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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 COOPERATION AGREEMENT

This announcement is made by China Water Industry Group Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) on a voluntary basis to provide the shareholders (the “**Shareholders**”) and potential investors of the Company with an update on the latest business development of the Group.

BACKGROUND

As disclosed in the announcement of the Company dated 20 March 2025, on 20 March 2025, the Company entered into a memorandum of understanding with the regional government of Semarang Regency, Indonesia, (the “**Semarang Regency Government**”) in relation to a potential cooperation on the management of a landfill site situated at Semarang Regency, including but not limited to utilising landfill gas from the landfill for power generation, operation and management of the landfill, and leachate treatment.

COOPERATION AGREEMENT

The board (the “**Board**”) of directors (the “**Director(s)**”) of the Company is pleased to announce that on 23 October 2025, PT Blondo Lestari Energi (“**PT Blondo**”), being an indirect non-wholly owned subsidiary of the Company, entered into a cooperation agreement (the “**Cooperation Agreement**”) with the Semarang Regency Government in relation to the implementation, management and operation of a waste processing system at the Blondo final processing site (the “**Site**”) situated at Semarang Regency, which is located in the northern part of Central Java, Indonesia, with a gross area of 69,688 square meters.

* For identification purposes only

Set out below is a summary of the principal terms of the Cooperation Agreement:

Date:	23 October 2025
Parties:	(1) Semarang Regency Government; and (2) PT Blondo, being an indirect non-wholly owned subsidiary of the Company
Purpose:	To create a waste processing system at the Site which would utilise methane gas as an energy source for the generation of electrical energy (the “ Waste Processing Project ”), thereby improving the quality of public services in the environmental sector, encouraging economic growth through the development of the waste processing industry, and overcoming waste problems in Semarang Regency.
Term:	Thirty (30) years commencing from the date of the Cooperation Agreement, i.e. from 23 October 2025 to 22 October 2055 (the “ Term ”)
Scope of cooperation:	The Semarang Regency Government shall be responsible for, among others, (i) granting PT Blondo the right to establish, operate and carry out the Waste Processing Project at the Site; (ii) providing at least 1,600 tons of waste per week; (iii) facilitating PT Blondo to obtain the necessary licenses for the Waste Processing Project; and (iv) monitoring the impacts and pollution arising from the waste processing activities. On the other hand, PT Blondo shall be responsible for, among others, (i) constructing, managing and operating the relevant waste processing facilities at the Site; (ii) providing reports regarding waste processing and carrying out monitoring and evaluation of waste processing on a monthly basis; (iii) complying with all licensing and administrative requirements in relation to the Waste Processing Project; and (iv) carrying out sorting and processing of organic and inorganic waste.

- Costs and expenses:** PT Blondo shall provide an initial investment costs of IDR24,900,000,000 (equivalent to approximately HK\$11,636,000), and bear all costs to be incurred in carrying out the Waste Processing Project during the Term.
- Income distribution:** In consideration of the Semarang Regency Government agreeing to grant the right to PT Blondo to carry out the Waste Processing Project at the Site, PT Blondo shall pay to the Semarang Regency Government an amount equivalent to:
- (i) 0.55% of the revenue generated from the sale of electrical energy during the period commencing from 1 January 2032 to 31 December 2036;
 - (ii) 1.20% of the revenue generated from the sale of electrical energy during the period commencing from 1 January 2037 to 31 December 2041; and
 - (iii) 1.50% of the revenue generated from the sale of electrical energy during the period commencing from 1 January 2042 to 22 October 2055.

REASONS FOR AND BENEFITS OF ENTERING INTO THE COOPERATION AGREEMENT

The Group is principally engaged in (i) provision of sewage treatment service and the related construction service; (ii) exploitation and sale of renewable energy in the PRC; (iii) property investment and development; and (iv) waste management and recycling.

The Cooperation Agreement aims to leverage the strength of the Group and the resources of the Semarang Regency Government to increase the effectiveness and efficiency of waste management and overcome the waste problem faced by the Semarang Regency Government.

By utilising the landfill gas as a resource to generate electrical energy, the Waste Processing Project will not only effectively address local waste management challenges and improve sanitary conditions, but also significantly reduce the annual greenhouse gas emissions. After the construction and operation of the waste processing facilities at the Site, it is expected that Waste Processing Project will provide a stable source of renewable energy for Semarang Regency, supporting Indonesia's national emission reduction targets and energy transition on one hand, and will broaden the income stream and achieve sustainable business growth of the Group on the other hand.

The Board considers that the Cooperation Agreement provides a valuable opportunity for the parties to leverage their respective resources and expertise and create mutual benefits and synergy for each other. The Cooperation Agreement also signifies the Group's solid step forward in the field of overseas greenfield development. It is not only an important achievement in realising the Company's overseas strategic transformation, but also another significant measure in its commitment to green development and promoting the renewable

energy transition of the Indonesian government. Therefore, the Board is of the view that entering into the Cooperation Agreement is fair and reasonable, and in the interests of the Company and the Shareholders as a whole.

LISTING RULES IMPLICATIONS

As all applicable percentage ratios under Rule 14.07 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”) in respect of the transactions contemplated under the Cooperation Agreement are below 5%, the entering into of the Cooperation Agreement does not constitute any notifiable transaction on the part of the Company under Chapter 14 of the Listing Rules nor any connected transaction under Chapter 14A of the Listing Rules.

For the purpose of this announcement, unless otherwise indicated, conversion of Rupiah into Hong Kong dollars is calculated at the approximate exchange rate of IDR1.0000 to HK\$0.0004673. 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, 23 October 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.