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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 31 August 2023, the Company received 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)) (“**Notice of Assistance in Enforcement I**”) and 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)) (“**Notice of Assistance in Enforcement II**”), 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/seizure, the details are as follows:

I. NOTICE OF ASSISTANCE IN ENFORCEMENT I

According to the Notice of Assistance in Enforcement I, the Civil Ruling (2023) Hu 74 Min Chu No. 742 ((2023)滬74民初742號民事裁定書) issued by the Shanghai Financial Court has become legally effective in relation to the case of the dispute between the applicant, Changjiang United Finance Leasing Co., Ltd.* (長江聯合金融租賃有限公司), and the respondent, Kunming Dianchi Investment, in relation to the finance lease contract. 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 RMB250 million (accounting for 24.29% of the issued share capital of the Company as of the date of this announcement) and relevant rights and interests including dividends. The freezing period is three years from 31 August 2023 to 30 August 2026 (the “**Freezing Period**”). During the Freezing Period, the Company is required to report in writing to the Shanghai Financial Court 15 days prior to the implementation of any capital increase, capital reduction, merger, division or any other act that may have a material impact on the percentage of shareholding or value of the frozen equity interest, otherwise, the Company will be liable for the corresponding legal responsibility.

II. NOTICE OF ASSISTANCE IN ENFORCEMENT II

According to the Notice of Assistance in Enforcement II, the Civil Ruling (2023) Ji 0191 Min Chu No. 2536 ((2023)吉0191民初2536號民事裁定書) issued by the People's Court of Changchun Economic and Technological Development Zone has become legally effective in relation to the case of dispute between the applicant, SOCOL Corporation Limited (中國水利水電第一工程局有限公司), and the respondent, Kunming Dianchi Investment, in relation to the loan contract, and the Company was requested to assist in the enforcement of seizure of equity interest in the Company held by Kunming Dianchi Investment (accounting for 60.951% of the issued share capital of the Company as of the date of this announcement). The seizure period is three years from 31 August 2023 to 30 August 2026.

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; and (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).

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/seizure 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, 1 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