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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)

**VOLUNTARY ANNOUNCEMENT
ACQUISITION OF NANJING AQUACUP TECHNOLOGY CO., LTD.**

This is a voluntary announcement made by the Company.

The Board is pleased to announce that Silver Dragon, a wholly-owned subsidiary of the Company, is in the course of acquiring 51.0% shareholding in Nanjing Aquacup. As at the date hereof, Silver Dragon has already acquired approximately 23.2% of the total shares in Nanjing Aquacup. Silver Dragon has entered into an investment agreement with Nanjing Aquacup and certain existing shareholders of Nanjing Aquacup pursuant to which Silver Dragon will increase its shareholdings to 51.0% through acquisitions of existing and new shares in Nanjing Aquacup at a total cash consideration of approximately RMB52.1 million. Silver Dragon will also obtain control of the board of directors of Nanjing Aquacup. It is expected that Nanjing Aquacup will be accounted for as a non-wholly owned subsidiary of the Group thereafter.

Nanjing Aquacup and its subsidiaries are principally engaged in design, production, sale, construction, operation and maintenance of pipeline direct drinking water system BOT business and system integration, direct drinking water equipment, design and construction of waterworks and sewage treatment plants and sales of reverse osmosis membrane and membrane components. Nanjing Aquacup was established in 1999 and its brand name “Aquacup (水杯子)” is one of the earliest brands established by the Chinese Academy of Sciences. Nanjing Aquacup and its subsidiaries are pioneers in the campus pipeline direct drinking water and they currently have invested in over 40 campus pipeline direct drinking water projects serving over 370,000 people. Nanjing Aquacup also has over 100 patented technologies in its principal businesses and is awarded as the High Technology Enterprise.

As disclosed in the Company's announcement dated 20 September 2021, the Company considers that the prospects of pipeline direct drinking water business in China is huge and in line with the new concept of low-carbon green development. The acquisition of Nanjing Aquacup represents a further development to continuously boost industry expertise and technology level, expand its expert team and enhance brand awareness through merger and acquisitions. The acquisition of Nanjing Aquacup also represents a further integration of the "Aquacup" brand with a view to further develop its high quality pipeline direct drinking water business in major cities in Mainland China.

To the best of the Directors' knowledge, information and belief, and after making all reasonable enquiries, Nanjing Aquacup and vendors of the existing shares in Nanjing Aquacup are Independent Third Parties.

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
"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 (as defined under the Listing Rules)
"Listing Rules"	the Rules Governing the Listing of Securities on the Stock Exchange
"Nanjing Aquacup"	南京水杯子科技股份有限公司 (Nanjing Aquacup Technology Co., Ltd), a company established in the PRC

“PRC”	The People’s Republic of China which, for the purpose of this announcement, excludes Hong Kong, the Macau Special Administrative Region and Taiwan
“RMB”	Renminbi, the lawful currency of the PRC
“Silver Dragon”	銀龍管道直飲水(長沙)有限公司 (Silver Dragon Pipeline Direct Drinking Water (Changsha) Co. Ltd.*), a wholly-owned subsidiary of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited

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

Hong Kong, 29 September 2021

As at the date of this announcement, the Board comprises five executive Directors, being Mr. Duan Chuan Liang, Ms. Ding Bin, Ms. Liu Yu Jie, Mr. Li Zhong and Mr. Duan Jerry Linnan, three non-executive Directors, being Mr. Zhao Hai Hu, Mr. Makoto Inoue and Ms. Wang Xiaoqin, and five independent non-executive Directors, being Mr. Chau Kam Wing, Mr. Siu Chi Ming, Ms. Ho Ping, Ms. Zhou Nan and Mr. Chan Wai Cheung Admiral.

* *For identification purposes only*