限公司). From August 2005 to March 2011, Mr. Zhou Zhimi served as the deputy director in the finance, accounting and audit department of Yunnan Yunguang Development Co., Ltd.* (雲南雲光發展有限公司). From March 2011 to August 2011, Mr. Zhou Zhimi worked with Yunnan Province Water Industry Investment Co., Ltd.* (雲南省水務產業投資有限公司) From August 2011 to November 2014, Mr. Zhou Zhimi successively served as the deputy manager and the manager in the finance department of Yunnan Water Industry Investment and Development Co., Limited and concurrently served as the chief financial controller of its subsidiaries. From November 2014 to July 2023, Mr. Zhou Zhimi successively served as the manager of finance department, deputy financial controller and chief financial controller of the Company, and has successively concurrently served as the chief financial controller of its subsidiaries, the deputy general manager of its associated company and the financial controller of Shanghai Center of the Company. Since November 2021, Mr. Zhou Zhimi has served as the Executive Director of the Company. Since July 2023, Mr. Zhou Zhimi has served as the deputy financial controller of the Company.

LETTER FROM THE BOARD

Non-executive Directors candidates

Mr. Mei Wei (“**Mr. Mei**”), aged 53, was awarded a bachelor’s degree in water conservancy and hydropower engineering construction by Gezhouba Hydropower Engineering College (葛洲壩水電工程學院) in July 1992, and became a senior engineer in water conservancy engineering in November 2013. Mr. Mei has more than 22 years of rich management experience in the environmental protection industry. From May 2000 to March 2003, Mr. Mei served as the deputy director of the Yunnan Institute of Water & Hydropower Engineering Investigation, Design and Research (雲南省水利水電勘測設計研究院). From March 2003 to May 2008, Mr. Mei successively served as the deputy dean and dean of the Water Conservancy Branch of Yunnan Institute of Water & Hydropower Engineering Investigation, Design and Research (雲南省水利水電勘測設計研究院水利分院). From May 2008 to June 2009, Mr. Mei served as the executive deputy dean of Niulanjiang Branch of Yunnan Institute of Water & Hydropower Engineering Investigation, Design and Research (雲南省水利水電勘測設計研究院牛欄江分院). From June 2009 to January 2022, Mr. Mei successively served as the deputy dean, executive deputy dean and dean of Yunnan Institute of Water & Hydropower Engineering Investigation, Design and Research. Since January 2022, Mr. Mei has served as the secretary of the Party Committee and chairman of Yunnan Green Environmental Protection Industry Group Co., Ltd.* (雲南省綠色環保產業集團有限公司), a controlling shareholder of the Company. Since January 2023, Mr. Mei has served as a non-executive Director and chairman of the Company.

Mr. Dai Richeng (“**Mr. Dai**”), aged 59, joined the Group in June 2016, and currently serves as a non-executive Director of the Company. Mr. Dai obtained a master’s degree in environmental engineering from the Department of Chemical Engineering in Nanjing University of Science and Technology in June 1984 and a doctoral degree in environmental engineering of the Department of Environmental Engineering from Tsinghua University in June 1986. Mr. Dai has extensive experience for about 30 years in the water treatment industry. He was an engineer at the Water Pollution Research Office of the Quan Jun Environmental Science Research Centre* (全軍環境科學研究中心水污染研究室) and later acted as a senior engineer in the China Water Pollution Research Centre* (中國水污染研究中心). From August 1998 to June 2010, Mr. Dai acted as the general manager and senior engineer in a subsidiary principally engaged in wastewater treatment of Tsinghua Tongfang Co., Ltd.* (清華同方股份有限公司) (a company listed on the Shanghai Stock Exchange, stock code: 600100). From July 2010 to March 2012, Mr. Dai was the vice-president and senior engineer of Beijing Enterprises Water Group Limited (北控水務集團有限公司) (its shares listed on the Stock Exchange, stock code: 371). Since 2012, Mr. Dai has successively been the president, deputy secretary of the party committee and executive president of Beijing OriginWater, and served as director and chairman of its subsidiaries. From June 2016 to August 2018, Mr. Dai served as an executive Director and the Vice-Chairman of the Company.

LETTER FROM THE BOARD

Mr. Chen Yong (“**Mr. Chen**”), aged 50, joined the Group in June 2019, and currently serves as a non-executive Director of the Company. He is a postgraduate and senior accountant. Mr. Chen obtained a bachelor’s degree in computer science from Xinjiang University (新疆大學) in July 1999 and a master’s degree in business administration from Xinjiang University of Finance and Economics in June 2009. Mr. Chen has over 26 years of extensive experience in accounting and management. From September 1992 to January 1994, Mr. Chen served as an office clerk in Xinjiang Petroleum Company Transportation Branch* (新疆石油總公司運輸分公司). From January 1994 to August 1999, Mr. Chen served as a clerk in the Financial Audit Department of Xinjiang Petroleum Company* (新疆石油總公司). From August 1999 to September 2010, Mr. Chen served as a deputy director of the Financial Asset Department and a director of the Corporate Management Department in the CNPC Xinjiang Sales Company* (中國石油新疆銷售分公司). Since September 2010, Mr. Chen has been the general manager of the Equity Investment Department of Kunlun Trust Co., Ltd.* (昆侖信託有限責任公司). From February 2011 to February 2022, Mr. Chen served as the General Manager of the Equity Investment Department of CNPC Asset Management Co., Ltd.* (中油資產管理有限公司). Since April 2016, Mr. Chen has been the Managing Director of Ningbo Kunlun Xinyuan Equity Management Partnership (Limited Partnership)* (寧波昆侖信元股權管理合夥企業(有限合夥)). Since May 2016, Mr. Chen has been an Authorized Representative of the Executive Partner of Yantai Xinzhen Tianying Equity Investment Center (Limited Partnership)* (煙台信貞添盈股權投資中心(有限合夥)). In addition, Mr. Chen has been supervisor of Shandong International Trust Co., Ltd.* (山東省國際信託股份有限公司) (a company listed on the Main Board of the Stock Exchange, stock code: 1697) since September 2014, and a director of Beijing Wuerzhilu Technology Co., Ltd.* (北京無二之旅科技有限公司) since April 2017, and a director of Beijing Weiche Technology Co., Ltd.* (北京喂車科技有限公司) since May 2017. Mr. Chen has been a director of Shandong Provincial Financial Asset Management Co., Ltd.* (山東省金融資產管理股份有限公司) since July 2018. Since June 2023, Mr. Chen has been a director of Beijing Jicheng Guangxin Technology Co., Ltd.* (北京集誠廣信科技有限責任公司).

Independent non-executive Directors candidates

Mr. Liu Shuen Kong (“**Mr. Liu**”), aged 51, joined the Group in June 2018, and currently serves as an independent non-executive Director of the Company. Mr. Liu obtained a bachelor’s degree in accounting and a master’s degree in accounting from RMIT University of Australia in 1996 and 2002, respectively. He subsequently obtained a master’s degree in business administration from Deakin University of Australia in 2004. Mr. Liu has more than 23 years of experience in accounting, auditing and management and is a qualified accountant of CPA Australia and Hong Kong Institute of Certified Public Accountants. Mr. Liu has worked at KPMG since 1996 as a manager, senior manager and supervisor. From 1996 to 1999, Mr. Liu worked in the audit department of the Hong Kong office of KPMG. From 1999 to 2010, Mr. Liu worked in the financial advisory service department of the Guangzhou office and Shenzhen office of KPMG. From October 2010 to December 2013, Mr. Liu was the CFO and company secretary of Leoch International Technology Limited (a company listed on the Stock Exchange, stock code: 842). From December 2013 to May 2017, Mr. Liu was the executive director, chief financial officer and company secretary of Yestock Car Rental Company Limited. From May 2017 to 2021, Mr. Liu has served as the managing director of member companies of Heungkong Financial Group. Since 2023, Mr. Liu have been serving as the executive director of Lim Hoi Holding (鑣海集團).

LETTER FROM THE BOARD

Mr. Zhou Beihai, aged 60, joined the Group in October 2020 and currently serves as an independent non-executive Director of the Company. Mr. Zhou Beihai obtained a doctoral degree in engineering from the Department of Environmental Engineering at Tsinghua University (清華大學環境工程系) in March 1992. Mr. Zhou Beihai carried out research on solid waste landfill technology at The University of Fukuoka in Japan from March 1993 to March 1994, and conducted research on photocatalysis water treatment technology at Saitama University in Japan from January 1995 to March 1995. Mr. Zhou Beihai served as the director of the Registration and Management Centre for the solid waste under the State Administration of Environmental Protection (國家環保總局固體廢物登記管理中心) from October 1996 to August 2001, and served as the diplomatic officer of science and technology at the Chinese Embassy in Japan from October 2001 to December 2004. Mr. Zhou Beihai has been a professor at the School of Energy and Environmental Engineering of University of Science and Technology Beijing since January 2005.

Mr. Zhong Wei (“**Mr. Zhong**”), aged 54, joined the Group in October 2020, and currently serves as an independent non-executive Director of the Company. Mr. Zhong graduated from Nanjing University in 1990 majoring in applied physics and from Southeast University in 1994 majoring in industrial economics management. Mr. Zhong received his doctorate’s degree in 1999 from Beijing Normal University majoring in international economics. Between September 2001 and July 2004, Mr. Zhong engaged in postdoctoral research in management science at Tongji University. Mr. Zhong served as an assistant engineer at Wuxi Alarm Devices Factory from July 1990 to July 1992. Mr. Zhong worked as a lecturer at the Business School of Jiangnan University from July 1994 to July 1997. Mr. Zhong served as an associate professor at the Business School of Beijing Normal University between 1999 and 2003. Mr. Zhong has been a professor of the department of Economics and Business Management of Beijing Normal University since July 2003. Mr. Zhong has long been engaged in the field of finance and macroeconomic research. He was selected by the PRC Ministry of Education and the Beijing Supported by Program for New Century Excellent Talents in University* (北京市新世紀優秀哲學社會科學人才計劃). Since April 2017, Mr. Zhong has served as an independent non-executive director of China Resources Land Limited (華潤置地有限公司) (a company listed on the Main Board of the Stock Exchange, stock code: 1109). Since August 2020, he has served as an independent non-executive director of China Jinmao Holdings Group Limited (中國金茂控股集團有限公司) (a company listed on the Main Board of the Stock Exchange, stock code: 817).

PROPOSED RE-ELECTION OF SUPERVISORS

In accordance with the Articles of Association, the Board proposed the re-election of following Supervisors:

- (i) Mr. Long Limin and Mr. Zhu Zhen as shareholder representative Supervisor candidates of the fourth session of the Supervisory Committee; and
- (ii) Mr. Tan Hairui and Ms. Zhang Ling as independent Supervisor candidates of the fourth session of the Supervisory Committee.

The re-election of shareholder representative Supervisors and independent Supervisors as mentioned above shall be subject to Shareholders’ approval at the EGM.

LETTER FROM THE BOARD

The biographical details of the above shareholder representative Supervisors and independent Supervisors proposed for re-election are set out as follows:

Shareholder Representative Supervisors

Mr. Long Limin (“**Mr. Long**”), aged 55, joined the Group in August 2017, and currently serves as a shareholder representative Supervisor of the Company and Chairman of the Supervisory Committee. Mr. Long obtained a bachelor’s degree in engineering from Chongqing University in 1991 and a master’s degree in business administration from Tsinghua University in 2004. From July 1991 to July 2000, Mr. Long served as the deputy factory manager of Beijing Plumbing Equipment Factory 1 (北京市水暖器材一廠). From July 2000 to July 2010, Mr. Long served as the deputy general manager of Tsinghua Tongfang Artificial Environment Co., Ltd* (清華同方人工環境有限公司). Since December 2010, Mr. Long has served as the manager of the planning and procurement department, the chief operating officer, the chief operating officer, the chief procurement officer, the assistant to the president, the vice president and the senior vice president of Beijing OriginWater Technology Co., Ltd. (北京碧水源科技股份有限公司), during which he concurrently served as the general manager of its subsidiaries.

Mr. Zhu Zhen (“**Mr. Zhu**”), aged 39, joined the Group in August 2017, and currently serves as a shareholder representative Supervisor. Mr. Zhu obtained his master’s degree in law from Tsinghua University in September 2009. Mr. Zhu has nearly 13 years of experience in law, investment, asset management, capital operation and strategy. He served as the deputy general manager of the audit and legal affairs department of YMCI (雲南城投集團) from October 2013 to September 2016 and was promoted to the general manager of the legal department of YMCI in September 2016. He has served as a Director and Supervisor in a number of subsidiaries of YMCI since September 2014. Since September 2014, Mr. Zhu has served as a director and supervisor of various subsidiaries of YMCI. From November 2020 to January 2021, Mr. Zhu served as the general manager of the legal and compliance department of Yunnan Health & Cultural Tourism Holding Group Co., Ltd. (雲南省康旅控股集團有限公司). From January 2021 to April 2022, Mr. Zhu served as a member of the party committee, director and general manager of Yunnan Rongzhi Investment Company Limited* (雲南融智投資有限公司). From April 2022 to July 2023, Mr. Zhu served as the general manager of the asset management center of Yunnan Health & Cultural Tourism Holding Group Co., Ltd.. Since July 2023, Mr. Zhu has served as the general manager of the strategic development department of Yunnan Health & Cultural Tourism Holding Group Co., Ltd.. Since April 2022, Mr. Zhu has served as the chairman of Yunnan Province Equity Investment Fund Management Co., Ltd. (雲南省股權投資基金管理股份有限公司) and Caiyun International Investment Limited (彩雲國際投資有限公司).

LETTER FROM THE BOARD

Independent Supervisors

Mr. Tan Hairui (“**Mr. Tan**”), aged 52, joined the Group in January 2015, and currently serves as an independent Supervisor of the Company. Mr. Tan obtained a bachelor’s degree in economics from Yunnan Finance and Trade College (now known as Yunnan University of Finance and Economics) in July 1993 and obtained the certificate as a registered accountant issued by Accountant Examination Committee of Ministry of Finance of the PRC in April 1999 and a Lawyer’s License in August 2004. Mr. Tan has more than 19 years of working experience in large-scale enterprises, and he is mainly responsible for supervising the Directors, managers and other management personnel to ensure compliance with laws and regulations, the Articles of Association and the resolutions of Shareholders’ meetings. Mr. Tan was the deputy manager of the financial department of Yunda Science & Technology Industry Company from 2000 to December 2001. Mr. Tan joined Yunnan Hengxin Law Firm as trainee solicitor and lawyer from January 2002 to August 2007. Mr. Tan joined the Yunnan Quzhi Law Firm as lawyer between September 2007 and March 2009. Mr. Tan worked in Yunnan Geyuan Law Firm as a lawyer from March 2009 to January 2018. Since January 2018, Mr. Tan has been working in Beijing Yingke (Kunming) Law Firm (北京盈科(昆明)律師事務所) as a lawyer.

Ms. Zhang Ling (“**Ms. Zhang**”), aged 48, joined the Group in January 2018, and currently serves as an Independent Supervisor of the Company. Ms. Zhang is the deputy professor and Master’s tutor of law school of Yunnan University of Finance and Economics and director of the collaborated regional resources law research center of law school of Yunnan University of Finance and Economics. Ms. Zhang obtained her law degree in July 1997 at Wuhan University and master’s degree in international business law and European Union law at University of Sheffield in November 2004. Since September 2005, Ms. Zhang has been working at the law school of Yunnan University of Finance and Economics, responsible for teaching, research and application of law. Ms. Zhang had published dozens of professional academic papers on law, held discussions on national social topics and research on provincial laws. She was invited by the Legal Affairs Office of the State Council* (國務院法制辦), the Ministry of Civil Affairs* (民政部) and the Ministry of Foreign Affairs* (外交部) to participate in the amendments of two laws and regulations and legislative consultation. She has received the research award of Yunnan Philosophical Social Science Society* (雲南省哲學社會科學研究獎勵) twice. In addition, Ms. Zhang had over 20 years of solid experience in the legal field. Since she was qualified as a practicing lawyer in November 1999, Ms. Zhang had worked in five different law firms in Yunnan Province and is currently working on or part-time basis at Shanghai SGLA (Kunming) Law Firm* (上海中聯(昆明)律師事務所).

4. PROPOSED PROVISION OF GUARANTEES BY THE GROUP

On 5 December 2023, the Board has resolved to seek approval from the Shareholders at the EGM for the various guarantees as follows:

- (a) The Company will provide guarantees to the onshore subsidiaries controlled by the Company in respect of the credit business and other business of banks and other financial institutions, and provide guarantees to the offshore subsidiaries controlled by the Company in respect of the credit business and other business of banks and other financial institutions pursuant to the relevant requirements of the PRC; and
- (b) Guarantees in respect of the credit business and other businesses of banks and other financial institutions will be provided by onshore and offshore subsidiaries controlled by the Company to each other pursuant to the relevant requirements of the PRC.

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According to the relevant provisions under Article 63 of the Articles of Association (prior to Proposed Amendments), the provision of guarantees contemplated under paragraphs (a) and (b) above is subject to approval by the Shareholders on a case-by-case basis. The Board, however, believes that granting a oneoff approval and mandate by the Shareholders to the Board for handling all matters in relation to the provision of the relevant guarantees by the Company and its subsidiaries will enable the members of the Group to have greater flexibility in obtaining timely credit financing.

As such, at the EGM, approval by way of special resolution will be sought from the Shareholders in relation to the provision of the guarantees contemplated under paragraphs (a) and (b) above by the Company and its subsidiaries with a total amount not exceeding RMB1 billion.

For the avoidance of doubt, the provision of guarantees by the Company contemplated under paragraphs (a) and (b) above is irrelevant to all the other existing guarantees provided by the Company and its subsidiaries.

The determined limit of guarantees mentioned above represents only the contemplated and maximum amount of guarantees to be provided. The specific amount of guarantee transactions shall be subject to the guarantee agreement(s) signed with the relevant financial institutions. The Company will comply with the relevant applicable requirements of the Listing Rules upon the signing of the relevant guarantee agreement(s).

The provision of above-mentioned guarantees will be carried out strictly in compliance with the requirements of the relevant laws and regulations of the PRC and the Stock Exchange and the Articles of Association.

The above-mentioned authorization shall remain valid and effective from the date on which the resolution for the provision of guarantees by the Group has been considered and approved by the Shareholders at the EGM to the date on which the annual general meeting of the Company is due to be convened in 2024.

5. EXTRAORDINARY GENERAL MEETING

The EGM will be held at 10:00 a.m. on Friday, 29 December 2023 at Conference Room 5th Floor, Yunnan Water, 2089 Haiyuan Bei Road, Gaoxin District, Kunming, Yunnan Province, the PRC. The Notice of EGM is set out on page 29 of this circular. The proxy form for the EGM is enclosed herewith.

Whether or not you are able to attend the EGM, you are advised to complete and sign and return as soon as possible the enclosed proxy form in accordance with the instructions printed thereon. The proxy form for holders of H Shares should be returned to the Company's H Share registrar in Hong Kong, Tricor Investor Services Limited, located at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong, and the proxy form for holders of Domestic Shares should be returned to the secretariat of the Board located at 5th Floor, Yunnan Water, 2089 Haiyuan Bei Road, Gaoxin District, Kunming, Yunnan Province, the PRC by no later than 24 hours before the time appointed for convening the EGM or any adjourned meeting thereof. Completion and return of the proxy form will not preclude you from attending and voting at the EGM, or any adjourned meeting, in person if you so wish.

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In order to determine the Shareholders who are entitled to attend and vote at the EGM, the registers of members of the Company will be closed from Friday, 22 December 2023 to Friday, 29 December 2023 (both dates inclusive) during which registration for transfer of Shares will be suspended. Holders of H Shares who intend to attend and vote at the EGM shall deliver all transfer forms together with the relevant share certificates to the Company's H Share registrar in Hong Kong, Tricor Investor Services Limited, at or before 4:30 p.m. on Thursday, 21 December 2023 in order to be eligible to attend and vote at the EGM.

All Shareholders listed in the register of members of the Company as at the close of business on Thursday, 21 December 2023 are eligible to attend and vote at the EGM.

6. RECOMMENDATION

The Board is of the view that the proposed re-election and the proposed appointment of directors and supervisors for the forthcoming session, are in the best interests of the Company and its Shareholders. Accordingly, the Directors recommend all Shareholders to vote in favour of the relevant resolutions as set out in the Notice of EGM.

7. VOTING BY POLL

Pursuant to Rule 13.39(4) of the Listing Rules, voting by any Shareholders at a general meeting shall be by way of poll, except where the chairman of the general meeting, in good faith, decides to allow a resolution which relates purely to a procedural or administrative matter to be voted on by a show of hands. The chairman of the general meeting shall require each of the resolutions proposed at the EGM to be voted by way of poll according to the Articles of Association.

During voting by way of poll, each Shareholder who attends in person or by proxy (or if the Shareholder is a company, then its officially authorized representative) may have one vote for each Share recorded under his/her/its name as set out in the register of members of the Company. The Company will announce the poll results after the EGM in the manner as stipulated under Rule 13.39(5) of the Listing Rules.

8. RESPONSIBILITY STATEMENT

This circular, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Listing Rules for the purposes of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this document is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this circular misleading.

By Order of the Board
Yunnan Water Investment Co., Limited*
Mei Wei
Chairman

Kunming, the PRC
13 December 2023

* *For identification purposes only*

NOTICE OF EXTRAORDINARY GENERAL MEETING



雲南水務投資股份有限公司

Yunnan Water Investment Co., Limited*

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

(Stock code: 6839)

NOTICE OF EXTRAORDINARY GENERAL MEETING

NOTICE IS HEREBY GIVEN that the extraordinary general meeting (the “EGM”) of Yunnan Water Investment Co., Limited* (雲南水務投資股份有限公司) (the “Company”) will be held at 10:00 a.m. on Friday, 29 December 2023 at Conference Room 5th Floor, Yunnan Water, 2089 Haiyuan Bei Road, Gaoxin District, Kunming, Yunnan Province, the PRC to consider and, if thought fit, approve the following resolutions. Unless the context otherwise requires, capitalized terms used in this notice shall have the same meanings as defined in the circular of the Company dated 13 December 2023.

Ordinary Resolutions

1. To consider and approve the proposed re-election of Mr. Liu Jianjun to be an executive Director, and to authorize the Board to determine his remuneration and to execute a service contract with him on and subject to such terms and conditions as the Board shall think fit.
2. To consider and approve the proposed re-election of Mr. Liu Hui to be an executive Director, and to authorize the Board to determine his remuneration and to execute a service contract with him on and subject to such terms and conditions as the Board shall think fit.
3. To consider and approve the proposed re-election of Mr. Zhou Zhimi to be an executive Director, and to authorize the Board to determine his remuneration and to execute a service contract with him on and subject to such terms and conditions as the Board shall think fit.
4. To consider and approve the proposed re-election of Mr. Mei Wei to be a non-executive Director, and to authorize the Board to determine his remuneration and to execute a service contract with him on and subject to such terms and conditions as the Board shall think fit.
5. To consider and approve the proposed re-election of Mr. Dai Richeng to be a non-executive Director, and to authorize the Board to determine his remuneration and to execute a service contract with him on and subject to such terms and conditions as the Board shall think fit.
6. To consider and approve the proposed re-election of Mr. Chen Yong to be a non-executive Director, and to authorize the Board to determine his remuneration and to execute a service contract with him on and subject to such terms and conditions as the Board shall think fit.
7. To consider and approve the proposed re-election of Mr. Liu Shuen Kong to be an independent non-executive Director, and to authorize the Board to determine his remuneration and to execute a service contract with him on and subject to such terms and conditions as the Board shall think fit.

NOTICE OF EXTRAORDINARY GENERAL MEETING

8. To consider and approve the proposed re-election of Mr. Zhou Beihai to be an independent non-executive Director, and to authorize the Board to determine his remuneration and to execute a service contract with him on and subject to such terms and conditions as the Board shall think fit.
9. To consider and approve the proposed re-election of Mr. Zhong Wei to be an independent non-executive Director, and to authorize the Board to determine his remuneration and to execute a service contract with him on and subject to such terms and conditions as the Board shall think fit.
10. To consider and approve the proposed re-election of Mr. Long Limin to be a Shareholder representative Supervisor, and to authorize the Board to determine his remuneration and to execute a service contract with him on and subject to such terms and conditions as the Board shall think fit.
11. To consider and approve the proposed re-election of Mr. Zhu Zhen to be a Shareholder representative Supervisor, and to authorize the Board to determine his remuneration and to execute a service contract with him on and subject to such terms and conditions as the Board shall think fit.
12. To consider and approve the proposed re-election of Mr. Tan Hairui to be an independent Supervisor, and to authorize the Board to determine his remuneration and to execute a service contract with him on and subject to such terms and conditions as the Board shall think fit.
13. To consider and approve the proposed re-election of Ms. Zhang Ling to be an independent Supervisor, and to authorize the Board to determine her remuneration and to execute a service contract with her on and subject to such terms and conditions as the Board shall think fit.

Special Resolutions

14. Proposed amendments to the Articles of Association.

Due to the operational and strategic development needs of the Company, the Board proposed to make certain amendments to the Articles of Association (the “**Proposed Amendments**”). The details of the proposed amendments to the Articles of Association are set out as follows (all amendments are marked with a horizontal line):

Original Provision	Amended Provision
CHAPTER 1 GENERAL PROVISIONS	CHAPTER 1 GENERAL PROVISIONS
Article 10 “Senior management members” referred to in the Articles of Association include general manager, chief financial officer, deputy general manager and secretary of the Board of Directors of the Company.	Article 10 “Senior management members” referred to in the Articles of Association include general manager, chief financial officer, deputy general manager, secretary of the Board of Directors <u>and general counsel</u> of the Company.
	Addition of Article 11 <u>The Company shall thoroughly implement the “Three Importance and One Significance” decision-making system, and implement specific measures with the approval by the State-owned Assets Supervision and Administration Commission.</u>

NOTICE OF EXTRAORDINARY GENERAL MEETING

Original Provision	Amended Provision
	Addition of Article 12 <u>The Company is subject to supervision in accordance with the Supervision Law of the People’s Republic of China.</u>
CHAPTER 8 SHAREHOLDERS’ GENERAL MEETING	CHAPTER 8 SHAREHOLDERS’ GENERAL MEETING
Original Article 62	Amended Article 62
<p>(1) to decide on the Company’s business policies and investment plans;</p> <p>(2) to elect and replace directors and supervisors that are not staff representatives and decide on matters relating to their remuneration;</p> <p>(3) to consider and approve the reports of the Board;</p> <p>(4) to consider and approve the reports of the Board of Supervisors;</p> <p>(5) to consider and approve the Company’s proposed annual financial budgets and final account plans;</p> <p>(6) to consider and approve the Company’s profit distribution plans and deficit-deduction plans;</p> <p>(7) to resolve on the increase or reduction of the Company’s registered capital;</p> <p>(8) to resolve on the issuance of debentures, any kind of securities, warrants or other similar securities by the Company;</p> <p>(9) to pass resolutions on matters such as the merger, division, dissolution, liquidation or change of the corporate form of the company;</p> <p>(10) to amend the Articles of Association;</p> <p>(11) to consider the motions raised by shareholders who represent 3% or more of the total number of voting shares of the Company;</p>	<p>(1) to decide on the Company’s business policies and investment plans;</p> <p>(2) to elect and replace directors and supervisors that are not staff representatives and decide on matters relating to their remuneration;</p> <p>(3) to consider and approve the reports of the Board;</p> <p>(4) to consider and approve the reports of the Board of Supervisors;</p> <p>(5) to consider and approve the Company’s proposed annual financial budgets and final account plans;</p> <p>(6) to consider and approve the Company’s profit distribution plans and deficit-deduction plans;</p> <p>(7) to resolve on the increase or reduction of the Company’s registered capital;</p> <p>(8) to resolve on the issuance of debentures, any kind of securities, warrants or other similar securities by the Company;</p> <p>(9) to pass resolutions on matters such as the merger, division, dissolution, liquidation or change of the corporate form of the company;</p> <p>(10) to amend the Articles of Association;</p> <p>(11) to consider the motions raised by shareholders who represent 3% or more of the total number of voting shares of the Company;</p>

NOTICE OF EXTRAORDINARY GENERAL MEETING

Original Provision	Amended Provision
(12) to resolve on the engagement, re-appointment or termination of engagement of the accountants of the Company;	(12) to resolve on the engagement, re-appointment or termination of <u>engagement of the accountants of the Company for auditing annual reports</u> ;
(13) to resolve on the guarantees specified in Article 63 of the Articles of Association;	(13) to resolve on the guarantees specified in Article 65 of the Articles of Association;
(14) to consider the acquisition or disposal of significant assets within one year which account for more than 30% of the latest audited total assets of the Company;	(14) to consider the acquisition or disposal of significant assets within one year which account for more than 30% of the latest audited total assets of the Company;
(15) to consider and approve the share incentive scheme;	(15) <u>to decide on changes of state-owned property rights of the Company and its subsidiaries within the authority</u> ;
(16) to resolve the repurchase of the Company's Shares;	(16) to consider and approve the share incentive scheme;
(17) to consider other matters which, according to the laws, administrative regulations and the Articles of Association, should be resolved by the shareholders at general meetings;	(17) to resolve the repurchase of the Company's Shares;
(18) to consider other matters as required by the listing rules of the stock exchange on which the Company's shares are listed;	(18) to consider other matters which, according to the laws, administrative regulations and the Articles of Association, should be resolved by the shareholders at general meetings;
to authorise or delegate the Board to deal with matters as authorised and instructed at the general meetings.	(19) to consider other matters as required by the listing rules of the stock exchange on which the Company's shares are listed;
	to authorise or delegate the Board to deal with matters as authorised and instructed at the general meetings.

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Original Provision	Amended Provision
CHAPTER 10 PARTY COMMITTEE OF THE COMPANY	CHAPTER 10 PARTY COMMITTEE <u>AND DISCIPLINE INSPECTION COMMITTEE OF THE COMPANY</u>
	<p>Addition of Article 108 <u>Major operation and management matters of the Company must be studied and discussed by the Party Committee before they are submitted to the Board or the management for determination. The main topics studied and discussed include:</u></p> <ol style="list-style-type: none"> (1) <u>thorough implementation of the decisions and deployments of the Party Central Committee and important measures of national development strategies;</u> (2) <u>the development strategies, medium and long term development plans and important reform proposals of the Company;</u> (3) <u>principal and directional matters in respect of the asset restructuring, asset transfer, capital operation and significant investment of the Company;</u> (4) <u>the establishment of and adjustment to the Company's organizational structure and the formulation and amendment of the Company's important rules and systems;</u> (5) <u>important matters regarding the Company's safe production, maintenance of stability, interests of employees and social responsibilities;</u> (6) <u>other important matters that should be studied and discussed by the Party Committee.</u>

NOTICE OF EXTRAORDINARY GENERAL MEETING

Original Provision	Amended Provision
	<p>Addition of Article 109 <u>The Discipline Inspection Commission of the Company is a special organ for internal supervision of the Party of the Company. Its main tasks and responsibilities are as follows:</u></p> <ol style="list-style-type: none">(1) <u>to safeguard the Constitution of the Communist Party of China and other Party laws and regulations;</u>(2) <u>to check the implementation of the Party's routes, guidelines, policies and decisions;</u>(3) <u>to implement the relevant important decisions, resolutions and work arrangements of senior Party organizations and the Party Committee of the Company; to assist the Party Committee of the Company in promoting comprehensive and strict governance of the Party, enhancing the construction of the Party conduct and organizing and coordinating anti-corruption work;</u>(4) <u>to perform the responsibilities of supervision, discipline enforcement and accountability, carry out discipline observance education to Party members on a regular basis, and make relevant decisions to safeguard the Party's disciplines;</u>(5) <u>to supervise Party organizations and leading cadres of Party members in performing their duties and exercising their powers, accept and handle the complaints and reports made by Party members and the general public, and carry out conversation reminder, interview and letter inquiries;</u>

NOTICE OF EXTRAORDINARY GENERAL MEETING

Original Provision	Amended Provision
	<p>(6) <u>to supervise and handle the relatively important or complicated cases of Party organizations and Party members violating the Constitution of the Party and other internal Party laws and regulations, and make decisions on determination or cancellation of the punishments on those Party members involved in these cases;</u></p> <p>(7) <u>to pursue accountability or propose enforcing accountability;</u></p> <p>(8) <u>to accept and hear the complaints and appeals from the Party members;</u></p> <p>(9) <u>to safeguard the rights of the Party members;</u></p> <p>(10) <u>other duties and responsibilities that shall be performed by the Discipline Inspection Committee of the Company.</u></p>
	<p>Addition of Article 110</p> <p><u>The secretaries, deputy secretaries and members of the Discipline Inspection Committee shall be established according to the approval by senior Party organizations, and shall be elected or appointed in accordance with the Party Constitution and other relevant regulations.</u></p>
CHAPTER 11 DIRECTORS AND BOARD OF DIRECTORS	CHAPTER 11 DIRECTORS AND BOARD OF DIRECTORS
Original Article 116	Amended Article 116
<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>(2) to implement the resolutions of the general meetings;</p> <p>(3) to decide on the Company’s business plans and investment plans;</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>(2) to implement the resolutions of the general meetings;</p> <p>(3) to decide on the Company’s business plans and investment plans;</p>

NOTICE OF EXTRAORDINARY GENERAL MEETING

Original Provision	Amended Provision
(4) to formulate the Company's proposed annual preliminary and final financial budgets;	(4) <u>to decide on the Company's strategies and development plans;</u>
(5) to formulate the Company's profit distribution plan and plan for recovery of losses;	(5) to formulate the Company's proposed annual preliminary and final financial budgets;
(6) to formulate proposals for increases or reductions of the Company's registered share capital and issue and listing of corporate debentures or other securities;	(6) to formulate the Company's profit distribution plan and plan for recovery of losses;
(7) to draw up plans for the material asset acquisition or disposal, repurchase of shares of the Company or merger, division, dissolution and alteration of corporate form of the Company;	(7) to formulate proposals for increases or reductions of the Company's registered share capital and issue and listing of corporate debentures or other securities;
(8) to decide on the establishment of the Company's internal management structure;	(8) to <u>formulate</u> plans for the material asset acquisition or disposal, repurchase of shares of the Company or merger, division, dissolution and alteration of corporate form of the Company;
(9) to appoint or remove the Company's general manager and secretary of the Board, to appoint or remove other senior officers, and to determine the above mentioned matters relating to the remuneration, incentives and punishments of the senior officers;	(9) <u>to decide on changes of state-owned property rights of the Company and its subsidiaries within the authority;</u>
(10) to decide on the proposals for salaries, incentives and punishments of the Company's staff;	(10) <u>to decide on material reform and reorganization matters within the Company, or make resolutions on relevant matters according to the authorization of shareholders' general meeting;</u>
(11) to approve the appointment or replacement of Directors and Supervisors representing shareholders of the Company's wholly-owned subsidiaries, appointment, replacement or nomination of shareholder representatives, Directors (candidates) and Supervisors representing shareholders of the Company's controlling subsidiaries and associated companies;	(11) to decide on the establishment of the Company's internal management structure;
(12) to draw up the Company's basic management system;	(12) to appoint or remove the Company's general manager and secretary of the Board <u>in accordance with relevant regulations and procedures</u> , to appoint or remove other senior officers as nominated by the general manager;
	(13) to decide <u>the operational performance appraisal and remuneration of the Company's general manager, secretary of the Board and other senior officers in accordance with relevant regulations;</u>

NOTICE OF EXTRAORDINARY GENERAL MEETING

Original Provision	Amended Provision
(13) to draw up proposals for any modifications to the Articles of Association;	(14) <u>to decide the appointment or removal of accounting firm for audit of non-annual report and its remuneration;</u>
(14) to determine the establishment of the Company's domestic or overseas sub-branches;	(15) <u>to review and determine the performance appraisal and major income distribution plan of the Company, including the total salary budget and liquidation plan of the Company (if otherwise provided by the State-owned Assets Supervision and Administration Commission, such regulations shall prevail); to approve the income distribution plan and annuity plan of the Company;</u>
(15) to decide on the matters such as merger, division, reorganization or dissolution of the Company's wholly-owned subsidiaries and associated companies;	(16) <u>to audit the Company's annual financial decisions, to conduct random inspections on major issues of the Company, and to conduct economic responsibility audits in accordance with the management authority of the Company;</u>
(16) to decide on the establishment of special committees under the Board and to appoint or remove its person-in-charge;	(17) <u>to decide the Company's risk management system, internal control system, accountability system for illegal operation and investment, legal compliance management system, to formulate plans for changes in significant accounting policies and accounting estimates of the Company, to guide, inspect and evaluate the Company's internal audit work, to review and approve the Company's internal audit reports, to decide the person in charge of the Company's internal audit department, to establish a mechanism in which the audit department is accountable to the Board, to approve the annual audit plan and important audit reports in accordance with the law, and to conduct overall monitoring and evaluation on the Company's risk management, internal control and legal compliance management systems and their effective implementation;</u>
(17) to propose at general meetings a resolution in respect of candidates for Independent Directors and replacement of Independent Directors;	
(18) to propose at general meetings for the appointment, renewal or remove of accountants' firm conducting auditing for the Company;	
(19) to hear the work report and inspect the work of the general manager;	
(20) to manage information disclosure of the Company;	
(21) to formulate the equity incentives plan;	
(22) to exercise decision-making power on issues in respect of external investment (including increase in investment and equity transfer), financing, venture investment, entrusted wealth management, provision of external guarantees, save and except for those decisions to be decided by the shareholders' general meeting pursuant to the law, regulations and the Articles of Association;	

NOTICE OF EXTRAORDINARY GENERAL MEETING

Original Provision	Amended Provision
(23) to formulate and review the corporate governance policy and practices of the Company;	(18) to draw up the Company's basic management system;
(24) to review and supervise the training and continuing professional development of directors, supervisors and senior management;	(19) to draw up proposals for any modifications to the Articles of Association;
(25) to review and supervise the policies and practices of the Company in compliance with legal and regulatory requirements;	(20) to determine the establishment of the Company's domestic or overseas sub-branches;
(26) to formulate, review and supervise the code of conduct and compliance manual (if any) applicable to employees and directors;	(21) to decide on the matters such as merger, division, reorganization or dissolution of the Company's wholly-owned subsidiaries and associated companies;
(27) to review the Company's compliance with the Code on Corporate Governance Practices as set out in the listing rules and disclosure in the Corporate Governance Report;	(22) to decide on the establishment of special committees under the Board and to appoint and <u>decide</u> its person-in-charge;
(28) to decide on other major affairs of the Company, save for matters to be resolved at shareholders' general meetings as required by the Company Law and the Articles of Association;	(23) to propose at general meetings a resolution in respect of candidates for Independent Directors and replacement of Independent Directors;
(29) other powers conferred by the Articles of Association or the general meetings;	(24) to propose at general meetings for the appointment, renewal or remove of accountants' firm conducting <u>annual</u> auditing for the Company;
(30) other matters as required by the PRC laws and regulations.	(25) to <u>manage</u> information disclosure of the Company;
Except the resolutions of the Board in respect of the matters specified in paragraphs (6), (7) and (13) above, which shall be passed by two-thirds or more of the Directors, the resolutions of the Board in respect of all other matters may be passed by more than half of the Directors.	(26) to formulate the equity incentives plan;
Resolutions in respect of connected transactions made by the Board shall not come into force unless it is signed by Independent Directors.	(27) <u>to decide annual external donation, sponsorship program and donation plan of the Company, and to report in accordance with the requirements of the State-owned Assets Supervision and Administration Commission;</u>

NOTICE OF EXTRAORDINARY GENERAL MEETING

Original Provision	Amended Provision
	<p>(28) to exercise decision-making power on issues in respect of external investment (including increase in investment and equity transfer), financing, venture investment, entrusted wealth management, provision of external guarantees, <u>asset disposal</u>, save and except for those decisions to be decided by the shareholders' general meeting pursuant to the law, regulations and the Articles of Association;</p> <p>(29) to formulate and review the corporate governance policy and practices of the Company;</p> <p>(30) to review and supervise the training and continuing professional development of directors, supervisors and senior management;</p> <p>(31) to review and supervise the policies and practices of the Company in compliance with legal and regulatory requirements;</p> <p>(32) to formulate, review and supervise the code of conduct and compliance manual (if any) applicable to employees and directors;</p> <p>(33) to review the Company's compliance with the Code on Corporate Governance Practices as set out in the listing rules and disclosure in the Corporate Governance Report;</p> <p>(34) <u>to receive reports of the general manager on his/her work, to inspect the implementation of the resolutions of the Board by the general manager and other senior management members, and to establish and perfect the accountability mechanism for the general manager and other senior management members;</u></p>

NOTICE OF EXTRAORDINARY GENERAL MEETING

Original Provision	Amended Provision
	<p>(35) <u>to decide on proposals for matters relating to the exercise by the Company of the rights of shareholders in the investee company, save for matters to be resolved at shareholders' general meetings as required by the Company Law and the Articles of Association;</u></p> <p>(36) to decide on other major affairs of the Company, save for matters to be resolved at shareholders' general meetings as required by the Company Law and the Articles of Association;</p> <p>(37) other powers conferred by the Articles of Association or the general meetings;</p> <p>(38) other matters as required by the PRC laws and regulations.</p> <p>Except the resolutions of the Board in respect of the matters specified in paragraphs (7), (8) and (19) above, which shall be passed by two-thirds or more 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>Addition of Article 127 <u>The Board may, if necessary, invite senior officers, persons in charge of relevant business departments, experts and other relevant personnel of the Company to attend the meeting to explain, provide advice, express opinions and accept inquiries on the proposals involved.</u></p> <p><u>If the matters to be considered by the Board involve legal issues, the general counsel shall attend the meeting and provide legal opinions.</u></p>

NOTICE OF EXTRAORDINARY GENERAL MEETING

Original Provision	Amended Provision
CHAPTER 13 THE GENERAL MANAGER AND OTHER SENIOR OFFICERS	CHAPTER 13 THE GENERAL MANAGER AND OTHER SENIOR OFFICERS
<p>Original Article 131</p> <p>The Company shall have one general manager, who shall be engaged or dismissed by the board of directors; The Company shall have one chief financial officer and several deputy general managers, who shall be nominated by the general manager and engaged or dismissed by the board of directors. A director may serve concurrently as the general manager or other senior officers.</p>	<p>Amended Article 131</p> <p>The Company shall have one general manager, <u>one general counsel</u>, who shall be engaged or dismissed by the board of directors; The Company shall have one chief financial officer and several deputy general managers, who shall be nominated by the general manager and engaged or dismissed by the board of directors. A director may serve concurrently as the general manager or other senior officers.</p>
<p>Original Article 132</p> <p>The general manager shall be accountable to the board of directors and shall exercise the following functions and powers:</p> <ol style="list-style-type: none"> (1) to be in charge of the production, operation and management of the Company, and to report to the board of directors; (2) to organize the implementation of the resolutions of the board of directors, the annual business plans and investment plans of the Company; (3) to draft the plan of the Company's annual finance budgets and final accounts, and propose to the board of directors; (4) to draft the basic management system of the Company and the plan for the establishment of the Company's internal management organization; (5) to formulate the specific rules and regulations of the Company; (6) to request the board of directors to employ or dismiss other senior officers; 	<p>Amended Article 132</p> <p>The general manager shall be accountable to the board of directors and shall exercise the following functions and powers:</p> <ol style="list-style-type: none"> (1) to be in charge of the production, operation and management of the Company, and to report to the board of directors; (2) to organize the implementation of the resolutions of the board of directors (3) <u>to draft the business plan and investment plan of the Company, and organize the implementation after approval by the board of directors;</u> (4) <u>to draft the strategy and development planning of the Company;</u> (5) to draft the plan of the Company's annual finance budgets and final accounts, and propose to the board of directors; (6) <u>to draft the profit distribution plan and loss compensation plan of the Company;</u>

NOTICE OF EXTRAORDINARY GENERAL MEETING

Original Provision	Amended Provision
(7) to decide on the employment or dismissal of management personnel other than those to be employed or dismissed by the board of directors;	(7) <u>to draft plans for the Company to increase or decrease its registered capital, as well as plans for issuing and listing corporate bonds or other securities;</u>
(8) to propose to convene extraordinary board meetings in case of emergence;	(8) <u>to draft plans for the material acquisition and sale of the assets of the Company, repurchase of the shares of the Company, or merger, division, dissolution and change of company form;</u>
(9) to decide matters of the Company such as investment, financing, contracts and transactions to the extent of powers delegated by the board of directors;	(9) <u>to draft matters regarding changes in state-owned property rights of the Company and important subsidiaries;</u>
(10) other functions and powers delegated by the Articles of Association and the board of directors.	(10) to draft the basic management system of the Company and the plan for the establishment of the Company's internal management organization;
	(11) to formulate the specific rules and regulations of the Company;
	(12) to request the board of directors to employ or dismiss other senior officers <u>in accordance with relevant regulations and procedures;</u>
	(13) to decide on the employment or dismissal of management personnel other than those to be employed or dismissed by the board of directors <u>in accordance with relevant regulations and procedures;</u>
	(14) <u>to decide on the appointment or dismissal of the audit institution and its remuneration for related services other than annual report audit in accordance with the authorization of the board of directors;</u>

NOTICE OF EXTRAORDINARY GENERAL MEETING

Original Provision	Amended Provision
	<p>(15) <u>to draft the performance appraisal and major income distribution plan of the Company, including the total salary budget and liquidation plan of the Company (if there are other provisions on state-owned assets supervision, such provisions shall prevail); to draft the Company's employee income distribution plan and the Company's annuity plan; to decide on the Company's Employee remuneration implementation matters, including but not limited to monthly salary payment quota, performance appraisal implementation and cashing, etc.;</u></p> <p>(16) <u>to draft the Company's plans for establishing a risk management system, internal control system, illegal operation and investment liability investigation system, and legal compliance management system; to decide on the Company's major accounting policies and accounting estimate change plans; to decide on the person in charge of the Company's internal audit department;</u></p> <p>(17) <u>to propose appointment or replacement of Directors and shareholder representative Supervisors of wholly-owned subsidiaries directly managed by the Company, to propose appointment, replacement or recommendation of shareholder representatives, directors (candidates) and shareholder representative supervisors (candidates) of subsidiaries directly managed by the Company;</u></p> <p>(18) <u>to draft amendment plans to this Articles of Association;</u></p> <p>(19) <u>to draft matters such as the merger, division, reorganization or dissolution of the wholly-owned subsidiaries or holding subsidiaries of the Company;</u></p> <p>(20) <u>to draft share incentive scheme;</u></p>

NOTICE OF EXTRAORDINARY GENERAL MEETING

Original Provision	Amended Provision
	<p>(21) <u>to draft the annual external donation, sponsorship plan and donation plan of the Company;</u></p> <p>(22) to propose to convene extraordinary board meetings in case of emergence;</p> <p>(23) <u>to organize and implement the Company's external investment (including capital increase and equity transfer of investee enterprises), financing, risk investment and entrusted financial management, external guarantees, asset disposal and other matters within its authority under the authorization of the board of directors;</u></p> <p>(24) <u>to formulate corporate governance policies and practices of the Company;</u></p> <p>(25) <u>to establish a general manager office meeting and special meeting system, convene and preside over general manager office meetings and special meetings;</u></p> <p>(26) <u>to coordinate, inspect and supervise the production, operation, reform and management of various departments and branches (subsidiaries);</u></p> <p>(27) <u>to propose suggestions on matters relating to the Company's exercise of the rights of shareholders in the investee company;</u></p> <p>(28) other functions and powers delegated by the Articles of Association and the board of directors.</p>
	<p>Addition of Article 134 <u>The management shall formulate the working rules for the general manager, which shall be implemented upon approval by the Board. The general manager shall exercise his/her powers through meetings such as general manager office meetings.</u></p>

NOTICE OF EXTRAORDINARY GENERAL MEETING

Original Provision	Amended Provision
	<u>Addition of Article 135 The Company implements the general counsel system, gives full play to the role of the general counsel in the legal review and control of the operation and management, and promotes the legal operation and compliance management of the Company.</u>

15. To consider and approve the provision of guarantees by the Group from the date of passing this resolution to the end of the Company's annual general meeting in 2024. Details are set out below:

- (i) The Company will provide guarantees to the onshore subsidiaries controlled by the Company in respect of the credit business and other business of banks and other financial institutions, and provide guarantees to the offshore subsidiaries controlled by the Company in respect of the credit business and other business of banks and other financial institutions pursuant to the relevant requirements of the PRC;
- (ii) Guarantees in respect of the credit business and other businesses of banks and other financial institutions will be provided by onshore and offshore subsidiaries controlled by the Company to each other pursuant to the relevant requirements of the PRC.

The total amount of guarantees provided by the Company to its domestic and overseas holding subsidiaries according to paragraphs (i) and (ii) above must not exceed RMB1.0 billion, and the Company shall approve the authorization of the Board to implement such guarantees.

By Order of the Board
Yunnan Water Investment Co., Limited*
Mei Wei
Chairman

Kunming, the PRC
13 December 2023

Notes:

- (1) Pursuant to the Listing Rules, voting on all resolutions at a general meeting shall be by way of poll. The poll results of the EGM will be published on the websites of the Stock Exchange and the Company in accordance with the requirements of the Listing Rules.
- (2) For the purpose of ascertaining eligibility to attend and vote at the EGM, the register of members of the Company will be closed from Friday, 22 December 2023 to Friday, 29 December 2023 (both dates inclusive) during which registration for transfer of shares will be suspended. Holders of H Shares who intend to attend and vote at the EGM shall deliver all transfer forms together with the relevant share certificates to the Company's H Share registrar in Hong Kong, Tricor Investor Services Limited, at or before 4:30 p.m. on Thursday, 21 December 2023.
- (3) Shareholder who is entitled to attend and vote at the EGM may appoint one or more proxies to attend and vote on his/her behalf. A proxy needs not be a Shareholder. If the Shareholder appoints more than one proxy, his/her proxies may only vote by poll.

NOTICE OF EXTRAORDINARY GENERAL MEETING

- (4) The instrument appointing a proxy shall be in writing under the hand of the appointor or his attorney duly authorized in writing. If the Shareholder is a legal entity, then the relevant appointing document must be either under seal or under the hand of its director or attorney duly authorized. If the instrument appointing a proxy is signed by a person duly authorized by the Shareholder, the powers of attorney or other instruments of authorization shall be notarized.
- (5) The proxy form together with the power of attorney or other authorization documents, if any, must be delivered to the secretariat of the Board located at the principal place of business of the Company in the PRC (for holders of Domestic Shares) or the Company's H Share registrar in Hong Kong, Tricor Investor Services Limited (for holders of H Shares) not later than 24 hours before the time appointed for the holding of the EGM or any adjourned meeting thereof (as the case may be) in order to be effective.
- (6) The H Share registrar of the Company in Hong Kong is Tricor Investor Services Limited and its address and contact information are as follows:
- 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong
Tel: (+852) 2980 1333
Fax: (+852) 2810 8185
- (7) The address and contact information of the principal place of business of the Company in the PRC are as follows:
- Principal place of business in the PRC:*
Yunnan Water, 2089 Haiyuan Bei Road, Gaoxin District, Kunming, Yunnan Province, the PRC
- Contact information:*
Yunnan Water, 2089 Haiyuan Bei Road, Gaoxin District, Kunming, Yunnan Province, the PRC
Contact person: Ms. Guo Jia
Tel: (+86) 871 6720 9927
Fax: (+86) 871 6720 3907
- (8) Pursuant to the Articles of Association, for joint registered Shareholders consisting of two or more persons, only the Shareholder whose name appear first on the register of members of the Company is entitled to receive this notice, attend the EGM and exercise the entire voting rights conferred by the relevant Shares, and this notice shall be deemed to have served all such joint registered Shareholders.
- (9) The EGM is expected to last for no more than half a day. Shareholders who attend the EGM in person or their proxies shall be responsible for their own travelling and accommodation expenses. Shareholders or their proxies who attend the EGM must produce their identity documents for identification.

* *For identification purposes only*