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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)

MAJOR TRANSACTION – EXTENSION OF THE ENTRUSTED LOAN GRANTED TO KUNMING DEVELOPMENT

ENTRUSTED LOAN EXTENSION AGREEMENT IV AND SUPPLEMENTAL ENTRUSTED LOAN EXTENSION AGREEMENT

References are made to the Company's announcements dated 24 October 2022, 22 September 2023, 15 July 2024 and 19 May 2025 (the "**Announcements**"), respectively, in relation to (i) the entering into of the Entrusted Loan Contract by the Company (as trustor) with Kunming Development (as borrower) and Chenggong District Rural Credit Cooperative (as trustee) in respect of the Entrusted Loan Transaction on 24 October 2022. Pursuant to the Entrusted Loan Contract, the Company entrusted Chenggong District Rural Credit Cooperative to provide a RMB200 million entrusted loan to Kunming Development for a term from 24 October 2022 to 24 September 2023; (ii) the entering into of the Entrusted Loan Extension Agreement I and the Supplemental Entrusted Loan Extension Agreement I by the Company with Kunming Development and Chenggong District Rural Credit Cooperative in respect of the Entrusted Loan Contract on 22 September 2023 to extend the term of all entrusted loan with principal amount of RMB200 million under the Entrusted Loan Contract to 24 August 2024; (iii) the entering into of the Entrusted Loan Extension Agreement II by the Company with Kunming Development and Chenggong District Rural Credit Cooperative in respect of the Entrusted Loan Contract, the Entrusted Loan Extension Agreement I and the Supplemental Entrusted Loan Extension Agreement I on 15 July 2024 to extend the term of all entrusted loan with principal amount of RMB200 million under the Entrusted Loan Contract/the Entrusted Loan Extension Agreement I/the Supplemental Entrusted Loan Extension Agreement I to 24 July 2025; and (iv) the entering into of the Entrusted Loan Extension Agreement III by the Company with Kunming Development and Chenggong District Rural Credit Cooperative in respect of the Entrusted Loan Contract, the Entrusted Loan Extension Agreement I, the Supplemental Entrusted Loan Extension Agreement I and the Entrusted Loan Extension Agreement II on 19 May 2025 to extend the term of all entrusted loan with principal amount of RMB200 million under the Entrusted Loan Contract/the Entrusted Loan Extension Agreement I/the Supplemental Entrusted Loan Extension Agreement I/the Entrusted Loan Extension Agreement II to 24 June 2026, respectively. As of the date of this announcement, Kunming Development has paid the corresponding interest in accordance with the relevant provisions of the Entrusted Loan Contract and the Original Entrusted Loan Extension Agreements and there is no outstanding interest payable which should be settled. Unless otherwise defined, capitalised terms used herein shall have the same meanings as those defined in the Announcements.

The Board announces that, after arm's length negotiation, the Company entered into the Entrusted Loan Extension Agreement IV and the Supplemental Entrusted Loan Extension Agreement in respect of the Entrusted Loan Contract and the Original Entrusted Loan Extension Agreements with Kunming Development and Chenggong District Rural Credit Cooperative on 12 May 2026 (after trading hours) to extend the term of all entrusted loan with principal amount of RMB200 million under the Entrusted Loan Contract/the Original Entrusted Loan Extension Agreements to 24 May 2027. Save for the amendments specified in the Entrusted Loan Extension Agreement IV and the Supplemental Entrusted Loan Extension Agreement, all other terms and conditions of the Entrusted Loan Contract and the Original Entrusted Loan Extension Agreements remain unchanged.

LISTING RULES IMPLICATIONS

As one or more of the applicable percentage ratios (as defined in Rule 14.07 of the Listing Rules) of the Entrusted Loan Extension Agreement IV, the Supplemental Entrusted Loan Extension Agreement and the Entrusted Loan Extension Transaction IV contemplated thereunder are more than 25% but less than 75%, the entering into of the Entrusted Loan Extension Agreement IV, the Supplemental Entrusted Loan Extension Agreement and the Entrusted Loan Extension Transaction IV contemplated thereunder constitute a major transaction of the Company and shall be subject to the reporting, announcement, circular and Shareholders' approval requirements under Chapter 14 of the Listing Rules.

A Shareholders' general meeting will be convened by the Company to seek Shareholders' approval for the Entrusted Loan Extension Transaction IV. According to relevant requirements under Rules 14.41(b) and 14.60(7) of the Listing Rules, a circular containing, among other things, details of the Entrusted Loan Extension Agreement IV, the Supplemental Entrusted Loan Extension Agreement and the Entrusted Loan Extension Transaction IV contemplated thereunder and other information required to be disclosed under the Listing Rules together with a notice convening the Shareholders' general meeting of the Company, will be published on the websites of the Stock Exchange and the Company on or before 2 June 2026.

The Entrusted Loan Extension Transaction IV shall be subject to Shareholders' review and approval. If the Entrusted Loan Extension Transaction IV fails to obtain the aforementioned Shareholders' approval, Kunming Development shall be required to repay all principal of the entrusted loan (i.e. RMB200 million) under the Entrusted Loan Contract and settle all interest payable up to the date of repayment of the principal of the entrusted loan.

The Board announces that, after arm's length negotiation, the Company entered into the Entrusted Loan Extension Agreement IV and the Supplemental Entrusted Loan Extension Agreement in respect of the Entrusted Loan Contract and the Original Entrusted Loan Extension Agreements with Kunming Development and Chenggong District Rural Credit Cooperative on 12 May 2026 (after trading hours) to extend the term of all entrusted loan with principal amount of RMB200 million under the Entrusted Loan Contract/the Original Entrusted Loan Extension Agreements to 24 May 2027. Save for the amendments specified in the Entrusted Loan Extension Agreement IV and the Supplemental Entrusted Loan Extension Agreement, all other terms and conditions of the Entrusted Loan Contract and the Original Entrusted Loan Extension Agreements remain unchanged.

1. ENTRUSTED LOAN CONTRACT, ORIGINAL ENTRUSTED LOAN EXTENSION AGREEMENTS, ENTRUSTED LOAN EXTENSION AGREEMENT IV AND SUPPLEMENTAL ENTRUSTED LOAN EXTENSION AGREEMENT

Except for the amendments set out in the Entrusted Loan Extension Agreement IV and the Supplemental Entrusted Loan Extension Agreement, all other terms and conditions of the Entrusted Loan Contract and the Original Entrusted Loan Extension Agreements remain unchanged.

Salient terms of the Entrusted Loan Contract, the Original Entrusted Loan Extension Agreements, the Entrusted Loan Extension Agreement IV and the Supplemental Entrusted Loan Extension Agreement are set out below:

	Entrusted Loan Contract	**Original Entrusted Loan Extension Agreements**	**Entrusted Loan Extension Agreement IV and Supplemental Entrusted Loan Extension Agreement**
Date:	24 October 2022	(i) Entrusted Loan Extension Agreement I/Supplemental Entrusted Loan Extension Agreement I: 22 September 2023 (ii) Entrusted Loan Extension Agreement II: 15 July 2024 (iii) Entrusted Loan Extension Agreement III: 19 May 2025	12 May 2026
Parties:	(i) the Company (as trustor) (ii) Kunming Development (as borrower) (iii) Chenggong District Rural Credit Cooperative (as trustee)	(i) the Company (as trustor) (ii) Kunming Development (as borrower) (iii) Chenggong District Rural Credit Cooperative (as trustee)	(i) the Company (as trustor) (ii) Kunming Development (as borrower) (iii) Chenggong District Rural Credit Cooperative (as trustee)
Principal amount of the entrusted loan/extension amount:	RMB200 million	Extension amount RMB200 million	Extension amount RMB200 million
Term/term of extension:	11 months, i.e. from 24 October 2022 to 24 September 2023, and if there is an early maturity of the entrusted loan declared in accordance with the Entrusted Loan Contract, the loan shall be deemed to become due at an earlier date accordingly and the interest shall be calculated based on the actual number of days and amount used.	(i) Entrusted Loan Extension Agreement I/Supplemental Entrusted Loan Extension Agreement I: 11 months, i.e. from 24 September 2023 to 24 August 2024. Other relevant provisions of the Entrusted Loan Contract remain applicable. (ii) Entrusted Loan Extension Agreement II: 11 months, i.e. from 24 August 2024 to 24 July 2025. Other relevant provisions of the Entrusted Loan Contract remain applicable. (iii) Entrusted Loan Extension Agreement III: 11 months, i.e. from 24 July 2025 to 24 June 2026. Other relevant provisions of the Entrusted Loan Contract remain applicable.	11 months, i.e. from 24 June 2026 to 24 May 2027. Other relevant provisions of the Entrusted Loan Contract remain applicable.

Interest rate:	The interest rate is fixed at 8.5% per annum calculated by adding 485 basis points to the prime rate for a one-year loan for one day prior to the date of the Entrusted Loan Contract. Interest shall be paid quarterly and the interest settlement date is the 20th day of the last month of each quarter.	(i) Entrusted Loan Extension Agreement I/Supplemental Entrusted Loan Extension Agreement I and Entrusted Loan Extension Agreement II: 8.5% per annum, and interest due and outstanding shall be handled pursuant to the provisions on compound interest set out in the Entrusted Loan Contract. Interest is payable pursuant to the provisions of the Entrusted Loan Contract, i.e. interest shall be paid quarterly and the interest settlement date is the 20th day of the last month of each quarter. (ii) Entrusted Loan Extension Agreement III: 6.0% per annum, and interest due and outstanding shall be handled pursuant to the provisions on compound interest set out in the Entrusted Loan Contract. Interest is payable pursuant to the provisions of the Entrusted Loan Contract, i.e. interest shall be paid quarterly and the interest settlement date is the 20th day of the last month of each quarter.	6.0% per annum, and interest due and outstanding shall be handled pursuant to the provisions on compound interest set out in the Entrusted Loan Contract. Interest is payable pursuant to the provisions of the Entrusted Loan Contract, i.e. interest shall be paid quarterly and the interest settlement date is the 20th day of the last month of each quarter.
Release of loan:	The principal of entrusted loan will be released to Kunming Development in one lump sum. The conditions precedent for the release of the principal of entrusted loan include the borrower having opened an account with the trustee in accordance with the trustee's requirements; the borrower having submitted a withdrawal application to the Company in advance in accordance with the deadline stipulated in the Entrusted Loan Contract, etc.	Not applicable	Not applicable

Repayment of loan:	Interest is payable quarterly in arrears and principal is repaid in one lump sum upon maturity. All principal, interest, etc. are required to be settled by the date of expiry of the term of entrusted loan.	Principal shall be repaid in one lump sum upon maturity of the term of extension. Other relevant provisions of the Entrusted Loan Contract remain applicable.	Principal shall be repaid in one lump sum upon maturity of the term of extension. Other relevant provisions of the Entrusted Loan Contract remain applicable.
Early repayment and extension of loan:	With the consent of the Company, Kunming Development may repay part or all of the loan within the term of the entrusted loan after completing the formalities in accordance with the relevant provisions of the Entrusted Loan Contract. If Kunming Development needs to extend the entrusted loan, Kunming Development shall submit a written application for extension to the Company at least 30 days prior to the maturity date of the Entrusted Loan Contract or an individual loan which shall be reviewed and approved by the Company, and the extension agreement shall be signed in accordance with relevant terms before the loan can be extended accordingly. If the Company does not agree with the extension, Kunming Development shall repay the principal and interest of the entrusted loan in accordance with the terms of the Entrusted Loan Contract.	Relevant provisions of the Entrusted Loan Contract remain applicable.	Relevant provisions of the Entrusted Loan Contract remain applicable.

Service charge:	RMB10,000, which shall be borne by the Company and shall be paid in one lump sum to the trustee within 7 days from the date of signing of the Entrusted Loan Contract.	(i) Entrusted Loan Extension Agreement I/Supplemental Entrusted Loan Extension Agreement I: RMB10,000, which shall be paid by the Company in one lump sum to the trustee within 5 days from the date of signing of the Entrusted Loan Extension Agreement I. Once paid, the service charge is non-refundable by the trustee. (ii) Entrusted Loan Extension Agreement II/Entrusted Loan Extension Agreement III: The service charge is RMB200,000 for each extension calculated based on 0.1% of the amount of each extension, which shall be paid by the Company in one lump sum to the trustee within 5 working days after the Entrusted Loan Extension Transaction II/Entrusted Loan Extension Transaction III has been implemented. Once paid, the service charge is non-refundable by the trustee.	A lump sum payment of 0.1% (i.e. RMB200,000) of the extension amount will be paid by the Company to the trustee within 5 working days after the execution of the Entrusted Loan Extension Transaction IV. Once paid, the service charge is non-refundable by the trustee.

Others:	Nil	(i)	Entrusted Loan Extension Agreement I/Supplemental Entrusted Loan Extension Agreement I: The Entrusted Loan Extension Transaction I shall be subject to consideration and approval at the extraordinary general meeting of the Company, and the Company will convene the extraordinary general meeting as soon as possible and will timely (no later than 30 November 2023) notify the trustee and Kunming Development of the resolution of the extraordinary general meeting. If the Company fails to provide relevant resolution of the extraordinary general meeting on or before 30 November 2023, Kunming Development is required to repay all principal of the entrusted loan (i.e. RMB200 million) and settle all interest payable up to the date of repayment of the principal of the entrusted loan within 3 business days from 30 November 2023 and cooperate in completing relevant procedures for transfer of funds. If Kunming Development fails to fulfill the aforesaid repayment obligations as scheduled, the trustor shall have the right to deduct the relevant amount from any account opened by Kunming Development.	The Entrusted Loan Extension Transaction IV shall be subject to consideration and approval at the Shareholders' general meeting of the Company, and the Company will convene the Shareholders' general meeting as soon as possible and will timely (no later than 30 July 2026) notify the trustee and Kunming Development of the resolution of the Shareholders' general meeting. If the Company fails to provide relevant resolution of the Shareholders' general meeting on or before 30 July 2026, Kunming Development is required to repay all principal of the entrusted loan (i.e. RMB200 million) and settle all interest payable up to the date of repayment of the principal of the entrusted loan within 3 business days from 30 July 2026 and cooperate in completing relevant procedures for transfer of funds. If Kunming Development fails to fulfill the aforesaid repayment obligations as scheduled, the trustor shall have the right to deduct the relevant amount from any account opened by Kunming Development.

If the Entrusted Loan Extension Transaction I is not approved by the Shareholders at the aforesaid extraordinary general meeting, Kunming Development shall be required to repay the principal of the entrusted loan (i.e. RMB200 million) and settle all interest payable up to the date of repayment of the principal of the entrusted loan immediately after the disapproval of the resolution at the aforesaid extraordinary general meeting and cooperate in completing relevant procedures for transfer of funds. Kunming Development shall complete the aforesaid repayment within 3 business days from the date of disapproval of the resolution at the extraordinary general meeting of the Company. If Kunming Development fails to fulfill the aforesaid repayment obligations as scheduled, the trustor shall have the right to deduct the relevant amount from any account opened by Kunming Development.

If the Entrusted Loan Extension Transaction IV is not approved by the Shareholders at the aforesaid Shareholders' general meeting, Kunming Development shall be required to repay the principal of the entrusted loan (i.e. RMB200 million) and settle all interest payable up to the date of repayment of the principal of the entrusted loan immediately after the disapproval of the resolution at the aforesaid Shareholders' general meeting and cooperate in completing relevant procedures for transfer of funds. Kunming Development shall complete the aforesaid repayment within 3 business days from the date of disapproval of the resolution at the Shareholders' general meeting of the Company. If Kunming Development fails to fulfill the aforesaid repayment obligations as scheduled, the trustor shall have the right to deduct the relevant amount from any account opened by Kunming Development.

(ii) Entrusted Loan Extension Agreement II: The Entrusted Loan Extension Transaction II shall be subject to consideration and approval at the extraordinary general meeting of the Company, and the Company will convene the extraordinary general meeting as soon as possible and will timely (no later than 24 August 2024) notify the trustee and Kunming Development of the resolution of the extraordinary general meeting. If the Company fails to provide the resolution in relation to the Entrusted Loan Extension Transaction II for consideration and approval at the extraordinary general meeting on or before 24 August 2024, the Entrusted Loan Extension Agreement II shall cease to be effective, and Kunming Development is required to repay all principal of the entrusted loan (i.e. RMB200 million) and settle all interest payable up to the date of repayment of the principal of the entrusted loan within 3 business days from the date on which the Entrusted Loan Extension Agreement II ceases to be effective and cooperate in completing relevant procedures for transfer of funds. If Kunming Development fails to fulfill the aforesaid repayment obligations as scheduled, the trustor shall have the right to deduct the relevant amount from any account opened by Kunming Development.

(iii) The Entrusted Loan Extension Transaction III shall be subject to consideration and approval at the Shareholders' general meeting of the Company, and the Company will convene the Shareholders' general meeting as soon as possible and will timely (no later than 24 July 2025) notify the trustee and Kunming Development of the resolution of the Shareholders' general meeting. If the Company fails to provide relevant resolution of the Shareholders' general meeting to consider and approve the Entrusted Loan Extension Transaction III on or before 24 July 2025, the Entrusted Loan Extension Agreement III will no longer be fulfilled and Kunming Development will be required to repay all principal of the entrusted loan (i.e. RMB200 million) and settle all interest payable up to the date of repayment of the principal of the entrusted loan in accordance with the agreed expiration time (no later than 24 July 2025) of the Entrusted Loan Contract and the Entrusted Loan Extension Agreement II and cooperate in completing relevant procedures for transfer of funds. If Kunming Development fails to fulfill the aforesaid repayment obligations as scheduled, the trustor shall have the right to deduct the relevant amount from any account opened by Kunming Development.

Basis of interest rate

The fixed annual interest rate of 6.0% under the Entrusted Loan Extension Agreement IV was negotiated on an arm's length basis between the Company and Kunming Development based on (1) the fact that the interest rate under the Entrusted Loan Extension Agreement IV was up by 3.0% as compared to the prime rate of 3.0% for 1-year loans denominated in RMB promulgated by the National Interbank Funding Center as at 20 April 2026; (2) prevailing market interest rate and practices; (3) the returns of the Company within a reasonable range; and (4) the Company's assessment on the business conditions and creditworthiness of Kunming Development.

2. REASONS FOR AND BENEFITS OF THE ENTRUSTED LOAN EXTENSION TRANSACTION IV

As of the date of this announcement, Kunming Development has settled all the interest payable pursuant to the relevant provisions of the Entrusted Loan Contract and the Original Entrusted Loan Extension Agreements. By entering into the Entrusted Loan Extension Agreement IV, it will increase the interest income of the Company and at the same time facilitate the cooperation between the Group and Kunming Development in innovative financing models. The interest rate of the entrusted loan under the Entrusted Loan Extension Agreement IV is 6.0% per annum, and the entering into of the Entrusted Loan Extension Agreement IV will generate an interest income of approximately RMB11.0 million for the Company. At the same time, the relevant provisions regarding early repayment under the Entrusted Loan Contract remain applicable to the Entrusted Loan Extension Agreement IV and, hence, the Company is entitled to negotiate with Kunming Development regarding early repayment of the entrusted loan if it sees appropriate.

For the above reasons, the Directors (including independent non-executive Directors) believe that the transaction is entered into on normal commercial terms, and is fair and reasonable and in the interests of the Company and its Shareholders as a whole.

3. FINANCIAL IMPACT

The Entrusted Loan Extension Transaction IV does not involve the release of new funds and the principal amount granted under the entrusted loan has been reflected in the Company's audited consolidated financial statements as of 31 December 2022, 31 December 2023, 31 December 2024 and 31 December 2025. The term of the Entrusted Loan Extension Transaction IV is 11 months and is expected to generate revenue of approximately RMB11.0 million.

4. DETAILS OF THE PARTIES TO THE ENTRUSTED LOAN CONTRACT, THE ORIGINAL ENTRUSTED LOAN EXTENSION AGREEMENTS, THE ENTRUSTED LOAN EXTENSION AGREEMENT IV AND THE SUPPLEMENTAL ENTRUSTED LOAN EXTENSION AGREEMENT

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 Development

Kunming Development is a wholly state-owned company wholly owned directly by Kunming SASAC. Through years of development, it has established a diversified business portfolio covering new energy, concessions, commodity sales, refined oil sales and urban commercial operations. As an important industrial entity operating urban public resources and an important subject of urban construction in Kunming, Kunming Development occupies a high position in the urban development strategy of Kunming, with some of its businesses enjoying regional monopoly advantages, and its new energy business enjoying a competitive edge in the region with a strong overall competitiveness.

Chenggong District Rural Credit Cooperative

Chenggong District Rural Credit Cooperative is a China-based financial institution that is mainly engaged in taking public deposits and providing loans and other activities. It is owned as to 100% by Yunnan Rural Credit Cooperative Association* (雲南省農村信用社聯合社), which is in turn directly owned as to 100% by the People's Government of Yunnan Province.

To the best of the Directors' knowledge, information and belief after having made all reasonable enquiries, as at the date of this announcement, Kunming Development is not a connected person of the Company as defined under the Listing Rules, and Chenggong District Rural Credit Cooperative is a third party independent of the Company and its connected person(s).

5. LISTING RULES IMPLICATIONS

As one or more of the applicable percentage ratios (as defined in Rule 14.07 of the Listing Rules) of the Entrusted Loan Extension Agreement IV, the Supplemental Entrusted Loan Extension Agreement and the Entrusted Loan Extension Transaction IV contemplated thereunder are more than 25% but less than 75%, the entering into of the Entrusted Loan Extension Agreement IV, the Supplemental Entrusted Loan Extension Agreement and the Entrusted Loan Extension Transaction IV contemplated thereunder constitute a major transaction of the Company and shall be subject to the reporting, announcement, circular and Shareholders' approval requirements under Chapter 14 of the Listing Rules.

A Shareholders' general meeting will be convened by the Company to seek Shareholders' approval for the Entrusted Loan Extension Transaction IV. According to relevant requirements under Rules 14.41(b) and 14.60(7) of the Listing Rules, a circular containing, among other things, details of the Entrusted Loan Extension Agreement IV, the Supplemental Entrusted Loan Extension Agreement and the Entrusted Loan Extension Transaction IV contemplated thereunder and other information required to be disclosed under the Listing Rules together with a notice convening the Shareholders' general meeting of the Company, will be published on the websites of the Stock Exchange and the Company on or before 2 June 2026.

The Entrusted Loan Extension Transaction IV shall be subject to Shareholders' review and approval. If the Entrusted Loan Extension Transaction IV fails to obtain the aforementioned Shareholders' approval, Kunming Development shall be required to repay all principal of the entrusted loan (i.e. RMB200 million) under the Entrusted Loan Contract and settle all interest payable up to the date of repayment of the principal of the entrusted loan.

6. DEFINITIONS

"Board"	the board of Directors of the Company
"Chenggong District Rural Credit Cooperative"	Kunming Chenggong District Rural Credit Cooperative* (昆明市呈貢區農村信用合作聯社), a third party independent of the Company and its connected person(s)
"Company"	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 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 same meaning ascribed to it under the Listing Rules
"Directors"	the director(s) of the Company
"Entrusted Loan Contract"	the entrusted loan contract entered into by the Company with Kunming Development and Chenggong District Rural Credit Cooperative on 24 October 2022
"Entrusted Loan Extension Agreement I"	the entrusted loan extension agreement entered into by the Company with Kunming Development and Chenggong District Rural Credit Cooperative on 22 September 2023
"Entrusted Loan Extension Agreement II"	the entrusted loan extension agreement entered into by the Company with Kunming Development and Chenggong District Rural Credit Cooperative on 15 July 2024
"Entrusted Loan Extension Agreement III"	the entrusted loan extension agreement entered into by the Company with Kunming Development and Chenggong District Rural Credit Cooperative on 19 May 2025
"Entrusted Loan Extension Agreement IV"	the entrusted loan extension agreement entered into by the Company with Kunming Development and Chenggong District Rural Credit Cooperative on 12 May 2026

"Entrusted Loan Extension Transaction I"	the transaction contemplated under the Entrusted Loan Extension Agreement I and the Supplemental Entrusted Loan Extension Agreement I, namely the extension of the maturity date of RMB200 million of the principal amount of the entrusted loan under the Entrusted Loan Contract from 24 September 2023 to 24 August 2024
"Entrusted Loan Extension Transaction II"	the transaction contemplated under the Entrusted Loan Extension Agreement II, namely the extension of the maturity date of RMB200 million of the principal amount of the entrusted loan under the Entrusted Loan Contract, the Entrusted Loan Extension Agreement I and the Supplemental Entrusted Loan Extension Agreement I from 24 August 2024 to 24 July 2025
"Entrusted Loan Extension Transaction III"	the transaction contemplated under the Entrusted Loan Extension Agreement III, namely the extension of the maturity date of RMB200 million of the principal amount of the entrusted loan under the Entrusted Loan Contract, the Entrusted Loan Extension Agreement I and the Supplemental Entrusted Loan Extension Agreement I and the Entrusted Loan Extension Agreement II from 24 July 2025 to 24 June 2026
"Entrusted Loan Extension Transaction IV"	the transaction contemplated under the Entrusted Loan Extension Agreement IV and the Supplemental Entrusted Loan Extension Agreement, namely the extension of the maturity date of RMB200 million of the principal amount of the entrusted loan under the Entrusted Loan Contract and the Original Entrusted Loan Extension Agreements from 24 June 2026 to 24 May 2027
"Entrusted Loan Transaction"	the transaction contemplated under the Entrusted Loan Contract, namely the provision of a RMB200 million loan by Chenggong District Rural Credit Cooperative to Kunming Development as entrusted by the Company
"Group"	the Company and its subsidiaries
"H Share(s)"	overseas listed foreign Share(s) in the ordinary share capital of the Company with a nominal value of RMB1.00 each, which are listed on the main board of the Stock Exchange and traded in Hong Kong dollars
"Kunming Development"	Kunming Development and Investment Group Co., Ltd.* (昆明發展投資集團有限公司), a wholly state-owned limited liability company incorporated in the PRC on 27 January 2010, which holds 20,959,760 domestic Shares of the Company as at the date of this announcement, representing 2.04% of the total share capital of the Company, and is not a connected person of the Company as defined under the Listing Rules

"Kunming SASAC"	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)
"Listing Rules"	the Rules Governing the Listing of Securities on the Stock Exchange, as amended, supplemented or otherwise modified from time to time
"Original Entrusted Loan Extension Agreements"	collectively, the Entrusted Loan Extension Agreement I, the Supplemental Entrusted Loan Extension Agreement I, the Entrusted Loan Extension Agreement II and the Entrusted Loan Extension Agreement III
"PRC" or "China"	the People's Republic of China
"RMB"	Renminbi, the lawful currency of the PRC
"Shareholder(s)"	holder(s) of the Share(s)
"Share(s)"	share(s) in the share capital of the Company, with a nominal value of RMB1.00 each, comprising the domestic Shares and H Shares
"Stock Exchange"	The Stock Exchange of Hong Kong Limited
"Supplemental Entrusted Loan Extension Agreement I"	the supplemental entrusted loan extension agreement entered into by the Company with Kunming Development and Chenggong District Rural Credit Cooperative on 22 September 2023
"Supplemental Entrusted Loan Extension Agreement"	the supplemental entrusted loan extension agreement entered into by the Company with Kunming Development and Chenggong District Rural Credit Cooperative on 12 May 2026
"%"	per cent.

By order of the Board
Kunming Dianchi Water Treatment Co., Ltd.
Lian Zhaoju
Executive Director

Kunming, the PRC, 12 May 2026

As at the date of this announcement, the Board comprises Mr. Chen Changyong and Ms. Lian Zhaoju, as executive Directors; Mr. Xu Jingdong, 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.

* *For identification purpose only*