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## **Kunming Dianchi Water Treatment Co., Ltd.**

### **昆明滇池水务股份有限公司**

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

**(Stock Code: 3768)**

#### **(1) CONTINUING CONNECTED TRANSACTIONS UNDER THE NEW FRAMEWORK AGREEMENT; AND (2) CLOSURE OF REGISTER OF MEMBERS FOR THE 2024 FOURTH EXTRAORDINARY GENERAL MEETING**

##### **(1) CONTINUING CONNECTED TRANSACTIONS UNDER THE NEW FRAMEWORK AGREEMENT**

Reference is made to the announcement of the Company dated 29 September 2021 in relation to the entering into of the Existing Framework Agreement. As the Existing Framework Agreement with Kunming Dianchi Investment shall expire on 31 December 2024, the Company has entered into the New Framework Agreement whereby the annual caps for the transactions contemplated thereunder are also proposed.

The Board announces that, on 13 November 2024 (after trading hours), the Company and Kunming Dianchi Investment entered into the New Framework Agreement through friendly negotiation, pursuant to which the Group will continue to provide operation and management services to Dianchi Investment Group for three years until 31 December 2027, including operation and management services for wastewater treatment facilities, reclaimed water supply facilities, and running water supply facilities.

##### **LISTING RULES IMPLICATIONS**

Kunming Dianchi Investment is the controlling shareholder of the Company and holds approximately 64.16% equity interest of the Company as at the date of this announcement, and is therefore a connected person of the Company. Accordingly, the provision of operation and management services by the Group to Dianchi Investment Group under the New Framework Agreement constitutes continuing connected transactions of the Company under Chapter 14A of the Listing Rules.

As one or more of the applicable percentage ratios (as defined under Rule 14.07 of the Listing Rules) in respect of the proposed annual caps under the New Framework Agreement exceed 5%, the New Framework Agreement, the transactions contemplated thereunder and the relevant proposed annual caps are subject to the reporting, annual review, announcement, circular and Independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

#### **GENERAL INFORMATION AND EXTRAORDINARY GENERAL MEETING**

The Company will convene the EGM for the Independent Shareholders to, among other things, consider and, if thought fit, approve the New Framework Agreement, the transactions contemplated thereunder and the relevant proposed annual caps.

The Independent Board Committee, comprising all the independent non-executive Directors, has been established to consider the New Framework Agreement, the transactions contemplated thereunder and the relevant proposed annual caps, and to advise and make recommendations to the Independent Shareholders as to how to vote at the EGM on the relevant ordinary resolution.

The Company has appointed Rainbow Capital as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders in relation to the New Framework Agreement, the transactions contemplated thereunder and the relevant proposed annual caps.

A circular containing, among other things, (i) a letter from the Board setting out details of the New Framework Agreement, the transactions contemplated thereunder and the relevant proposed annual caps; (ii) a letter of recommendation from the Independent Board Committee to the Independent Shareholders; (iii) a letter from the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders; (iv) a notice convening the EGM; and (v) other information required under the Listing Rules, will be published on the websites of the Company and the Stock Exchange, respectively, and made available to the Shareholders on or before 4 December 2024.

#### **(2) CLOSURE OF REGISTER OF MEMBERS FOR THE 2024 FOURTH EXTRAORDINARY GENERAL MEETING**

The EGM is expected to be convened and held by the Company at 2:30 p.m. on Friday, 20 December 2024 at the meeting room of the Company on the 1st floor at Wastewater Treatment Plant No. 7, Kunming Dianchi Tourist Resort, Yunnan Province, the PRC for the purpose of, among other things, considering and, if thought fit, passing the ordinary resolution to approve the New Framework Agreement, the transactions contemplated thereunder and the relevant proposed annual caps. For the purpose of ascertaining the Shareholders who are entitled to attend and vote at the EGM, the register of members of the Company will be closed from Saturday, 30 November 2024 to Friday, 20 December 2024, both days inclusive, during which period no transfers of shares of the Company will be effected.

**(1) CONTINUING CONNECTED TRANSACTIONS UNDER THE NEW FRAMEWORK AGREEMENT**

**1. BACKGROUND**

The Company entered into the Existing Framework Agreement with Kunming Dianchi Investment on 29 September 2021, pursuant to which the Group provided certain operation and management services to Dianchi Investment Group in relation to wastewater treatment plants, reclaimed water supply facilities and running water supply facilities owned by Dianchi Investment Group for the period from 1 January 2022 to 31 December 2024. Such operation and management services, depending on the development stage of the project, typically include operating, testing and adjusting the equipment and facilities, arranging operating personnel and experts to maintain the daily operation of such plants and ensure the effluent quality meets the relevant discharge standard, setting up management policies and operation guidelines, chemicals purchase, and sludge transportation and disposal.

As at the date of this announcement, the Group and Kunming Dianchi Investment's subordinate water purification plants have entered into certain individual agreements. These individual agreements are in line with the various agreed principles under the Existing Framework Agreement.

As the Existing Framework Agreement shall expire on 31 December 2024, the Company and Kunming Dianchi Investment entered into the New Framework Agreement through friendly negotiation, pursuant to which the Group will continue to provide operation and management services to Dianchi Investment Group for three years until 31 December 2027.

**2. NEW FRAMEWORK AGREEMENT**

**(a) Parties**

- (i) Kunming Dianchi Investment; and
- (ii) the Company.

**(b) Date of signature, effective date and term of the agreement**

The New Framework Agreement was entered into on 13 November 2024 with both parties' signatures and seals. It will take effect on 1 January 2025 subject to approval by the Independent Shareholders at the EGM. The term of the agreement is from 1 January 2025 to 31 December 2027.

The term of the individual agreements entered into by the Group and Dianchi Investment Group under the New Framework Agreement shall not exceed the term of the New Framework Agreement.

(c) **Principal terms**

***Scope of the operation and management services***

The operation and management services provided by the Group to Dianchi Investment Group include operation and management services for wastewater treatment facilities, reclaimed water supply facilities, and running water supply facilities.

***Principles of transactions***

- (i) The parties agree that entering into the New Framework Agreement does not preclude the parties (or their respective subsidiaries) from freely choosing counterparties or entering into transactions with third parties;
- (ii) Kunming Dianchi Investment agrees that Dianchi Investment Group shall give priority to the operation and management services provided by the Group when the service terms offered and fees quoted by third parties are the same;
- (iii) Dianchi Investment Group has the right to obtain services from third parties if the Group cannot meet the requirements of Dianchi Investment Group for the operation and management services or if the terms provided by third parties are more favorable;
- (iv) The Company will provide the required estimates of the operation and management services fees to Kunming Dianchi Investment; and
- (v) Subject to the principles of the New Framework Agreement, it is expected that the Group will enter into individual agreements with Dianchi Investment Group from time to time as required. The Group reserves the right to amend these individual agreements in order to comply with the Listing Rules.

***Operation and management fees***

Each party will agree on relevant management fees for the entrusted operation according to the types of individual operation and management services, which will be reflected in individual agreements (please refer to the relevant terms under “Operation mode” below).

The price of the operation and management services under the New Framework Agreement shall be determined based on the following order:

- (i) the prices set by the government of the place where such services are provided or its vicinity; or
- (ii) the prices then charged by third parties providing such services in the place where such services are provided or in the vicinity thereof in the ordinary course of business; or

- (iii) the prices then charged by third parties providing such services in the ordinary course of business; or
- (iv) the prices determined on the basis of “reasonable cost + reasonable profit (not exceeding 10% of the reasonable cost)” (the “**reasonable cost**” refers to the actual cost incurred by the Group for the provision of such services to Dianchi Investment Group as audited and verified by the third-party auditor jointly appointed by the Company and Kunming Dianchi Investment).

### ***Operation mode***

For all service transactions under the New Framework Agreement, parties to the transactions will enter into individual agreements in accordance with the scope and principles specified in the New Framework Agreement. Such individual agreements shall not violate the agreed provisions under the New Framework Agreement.

The parties shall ensure and procure their respective subsidiaries to enter into individual agreements in accordance with the principles and provisions of the New Framework Agreement and the service plans agreed by both parties. Kunming Dianchi Investment is committed to using its best endeavor to procure its associates other than its subsidiaries to enter into individual agreements in accordance with the principles and provisions of the New Framework Agreement and the service plans agreed by both parties.

During the process of implementing the New Framework Agreement, if necessary and as agreed by both parties of the agreement, the individual agreements may be adjusted.

### ***Obligation of the parties***

The main obligations of Dianchi Investment Group and the Group under the New Framework Agreement include:

- (i) *Dianchi Investment Group*
  - a. to coordinate matters relating to the implementation of each individual agreement;
  - b. to designate or establish a special department for liaison, file preparation, planning and arrangement, supervision, assessment and coordination of the implementation of the agreements in relation to the relevant service transactions under the New Framework Agreement, and for handling matters in relation to dispute resolutions; and
  - c. to pay relevant service fees in accordance with the requirements under the individual agreements and to guarantee compensation for the losses caused to the Group due to violation of any terms of the New Framework Agreement or the individual agreements.

(ii) *The Group*

- a. to provide and procure its member companies to provide corresponding services to Dianchi Investment Group in accordance with the New Framework Agreement;
- b. to coordinate matters in relation to each individual service agreement;
- c. to regularly submit data and information on relevant work status according to the requirements of Dianchi Investment Group, as well as promptly and effectively organize, resolve and rectify problems in the maintenance and operation of the entrusted subjects, and accept supervision, assessment and relevant evaluation of Dianchi Investment Group and third parties assigned by it;
- d. to compensate for the losses caused to Dianchi Investment Group due to violation of any terms of the New Framework Agreement or the individual agreements thereunder in accordance with the requirements of the individual service agreements; and
- e. to ensure safe and stable operation of the entrusted subjects and bear the environmental protection responsibilities caused due to improper operation and management by the Group.

**3. HISTORICAL DATA AND ANNUAL CAPS**

The annual caps in respect of the operation and management services provided by the Group to Dianchi Investment Group under the Existing Framework Agreement for the years ended 31 December 2022 and 31 December 2023 and the year ending 31 December 2024 are as follows:

	<b>For the year ended 31 December</b>		<b>For the year ending</b>
	<b>2022</b>	<b>2023</b>	<b>31 December</b>
	<i>(RMB'000)</i>	<i>(RMB'000)</i>	<b>2024</b>
			<i>(RMB'000)</i>
Annual Cap	421,063	574,539	593,140

The historical transaction amounts in respect of the operation and management services provided by the Group to Dianchi Investment Group under the Existing Framework Agreement for the years ended 31 December 2022 and 31 December 2023 and for the ten months ended 31 October 2024 are as follows:

	<b>For the year ended 31 December</b>		<b>For the ten</b>
	<b>2022</b>	<b>2023</b>	<b>months ended</b>
	<i>(RMB'000)</i>	<i>(RMB'000)</i>	<b>31 October 2024</b>
			<i>(RMB'000)</i>
Actual transaction amount	309,530	47,501	146,920

The actual transaction amounts for the years ended 31 December 2022 and 31 December 2023 have not exceeded the respective annual caps. As at the date of this announcement, the actual transaction amount for the year ending 31 December 2024 has not exceeded the corresponding annual cap, and it is expected that such annual cap will not be exceeded as at 31 December 2024.

The annual caps for the transactions under the New Framework Agreement for each of the years ending 31 December 2025, 31 December 2026 and 31 December 2027 are as follows:

	<b>For the year ending 31 December</b>		
	<b>2025</b>	<b>2026</b>	<b>2027</b>
	<i>(RMB'000)</i>	<i>(RMB'000)</i>	<i>(RMB'000)</i>
Annual Cap	189,172	197,056	197,056

For the purposes of determining the proposed annual caps for the transactions under the New Framework Agreement for each of the years ending 31 December 2025, 31 December 2026 and 31 December 2027, the Directors have considered (i) the historical transaction amounts and existing costs of operation and management services; (ii) the estimated volume of services from 2025 to 2027 (including a corresponding decrease in demand for the operation and management services due to the disposal of certain relevant facilities of Kunming Dianchi Investment and an increase in the expected demand for additional services such as standard enhancement); (iii) the production capacity of each relevant facility; and (iv) the standard prices promulgated by the relevant government authorities for such services.

#### 4. INTERNAL CONTROL MEASURES

To ensure that the proposed annual caps will not be exceeded and the individual transactions will be conducted in accordance with the New Framework Agreement, the Group has adopted the below internal control measures:

- (a) the Company has formulated the Connected Transactions Management Policies (《關聯交易管理辦法》) (the “Policies”), to ensure that all connected transactions, including those under the New Framework Agreement, are properly controlled and monitored. In particular, the Policies require that continuing connected transactions are subject to annual review by the auditors and the Independent Board Committee of the Company;
- (b) the Finance Department of the Company will review the proposed transaction price before conducting an individual transaction and the terms under a draft individual agreement, to ensure that they are in line with the standard prices promulgated by the relevant government authorities. The Finance Department will then report their review result to the chairman of the Board and the chairman of the Board will consider and approve the signing of such individual agreement;
- (c) each year, the Finance Department of the Company will prepare an annual plan and annual estimate of the operation and management services fees required for the next year, which is subject to review and approval by the chairman of the Board;
- (d) the Finance Department of the Company will prepare the accounts of all individual transactions occurred on a monthly and quarterly basis, and such accounts will be submitted to the Securities Department of the Company and further reported to the president of the Company on a monthly basis and to the president of the Company and the Board on a quarterly basis; and
- (e) the Finance Department and the Business Department of the Company will monitor the implementation of each individual agreement on a continuous basis, and report to the Securities Department of the Company any deviation or possible deviation from the relevant individual agreement or the New Framework Agreement. The Securities Department of the Company will further report any serious deviation to the president and the Board.

#### 5. REASONS FOR AND BENEFITS OF ENTERING INTO THE NEW FRAMEWORK AGREEMENT

Dianchi Investment Group reserves certain wastewater treatment plants. According to the concession agreement between the Company and the Kunming Municipal Government, the Company has the right to operate wastewater treatment facilities in Kunming. Therefore, Dianchi Investment Group shall rely on or entrust the Company to operate and manage the wastewater treatment facilities in Kunming.

The Company considers that through collection of service fees and taking advantage of the Company’s resources and expertise, provision of operation and management services enables the Company to operate wastewater treatment facilities, thereby obtaining maximum benefits from such water plants.



In addition, the Company entered into the Non-competition Agreement with Kunming Dianchi Investment to regulate the relationship and potential business competition between the Group and Dianchi Investment Group upon the Listing. Pursuant to the Non-competition Agreement, for those wastewater treatment plants the Company is entrusted to operate, the Company has (i) the right to request Kunming Dianchi Investment to sell; (ii) the right to acquire at their respective commencement of commercial operation; and (iii) the right of first offer to acquire, any or all of them. Entering into the New Framework Agreement will enable the Group to continue to operate and control these assets and track the situation and performance of the wastewater treatment plants. It will also enable the Company to better assess whether and when to exercise its right to acquire such assets in accordance with the Non-competition Agreement.

Mr. Ong King Keung, an independent non-executive Director, abstained from voting at the Board meeting. Mr. Ong King Keung abstained from voting mainly because he considered that there was a possibility that Dianchi Investment Group might not be able to make timely payments of the operation and management service fees to the Group pursuant to the New Framework Agreement or the relevant individual agreements, which would result in relatively large amounts of accounts receivable of the Company. Based on the above, the Directors (excluding the independent non-executive Directors) are of the view that the New Framework Agreement and the transactions contemplated thereunder are entered into in the ordinary and usual course of business of the Company and on normal commercial terms, and the terms of the New Framework Agreement, the transactions contemplated thereunder and the relevant proposed annual caps are fair and reasonable so far as the Independent Shareholders are concerned, and are in the interests of the Company and its Shareholders as a whole.

All Directors have given due and careful consideration to the New Framework Agreement and the opinions of Mr. Ong King Keung. All Directors other than Mr. Ong King Keung are of the unanimous view that (i) the New Framework Agreement has been entered into pursuant to the Non-competition Agreement in order to reasonably regulate the relationship and potential business competition between the Group and Dianchi Investment Group after the Listing, which is in line with the principle of non-competition and in the interests of the Company, and (ii) in the event of any non-payment of the operation and management service fees by Dianchi Investment Group under the New Framework Agreement or the relevant individual agreements, the Company will proactively negotiate with Dianchi Investment Group and the relevant governmental authorities and is expected to be able to take reasonable measures to collect the operation and management service fees, and the overall risks are manageable.

## **6. IMPLICATION UNDER THE LISTING RULES**

Kunming Dianchi Investment is the controlling shareholder of the Company and holds approximately 64.16% equity interest of the Company as at the date of this announcement, and is therefore a connected person of the Company. Accordingly, the provision of operation and management services by the Group to Dianchi Investment Group under the New Framework Agreement constitutes continuing connected transactions of the Company under Chapter 14A of the Listing Rules.

As one or more of the applicable percentage ratios (as defined under Rule 14.07 of the Listing Rules) in respect of the proposed annual caps under the New Framework Agreement exceed 5%, the New Framework Agreement, the transactions contemplated thereunder and the relevant proposed annual caps are subject to the reporting, annual review, announcement, circular and Independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

Mr. Zeng Feng, an executive Director, serves as a director of Kunming Dianchi Investment, and Mr. Xu Jingdong, a non-executive Director, serves as a director and senior management of Kunming Dianchi Investment. Therefore, Mr. Zeng Feng and Mr. Xu Jingdong are considered to have a material interest in the New Framework Agreement and the transactions contemplated thereunder. Accordingly, such two Directors are required to abstain from voting in the Board resolutions approving the New Framework Agreement, the transactions contemplated thereunder and the relevant proposed annual caps. Save as disclosed above, none of the other Directors has a material interest in the New Framework Agreement and the transactions contemplated thereunder and is required to abstain from voting in relation to the relevant Board resolutions.

## **GENERAL INFORMATION AND EXTRAORDINARY GENERAL MEETING**

The Company will convene the EGM for the Independent Shareholders to, among other things, consider and, if thought fit, approve the New Framework Agreement, the transactions contemplated thereunder and the relevant proposed annual caps.

The Independent Board Committee, comprising all the independent non-executive Directors, has been established to consider the New Framework Agreement, the transactions contemplated thereunder and the relevant proposed annual caps, and to advise and make recommendations to the Independent Shareholders as to how to vote at the EGM on the relevant ordinary resolution.

The Company has appointed Rainbow Capital as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders in relation to the New Framework Agreement, the transactions contemplated thereunder and the relevant proposed annual caps.

A circular containing, among other things, (i) a letter from the Board setting out details of the New Framework Agreement, the transactions contemplated thereunder and the relevant proposed annual caps; (ii) a letter of recommendation from the Independent Board Committee to the Independent Shareholders; (iii) a letter from the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders; (iv) a notice convening the EGM; and (v) other information required under the Listing Rules, will be published on the websites of the Company and the Stock Exchange, respectively, and made available to the Shareholders on or before 4 December 2024.

## **7. GENERAL INFORMATION**

### **The Company**

The Company is a leading municipal wastewater treatment and reclaimed water supply services provider in Yunnan Province, the PRC, an integrated water-related services (including running water supply service) provider and a core enterprise implementing the PRC's strategic goal to treat pollutants at Dianchi Lake.

## **Kunming Dianchi Investment**

Kunming Dianchi Investment is a state-owned enterprise established on 13 October 2004 and owned as to approximately 90.09% by the State-owned Assets Supervision and Administration Commission of the Kunming People's Government (昆明市人民政府國有資產監督管理委員會). As at the date of this announcement, Kunming Dianchi Investment holds approximately 64.16% of the issued share capital of the Company. It engages in investment, construction, operation and management of projects confirmed by the Kunming People's Government in Yunnan Province of the PRC; investment and construction of wastewater treatment plants and investment, operation and management of assets in relation to infrastructure, technology and other industries.

### **(2) CLOSURE OF REGISTER OF MEMBERS FOR THE 2024 FOURTH EXTRAORDINARY GENERAL MEETING**

The EGM is expected to be convened and held by the Company at 2:30 p.m. on Friday, 20 December 2024 at the meeting room of the Company on the 1st floor at Wastewater Treatment Plant No. 7, Kunming Dianchi Tourist Resort, Yunnan Province, the PRC for the purpose of, among other things, considering and, if thought fit, passing the ordinary resolution to approve the New Framework Agreement, the transactions contemplated thereunder and the relevant proposed annual caps.

For the purpose of ascertaining the Shareholders who are entitled to attend and vote at the EGM, the register of members of the Company will be closed from Saturday, 30 November 2024 to Friday, 20 December 2024, both days inclusive, during which period no transfers of shares of the Company will be effected. In order to qualify to attend and vote at the EGM, all transfer instruments accompanied by the relevant share certificates must be lodged by holders of H Shares with the Company's H Shares registrar, namely, Tricor Investor Services Limited at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong no later than 4:30 p.m. on Friday, 29 November 2024; holders of Domestic Shares must complete the register of members of Domestic Shares in accordance with the relevant regulations of China Securities Depository and Clearing Corporation Limited before the close of business on Friday, 29 November 2024. The Shareholders whose names appear on the Company's register of shareholders as at the close of business on Friday, 29 November 2024 are entitled to attend the EGM.

### (3) DEFINITIONS

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

“associate(s)”	has the meaning ascribed to it under the Listing Rules
“Board”	the board of Directors of the Company
“Company”	Kunming Dianchi Water Treatment Co., Ltd. (昆明滇池水務股份有限公司), a joint stock Company established in the PRC with limited liability on 23 December 2010, and its H Shares are listed on the Stock Exchange (stock code: 3768)
“connected person(s)”	has the meaning ascribed to it under the Listing Rules
“continuing connected transaction(s)”	has the meaning ascribed to it under the Listing Rules
“controlling shareholder”	has the meaning ascribed to it under the Listing Rules
“Dianchi Investment Group”	Kunming Dianchi Investment and its subsidiaries, excluding the Group
“Director(s)”	director(s) of the Company
“Domestic Shares”	ordinary shares in the share capital of the Company with a nominal value of RMB1.00 each, which are subscribed for and paid up in RMB
“EGM”	the 2024 fourth extraordinary general meeting of the Company or any adjourned meeting thereof, which is expected to be held at 2:30 p.m. on Friday, 20 December 2024 at the meeting room of the Company on the 1st floor at Wastewater Treatment Plant No. 7, Kunming Dianchi Tourist Resort, Yunnan Province, the PRC
“Existing Framework Agreement”	the entrusted operation and management framework agreement entered into by the Company and Kunming Dianchi Investment on 29 September 2021
“Group”	the Company and its subsidiaries
“H Share(s)”	overseas listed foreign share(s) in the share capital of the Company with a nominal value of RMB1.00 each, which is listed on the Main Board of the Stock Exchange and traded in Hong Kong dollars

“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Independent Board Committee”	the independent board committee of the Company comprising all of the independent non-executive Directors (i.e. Mr. Zha Guiliang, Ms. Zheng Dongyu and Mr. Ong King Keung) to advise the Independent Shareholders on the New Framework Agreement, the transactions contemplated thereunder and the relevant proposed annual caps
“Independent Financial Adviser” or “Rainbow Capital”	Rainbow Capital (HK) Limited, a licensed corporation under the SFO, licensed to carry out Type 1 (dealing in securities) and Type 6 (advising on corporate finance) regulated activities, which was appointed as the independent financial adviser by the Company to advise the Independent Board Committee and the Independent Shareholders on the New Framework Agreement, the transactions contemplated thereunder and the relevant proposed annual caps
“Independent Shareholders”	the shareholders of the Company, except for Kunming Dianchi Investment and its associates
“Kunming Dianchi Investment”	Kunming Dianchi Investment Co., Ltd. (昆明滇池投資有限責任公司), a Company established in Yunnan Province, the PRC with limited liability on 13 October 2004, which is the controlling shareholder of the Company
“Listing”	Listing of the H Shares on the Stock Exchange on 6 April 2017
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange, as amended, supplemented and otherwise modified from time to time
“New Framework Agreement”	the entrusted operation and management framework agreement entered into by the Company and Kunming Dianchi Investment on 13 November 2024 (after trading hours)
“Non-completion Agreement”	the non-competition agreement entered into between the Company and Kunming Dianchi Investment dated 25 April 2016
“operation and management services”	the operation and management services provided by the Group to Dianchi Investment Group, including operation and management services for wastewater treatment facilities, reclaimed water supply facilities, and running water supply facilities
“PRC” or “China”	the People’s Republic of China
“RMB”	Renminbi, the lawful currency of the PRC

“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), as amended, supplemented or otherwise modified from time to time
“Shareholder(s)”	holder(s) of the Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“subsidiary(ies)”	has the meaning ascribed to it under the Listing Rules

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

Kunming, the PRC, 13 November 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, Ms. Cheng Yijing 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.*