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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 or registered dealer in securities, bank, bank manager, solicitor, professional accountant or other professional adviser.

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

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YUNNAN WATER

雲南水務投資股份有限公司

**Yunnan Water Investment Co., Limited\***

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

**(Stock code: 6839)**

**GENERAL MANDATE FOR SHARE ISSUANCE  
PROPOSED FINAL DIVIDEND DISTRIBUTION PLAN  
PROPOSED APPOINTMENT OF DIRECTOR  
PROPOSED AMENDMENT TO THE ARTICLES OF ASSOCIATION  
AND  
NOTICE OF ANNUAL GENERAL MEETING**

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The Annual General Meeting of Yunnan Water Investment Co., Limited\* will be held at 10:00 a.m. on Tuesday, 7 June 2016 at Conference Room 1503, 15<sup>th</sup> Floor, Block A, He Cheng International, 1088 Haiyuan Zhong Road, Gaoxin District, Kunming, Yunnan Province, the PRC. The Notice of AGM is set out on pages 11 to 15 of this circular. The proxy form and reply slip for the Annual General Meeting are enclosed herewith, 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 Annual General Meeting, you are advised to complete and return as soon as possible the enclosed proxy form in accordance with the instructions printed thereon. The proxy form for holders of H Shares should be returned to the Company's H Share registrar in Hong Kong, Tricor Investor Services Limited, located at 22<sup>nd</sup> 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 16<sup>th</sup> Floor, Block A, He Cheng International, 1088 Haiyuan Zhong Road, Gaoxin District, Kunming, Yunnan Province, the PRC by no later than 24 hours before the time appointed for convening the Annual General Meeting or any adjourned meeting thereof. Completion and return of the proxy form will not preclude you from attending and voting at the Annual General Meeting, or any adjourned meeting, in person if you so wish.

If you intend to attend the Annual General Meeting 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 Wednesday, 18 May 2016 for the Company to assess whether or not it is necessary to announce the Notice of AGM again. If the number of voting Shares as represented by the reply slips collected by Wednesday, 18 May 2016 reaches no less than one half of the total number of the issued Shares, the Company may hold the Annual General Meeting as stipulated in the Notice of AGM. 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 place of the Annual General Meeting. Upon such notification, the Company may hold the Annual General Meeting.

\* 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:*

“Annual General Meeting”	the annual general meeting of the Company for the year ended 31 December 2015 to be held at 10:00 a.m. on Tuesday, 7 June 2016 at Conference Room 1503, 15 <sup>th</sup> Floor, Block A, He Cheng International, 1088 Haiyuan Zhong Road, Gaoxin District, Kunming, Yunnan Province, the PRC
“Articles of Association”	the articles of association of the Company
“Board” or “Board of Directors”	the board of Directors
“Company”	Yunnan Water Investment Co., Limited* (雲南水務投資股份有限公司), a joint stock limited liability company incorporated in the PRC, whose H Shares are listed on the Stock Exchange (stock code: 6839)
“Director(s)”	the director(s) of the Company
“Domestic Shares”	the ordinary shares in issue in the share capital of the Company with a nominal value of RMB1.00 each, which are subscribed in RMB or credited as fully paid
“General Mandate”	a general mandate proposed to be granted to the Board to exercise all the powers of the Company to allot, issue and deal with the Shares in the manner as set out in special resolution No.8 of the Notice of AGM
“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
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	Hong Kong Special Administrative Region of the PRC
“Latest Practicable Date”	8 April 2016, being the latest practicable date prior to the printing of this circular for the purpose of ascertaining certain information contained herein
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Notice of AGM”	the notice to convene the Annual General Meeting as set out on pages 11 to 15 of this circular

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## DEFINITIONS

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“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 supplemented and otherwise modified from time to time
“RMB”	Renminbi, the lawful currency of the PRC
“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

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## EXPECTED TIMETABLE

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**2016**

Deadline for registration of transfer of Shares in order to be eligible for attending and voting at the Annual General Meeting . . . . .	4:30 p.m. on Friday, 6 May
Suspension of registration of transfer of Shares . . . . .	From Sunday, 8 May to Tuesday, 7 June (both dates inclusive)
Deadline for returning the reply slip for the Annual General Meeting . . . . .	Wednesday, 18 May
Deadline for returning the proxy form for the Annual General Meeting . . . . .	10:00 a.m. on Monday, 6 June
Annual General Meeting . . . . .	10:00 a.m. on Tuesday, 7 June
Resumption of registration of transfer of Shares . . . . .	Wednesday, 8 June
Last trading day of H Shares eligible for receiving the final dividend . . . . .	Wednesday, 8 June
First trading day of H Shares not eligible for receiving the final dividend . . . . .	Friday, 10 June
Deadline for registration of transfer of Shares in order to be eligible to receive the final dividend . . . . .	4:30 p.m. on Monday, 13 June
Suspension of registration of transfer of Shares . . . . .	From Tuesday, 14 June to Sunday, 19 June (both dates inclusive)
Record date for determining the entitlement for the final dividend . . . . .	Sunday, 19 June
Resumption of registration of transfer of Shares . . . . .	Monday, 20 June
Payment of the final dividend . . . . .	on or before Thursday, 28 July

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## LETTER FROM THE BOARD

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### 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 (*Chief Executive Officer*)  
Mr. Liu Xujun (*Deputy Chief Executive Officer*)  
Mr. Huang Yunjian (*Deputy Chief Executive Officer*)

*Non-executive Directors:*

Mr. Xu Lei (*Chairman*)  
Mr. Jiao Jun  
Mr. He Yuanping  
Mr. Feng Zhuangzhi

*Independent Non-executive Directors:*

Mr. Kwok For Chi  
Mr. Hu Song  
Mr. Ma Shihao  
Mr. Ren Gangfeng

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

15<sup>th</sup> & 16<sup>th</sup> Floors, Block A  
He Cheng International  
1088 Haiyuan Zhong Road  
Gaoxin District  
Kunming, Yunnan  
PRC

*Principal place of business in Hong Kong:*

Suite 5007, 50/F, Central Plaza  
18 Harbour Road, Wanchai  
Hong Kong

15 April 2016

*To the Shareholders*

Dear Sir or Madam,

**GENERAL MANDATE FOR SHARE ISSUANCE  
PROPOSED FINAL DIVIDEND DISTRIBUTION PLAN  
PROPOSED APPOINTMENT OF DIRECTOR  
PROPOSED AMENDMENT TO THE ARTICLES OF ASSOCIATION  
AND  
NOTICE OF ANNUAL GENERAL MEETING**

#### **1. Introduction**

At the Annual General Meeting, resolutions will be proposed for the Shareholders to consider and approve, among other matters, (i) the grant of the General Mandate to the Directors; (ii) the declaration of a final dividend for the year ended 31 December 2015; (iii) the proposed appointment of Mr. Dai Richeng as an executive Director; and (iv) the proposed amendment to the Articles of Association as set out in this circular.

\* For identification purposes only

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## LETTER FROM THE BOARD

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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 Annual General Meeting.

### **2. General Mandate for Share Issuance**

To ensure flexibility and confer discretion to the Board for issuance of Shares under appropriate circumstances, a special resolution will be proposed at the Annual General Meeting to grant the General Mandate to the Board to exercise all the powers of the Company to allot, issue and deal with additional Domestic Shares and H Shares, separately or jointly, up to 20% of the respective number of Domestic Shares and H Shares in issue as at the date of passing the relevant resolution at the Annual General Meeting, and to authorize the Board to make corresponding amendments to the Articles of Association to reflect the increase in registered capital and changes in the share capital structure of the Company after new Shares have been allotted or issued pursuant to the General Mandate. The allotment and issue of the additional Shares are also subject to the approval of the China Securities Regulatory Commission and/or other PRC government authorities.

As at the Latest Practicable Date, the Company had 1,193,213,457 Shares in issue, including 829,499,557 Domestic Shares and 363,713,900 H Shares. Based on the above issued share capital, up to 165,899,911 new Domestic Shares and 72,742,780 new H Shares may be issued pursuant to the General Mandate.

The General Mandate (if granted) shall expire upon the earliest of the following events: (i) conclusion of the next annual general meeting of the Company; (ii) expiry of the deadline when the next annual general meeting of the Company shall be convened according to the requirements of the Articles of Association or other applicable laws and regulations; and (iii) the revocation or modification of the authority given under the General Mandate by a special resolution passed by a general meeting of the Company.

The Directors believe that it is in the best interests of the Company and the Shareholders to grant a general mandate to the Board to allot, issue and deal with additional Shares. Whilst it is not possible to anticipate in advance any specific circumstances in which the Board might think it appropriate to issue additional Shares, the General Mandate would provide the Board with the flexibility to capture the opportunity when it arises.

### **3. Proposed Final Dividend Distribution Plan**

The Board has resolved to declare a final dividend of RMB0.1 (tax included) per Share for the year ended 31 December 2015. Based on the Company's total number of Shares in issue as of the Latest Practicable Date, the total dividend to be paid to the Shareholders amounts to RMB119,321,345.70. The proposed distribution of the final dividend is subject to the approval at the Annual General Meeting. Upon approval at the Annual General Meeting, the final dividend will be paid on or before 28 July 2016.

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## LETTER FROM THE BOARD

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Pursuant to the requirements of the Articles of Association, dividend is denominated and declared in RMB. Dividend for Domestic Shares will be paid in RMB, while dividend for H Shares will be paid in HK\$. The relevant exchange rate for conversion shall be calculated by the average median exchange rate for converting RMB into HK\$ as quoted by the China Foreign Exchange Trading Center for the week immediately before the date on which the dividend is declared (i.e. Tuesday, 7 June 2016).

For the purpose of determining entitlement for the final dividend for the year ended 31 December 2015, the register of members of the Company will be closed from Tuesday, 14 June 2016 to Sunday, 19 June 2016 (both dates inclusive) during which registration of transfer of Shares will be suspended. To be eligible to receive the final dividend, all transfer documents must be lodged with the Company's H Share registrar in Hong Kong, Tricor Investor Services Limited, at 22<sup>nd</sup> Floor, Hopewell Centre, 183 Queen's Road East, Hong Kong (for holders of H Shares), or the secretariat of the Board, located at 16<sup>th</sup> Floor, Block A, He Cheng International, 1088 Haiyuan Zhong Road, Gaoxin District, Kunming, Yunnan Province, the PRC (for holders of Domestic Shares), by no later than 4:30 p.m. on Monday, 13 June 2016.

Under the relevant tax rules and regulations of the PRC (collectively the "PRC Tax Law"), the Company is required to withhold corporate income tax at the rate of 10% when distributing the final dividend to non-resident enterprises (such term shall have the meaning as defined under the PRC Tax Law) whose names appear on the H Shares register of members of the Company.

In accordance with the PRC Tax Law, the Company is also required to withhold individual income tax when distributing the final dividend to individual shareholders whose names appeared on the H Shares register of members of the Company. The Company will determine the country of domicile of the individual holders of H Shares based on the registered addresses as recorded in the H Shares register of members of the Company on the record date with details as follows:

- For individual holders of H Shares who are Hong Kong and Macau residents and those whose country of domicile is a country which has entered into a tax treaty with the PRC stipulating a dividend tax rate of 10%, the Company will withhold and pay individual income tax at the rate of 10% on behalf of them.
- For individual holders of H Shares whose country of domicile is a country which has entered into a tax treaty with the PRC stipulating a dividend tax rate of less than 10%, the Company will withhold and pay individual income tax at the rate of 10% on behalf of them. The Company would make applications on their behalf to seek entitlement of the relevant agreed preferential treatments pursuant to the Notice of the State Administration of Taxation in relation to the Administrative Measures on Preferential Treatment Entitled by Non-residents under Tax Treaties (Tentative) (Guo Shui Fa [2009] No.124) (《國家稅務總局關於印發〈非居民享受稅收協議待遇管理辦法(試行)〉的通知》(國稅發[2009]124號)).
- For individual holders of H Shares whose country of domicile is a country which has entered into a tax treaty with the PRC stipulating a dividend tax rate of higher than 10% but lower than 20%, the Company would withhold and pay the individual income tax at the agreed-upon effective tax rate on behalf of them.



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## LETTER FROM THE BOARD

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- For individual holders of H Shares who are residents of those countries without any tax treaties with the PRC or having tax treaties with the PRC stipulating a dividend tax rate of 20% or more, and other situations, the Company would withhold and pay the individual income tax at a tax rate of 20% on behalf of them.

#### 4. Proposed Appointment of Director

The Board refers to the announcement of the Company dated 22 March 2016 in relation to the proposed appointment of Mr. Dai Richeng (“**Mr. Dai**”) as an executive Director. The biographical details and other relevant information of Mr. Dai are set out below.

Mr. Dai, aged 51, holds a master degree in environmental engineering from the Department of Chemical Engineering in Nanjing University of Science and Technology and a doctoral degree in environmental engineering of the Department of Environmental Engineering from Tsinghua University. Mr. Dai has extensive experience for about 30 years in the water treatment industry. He was an engineer at the Water Pollution Research Office of the Quan Jun Environmental Science Research Centre\* (全軍環境科學研究中心水污染研究室) and later acted as a senior engineer in the China Water Pollution Research Centre\* (中國水污染研究中心). From 1998 to 2010, Mr. Dai acted as the general manager and senior engineer in a subsidiary principally engaged in wastewater treatment of Tsinghua Tongfang Co., Ltd.\* (同方股份有限公司), the shares of which are listed on the Shanghai Stock Exchange (stock code: 600100). From 2010 to 2012, he was the vice-president and senior engineer of Beijing Enterprises Water Group Limited (北控水務集團有限公司), the shares of which are listed on the Stock Exchange (stock code: 371). Since 2012, Mr. Dai has been the general manager and a director of Beijing OriginWater Technology Co., Ltd.\* (北京碧水源科技股份有限公司), a substantial Shareholder of the Company, and the shares of which are listed on the Shenzhen Stock Exchange (stock code: 300070).

Save as disclosed in this section above, Mr. Dai has not held any directorship in any publicly listed company in the past three years nor has he held other major appointment and professional qualifications and does not have any relationship with any Director, senior management, substantial or controlling shareholder (as defined in the Listing Rules) of the Company.

The term of office of Mr. Dai will commence upon the approval of his appointment by the Shareholders at the Annual General Meeting and shall expire at the end of the current session of the Board in July 2017. The Company will enter into a service contract with Mr. Dai. The remuneration of Mr. Dai will be determined by the Board and the remuneration committee of the Company with reference to his responsibilities, the Company’s remuneration policy and the prevailing market conditions. Mr. Dai will be subject to retirement and re-election in accordance with the Articles of Association upon expiry of his term of office.

As of the Latest Practicable Date, Mr. Dai does not hold any Shares of the Company nor has any other interests in any Shares or underlying shares of the Company within the meaning of Part XV of the Securities and Futures Ordinance (Chapter 571 of the laws of Hong Kong).

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## LETTER FROM THE BOARD

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Save as disclosed in this section above, there is no other matter concerning the appointment of Mr. Dai that needs to be brought to the attention of the Shareholders and the Stock Exchange, and there is no other matter which shall be disclosed pursuant to Rule 13.51(2)(h) to (v) of the Listing Rules.

### **5. Proposed Amendment to the Articles of Association**

The Board proposed to amend Article 11 “Company’s scope of business” of the Articles of Association in order to reflect the Company’s latest scope of business, with amendment to the related article as follows:

#### **Existing Article 11**

Article 11 The Company’s business scope is as follows:

Urban water supply, wastewater treatment, wastewater reclamation, investment in solid waste treatment and environmental management projects in water industry and investment project management.

The Company’s business scope mentioned in the preceding paragraph shall be consistent with the business scope registered with the authority responsible for the Company’s registration.

The Company may, based on any changes in domestic and international markets, business development and its own capability, adjust its scope of business, make amendments to the Articles of Association according to the relevant procedures and handle relevant formalities of industry and commerce administration registration for such an adjustment with the industry and commerce administration authorities according to relevant provisions.

The existing Article 11 of the Articles of Association be deleted in its entirety and replaced with the followings:

#### **Amended Article 11**

Article 11 The Company’s scope of business is:

Urban water supply, wastewater treatment, water reclamation, and investment in water supply, solid waste treatment and environmental management projects, as well as the management of the invested projects; consulting services and sales of equipment relating to integrated environment management projects.

The scope of business mentioned in the preceding paragraph shall be consistent with the business scope registered with the authority responsible for the Company’s registration.

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## LETTER FROM THE BOARD

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The Company may, based on any changes in domestic and international markets, business development and its own capability, adjust its scope of business, make amendments to the Articles of Association according to the relevant procedures and handle relevant filings and registrations for such amendment according to the relevant provisions.

The above proposed amendment to the Articles of Association shall be subject to the approval by the Shareholders in the Annual General Meeting by way of a special resolution and the obtaining of any required approval or endorsement from, or registration with, the relevant regulatory authorities.

### **6. Annual General Meeting**

The Annual General Meeting will be held at 10:00 a.m. on Tuesday, 7 June 2016 at Conference Room 1503, 15<sup>th</sup> Floor, Block A, He Cheng International, 1088 Haiyuan Zhong Road, Gaoxin District, Kunming, Yunnan Province, the PRC. The Notice of AGM is set out on pages 11 to 16 of this circular. The proxy form and reply slip for the Annual General Meeting are enclosed herewith.

Whether or not you are able to attend the Annual General Meeting, you are advised to complete and return as soon as possible the enclosed proxy form in accordance with the instructions printed thereon. The proxy form for holders of H Shares should be returned to the Company's H Share registrar in Hong Kong, Tricor Investor Services Limited, located at 22<sup>nd</sup> 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 16<sup>th</sup> Floor, Block A, He Cheng International, 1088 Haiyuan Zhong Road, Gaoxin District, Kunming, Yunnan Province, the PRC by no later than 24 hours before the time appointed for convening the Annual General Meeting or any adjourned meeting thereof. Completion and return of the proxy form will not preclude you from attending and voting at the Annual General Meeting, or any adjourned meeting, in person if you so wish.

If you intend to attend the Annual General Meeting 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 Wednesday, 18 May 2016 for the Company to assess whether or not it is necessary to announce the Notice of AGM again. If the number of voting Shares as represented by the reply slips collected by Wednesday, 18 May 2016 reaches no less than one half of the total number of the issued Shares, the Company may hold the Annual General Meeting as stipulated in the Notice of AGM. 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 place of the Annual General Meeting. Upon such notification, the Company may hold the Annual General Meeting.

In order to determine the Shareholders who are entitled to attend the Annual General Meeting, the registers of members of the Company will be closed from Sunday, 8 May 2016 to Tuesday, 7 June 2016 (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 Annual General Meeting 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, 6 May 2016 in order to be eligible to attend and vote at the Annual General Meeting.

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## LETTER FROM THE BOARD

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All Shareholders listed in the register of members of the Company as at the close of business on Friday, 6 May 2016 are eligible to attend and vote at the Annual General Meeting.

### 7. Recommendation

The Board is of the view that (i) the grant of the General Mandate to the Directors; (ii) the declaration of a final dividend for the year ended 31 December 2015; (iii) the proposed appointment of Mr. Dai Richeng as an executive Director; and (iv) the proposed amendment to the Articles of Association, are in the best interests of the Company and its Shareholders. Accordingly, the Directors recommend all Shareholders to vote in favour of the relevant resolutions as set out in the Notice of AGM.

### 8. 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 Annual General Meeting 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 Annual General Meeting in the manner as stipulated under Rule 13.39(5) of the Listing Rules.

### 9. 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\***  
**Xu Lei**  
*Chairman*

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## NOTICE OF ANNUAL GENERAL MEETING

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### 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 ANNUAL GENERAL MEETING

**NOTICE IS HEREBY GIVEN** that the annual general meeting (the “AGM”) of Yunnan Water Investment Co., Limited\* (the “**Company**”) will be held at 10:00 a.m. on Tuesday, 7 June 2016 at Conference Room 1503, 15<sup>th</sup> Floor, Block A, He Cheng International, 1088 Haiyuan Zhong Road, Gaoxin District, Kunming, Yunnan Province, the People's Republic of China (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 15 April 2016.

### ORDINARY RESOLUTIONS

1. To consider and approve the Report of the Board for the year ended 31 December 2015.
2. To consider and approve the Report of the Supervisory Committee of the Company for the year ended 31 December 2015.
3. To consider and approve the Auditors' Report and the audited financial statements of the Company for the year ended 31 December 2015.
4. To consider and approve the final financial accounts for the year ended 31 December 2015 and the financial budget for the year ending 31 December 2016.
5. To consider and approve the profit distribution plan and final dividend distribution plan of the Company for the year ended 31 December 2015, and authorize the Board to distribute final dividend to the Shareholders.
6. To consider and approve the re-appointment of PricewaterhouseCoopers Zhong Tian LLP as the PRC auditors and PricewaterhouseCoopers as the international auditors of the Company to hold office until the conclusion of the next annual general meeting and to authorize the Board to fix their remuneration.

\* For identification purposes only

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## NOTICE OF ANNUAL GENERAL MEETING

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7. To consider and approve the appointment of Mr. Dai Richeng as an executive Director, and to authorize the Board to fix his remuneration and to enter into the service contract with Mr. Dai on and subject to such terms and conditions as the Board shall think fit.

### SPECIAL RESOLUTIONS

8. To consider and approve the grant of the General Mandate to the Board to allot, issue and deal in additional Domestic Shares and H Shares which, separately or jointly, are not more than 20% of the respective Shares in issue on the date of the pass of this special resolution, and authorize the Board to make corresponding amendments to the Articles of Association as it thinks fit to reflect the new capital structure after allotment or issue of Shares:

#### “PROPOSED THAT

- (a) Subject to paragraph (c) below and pursuant to the relevant requirements of the Listing Rules, Articles of Association and applicable laws and regulations, general and unconditional approval is hereby granted for the Board to exercise all powers of the Company within the Relevant Period (as defined below) to allot, issue and deal in additional Domestic Shares and H Shares separately or jointly, and to decide the terms and conditions for the allotment and issuance of new Shares, including but not limited to the following terms:
- (i) the class and number of new Shares proposed to be issued;
  - (ii) pricing mechanism for new Shares and/or issue price (including price range);
  - (iii) dates of commencement and termination of issuance;
  - (iv) class and number of new Shares issued to existing Shareholders; and
  - (v) make or grant share offers, agreements or share options that require the exercise of such power.
- (b) The approval mentioned above in paragraph (a) shall authorize the Board during the Relevant Period to make or grant offers, agreements and options which might require the exercise of such powers after expiry of the Relevant Period;
- (c) The Board, pursuant to the approval granted in paragraph (a), shall allot, issue and deal in or consent to conditionally or unconditionally allot, issue and deal in (whether pursuant to options or for other reasons) Domestic Shares and H Shares with their respective aggregate nominal value not exceeding 20% of the total nominal value of the Domestic Shares and H Shares in issue of the Company respectively on the date of passing this special resolution, except pursuant to (i) Rights Issue (as defined below) or (ii) any scrip dividend in lieu of all or part of the dividends of the Company pursuant to the Articles of Association or similar arrangement for allotment of Shares;

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## NOTICE OF ANNUAL GENERAL MEETING

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(d) For the purpose of this resolution:

“**Relevant Period**” refers to the period from the date of approval of this resolution to the earliest of the following time line:

- (i) the conclusion of the next annual general meeting of the Company;
- (ii) expiry of the deadline for convening the next annual general meeting of the Company pursuant to the Articles of Association or requirements of other applicable laws; or
- (iii) the date when the mandate as stated in this resolution is revoked or modified by a special resolution passed at a general meeting of the Company.

“**Rights Issue**” means an offer of shares open for a period fixed by the Board to holders of Shares on the register on a fixed record date in proportion to their then holdings of such Shares (subject to such exclusions or other arrangements as the Board may deem necessary or expedient in relation to fractional entitlements or having regard to any restrictions or obligations under the laws of, or the requirements of any recognized regulatory body or any stock exchange, in any territory outside Hong Kong).

- (e) The Board, subject to the approval of the relevant authorities of the PRC and in accordance with the PRC Company Law, be authorized to increase the registered capital of the Company to the required amount upon the exercise of the powers pursuant to paragraph (a) above.
- (f) The Board be authorized to sign the necessary documents, complete the necessary formalities and take other necessary steps to complete the allotment, issue and listing of new Shares, in accordance with the relevant laws, administrative regulations, the relevant regulatory stipulations (as amended from time to time) of the places where the Company is listed and the Articles of Association.
- (g) Subject to the requirement of the relevant PRC authorities, the Board be authorized to make appropriate and necessary amendments to the Articles of Association after completion of the allotment and issue of new Shares according to the method, type and amount of the allotment and issue of new Shares by the Company and the actual situation of the shareholding structure of the Company at the time of completion of the allotment and issue of new Shares in order to reflect the alteration of the share capital structure and registered capital of the Company pursuant to the exercise of this mandate.”

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## NOTICE OF ANNUAL GENERAL MEETING

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9. The Articles of Association of the Company be hereby amended in order to reflect the Company's latest scope of business:

- (a) **PROPOSED THAT** the existing Article 11 of the Articles of Association be deleted in its entirety and replaced with the followings:

**The Amended Article 11**

Article 11 The Company's scope of business is:

Urban water supply, wastewater treatment, water reclamation, and investment in water supply, solid waste treatment and environmental management projects, as well as the management of the invested projects; consulting services and sales of equipment relating to integrated environment management projects.

The scope of business mentioned in the preceding paragraph shall be consistent with the business scope registered with the authority responsible for the Company's registration.

The Company may, based on any changes in domestic and international markets, business development and its own capability, adjust its scope of business, make amendments to the Articles of Association according to the relevant procedures and handle relevant filings and registrations for such amendment according to the relevant provisions.

- (b) The Board be authorized to make amendment to the Articles of Association in accordance with paragraph (a), and to take all such actions and handle such documents and other such matters as it considers necessary or expedient at its sole discretion for such amendment on behalf of the Company.

By Order of the Board  
**Yunnan Water Investment Co., Limited\***  
**Xu Lei**  
*Chairman*

Kunming, PRC  
15 April 2016

*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 AGM 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 AGM, the register of members of the Company will be closed from Sunday, 8 May 2016 to Tuesday, 7 June 2016 (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 AGM 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, 6 May 2016.



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## NOTICE OF ANNUAL GENERAL MEETING

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- (3) For the purpose of ascertaining eligibility to receive the proposed final dividend, the register of members of the Company will be closed from Tuesday, 14 June 2016 to Sunday, 19 June 2016 (both dates inclusive) during which registration of transfer of shares will be suspended. In order to be eligible to receive the final dividend, holders of H Shares 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, before 4:30 p.m. on Monday, 13 June 2016. The final dividend is expected to be paid on or before Thursday, 28 July 2016 to all shareholders whose names appear on the register of members of the Company on Sunday, 19 June 2016.
- (4) Any Shareholder who is entitled to attend and vote at the AGM 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.
- (5) The instrument appointing a proxy shall be in writing under the hand of the appointor or his attorney duly authorized in writing. If the Shareholder is a legal entity, then the relevant appointing document must be either under seal or under the hand of its director or attorney duly authorized. If the instrument appointing a proxy is signed by a person duly authorized by the Shareholder, the powers of attorney or other instruments of authorization shall be notarized.
- (6) 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 AGM or any adjourned meeting thereof (as the case may be) in order to be effective.
- (7) Any Shareholder who wishes to attend the AGM in person or by proxy is required to complete and 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 Wednesday, 18 May 2016.
- (8) The H Share registrar of the Company in Hong Kong is Tricor Investor Services Limited and its address and contact information are as follows :
- 22<sup>nd</sup> Floor, Hopewell Centre, 183 Queen's Road East, Hong Kong  
Tel: (+852) 2980 1333  
Fax: (+852) 2810 8185
- (9) The address and contact information of the principal place of business of the Company in the PRC are as follows:
- 16<sup>th</sup> Floor, Block A, He Cheng International,  
1088 Haiyuan Zhong Road, Gaoxin District,  
Kunming, Yunnan Province, the PRC.
- Contact person: Mr. Zhang Liang  
Tel: (+86) 871 6720 9716 (ext: 658)  
Fax: (+86) 871 6720 9871
- (10) Pursuant to the Articles of Association, for joint registered Shareholders consisting of two or more persons, only the Shareholder whose name appear first on the register of members of the Company is entitled to receive this notice, attend the AGM 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.
- (11) The AGM is expected to last for no more than half a day. Shareholders who attend the AGM in person or their proxies shall be responsible for their own travelling and accommodation expenses. Shareholders or their proxies who attend the AGM must produce their identity documents for identification.