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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)

PROPOSED CHANGE OF AUDITORS

This announcement is made by the board of directors (the “**Board**”) of Kunming Dianchi Water Treatment Co., Ltd. (the “**Company**”) pursuant to Rule 13.51(4) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

Given that the service contracts of the current domestic auditors of the Company, Zhongshen Zhonghuan Certified Public Accountants (Special General Partnership) (“**ZSZH**”), and the current international auditors of the Company, Mazars CPA Limited (“**Mazars**”), will soon expire, according to the regulatory requirements of the State-owned Assets Supervision and Administration Commission of Kunming, the Law of the People’s Republic of China on Tenders and Bids and other relevant laws, regulations and normative documents, and based on the actual situation of the Company, the Company proposed to appoint the domestic and international auditors for the year 2022 by way of public tender. In the recent bidding process conducted by the Company, several firms, including ZSZH and Mazars, participated in the bidding. After public tender and based on the selection standards (taking into account factors including but not limited to qualification, quotation, reputation, experience in auditing of financial statements of listed companies and staffing), Baker Tilly China Certified Public Accountants (Special General Partnership) (“**Baker Tilly**”) and Baker Tilly Hong Kong Limited (“**Baker Tilly Hong Kong**”) won the bids for the domestic and international auditors of the Company for the year 2022, respectively.

The proposed appointment of Baker Tilly and Baker Tilly Hong Kong as the domestic and international auditors of the Company for the year 2022 will be effective after the 2021 annual general meeting (the “**AGM**”) to be convened by the Company on 29 June 2022 approves the resolution authorizing the Board to determine the domestic and international auditors of the Company for the year 2022 and after the Company signs engagement letters with Baker Tilly and Baker Tilly Hong Kong, respectively, and they shall hold office until the conclusion of the next annual general meeting of the Company.

ZSZH and Mazars will retire as the Company's domestic and international auditors, respectively, at the conclusion of the AGM. ZSZH and Mazars have confirmed that there is no matter relating to the proposed change of auditors of the Company that needs to be brought to the attention of the shareholders and creditors of the Company. The Board and the audit committee were not aware of any matter relating to the proposed change of domestic and international auditors or any other matter that needs to be brought to the attention of the shareholders of the Company.

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

Kunming, the PRC, 23 May 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.