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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 CAPITAL INJECTION INTO DIRECT DRINKING WATER SUBSIDIARY

This is a voluntary announcement made by the Company.

The Board is pleased to announce that the registered capital of Silver Dragon Pipeline Direct Drinking Water (Changsha) Co. Ltd.* (銀龍管道直飲水(長沙)有限公司) (“**Silver Dragon**”), a wholly-owned subsidiary of the Company, has been increased from RMB100 million to RMB1 billion, to be paid up by way of injection of cash and assets. The funding for the capital increase comes from the internal resources of the Group.

Silver Dragon is principally engaged in pipeline direct drinking water business in the PRC. It has been expanding its business substantially in different provinces including Henan, Guizhou, Hunan and Jiangxi by entering into strategic cooperation agreements with local water companies to develop the direct drinking water market.

The increase in registered capital will enable Silver Dragon to meet the capital requirements for its future expansion. It will greatly improve its investment capacity and will have a direct and far-reaching impact on the market scale and income scale of Silver Dragon in the future.

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
“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
“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, 10 November 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*