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Kunming Dianchi Water Treatment Co., Ltd.

昆明滇池水务股份有限公司

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

(Stock Code: 3768)

(1) RESIGNATION OF NON-EXECUTIVE DIRECTOR AND PROPOSED APPOINTMENT OF NON-EXECUTIVE DIRECTOR; (2) PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION; AND (3) PROPOSED AMENDMENTS TO THE RULES OF PROCEDURES OF THE SHAREHOLDERS' GENERAL MEETING

(1) RESIGNATION OF NON-EXECUTIVE DIRECTOR AND PROPOSED APPOINTMENT OF NON-EXECUTIVE DIRECTOR

The board (the “**Board**”) of Directors (the “**Director(s)**”) of Kunming Dianchi Water Treatment Co., Ltd. (the “**Company**”, together with its subsidiaries, the “**Group**”) announces that Ms. Ren Na (“**Ms. Ren**”), a non-executive Director of the Company, tendered her resignation as a non-executive Director of the Company to the Board on 7 March 2023 due to work re-arrangement and her resignation will take effect on the day when the new non-executive Director to replace her is elected and appointed at the 2023 first extraordinary general meeting to be convened by the Company.

Ms. Ren has confirmed that she has no disagreement with the Board and there are no matters with respect to her resignation that need to be brought to the attention of the shareholders of the Company (the “**Shareholders**”), creditors of the Company or The Stock Exchange of Hong Kong Limited (the “**Hong Kong Stock Exchange**”).

The Company extends sincere gratitude to Ms. Ren for her contribution to the Company's development during her term as a non-executive Director of the Company.

As considered and approved by the Company at the 162nd meeting of the first session of the Board held on 7 March 2023, Mr. Zhou Jianbo (周建波) (“**Mr. Zhou**”) was proposed to be appointed as a non-executive Director on the first session of the Board, and a resolution in relation to the proposed appointment of Mr. Zhou as a non-executive Director of the Company will be submitted at the 2023 first extraordinary general meeting for consideration and approval by the Shareholders. The aforementioned proposed appointment will be subject to approval by the Shareholders at the 2023 first extraordinary general meeting by way of ordinary resolution.

Biographical details of Mr. Zhou are as follows:

Zhou Jianbo, aged 36, holds a bachelor's degree in management and is a certified public accountant and senior accountant in the PRC. He graduated from Yunnan University of Finance and Economics (雲南財經大學) in July 2010 majoring in accounting (certified public accountant).

Mr. Zhou worked at Yunnan Tiancheng Accounting Firm Co., Ltd.* (雲南天成會計師事務所有限公司) from July 2010 to September 2011 and was responsible for audit work; served as the project manager of BDO China Shu Lun Pan Certified Public Accountants LLP, Yunnan* (立信會計師事務所(特殊普通合伙)雲南分所) from September 2011 to June 2014; worked at Yunnan Petrochemical Gas Co. Ltd.* (雲南石化燃氣有限公司) from June 2014 to March 2017 and was responsible for financial management; and has worked at Yunnan Investment Holding Group Co., Ltd.* (雲南省投資控股集團有限公司) since March 2017 and is responsible for risk management and control and financial management. Mr. Zhou has also served as a director of Yunnan Medical Investment and Management Group Co., Ltd.* (雲南省醫療投資管理集團有限公司) and Yunnan Yunjing Forestry & Pulp Co., Ltd.* (雲南雲景林紙股份有限公司) since November 2022 and February 2023, respectively.

The appointment of Mr. Zhou as a non-executive Director of the Company will become effective after the resolution of his appointment is approved at the 2023 first extraordinary general meeting. Thereafter, the Company will enter into a director service agreement with Mr. Zhou for a term commencing from the day when the aforementioned resolution is considered and approved at the 2023 first extraordinary general meeting till the day when the election of the next session of the Board is completed. Mr. Zhou will not receive any remuneration from the Company during his tenure as a non-executive Director of the Company.

To the best knowledge of the Board, save as disclosed above and as at the date of this announcement: (1) Mr. Zhou did not hold any directorship in public companies whose securities are listed in Hong Kong or any overseas securities markets in the past three years; (2) Mr. Zhou is not connected to any Director, supervisor, senior management, substantial shareholder or controlling shareholder of the Company; (3) before Mr. Zhou's appointment as a non-executive Director of the Company comes into effect, he does not hold any other positions in the Company or any other member companies of the Group; and (4) Mr. Zhou does not have any interests in the shares of the Company or its associated corporations (as defined in Part XV of the Securities and Futures Ordinance of Hong Kong). Save as disclosed above, there is no other information that needs to be disclosed pursuant to paragraphs (h) to (v) of Rule 13.51(2) of the Rules Governing the Listing of Securities on the Hong Kong Stock Exchange (the "**Listing Rules**"), nor are there any other matters in relation to Mr. Zhou that need to be brought to the attention of the Shareholders.

A circular containing details of, among other things, the proposed appointment of Mr. Zhou as a non-executive Director, together with a notice convening the 2023 first extraordinary general meeting, will be dispatched to the Shareholders in due course.

* For identification purpose only

(2) **PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION**

According to the requirements of relevant provisions on core shareholder protection standards under the Listing Rules and the “Company Law of the People’s Republic of China” and other relevant laws and regulations and relevant requirements of supervision of state-owned assets, the resolution on proposed amendments to the articles of association of the Company (the “**Articles of Association**”) (the “**Proposed Amendments**”) was considered and approved at the 162nd meeting of the first session of the Board held on 7 March 2023, details of the Proposed Amendments are as follows:

Current version	Amended version
<p>Article 58 The ordinary shareholders of the Company shall enjoy the following rights:</p> <p>.....</p> <p>(2) the right to request, convene, chair, attend and vote in person or appoint a proxy to attend and vote on his/her behalf at general meetings in proportion to the number of shares held in accordance with the law;</p> <p>.....</p>	<p>Article 58 The ordinary shareholders of the Company shall enjoy the following rights:</p> <p>.....</p> <p>(2) the right to request, convene, chair, attend and vote in person or appoint a proxy to attend, <u>exercise the right of speech</u> and vote on his/her behalf at general meetings in proportion to the number of shares held in accordance with the law (<u>unless a shareholder is required by the Main Board Listing Rules to abstain from voting on a particular matter</u>);</p> <p>.....</p>
<p>Article 67 Shareholders requesting the convening of extraordinary general meetings or class shareholders’ meetings shall follow the procedures listed below:</p> <p>(1) Shareholder(s) individually or collectively holding at least 10% (including 10%) of the shares carrying voting rights at the meeting to be convened may, by signing one or more counterpart written requisition(s) stating the object of the meeting, require the Board to convene an extraordinary general meeting or a class shareholders’ meeting. The Board shall as soon as possible after receipt of such written requisition(s) proceed to so convene the extraordinary general meeting or class shareholders’ meeting. The shareholdings referred to above shall be calculated as at the date of the delivery of the written requisition(s).</p>	<p>Article 67 Shareholders requesting the convening of extraordinary general meetings or class shareholders’ meetings shall follow the procedures listed below:</p> <p>(1) Shareholder(s) individually or collectively holding at least 10% (including 10%) of the <u>total number of</u> shares carrying voting rights <u>at the meeting to be convened in the share capital of the Company</u> may, by signing one or more counterpart written requisition(s) stating the object of the meeting, require the Board to convene an extraordinary general meeting or a class shareholders’ meeting. The Board shall as soon as possible after receipt of such written requisition(s) proceed to so convene the extraordinary general meeting or class shareholders’ meeting. The shareholdings referred to above shall be calculated as at the date of the delivery of the written requisition(s).</p>

Current version	Amended version
<p>(2) Where the Board fails to issue notice of convening meeting within 30 days upon receipt of the above written request, the shareholder(s) making the request mentioned in subsection (1) may request by written requisition(s) the Board of Supervisors to convene the extraordinary general meeting or class shareholders' meeting.</p> <p>(3) Where the Board of Supervisors fails to issue notice of convening meeting within 30 days upon receipt of the above written request, shareholder(s), for at least 90 consecutive days, individually or collectively holding at least 10% of the shares carrying voting rights at the meeting to be convened may convene the meeting on their own accord within four months upon the Board having received such request. The convening procedures shall, to the extent possible, be identical to procedures according to which general meetings are to be convened by the Board.</p> <p>All reasonable expenses incurred for such meeting convened by the shareholders as a result of the failure of the Board and Board of Supervisors to convene a meeting as required by the above request(s) shall be borne by the Company and be set off against sums owed by the Company to the defaulting directors or supervisors.</p>	<p>(2) Where the Board fails to issue notice of convening meeting within 30 days upon receipt of the above written request, the shareholder(s) making the request mentioned in subsection (1) may request by written requisition(s) the Board of Supervisors to convene the extraordinary general meeting or class shareholders' meeting.</p> <p>(3) Where the Board of Supervisors fails to issue notice of convening meeting within 30 days upon receipt of the above written request, shareholder(s), for at least 90 consecutive days, individually or collectively holding at least 10% of the total number of shares carrying voting rights at the meeting to be convened in the share capital of the Company may convene the meeting on their own accord within four months upon the Board having received such request. The convening procedures shall, to the extent possible, be identical to procedures according to which general meetings are to be convened by the Board.</p> <p>All reasonable expenses incurred for such meeting convened by the shareholders as a result of the failure of the Board and Board of Supervisors to convene a meeting as required by the above request(s) shall be borne by the Company and be set off against sums owed by the Company to the defaulting directors or supervisors.</p>

Current version	Amended version
<p>Article 68 When the Company convenes a shareholders’ annual general meeting, shareholders individually or jointly holding 3% or more of the total voting shares of the Company shall be entitled to propose new resolutions in writing to the Company and submit to the convener 10 days prior to the convening of the general meeting. The convener of the general meeting shall issue a supplemental notice of general meeting to other shareholders within 2 days after the receipt of such proposal and incorporate the matters falling within the scope of duties of the general meeting into the agenda of such meeting. The new agenda shall be tabled to the general meeting for consideration.</p>	<p>Article 68 When the Company convenes a shareholders’ annual general meeting, shareholders individually or jointly holding 3% or more of the total voting shares <u>of in the share capital of</u> the Company shall be entitled to propose new resolutions in writing to the Company and submit to the convener 10 days prior to the convening of the general meeting. The convener of the general meeting shall issue a supplemental notice of general meeting to other shareholders within 2 days after the receipt of such proposal and incorporate the matters falling within the scope of duties of the general meeting into the agenda of such meeting. The new agenda shall be tabled to the general meeting for consideration.</p>
<p>Article 69 To convene a shareholders’ annual general meeting, the Company shall give written notices 20 business days before the date of meeting, and to convene an extraordinary general meeting, the Company shall give written notices 10 business days or 15 days (whichever is longer) before the date of meeting, informing all registered shareholders of the matters proposed to be considered at the meeting and the date and place of the meeting. When calculating the starting date, the date of the meeting shall be excluded. (“Business days” referred to in the Articles of Association represent the days on which the stock exchange where the Company is listed opens for trading of securities).</p> <p>Unless otherwise provided in the Articles of Association, the notice of the shareholders’ general meeting shall be delivered by personal delivery or prepaid mail to the shareholders (whether or not such shareholders have a voting right at the shareholders’ general meeting). The address of the recipient shall be the address registered in the register of shareholders. For the holders of domestic shares, notice of the meeting may be issued by way of public announcement.</p>	<p>Article 69 To convene a shareholders’ annual general meeting, the Company shall give written notices 20 business days before the date of meeting, and to convene an extraordinary general meeting, the Company shall give written notices 10 business days or 15 days (whichever is longer) before the date of meeting, informing all registered shareholders of the matters proposed to be considered at the meeting and the date and place of the meeting. When calculating the starting date, the date of the meeting shall be excluded. (“Business days” referred to in the Articles of Association represent the days on which the stock exchange where the Company is listed opens for trading of securities).</p> <p>Unless otherwise provided in the Articles of Association, the notice of the shareholders’ general meeting shall be delivered by personal delivery or prepaid mail to the shareholders (whether or not such shareholders have a voting right at the shareholders’ general meeting). The address of the recipient shall be the address registered in the register of shareholders. For the holders of domestic shares, notice of the meeting may be issued by way of public announcement.</p>

Current version	Amended version
<p data-bbox="276 219 823 517">“The public announcement” referred to in the preceding paragraph shall be published in one or more newspapers designated by the securities governing authority of the State Council. Upon the publication of the announcement, all holders of domestic shares shall be deemed to have received the notice of the relevant shareholders’ general meeting.</p> <p data-bbox="276 559 823 932">The notice, information or written statement of a shareholders’ general meeting served on the holders of overseas-listed foreign-invested shares may be published through the websites of the Hong Kong Stock Exchange and the Company. Upon the publication of the announcement, all holders of overseas-listed foreign-invested shares shall be deemed to have received the notice of the relevant shareholders’ general meeting.</p> <p data-bbox="276 974 823 1044">A general meeting shall not transact matters not stated in the notice of meeting.</p>	<p data-bbox="839 219 1393 517">“The public announcement” referred to in the preceding paragraph shall be published in one or more newspapers designated by the securities governing authority of the State Council. Upon the publication of the announcement, all holders of domestic shares shall be deemed to have received the notice of the relevant shareholders’ general meeting.</p> <p data-bbox="839 559 1393 932">The notice, information or written statement of a shareholders’ general meeting served on the holders of overseas-listed foreign-invested shares may be published through the websites of the Hong Kong Stock Exchange and the Company. Upon the publication of the announcement, all holders of overseas-listed foreign-invested shares shall be deemed to have received the notice of the relevant shareholders’ general meeting.</p> <p data-bbox="839 974 1393 1044">A general meeting shall not transact matters not stated in the notice of meeting.</p>
<p data-bbox="276 1066 823 1696">Article 74 The instrument appointing a voting proxy shall be deposited at the Company’s domicile or at such other place as is specified in the notice convening the meeting not less than 24 hours prior to the time for holding the meeting at which the proxy proposes to vote. If such instrument is signed by another person under a power of attorney or other authorization documents given by the appointor, such power of attorney or other authorization documents shall be notarized. The notarized power of attorney or other authorization documents shall, together with the instrument appointing the voting proxy, be deposited at the Company’s domicile or at such other place as is specified in the notice convening the meeting.</p>	<p data-bbox="839 1066 1393 1696">Article 74 The instrument appointing a voting proxy shall be deposited at the Company’s domicile or at such other place as is specified in the notice convening the meeting not less than 24 hours prior to the time for holding the meeting at which the proxy proposes to vote. If such instrument is signed by another person under a power of attorney or other authorization documents given by the appointor, such power of attorney or other authorization documents shall be notarized. The notarized power of attorney or other authorization documents shall, together with the instrument appointing the voting proxy, be deposited at the Company’s domicile or at such other place as is specified in the notice convening the meeting.</p>

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

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

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

Current version	Amended version
<p>Article 133 The Company shall have one general manager, who shall be engaged or dismissed by the Board; the Company shall have one chief financial officer, one chief engineer and several deputy general managers, who shall be nominated by the general manager and engaged or dismissed by the Board. The chief financial officer shall be accountable to the Board and the general manager. A director may serve concurrently as the general manager or other senior management members.</p>	<p>Article 133 The Company shall have one general manager, who shall be engaged or dismissed by the Board; the Company shall have one chief financial officer, one chief engineer and several deputy general managers, who shall be nominated by the general manager and engaged or dismissed by the Board. The chief financial officer shall be accountable to the Board and the general manager. A director may serve concurrently as the general manager or other senior management members.</p> <p><u>The management team performs the duties of making and implementing business plans and strengthening management.</u></p>
	<p><u>Chapter 16 Employee Democratic Management and Labour and Personnel System</u></p> <p><u>Article 165 The Company shall comply with national laws and administrative regulations on labour protection and production safety, implement relevant national policies, and protect the legitimate rights and interests of workers. In accordance with national laws, administrative regulations and policies on labour and personnel affairs, and based on the needs of production and operation, the Company shall formulate its systems regarding labour management, personnel affairs and wages. The Company shall continue to improve its market-oriented employment and remuneration structure, implement open recruitment of employees, competition for management promotion and performance appraisal for all staff, establish a market competitive remuneration structure for key and core talents, and flexibly carry out various forms of medium- and long-term incentives.</u></p>

Current version	Amended version
	<p data-bbox="847 225 1388 704"><u>Article 166 The employees of the Company may, according to the “Labour Union Law of the PRC”, organize a labour union, which shall carry out union activities and safeguard the legitimate rights and interests of the employees. The Company shall provide necessary conditions for its labour union to carry out activities. The labour union shall, on behalf of the employees, conclude the collective contract with the Company with respect to the remuneration, working hours, welfare, insurance, work safety and other matters.</u></p> <p data-bbox="847 753 1388 1081"><u>Article 167 To make a decision on restructuring and any important issue related to business operation, or to formulate any important regulation, the Company shall solicit the opinions of its labour union, and shall solicit the opinions and recommendation of the employees through the employee representative meeting or in any other way.</u></p>

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

Note: The Proposed Amendments are prepared in Chinese. In the event of any discrepancy between the Chinese and the English version of the Articles of Association, the Chinese version shall prevail.

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

(3) PROPOSED AMENDMENTS TO THE RULES OF PROCEDURES OF THE SHAREHOLDERS’ GENERAL MEETING

In accordance with the requirements of relevant laws and regulations and the Articles of Association, and based on the actual needs of the Company, the Board proposes to make certain amendments to the Rules of Procedures of the Shareholders’ General Meeting of the Company (the “**Rules of Procedures of the Shareholders’ General Meeting**”) as follows:

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

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

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

Note: The proposed amendments above are prepared in Chinese. In the event of any discrepancy between the Chinese and the English version of the Rules of Procedures of the Shareholders’ General Meeting, the Chinese version shall prevail.

Save for the proposed amendments above, the contents of other chapters and articles of the Rules of Procedures of the Shareholders’ General Meeting remain unchanged.

The proposed amendments to the Articles of Association and the Rules of Procedures of the Shareholders' General Meeting have been considered and approved by the Board and separate resolutions will be proposed at the forthcoming annual general meeting of the Company for consideration and approval by the Shareholders. The proposed amendments to the Articles of Association and the Rules of Procedures of the Shareholders' General Meeting are subject to the approval by the Shareholders by way of special resolutions at the 2022 annual general meeting to be held by the Company.

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

Kunming, the PRC, 7 March 2023

As of the date of this announcement, the Board comprises Mr. Zeng Feng, Mr. Chen Changyong and Mr. Luo Yun, as executive Directors; Ms. Song Hong, Ms. Ren Na and Mr. Zhang Yang, as non-executive Directors; and Ms. Wang Dongfang, Ms. Zheng Dongyu and Mr. Ong King Keung, as independent non-executive Directors.