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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)

ANNOUNCEMENT

RESULTS OF THE RIGHTS ISSUE ON THE BASIS OF ONE (1) RIGHTS SHARE FOR EVERY ONE (1) SHARE HELD ON THE RECORD DATE

References are made to the prospectus of China Water Industry Group Limited (the “**Company**”) dated 23 December 2024 (the “**Prospectus**”) and the announcement of the Company dated 14 January 2025 (the “**Announcement**”) in relation to, among others, the Rights Issue. Capitalised terms used herein shall have the same meanings as those defined in the Prospectus, unless the context otherwise requires.

RESULTS OF THE RIGHTS ISSUE AND THE COMPENSATORY ARRANGEMENTS

As disclosed in the Announcement, as at 4:00 p.m. on Friday, 10 January 2025, being the Latest Time for Acceptance, a total of 4 valid applications had been received for a total of 181,236,446 Rights Shares, representing approximately 63.07% of the total number of Rights Shares offered under the Rights Issue. Accordingly, the Rights Issue was under-subscribed by 106,124,518 Rights Shares, representing approximately 36.93% of the total number of Rights Shares offered under the Rights Issue, which will be subject to the Compensatory Arrangements.

The Board wishes to announce that, as at 4:00 p.m. on Monday, 20 January 2025, being the latest time of placing of the Unsubscribed Rights Shares by the Placing Agent, all of the 106,124,518 Unsubscribed Rights Shares were successfully placed to not less than six independent placees at the price of HK\$0.326 per Unsubscribed Rights Share, which is equivalent to the Subscription Price, under the Placing. Accordingly, there is no Net Gain available to be distributed to the No Action Shareholders under the Compensatory Arrangements.

To the best of the Directors’ knowledge, information and belief after having made all reasonable enquiries, (i) each of the placees and where appropriate, their respective ultimate beneficial owner(s), is independent of and not connected with the Company and its

* For identification purposes only

connected persons and not a connected person of the Company; and (ii) none of the placees has become a substantial shareholder of the Company (as defined under the Listing Rules) upon completion of the Placing.

As all the conditions with respect to the Rights Issue as set out in the Prospectus have been fulfilled, the Rights Issue became unconditional at 4:00 p.m. on Wednesday, 22 January 2025.

Accordingly, the gross proceeds raised from the Rights Issue (including the Placing) were approximately HK\$93.68 million and the net proceeds from the Rights Issue after deducting the expenses were approximately HK\$90.10 million. As disclosed in the Prospectus, the Company intends to use the net proceeds from the Rights Issue as to (i) approximately HK\$68.00 million (representing approximately 75% of the net proceeds) for the repayment of debts; and (ii) approximately HK\$15.00 million (representing approximately 17% of the net proceeds) for the investment in biomass gas project; and (iii) approximately HK\$7.10 million (representing approximately 8% of the net proceeds) for general working capital of the Group (including but not limited to the payment of salaries, rental expenses, professional fees and/or other corporate expenses).

As disclosed in the Prospectus, the net proceeds raised from the Rights Issue are insufficient to settle the Debts in full. As at the date of this announcement, the Company is still actively considering various fundraising activities, including both debt and equity fundraising, to raise funds for settling its liabilities. The Company will make further announcements in accordance with the Listing Rules as and when appropriate.

EFFECT OF THE RIGHTS ISSUE ON THE SHAREHOLDING STRUCTURE OF THE COMPANY

To the best of the Directors' knowledge, information and belief after having made all reasonable enquiries, the following table sets out the shareholding structure of the Company immediately before and after the completion of the Rights Issue and the Placing:

	Immediately before completion of the Rights Issue and the Placing		Immediately after completion of the Rights Issue and the Placing	
	<i>Number of issued Shares</i>	<i>%</i>	<i>Number of issued Shares</i>	<i>%</i>
Substantial Shareholder				
Step Wide Investment Limited (<i>Note 1</i>)	70,782,101	24.63	141,564,202	24.63
Director				
Ms. Chu Yin Yin Georgianna	111,200	0.04	111,200	0.02
Public Shareholders				
Independent placees	—	—	106,124,518	18.47
Other public Shareholders	216,467,663	75.33	326,922,008	56.88
	<u>287,360,964</u>	<u>100.00</u>	<u>574,721,928</u>	<u>100.00</u>

Notes:

1. Step Wide Investment Limited is ultimately controlled by Mrs. Chu Yuet Wah, who is also the ultimate controller of the Placing Agent.
2. The percentage figures have been subject to rounding adjustments. Any discrepancies between totals and sums of amounts listed herein are due to rounding adjustments.

DESPATCH OF SHARE CERTIFICATES FOR RIGHTS SHARES

Share certificates for all fully-paid Rights Shares are expected to be posted to those entitled thereto to their registered addresses by ordinary post at their own risk on Monday, 3 February 2025.

COMMENCEMENT OF DEALINGS IN FULLY-PAID RIGHTS SHARES

Dealings in the Rights Shares, in their fully-paid form, are expected to commence on the Stock Exchange at 9:00 a.m. on Tuesday, 4 February 2025.

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

Hong Kong, 28 January 2025

As at the date of this announcement, the Board comprises Mr. Zhu Yongjun (Chairman) and Ms. Chu Yin Yin Georgiana, all being executive Directors, Mr. Wong Siu Keung, Joe, Mr. Lam Cheung Shing, Richard and Mr. Mak Ka Wing, Patrick, all being independent non-executive Directors.