

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.



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)

VOLUNTARY ANNOUNCEMENT STRATEGIC COOPERATION AGREEMENT

This is a voluntary announcement made by the Company.

The Company is pleased to announce that on 26 June 2018 the Company entered into the Strategic Cooperation Agreement with TORAY and ORIX CHINA.

TORAY is a world renowned high-tech multinational with core technologies in organic synthesis, polymer chemistry and biochemistry. It offers integrated skills and expertise in water and wastewater treatment technologies and a comprehensive range of water treatment membrane technology and products. To the best of the Directors' knowledge, information and belief, and after making all reasonable enquiries, TORAY is an Independent Third Party.

ORIX CHINA is a subsidiary of ORIX Corporation which is a substantial shareholder of the Company. Therefore ORIX CHINA is a connected person of the Company. ORIX Corporation has rich experience in the field of multinational management and industry synergies between China and Japan.

Pursuant to the Strategic Cooperation Agreement, leveraging on each party's resources, expertise and advantages, the parties will enter into in-depth cooperation in multiple areas. The parties will cooperate in applying advanced technologies and solutions in constructing, renovating and maintaining the Group's waterworks and sewage treatment plants, researching and developing pipeline direct drinking equipment, and sale of household water purifiers.

The Strategic Cooperation Agreement sets out the framework for cooperation and does not create any legally binding obligations on the parties in relation to the Proposed Cooperation. The Proposed Cooperation is subject to the further negotiation and execution of formal agreements in relation thereto. Further announcement will be made in compliance with the Listing Rules as and when appropriate.

DEFINITIONS

In this announcement, unless the context otherwise requires, the following words and phrases have the following meanings:

“Board”	the board of directors of the Company
“Company”	China Water Affairs Group Limited, a company incorporated in the Cayman Islands and continued in Bermuda with limited liability, the shares of which are listed on the Stock Exchange
“connected person”	has the meaning ascribed to it under the Listing Rules
“Directors”	the directors of the Company
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Independent Third Party”	a third party who is independent of and not connected with the Company or its connected persons
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“PRC”	The People’s Republic of China which, for the purpose of this announcement, excludes Hong Kong, the Macau Special Administrative Region and Taiwan
“Proposed Cooperation”	the proposed cooperation between the Company, TORAY and ORIX CHINA pursuant to the Strategic Cooperation Agreement
“ORIX CHINA”	ORIX China Investment Corporation (歐力士(中國)投資有限公司)
“Strategic Cooperation Agreement”	the framework strategic cooperation agreement dated 26 June 2018 made between the Company, TORAY and ORIX CHINA
“Stock Exchange”	The Stock Exchange of Hong Kong Limited

“TORAY”

Toray Industries, Inc (東麗株式會社)

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

Hong Kong, 27 June 2018

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 Mr. Chau Kam Wing, Mr. Ong King Keung, Mr. Siu Chi Ming and Ms. Ho Ping.

* *For identification purposes only*