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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 14 June 2024, the Company received the Notice of Assistance in Enforcement from the People’s Court of Xishan District, Kunming, Yunnan Province ((2024) Yun 0112 Zhi No. 1339)* (《雲南省昆明市西山區人民法院協助執行通知書》((2024)雲0112執1339號)) (“**Notice of Assistance in Enforcement**”) issued by the People’s Court of Xishan District, Kunming (the “**People’s Court of Xishan District**”), 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, were subject to freezing, the details are as follows:

NOTICE OF ASSISTANCE IN ENFORCEMENT

According to the Notice of Assistance in Enforcement, in the enforcement of the case of dispute between Kunming Branch of Ping An Bank Co., Ltd. and Kunming Dianchi Investment and its subsidiary Kunming Drainage System Management Co., Ltd.* (昆明排水設施管理有限責任公司) (“**Kunming Drainage**”) regarding notarized debt instrument, as Kunming Dianchi Investment and Kunming Drainage failed to perform within the time limit, pursuant to the legally binding enforcement decision and the Notice of Assistance in Enforcement of the People’s Court of Xishan District, the Company was requested to assist in the freezing of 60.95% equity interest in the Company held under the name of Kunming Dianchi Investment. The freezing period is three years from 14 June 2024 to 14 June 2027.

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); (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); (iv) on 18 September 2023, according to 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)), the equity interest in the Company held by Kunming Dianchi Investment amounting to RMB123,530,242.28 had been frozen (for details, please refer to the announcement of the Company dated 19 September 2023); (v) on 23 October 2023, according to the Notice of Assistance in Enforcement from the People's Court of Xishan District, Kunming, Yunnan Province ((2023) Yun 0112 Zhi No. 10978-2)* (《雲南省昆明市西山區人民法院協助執行通知書》((2023)雲0112執10978號之二)), 60.95% equity interest in the Company held by Kunming Dianchi Investment had been frozen (for details, please refer to the announcement of the Company dated 24 October 2023); (vi) on 4 January 2024, according to the Notice of Assistance in Enforcement from the People's Court of Xishan District, Kunming, Yunnan Province ((2023) Yun 0112 Zhi Bao No. 3264)* (《雲南省昆明市西山區人民法院協助執行通知書》((2023)雲0112執保3264號)), 2.6236% equity interest in the Company held by Kunming Dianchi Investment in an amount of RMB27 million had been frozen (for details, please refer to the announcement of the Company dated 4 January 2024); and (vii) on 25 January 2024, according to the Notice of Assistance in Enforcement from the People's Court of Xishan District, Kunming, Yunnan Province ((2024) Yun 0112 Zhi Bao No. 633)* (《雲南省昆明市西山區人民法院協助執行通知書》((2024)雲0112執保633號)), the equity interest in the Company held by Kunming Dianchi Investment amounting to RMB200,107,000 had been seized and frozen (for details, please refer to the announcement of the Company dated 25 January 2024).

In addition, 245,520,000 shares of the Company (accounting for approximately 23.86% of the total number of shares of the Company) held by Kunming Dianchi Investment are subject to auctions conducted by People's Court of Xishan District on the Alibaba Online Judicial Auction Platform. The first judicial auction ended on 7 June 2024 and had been aborted, and the second judicial auction will be conducted from 10:00 a.m. on 23 June 2024 to 10:00 a.m. on 24 June 2024 (for details, please refer to the announcements of the Company dated 9 May 2024 and 7 June 2024, respectively).

IMPACT ON THE COMPANY

The Company and Kunming Dianchi Investment are independent of each other in terms of assets, business and finances. The seizure and freezing of the shares of the Company held by Kunming Dianchi Investment 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 ("**Board**") of directors ("**Director(s)**") of the Company will continue to pay close attention to the progress of the matters relating to the freezing/seizure of the shares of the Company held by Kunming Dianchi Investment and urge Kunming Dianchi Investment 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, 14 June 2024

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

* *For identification purpose only*