

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 AGREEMENTS RELATING TO DIRECT DRINKING WATER PROJECTS IN HENAN

This is a voluntary announcement made by the Company.

The Board is pleased to announce that Henan Silver Dragon, a wholly-subsiary of the Company, has entered into the Cooperation Agreements in relation to the strategic cooperation with the Water Supply Companies on direct drinking water projects in each of Shangqiu, Hebi and Luohe city, Henan Province.

Pursuant to the Cooperation Agreements, Henan Silver Dragon and the Water Supply Companies shall jointly invest in constructing pipeline direct drinking water supply systems based on the existing water supply systems in each of Shangqiu, Hebi and Luohe city, Henan Province. The projects are scheduled in phases with the aim of bringing high quality pipeline direct drinking water to basically the entire city covering households, work place, studying and other living places within five years. For Shangqiu city, it is expected that the pipeline direct drinking water system will cover a population of approximately 1,000,000 with a daily direct drinking water supply capacity of approximately 3,000 tonnes. For Hebi city, it is expected that the pipeline direct drinking water system will cover a population of approximately 600,000 with a daily direct drinking water supply capacity of approximately 1,800 tonnes. For Luohe city, it is expected that the pipeline direct drinking water system will cover a population of approximately 300,000 with a daily direct drinking water supply capacity of approximately 900 tonnes.

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 Henan. The Cooperation Agreements represent a further development of the Group's direct drinking water business in Henan 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, the Water Supply Companies 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 Agreements”	the strategic cooperation agreements entered into by Henan Silver Dragon with each of the Water Supply Companies in relation to the cooperation in direct drinking water projects in Henan
“Directors”	the directors of the Company
“Group”	the Company and its subsidiaries
“Henan Silver Dragon”	河南銀龍供水有限公司 (Henan Silver Dragon Water Supply Co. Ltd.*), a wholly-owned subsidiary of the Company
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Independent Third Party”	a third party independent of and not connected with the Company and 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
“Stock Exchange”	The Stock Exchange of Hong Kong Limited

“Water Supply Companies” three companies established in the PRC which carry on water supply business in Shangqiu, Hebi and Luohe city respectively in Henan Province

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

Hong Kong, 11 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*