

COLLECTION/POSTING OF H SHARE CERTIFICATES

Applicants who apply for 1,000,000 or more Hong Kong Offer Shares and are wholly or partially successful using **HK eIPO White Form** or those using **WHITE** Application Forms and have provided all information required may collect their share certificates in person from the H Share Registrar, Tricor Investor Services Limited, at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong between 9:00 a.m. and 1:00 p.m. on Wednesday, April 5, 2017 or such other date as notified by the Company in the newspapers. Applicants being individuals who opt for personal collection must not authorise any other person to make collection on their behalf. Applicants being corporations which opt for personal collection must attend by sending their authorised representatives each bearing a letter of authorisation from their corporation stamped with their corporation's chop. Both individuals and authorised representatives (if applicable) must produce, at the time of collection, evidence of identity acceptable to the H Share Registrar. H Share certificates (if any) for Hong Kong Offer Shares allotted to applicants using **WHITE** Application Forms or **HK eIPO White Form** which are either not available for personal collection, or which are so available but are not collected in person, are expected to be dispatched by ordinary post to those entitled at their own risk on or before Wednesday, April 5, 2017.

Wholly or partially successful applicants who applied on a **YELLOW** Application Form or by giving **electronic application instructions** to HKSCC via CCASS will have H Share certificates issued 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 as instructed by them in respect of applications which are wholly or partially successful on Wednesday, April 5, 2017, or upon contingency, on any other date determined by HKSCC or HKSCC Nominees.

Applicants applying through a designated CCASS Participant (other than a CCASS Investor Participant) using **YELLOW** Application Forms should check the number of the Hong Kong Offer Shares allotted to them with that CCASS Participant.

Applicants applying as a CCASS Participant on **YELLOW** Application Forms or by giving **electronic application instructions** to HKSCC via CCASS should check and report any discrepancies to HKSCC before 5:00 p.m. on Wednesday, April 5, 2017 or such other date as shall be determined by HKSCC or HKSCC Nominees.

REFUND OF APPLICATION MONIES

Applicants who have applied for 1,000,000 Hong Kong Offer Shares or more using **WHITE** or **YELLOW** Application Forms and have provided all information required may collect refund cheques (if any) in person from the H Share Registrar, Tricor Investor Services Limited at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong between 9:00 a.m. and 1:00 p.m. on Wednesday, April 5, 2017. Refund cheques (if any) which are either not available for personal collection, or which are available but are not collected in person, will be dispatched by ordinary post to the address as specified in the **WHITE** or **YELLOW** Application Forms at the applicant's own risk on or before Wednesday, April 5, 2017.

For applicants who have paid the application monies from a single bank account using **HK eIPO White Form**, e-Auto Refund payment instructions (if any) are expected to be dispatched to the application payment account on Wednesday, April 5, 2017. For applicants who have paid the application monies from multi-bank accounts using **HK eIPO White Form**, refund cheques are expected to be dispatched by ordinary post at their own risk on or before Wednesday, April 5, 2017.

Refund monies for applicants applying by giving electronic application instructions to HKSCC via CCASS are expected to be credited to the relevant applicants' designated bank account or the designated bank account of their broker or custodian on Wednesday, April 5, 2017.

Applicants applying through designated CCASS Clearing/Custodian Participants may check the refund amount payable to them through their broker or custodian on Wednesday, April 5, 2017.

For applicants applying (whether using **YELLOW** Application Forms or by giving electronic application instructions to HKSCC via CCASS) as CCASS Investor Participants, they can also check their new account balance and the amount of refund (if any) payable to them (by giving **electronic application instructions** to HKSCC via CCASS only) via the CCASS Phone System or the CCASS Internet System at <https://ip.ccass.com> (using the procedures contained in HKSCC's "An Operating Guide for Investor Participants" in effect from time to time) immediately after the credit of the Offer Shares to their stock account on Wednesday, April 5, 2017. HKSCC will also make available to such applicant activity statements showing the number of Offer Shares credited to their CCASS Investor Participants stock accounts and (for CCASS Investor Participants applying by giving **electronic application instructions** to HKSCC via CCASS) the refund amount credited to their respective designated bank accounts (if any).

OVER-ALLOTMENT OPTION

Pursuant to the International Underwriting Agreement, the Company and the Selling Shareholders have granted the Over-allotment Option to the International Underwriters, exercisable by the Joint Global Coordinators (on behalf of the International Underwriters) from the date of the International Underwriting Agreement until 30 days after the last day for the lodging applications under the Hong Kong Public Offering, to require the Company to allot and issue, and the Selling Shareholders to sell, up to an aggregate of 50,914,000 additional H Shares at the Offer Price under the International Offering. In the event that the Over-allotment Option is exercised, an announcement will be made by the Company. As of the date of this announcement, the Over-allotment Option has not been exercised.

NET PROCEEDS OF THE GLOBAL OFFERING

After deducting (i) the net proceeds from the sale of the Sale Shares by the Selling Shareholders in the Global Offering; and (ii) the underwriting commissions and other estimated expenses in connection with the Global Offering, we estimate that the net proceeds of the Global Offering to us will be approximately HK\$1,095.2 million assuming the Over-allotment Option is not exercised.

- Approximately 35%, or HK\$383.3 million, will be used to finance BOT/BOO wastewater treatment and running water supply projects;
- Approximately 35%, or HK\$383.3 million, will be used to expand our operations through purchasing future TOT/TOO wastewater treatment and running water supply projects;
- Approximately 20%, or HK\$219.0 million, will be used to repay certain of our current bank borrowings;
- Approximately 10%, or HK\$109.6 million, will be used to fund our working capital and for general corporate purposes.

Please refer to the section headed "Future Plans and Use of Proceeds — Use of Proceeds" in the Prospectus for further details in respect to the Company's use of proceeds from the Global Offering.

PUBLIC FLOAT

Immediately following the completion of the Global Offering and before any exercise of the Over-allotment Option, not less than 25% of the total issued share capital of the Company will be held by the public.

COMMENCEMENT OF DEALINGS IN THE H SHARES

No temporary documents of title will be issued and no receipt will be issued for application monies received.

H Share certificates will only become valid at 8:00 a.m. on Thursday, April 6, 2017 provided that the Hong Kong Public Offering has become unconditional in all respects and the right of termination as described in the section entitled “Underwriting — Underwriting Arrangements and Expenses — The Hong Kong Public Offering — Grounds for Termination” in the Prospectus has not been exercised.

Dealings in the H Shares on the Hong Kong 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 each. The stock code of the H Shares is 3768.

In view of the high concentration of shareholding in a small number of shareholders, shareholders and prospective investors should be aware that the price of the H Shares could move substantially even with a small number of shares traded, and should exercise extreme caution when dealing in the H Shares.

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

Hong Kong, Wednesday, April 5, 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).*