
THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

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, 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.

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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 PROVISION OF GUARANTEES BY THE GROUP;
AND
(II) NOTICE OF 1ST EGM IN 2021**

The EGM of Yunnan Water Investment Co., Limited* will be held at 10:00 a.m. on Thursday, 15 April 2021 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 8 to 10 of this circular. The proxy form for the EGM is enclosed herewith, and the same is also published on the website of the Hong Kong Exchanges and Clearing Limited (www.hkexnews.hk) and the website of the Company (www.yunnanwater.cn).

Whether or not you are able to attend the 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.

* For identification purposes only

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DEFINITIONS

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

“Articles of Association”	the articles of association of the Company
“Board” or “Board of Directors”	the board of Directors
“Chairman”	the chairman of the Company
“Company”	Yunnan Water Investment Co., Limited* (雲南水務投資股份有限公司), a joint stock limited liability company incorporated in the PRC, whose H Shares are listed on the Stock Exchange (stock code: 6839)
“Director(s)”	the director(s) of the Company
“Domestic Shares”	the ordinary shares in issue in the share capital of the Company with a nominal value of RMB1.00 each, which are subscribed in RMB or credited as fully paid
“EGM”	the extraordinary general meeting of the Company to be held at 10:00 a.m. on Thursday, 15 April 2021 at Conference Room 5th Floor, Yunnan Water, 2089 Haiyuan Bei Road, Gaoxin District, Kunming, Yunnan Province, the PRC
“Group”	the Company and its subsidiaries
“H Shares”	the ordinary shares in issue in the share capital of the Company with a nominal value of RMB1.00 each, which are listed on the Main Board of the Stock Exchange
“Hong Kong”	Hong Kong Special Administrative Region of the PRC
“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 8 to 10 of this circular
“PRC”	the People’s Republic of China, for the purpose of this circular only, excluding Hong Kong, Macau Special Administrative Region of the People’s Republic of China and Taiwan
“RMB”	Renminbi, the lawful currency of the PRC
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Shares”	Domestic Shares and/or H Shares

DEFINITIONS

“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

EXPECTED TIMETABLE

2021

Deadline for registration of transfer of Shares
in order to be eligible for attending and voting at the EGM 4:30 p.m. on Wednesday, 7 April

Suspension of registration of transfer of Shares Thursday, 8 April to
Thursday, 15 April
(both dates inclusive)

Deadline for returning the proxy form for the EGM. 10:00 a.m. on Wednesday, 14 April

EGM. 10:00 a.m. on Thursday, 15 April

Resumption of registration of transfer of Shares. Friday, 16 April

LETTER FROM THE BOARD



YUNNAN WATER

雲南水務投資股份有限公司

Yunnan Water Investment Co., Limited*

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

(Stock code: 6839)

Executive Directors:

Mr. Yu Long (*Vice-Chairman, General Manager*)

Mr. Yang Fang (*Deputy General Manager*)

Non-executive Directors:

Mr. Li Jialong (*Chairman*)

Ms. Li Bo

Mr. Dai Richeng

Mr. Chen Yong

Independent Non-executive Directors:

Mr. Liu Shuen Kong

Mr. Zhong Wei

Mr. Zhou Beihai

**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

Dear Sir or Madam,

(I) PROPOSED PROVISION OF GUARANTEES BY THE GROUP;

AND

(II) NOTICE OF 1ST EGM IN 2021

1. INTRODUCTION

Reference is made to the announcement of the Company dated 5 March 2021 in relation to, among other matters, the proposed provision of guarantees by the Group, for the consideration and approval by Shareholders.

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

* For identification purposes only

LETTER FROM THE BOARD

2. PROPOSED PROVISION OF GUARANTEES BY THE GROUP

Reference is also made to the announcement of the Company dated 5 March 2021 in relation to the proposed provision of guarantees by the Group. The Board has resolved to seek approval from the Shareholders at the EGM for the various guarantees as follows:

- (1) The Company will provide guarantees to the onshore subsidiaries controlled by the Company in respect of the credit business and other business of banks and other financial institutions, and provide guarantees to the offshore subsidiaries controlled by the Company in respect of the credit business and other business of banks and other financial institutions pursuant to the relevant requirements of the PRC; and
- (2) 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. According to the relevant provisions under Article 63 of the Articles of Association, the provision of guarantees contemplated under paragraphs (1) and (2) 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 (1) and (2) above by the Company and its subsidiaries with a total amount not exceeding RMB7.2 billion. For the avoidance of doubt, the provision of guarantees by the Company and its subsidiaries contemplated under paragraphs (1) and (2) 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 Company will comply with the relevant applicable requirements of the Listing Rules upon the signing of the relevant guarantee agreement(s).

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

The above-mentioned authorization shall remain valid and effective from the date on which the resolution for the provision of guarantees by the Group has been considered and approved by the Shareholders at the EGM to the date on which the annual general meeting of the Company is due to be convened in 2022.

LETTER FROM THE BOARD

3. EGM

The EGM will be held at 10:00 a.m. on Thursday, 15 April 2021 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 8 to 10 of this circular. The proxy form for the EGM is enclosed herewith.

Whether or not you are able to attend the EGM, you are advised to complete and sign and return as soon as possible the enclosed proxy form in accordance with the instructions printed thereon. The proxy form for holders of H Shares should be returned to the Company's H Share registrar in Hong Kong, Tricor Investor Services Limited, located at 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.

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 Thursday, 8 April 2021 to Thursday, 15 April 2021 (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 Wednesday, 7 April 2021 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 Wednesday, 7 April 2021 are eligible to attend and vote at the EGM.

4. RECOMMENDATION

The Board is of the view that the proposed provision of guarantees by the Group, are in the best interests of the Company and its Shareholders as a whole. Accordingly, the Board recommends all Shareholders to vote in favour of the relevant resolutions as set out in the Notice of EGM.

5. 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.

LETTER FROM THE BOARD

6. 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*
Li Jialong
Chairman

Kunming, the PRC
26 March 2021

* *For identification purposes only*

NOTICE OF EGM



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 Thursday, 15 April 2021 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 26 March 2021.

Special Resolution

1. To consider and approve the provision of guarantees by the Group from the date of passing this resolution to the end of the Company’s annual general meeting held in 2022. The details of guarantees are as follows:
 - (i) The Company will provide guarantees to the onshore subsidiaries controlled by the Company in respect of the credit business and other business of banks and other financial institutions, and provide guarantees to the offshore subsidiaries controlled by the Company in respect of the credit business and other business of banks and other financial institutions pursuant to the relevant requirements of the PRC;
 - (ii) Guarantees in respect of the credit business and other businesses of banks and other financial institutions will be provided by onshore and offshore subsidiaries controlled by the Company to each other pursuant to the relevant requirements of the PRC.

The total amount of guarantees provided by the Company to its domestic and overseas holding subsidiaries according to paragraphs (i) and (ii) above must not exceed RMB7.2 billion, and the Company shall approve the authorization of the Board to implement such guarantees.

By Order of the Board
Yunnan Water Investment Co., Limited*
Li Jialong
Chairman

Kunming, the PRC
26 March 2021

NOTICE OF EGM

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 Thursday, 8 April 2021 to Thursday, 15 April 2021 (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 Wednesday, 7 April 2021.
- (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/her 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) 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

- (7) The address and contact information of the principal place of business of the Company in the PRC are as follows:

Principal place of business in the PRC:

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

Contact information:

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

Contact person: Ms. Guo Jia

Tel: (+86) 871 6720 9927

Fax: (+86) 871 6720 3907

NOTICE OF EGM

- (8) 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.
- (9) The EGM is expected to last for no more than half a day. Shareholders who attend the EGM in person or their proxies shall be responsible for their own travelling and accommodation expenses. Shareholders or their proxies who attend the EGM must produce their identity documents for identification.

* *For identification purposes only*