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中國水業集團有限公司*
CHINA WATER INDUSTRY GROUP LIMITED

(Incorporated in the Cayman Islands with limited liability)

(Stock code: 1129)

**PROPOSED AMENDMENTS TO
THE MEMORANDUM AND ARTICLES OF ASSOCIATION AND
ADOPTION OF THE AMENDED AND RESTATED MEMORANDUM AND
ARTICLES OF ASSOCIATION**

The board (“**Board**”) of directors (“**Director(s)**”) of China Water Industry Group Limited (the “**Company**”) proposes to amend the existing memorandum of association of the Company (the “**Memorandum of Association**”) and articles of association (the “**Articles of Association**”) of the Company at the forthcoming annual general meeting (the “**Annual General Meeting**”) for the purposes of bringing the existing Memorandum of Association and Articles of Association in line with, among other things, the latest legal and regulatory requirements, including the amendments made to the applicable laws of the Cayman Islands and Appendix 3 to the Rules Governing the Listing of Securities (“**Listing Rules**”) on The Stock Exchange of Hong Kong Limited which took effect on 1 January 2022 and to incorporate certain housekeeping amendments (the “**Proposed Amendments**”). In view of the number of amendments, the Board proposes to make the Proposed Amendments by way of adoption of a new set of amended and restated memorandum of association (the “**Amended and Restated Memorandum**”) and articles of association (the “**Amended and Restated Articles**”, together with the Amended and Restated Memorandum, the “**Amended and Restated Memorandum and Articles of Association**”).

A summary of the Proposed Amendments are set out as follows:

- (1) to update the definition of “Companies Law” to align with the Companies Act, Cap. 22 (Act 3 of 1961, as consolidated and revised) of the Cayman Islands (the “**Act**”);
- (2) to include certain definitions to align with the applicable laws of the Cayman Islands and the Listing Rules, including “clear days”, “close associates”, “Company’s website”, “electronic communication”, “electronic meeting”, “HKSCC”, “hybrid meeting”, “Meeting Location”, “physical meeting”, “Principal Meeting Place” and “substantial shareholder”, and making corresponding changes to the relevant article provisions;

* *For identification purpose only*

- (3) to remove the definitions of “business day” and “Designated Stock Exchange”;
- (4) to clarify that the definitions of “clearing house” includes HKSCC, “subsidiary” shall have the meanings ascribed to it by section 15 of the Companies Ordinance (Chapter 622 of the laws of Hong Kong) as in force from time to time, and “substantial shareholder” shall mean a person who is entitled to exercise, or to control the exercise of, 10% or more (or such other percentage as may be prescribed by the Listing Rules) of the voting power at any general meeting of the Company;
- (5) to clarify that the expressions referring to “writing” or “printing” include representation which takes the form of electronic display;
- (6) to clarify that references to a meeting shall mean a meeting convened and held in any manner permitted by the Amended and Restated Articles and any shareholder of the Company (“**Shareholder(s)**” or “**Member(s)**”) or Director attending and participating at a meeting by means of electronic facilities shall be deemed to be present at that meeting;
- (7) to clarify that references to the right of a Member to speak at an electronic meeting or a hybrid meeting shall include the right to raise questions or make statements to the chairman of the meeting, verbally or in writing form, by means of electronic facilities, and such a right shall be deemed to have been duly exercised if the questions or statements may be heard or seen by all or only some of the persons present at the meeting (or only by the chairman of the meeting) in which event the chairman of the meeting shall relay the questions raised or statements made verbatim to all persons present at the meeting, either orally or in writing using electronic facilities;
- (8) to clarify that references to a person’s participation in the business of a general meeting include without limitation and as relevant the right (including, in the case of a corporation, through a duly authorised representative) to speak or communicate, vote, be represented by a proxy and have access in hard copy or electronic form to all documents which are required to be made available at the meeting;
- (9) to clarify that references to electronic facilities include, without limitation, website addresses, webinars, webcast, video or any form of conference call systems (telephone, video, web or otherwise);
- (10) to exclude the application of Section 8 and Section 19 of the Electronic Transactions Act (2003) of the Cayman Islands, as amended from time to time, to the extent it imposes obligations or requirements in addition to those set out in the Amended and Restated Articles;
- (11) to clarify that where a Member is a corporation, any reference to a Member shall, where the context requires, refer to a duly authorised representative of such Member;
- (12) to clarify that if at any time the capital is divided into different classes of shares, at every such separate general meeting, any holder of shares of the class present in person (or, in the case of a Shareholder being a corporation, by its duly authorised representative) or by proxy may demand a poll;

- (13) to reflect the current authorised share capital of the Company, which is HK\$2,200,000,000.00 divided into 200,000,000,000 ordinary shares of HK\$0.01 each and 2,000,000,000 convertible preference shares of HK\$0.10 each;
- (14) to remove the provision which provides that where the Company purchases a redeemable share, purchases proposed to be made otherwise than by tender or through a stock exchange shall not exceed one hundred (100) per cent. of the average closing prices for dealings in one or more board lots of such shares on the principal stock exchange on which the shares are traded for the five (5) trading days immediately before the date on which the purchase is made, and where such purchase is made by tender shall be made available to all holders of such shares on the same terms;
- (15) to authorise the Company to make payments in respect of the purchase of its Shares out of capital or out of other account or fund which can be authorised for this purpose in accordance with the Companies Act;
- (16) to reflect a change of the Cayman law and to provide flexibility by allowing the Board to accept the surrender for no consideration of any fully paid shares of the Company (the “**Shares**”);
- (17) to provide that subject to compliance with the Listing Rules and the rules and regulations of any other competent regulatory authority of the Relevant Territory (as defined in the Amended and Restated Articles), the Company may give financial assistance for the purpose of or in connection with a purchase made or to be made by any person of any Shares;
- (18) to clarify that the principal register and branch register of Shareholders, as the case maybe, shall be open to inspection for at least two (2) hours during business hours by Shareholders without charge or by any other person, upon a maximum payment of HK\$2.50 or such lesser sum specified by the Directors;
- (19) to amend the period within which share certificates should be issued after allotment or lodgement of a transfer to within ten (10) days (or within such other period as the conditions of issue shall provide or is required by the Listing Rules);
- (20) to remove securities seal from being an alternative to the Company’s seal to be affixed or imprinted to certificate for Shares, warrants or debentures or representing any other form of securities of the Company;
- (21) to remove the adoption of procedures set out in section 71A of the Companies Ordinance (Chapter 32 of the Laws of Hong Kong) in issuing any new share certificate to a shareholder where any share certificate is lost;
- (22) to provide that title to such listed shares may be evidenced and transferred in accordance with the laws applicable to and the Listing Rules that are or shall be applicable to such listed shares, and that the register of members of the Company in respect of its listed shares may be kept by recording the particulars required by the Companies Act in a form otherwise legible if such recording complies with the applicable laws and regulations and the Listing Rules that are or shall be applicable to such listed shares;

- (23) to allow giving notice on the suspension of registration of transfers and closure of register by any electronic means in such manner as may be accepted by the relevant stock exchange in the Relevant Territory;
- (24) to amend the article such that an annual general meeting must be held within six (6) months after the end of the Company's financial year (or such longer period as may be permitted by the Listing Rules);
- (25) to provide that the Board may in its absolute discretion determine to hold a general meeting (including an annual general meeting, any adjourned meeting or postponed meeting) as a physical meeting in the Relevant Territory or in any part of the world and at one or more locations, as a hybrid meeting or as an electronic meeting;
- (26) to amend the notice period of general meetings such that an annual general meeting must be called by notice of not less than twenty-one (21) clear days and all other general meetings (including an extraordinary general meeting) must be called by notice of not less than fourteen (14) clear days;
- (27) to provide that a notice of general meeting shall specify (a) the day and the hour of meeting, (b) save for an electronic meeting, the place of the meeting and if there is more than one meeting location as determined by the Board, the principal place of the meeting (the "**Principal Meeting Place**"), (c) if the general meeting is to be a hybrid meeting or an electronic meeting, such notice shall include a statement to that effect and with details of the electronic facilities for attendance and participation by electronic means at the meeting or where such details will be made available by the Company prior to the meeting, and (d) particulars of resolutions to be considered at the meeting and, in case of special business, the general nature of that business;
- (28) to allow, for quorum purposes only, two (2) persons appointed by the clearing house as authorised representative or proxy to form a quorum for a general meeting of the Company for all purposes;
- (29) to provide that the chairman of the Board, or if there is more than one chairman of the Board, any one of them as may be agreed amongst themselves or failing such agreement, any one of them elected by all the Directors present shall preside as chairman at a general meeting;
- (30) to provide that if at any meeting no chairman is present within fifteen (15) minutes after the time appointed for holding the meeting, or is willing to act as chairman, the deputy chairman or vice chairman of the Company or if there is more than one deputy chairman or vice chairman, any one of them as may be agreed amongst themselves or failing such agreement, any one of them elected by all the Directors present shall preside as chairman;
- (31) to provide that if no chairman or deputy chairman or vice chairman is present or is willing to act as chairman of the meeting, the Directors present shall choose one of their number to act, or if one Director only is present he shall preside as chairman if willing to act;

- (32) to provide that if the chairman of a general meeting is participating the general meeting using an electronic facility or facilities and becomes unable to participate in the general meeting using such electronic facility or facilities, another person (determined in accordance with the Amended and Restated Articles) shall preside as chairman of the meeting unless and until the original chairman of the meeting is able to participate in the general meeting using the electronic facility or facilities;
- (33) to allow the chairman of the meeting, with the consent of any general meeting at which a quorum is present, to adjourn any meeting from time to time (or indefinitely) and/or from place to place(s) and/or from one form to another (a physical meeting, a hybrid meeting or an electronic meeting);
- (34) to allow the Board to arrange for persons entitled to attend a general meeting to do so by simultaneous attendance and participation by means of electronic facilities at such location or locations (“**Meeting Location(s)**”) determined by the Board at its absolute discretion, and any Shareholder or proxy attending in such way or participating in an electronic meeting or a hybrid meeting by means of electronic facilities is deemed to be present at and shall be counted in the quorum of the meeting;
- (35) to provide that where a Shareholder is attending a Meeting Location and/or in the case of a hybrid meeting, the meeting shall be treated as having commenced if it has commenced at the Principal Meeting Place;
- (36) to provide that Shareholders present in person or by proxy at a Meeting Location and/or Shareholders attending and participating in an electronic meeting or a hybrid meeting by means of electronic facilities shall be counted in the quorum for and entitled to vote at the meeting in question, and that meeting shall be duly constituted and its proceedings valid provided that the chairman of the meeting is satisfied that adequate electronic facilities are available throughout the meeting to ensure that Shareholders at all Meeting Locations and Members participating in an electronic meeting or a hybrid meeting by means of electronic facilities are able to participate in the business for which the meeting has been convened;
- (37) to provide that where Shareholders attend a meeting by being present at one of the Meeting Locations and/or where Shareholders participating in an electronic meeting or a hybrid meeting by means of electronic facilities, a failure (for any reason) of the electronic facilities or communication equipment, or any other failure in the arrangements for enabling those in a Meeting Location other than the Principal Meeting Place to participate in the business for which the meeting has been convened or in the case of an electronic meeting or a hybrid meeting, the inability of one or more Shareholders or proxies to access, or continue to access, the electronic facilities despite adequate electronic facilities having been made available by the Company, shall not affect the validity of the meeting or the resolutions passed, or any business conducted there or any action taken pursuant to such business provided that there is a quorum present throughout the meeting;
- (38) to provide that if any of the Meeting Locations is not in the same jurisdiction as the Principal Meeting Place and/or in the case of a hybrid meeting, the provisions of the Amended and Restated Articles concerning the service and giving of notice for the

meeting, and the time for lodging proxies, shall apply by reference to the Principal Meeting Place; and in the case of an electronic meeting, the time for lodging proxies shall be as stated in the notice for the meeting;

- (39) to provide the Board and, at any general meeting, the chairman of the meeting the power to, from time to time, make arrangements for managing attendance and/or participation and/or voting at the Principal Meeting Place, any Meeting Location(s) and/or participation in an electronic meeting or a hybrid meeting by means of electronic facilities;
- (40) to provide that if it appears to the chairman of the general meeting that:
- a. the electronic facilities at the Principal Meeting Place or at such other Meeting Location(s) at which the meeting may be attended have become inadequate for the meeting; or
 - b. in the case of an electronic meeting or a hybrid meeting, electronic facilities being made available by the Company have become inadequate; or
 - c. it is not possible to ascertain the view of those present or to give all persons entitled to do so a reasonable opportunity to communicate and/or vote at the meeting; or
 - d. there is violence or the threat of violence, unruly behaviour or other disruption occurring at the meeting or it is not possible to secure the proper and orderly conduct of the meeting,

then the chairman may interrupt or adjourn the meeting (including adjournment for indefinite period). All business conducted at the meeting up to the time of such adjournment shall be valid;

- (41) to provide the Board and the chairman of the meeting the power to make any arrangement for and impose any requirement or restriction appropriate to ensure the security and orderly conduct of a meeting;
- (42) to empower the Directors to change or postpone the meeting to another date, time and/or place and/or change the electronic facilities and/or change the form of the meeting (a physical meeting, an electronic meeting or a hybrid meeting) without approval from the Shareholders, and to provide that notice of the business to be transacted at the postponed or changed meeting shall not be required, nor shall any accompanying documents be required to be re-circulated;
- (43) to provide that all persons seeking to attend and participate in an electronic meeting or a hybrid meeting shall be responsible for maintaining adequate facilities to enable them to do so;
- (44) to provide that a physical meeting may also be held by means of such telephone, electronic or other communication facilities as permit all persons participating in the meeting to communicate with each other simultaneously and instantaneously, and participation in such a meeting shall constitute presence in person at such meeting;

- (45) to remove the provision that a poll shall be taken in such manner (including the use of ballot or voting papers or tickets) as the Chairman directs;
- (46) to provide that in case of any dispute as to the admission or rejection of any vote, the Chairman shall determine the same, and such determination shall be final and conclusive;
- (47) to remove the provision that any question of adjournment shall be decided at the meeting and without adjournment;
- (48) to provide that a resolutions put to the vote of a meeting shall be decided by way of a poll save that the chairman of the meeting may, in good faith, allow a resolution which relates purely to a procedural or administrative matter to be voted on by a show of hands, in which case every Member present in person (or being a corporation, is present by a duly authorized representative), or by proxy(ies) shall have one vote provided that where more than one proxy is appointed by a Member which is a clearing house (or its nominee(s)), each such proxy shall have one vote on a show of hands. For purposes of Article 79 of the Amended and Restated Articles, procedural and administrative matters are those that (i) are not on the agenda of the general meeting or in any supplementary circular that may be issued by the Company to its Members; and (ii) relate to the chairman's duties to maintain the orderly conduct of the meeting and/or allow the business of the meeting to be properly and effectively dealt with, whilst allowing all Members a reasonable opportunity to express their views;
- (49) to provide that votes (whether on a show of hands or by way of poll) may be cast by such means, electronic or otherwise, as the Directors or the chairman of the meeting may determine;
- (50) to provide that in the case of a physical meeting where a show of hands is allowed, before or on the declaration of the result of the show of hands a poll may be demanded:
- a. by at least three (3) Shareholders present in person (or in the case of a Shareholder being a corporation by its duly authorised representative) or by proxy for the time being entitled to vote at the meeting; or
 - b. by a Shareholder or Shareholders present in person (or in the case of a Shareholder being a corporation by its duly authorised representative) or by proxy and representing not less than one-tenth of the total voting rights of all Shareholders having the right to vote at the meeting; or
 - c. by a Shareholder or Shareholders present in person (or in the case of a Shareholder being a corporation by its duly authorised representative) or by proxy and holding shares in the Company conferring a right to vote at the meeting being shares on which an aggregate sum has been paid up equal to not less than one-tenth of the total sum paid up on all shares conferring that right;
- (51) to provide that where a resolution is voted on by a show of hands, a declaration by the chairman that a resolution has been carried, or carried unanimously, or by a particular majority, or not carried by a particular majority, or lost, and an entry to that effect

made in the minute book of the Company, shall be conclusive evidence of the facts without proof of the number or proportion of the votes recorded for or against the resolution;

- (52) to provide all Shareholders the right to (a) speak at a general meeting; and (b) vote at a general meeting except where a Shareholder is required, by the Listing Rules, to abstain from voting to approve the matter under consideration;
- (53) to allow instruments of proxy to be returned to the Company by electronic means;
- (54) to clarify that where a Shareholder is a clearing house (or its nominee(s)), it may appoint proxies or authorise such persons as it thinks fit to act as its corporate representatives, who enjoys rights equivalent to the rights of other shareholders, at any meeting (including general meetings) and each person so authorised shall be deemed to have been duly authorised without further evidence of the facts and shall be entitled to exercise the same rights and powers, including, the right to speak and vote;
- (55) to provide that the Company shall not make any loan, directly or indirectly, to a Director or a body corporate controlled by a Director or his close associates if and to the extent it would be prohibited by the Companies Ordinance (Chapter 622 of the laws of Hong Kong) as if the Company were a company incorporated in Hong Kong;
- (56) to provide that where a director shall not vote nor be counted in the quorum on a resolution of the Directors approving any contract or arrangement or proposal in which he or his close associates is interested, such Director shall physically absent himself from the relevant session of the meeting of the Directors;
- (57) to empower the Directors to appoint any person as a Director either to fill a casual vacancy or as an additional Director from time to time and at any time but so that the number of Directors so appointed shall not exceed the maximum number determined from time to time by the Shareholders in general meeting;
- (58) to clarify that the Director appointed either to fill a casual vacancy or as an additional Director shall hold office only until the next following annual general meeting of the Company after his appointment and shall then be eligible for re-election;
- (59) to clarify that the notice period of intention to propose a person for election as a Director and that person's willingness to be elected shall be at least seven (7) clear days before the date of the general meeting and that the period of lodgement of such notices shall commence no earlier than the day after the despatch of the notice of the general meeting appointed for such election and shall be at least seven (7) clear days in length;
- (60) to provide that, in relation to a resolution in writing signed by all the Directors (or their alternate Directors), a notification of consent to such resolution given by a Director in writing to the Board by any means (including by means of electronic communication) shall be deemed to be his/her signature to such resolution in writing;

- (61) to allow the Company or the Directors, subject to the Listing Rules and notwithstanding any other provision of the Amended and Restated Articles, to fix any date as record date for determining the Shareholders entitled to receive notice of and to vote at any general meeting of the Company;
- (62) to empower the Board to capitalise certain reserves or funds of the Company, including a share premium account and the profit and loss account, to pay up unissued shares to be allotted to employees or trustee in connection with the operation of any share incentive scheme or employee benefit scheme that has been adopted or approved by the Members at a general meeting;
- (63) to allow Members at each annual general meeting or at subsequent extraordinary general meeting in each year by ordinary resolution to appoint one or more firms of auditors to hold office until the conclusion of the next annual general meeting;
- (64) to amend the fixing of the remuneration of the auditor of the Company (the “**Auditor**”), such that, the remuneration of the Auditor shall be fixed by the Members by ordinary resolution in general meeting;
- (65) to allow Shareholders to remove the Auditor or Auditors by ordinary resolution at any general meeting convened and held at any time before the expiration of the term of office and to appoint another Auditor by ordinary resolution in its place at that meeting for the remainder of the term;
- (66) to provide for more electronic channels for the giving or issue of any notice or document by or on behalf of the Company (including any “corporate communication” within the meaning ascribed thereto in the Listing Rules);
- (67) to provide that where the Company is unable to send any notice or other document to the electronic address supplied by a Shareholder, the Company may in lieu of the sending of any notice or other document to the electronic address supplied by the Shareholder concerned, place the same on the Company’s website and any such placement shall be deemed effective service on the Shareholder;
- (68) to provide that Members may require the Company to send them printed copy of any notice or document in addition to an electronic copy thereof; and
- (69) to clarify that the Company may exercise the power to cease sending cheques for dividend entitlements or dividend warrants after two (2) consecutive occasions on which such cheques or warrants have been left uncashed or after the first occasion on which such cheque or warrant is returned undelivered.

Other housekeeping amendments to the existing Memorandum of Association and Articles of Association are also proposed, including making consequential amendments in connection with the above amendments to the existing Memorandum of Association and Articles of Association and for clarity and consistency with the other provisions of the existing Memorandum of Association and Articles of Association where it is considered desirable and to better align the wording with those of the Listing Rules and the applicable laws of the Cayman Islands.

The proposed adoption of the Amended and Restated Memorandum and Articles of Association is subject to the approval of the Shareholders by way of a special resolution at the forthcoming Annual General Meeting expected to be held on Friday, 24 June 2022, and will become effective upon the approval by the Shareholders at the Annual General Meeting.

A circular containing, among other matters, details of the Proposed Amendments brought about by the adoption of the Amended and Restated Memorandum and Articles of Association, together with a notice of the Annual General Meeting will be despatched to the Shareholders in due course.

By order of the Board
China Water Industry Group Limited
Mr. Zhu Yongjun
Chairman and Executive Director

Hong Kong, 13 May 2022

As at the date of this announcement, the Board comprises Mr. Zhu Yongjun (Chairman), Ms. Chu Yin Yin, Georgiana, Ms. Deng Xiao Ting and Mr. Hu Siyun, all being executive Directors, Mr. Wong Siu Keung, Joe, Mr. Lam Cheung Shing, Richard and Ms. Qiu Na, all being independent non-executive Director.