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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)

ANNOUNCEMENT

PLEDGE OF SHARES BY CONTROLLING SHAREHOLDER

This announcement is made by Kunming Dianchi Water Treatment Co., Ltd. (the “**Company**”) pursuant to Rule 13.17 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”).

The Company has been informed that the controlling shareholder of the Company (as defined under the Listing Rules), Kunming Dianchi Investment Co., Ltd. (“**Kunming Dianchi Investment**”) will pledge up to 198,080,068 domestic shares in the issued shares of the Company, representing 30% of its shareholding of the Company (the “**Pledged Shares**”) on 24 October 2022, in favour of Agricultural Bank of China Limited Kunming Dianchi National Tourism Resort Sub-branch (the “**Lender**”) as security for a loan facility in an aggregate amount of RMB200,000,000 provided by the Lender to the Company (the “**Facility**”). As at the date of this announcement, the Pledged Shares represent approximately 19.25% of the total issued shares of the Company.

As at the date of this announcement, Kunming Dianchi Investment holds approximately 64.16% of the issued shares of the Company.

The Pledged Shares are expected to be discharged and released upon repayment of the Facility in full.

Kunming Dianchi Investment is a company established in Yunnan Province, PRC with limited liability on 13 October 2004 and is owned as to 90% by Kunming Municipal People's Government State-owned Assets Supervision and Administration Commission* (昆明市人民政府國有資產監督管理委員會). It is principally engaged in the investment, construction, operation and management of projects in Yunnan Province, China as identified by the Kunming Municipal People's Government.

By order of the Board

Kunming Dianchi Water Treatment Co., Ltd.

Zeng Feng

Chairperson and executive Director

Kunming, the PRC, 23 October 2022

As of the date of this announcement, the Board comprises Mr. Zeng Feng, Mr. Chen Changyong and Mr. Luo Yun, as executive Directors; Ms. Song Hong, Ms. Ren Na and Ms. Yu Yanbo, as non-executive Directors; and Mr. Yin Xiaobing, Ms. Zheng Dongyu and Mr. Ong King Keung, as independent non-executive Directors.

** For identification purpose only*