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)

SUPPLEMENTAL ANNOUNCEMENT IN RELATION TO PROFIT WARNING

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 (the "**Listing Rules**") and the inside information provisions (as defined in the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

Reference is made to the profit warning announcement of the Company dated 31 July 2026 (the "**Announcement**"). Unless otherwise defined, terms used in this announcement shall have the same meanings as defined in the Announcement.

As stated in the Announcement, the decrease in the Group's profit for the period ended 30 June 2026 was primarily attributable to the combined effect of changes in the preferential tax policies applicable to the Company, tax late payment surcharges and depreciation and amortisation. (i) Pursuant to the Announcement of the Ministry of Finance and the State Taxation Administration on Improving the Value-added Tax Policies for Comprehensive Utilisation of Resources (the "**VAT Preferential Policy Announcement**"), taxpayers that elect to apply the VAT exemption policy are required to meet the prescribed technical standards and relevant conditions, including having a tax credit rating other than Grade C or Grade D. The competent tax authority assessed the Company's tax credit rating for 2025 in 2026, and based on the assessment results, the Company's tax credit rating for 2025 was rated as Grade C, and therefore the Company ceased to qualify for the VAT exemption policy, effective from the month in which it ceased to meet the prescribed technical standards and relevant conditions (i.e., from 1 January 2025). (ii) Due to delays in the payment of wastewater treatment fees by customers, the Group had outstanding tax liabilities of approximately RMB283.0 million in aggregate as of 30 June 2026. According to the Law of the People's Republic of China on the Administration of Tax Collection and other relevant laws and regulations, the tax late payment surcharges arising from such tax arrears for the period from 1 January 2026 to 30 June 2026 amounted to approximately RMB20.3 million, which will be recorded in the Group's profit or loss for the current period of 2026.

Save for the supplemental information disclosed above, all other information and contents set out in the Announcement remain unchanged. This announcement is a supplement to the Announcement and should be read in conjunction with the Announcement.

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.
Mu Yong
Chairperson and executive Director

Kunming, the PRC, 13 August 2026

As at the date of this announcement, the Board comprises Mr. Mu Yong, Mr. Ma Shuo and Ms. Lian Zhaoju, as executive Directors; Ms. Ding Heng, Ms. Cheng Yijing and Ms. Gao Yuan, as non-executive Directors; and Mr. Zha Guiliang, Ms. Fu Jifang and Dr. Chan Ho Wah Terence, as independent non-executive Directors.