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中國水務集團有限公司*
China Water Affairs Group Limited

(Incorporated in the Cayman Islands and continued in Bermuda with limited liability)

(Stock Code: 855)

PROPOSED CHANGE OF AUDITORS

The board (the “Board”) of the directors of China Water Affairs Group Limited (the “Company”) and its subsidiaries (the “Group”) announces that BDO Limited would not seek re-appointment as auditors of the Company at the forthcoming annual general meeting to be held on Friday, 2 September 2016 or any adjournment thereof (the “AGM”). This is because for the purpose of maintaining good corporate governance, the Board considers that the Company’s auditors should be changed after an appropriate period of time. Since BDO Limited have been auditors of the Group for six financial years, the Board would wish to change the auditors of the Company for the year ending 31 March 2017.

BDO Limited confirmed that there are no matters that need to be brought to the attention of the shareholders of the Company. The Board confirmed that there is no disagreement between BDO Limited and the Group, and there are no matters in respect of the proposed change of auditors that need to be brought to the attention of the shareholders of the Company.

The Board proposes that PricewaterhouseCoopers be appointed as auditors of the Company at the AGM.

The Board would like to express its appreciation for the professional services of BDO Limited in the past years.

A supplemental circular, revised notice of the AGM and revised proxy form in connection with the proposed change of auditors will be despatched to the shareholders of the Company as soon as possible.

By order of the Board
China Water Affairs Group Limited
Duan Chuan Liang
Chairman

Hong Kong, 15 August 2016

As at the date of this announcement, the Board comprises four executive Directors, being Mr. Duan Chuan Liang, Ms. Ding Bin, Ms. Liu Yu Jie and Mr. Li Zhong, four non-executive Directors, being Mr. Zhao Hai Hu, Mr. Zhou Wen Zhi, Mr. Makoto Inoue and Ms. Wang Xiaoqin, and four independent non-executive Directors, being Ms. Liu Dong, Mr. Chau Kam Wing, Mr. Ong King Keung and Mr. Siu Chi Ming.

* *For identification purposes only*