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**THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION**

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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, 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 and reply slip, to the purchaser or transferee or to the bank, licensed stockbroker, registered dealer in securities or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this circular, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this circular.

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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 REGISTRATION AND ISSUANCE OF CORPORATE  
ONSHORE AND OFFSHORE DEBT FINANCING INSTRUMENTS;  
(II) PROPOSED PROVISION OF GUARANTEES BY THE GROUP;  
AND  
(III) NOTICE OF EGM**

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The EGM of Yunnan Water Investment Co., Limited\* will be held at 10:00 a.m. on Wednesday, 29 April 2020 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 pages 14 to 17 of this circular. The proxy form and reply slip for the EGM are enclosed herewith, and the same is also published on the website of the Hong Kong Exchanges and Clearing Limited ([www.hkexnews.hk](http://www.hkexnews.hk)) and the website of the Company ([www.yunnanwater.cn](http://www.yunnanwater.cn)).

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 54th Floor, Hopewell Centre, 183 Queen's Road East, 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 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.

If you intend to attend the EGM in person, you are required to complete and return the reply slip to the Company's H Share registrar in Hong Kong, Tricor Investor Services Limited (for holders of H Shares) or to the secretariat of the Board (for holders of Domestic Shares) on or before Thursday, 9 April 2020 for the Company to assess whether or not it is necessary to announce the Notice of EGM again. If the number of voting Shares as represented by the reply slips collected by Thursday, 9 April 2020 reaches no less than one half of the total number of the issued Shares, the Company may hold the EGM as stipulated in the Notice of EGM. If not, the Company shall within five days notify the Shareholders again, by public notice or otherwise required in the Articles of Association, of the matters to be considered as well as the date and venue of the EGM. Upon such notification, the Company may hold the EGM.

\* For identification purposes only

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## DEFINITIONS

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

“Authorized Committee”	the working group authorized by the Board for the purpose of the current registration and issuance of the Corporate Onshore and Offshore Debt Financing Instruments
“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
“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)
“Corporate Onshore and Offshore Debt Financing Instruments”	the corporate onshore and offshore debt financing instruments, including but not limited to (a) RMB debt financing instruments including corporate bonds (公司債券), corporate green bonds (綠色企業債券), medium term notes (中期票據), short-term commercial paper (短期融資券), super short-term commercial paper (超短期融資券), asset-backed security (資產支持證券), asset-backed notes (資產支持票據), perpetual mid-term notes (永續中票), renewable corporate bonds (可續期公司債券) and other types permitted for issuance by the regulatory authorities; and (b) offshore debt financing instruments including corporate bonds, foreign currency notes, commercial papers, bonds, subordinated bonds or structured notes denominated in foreign currencies, such as US dollar, Euro, and offshore RMB
“Debt Financing Instrument General Mandate”	the general mandate sought to be granted by the Shareholders to the Board and the Authorized Committee at the EGM, pursuant to which, among others, the Board and the Authorized Committee are authorized to effect the proposed issuance of Corporate Onshore and Offshore Debt Financing Instruments by one-off or multiple or multi-tranche issuances
“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
“EGM”	the Extraordinary General Meeting of the Company to be held at 10:00 a. m. on Wednesday, 29 April 2020 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

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## DEFINITIONS

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“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	Hong Kong Special Administrative Region of the PRC
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Notice of EGM”	the notice to convene the EGM as set out on pages 14 to 17 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
“PRC Company Law”	the Company Law of the PRC (中華人民共和國公司法), as amended, supplemented and otherwise modified from time to time
“RMB”	Renminbi, the lawful currency of the PRC
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Shares”	Domestic Shares and/or H Shares
“Shareholders”	the holders of the Shares
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“subsidiary/(ies)”	has the meaning ascribed to it under the Listing Rules
“%”	per cent

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## EXPECTED TIMETABLE

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**2020**

Deadline for registration of transfer of Shares  
in order to be eligible for attending  
and voting at the EGM. . . . . 4:30 p.m. on Friday, 27 March

Suspension of registration of transfer of Shares . . . . .From Monday, 30 March to  
Wednesday, 29 April  
(both dates inclusive)

Deadline for returning the reply slip for the EGM . . . . .Thursday, 9 April

Deadline for returning the proxy form for the EGM. . . . .10:00 a.m. on Tuesday, 28 April

EGM. . . . . 10:00 a.m. on Wednesday, 29 April

Resumption of registration of transfer of Shares . . . . .Thursday, 30 April

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LETTER FROM THE BOARD

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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)

**Executive Directors:**

Mr. Yu Long (*Vice-Chairman, Chief Executive Officer*)

Mr. Yang Fang (*Deputy Chief Executive Officer*)

**Non-executive Directors:**

Mr. Yang Tao (*Chairman*)

Mr. He Yuanping

Ms. Li Bo

Mr. Chen Yong

**Independent Non-executive Directors:**

Mr. Liu Shuen Kong

Mr. Hu Song

Mr. Ma Shihao

**Registered office and principal place  
of business in the PRC:**

Yunnan Water  
2089 Haiyuan Bei Road,  
Gaoxin District  
Kunming, Yunnan  
the PRC

**Principal place of business in Hong Kong:**

Suite 3110-11, 31/F, Tower 1,  
The Gateway,  
Harbour City  
21 Canton Road, Tsim Sha Tsui, Kowloon  
Hong Kong

13 March 2020

*To the Shareholders*

Dear Sir or Madam,

**(I) PROPOSED REGISTRATION AND ISSUANCE OF CORPORATE  
ONSHORE AND OFFSHORE DEBT FINANCING INSTRUMENTS  
(II) PROPOSED PROVISION OF GUARANTEES BY THE GROUP  
AND  
(III) NOTICE OF EGM**

\* For identification purposes only

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## LETTER FROM THE BOARD

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### 1. INTRODUCTION

At the EGM, resolutions will be proposed for the Shareholders to consider and approve, among other matters, (i) the grant of the Debt Financing Instrument General Mandate for registration and issuance of Corporate Onshore and Offshore Debt Financing Instruments to the Board and the Authorized Committee; and (ii) the proposed provision of guarantees by the Group.

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.

### 2. PROPOSED REGISTRATION AND ISSUANCE OF CORPORATE ONSHORE AND OFFSHORE DEBT FINANCING INSTRUMENTS

Reference is made to the announcement of the Company dated 6 March 2020 in relation to, among others, the proposed registration and issuance of Corporate Onshore and Offshore Debt Financing Instruments. The Board proposed to the Shareholders to consider and approve (if thought fit) a general authorization for the proposed registration and issuance of Corporate Onshore and Offshore Debt Financing Instruments at the EGM.

To meet the needs of business development and in order to optimize the financing structure of the Group and capture favourable market opportunities, the Board has passed the proposal of the issuance of Corporate Onshore and Offshore Debt Financing Instruments by the Company on one-off or multiple or multi-tranche registration and issuance bases at the Board meeting held on 6 March 2020. According to the relevant requirements of the Articles of Association, the Board is required to propose a special resolution at the EGM for consideration and approval to authorize the registration and issuance of Corporate Onshore and Offshore Debt Financing Instruments by the Company and to grant the Debt Financing Instrument General Mandate to the Board and the Authorized Committee, the details of which are as follows:

#### (1) Issuing entity, size and method of issuance

The Company and (or) its subsidiary(ies) will be the issuing entity for the registration and issuance of Corporate Onshore and Offshore Debt Financing Instruments. The Corporate Onshore and Offshore Debt Financing Instruments will be issued by way of one-off or multiple or multi-tranche issuances through public offerings or private placements within or outside the PRC.

The total size of Corporate Onshore and Offshore Debt Financing Instruments to be registered and issued shall not exceed RMB8 billion (inclusive of that issued in RMB in an amount of RMB8 billion, and if issued in foreign currencies, the amount shall be converted at the central parity rate published by the People's Bank of China on the date of such issuance), and must be subject to the cap of the Corporate Onshore and Offshore Debt Financing Instruments to be registered and issued under the relevant laws and regulations. The specific size for various types and terms of the Corporate Onshore and Offshore Debt Financing Instruments will be determined by the Board or the Authorized Committee in accordance with the then market conditions and the capital needs of the Company. Specific details of each issuance of Corporate Onshore and Offshore Debt Financing Instruments, such as the issuing entity, size of issuance, number of tranches, currency, method of issuance as well as listing and trading, will be determined within the aforesaid scope based on the relevant laws and regulations, the opinions and recommendations of the regulatory authorities, the capital needs of the Group and the then market conditions at the time of issuance in the best interests of the Group.

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## LETTER FROM THE BOARD

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### (2) Types of debt financing instruments

The types of Corporate Onshore and Offshore Debt Financing Instruments to be issued include: (a) RMB debt financing instruments including corporate bonds (公司債券), corporate green bonds (綠色企業債券), medium term notes (中期票據), short-term commercial paper (短期融資券), super short-term commercial paper (超短期融資券), asset-backed security (資產支持證券), asset-backed notes (資產支持票據), perpetual mid-term notes (永續中票), renewable corporate bonds (可續期公司債券) and other types permitted for issuance by the regulatory authorities; and (b) offshore debt financing instruments including corporate bonds, foreign currency notes, commercial papers, bonds, subordinated bonds or structured notes denominated in foreign currencies, such as US dollar, Euro, and offshore RMB. The registration and issuance of Corporate Onshore and Offshore Debt Financing Instruments shall not contain provision for conversion into the Shares, and will not be linked to the Shares and any other equity derivatives of the Company.

The types and specific repayment priorities of Corporate Onshore and Offshore Debt Financing Instruments will be determined by the Board or the Authorized Committee in accordance with the relevant requirements and the then market conditions at the time of issuance.

### (3) Term of debt financing instruments

The term of Corporate Onshore and Offshore Debt Financing Instruments shall not exceed 15 years (inclusive of 15 years), whereas for equity debt financing instruments (including but not limited to perpetual medium term notes (長期限含權中期票據) (also known as perpetual mid-term notes), and renewable corporate bonds), the term shall last until redemption by the issuer in accordance with the terms of issuance (or when the renewal option is exercised by the issuer at a particular point of time), and is due upon redemption by the issuer in accordance with the terms of issuance (or when the renewal option is not exercised by the issuer at a particular point of time).

The above-mentioned financing instruments can be issued with a single term or a hybrid type with multiple terms. The specific term structure and size of each type of terms will be determined by the Board or the Authorized Committee in accordance with the relevant requirements and the then market conditions at the time of issuance.

### (4) Interest rate of debt financing instruments

The interest rate for the registration and issuance of the Corporate Onshore and Offshore Debt Financing Instruments, and the determination of the calculation and payment thereof, will be determined by the Board or the Authorized Committee through negotiation and discussion with the underwriter (if any), in accordance with the prevailing domestic and overseas market conditions and the relevant requirements on interest rate management for Corporate Onshore and Offshore Debt Financing Instruments.



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## LETTER FROM THE BOARD

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**(5) Guarantee and other arrangements**

Corporate Onshore and Offshore Debt Financing Instruments may be registered and issued by the Company and (or) its subsidiary(ies) as the issuing entity, with a (counter) guarantee, letter of support and/or keep-well agreement to be provided by the Company, the subsidiary and/or a third party, depending on the structure of each issuance. The particular arrangements for the provision of a (counter) guarantee, letter of support and/or keep-well agreement, will be determined in accordance with the structure of each issuance.

**(6) Use of proceeds**

The proceeds raised from the registration and issuance of the Corporate Onshore and Offshore Debt Financing Instruments will be used for the daily business operation needs of the Group, the repayment of loans from financial institutions, the adjustment of the debt structure of the Group, project investment purposes and/or to replenish working capital of the Group. The specific use will be determined by the Board or the Authorized Committee according to the actual capital needs of the Group at the time being.

**(7) Issue price**

The issue price of the Corporate Onshore and Offshore Debt Financing Instruments will be determined by the Board or the Authorized Committee in accordance with the then market conditions at the time of issuance and in compliance with the requirements of the relevant laws and regulations.

**(8) Targets of issue**

The targets of the Corporate Onshore and Offshore Debt Financing Instruments are domestic and international institutional investors and/or individual investors and/or other qualified investors who satisfy the subscription conditions.

The Corporate Onshore and Offshore Debt Financing Instruments may be placed to the Shareholders. The specific arrangements for placement (such as whether the placement will be made, the placement proportion, etc.) will be determined by the Board or the Authorized Committee in accordance with the then market conditions at the time of issuance and in compliance with the requirements of the relevant laws and regulations.

**(9) Listing of debt financing instruments**

The relevant matters relating to the application for listing (if relevant) of the Corporate Onshore and Offshore Debt Financing Instruments will be determined by the Board or the Authorized Committee in accordance with the requirements of the domestic and overseas laws and regulations, the requirements of the regulatory authorities, the actual conditions of the Company as well as the then prevailing market conditions of the domestic and overseas market.

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## LETTER FROM THE BOARD

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### **(10) Safeguard measures for repayment of the debt financing instruments**

In the event of an anticipated failure in the repayment of principal and interest of debt financing instruments or a failure in the repayment of principal and interest of debt financing instruments on the due dates, the Company may adopt the following measures in accordance with the mandatory requirements (if applicable) under the relevant laws, regulations or regulatory documents:

- (1) increase the proportion of optional surplus reserve and general risk reserve during the term of the debt financing instrument to mitigate repayment risk;
- (2) cease to distribute dividends to Shareholders;
- (3) temporarily suspend the implementation of capital expenditure projects, such as material external investments, mergers and acquisitions, etc.;
- (4) reduce or cease to pay the salaries and bonus of the directors and senior management of the Company; and
- (5) freeze job transfer of key responsible personnel.

### **(11) Validity period of resolution**

Resolution for the registration and issuance of Corporate Onshore and Offshore Debt Financing Instruments passed at the EGM shall be valid during the period from the date when such resolution has been considered and approved by the Shareholders at the EGM to the date on which the annual general meeting is due to be convened in 2021.

If the Board or the Authorized Committee has decided on the registration and issuance or partial issuance of the Corporate Onshore and Offshore Debt Financing Instruments within the validity period of the resolution, and the Company has obtained approval, permission, filing or registration (if applicable) on the issuances from the regulatory authority within the validity period of the resolution, the Company may complete the registration and issuance or such partial issuance of the relevant Corporate Onshore and Offshore Debt Financing Instruments within the validity period of such approval, permission, filing or registration/confirmation.

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## LETTER FROM THE BOARD

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### **(12) Authorization for the registration and issuance of Corporate Onshore and Offshore Debt Financing Instruments**

In order to effectively coordinate specific matters relating to the registration and issuance of Corporate Onshore and Offshore Debt Financing Instruments and the process of issuance, the Board will propose at the EGM to authorize the Board, and the Board to further authorize the Authorized Committee to carry out all the matters in relation to the registration and issuance of Corporate Onshore and Offshore Debt Financing Instruments in accordance with the requirements of the relevant laws and regulations, the opinions and recommendations of the regulatory authorities, under the framework and principles considered and approved at the EGM in the best interests of the Company, including but not limited to:

- (1) formulating and adjusting the specific issuance plans for the registration and issuance of the Corporate Onshore and Offshore Debt Financing Instruments in accordance with the applicable laws, regulations and relevant requirements of the regulatory authorities as well as the resolution passed at the EGM and by the Board, and based on the actual conditions of the Company and the relevant debt markets, including, without limitation, the suitable issuing entity, timing of issuance, specific quantity, total amount and method of issuance, terms and conditions of issuance, targets of issuance, duration, whether to issue by way of one-off, multiple or multi-tranche issuances and hybrid issuances, arrangements on the size and term of each tranche, period and type of issuance, method to determine face value and interest rate, currency (including offshore RMB), pricing method, issuance arrangements, letter or agreement of (counter) guarantee, letter of support or keep-well agreement arrangement, rating arrangement, guarantee, specific methods of purchase applications, whether repurchase terms and redemption terms are provided, specific placement arrangements, use of proceeds, registration, listing and place of listing of the Corporate Onshore and Offshore Debt Financing Instruments, measures to mitigate repayment risks, measures to ensure debt repayment and all other relevant matters relating to the issuances of the Corporate Onshore and Offshore Debt Financing Instruments;
- (2) determining the appointment of intermediaries, signing, executing, amending and completing all agreements and documents relating to the registration and issuance of Corporate Onshore and Offshore Debt Financing Instruments, and disclosing (if applicable) the relevant information in accordance with the relevant laws, regulations and the listing rules of the exchanges on which the Company's securities are listed;
- (3) selecting and engaging trustee(s) and clearance/settlement manager(s) for the registration and issuance of the Corporate Onshore and Offshore Debt Financing Instruments, executing the trust agreement(s) and clearance/settlement management agreement(s) and (if applicable) formulating rules of procedure for the holders of the Corporate Onshore and Offshore Debt Financing Instruments;
- (4) undertaking all applications and filings as well as listing matters with regard to the registration and issuance of the Corporate Onshore and Offshore Debt Financing Instruments, including but without limitation, signing, preparing, revising and submitting relevant application and filing materials relating to the issuance and listing of the Corporate Onshore and Offshore Debt Financing Instruments and application and filing materials in respect of any (counter) guarantee, letter of support or keep-well agreement to be provided by the Company, the issuing entity and/or a third party, and signing the relevant application and filing documents and other legal documents (if applicable);

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## LETTER FROM THE BOARD

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- (5) making relevant adjustments to matters relating to the registration and issuance of the Corporate Onshore and Offshore Debt Financing Instruments in accordance with the changes in opinions of the regulatory authorities, policies or the changes in market conditions, or determining whether to continue to proceed with all or part of the work in respect of the registration and issuance of the Corporate Onshore and Offshore Debt Financing Instruments in accordance with the actual situation, except for matters on which re-approval by the Shareholders at a general meeting is otherwise required pursuant to the relevant laws, regulations and the Articles of Association; and
- (6) dealing with other relevant matters in relation to the registration and issuance of the Corporate Onshore and Offshore Debt Financing Instruments.

The above-mentioned authorization shall remain valid and effective from the date on which the resolution for the registration and issuance of Corporate Onshore and Offshore Debt Financing Instruments has been considered and approved by the Shareholders at the EGM to the date on which the annual general meeting is due to be convened in 2021.

**The registration and issuance of the Corporate Onshore and Offshore Debt Financing Instruments are subject to approval by the Shareholders at the EGM and the obtaining of the approvals from the relevant government departments or regulatory authorities of the PRC. Shareholders and potential investors of the Company should exercise caution when dealing in the Shares and other securities of the Company.**

### 3. PROPOSED PROVISION OF GUARANTEES BY THE GROUP

Reference is also made to the announcement of the Company dated 6 March 2020 in relation to, among others, the proposed provision of guarantees by the Group. The Board proposed to the Shareholders to consider and approve (if thought fit) a general authorization for the proposed provision of guarantees by the Group at the EGM.

6 March 2020, 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;
- (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; and
- (c) The Company will provide guarantees to the onshore associated companies of the Company in respect of the credit business and other business of banks and other financial institutions, and provide guarantees to the offshore associated companies of 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.

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## LETTER FROM THE BOARD

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According to the relevant provisions under Article 63 of the Articles of Association, the provision of guarantees contemplated under paragraphs (a), (b) and (c) above is subject to approval by the Shareholders on a case-by-case basis. The Board, however, believes that granting a one-off 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 RMB6 billion; the provision of the guarantees contemplated under paragraph (c) above by the Company with a total amount not exceeding RMB0.7 billion. For the avoidance of doubt, the provision of guarantee by the Company and its subsidiaries contemplated under paragraphs (a), (b) and (c) above is irrelevant to all the other existing guarantees provided by the 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 guarantees provided by the Company and (or) its controlling subsidiary(ies) according to (a) and (b) abovementioned do not constitute transaction defined in Chapter 14 of the Listing Rules while the guarantees provided by the Company according to (c) abovementioned constitutes transaction defined in Chapter 14 of the Listing Rules. 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 is due to be convened in 2021.

#### **4. EGM**

The EGM will be held at 10:00 a.m. on Wednesday, 29 April 2020 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 pages 14 to 17 of this circular. The proxy form and reply slip for the EGM are 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 54th Floor, Hopewell Centre, 183 Queen's Road East, 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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## LETTER FROM THE BOARD

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If you intend to attend the EGM in person, you are required to complete and return the reply slip to the Company's H Share registrar in Hong Kong, Tricor Investor Services Limited (for holders of H Shares) or to the secretariat of the Board (for holders of Domestic Shares) on or before Thursday, 9 April 2020 for the Company to assess whether or not it is necessary to announce the Notice of EGM again. If the number of voting Shares as represented by the reply slips collected by Thursday, 9 April 2020 reaches no less than one half of the total number of the issued Shares, the Company may hold the EGM as stipulated in the Notice of EGM. If not, the Company shall within five days notify the Shareholders again, by public notice or otherwise required in the Articles of Association, of the matters to be considered as well as the date and venue of the EGM. Upon such notification, the Company may hold the EGM.

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 Monday, 30 March 2020 to Wednesday, 29 April 2020 (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 Friday, 27 March 2020 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 Friday, 27 March 2020 are eligible to attend and vote at the EGM.

### **5. RECOMMENDATION**

The Board is of the view that (i) the proposed registration and issuance of Corporate Onshore and Offshore Debt Financing Instruments; and (ii) the proposed provision of guarantees by the Group, are in the interests of the Company and its Shareholders as a whole. Accordingly, the Directors recommend all Shareholders to vote in favour of the relevant resolutions as set out in the Notice of EGM.

### **6. 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.

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## LETTER FROM THE BOARD

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### 7. 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\***  
**Yang Tao**  
*Chairman*

\* *For identification purposes only*

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## NOTICE OF EGM

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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)**

## NOTICE OF EGM

**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 Wednesday, 29 April 2020 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 March 2020.

### Special Resolutions

1. To consider and approve the special resolution on the proposal for granting the Debt Financing Instrument General Mandate for the registration and issuance of the Corporate Onshore and Offshore Debt Financing Instruments to the Board and the Authorized Committee:
  - 1.1 Issuing entity, size and method of issuance;
  - 1.2 Types of debt financing instruments;
  - 1.3 Term of debt financing instruments;
  - 1.4 Interest rate of debt financing instruments;
  - 1.5 Guarantee and other arrangements;
  - 1.6 Use of proceeds;
  - 1.7 Issue price;
  - 1.8 Targets of issuance;
  - 1.9 Listing of debt financing instruments;
  - 1.10 Safeguard measures for repayment of debt financing instruments;
  - 1.11 Validity period of resolution; and
  - 1.12 Authorization for the registration and issuance of Corporate Onshore and Offshore Debt Financing Instruments.

\* *For identification purposes only*



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2. To consider and approve the provision of guarantees by the Group from the date on which this resolution is passed until the date when annual general meeting of the Company is due to be convened in 2021, with details set out as follows:
- (i) The Company will provide guarantees to the on shore subsidiaries controlled by the Company in respect of the credit business and other businesses 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 businesses 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; and
  - (iii) The Company will provide guarantees to the on shore associated companies controlled by the Company in respect of the credit business and other businesses of banks and other financial institutions, and provide guarantees to the offshore associated companies controlled by the Company in respect of the credit business and other businesses of banks and other financial institutions pursuant to the relevant requirements of the PRC.

The total amount of the guarantees to be provided by the Company to its subsidiaries controlled by the Company within and outside the PRC pursuant to paragraphs (i) and (ii) above shall not exceed RMB6 billion; and the total amount of the guarantees to be provided by the Company to its associated companies controlled by the Company within and outside the PRC pursuant to paragraph (iii) shall not exceed RMB0.7 billion.

By Order of the Board  
**Yunnan Water Investment Co., Limited\***  
**Yang Tao**  
*Chairman*

Kunming, the PRC  
13 March 2020

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*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 Exchanges 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 Monday, 30 March 2020 to Wednesday, 29 April 2020 (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 Friday, 27 March 2020.
- (3) Any 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.
- (4) The instrument appointing a proxy shall be in writing under the hand of the Shareholder 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(s) 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) Any Shareholder who wishes to attend the EGM in person or by proxy is required to return the reply slip to the secretariat of the Board in the PRC (for holders of Domestic Shares) or to the Company's H Share registrar in Hong Kong, Tricor Investor Services Limited (for holders of H Shares), by hand or by post, on or before Thursday, 9 April 2020.
- (7) The H Share registrar of the Company in Hong Kong is Tricor Investor Services Limited and its address and contact information are as follows:

54th Floor, Hopewell Centre, 183 Queen's Road East, Hong Kong

Tel: (+852) 2980 1333

Fax: (+852) 2810 8185

- (8) 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

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- (9) Pursuant to the Articles of Association, for joint registered Shareholders consisting of two or more persons, only the Shareholder whose name appears 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.
- (10) 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.

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