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中國水業集團有限公司*
CHINA WATER INDUSTRY GROUP LIMITED

(Incorporated in the Cayman Islands with limited liability)

(Stock code: 1129)

DISCLOSEABLE TRANSACTION FINANCE LEASE ARRANGEMENTS

FINANCE LEASE ARRANGEMENTS

The Board would like to announce that on 24 February 2023, Lessee A, being an indirect non-wholly owned subsidiary of the Company, entered into the Finance Lease Agreement A with Sinopharm Leasing, pursuant to which (i) Sinopharm Leasing shall purchase the Leased Assets A from Lessee A for the Purchase Price A of RMB30,000,000 (equivalent to approximately HK\$34,047,000); and (ii) Sinopharm Leasing shall lease back the Leased Assets A to Lessee A for a lease consideration comprising the principal amount equivalent to the Purchase Price A and the interest accrued thereon at a rate of 6.5% per annum for a lease period of 36 months commencing from the payment date of the Purchase Price A.

The Board would also like to announce that on 24 February 2023, Lessee B, being an indirect non-wholly owned subsidiary of the Company, entered into the Finance Lease Agreement B with Sinopharm Leasing, pursuant to which (i) Sinopharm Leasing shall purchase the Leased Assets B from Lessee B for the Purchase Price B of RMB14,000,000 (equivalent to approximately HK\$15,889,000); and (ii) Sinopharm Leasing shall lease back the Leased Assets B to Lessee B for a lease consideration comprising the principal amount equivalent to the Purchase Price B and the interest accrued thereon at a rate of 6.5% per annum for a lease period of 36 months commencing from the payment date of the Purchase Price B.

The Board would also like to announce that on 24 February 2023, Lessee C, being an indirect non-wholly owned subsidiary of the Company, entered into the Finance Lease Agreement C with Sinopharm Leasing, pursuant to which (i) Sinopharm Leasing shall purchase the Leased Assets C from Lessee C for the Purchase Price C of RMB29,000,000 (equivalent to approximately HK\$32,912,000); and (ii) Sinopharm Leasing shall lease back the Leased Assets C to Lessee C for a lease consideration comprising the principal amount equivalent to the Purchase Price C and the interest accrued thereon at a rate of 6.5% per annum for a lease period of 36 months commencing from the payment date of the Purchase Price C.

* For identification only

As security for the due and punctual performance of Lessee A's obligations under the Finance Lease Agreement A, (i) Guarantor A, being a shareholder of Lessee A, executed the Guarantee I; (ii) Lessee C, being a shareholder of Lessee A, executed the Guarantee II, each in favour of Sinopharm Leasing.

As security for the due and punctual performance of the Lessees' obligations under the Finance Lease Agreements, (i) Guarantor A executed the Legal Charge I and Legal Charge II; (ii) Guarantor B executed the Pledge over Account Receivable I; and (iii) Lessee B executed the Pledge over Account Receivable II, each in favour of Sinopharm Leasing.

LISTING RULES IMPLICATION

As one or more of the applicable percentage ratio(s) (as defined under the Listing Rules) under the Finance Lease Agreements and Incidental Documentations, when aggregated, is/are more than 5% but less than 25%, the entering into of the transactions constitutes a discloseable transaction on the part of the Company under the Listing Rules and is thus subject to the reporting and announcement requirements but exempt from the Shareholders' approval requirement under Chapter 14 of the Listing Rules.

FINANCE LEASE ARRANGEMENTS

The Board would like to announce that on 24 February 2023, Lessee A, being an indirect non-wholly owned subsidiary of the Company, entered into the Finance Lease Agreement A with Sinopharm Leasing, pursuant to which (i) Sinopharm Leasing shall purchase the Leased Assets A from Lessee A for the Purchase Price A of RMB30,000,000 (equivalent to approximately HK\$34,047,000); and (ii) Sinopharm Leasing shall lease back the Leased Assets A to Lessee A for a lease consideration comprising the principal amount equivalent to the Purchase Price A and the interest accrued thereon at a rate of 6.5% per annum for a lease period of 36 months commencing from the payment date of the Purchase Price A.

The Board would also like to announce that on 24 February 2023, Lessee B, being an indirect non-wholly owned subsidiary of the Company, entered into the Finance Lease Agreement B with Sinopharm Leasing, pursuant to which (i) Sinopharm Leasing shall purchase the Leased Assets B from Lessee B for the Purchase Price B of RMB14,000,000 (equivalent to approximately HK\$15,889,000); and (ii) Sinopharm Leasing shall lease back the Leased Assets B to Lessee B for a lease consideration comprising the principal amount equivalent to the Purchase Price B and the interest accrued thereon at a rate of 6.5% per annum for a lease period of 36 months commencing from the payment date of the Purchase Price B.

The Board would also like to announce that on 24 February 2023, Lessee C, being an indirect non-wholly owned subsidiary of the Company, entered into the Finance Lease Agreement C with Sinopharm Leasing, pursuant to which (i) Sinopharm Leasing shall purchase the Leased Assets C from Lessee C for the Purchase Price C of RMB29,000,000 (equivalent to approximately HK\$32,912,000); and (ii) Sinopharm Leasing shall lease back the Leased Assets C to Lessee C for a lease consideration comprising the principal amount

equivalent to the Purchase Price C and the interest accrued thereon at a rate of 6.5% per annum for a lease period of 36 months commencing from the payment date of the Purchase Price C.

As security for the due and punctual performance of Lessee A's obligations under the Finance Lease Agreement A, (i) Guarantor A, being a shareholder of Lessee A, executed the Guarantee I; (ii) Lessee C, being a shareholder of Lessee A, executed the Guarantee II, each in favour of Sinopharm Leasing.

As security for the due and punctual performance of the Lessees' obligations under the Finance Lease Agreements, (i) Guarantor A executed the Legal Charge I and Legal Charge II; (ii) Guarantor B executed the Pledge over Account Receivable I; and (iii) Lessee B executed the Pledge over Account Receivable II, each in favour of Sinopharm Leasing.

FINANCE LEASE AGREEMENTS

The principal terms of the Finance Lease Agreements are as follows:

	The Finance Lease Agreement A	The Finance Lease Agreement B	The Finance Lease Agreement C
Date:	24 February 2023	24 February 2023	24 February 2023
Parties:	(i) Sinopharm Leasing (as lessor); and (ii) Lessee A (as lessee)	(i) Sinopharm Leasing (as lessor); and (ii) Lessee B (as lessee)	(i) Sinopharm Leasing (as lessor); and (ii) Lessee C (as lessee)

To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, each of Sinopharm Leasing and its respective ultimate beneficial owner(s) is an Independent Third Party.

Sale and leaseback of Leased Assets	Lessee A shall sell and Sinopharm Leasing shall purchase the Leased Assets A for the Purchase Price A of RMB30,000,000 (equivalent to approximately HK\$34,047,000). Sinopharm Leasing shall then lease back the Leased Assets A to Lessee A for its use and possession for a lease period of 36 months commencing from the payment date of the Purchase Price A.	Lessee B shall sell and Sinopharm Leasing shall purchase the Leased Assets B for the Purchase Price B of RMB14,000,000 (equivalent to approximately HK\$15,889,000). Sinopharm Leasing shall then lease back the Leased Assets B to Lessee B for its use and possession for a lease period of 36 months commencing from the payment date of the Purchase Price B.	Lessee C shall sell and Sinopharm Leasing shall purchase the Leased Assets C for the Purchase Price C of RMB29,000,000 (equivalent to approximately HK\$32,912,000). Sinopharm Leasing shall then lease back the Leased Assets C to Lessee C for its use and possession for a lease period of 36 months commencing from the payment date of the Purchase Price C.
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The Finance Lease Agreement A

The Finance Lease Agreement B

The Finance Lease Agreement C

Leased Assets

Leased Assets A comprise landfill gas power generating facilities situated in Changsha City, the PRC.

Leased Assets B comprise landfill gas power generating facilities situated in Qingyuan City, the PRC.

Leased Assets C comprise landfill gas power generating facilities situated in Shenzhen City, the PRC.

The Lessees will bear any maintenance, taxation and other costs and levies associated with the respective Leased Assets.

Purchase Price:

Sinopharm Leasing shall pay Lessee A the Purchase Price A of RMB30,000,000 (equivalent to approximately HK\$34,047,000) within 15 days after fulfillment or waiver (as the case may be) of the following conditions:

- (i) Sinopharm Leasing having received a notice of payment from Lessee A;
- (ii) Sinopharm Leasing having received the receipt of the full Purchase Price A issued by Lessee A;

Sinopharm Leasing shall pay Lessee B the Purchase Price B of RMB14,000,000 (equivalent to approximately HK\$15,889,000) within 15 days after fulfillment or waiver (as the case may be) of the following conditions:

- (i) Sinopharm Leasing having received a notice of payment from Lessee B;
- (ii) Sinopharm Leasing having received the receipt of the full Purchase Price B issued by Lessee B;

Sinopharm Leasing shall pay Lessee C the Purchase Price C of RMB29,000,000 (equivalent to approximately HK\$32,912,000) within 15 days after fulfillment or waiver (as the case may be) of the following conditions:

- (i) Sinopharm Leasing having received a notice of payment from Lessee C;
- (ii) Sinopharm Leasing having received the receipt of the full Purchase Price C issued by Lessee C;

The Finance Lease Agreement A

(iii) Sinopharm Leasing having received photographs of the Leased Assets A from Lessee A;

(iv) Sinopharm Leasing having received documentary proof of ownership of certain Leased Assets A, including copy of the payment receipt for the original purchase price of such Leased Assets A or other supporting documents issued by the supplier to which the seal of Lessee A was affixed; and

(v) Sinopharm Leasing having received the Handling Fee A paid by Lessee A.

Sinopharm Leasing may at its sole discretion waive or allow an extension of time to fulfill any condition(s) above.

The Finance Lease Agreement B

(iii) Sinopharm Leasing having received photographs of the Leased Assets B from Lessee B;

(iv) Sinopharm Leasing having received documentary proof of ownership of certain Leased Assets B, including copy of the payment receipt for the original purchase price of such Leased Assets B or other supporting documents issued by the supplier to which the seal of Lessee B was affixed; and

(v) Sinopharm Leasing having received the Handling Fee B paid by Lessee B.

Sinopharm Leasing may at its sole discretion waive or allow an extension of time to fulfill any condition(s) above.

The Finance Lease Agreement C

(iii) Sinopharm Leasing having received photographs of the Leased Assets C from Lessee C;

(iv) Sinopharm Leasing having received documentary proof of ownership of certain Leased Assets C, including copy of the payment receipt for the original purchase price of such Leased Assets C or other supporting documents issued by the supplier to which the seal of Lessee C was affixed; and

(v) Sinopharm Leasing having received the Handling Fee C paid by Lessee C.

Sinopharm Leasing may at its sole discretion waive or allow an extension of time to fulfill any condition(s) above.

The Finance Lease Agreement A

As at the date of this announcement, none of the conditions above has been fulfilled or waived (as the case may be).

The Purchase Price A shall be applied by Lessee A towards the general working capital of the Group.

The Purchase Price A was determined after arm's length negotiations by Lessee A and Sinopharm Leasing with reference to the original cost of the Leased Assets A of approximately RMB30,308,000 (equivalent to approximately HK\$34,397,000) and their state of condition.

As at 24 February 2023, the net book value of the Leased Assets A was approximately RMB19,394,000 (equivalent to approximately HK\$22,010,000).

The Finance Lease Agreement B

As at the date of this announcement, none of the conditions above has been fulfilled or waived (as the case may be).

The Purchase Price B shall be applied by Lessee B towards the general working capital of the Group.

The Purchase Price B was determined after arm's length negotiations by Lessee B and Sinopharm Leasing with reference to the original cost of the Leased Assets B of approximately RMB15,344,000 (equivalent to approximately HK\$17,414,000) and their state of condition.

As at 24 February 2023, the net book value of the Leased Assets B was approximately RMB5,474,000 (equivalent to approximately HK\$6,212,000).

The Finance Lease Agreement C

As at the date of this announcement, none of the conditions above has been fulfilled or waived (as the case may be).

The Purchase Price C shall be applied by Lessee C towards the general working capital of the Group.

The Purchase Price C was determined after arm's length negotiations by Lessee C and Sinopharm Leasing with reference to the original cost of the Leased Assets C of approximately RMB29,475,000 (equivalent to approximately HK\$33,451,000) and their state of condition.

As at 24 February 2023, the net book value of the Leased Assets C was approximately RMB11,720,000 (equivalent to approximately HK\$13,301,000).

The Finance Lease Agreement A

The Finance Lease Agreement B

The Finance Lease Agreement C

Lease consideration

Lessee A shall pay Sinopharm Leasing the lease consideration comprising the principal amount equivalent to the Purchase Price A and interest accrued thereon at a rate of 6.5% per annum by 36 monthly installments, of which each installment shall be approximately RMB920,800 (equivalent to approximately HK\$1,045,000). Such installments shall be payable on a monthly basis, and on the 15th day of each month during the lease period.

Lessee B shall pay Sinopharm Leasing the lease consideration comprising the principal amount equivalent to the Purchase Price B and interest accrued thereon at a rate of 6.5% per annum by 36 monthly installments, of which each installment shall be approximately RMB429,700 (equivalent to approximately HK\$488,000). Such installments shall be payable on a monthly basis, and on the 15th day of each month during the lease period.

Lessee C shall pay Sinopharm Leasing the lease consideration comprising the principal amount equivalent to the Purchase Price C and interest accrued thereon at a rate of 6.5% per annum by 36 monthly installments, of which each installment shall be approximately RMB890,100 (equivalent to approximately HK\$1,010,000). Such installments shall be payable on a monthly basis, and on the 15th day of each month during the lease period.

The terms of the Finance Lease Agreement A, including the lease consideration, lease interest, and other fees and expenses under the incidental documentation to the Finance Lease Agreement A, were determined after arm's length negotiations between Lessee A and Sinopharm Leasing with reference to the principal amount of the lease and the loan prime rate published by the National Interbank Funding Center on or before the payment date of the Purchase Price A.

The terms of the Finance Lease Agreement B, including the lease consideration, lease interest, and other fees and expenses under the incidental documentation to the Finance Lease Agreement B, were determined after arm's length negotiations between Lessee B and Sinopharm Leasing with reference to the principal amount of the lease and the loan prime rate published by the National Interbank Funding Center on or before the payment date of the Purchase Price B.

The terms of the Finance Lease Agreement C, including the lease consideration, lease interest, and other fees and expenses under the incidental documentation to the Finance Lease Agreement C, were determined after arm's length negotiations between Lessee C and Sinopharm Leasing with reference to the principal amount of the lease and the loan prime rate published by the National Interbank Funding Center on or before the payment date of the Purchase Price C.

If any of the Lessees fails to pay the lease consideration and other payables pursuant to the terms and conditions of the respective Finance Lease Agreement, it shall pay to Sinopharm Leasing a default interest on such overdue sum at the rate of 0.05% per day from the overdue date to the date of actual payment in full.

	The Finance Lease Agreement A	The Finance Lease Agreement B	The Finance Lease Agreement C
Handling Fee	Lessee A shall pay Sinopharm Leasing a handling fee of RMB600,000 (equivalent to approximately HK\$681,000) (the “ Handling Fee A ”) as a condition to the payment of the Purchase Price A. The Handling Fee A is not refundable.	Lessee B shall pay Sinopharm Leasing a handling fee of RMB280,000 (equivalent to approximately HK\$318,000) (the “ Handling Fee B ”) as a condition to the payment of the Purchase Price B. The Handling Fee B is not refundable.	Lessee C shall pay Sinopharm Leasing a handling fee of RMB580,000 (equivalent to approximately HK\$658,000) (the “ Handling Fee C ”) as a condition to the payment of the Purchase Price C. The Handling Fee C is not refundable.
Transfer of ownership and delivery of Leased Assets	The ownership of each of the Leased Assets shall be transferred from the respective Lessee to Sinopharm Leasing upon payment of the respective Purchase Price by Sinopharm Leasing to the respective Lessee.		
	The delivery of the Leased Assets shall be by way of change of possession. Upon the transfer of ownership of each of the Leased Assets to Sinopharm Leasing, Sinopharm Leasing shall be deemed to have delivered the respective Leased Assets to the respective Lessee and each of the Lessees shall be deemed to have taken possession of the respective Leased Assets in accordance with the Finance Lease Agreements.		
Buyback of Leased Assets by the Lessee	After the expiry of the lease period or upon early termination of each of the Finance Lease Agreements, provided that the respective Lessee has paid all the payables under the respective Finance Lease Agreement, such Lessee may choose to pay the buyback fee of RMB100 (equivalent to approximately HK\$113) to purchase the respective Leased Assets on an “as is” basis. The ownership of the said Leased Assets shall then be transferred from Sinopharm Leasing to the said Lessee.		

GUARANTEES, LEGAL CHARGES AND PLEDGES OVER ACCOUNT RECEIVABLE

As security for the due and punctual performance of Lessee A’s obligations under the Finance Lease Agreement A, (i) Guarantor A, being a shareholder of Lessee A, executed the Guarantee I; (ii) Lessee C, being a shareholder of Lessee A, executed the Guarantee II, each in favour of Sinopharm Leasing.

As security for the due and punctual performance of the Lessees’ obligations under the Finance Lease Agreements, (i) Guarantor A executed the Legal Charge I and Legal Charge II; (ii) Guarantor B executed the Pledge over Account Receivable I; and (iii) Lessee B executed the Pledge over Account Receivable II, each in favour of Sinopharm Leasing.

Guarantees

Pursuant to the terms of the Guarantee I, Guarantor A shall provide an irrevocable guarantee in favour of Sinopharm Leasing for the due and punctual performance of Lessee A's obligations under the Finance Lease Agreement A.

Pursuant to the terms of the Guarantee II, Lessee C shall provide an irrevocable guarantee in favour of Sinopharm Leasing for the due and punctual performance of Lessee A's obligations under the Finance Lease Agreement A.

Legal Charges

Pursuant to the terms of Legal Charge I, Guarantor A shall provide a legal charge over the entire equity interest in Guarantor B in favour of Sinopharm Leasing for the due and punctual performance of the Lessees' obligations under the Finance Lease Agreements.

Pursuant to the terms of Legal Charge II, Guarantor A shall provide a legal charge over all of the entire equity interest in Lessee B in favour of Sinopharm Leasing for the due and punctual performance of the Lessees' obligations under the Finance Lease Agreements.

Pledges over Account Receivable

Pursuant to the terms of Pledge over Account Receivable I, Guarantor B shall provide a pledge over account receivable in an aggregate amount of not less than RMB40,000,000 (equivalent to approximately HK\$45,396,000) in favour of Sinopharm Leasing for the due and punctual performance of the Lessees' obligations under the Finance Lease Agreements.

Pursuant to the terms of Pledge over Account Receivable II, Lessee B shall provide a pledge over account receivable in an aggregate amount of not less than RMB60,000,000 (equivalent to approximately HK\$68,094,000) in favour of Sinopharm Leasing for the due and punctual performance of the Lessees' obligations under the Finance Lease Agreements.

CONSULTANCY AGREEMENT

On 24 February 2023, Sinopharm Leasing and Guarantor A entered into the Consultancy Agreement, pursuant to which Sinopharm Leasing shall provide the Existing Lessee consultancy service for a term of two years at a total consultancy fee of RMB800,000 (equivalent to approximately HK\$908,000).

The total consultancy fee shall be payable by Guarantor A to Sinopharm Leasing within seven days upon the payment of the Purchase Prices.

INFORMATION OF THE PARTIES TO THE FINANCE LEASE ARRANGEMENTS

Lessor

Sinopharm Leasing, a company established in the PRC with limited liability, is a financial leasing company owned as to approximately 22.68% by Sinopharm Group Co., Ltd. (國藥控股股份有限公司), approximately 17.55% by PAGAC II-3(HK) Limited, approximately 15.71% by 深圳峰順投資企業(有限合夥) (for transliteration purpose only, Shenzhen Fengshun Investment Enterprise (Limited Partnership)[#]), approximately 10.00% by Jiaying Deqihong Investment Partnership (L.P.) (嘉興德祺弘投資合夥企業(有限合夥)), approximately 9.72% by Sinopharm Holding Hongkong Co., Limited (國藥控股股份香港有限公司), approximately 8.98% by 上海云想通遠企業管理諮詢合夥企業(有限合夥) (for transliteration purpose only, Shanghai Weixiang Tongyuan Enterprise Management Consulting Partnership (Limited Partnership)[#]), approximately 3.72% by Shenzhen Songhe Growth Equity Investment Partnership(L.P.) (深圳市松禾成長股權投資合夥企業(有限合夥)), approximately 3.60% by 寧波梅山保稅港區裕順投資合夥企業(有限合夥) (for transliteration purpose only, Ningbo Meishan Free Trade Port Yushun Investment Partnership (Limited Partnership)[#]), approximately 3.34% by Hangzhou Chang Pan Equity Investment Partnership(L.P.) (杭州長潘股權投資合夥企業(有限合夥)), approximately 2.70% by 睿賢實業有限公司(for transliteration purpose only, Ruixian Industrial Co. Ltd.[#]) and approximately 2.00% by 交銀國信私募基金管理有限公司 (for transliteration purpose only, BOCOM Guoxin Private Equity Fund Management Co.Ltd.[#]).

Lessee A

Lessee A is a company established in the PRC with limited liability and is principally engaged in exploitation, generation and sale of renewable energy. As at the date of this announcement, it is an indirect non-wholly owned subsidiary of the Company and is owned as to 94.6% by Guarantor A and 5.4% by Lessee C.

Lessee B

Lessee B is a company established in the PRC with limited liability and is principally engaged in exploitation, generation and sale of renewable energy. As at the date of this announcement, it is an indirect non-wholly owned subsidiary of the Company and is owned as to 100% by Guarantor A.

Lessee C

Lessee C is a company established in the PRC with limited liability and is principally engaged in exploitation, generation and sale of renewable energy. As at the date of this announcement, it is an indirect non-wholly owned subsidiary of the Company and is owned as to 100% by Guarantor A.

Guarantors

Guarantor A is a company established in the PRC with limited liability, which is an indirect non-wholly owned subsidiary of the Company. It is principally engaged in the exploitation, generation and sale of renewable energy.

Guarantor B is a company established in the PRC with limited liability, which is an indirect non-wholly owned subsidiary of the Company. It is principally engaged in exploitation, generation and sale of renewable energy.

REASONS FOR AND BENEFITS OF THE FINANCE LEASE ARRANGEMENT

The Group is principally engaged in (i) provision of water supply, sewage treatment and construction services; (ii) exploitation and sale of renewable energy in the PRC; and (iii) property investment and development.

The Directors are of the view that under the Finance Lease Arrangements, the Group will obtain financial resources for its general working capital while retaining access to certain machinery and equipment as required for its operations. The terms under the Finance Leases and Incidental Documentations have been agreed after arm's length negotiation among the relevant parties. The Directors consider that the terms of the Finance Leases and Incidental Documentations, including each of the Purchase Prices and the lease considerations, are on normal commercial terms, fair and reasonable and are in the interests of the Company and the Shareholders as a whole.

LISTING RULES IMPLICATION

As one or more of the applicable percentage ratio(s) (as defined under the Listing Rules) under the Finance Lease Agreements and Incidental Documentations, when aggregated, is/are more than 5% but less than 25%, the entering into of the transactions constitutes a discloseable transaction on the part of the Company under the Listing Rules and is thus subject to the reporting and announcement requirements but exempt from the Shareholders' approval requirement under Chapter 14 of the Listing Rules.

None of the Directors has any material interest in the Finance Lease Arrangement and is required to abstain from voting on the board resolutions approving the Finance Lease Arrangement.

DEFINITIONS

Unless the context otherwise requires, capitalised terms used in this announcement shall have the following meanings:

“Board”	the board of Directors
“Company”	China Water Industry Group Limited, a company incorporated in the Cayman Islands with limited liability, the issued Shares of which are listed on the Main Board of the Stock Exchange (stock code: 1129)
“Consultancy Agreement”	the consultancy agreement dated 24 February 2023 and entered into between Sinopharm Leasing and Guarantor A in relation to the provision of consultancy services by Sinopharm Leasing to Guarantor A
“Director(s)”	the director(s) of the Company

“Finance Lease Agreement A”	the finance lease agreement dated 24 February 2023 and entered into between Sinopharm Leasing and Lessee A, which sets out the rights and obligations of Lessee A and Sinopharm Leasing in relation to the Finance Lease Arrangements
“Finance Lease Agreement B”	the finance lease agreement dated 24 February 2023 and entered into between Sinopharm Leasing and Lessee B, which sets out the rights and obligations of Lessee B and Sinopharm Leasing in relation to the Finance Lease Arrangements
“Finance Lease Agreement C”	the finance lease agreement dated 24 February 2023 and entered into between Sinopharm Leasing and Lessee C, which sets out the rights and obligations of Lessee C and Sinopharm Leasing in relation to the Finance Lease Arrangements
“Finance Lease Agreement(s)”	collectively, Finance Lease Agreement A, Finance Lease Agreement B and/or Finance Lease Agreement C
“Finance Leases and Incidental Documentations”	the Finance Lease Agreements and the agreements incidental to the Finance Lease Agreements, including the Guarantee I, Guarantee II, Legal Charge I, Legal Charge II, Pledge over Account Receivable I, Pledge over Account Receivable II and the Consultancy Agreement
“Finance Lease Arrangements”	the transactions contemplated under the Finance Leases and Incidental Documentations
“Group”	the Company and its subsidiaries
“Guarantee I”	a guarantee executed by the Guarantor A in favour of Sinopharm Leasing as security for the due and punctual performance of Lessee A’s obligations under the Finance Lease Agreement A
“Guarantee II”	a guarantee executed by the Guarantor B in favour of Sinopharm Leasing as security for the due and punctual performance of Lessee A’s obligations under the Finance Lease Agreement A
“Guarantor A”	新中水(南京)再生資源投資有限公司 (for transliteration purpose only, New China Water (Nanjing) Renewable Resources Investment Company Limited [#]), a company established in the PRC with limited liability, which is an indirect non-wholly owned subsidiary of the Company

“Guarantor B”	Hainan Camda New Energy Co., Ltd. (海南康達新能源有限公司), a company established in the PRC with limited liability, which is an indirect non-wholly owned subsidiary of the Company
“Handling Fee A”	has the meaning ascribed thereto in the paragraph headed “Handling Fee A” under the section headed “Finance Lease Agreements” in this announcement
“Handling Fee B”	has the meaning ascribed thereto in the paragraph headed “Handling Fee B” under the section headed “Finance Lease Agreements” in this announcement
“Handling Fee C”	has the meaning ascribed thereto in the paragraph headed “Handling Fee C” under the section headed “Finance Lease Agreements” in this announcement
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“HK\$”	Hong Kong Dollar, the lawful currency of Hong Kong
“Independent Third Party(ies)”	any person or company and its ultimate beneficial owner(s), to the best of the Directors’ knowledge, information and belief having made all reasonable enquiries, is/are not connected person(s) of the Company and is/are third party(ies) independent of the Company and its connected person(s) in accordance with the Listing Rules
“Leased Assets A”	subject leased assets under the Finance Lease Agreement A, which principally comprise landfill gas power generating facilities situated in Changsha City, the PRC
“Leased Assets B”	subject leased assets under the Finance Lease Agreement B, which principally comprise landfill gas power generating facilities situated in Qingyuan City, the PRC
“Leased Assets C”	subject leased assets under the Finance Lease Agreement C, which principally comprise landfill gas power generating facilities situated in Shenzhen City, the PRC
“Leased Assets”	collectively, Leased Assets A, Leased Assets B and/or Leased Assets C
“Legal Charge I”	a legal charge over the entire equity interest in Guarantor B executed by Guarantor A in favour of Sinopharm Leasing as security for the due and punctual performance of the Lessees’ obligations under the Finance Lease Agreements

“Legal Charge II”	a legal charge over the entire equity interest in Lessee B executed by Guarantor A in favour of Sinopharm Leasing as security for the due and punctual performance of the Lessees’ obligations under the Finance Lease Agreements
“Lessee A”	長沙新中水環保科技有限公司 (for transliteration purpose only, Changsha New China Water Environment Technology Company Limited [#]), a company established in the PRC with limited liability, which is an indirect non-wholly owned subsidiary of the Company
“Lessee B”	清遠市青泓環保科技有限公司 (for transliteration purpose only, Qingyuan City Greenspring Environmental Technology Limited [#]), a company established in the PRC with limited liability, which is an indirect non-wholly owned subsidiary of the Company
“Lessee C”	深圳市新中水環保科技有限公司 (for transliteration purpose only, Shenzhen City New China Water Environmental Technology Company Limited [#]), a company established in the PRC with limited liability, which is an indirect non-wholly owned subsidiary of the Company
“Lessee(s)”	collectively, Lessee A, Lessee B and/or Lessee C
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Pledge over Account Receivable I”	a pledge over account receivable executed by Guarantor B in favour of Sinopharm Leasing as security for the due and punctual performance of the Lessees’ obligations under the Finance Lease Agreements
“Pledge over Account Receivable II”	a pledge over account receivable executed by Lessee B in favour of Sinopharm Leasing as security for the due and punctual performance of the Lessees’ obligations under the Finance Lease Agreements
“PRC”	the People’s Republic of China which for the purpose of this announcement excludes Hong Kong, the Macau Special Administrative Region and Taiwan
“Purchase Price A”	an amount of RMB30,000,000 (equivalent to approximately HK\$34,047,000), being the purchase price for the Leased Assets A paid by Sinopharm Leasing to Lessee A under the Finance Lease Agreement A

“Purchase Price B”	an amount of RMB14,000,000 (equivalent to approximately HK\$15,889,000), being the purchase price for the Leased Assets B paid by Sinopharm Leasing to Lessee B under the Finance Lease Agreement B
“Purchase Price C”	an amount of RMB29,000,000 (equivalent to approximately HK\$32,912,000), being the purchase price for the Leased Assets C paid by Sinopharm Leasing to Lessee C under the Finance Lease Agreement C
“Purchase Prices”	collectively, Purchase Price A, Purchase Price B and Purchase Price C
“RMB”	Renminbi, the lawful currency of the PRC
“Share(s)”	ordinary share(s) of the Company of HK\$0.01 each
“Shareholder(s)”	holder(s) of issued Share(s) from time to time
“Sinopharm Leasing”	Sinopharm Holding (China) Finance Leasing Co., Ltd. (國藥控股(中國)融資租賃有限公司), a company established in the PRC with limited liability
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“%”	per cent

the English translation of Chinese names or words in this announcement, where indicated, is included for information purpose only, and should not be regarded as the official English translation of such Chinese names or words.

For the purpose of this announcement, unless otherwise indicated, conversion of Renminbi into Hong Kong dollars is calculated at the approximate exchange rate of RMB1.0000 to HK\$1.1349. Such exchange rate has been used, where applicable, for the purpose of illustration only and does not constitute a representation that any amounts were or may have been exchanged at this or any other rates or at all.

By order of the Board
China Water Industry Group Limited
Mr. Zhu Yongjun
Chairman and Executive Director

Hong Kong, 24 February 2023

As at the date of this announcement, the Board comprises Mr. Zhu Yongjun (Chairman), Ms. Chu Yin Yin Georgiana, Ms. Deng Xiao Ting and Mr. Hu Siyun, all being executive Directors and Mr. Wong Siu Keung, Joe, Mr. Lam Cheung Shing, Richard and Ms. Qiu Na, all being independent non-executive Directors.