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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)

**VOLUNTARY ANNOUNCEMENT
MEMORANDA OF UNDERSTANDING
IN RELATION TO POSSIBLE ACQUISITIONS**

The Board is pleased to announce that on 26 September 2025 (after trading hours of the Stock Exchange), the Company, as purchaser, entered into two non-legally binding Memoranda of Understanding with (i) Vendor A and Vendor B in respect of the Possible Acquisition A by the Company to acquire the entire limited partnership interest in the Target Limited Partnership; and (ii) Vendor C in respect of the Possible Acquisition B by the Company to acquire 1% of the equity interest in the Target Company.

The Possible Acquisitions, if materialised, may constitute a notifiable transaction on the part of the Company under Chapter 14 of the Listing Rules. The Company will comply with the relevant requirements under the Listing Rules as and when appropriate. The Possible Acquisitions are subject to the entering into of the Formal Agreements by the Company and the Vendors.

The Possible Acquisitions therefore may or may not proceed. The Company will publish an announcement to fully comply with the Listing Rules as when and appropriate. Shareholders and potential investors of the Company are advised to exercise caution when dealing in the Shares.

The Board is pleased to announce that on 26 September 2025 (after trading hours of the Stock Exchange), the Company, as purchaser, entered into two non-legally binding Memoranda of Understanding with (i) Vendor A and Vendor B in respect of the Possible Acquisition A by the Company to acquire the entire limited partnership interest in the Target Limited Partnership; and (ii) Vendor C in respect of the Possible Acquisition B by the Company to acquire 1% of the equity interest in the Target Company.

* For identification purposes only

THE MEMORANDA OF UNDERSTANDING

The principal terms of the Memoranda of Understanding are set out as follows:

	Memorandum of Understanding A	Memorandum of Understanding B
Date:	26 September 2025 (after trading hours of the Stock Exchange)	26 September 2025 (after trading hours of the Stock Exchange)
Parties:	(i) the Company, as purchaser; (ii) Vendor A, as vendor; and (iii) Vendor B, as vendor	(i) the Company, as purchaser; and (ii) Vendor C, as vendor
Assets to be acquired:	Pursuant to the terms and conditions of the Memorandum of Understanding A, Vendor A and Vendor B intend to sell, and the Purchaser intends to purchase, the entire limited partnership interest in the Target Limited Partnership.	Pursuant to the terms and conditions of the Memorandum of Understanding B, Vendor C intends to sell, and the Purchaser intends to purchase, 1% of the equity interest in the Target Company.
Due diligence:	Upon the signing of the Memoranda of Understanding, the Company shall engage an independent professional institution to conduct due diligence review on the Target Limited Partnership and the Target Company. The Vendors, the Target Limited Partnership and the Target Company shall provide the necessary documents and assistance in a timely manner in respect of the due diligence exercise.	
Consideration:	The consideration for the Possible Acquisitions shall be subject to further negotiation between the Vendors and the Company after taking into account, among others, due diligence results, the financial positions, business prospect and profitability.	
Legal effect and the term of the Memoranda of Understanding:	The Memoranda of Understanding only represents the parties' preliminary intention in relation to the Possible Acquisitions, which may or may not proceed. The signing of the Memoranda of Understanding does not impose a legally binding obligation on the Company to acquire (i) the entire limited partnership interest in the Target Limited Partnership; or (ii) 1% of the equity interest in the Target Company. In the event that the Company and the Vendors fail to enter into Formal Agreements in respect of the Possible Acquisitions with twelve (12) months from the date of the Memoranda of Understanding, the Memoranda of Understanding shall cease and determine.	

INFORMATION ON THE PARTIES

The Group and the Company

The Company is incorporated in the Cayman Islands as an exempted company with limited liability and the issued Shares of which are listed on the Main Board of the Stock Exchange (stock code: 1129). The Group is principally engaged in (i) provision of sewage treatment service and the related construction services; (ii) exploitation and sale of renewable energy in the PRC; (iii) property investment and development; and (iv) waste management and recycling.

Vendors

Each of Vendor A and Vendor B is a PRC citizen and merchant.

Vendor C is a limited partnership established under the laws of the PRC and is principally engaged in the provision of information transmission, software and information technology services. As at the date of this announcement, Vendor C is owned as to approximately 83.33% by Ren Yamei* (任亞梅) and as to approximately 16.67% by Beijing Aiyi Online Information Service Company Limited (北京艾醫在線信息服務有限公司), which in turn is owned as to 50% by Ren Yamei, as to 30% by Zheng Yingdong* (鄭迎冬) and as to 20% by Sun Guilou* (孫桂路).

To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, each of the Vendors and their respective ultimate beneficial owner, where applicable, is an Independent Third Party.

Target Limited Partnership

The Target Limited Partnership is a limited partnership established under the laws of the PRC and is principally engaged in the provision of consulting business services including marketing promotion and information technology services. As at the date of this announcement, the Target Limited Partnership is owned as to 60% by Vendor A and as to 40% by Vendor B.

Target Company

The Target Company is a company established in the PRC and principally engaged in (i) the design and development of intellectual property; (ii) the provision of software application services and delivery of related training programs; and (iii) the provision of customised marketing services for new media operations.

As at the date of this announcement, the Target Company is owned as to 50% by the Target Limited Partnership, as to approximately 28.6% by Mingya Insurance Brokers Co., Ltd. (明亞保險經紀股份有限公司), and as to approximately 21.4% by Vendor C.

REASONS FOR AND BENEFITS OF ENTERING INTO THE MEMORANDA OF UNDERSTANDING

As disclosed in the annual report of the Company for the year ended 31 December 2024, despite the fact that the environmental protection industry in the PRC is expected to face unprecedented severe challenges in the upcoming year, the Company will prioritize business transformation, and adhere to the market positioning of “biomass gas operator in China”, striving for long-term development amid intensifying market competition. To further enhance the profitability and sustainability of the Group, the Board is proactively evaluating the opportunity of expanding its existing business and/or investing into new businesses to broaden the Group’s revenues basis.

The Proposed Acquisitions, if materialised, represents an attractive investment opportunity enabling the Group to participate in the information technology business in the PRC, which is expected to diversify the revenue stream the Group and enhance return to its shareholders. In addition, it is noted that there is a global trend towards the introduction and application of Internet of Things (IoT) technologies and artificial intelligence (AI) across various industries, and business digitalisation is inevitable. Therefore, the Directors considered that the digital solutions market is promising with excellent potential prospects. In view of the above, the Directors consider that the terms of the Proposed Acquisitions and the entering into of the Memoranda of Understanding are on normal commercial terms and are fair and reasonable and in the interest of the Company and the Shareholders as a whole.

GENERAL

The Possible Acquisitions, if materialised, may constitute a notifiable transaction on the part of the Company under Chapter 14 of the Listing Rules. The Company will comply with the relevant requirements under the Listing Rules as and when appropriate. The Possible Acquisitions are subject to the entering into of the Formal Agreements by the Company and the Vendors.

The Possible Acquisitions therefore may or may not proceed. The Company will publish an announcement to fully comply with the Listing Rules as when and appropriate. Shareholders and potential investors of the Company are advised to exercise caution when dealing in the Shares.

DEFINITIONS

In this announcement, unless the context otherwise requires, the following expressions shall have the following meanings when used herein:

“Board”	the board of Directors
“Company”	China Water Industry Group Limited, a company incorporated in the Cayman Islands with limited liability and whose Shares are listed on the Main Board of the Stock Exchange (stock code: 1129)
“connected person(s)”	has the meaning ascribed thereto under the Listing Rules
“Director(s)”	the director(s) of the Company

“Formal Agreements”	the formal sale and purchase agreements to be entered into among the Company and the Vendors in respect of the Possible Acquisition A and/or the Possible Acquisition B (as the case may be)
“Group”	the Company and its subsidiaries
“Independent Third Party”	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
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Memoranda of Understanding”	collectively, the Memorandum of Understanding A and the Memorandum of Understanding B
“Memorandum of Understanding A”	the memorandum of understanding dated 26 September 2025 and entered into among the Company, as purchaser, and Vendor A and Vendor B, as vendors, in relation to the Possible Acquisition A
“Memorandum of Understanding B”	the memorandum of understanding dated 26 September 2025 and entered into among the Company, as purchaser, and Vendor C, as vendor, in relation to the Possible Acquisition B
“Possible Acquisition A”	the possible acquisition of the entire limited partnership interest in the Target Limited Partnership from Vendor A and Vendor B by the Purchaser as contemplated under the Memorandum of Understanding A
“Possible Acquisition B”	the possible acquisition of 1% equity interest in the Target Company from Vendor C by the Purchaser as contemplated under the Memorandum of Understanding B
“Possible Acquisitions”	collectively, the Possible Acquisition A and the Possible Acquisition B
“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

“Target Company”	Beijing Baodian Information Technology Co., Ltd (北京隨身保典信息科技有限公司), being a company established in the PRC with limited liability, which is owned as to as to 50% by the Target Limited Partnership, as to approximately 28.6% by Mingya Insurance Brokers Co., Ltd. (明亞保險經紀股份有限公司), and as to approximately 21.4% by Vendor C as at the date of this announcement
“Target Limited Partnership”	Zhejiang Free Trade Zone Charity Enterprise Management Consulting Partnership Enterprise (Limited Partnership) (浙江自貿區善行企業管理諮詢合夥企業 (有限合夥)), being a limited partnership established under the laws of the PRC, which is owned as to 60% by Vendor A and as to 40% by Vendor B as at the date of this announcement
“Vendor A”	Zhang Zhilung* (張志壠), being a PRC citizen and merchant, and one of the vendors to the Memorandum of Understanding A
“Vendor B”	Li Xueying* (李雪穎), being a PRC citizen and merchant, and one of the vendors to the Memorandum of Understanding A
“Vendor C”	Beijing Kangyun Information Consulting Center (Limited Partnership) (北京康運信息諮詢中心 (有限合夥)), being a limited partnership established under the laws of the PRC and the vendor to the Memorandum of Understanding B
“Vendors”	collectively, Vendor A, Vendor B and Vendor C

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

Hong Kong, 26 September 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 and Mr. Wong Siu Keung, Joe, Mr. Lam Cheung Shing, Richard and Mr. Mak Ka Wing, Patrick, all being independent non-executive Directors.