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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) ABOLITION OF THE BOARD OF SUPERVISORS AND REPEAL OF THE RULES OF PROCEDURES OF THE BOARD OF SUPERVISORS; (2) PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION, THE RULES OF PROCEDURES OF THE SHAREHOLDERS' GENERAL MEETINGS AND THE RULES OF PROCEDURES OF THE BOARD; AND (3) RESIGNATION OF SUPERVISORS

The board (the “**Board**”) of directors (the “**Directors**”) of Kunming Dianchi Water Treatment Co., Ltd. (the “**Company**”) announces that in accordance with the relevant provisions of the latest amended and effective Company Law of the People’s Republic of China (the “**Company Law**”), and the Guidelines on the Articles of Association of Listed Companies (the “**Guidelines on the Articles of Association**”), etc., and taking into account the actual situation of the Company, the Company will no longer establish the board of supervisors (the “**Board of Supervisors**”). The functions and powers of the Board of Supervisors shall be exercised by the audit committee of the Board (the “**Audit Committee**”) and the rules of procedures of the Board of Supervisors of Kunming Dianchi Water Treatment Co., Ltd. (the “**Rules of Procedures of the Board of Supervisors**”) shall be repealed accordingly. Consequential amendments were also made to the articles of association of Kunming Dianchi Water Treatment Co., Ltd. (the “**Articles of Association**”), the rules of procedures of the shareholders’ general meetings of Kunming Dianchi Water Treatment Co., Ltd. (the “**Rules of Procedures of the Shareholders’ General Meetings**”) and the rules of procedures of the Board of Kunming Dianchi Water Treatment Co., Ltd. (the “**Rules of Procedures of the Board**”) (collectively, the “**Proposed Amendments**”). In the view that the Company will no longer establish the Board of Supervisors, members of the Board of Supervisors have tendered their resignations to the Company and the relevant resignations will take effect from the date on which the resolutions of abolition of the Board of Supervisors and the Proposed Amendments are duly approved by the shareholders of the Company (the “**Shareholders**”). Details are set out below:

(1) ABOLITION OF THE BOARD OF SUPERVISORS AND REPEAL OF THE RULES OF PROCEDURES OF THE BOARD OF SUPERVISORS

In accordance with the relevant provisions of the Company Law and the relevant requirements of the competent authorities at the higher level and taking into account the actual situation of the Company, the Board of Supervisors will no longer be established and the powers and functions of the Board of Supervisors will be exercised by the Audit Committee. The abolition of the Board of Supervisors is accompanied by the repeal of the Rules of Procedures of the Board of Supervisors.

(2) **PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION, THE RULES OF PROCEDURES OF THE SHAREHOLDERS' GENERAL MEETINGS AND THE RULES OF PROCEDURES OF THE BOARD**

The main contents of the Proposed Amendments are: (i) according to the Notice Letter from Yunnan Yuntou Finance Leasing Co., Ltd.* (雲南雲投融資租賃有限公司) on Obtaining 213 Million Shares of Kunming Dianchi Water Treatment Co., Ltd. by way of Settlement of Debts in Specie* (《雲南雲投融資租賃有限公司關於以物抵債獲取昆明滇池水務股份有限公司2.13億股股票的告知函》), together with the accompanying Letter of Decision on Enforcement from the People's Court of Xishan District, Kunming, Yunnan Province* (《雲南省昆明市西山區人民法院執行裁定書》), 213,377,684 shares of the Company (representing approximately 20.73% of the total number of shares of the Company) held by Kunming Dianchi Investment Co. Ltd.* (昆明滇池投資有限責任公司), the controlling Shareholder of the Company, were ordered by the court to be transferred to Yunnan Yuntou Financial Leasing Co., Ltd., pursuant to which it is necessary to amend the relevant provisions of the Articles of Association in relation to the number and proportion of shares held by Kunming Dianchi Investment Co. Ltd.; (ii) as a result of a change in the name of one of the Shareholders of the Company, it is necessary to amend the provisions of the Articles of Association in relation to the name of that Shareholder; (iii) the contents of the exercise of rights and fulfillment of obligations by controlling Shareholders and de facto controllers in accordance with the law are further clarified and improved; (iv) pursuant to the provisions of the Company Law and the Guidelines on the Articles of Association and other laws, regulations and relevant documents, the Company will no longer establish the Board of Supervisors and the relevant powers and functions of the Board of Supervisors are exercised by the Audit Committee, and accordingly, the relevant content of the Board of Supervisors covered by the Articles of Association is deleted and the relevant powers and functions of the Audit Committee are adjusted and revised. At the same time, the qualifications, independence requirements and performance requirements for independent non-executive Directors are added in accordance with the Guidelines on the Articles of Association. The Articles of Association regarding the obligations of loyalty and diligence of Directors and senior management and the avoidance of conflicts of interest are improved and sequentially adjusted. Provisions on the requirements for the performance of duties by internal audit organizations are added; (v) the Rules of Procedures of the Shareholders' General Meetings and Rules of Procedures of the Board are amended in accordance with the Proposed Amendments to the Articles of Association.

(3) **RESIGNATION OF SUPERVISORS**

As the Company will no longer establish the Board of Supervisors, on 27 April 2025, Ms. Wang Shu (王姝) (“**Ms. Wang**”), a supervisor of the Company (the “**Supervisor**”) and the chairperson of the Board of Supervisors, has tendered her resignation to the Board of Supervisors, resigning from her position as the Supervisor and chairperson of the Board of Supervisors; Mr. Yao Jianhua (姚建華) (“**Mr. Yao**”) and Mr. Shao Wei (邵偉) (“**Mr. Shao**”), the Supervisors, have tendered their resignations to the Board of Supervisors, resigning from their positions as the Supervisors. The resignations of Ms. Wang, Mr. Yao and Mr. Shao are conditional upon the cancellation of the Board of Supervisors and the Proposed Amendments being considered by the Shareholders and becoming effective.

Ms. Wang, Mr. Yao and Mr. Shao have confirmed that they have no disagreement with the Board of Supervisors and the Board and there are no matters relating to their resignations that need to be brought to the attention of the Shareholders, creditors or The Stock Exchange of Hong Kong Limited. The Company would like to express its sincere gratitude to Ms. Wang, Mr. Yao and Mr. Shao for their contributions to the development of the Company during their tenure as the Supervisors.

The proposed abolition of the Board of Supervisors and the repeal of the Rules of Procedures of the Board of Supervisors and the Proposed Amendments have been considered and approved by the Board, of which the proposed abolition of the Board of Supervisors is subject to the approval of the Shareholders by way of an ordinary resolution at the Shareholders' general meeting of the Company. The proposed repeal of the Rules of Procedures of the Board of Supervisors and the Proposed Amendments are subject to the approval of the Shareholders by way of special resolutions at the Shareholders' general meeting of the Company.

A circular containing, among other things, details of the proposed abolition of the Board of Supervisors and repeal of the Rules of Procedures of the Board of Supervisors and the Proposed Amendments, together with a notice convening the Shareholders' general meeting of the Company will be despatched to the Shareholders in due course. Prior to the passing of the resolutions approving the proposed abolition of the Board of Supervisors and the repeal of the Rules of Procedures of the Board of Supervisors and the Proposed Amendments thereto, the current Rules of Procedures of the Board of Supervisors, the Articles of Association, the Rules of Procedures of the Shareholders' General Meetings and the Rules of Procedures of the Board will continue to be in force. The Board of Supervisors will continue to comply with the Articles of Association and the Rules of Procedures of the Board of Supervisors as well as relevant laws and regulations in the exercise of its relevant functions and powers.

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

Kunming, the PRC, 28 April 2025

As at the date of this announcement, the Board comprises Mr. Zeng Feng and Mr. Chen Changyong, 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.

* for identification purpose only