

*Unless otherwise defined herein, capitalised terms used in this announcement shall have the same meanings as those defined in the prospectus dated Friday, March 24, 2017 (the “**Prospectus**”) issued by Kunming Dianchi Water Treatment Co., Ltd. (the “**Company**”).*

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This announcement is for information purposes only and does not constitute an offer or an invitation to induce an offer by any person to acquire, purchase or subscribe for securities. Potential investors should read the Prospectus for detailed information about the Company and the Global Offering described below before deciding whether or not to invest in the H Shares thereby being offered.

*This announcement is not for release, publication, distribution, directly or indirectly, in or into the United States (including its territories and possessions, any state of the United States and the District of Columbia). This announcement does not constitute or form a part of any offer to sell or solicitation to purchase or subscribe for securities in the United States. The H Shares have not been, and will not be, registered under the United States Securities Act of 1933, as amended (the “**U.S. Securities Act**”) or any state securities laws of the United States and may not be offered, sold, pledged or transferred within the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act. There is not and it is not currently intended for there to be any public offering of securities of the Company in the United States.*

*In connection with the Global Offering, Haitong International Securities Company Limited, as the stabilizing manager (the “**Stabilizing Manager**”), its affiliates or any person acting for it, on behalf of the Underwriters, may effect transactions with a view to stabilizing or supporting the market price of the H Shares at a level higher than that which might otherwise prevail in the open market for a limited period beginning on the Listing Date and expected to end on the 30th day after the last day for lodging of applications under the Hong Kong Public Offering. However, there is no obligation on the Stabilizing Manager, its affiliates or any person acting for it, to conduct any such stabilizing action, which, if commenced, will be done at the sole and absolute discretion of the Stabilizing Manager, its affiliates or any person acting for it, and may be discontinued at any time. Any such stabilizing activity is required to be brought to an end on the 30th day after the last day for the lodging of applications under the Hong Kong Public Offering. Such stabilization action, if commenced, may be effected in all jurisdictions where it is permissible to do so, in each case in compliance with all applicable laws, rules and regulatory requirements, including the Securities and Futures (Price Stabilizing) Rules, as amended, made under the Securities and Futures Ordinance (Cap. 571 of the Laws of Hong Kong).*

Potential investors should be aware that stabilizing action cannot be taken to support the price of the H Shares for longer than the stabilization period which begins on the Listing Date and is expected to expire on Friday, April 28, 2017, being the 30th day after the date of closing of the application lists under the Hong Kong Public Offering. After this date, no further stabilizing action may be taken. Demand for the H Shares, and therefore the price of the H Shares, could fall.



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)

GLOBAL OFFERING

- Number of Offer Shares : 339,430,000 H Shares (comprising 308,572,000 H Shares to be offered by the Company and 30,858,000 Sale Shares to be offered by the Selling Shareholders, subject to the Over-allotment Option)**
- Number of Hong Kong Offer Shares : 33,943,000 H Shares (subject to reallocation)**
- Number of International Offer Shares : 305,487,000 H Shares (comprising 274,629,000 H Shares to be offered by the Company and 30,858,000 Sale Shares to be offered by the Selling Shareholders, subject to reallocation and the Over-allotment Option)**
- Maximum Offer Price : HK\$4.70 per Offer Share (payable in full on application in Hong Kong dollars, subject to refund, plus brokerage fee of 1%, SFC transaction levy of 0.0027% and Hong Kong Stock Exchange trading fee of 0.005%)**
- Nominal Value : RMB1.00 per H Share**
- Stock Code : 3768**

Sole Sponsor

Morgan Stanley

Joint Global Coordinators

Morgan Stanley  **CICC**
中金香港証券  **海通國際**
HAITONG  **中泰國際**
ZHONGTAI INTERNATIONAL

Joint Bookrunners

Morgan Stanley  **CICC**
中金香港証券  **海通國際**
HAITONG  **中泰國際**
ZHONGTAI INTERNATIONAL

 **華泰金融控股(香港)有限公司**
HUATAI FINANCIAL HOLDINGS (HONG KONG) LIMITED  **廣發証券(香港)經紀有限公司**
GF SECURITIES (HONG KONG) BROKERAGE LIMITED  **建銀國際**
CCB International

 **BOC INTERNATIONAL**  **招銀國際**
CMB INTERNATIONAL  **國泰君安國際**
GUOTAI JUNAN INTERNATIONAL  **光大證券**
EBS INTERNATIONAL

Application has been made by the Company to the Listing Committee of the Stock Exchange for the listing of, and permission to deal in (i) the H Shares to be issued by the Company pursuant to the Global Offering (including any additional H Shares which may be issued pursuant to the exercise of the Over-allotment Option); and (ii) the H Shares which will be converted from Domestic Shares for the benefit of the NSSF pursuant to the relevant PRC regulations relating to reduction of state-owned shares (including any additional Domestic Shares converted to H Shares to be further transferred to the NSSF upon the exercise of the Over-allotment Option). Dealings in the H Shares on the Main Board of the Stock Exchange are expected to commence at 9:00 a.m. on Thursday, April 6, 2017.

The Global Offering comprises: (a) the Hong Kong Public Offering of 33,943,000 H Shares (subject to adjustment); and (b) the International Offering of 305,487,000 H Shares (subject to adjustment and the Over-allotment Option) outside the United States (including to professional and institutional investors within Hong Kong) representing approximately 10% and 90% of the total number of Offer Shares initially being offered under the Global Offering, respectively. The allocation of the H Shares between the Hong Kong Public Offering and the International Offering is subject to reallocation as stated in the section headed “Structure of the Global Offering” in the Prospectus.

Pursuant to the Over-allotment Option, the International Underwriters have the right, exercisable by the Joint Global Coordinators (on behalf of the International Underwriters) at any time from the day on which trading of the H Shares commences on the Stock Exchange until the 30th day after the last day for lodging applications under the Hong Kong Public Offering, to require the Company to issue and allot and the Selling Shareholders to sell up to an aggregate of 50,914,000 additional H Shares, representing approximately 15% of the initial Offer Shares, at the same price per H Share under the International Offering, to cover over-allocations in the International Offering (if any).

Subject to the granting of the approval for listing of, and permission to deal in, the H Shares to be offered pursuant to the Global Offering on the Stock Exchange and compliance with the stock admission requirements of HKSCC, the H Shares will be accepted as eligible securities by HKSCC for deposit, clearance and settlement in CCASS with effect from the date of commencement of dealings in the H Shares on the Stock Exchange or such other date as may be determined by HKSCC. Settlement of transactions between Exchange Participants is required to take place in CCASS on the second Business Day after any trading day. All activities under CCASS are subject to the General Rules of CCASS and CCASS Operational Procedures in effect from time to time. All necessary arrangements have been made enabling the H Shares to be admitted into CCASS.

The Offer Price will be not more than HK\$4.70 per H Share and is expected to be not less than HK\$3.91 per H Share, unless otherwise announced. Applicants for Hong Kong Offer Shares are required to pay, on application, the maximum Offer Price of HK\$4.70 per Hong Kong Offer Share (plus 1.0% brokerage, 0.0027% SFC transaction levy and 0.005% Stock Exchange trading fee), subject to refund if the Offer Price as finally determined is less than HK\$4.70 per H Share.

Assuming that the Hong Kong Public Offering becomes unconditional at or before 8:00 a.m. in Hong Kong on Thursday, April 6, 2017, it is expected that dealings in the H Shares on the Stock Exchange will commence at 9:00 a.m. on Thursday, April 6, 2017. In the event that the Over-allotment Option is exercised, an announcement will be made by the Company on the websites of the Stock Exchange at www.hkexnews.hk and the Company at www.kmdcwt.com.

Applications for the Hong Kong Offer Shares will only be considered on the basis of the terms and conditions set out in the Prospectus and the related Application Forms and the designated website (www.hkeipo.hk) in relation to the HK eIPO White Form.

Applicants who wish to have the allotted Hong Kong Offer Shares registered in their own names should either (i) complete and sign the **WHITE** Application Forms, or (ii) submit applications online through the designated website of the **HK eIPO White Form** Service Provider at www.hkeipo.hk under the **HK eIPO White Form** service. Applicants who wish to have the allotted Hong Kong Offer Shares registered in the name of HKSCC Nominees Limited and deposited directly into CCASS for credit to their CCASS Investor Participant stock accounts or the stock accounts of their designated CCASS Participants maintained in CCASS should either (i) complete and sign the **YELLOW** Application Forms, or (ii) give **electronic application instructions** to HKSCC via CCASS.

Copies of the Prospectus together with the **WHITE** Application Forms may be obtained during normal business hours from 9:00 a.m. on Friday, March 24, 2017 till 12:00 noon on Wednesday, March 29, 2017 from:

1. the following offices of the Hong Kong Underwriters:

Morgan Stanley Asia Limited

46/F, International Commerce Centre
1 Austin Road West
Kowloon
Hong Kong

China International Capital Corporation Hong Kong Securities Limited

29th Floor, One International Finance Centre
1 Harbour View Street
Central
Hong Kong

Haitong International Securities Company Limited

22/F, Li Po Chun Chambers
189 Des Voeux Road Central
Hong Kong

Zhongtai International Securities Limited

7th Floor, Li Po Chun Chambers
189 Des Voeux Road Central
Hong Kong

Huatai Financial Holdings (Hong Kong) Limited
Room 5808–12, 58/F, The Center
99 Queen’s Road Central
Hong Kong

GF Securities (Hong Kong) Brokerage Limited
29–30/F, Li Po Chun Chambers
189 Des Voeux Road Central
Hong Kong

CCB International Capital Limited
12/F CCB Tower
3 Connaught Road Central
Central
Hong Kong

BOCI Asia Limited
26th Floor, Bank of China Tower
1 Garden Road
Central
Hong Kong

CMB International Capital Limited
Units 1803–04, 18/F
Bank of America Tower
12 Harcourt Road
Central, Hong Kong

Guotai Junan Securities (Hong Kong) Limited
27/F, Low Block, Grand Millennium Plaza
181 Queen’s Road Central
Hong Kong

China Everbright Securities (HK) Limited
24/F, Lee Garden One
33 Hysan Avenue
Causeway Bay
Hong Kong

ZMF Asset Management Limited
Room 2502, World Wide House
19 Des Voeux Road Central
Hong Kong

Sinomax Securities Limited
Room 2705–6, 27/F, Tower One
Lippo Centre, 89 Queensway
Admiralty
Hong Kong

2. any of the following branches of the receiving banks:

Bank of Communications Co., Ltd. Hong Kong Branch

District	Branch	Address
Hong Kong Island	Hong Kong Branch	20 Pedder Street, Central
Kowloon	Hunghom Sub-Branch	Shop A6, G/F., Whampoa Estate Planet Square, 1-3 Tak Man Street
	Lam Tin Sub-Branch	Shop No. 5 & 9, G/F., Kai Tin Towers, 51-67C Kai Tin Road, Lam Tin
New Territories	Tseung Kwan O Sub-Branch Market Street Sub-Branch	Shop Nos. 252A, 252B & 253 on Level 2, Metro City Phase I, Tseung Kwan O G/F., 49-55 Tsuen Wan Market Street, Tsuen Wan

The Bank of East Asia, Limited

District	Branch	Address
Hong Kong Island	Hennessy Road Branch	G/F, Eastern Commercial Centre 395-399 Hennessy Road, Wanchai
	King's Road Branch	Shop 2, G/F, S U P Tower 75-83 King's Road, Quarry Bay
Kowloon	Mongkok Branch	638-640 Nathan Road, Mongkok
	Tsim Sha Tsui Branch	Shop A & B, Milton Mansion 96 Nathan Road, Tsim Sha Tsui
New Territories	Tai Po Plaza Branch	Units 49-52, Level 1, Tai Po Plaza, Tai Po
	Shatin Plaza Branch	Shop 3-4, Level 1, Shatin Plaza, Shatin

Copies of the Prospectus, together with the **YELLOW** Application Forms, may be obtained during normal business hours from 9:00 a.m. on Friday, March 24, 2017 till 12:00 noon on Wednesday, March 29, 2017 at the Depository Counter of HKSCC at 1/F, One & Two Exchange Square, 8 Connaught Place, Central, Hong Kong or your stockbroker, who may have **YELLOW** Application Forms and copies of the Prospectus available.

The **WHITE** or **YELLOW** Application Form completed in accordance with the instructions printed thereon, together with a cheque or banker's cashier order attached and marked payable to "Bank of Communications (Nominee) Co. Ltd. — Kunming Dianchi Public Offer" should be deposited in the special collection boxes provided at any of the branches of the receiving banks listed above on such dates and during the following times:

- Friday, March 24, 2017 — 9:00 a.m. to 5:00 p.m.
- Saturday, March 25, 2017 — 9:00 a.m. to 1:00 p.m.
- Monday, March 27, 2017 — 9:00 a.m. to 5:00 p.m.
- Tuesday, March 28, 2017 — 9:00 a.m. to 5:00 p.m.
- Wednesday, March 29, 2017 — 9:00 a.m. to 12:00 noon

Applicants applying by **HK eIPO White Form** may submit applications through the designated website of **HK eIPO White Form** Service Provider at www.hkeipo.hk from 9:00 a.m. on Friday, March 24, 2017 till 11:30 a.m. on Wednesday, March 29, 2017 and the latest time for completing full payment of application monies in respect of such applications will be 12:00 noon on Wednesday, March 29, 2017 or such later time as described in the section headed "How to Apply for Hong Kong Offer Shares — 10. Effect of Bad Weather on the Opening of the Application Lists" in the Prospectus (24 hours daily, except on the last application day).

CCASS Participants can input **electronic application instructions** from 9:00 a.m. on Friday, March 24, 2017 till 12:00 noon on Wednesday, March 29, 2017 or such later time as described in the section headed "How to Apply for Hong Kong Offer Shares — 10. Effect of Bad Weather on the Opening of the Application Lists" in the Prospectus.

Please refer to the sections headed "Structure of the Global Offering" and "How to Apply for Hong Kong Offer Shares" of the Prospectus for details of the conditions and application procedures of the Hong Kong Public Offering.

The Company expects to publish the announcement on the Offer Price, the level of indications of interest in the International Offering, the level of applications in the Hong Kong Public Offering, and the basis of allocation of the Hong Kong Offer Shares in the Hong Kong Public Offering (i) in the South China Morning Post (in English); (ii) in the Hong Kong Economic Times (in Chinese); (iii) on the website of the Company at www.kmdcwt.com; and (iv) on the website of the Stock Exchange at www.hkexnews.hk on Wednesday, April 5, 2017. The results of allocations and the Hong Kong identity card/passport/Hong Kong Business Registration numbers of successful applicants under the Hong Kong Public Offering will be available through a variety of channels as specified in the section headed "How to apply for Hong Kong Offer Shares — 11. Publication of Results" in the Prospectus from Wednesday, April 5, 2017.

The Company will not issue temporary documents of title or receipt for application monies received. H Share certificates will only become valid provided that the Hong Kong Public Offering has become unconditional in all respects and the right of termination described in the section headed “Underwriting — Underwriting Arrangements and Expenses — Hong Kong Public Offering — Grounds for Termination” in the Prospectus has not been exercised, which is expected to be at 8:00 a.m. on Thursday, April 6, 2017.

Dealings in the H Shares on the Stock Exchange are expected to commence at 9:00 a.m. on Thursday, April 6, 2017. The H Shares will be traded in board lots of 1,000 H Shares. The stock code of the Company is 3768.

By order of the Board of Directors
Kunming Dianchi Water Treatment Co., Ltd
Guo Yumei
Chairman

Hong Kong, March 24, 2017

As at the date of this announcement, the Board of Directors of the Company comprises Ms. Guo Yumei, Mr. Luo Yun, as executive Directors; Mr. Zeng Feng and Ms. Song Hong, as non-executive Directors; and Mr. Wong Man Chung Francis, Mr. Yin Xiaobing and Mr. He Xifeng, as independent non-executive Directors.

*Please also refer to the published version of this announcement in the **South China Morning Post** (in English) and the **Hong Kong Economic Times** (in Chinese).*