
THIS CIRCULAR REQUIRES YOUR IMMEDIATE ATTENTION

If you are in any doubt as to any aspect of this circular, you should consult a licensed securities dealer, bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your shares in China Water Industry Group Limited, you should at once hand this circular, together with the enclosed form of proxy, to the purchaser or transferee or to the bank, a licensed securities dealer or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

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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)

**(1) PROPOSED GRANT OF GENERAL MANDATES TO ISSUE SHARES
AND TO BUY-BACK SHARES;
(2) RE-ELECTION OF RETIRING DIRECTORS
AND
(3) NOTICE OF ANNUAL GENERAL MEETING**

A notice convening the Annual General Meeting of China Water Industry Group Limited to be held at Boardroom 8, Lower Lobby, Renaissance Harbour View Hotel Hong Kong, 1 Harbour Road, Wanchai, Hong Kong on Friday, 16 June 2017 at 9:30 a.m. is set out on pages 15 to 18 of this circular.

A letter from the Board is set out on pages 3 to 6 of this circular.

Whether or not you are able to attend the Annual General Meeting, you are requested to complete the accompanying form of proxy in accordance with the instructions printed thereon and deposit the same with the Company's Hong Kong branch share registrar and transfer office, Union Registrars Limited at Suites 3301-04, 33/F, Two Chinachem Exchange Square, 338 King's Road, North Point, Hong Kong, as soon as possible and in any event not later than 48 hours before the time appointed for holding the Annual General Meeting or any adjournment thereof. Completion and return of the form of proxy will not preclude you from attending and voting in person at the Annual General Meeting or any adjournment thereof should you so wish. If you attend and vote at the Annual General Meeting, the authority of your proxy will be revoked.

* *For identification purpose only*

CONTENTS

	<i>Page</i>
DEFINITIONS	1
LETTER FROM THE BOARD	3
INTRODUCTION	3
ISSUE MANDATE	4
BUY-BACK MANDATE	4
RE-ELECTION OF RETIRING DIRECTORS	4
THE ANNUAL GENERAL MEETING	5
RECOMMENDATION	5
VOTING BY WAY OF POLL	6
RESPONSIBILITY STATEMENT	6
GENERAL	6
APPENDIX I - EXPLANATORY STATEMENT	7
APPENDIX II - PARTICULARS OF RETIRING DIRECTORS PROPOSED TO BE RE-ELECTED AT THE ANNUAL GENERAL MEETING	11
NOTICE OF ANNUAL GENERAL MEETING	15

DEFINITIONS

In this circular, the following expressions have the meanings respectively set opposite them unless the context otherwise requires:

“Annual General Meeting”	the annual general meeting of the Company to be held at Boardroom 8, Lower Lobby, Renaissance Harbour View Hotel Hong Kong, 1 Harbour Road, Wanchai, Hong Kong on Friday, 16 June 2017 at 9:30 a.m. or any adjournment thereof
“Articles of Association”	the articles of association of the Company adopted from time to time
“associates”	has the meaning ascribed to it under the Listing Rules
“Board”	the board of Directors
“Buy-back Mandate”	a general and unconditional mandate proposed to be granted to the Directors to exercise the power of the Company to buy-back the Shares on the Stock Exchange with an aggregate nominal value not exceeding 10% of the aggregate nominal value of the share capital of the Company in issue as at the date of passing the relevant resolution at the Annual General Meeting
“Companies Law”	the Companies Law, Chapter 22 (Law 3 of 1961, as consolidated and revised) of the Cayman Islands
“Company”	China Water Industry Group Limited, a company incorporated in the Cayman Islands with limited liability and the issued Shares of which are listed on the Main Board of the Stock Exchange
“connected person(s)”	has the meaning ascribed to it under the Listing Rules
“Director(s)”	director(s) of the Company
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC

DEFINITIONS

“Issue Mandate”	a general and unconditional mandate proposed to be granted to the Directors to exercise the power of the Company to allot, issue and deal with new Shares with an aggregate nominal value not exceeding 20% of the aggregate nominal value of the share capital of the Company in issue as at the date of passing the relevant resolution at the Annual General Meeting
“Latest Practicable Date”	25 April 2017, being the latest practicable date prior to the printing of this circular for ascertaining certain information in this circular
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Notice”	the notice convening the Annual General Meeting which is set out on pages 15 to 18 of this circular
“PRC”	means the People’s Republic of China, and for the purpose of this circular only, excluding Hong Kong, the Macau Special Administrative Region and Taiwan
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Share(s)”	share(s) of par value of HK\$0.50 each in the share capital of the Company
“Shareholder(s)”	holder(s) of the Shares
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Takeovers Code”	The Code on Takeovers and Mergers and Share Buy-backs
“HK\$”	Hong Kong dollar, the lawful currency of Hong Kong
“%”	per cent.

LETTER FROM THE BOARD



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)

Executive Directors:

Mr. Deng Jun Jie (*Chairman*)

Mr. Lin Yue Hui (*CEO*)

Mr. Liu Feng

Ms. Chu Yin Yin, *Georgiana*

Ms. Deng Xiao Ting

Registered Office:

Cricket Square

Hutchins Drive

P.O. Box 2681

Grand Cayman KY1-1111

Cayman Islands

Independent Non-executive Directors:

Mr. Guo Chao Tian

Mr. Wong Siu Keung, Joe

Ms. Qiu Na

*Head office and principal place of
business in Hong Kong:*

Room 1207, 12th Floor

West Tower, Shun Tak Centre

No. 168-200 Connaught Road

Central, Hong Kong

28 April 2017

To the Shareholders

Dear Sir or Madam,

- (1) PROPOSED GRANT OF GENERAL MANDATES TO ISSUE SHARES
AND TO BUY-BACK SHARES;
(2) RE-ELECTION OF RETIRING DIRECTORS
AND
(3) NOTICE OF ANNUAL GENERAL MEETING**

INTRODUCTION

The purpose of this circular is to provide you with information regarding resolutions to be proposed at the Annual General Meeting for (i) granting to the Directors of the Issue Mandate and the Buy-back Mandate; and (ii) the re-election of the retiring Directors.

* *For identification purpose only*

LETTER FROM THE BOARD

ISSUE MANDATE

At the Annual General Meeting, an ordinary resolution will be proposed to grant to the Directors a general and unconditional mandate to exercise the power of the Company to allot, issue and deal with new Shares with an aggregate nominal value not exceeding 20% of the aggregate nominal value of the share capital of the Company in issue as at the date of passing of the relevant resolution. As at the Latest Practicable Date, a total of 1,596,539,766 Shares were in issue. Subject to the passing of the proposed resolution granting the Issue Mandate to the Directors and on the basis that no Shares will be issued or bought-back by the Company between the Latest Practicable Date and the date of the Annual General Meeting, the Company will be allowed under the Issue Mandate to issue a maximum of 319,307,953 Shares, being 20% of the Shares in issue as at the Latest Practicable Date. The Directors have no present intention to exercise the general mandate to issue Shares and to buy-back Shares of the Company.

BUY-BACK MANDATE

At the Annual General Meeting, an ordinary resolution will be proposed to grant to the Directors a general and unconditional mandate to exercise all powers of the Company to buy-back, on the Stock Exchange, Shares with an aggregate nominal value not exceeding 10% of the aggregate nominal value of the share capital of the Company in issue as at the date of passing of the relevant resolution.

Subject to passing of the proposed resolution granting the Buy-back Mandate, and on the basis that there were 1,596,539,766 fully paid up Shares as at the Latest Practicable Date and no Shares will be issued or bought-back by the Company from the Latest Practicable Date to the date of the Annual General Meeting, the Company will be allowed under the Buy-back Mandate to buy-back a maximum of 159,653,976 Shares. There is no present intention for any buy-back of Shares pursuant to the Buy-back Mandate.

Under the Listing Rules, the Company is required to give to the Shareholders all information which is reasonably necessary to enable Shareholders to make an informed decision as to whether to vote for or against the resolution in respect of the Buy-back Mandate at the Annual General Meeting. An explanatory statement for such purpose is set out in Appendix I to this circular.

RE-ELECTION OF RETIRING DIRECTORS

As at the Latest Practicable Date, the Board currently consists of eight Directors, namely Mr. Deng Jun Jie, Mr. Liu Feng, Mr. Lin Yue Hui, Ms. Chu Yin Yin, Georgiana and Ms. Deng Xiao Ting, all being executive Directors, and Mr. Wong Siu Keung, Joe, Ms. Qiu Na and Mr. Guo Chao Tian, all being independent non-executive Directors.

According to Article 108(A) of the Articles of Association, at each Annual General Meeting, one-third of the Directors for the time being (or if their number is not three or a multiple of three, then the number nearest to but not less than one-third) shall retire from office

LETTER FROM THE BOARD

by rotation provided that every Director shall be subject to retirement at least once every three years. A retiring Director shall be eligible for re-election. Accordingly, Ms. Chu Yin Yin, Georgiana and Mr. Guo Chao Tian will retire from office by rotation and they will offer themselves for re-election as executive Directors and independent non-executive Director at the Annual General Meeting.

According to Article 112 of the Articles of Association, Ms. Qiu Na and Mr. Deng Jun Jie, who was appointed by the Board, shall hold office only until the Annual General Meeting and shall be eligible for re-election. Ms. Qiu Na and Mr. Deng Jun Jie being eligible, will offer herself for re-election at the Annual General Meeting.

Mr. Guo Chao Tian and Ms. Qiu Na, being the independent non-executive Directors, have made annual confirmation of independency pursuant to Rule 3.13 of the Listing Rules. The Company is of the view that Mr. Guo and Ms. Qiu meet the independency guidelines set out in the Listing Rules.

Details of the Directors which are required to be disclosed under the Listing Rules are set out in Appendix II to this circular.

THE ANNUAL GENERAL MEETING

The Notice convening the Annual General Meeting to be held at Boardroom 8, Lower Lobby, Renaissance Harbour View Hotel Hong Kong, 1 Harbour Road, Wanchai, Hong Kong on Friday, 16 June 2017 at 9:30 a.m. is set out on pages 15 to 18 of this circular.

A form of proxy for use at the Annual General Meeting is enclosed with this circular.

Whether or not you are able to attend the Annual General Meeting, you are requested to complete and return the form of proxy in accordance with the instructions printed thereon and deposit the same at the branch share registrar of the Company in Hong Kong, Union Registrars Limited at Suites 3301-04, 33/F, Two Chinachem Exchange Square, 338 King's Road, North Point, Hong Kong, together with a power of attorney or other authority, if any, under which it is signed or a notarially certified copy of that power of authority, not less than 48 hours before the time appointed for holding the meeting or adjourned meeting. Completion and return of the form of proxy will not preclude you from attending and voting in person at the Annual General Meeting or any adjournment thereof should you so wish.

RECOMMENDATION

The Directors believe that the proposed grant of the Issue Mandate, the Buy-back Mandate and the re-election of Directors named above are in the interests of the Company and the Shareholders as a whole.

Accordingly, the Directors recommend that Shareholders vote in favour of the ordinary resolutions for approving the grant of Issue Mandate, the Buy-back Mandate and the re-election of Directors at the Annual General Meeting.

LETTER FROM THE BOARD

VOTING BY WAY OF POLL

Pursuant to Rule 13.39 of the Listing Rules, all votes of the Shareholders at general meetings must be taken by poll. The chairman of the Annual General Meeting will therefore demand a poll for every resolution put to the vote of the Annual General Meeting pursuant to Article 72 of the Articles.

RESPONSIBILITY STATEMENT

This circular, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Group. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief, the information contained in this circular is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this circular misleading.

GENERAL

Your attention is drawn to the additional information as set out in the Appendices.

By order of the Board
China Water Industry Group Limited
Deng Jun Jie
Chairman

Hong Kong, 28 April 2017

As at the date of this circular, the Board comprises five executive Directors, namely Mr. Deng Jun Jie, Mr. Liu Feng, Mr. Lin Yue Hui, Ms. Chu Yin Yin, Georgiana and Ms. Deng Xiao Ting; and three independent non-executive Directors, namely Mr. Wong Siu Keung, Joe, Ms. Qiu Na and Mr. Guo Chao Tian.

This Appendix I serves as an explanatory statement, as required by the Listing Rules, to provide requisite information as to the proposed Buy-back Mandate.

1. LISTING RULES RELATING TO THE BUY-BACK OF SHARES

The Listing Rules permit companies whose primary listing is on the Stock Exchange to buy-back their shares on the Stock Exchange and any other stock exchange on which the securities of the company are listed and such exchange is recognized by the Securities and Futures Commission of Hong Kong and the Stock Exchange subject to certain restrictions. Among such restrictions, the Listing Rules provide that the shares of such company must be fully paid up and all buy-back of shares by such company must be approved in advance by an ordinary resolution of shareholders, either by way of a general buy-back mandate or by specific approval of a particular transaction.

2. SHARE CAPITAL

As at the Latest Practicable Date, there were a total of 1,596,539,766 Shares in issue.

Subject to the passing of the proposed resolution granting the Buy-back Mandate and on the basis that no further Shares are issued or bought-back between the Latest Practicable Date and the date of the Annual General Meeting, the Company will be allowed under the Buy-back Mandate to buy-back a maximum of 159,653,976 Shares, which represents 10% of the entire issued share capital of the Company as at the date of passing the resolution.

3. REASONS FOR THE BUY-BACK

Although the Directors have no present intention of buying-back any Shares, the Directors believe that it is in the best interests of the Company and the Shareholders as a whole to seek a general authority from the Shareholders to enable the Company to buy-back the Shares on the Stock Exchange or any other stock exchange on which the Shares may be listed. Share buy-backs may, depending on market conditions and funding arrangements at the time, lead to an enhancement of the net asset value per Share and/or earnings per Share and will only be made when the Directors believe that such buy-back will benefit the Company and the Shareholders as a whole.

4. FUNDING OF BUY-BACK

In buying-back the Company's securities, the Company may only apply funds legally available for the purpose in accordance with the Articles of Association and the applicable laws of Hong Kong and the Cayman Islands. The Companies Law provides that a share buy-back by the Company may only be made out of the profit of the Company, out of the share premium account or out of the proceeds of a fresh issue if shares made for the purpose of the buy-back or, if so authorised by the Articles of Association and subject to the provisions of the Companies Law, out of capital. Any premium payable on a buy-back over the par value of the Shares bought-back must be provided for out of profits of the Company and/or out of the Company's share premium account or, if so authorised by the Articles of Association and subject to the provisions of the Companies Law, out of capital.

Taking into account the current working capital position of the Company, the Directors consider that, if the Buy-back Mandate was to be exercised in full, it might have a material adverse effect on the working capital and/or the gearing position of the Company as compared with the position as at 31 December 2016, being the date of its latest published audited financial statements of the Company. However, the Directors do not intend to make any buy-backs to such an extent as would, in the circumstances, have a material adverse effect on the working capital requirements or the gearing position of the Company.

5. SHARE PRICES

The Shares are trading on the Stock Exchange and the highest and lowest prices at which the Shares have been traded on the Stock Exchange in each of the following months immediately preceding the Latest Practicable Date are as follows:

	Highest <i>(HK\$)</i>	Lowest <i>(HK\$)</i>
May 2016	1.360	1.300
June 2016	1.370	1.300
July 2016	1.330	1.260
August 2016	1.310	1.210
September 2016	1.350	1.220
October 2016	1.320	1.270
November 2016	1.300	1.280
December 2016	1.340	1.290
January 2017	1.490	1.220
February 2017	1.600	1.470
March 2017	1.630	1.480
April 2017 (up to the Latest Practicable Date)	1.800	1.470

6. THE TAKEOVERS CODE AND MINIMUM PUBLIC HOLDING

If a Shareholder's proportionate interest in the voting rights of the Company increases when the Company exercises its powers to buy-back Shares pursuant to the Buy-back Mandate, such increase will be treated as an acquisition for the purposes of Rule 32 of the Takeovers Code. As a result, a Shareholder or group of Shareholders acting in concert (as defined in the Takeovers Code) could obtain or consolidate control of the Company and become obliged to make a mandatory offer in accordance with Rule 26 or Rule 32 of the Takeovers Code.

As at the Latest Practicable Date, according to the register of interests kept by the Company pursuant to section 336 of the SFO and so far as is known to, or can be ascertained after reasonable enquiry by the Directors, the following entities/persons were directly interested in 5% or more of the issued Shares:

Name of Shareholder	Capacity	Number of Shares held	Approximate percentage of shareholding as at the Latest Practicable Date	Approximate percentage of shareholding if the Buy-back Mandate is exercised in full
Deng Jun Jie	Interest of controlled corporation	437,788,000 (Note 1)	27.42%	30.47%
Honghu Capital Co. Ltd.	Beneficial owner	437,788,000 (Note 1)	27.42%	30.47%
Yue Xiu Great China Fixed Income Fund VI LP	Beneficial owner	79,872,000 (Note 2)	5.00%	5.56%
Yue Xiu Investment Management Limited	Interest of controlled corporation	79,872,000 (Note 2)	5.00%	5.56%
Yue Xiu Investment Consultants Limited	Interest of controlled corporation	79,872,000 (Note 2)	5.00%	5.56%
Yue Xiu Securities Holdings Limited	Interest of controlled corporation	79,872,000 (Note 2)	5.00%	5.56%
Yue Xiu Enterprise (Holdings) Limited	Interest of controlled corporation	79,872,000 (Note 2)	5.00%	5.56%
Guangzhou Yue Xiu Holdings Limited	Interest of controlled corporation	79,872,000 (Note 2)	5.00%	5.56%

Note 1: These Shares are held by Honghu Capital Co. Ltd. (“**Honghu Capital**”) which Mr. Deng Jun Jie (“**Mr. Deng**”) is the beneficial owner. Mr. Deng is deemed to be interested in shares held by Honghu Capital by virtues of the SFO. Mr. Deng is an executive Director and a Chairman of the Company.

Note 2: Yue Xiu Great China Fixed Income Fund VI LP is managed by Yue Xiu Investment Management Limited (越秀投資管理有限公司), which is an indirect wholly-owned subsidiary of Yue Xiu Investment Consultants Limited (越秀投資諮詢有限公司), which is an indirect wholly-owned subsidiary of Yue Xiu Securities Holdings Limited (越秀證券控股有限公司), which is an indirect wholly-owned subsidiary of Yue Xiu Enterprises (Holdings) Limited (越秀企業(集團)有限公司), which is in turn an indirect wholly-owned subsidiary of Guangzhou Yuexiu Holdings Limited (廣州越秀集團有限公司), a state-owned enterprise in the PRC.

Note 3: As at the Latest Practicable Date, there were a total of 1,596,539,766 Shares in issue.

Note 4: Assuming that no further Shares will be allotted and issued or bought-back from the Latest Practicable Date to the date of Annual General Meeting, on exercise in full of the Buy-back Mandate, the number of issued Shares will decrease from 1,596,539,766 to 1,436,885,789 of the total issued share capital of the Company.

In the event that the Directors shall exercise in full the Buy-back Mandate, the total interests of the above substantial shareholders would be increased to approximately the respective percentages shown in the last column above (assuming that the number of shares of the Company then interested by each of such Shareholders above and the then number of total Shares then in issue remain the same). Such increase may make Honghu Capital to give rise to an obligation to make a mandatory offer under Rule 26 of the Takeovers Code. The Directors have no intention to exercise the Buy-back Mandate to an extent as would result in any takeover obligations.

The Company has no present intention to buy-back and the Directors will not exercise the Buy-back Mandate to such an extent that will result in the number of Shares in the hands of public falling below the prescribed minimum percentage of 25%.

Save as disclosed above, the Directors are not aware of any Shareholder or group of Shareholders acting in concert, who may become obliged to make a mandatory offer under Rule 26 of the Takeovers Code as a consequence of any purchases made pursuant to the Buy-back Mandate.

7. SHARE BUY-BACK MADE BY THE COMPANY

The Company had not bought-back any of its Shares (whether on the Stock Exchange or otherwise) during the previous six months preceding the Latest Practicable Date.

8. UNDERTAKING

None of the Directors nor, to the best of their knowledge having made all reasonable enquiries, any of their associates has any present intention to sell any Shares to the Company if the Buy-back Mandate is approved by the Shareholders.

The Directors have undertaken to the Stock Exchange that they will only exercise the power of the Company to make buy-backs pursuant to the Buy-back Mandate in accordance with the Articles of Association, the Listing Rules and the applicable laws of the Cayman Islands.

No core connected person of the Company has notified the Company that he/she/it has any present intention to sell any Shares to the Company nor has any such core connected person undertaken not to sell any Shares held by them to the Company in the event that the Buy-back Mandate is granted.

**APPENDIX II PARTICULARS OF RETIRING DIRECTORS PROPOSED
TO BE RE-ELECTED AT THE ANNUAL GENERAL MEETING**

The biographical details of the retiring Directors being eligible and offering themselves for re-election at the Annual General Meeting are set out below:

EXECUTIVE DIRECTORS

Mr. Deng Jun Jie

Mr. Deng Jun Jie (“Mr. Deng”), aged 47, was appointed as an executive Director of the Company and the Chairman in April 2017. Mr. Deng currently is the chairman of the board of directors of Honghu Capital and a chairman of a number of companies in China. He possesses over 25 years of experiences in industrial sector, involving real estates, environmental protection, culture, aviation and other fields. He specializes in the formulation and development of corporate strategic planning, corporate management and daily operations. Furthermore, with over 15 years of experiences in financial investment and capital operation, Mr. Deng is well versed with the financial markets and capital markets domestically and overseas, in addition to relevant laws and regulations. He has a keen insight and judgment on markets and comparatively strong risk control capability that enable him to seize investment and profit opportunities by taking the lead in several mergers, acquisitions and restructuring projects in the PRC and abroad. Ms. Deng Xiao Ting, is an executive Director of the Company, she is the sister of Mr. Deng. As at the Latest Practicable Date, Honghu Capital owned 437,788,000 shares, representing approximately 27.42% of the issued share capital of the Company. Honghu Capital is wholly and beneficially owned by Mr. Deng. Also, Honghu Capital held 645,100,000 shares, representing approximately 13.48% of the issued share capital of the Co-Prosperty Holdings Limited (stock code: 707) which is listed on the Main Board of The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”).

Mr. Deng is a Chairman of Nomination Committee of the Company.

Save as disclosed above, Mr. Deng does not hold any other position with the Company and other members of the Company and did not hold any directorship in other public listed companies in the past three years.

Save as disclosed above, Mr. Deng does not have any relationships with any director, senior management or substantial or controlling shareholders of the Company.

As at the Latest Practicable Date, Honghu Capital is beneficially wholly-owned by Mr. Deng and Mr. Deng is therefore deemed to be interested in 437,788,000 Shares held by Honghu Capital. Save as aforementioned, Mr. Deng has no other interest in the company or its associated corporations within the meaning of Part XV of the SFO.

Mr. Deng has accepted a letter of appointment from the Company without entering into a service contract with the Company. Mr. Deng is subject to retirement by rotation and re-election at Annual General Meeting of the Company in accordance with the Articles of Association. Mr. Deng is entitled to a director’s fee of HK\$10,000 per month, which is

**APPENDIX II PARTICULARS OF RETIRING DIRECTORS PROPOSED
TO BE RE-ELECTED AT THE ANNUAL GENERAL MEETING**

determined by the Board considering the recommendation of the remuneration committee, taking into account of Mr. Deng skill, knowledge and experience and will be reviewed by the Board regularly with reference to his duties and responsibilities with the Company.

Save as disclosed above, there is no information relating to Mr. Deng that is required to be disclosed under Rule 13.51(2)(h) to 13.51(2)(v) of the Listing Rules and there is no other matter that needs to be brought to the attention of the Shareholders.

Ms. Chu Yin Yin, Georgiana

Ms. Chu Yin Yin, Georgiana (“Ms. Chu”), aged 46, was appointed as the executive Director and Company Secretary of the Company in October 2006 and November 2006 respectively. Ms. Chu is currently an independent non-executive Director of each Excel Development (Holdings) Limited (stock code: 1372) and Sino Golf Holdings Limited (stock code: 361) which are listed on the Main Board of the Stock Exchange. Ms. Chu holds a Bachelor’s Degree of Business Administration in Accountancy and a Master’s Degree of Corporate Governance. She is a fellow member of both the Hong Kong Institute of Certified Public Accountants, the Association of the Chartered Certified Accountants and a member of the Institute of Chartered Accountants in England and Wales. Ms. Chu is also a fellow member of both the Institute of Chartered Secretaries and Administrators and the Hong Kong Institute of Company Secretaries. Prior to joining the Company, she has over 16 years’ extensive experience by working in an international audit firm and other listed companies.

Save as disclosed above, Ms. Chu does not hold any other position with the Company and other members of the Company and did not hold any directorship in other public listed companies in the past three years. Ms. Chu does not have any relationships with any directors, senior management or other substantial Shareholder or controlling Shareholders of the Company.

As at the Latest Practicable Date, Ms. Chu is personally interested in 743,200 Shares of the Company (within the meaning of Part XV of the SFO)

Ms. Chu has accepted a letter of appointment from the Company without entering into a service contract with the Company. Ms. Chu is subject to retirement by rotation and re-election at annual general meeting of the Company in accordance with the Articles of Association. Ms. Chu is entitled to a director’s fee of HK\$90,000 per month, which is determined by the Board considering the recommendation of the remuneration committee, taking into account of Ms. Chu’s skill, knowledge and experience and will be reviewed by the Board regularly with reference to her duties and responsibilities with the Company. Ms. Chu’s total emoluments recorded in 2016 were approximately HK\$1,702,000.

Save as disclosed above, there is no information relating to Ms. Chu that is required to be disclosed under Rule 13.51(2)(h) to 13.51(2)(v) of the Listing Rules and there is no other matter that needs to be brought to the attention of the Shareholders.

**APPENDIX II PARTICULARS OF RETIRING DIRECTORS PROPOSED
TO BE RE-ELECTED AT THE ANNUAL GENERAL MEETING**

INDEPENDENT NON-EXECUTIVE DIRECTORS

Mr. Guo Chao Tian

Mr. Guo Chao Tian (“Mr. Guo”), aged 71, was appointed as an independent non-executive Director of the Company in June 2012. Mr. Guo has once the chairman and general manager of Shenzhen Jianling Investment and Development Co., Ltd (深圳市建瓴投資發展有限公司). He has been an independent director of China Jingu International Trust Co., Ltd (中國金穀國際信託有限責任公司). Mr. Guo holds a bachelor degree and a master degree of Economics from Peking University. Before joining the Company, Mr. Guo had more than 28 years of experience in economic analysis and investment. He was the deputy head of the Administrative Department of the Institute of Economics Chinese Academy of Social Science and the head of the Real Estate Department of the Academy. He was accredited as a senior economist by China Rural Trust and Investment Corporation (中國農村信託投資有限公司) and he was a general manager of the Real Estate Department and a general manager of Urban Property Management of the Corporation.

Mr. Guo is a member of each Audit Committee, Nomination Committee and Remuneration Committee of the Company.

Save as mentioned above, Mr. Guo does not hold any other position with the Company and other members of the Company and did not hold any directorship in other public listed companies in the past three years. Mr. Guo does not have any relationships with any director, senior management or substantial or controlling shareholders of the Company.

As at the Latest Practicable Date, Mr. Guo does not have any interests in the Shares of the Company within the meaning of Part XV of the SFO.

Mr. Guo has accepted a letter of appointment from the Company without entering into a service contract with the Company. Mr. Guo is subject to retirement by rotation and re-election at annual general meeting of the Company in accordance with the Articles of Association. Mr. Guo is entitled to a director’s fee of HK\$12,000 per month, which is determined by the Board considering the recommendation of the remuneration committee, taking into account of Mr. Guo’s skill, knowledge and experience and will be reviewed by the Board regularly with reference to his duties and responsibilities with the Company. Mr. Guo’s total emoluments recorded in 2016 were approximately HK\$168,000.

Save as disclosed above, there is no information relating to Mr. Guo that is required to be disclosed under Rule 13.51(2)(h) to 13.51(2)(v) of the Listing Rules and there is no other matter that needs to be brought to the attention of the Shareholders.

Ms. Qiu Na

Ms. Qiu Na (“Ms. Qiu”), aged 39, was appointed as an independent non-executive Director of the Company in September 2016. Ms Qiu graduated from the Information Institute of Defense Studies, NDU, PLA* (中國人民解放軍國防信息學院) in 2012, majoring in accountancy. Ms. Qiu is currently a general manager of Huizhou City Huixinfu Property Company Limited. She has extensive experience in human resources management, accounting, corporate administration and property development.

Ms. Qiu is a member of Audit Committee of the Company.

Save as mentioned above, Ms. Qiu does not hold any other position with the Company and other members of the Company and did not hold any directorship in other public listed companies in the past three years. Ms. Qiu does not have any relationships with any director, senior management or substantial or controlling shareholders of the Company.

As at the Latest Practicable Date, Ms. Qiu does not have any interests in the Shares of the Company within the meaning of Part XV of the SFO.

Ms. Qiu has accepted a letter of appointment from the Company without entering into a service contract with the Company. Ms. Qiu is subject to retirement by rotation and re-election at annual general meeting of the Company in accordance with the Articles of Association. Ms. Qiu is entitled to a director’s fee of HK\$12,000 per month, which is determined by the Board considering the recommendation of the remuneration committee, taking into account of Ms. Qiu’s skill, knowledge and experience and will be reviewed by the Board regularly with reference to her duties and responsibilities with the Company. Mr. Qiu’s total emoluments recorded in 2016 were approximately HK\$43,353.

Save as disclosed above, there is no information relating to Ms. Qiu that is required to be disclosed under Rule 13.51(2)(h) to 13.51(2)(v) of the Listing Rules and there is no other matter that needs to be brought to the attention of the Shareholders.

NOTICE OF ANNUAL GENERAL MEETING



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)

NOTICE IS HEREBY GIVEN that the Annual General Meeting of China Water Industry Group Limited (the “**Company**”) will be held at Boardroom 8, Lower Lobby, Renaissance Harbour View Hotel Hong Kong, 1 Harbour Road, Wanchai, Hong Kong on Friday, 16 June 2017 at 9:30 a.m. to consider and, if thought fit, transact the following ordinary business:

ORDINARY BUSINESS

1. to receive and adopt the audited consolidated financial statements of the Company and its subsidiaries and the reports of the directors and the auditor of the Company for the year ended 31 December 2016;
2. to re-elect Mr. Deng Jun Jie as an executive Director of the Company and to authorise the board of directors of the Company to fix his remuneration;
3. to re-elect Ms. Chu Yin Yin, Georgiana as an executive Director of the Company and to authorise the board of directors of the Company to fix her remuneration;
4. to re-elect Mr. Guo Chao Tian, as an independent non-executive Director of the Company and to authorise the board of directors of the Company to fix his remuneration;
5. to re-elect Ms. Qiu Na, as an independent non-executive Director of the Company and to authorise the board of directors of the Company to fix her remuneration;
6. to authorize the board of directors of the Company to fix the remuneration of the Company’s directors; and
7. to re-appoint Crowe Horwath (HK) CPA Limited as the Company’s auditor to hold office until the conclusion of the next annual general meeting and authorise the board of directors of the Company to fix their remuneration;

and, as additional ordinary business, to consider and, if thought fit, pass the following resolutions as ordinary resolutions (with or without modification):

8. **“THAT:**
 - (a) subject to paragraph (c) below, pursuant to The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”), the exercise by the directors of the Company during the Relevant

* *For identification purpose only*

NOTICE OF ANNUAL GENERAL MEETING

Period (as defined in paragraph (d) below) of all the powers of the Company to allot, issue and deal with the additional shares in the capital of the Company and to make or grant offers, agreements or options, including warrants to subscribe for Shares, which might require the exercise of such powers be and the same is hereby generally and unconditionally approved;

- (b) the approval in paragraph (a) above shall authorise the directors of the Company during the Relevant Period to make or grant offers, agreements or options which might require the exercise of the aforesaid powers after the expiry of the Relevant Period;
- (c) the aggregate nominal amount of share capital allotted and issued or agreed conditionally or unconditionally to be allotted and issued (whether pursuant to options and otherwise) by the directors of the Company pursuant to the approval in paragraph (a) above, otherwise than pursuant to (i) a Rights Issue (defined below); or (ii) the exercise of any options granted under all share option schemes of the Company adopted from time to time in accordance with the Listing Rules; or (iii) any scrip dividend or similar arrangements providing for the allotment and issue of Shares in lieu of the whole or part of a dividend on Shares in accordance with the articles of association of the Company in force from time to time shall not exceed 20% of the aggregate nominal amount of the share capital of the Company in issue as at the date of this resolution and the said approval shall be limited accordingly; and
- (d) for the purposes of this resolution:

“Relevant Period” means the period from the date of the passing of this resolution until whichever is the earliest of:

- (i) the conclusion of the next annual general meeting of the Company;
- (ii) the expiration of the period within which the next annual general meeting of the Company is required by the Articles of Association of the Company or the applicable laws of the Cayman Islands to be held; or
- (iii) the passing of an ordinary resolution by the shareholders of the Company in general meeting revoking or varying the authority given to the directors of the Company by this resolution.

“Rights Issue” means an offer of Shares, or offer or issue of warrants, options or other securities giving rights to subscribe for Shares open for a period fixed by the directors of the Company to holders of Shares on the Company’s register of members on a fixed record date in proportion to their then holdings of Shares (subject to such exclusion or other arrangements as the directors of the Company may deem necessary or expedient in relation to fractional entitlements, or having regard to any restrictions or obligations under the laws of, or the requirements of, or the expense or delay which may be involved in

NOTICE OF ANNUAL GENERAL MEETING

determining the existence or extent of any restrictions or obligations under the laws of, or the requirements of, any jurisdiction outside Hong Kong or any recognised regulatory body or any stock exchange outside Hong Kong).”

9. **“THAT:**
- (a) subject to paragraph (b) below, the exercise by the directors of the Company during the Relevant Period (as defined in paragraph (c) below) of all the powers of the Company to buy-back its own shares subject to and in accordance with all other applicable laws, be and is hereby generally and unconditionally approved;
 - (b) the aggregate nominal amount of shares of the Company which may be bought-back or agreed to be bought-back by the Company pursuant to the approval in paragraph (a) during the Relevant Period shall not exceed 10 per cent. of the aggregate nominal value of the share capital of the Company as at the date of the passing of this resolution and the authority pursuant to paragraph (a) of this resolution shall be limited accordingly; and
 - (c) for the purposes of this resolution, “Relevant Period” means the period from the date of the passing of this resolution until whichever is the earliest of:
 - (i) the conclusion of the next annual general meeting of the Company;
 - (ii) the expiration of the period within which the next annual general meeting of the Company is required by the Articles of Association of the Company or the applicable laws of the Cayman Islands to be held; or
 - (iii) the passing of an ordinary resolution by the shareholders of the Company in general meeting revoking or varying the authority given to the directors of the Company by this resolution.”
10. **“THAT** conditional upon resolutions no. 8 and 9 above being passed, the aggregate nominal amount of the number of shares in the capital of the Company which are bought-back by the Company under the authority granted to the directors as mentioned in resolution no. 9 above shall be added to the aggregate nominal amount of share capital that may be allotted or agreed conditionally or unconditionally to be allotted by the directors of the Company pursuant to resolution no. 8 above.”

By order of the Board
China Water Industry Group Limited
Deng Jun Jie
Chairman

Hong Kong, 28 April 2017

NOTICE OF ANNUAL GENERAL MEETING

Registered office:

Cricket Square, Hutchins Drive
P.O. Box 2681
Grand Cayman KY1-1111
Cayman Islands

*Head office and principal place of
business in Hong Kong:*

Room 1207, 12th Floor
West Tower, Shun Tak Centre
No. 168-200 Connaught Road Central
Hong Kong

Notes:

1. Any member entitled to attend and vote at the above meeting is entitled to appoint a proxy to attend and, on a poll, vote in his stead. A member holding two or more Shares may appoint more than one proxy. A proxy need not be a member of the Company.
2. In order to be valid, a form of proxy together with the power of attorney or other authority (if any) under which it is signed, or a notarially certified copy thereof, must be deposited at the offices of the Company's Hong Kong branch share registrar and transfer office, Union Registrars Limited at Suites 3301-04, 33/F, Two Chinachem Exchange Square, 338 King's Road, North Point, Hong Kong at least 48 hours before the time for holding the above meeting.
3. In the case of joint holders of a Share, any one of such persons may vote at the meeting either in person or by proxy, in respect of such Share as if he/she were solely entitled thereto, but if more than one of such joint holders be present at any meeting the vote of the senior who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint holders, and for this purpose seniority shall be determined by the order in which the names stand in the register of members of the Company in respect of the joint holding.
4. For the purpose of determining shareholders who are entitled to attend and vote at the forthcoming annual general meeting to be held on Friday, 16 June 2017 (the "**Meeting**"). The register of members of the Company will be closed from Tuesday, 13 June 2017 to Friday, 16 June 2017 (both days inclusive), during which period no transfer of shares in the Company will be registered. In order to qualify for entitlement to attend the Meeting, all completed transfer forms, accompanied by the relevant share certificates, have to be lodged with the Company's branch share registrar in Hong Kong, Union Registrars Limited at Suites 3301-04, 33/F, Two Chinachem Exchange Square, 338 King's Road, North Point, Hong Kong for registration, not later than 4:00 p.m. on Monday, 12 June 2017.
5. Delivery of an instrument appointing a proxy shall not preclude a shareholder from attending and voting in person at the meeting convened and in such event, the instrument appointing a proxy shall be deemed to be revoked.
6. If Typhoon Signal No. 8 or above, or a "black" rainstorm warning is in effect any time after 6:30 a.m. on the date of the annual general meeting, the meeting will be postponed. The Company will publish an announcement on the website of the Company at www.chinawaterind.com and on the HKExnews website of the Stock Exchange at www.hkexnews.hk to notify Shareholders of the date, time and venue of the rescheduled meeting.
7. As at the date of this notice, the Board comprises Mr. Deng Jun Jie, Mr. Liu Feng, Mr. Lin Yue Hui, Ms. Chu Yin Yin, Georgiana and Ms. Deng Xiao Ting, all being executive Directors, and Mr. Wong Siu Keung, Joe, Ms. Qiu Na and Mr. Guo Chao Tian, all being independent non-executive Directors.