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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)**

**PARTIAL EXERCISE OF  
THE OVER-ALLOTMENT OPTION, STABILIZING ACTIONS AND  
END OF STABILIZATION PERIOD**

**PARTIAL EXERCISE OF THE OVER-ALLOTMENT OPTION**

The Company announces that the Over-allotment Option described in the Prospectus was partially exercised by the Joint Global Coordinators, on behalf of the International Underwriters, on April 28, 2017 (after trading hours), in respect of an aggregate of 593,000 H Shares (the “**Over-allotment Shares**”), representing approximately 0.18% of the total number of the Offer Shares initially available under the Global Offering to, among other things, cover over-allocations in the International Offering. The Over-allotment Shares will be issued and allotted by the Company and sold by the Selling Shareholders at HK\$3.91 per H Share (exclusive of brokerage of 1%, SFC transaction levy of 0.0027% and Hong Kong Stock Exchange trading fee of 0.005%), being the Offer Price per H Share under the Global Offering.

In accordance with relevant PRC regulations regarding the transfer of state-owned shares and the letter issued by the NSSF (She Bao Ji Jin Fa [2016] No. 130) on October 13, 2016, the Selling Shareholders are required to sell and transfer an aggregate of 54,000 additional Sale Shares, equivalent to approximately 10% of the number of the H Shares to be issued by the Company pursuant to the partial exercise of the Over-allotment Option.

### **STABILIZING ACTIONS AND END OF STABILIZATION PERIOD**

The Company further announces that the stabilization period in connection with the Global Offering ended on April 28, 2017, being the 30th day after the last day for the lodging of applications under the Hong Kong Public Offering. The stabilizing actions undertaken by Haitong International Securities Company Limited, as stabilizing manager (the “**Stabilizing Manager**”), its affiliates or any person acting for it during the stabilization period were:

- (1) over-allocations of an aggregate of 23,719,000 H Shares in the International Offering, representing approximately 6.99% of the total number of the Offer Shares initially available under the Global Offering (before any exercise of the Over-allotment Option);
- (2) successive purchases of an aggregate of 23,126,000 H Shares in the price range of HK\$3.75 to HK\$3.90 per H Share (exclusive of brokerage of 1%, SFC transaction levy of 0.0027% and Hong Kong Stock Exchange trading fee of 0.005%) on the market during the stabilization period. The last purchase made by the Stabilizing Manager on the market during the stabilization period was on April 28, 2017 at the price of HK\$3.83 per H Share (exclusive of brokerage of 1%, SFC transaction levy of 0.0027% and Hong Kong Stock Exchange trading fee of 0.005%); and
- (3) the partial exercise of the Over-allotment Option by the Joint Global Coordinators, on behalf of the International Underwriters, on April 28, 2017, in respect of an aggregate of 593,000 H Shares, representing approximately 0.18% of the total number of the Offer Shares initially available under the Global Offering before any exercise of the Over-allotment Option, at the Offer Price per H Share, to facilitate the delivery to a cornerstone investor which has agreed to a delayed delivery of H Shares subscribed by it under its cornerstone investment agreement.

## **PARTIAL EXERCISE OF THE OVER-ALLOTMENT OPTION**

The Company announces that the Over-allotment Option described in the Prospectus was partially exercised by the Joint Global Coordinators, on behalf of the International Underwriters, on April 28, 2017 in respect of an aggregate of 593,000 additional H Shares (including 539,000 new H Shares to be issued and allotted by the Company and 54,000 Sales Shares to be sold by the Selling Shareholders), representing approximately 0.18% of the Offer Shares initially available under the Global Offering before exercise of the Over-allotment Option.

The Over-allotment Shares will be issued and allotted by the Company and sold by the Selling Shareholders at HK\$3.91 per H Share (exclusive of brokerage of 1%, SFC transaction levy of 0.0027% and Hong Kong Stock Exchange trading fee of 0.005%), being the Offer Price per H Share under the Global Offering. The Over-allotment Shares will be used to, among other things, cover over-allocations in the International Offering.

### **Conversion of Domestic Shares**

In accordance with relevant PRC regulations regarding the transfers of state-owned Shares and a letter issued by NSSF (She Bao Ji Jin Fa [2016] No. 130) on October 13, 2016 in this regard, the Selling Shareholders are required to sell and transfer an aggregate of 54,000 additional Sales Shares, equivalent to approximately 10% of the number of H Shares issued by the Company pursuant to the partial exercise of the Over-allotment Option. The Company will not receive any proceeds from the sale of the additional Sale Shares, or any subsequent disposal of such H Shares by the NSSF.

### **Approval of Listing**

Approval for the listing of and permission to deal in the Over-allotment Shares has already been granted by the Listing Committee of the Hong Kong Stock Exchange. Listing of and dealings in such Over-allotment Shares are expected to commence on the Main Board of the Hong Kong Stock Exchange at 9:00 a.m. on May 12, 2017.

## Share Capital upon the Partial Exercise of Over-allotment Option

The shareholding structure of the Company immediately before and immediately after the completion of the partial exercise of the Over-allotment Option is as follows:

	Immediately before the partial exercise of the Over-allotment Option		Immediately after the partial exercise of the Over-allotment Option	
	Number of Shares	Approximate percentage of the Company's issued share capital	Number of Shares	Approximate percentage of the Company's issued share capital
Domestic Shares	689,142,000	67.00%	689,088,000	66.96%
H Shares converted from Domestic Shares and offered for sale by the Selling Shareholders	30,858,000	3.00%	30,912,000	3.00%
H Shares issued under the Global Offering	308,572,000	30.00%	309,111,000	30.04%
Total	<u>1,028,572,000</u>	<u>100%</u>	<u>1,029,111,000</u>	<u>100%</u>

### Use of Proceeds

The additional net proceeds of approximately HK\$2,026,159 to be received by the Company from the issue and allotment and sale of the Over-allotment Shares after deducting the underwriting commissions and other estimated expenses in connection with the exercise of the Over-allotment Option, will be used by the Company for the purposes as set out in the section headed “Future Plans and Use of Proceeds — Use of Proceeds” in the Prospectus.

### STABILIZING ACTIONS AND END OF STABILIZATION PERIOD

The Company further announces that the stabilization period in connection with the Global Offering ended on April 28, 2017, being the 30th day after the last day for the lodging of applications under the Hong Kong Public Offering. The stabilizing actions undertaken by Haitong International Securities Company Limited, as stabilizing manager (the “**Stabilizing Manager**”), its affiliates or any person acting for it during the stabilization period were:

- (1) over-allocations of an aggregate of 23,719,000 H Shares in the International Offering, representing approximately 6.99% of the total number of the Offer Shares initially available under the Global Offering (before any exercise of the Over-allotment Option);

- (2) successive purchases of an aggregate of 23,126,000 H Shares in the price range of HK\$3.75 to HK\$3.90 per H Share (exclusive of brokerage of 1%, SFC transaction levy of 0.0027% and Hong Kong Stock Exchange trading fee of 0.005%) on the market during the stabilization period. The last purchase made by the Stabilizing Manager on the market during the stabilization period was on April 28, 2017 at the price of HK\$3.83 per H Share (exclusive of brokerage of 1%, SFC transaction levy of 0.0027% and Hong Kong Stock Exchange trading fee of 0.005%); and
- (3) the partial exercise of the Over-allotment Option by the Joint Global Coordinators, on behalf of the International Underwriters, on April 28, 2017, in respect of an aggregate of 593,000 H Shares, representing approximately 0.18% of the total number of the Offer Shares initially available under the Global Offering before any exercise of the Over-allotment Option, at the Offer Price per H Share, to facilitate the delivery to a cornerstone investor which has agreed to a delayed delivery of H Shares subscribed by it under its cornerstone investment agreement.

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

Kunming, the PRC, May 2, 2017

*As at the date of this announcement, the Board 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.*