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Kunming Dianchi Water Treatment Co., Ltd.

昆明滇池水務股份有限公司

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

(Stock Code: 3768)

INSIDE INFORMATION

This announcement is made by Kunming Dianchi Water Treatment Co., Ltd. (the “**Company**”, together with its subsidiaries, the “**Group**”) pursuant to Rule 13.09 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited and the inside information provisions under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

On 18 September 2023, the Company received the Notice of Assistance in Enforcement from the People’s Court of Panlong District, Kunming ((2023) Yun 0103 Zhi Bao No. 1439)* (《昆明市盤龍區人民法院協助執行通知書》((2023)雲0103執保1439號)) (“**Notice of Assistance in Enforcement**”), and was informed that the shares of the Company held by Kunming Dianchi Investment Co. Ltd.* (昆明滇池投資有限責任公司) (“**Kunming Dianchi Investment**”), the controlling shareholder of the Company (the “**Controlling Shareholder**”), were subject to freezing, the details are as follows:

NOTICE OF ASSISTANCE IN ENFORCEMENT

According to the Notice of Assistance in Enforcement, the Civil Ruling (2023) Yun 0103 Cai Bao No. 588 ((2023)雲0103財保588號《民事裁定書》) issued by the People’s Court of Panlong District, Kunming has become legally effective in relation to the case of pre-litigation property preservation between the applicant, Kunming No. 1 Sub-branch of China Guangfa Bank Co., Ltd.* (廣發銀行股份有限公司昆明第一支行), and the respondents, Kunming Drainage System Management Co., Ltd.* (昆明排水設施管理有限責任公司) and Kunming Dianchi Investment. For property preservation purposes, the Company was requested to assist in the enforcement of freezing of equity interest in the Company held by Kunming Dianchi Investment amounting to RMB123,530,242.28 (the “**Frozen Equity Interest**”). The freezing period is three years from 18 September 2023 to 17 September 2026 (the “**Freezing Period**”). During the Freezing Period, the Frozen Equity Interest cannot be traded, transferred or pledged.

As at the date of this announcement, Kunming Dianchi Investment held 660,266,893 domestic shares of the Company, accounting for 64.16% of the total issued share capital of the Company. (i) Based on the information disclosed on the HKEXnews website of The Stock Exchange of Hong Kong Limited, Kunming Dianchi Investment pledged 33,013,345 shares of the Company held by it to a third party as guarantee for its own debts; (ii) on 24 October 2022, Kunming Dianchi Investment pledged up to 198,080,068 domestic shares in the issued shares of the Company as security for the borrowings of the Company (for details, please refer to the announcement of the Company dated 23 October 2022); and (iii) on 31 August 2023, according to the Notice of Assistance in Enforcement from the Shanghai Financial Court ((2023) Hu 74 Zhi Bao No. 227)* (《上海金融法院協助執行通知書》((2023)滬74執保227號)), the equity interest in the Company held by Kunming Dianchi Investment amounting to RMB250 million had been frozen, and according to the Notice of Assistance in Enforcement from the People's Court of Changchun Economic and Technological Development Zone ((2023) Ji 0191 Min Chu No. 2536)* (長春經濟技術開發區人民法院協助執行通知書((2023)吉0191民初2536號)), the equity interest in the Company held by Kunming Dianchi Investment (accounting for 60.951% of the issued share capital of the Company) had been seized (for details, please refer to the announcement of the Company dated 1 September 2023).

IMPACT ON THE COMPANY

The Company and the Controlling Shareholder are independent of each other in terms of assets, business and finances. The share freezing of the Controlling Shareholder as set out in this announcement will not affect the normal operation of the Company, and will not have any material impact on the Company's principal business and its ability to continue as a going concern. As at the date of this announcement, the Company maintained normal operation.

The board of directors of the Company will continue to pay close attention to the progress of the matters relating to the freezing/seizure of the shares held by the Controlling Shareholder and urge the Controlling Shareholder to continue to comply with the requirements of judicial freezing/seizure, and to fulfill the information disclosure obligations in a timely manner in strict accordance with relevant laws, regulations and normative documents.

Shareholders and investors of the Company are advised to exercise caution when dealing in the securities of the Company.

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

Kunming, the PRC, 19 September 2023

As at the date of this announcement, the Board comprises Mr. Zeng Feng and Mr. Chen Changyong, as executive Directors; Mr. Xu Jingdong, Mr. Zhou Jianbo and Mr. Zhang Yang, as non-executive Directors; and Ms. Wang Dongfang, Ms. Zheng Dongyu and Mr. Ong King Keung, as independent non-executive Directors.

* for identification purpose only