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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**

### **STRATEGIC COOPERATION AGREEMENT RELATING TO DIRECT DRINKING WATER PROJECTS IN GUIZHOU**

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, has entered into the Cooperation Agreement in relation to the strategic cooperation with Guizhou Leshui on direct drinking water projects in Guizhou Province.

Pursuant to the Cooperation Agreement, Guizhou Leshui will make use of the resources and channels of its own platform and allow Silver Dragon full access to the market and the parties shall cooperate in developing direct drinking water projects in small districts, campus, government, hospital and corporations etc. in Guizhou. Guizhou Leshui shall promote the use of Silver Dragon's products and services to its affiliated companies and shall be responsible for developing the direct drinking water market in Guizhou. Guizhou Leshui and Silver Dragon shall enter into separate definitive cooperation agreement regarding specific projects.

Guizhou Leshui is a wholly-owned subsidiary of Guizhou Water Investments, which is a state-owned enterprise established in 2012. Guizhou Water Investments has conducted in-depth discussion on water assets cooperation with over 60 municipal areas (counties, districts) in Guizhou and has effectively integrated the water assets in 35 municipal areas (counties, districts), serving a population of approximately seven million. It is responsible for ensuring better quality and efficiency in water supply through investments and reorganization of existing water enterprises, investments in new waterworks, sewage treatment plant and water distribution network, promoting the integration of water supply in urban and rural areas and supply-drainage integration, and investments and development of direct drinking water.

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 Group currently has water supply and pipeline direct drinking water projects in Guizhou. The Cooperation Agreement represents a further development of the Group's direct drinking water business in Guizhou and will strengthen the synergy effect in the region and province.

To the best of the Directors' knowledge, information and belief, and after making all reasonable enquiries, Guizhou Leshui and Guizhou Water Investments 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
“Cooperation Agreement”	The strategic cooperation agreement dated 4 October 2021 made between Silver Dragon and Guizhou Leshui in relation to the cooperation in direct drinking water project in Guizhou
“Directors”	the directors of the Company
“Group”	the Company and its subsidiaries
“Guizhou Leshui”	貴州樂水潤澤科技有限公司 (Guizhou Leshui Runze Technology Co., Ltd), a company established in the PRC
“Guizhou Water Investments”	貴州水投水務集團有限公司 (Guizhou Water Investments and Affairs Group Co. Ltd.), a company established in the PRC
“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
“PRC”	The People’s Republic of China which, for the purpose of this announcement, excludes Hong Kong, the Macau Special Administrative Region and Taiwan
“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, 4 October 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*