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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)

COMPLETION OF PLACING OF NON-LISTED WARRANTS UNDER SPECIFIC MANDATE

Placing Agent



First Shanghai Securities Limited

Reference is made to the announcements (the “**Announcements**”) of China Water Affairs Group Limited (the “**Company**”) dated 1 April 2026 and 30 June 2026 and the circular of the Company dated 13 May 2026 (the “**Circular**”) in relation to the Warrant Placing. Capitalised terms used herein shall have the same meanings as defined in the Announcements and the Circular.

COMPLETION OF THE WARRANT PLACING

The Board is pleased to announce that all the conditions precedent to the Warrant Placing have been fulfilled and Completion of the Warrant Placing took place on 24 July 2026 in accordance with the terms and conditions of the Warrant Placing Agreement and the extension letter.

Pursuant to the Warrant Placing Agreement, an aggregate of 130,000,000 Warrants have been fully placed by the Placing Agent to not less than the six (6) Placees at the Warrant Placing Price of HK\$0.10 per Warrant. The holders of the Warrants shall have the right to subscribe for up to 130,000,000 Warrant Shares at the Warrant Exercise Price of HK\$7.02 per Warrant Share (subject to adjustment) during the period of 36 months commencing from the date of issue of the Warrants.

To the best of the Directors’ knowledge, information and belief having made all reasonable inquiries, the Placees are Independent Third Parties. Upon full exercise of the Subscription Rights attaching to the Warrants, none of the Placees will become a substantial shareholder of the Company as a result of the Warrant Placing.

The net proceeds from the issue of the Warrants of approximately HK\$12,500,000 are intended to be used for general working capital of the Group, including the payment of salary, rental expenses and other office overhead of the Group.

SHAREHOLDING STRUCTURE

As at the date of this announcement, the Company has 1,626,712,346 Shares in issue. The shareholding structure of the Company (i) as at the date of this announcement; and (ii) immediately after full exercise of the Subscription Rights attaching to the Warrants (assuming that there will be no further changes in the issued share capital of the Company prior to such exercise) are as follows:

	As at the date of this announcement		Immediately after full exercise of the Subscription Rights	
	No. of Shares	Approximate %	No. of Shares	Approximate %
Mr. Duan Chuan Liang (Note 1)	447,311,901	27.50	447,311,901	25.46
Ms. Ding Bin	5,700,000	0.35	5,700,000	0.32
Mr. Li Zhong (Note 2)	37,813,457	2.32	37,813,457	2.15
Mr. Xu Yan	100,000	0.01	100,000	0.01
Ms. Wang Xiaojin	9,052,000	0.56	9,052,000	0.52
Ms. Ho Ping	978,000	0.06	978,000	0.06
ORIX Corporation	445,136,277	27.36	445,136,277	25.34
Public Shareholders (other than the holders of the Warrants)	680,620,711	41.84	680,620,711	38.74
Holders of the Warrants (Note 3)	—	—	130,000,000	7.40
Total (Note 4)	<u>1,626,712,346</u>	<u>100.00</u>	<u>1,756,712,346</u>	<u>100.00</u>

Notes:

- These 447,311,901 shares consist of 218,044,301 shares held by Asset Full Resources Limited, which is wholly and beneficially owned by Mr. Duan Chuan Liang, and 229,267,600 shares held by Mr. Duan Chuan Liang personally.
- These 37,813,457 shares consist of 8,606,000 shares held by Mr. Li Zhong and 29,207,457 shares held by his spouse, Ms. Lu Hai personally.
- The Warrant Placees are holders of the Warrants upon Completion, and they will become Shareholders upon their exercise of the Subscription Rights in accordance with the terms and conditions of the Warrants.

4. As at the date of this announcement, the total issued shares of the Company is 1,632,322,346, among which 5,610,000 are treasury shares, hence the number of issued shares subject to trading and bearing voting right is 1,626,712,346.

By order of the Board
China Water Affairs Group Limited
Duan Chuan Liang
Chairman

Hong Kong, 24 July 2026

As at the date of this announcement, the Board comprises four executive Directors, being Mr. Duan Chuan Liang, Ms. Ding Bin, Mr. Li Zhong and Mr. Duan Jerry Linnan, four non-executive Directors, being Mr. Li Hao, Mr. Bai Li, Mr. Xu Yan and Ms. Wang Xiaoqin, and four independent non-executive Directors, being Mr. Chau Kam Wing, Mr. Siu Chi Ming, Ms. Ho Ping and Mr. Xiao Zhe.

* *For identification purposes only*