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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)

**VOLUNTARY ANNOUNCEMENT
STRATEGIC COOPERATION AGREEMENT WITH
CHINA CONSTRUCTION BANK**

This is a voluntary announcement made by the Company.

The Board announces that on 17 August 2009, the Company and China Construction Bank, Guangdong Province Branch entered into an agreement for strategic cooperation (“the Agreement”). Pursuant to the Agreement, the Company and the Bank mutually agreed to establish a long term relationship for strategic cooperation. The Bank regarded the Company as one of its important customers. The Bank agreed to fully support the Company’s development and to provide financial services to the Company on favourable terms and with priority. The Bank preliminarily agreed to provide to the Company loan and credit facilities of up to an indicative amount of RMB2,000 million for the business development of the Group according to their needs, subject to compliance with the relevant requirements of the Bank and the relevant rules, regulations, laws and policies of the PRC Government. The Bank further agreed to provide to the Company financial services on capital management, debt management, foreign exchange and settlement, investment banking and others.

DEFINITIONS

In this announcement, unless the context otherwise requires, the following words and phrases have the following meanings:

“Board”	the Board of directors of the Company
“Bank”	China Construction Bank, Guangdong Province Branch
“Company”	China Water Affairs Group Limited, a company incorporated in the Cayman Islands and continued in Bermuda with limited liability, the shares of which are listed on the Stock Exchange

* For identification purposes only

“Directors”	the directors of the Company
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“PRC”	the People’s Republic of China
“RMB”	Renminbi, the lawful currency of PRC

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

Hong Kong, 18 August 2009

As at the date of this announcement, the Board comprises two executive Directors, being Mr. Duan Chuan Liang and Mr. Li Ji Sheng, four non-executive Directors, being Mr. Chen Guo Ru, Mr. Wu Jiesi, Mr. Zhao Hai Hu and Mr. Zhou Wen Zhi, and four independent non-executive Directors, being Ms. Huang Shao Yun, Ms. Liu Dong, Mr. Chau Kam Wing and Mr. Ong King Keung.