

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.

This announcement is for information purposes only and does not constitute an invitation or offer to acquire, purchase or subscribe for securities of the Company.



OZNER WATER INTERNATIONAL HOLDING LIMITED

浩澤淨水國際控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 2014)

DISCLOSEABLE TRANSACTION

ACQUISITION OF 51% EQUITY INTEREST IN FOSHAN LEPUDA AND THE ISSUE OF CONSIDERATION SHARES UNDER GENERAL MANDATE

THE ACQUISITION

The Board is pleased to announce that, on 23 June 2017 (after trading hours), Shanghai Haoze Water Purification (as the purchaser, a wholly-owned subsidiary of the Company) and the Company (as the issuer of the Consideration Shares) entered into the Share Purchase Agreement with the Vendors, the Partnership Enterprise, Foshan Lepuda, Foshan Lepu Trading and Foshan Lehong pursuant to which Shanghai Haoze Water Purification agreed to purchase and the Vendors agreed to procure the Partnership Enterprise to sell the Sale Interest representing 51% of the total equity interest in Foshan Lepuda, at the Consideration of RMB160,650,000 (subject to adjustment).

The Consideration of RMB160,650,000 for the sale and purchase of the Sale Interest shall be settled (i) as to RMB128,520,000 in cash by Shanghai Haoze Water Purification; and (ii) as to RMB32,130,000 by the Company allotting and issuing 20,653,363 Consideration Shares (subject to adjustment) at the Issue Price of HK\$1.778 (equivalent to approximately RMB1.556) under the General Mandate. The Consideration Shares represent approximately 1.01% of the issued share capital of the Company as at the date of this announcement, approximately 1.00% of the issued share capital of the Company as enlarged by the issue of the Consideration Shares and approximately 0.99% of the issued share capital of the Company as enlarged by the issue of the Consideration Shares and the Bili Acquisition Shares. The Consideration Shares will rank *pari passu* in all respects with each other and with the Shares in issue at the time of issue of the Consideration Shares.

After the Completion, Foshan Lepuda will become a non wholly-owned subsidiary of the Company and the financial results of the Target Group will be consolidated into those of the Group.

The Target Group is a renowned high and new technology enterprise in the Pearl River Delta which specializes in the research and development, manufacture and sale of various types of micro motors. The main micro motor products of the Target Group are widely used in various household appliances and industrial control equipment. After the Reorganization, Foshan Lepuda will wholly-own each of Foshan Lepu Trading and Foshan Lehong. The Vendors will, through the Partnership Enterprise, indirectly own the Sale Interest.

LISTING RULES IMPLICATIONS

As one or more of the applicable percentage ratios in respect of the Acquisition are 5% or more but all of them are less than 25%, the Acquisition constitutes a discloseable transaction of the Company and is therefore subject to the announcement requirement under Chapter 14 of the Listing Rules.

As the Completion is subject to, amongst others, the satisfaction and/or waiver, where applicable, certain conditions precedent set out in the Share Purchase Agreement, the Acquisition may or may not proceed to Completion. Shareholders and potential investors of the Company should exercise caution when dealing in the Shares or any securities of the Company.

INTRODUCTION

On 23 June 2017 (after trading hours), Shanghai Haoze Water Purification (as the purchaser, a wholly-owned subsidiary of the Company) and the Company (as the issuer of the Consideration Shares) entered into the Share Purchase Agreement with the Vendors, the Partnership Enterprise, Foshan Lepuda, Foshan Lepu Trading and Foshan Lehong pursuant to which Shanghai Haoze Water Purification agreed to purchase and the Vendors agreed to procure the Partnership Enterprise to sell the Sale Interest representing 51% of the total equity interest in Foshan Lepuda, at the Consideration of RMB160,650,000 (subject to adjustment).

PRINCIPAL TERMS OF THE SHARE PURCHASE AGREEMENT

The principal terms of the Share Purchase Agreement are set out as follows:

Date

23 June 2017

Parties

- (1) Shanghai Haoze Water Purification (as purchaser);
- (2) the Company (as the issuer of the Consideration Shares);
- (3) the Vendors;

- (4) the Partnership Enterprise;
- (5) Foshan Lepuda;
- (6) Foshan Lepu Trading; and
- (7) Foshan Lehong.

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, each of the Vendors, the Partnership Enterprise, Foshan Lepuda, Foshan Lepu Trading and Foshan Lehong and their ultimate beneficial owners (as applicable) is an Independent Third Party.

Subject matter of the Acquisition

Pursuant to the Share Purchase Agreement, Shanghai Haoze Water Purification agreed to purchase, and the Vendors agreed to procure the Partnership Enterprise to sell, the Sale Interest representing 51% of the total equity interest in Foshan Lepuda, which, upon the completion of the Reorganization, will wholly-own each of Foshan Lepu Trading and Foshan Lehong.

Consideration

The Consideration of RMB160,650,000 for the sale and purchase of the Sale Interest shall be settled in the manner as follows:

- (i) RMB128,520,000 payable by Shanghai Haoze Water Purification to the Partnership Enterprise in cash, of which:
 - (1) RMB16,065,000 shall be payable within ten working days after the completion of the Reorganization;
 - (2) RMB50,000,000 shall be payable upon the fulfillment or waiver of the Conditions Precedent (as the case may be) and within ten working days after the Completion;
 - (3) RMB42,455,000 shall be payable upon the fulfillment or waiver of the Conditions Precedent (as the case may be) and during the period between the 10th working day and the 20th working day after the Completion; and
 - (4) the remaining RMB20,000,000 shall be payable within 100 days after the Completion, in the absence of any breach of the Share Purchase Agreement and related ancillary documents by the Vendors and the Partnership Enterprise.

(ii) RMB32,130,000 by the Company allotting and issuing 20,653,363 Consideration Shares (subject to adjustment) at the Issue Price to the Partnership Enterprise (or its nominee(s)) under the General Mandate, of which (1) 6,196,009 Consideration Shares shall be allotted and issued by the Company within 180 working days after the Completion; and (2) (in case there is no Adjustment) the remaining balance of the Consideration Shares, or (in case there is an Adjustment) the number of Consideration Shares as reduced (as set out under the paragraph headed “Adjustment to the Consideration” — “(i) Reduction to the number of Consideration Shares to be issued by the Company” below), shall be allotted and issued by the Company within 60 working days after completion of the Adjustment (if any). The Consideration Shares represent approximately 1.01% of the issued share capital of the Company as at the date of this announcement, approximately 1.00% of the issued share capital of the Company as enlarged by the issue of the Consideration Shares and approximately 0.99% of the issued share capital of the Company as enlarged by the issue of the Consideration Shares and the Bili Acquisition Shares. Subject to compliance with the relevant laws and regulations, Shanghai Haoze Water Purification and the Vendors may negotiate for other means by which the RMB32,130,000 remaining balance of the Consideration may be settled instead of by way of the allotment and issuance of the Consideration Shares by the Company.

Where the necessary approvals and consents from the PRC government departments or Hong Kong regulatory authorities (including the Stock Exchange) in relation to the satisfaction of the Consideration by way of the allotment and issuance of the Consideration Shares (including the listing of and permission to deal in the Consideration Shares on the Stock Exchange) cannot be obtained, the Parties agreed that the part of the Consideration to be satisfied by way of the allotment and issuance of Consideration Shares shall instead be satisfied by Shanghai Haoze Water Purification in cash, and the Partnership Enterprise (or its nominee(s)) shall, subject to compliance with the relevant laws and regulations (including the Listing Rules), use such cash amount to subscribe for or purchase such number of Shares that is equivalent to the number of Consideration Shares initially agreed to be issued by the Company under the Share Purchase Agreement.

The Consideration Shares will rank *pari passu* in all respects with each other and with the Shares in issue at the time of issue of the Consideration Shares.

Basis of the Consideration

The Consideration (including the Adjustment) was arrived at after arm’s length negotiations among Shanghai Haoze Water Purification, the Company and the Vendors, taking into account various factors, including, the potential market of the industry which the Target Group is engaged in, the customer base of the Target Group, the proprietary technologies owned by the Target Group, the multi-regional export channels of the Target Group and the Performance Guarantee (as defined below).

Performance guarantee

Pursuant to the Share Purchase Agreement, the Vendors undertook that:

- (i) the audited cash income from the principal business activities of the Target Group during the Performance Guarantee Period (the “**Actual Cash Flow Income**”) shall not be less than RMB350,000,000; and
 - (ii) the audited profits after taxation (being the lower of (1) the audited profits after taxation from the principal business activities and (2) the audited profits after taxation from the principal business activities excluding non-recurring gains or losses) of the Target Group during the Performance Guarantee Period (the “**Actual After-Tax Net Profit**”) shall not be less than RMB45,000,000,
- ((i) and (ii) together, the “**Performance Guarantee**”).

Adjustment to the Consideration

In the event that the Target Group does not meet the Performance Guarantee, the Consideration shall, at the option of Shanghai Haoze Water Purification, be adjusted in accordance with any or a combination of the following methods:

- (i) *Reduction to the number of Consideration Shares to be issued by the Company*

The number of Consideration Shares shall be reduced by the number calculated in accordance with the following formulae:

$$\text{Number of the Consideration Shares to be reduced} = [d - (51\% \times e)] \div f;$$

and/or

- (ii) *Equity Compensation*

Shanghai Haoze Water Purification shall have the right to require the Vendors (as the case may be) to transfer additional equity interest in Foshan Lepuda calculated in accordance with the following formulae (the “**Additional Equity Interest**”) at nil consideration (the “**Equity Compensation Method**”):

$$\text{Additional Equity Interest} = [(d \div e) \times 100\%] - 51\%;$$

and/or

- (iii) *Cash Compensation*

Shanghai Haoze Water Purification shall have the right to require the Vendors to pay to Shanghai Haoze Water Purification a cash compensation calculated in accordance with the following formulae:

$$\text{Cash compensation amount} = d - [51\% \times e],$$

whereas:

d = RMB160,650,000, being the Consideration for the Acquisition;

e = RMB315,000,000 × (the Actual Cash Flow Income ÷ RMB350,000,000); or

RMB315,000,000 × (the Actual After-tax Net Profit ÷ RMB45,000,000),

whichever is the lower, provided that if the result is less than RMB160,000,000, “e” shall equal to RMB160,000,000 unless in circumstances involving material adverse effect on the Target Group caused by breach of law by the Vendors or management appointed by the Vendors or embezzlement of the assets or resources of the Target Group after the Reorganisation or violation of any provisions regarding competing interests by the Vendors or management appointed by the Vendors; and

f = HK\$1.778, being the Issue Price.

Shanghai Haoze Water Purification has the right to elect any or a combination of the above compensation methods. No upward adjustment will be made to the Consideration in the event that the financial results of the Target Group exceeded the Performance Guarantee.

The Vendors shall complete the relevant compensation within 30 days after the receipt of a written request for compensation from Shanghai Haoze Water Purification. In the event where cash compensation is involved, Shanghai Haoze Water Purification is entitled to deduct such compensation amount from the cash Consideration payable by it, with any shortfall to be payable by the Vendors.

Lock-up of Consideration Shares

The Consideration Shares shall be subject to lock-up during the Performance Guarantee Period and prior to the completion of the Adjustment (if necessary). The Partnership Enterprise (or its nominee(s)) shall not dispose of more than 40% and 30% of the Consideration Shares received during the first and second year after the expiry of the aforementioned period, respectively.

Conditions Precedent

Unless otherwise waived by Shanghai Haoze Water Purification in writing (where applicable), the Completion and payment of the Consideration as set out above shall be subject to the satisfaction of certain Conditions Precedent including:

- (i) the completion of the business, legal and financial due diligence on the Target Group to the satisfaction of Shanghai Haoze Water Purification;
- (ii) the completion of the Reorganization in compliance with the relevant requirements under PRC laws and regulations and the registered capital of each of the members of the Target Group has been fully paid-up;

- (iii) all necessary consents and approvals (if any) required for the signing and performance of the Share Purchase Agreement by the Target Group, the Vendors and the Partnership Enterprise and the Completion have been obtained and remain in full force and effect;
- (iv) shareholders of the Target Group have passed the relevant shareholders' resolution to establish a board of directors comprising five directors, three of which are to be appointed by Shanghai Haoze Water Purification;
- (v) the Target Group has maintained normal operations and no circumstances which would cause material adverse effect on the Target Group have occurred for the period commencing from 31 December 2016 to the date of the Completion;
- (vi) the state of affairs of the Target Group as disclosed by the Target Group and the Vendors to Shanghai Haoze Water Purification are true, complete and accurate, and are not false or misleading or are there any material omissions up to the date of the Completion;
- (vii) all agreements, obligations and conditions which must be performed or complied with by the Target Group, the Vendors and the Partnership Enterprise pursuant to the Share Purchase Agreement have been performed and complied with in all material respects; and
- (viii) there exist no regulations imposing any restriction, prohibition or cancellation of the Acquisition, or any judgment, ruling, decision or prohibition order imposed by court or relevant government authorities; nor there exist any pending litigation, arbitration, judgment, ruling, decision or prohibition order which has, or would cause material adverse effect on the Target Group, the Vendors, the Partnership Enterprise, Shanghai Haoze Water Purification or the Acquisition.

The Parties shall procure the satisfaction of the Conditions Precedent on or before 1 July 2017.

Completion of the Acquisition

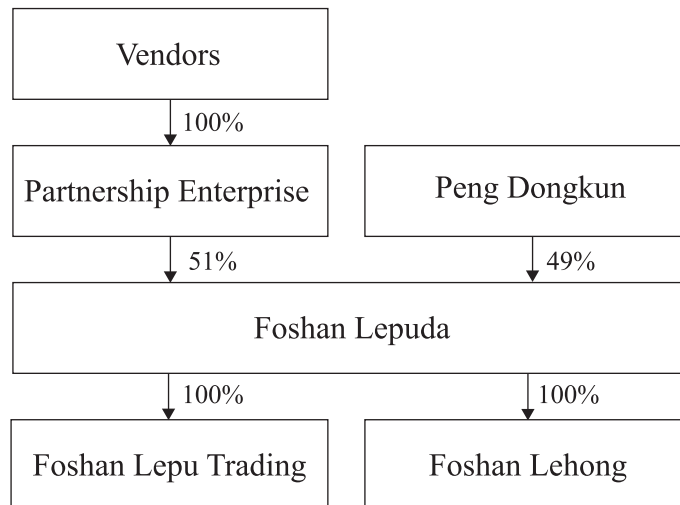
Completion shall take place after the fulfillment or waiver of the Conditions Precedent (as the case may be), and subsequent to the completion of the registration of the transfer of the Sale Interest with the relevant industry and commerce authorities in the PRC, and Shanghai Haoze Water Purification becoming duly registered as the holder of the Sale Interest.

After the Completion, Foshan Lepuda will become a non wholly-owned subsidiary of the Company and the financial results of the Target Group will be consolidated into those of the Group.

REORGANIZATION

After the Reorganization, Foshan Lepuda will wholly-own each of Foshan Lepu Trading and Foshan Lehong. The Vendors will, through the Partnership Enterprise, indirectly own the Sale Interest, being 51% of the equity interest in Foshan Lepuda.

The shareholding and corporate structure of the Target Group immediately after the completion of the Reorganization is as follows:



ISSUE OF CONSIDERATION SHARES UNDER THE GENERAL MANDATE

Pursuant to the Share Purchase Agreement, the Company shall allot and issue a maximum of 20,653,363 Consideration Shares to the Partnership Enterprise (or its nominee(s)) as part of the Consideration. The Issue Price of HK\$1.778 (equivalent to approximately RMB1.556) per Consideration Share was determined after arm's length negotiations among Shanghai Haoze Water Purification, the Company and the Vendors with reference to the closing prices of the Shares as quoted on the Stock Exchange in the 20 trading days immediately prior to the date of the Share Purchase Agreement.

The Issue Price represents:

- (i) a premium of approximately 7.11% to the closing price of HK\$1.66 per Share as quoted on the Stock Exchange on 23 June 2017, being the date of the Share Purchase Agreement;
- (ii) a premium of approximately 7.37% to the average closing price of HK\$1.656 per Share as quoted on the Stock Exchange for the five trading days immediately prior to the date of the Share Purchase Agreement; and
- (iii) the average closing price of HK\$1.778 per Share as quoted on the Stock Exchange for the 20 trading days immediately prior to the date of the Share Purchase Agreement.

The Consideration Shares shall be issued by the Company under the General Mandate. At the annual general meeting of the Company held on 27 May 2016, the General Mandate was granted to the Directors to exercise the powers of the Company to allot, issue and otherwise deal with up to 345,936,400 new Shares, being 20% of the number of issued Shares as at the date of passing of the resolution by the Shareholders in relation to the General Mandate. As the Company has announced in its announcement dated 23 May 2017, the Bili Acquisition Shares (being a maximum of 25,066,535

new consideration Shares) will be issued by the Company under the General Mandate as part of the consideration for the Bili Acquisition. As of the date of this announcement, the Bili Acquisition Shares have not been issued and no Shares have been issued under the General Mandate.

APPLICATION FOR LISTING

An application will be made by the Company to the Stock Exchange for the listing of, and permission to deal in, the Consideration Shares.

INFORMATION ON THE VENDORS AND THE PARTNERSHIP ENTERPRISE

Each of Mr. Peng Dongkun and Ms. Li Lijun are involved in the business of the research and development, manufacture and sale of micro motor products. Mr. Peng Dongkun and Ms. Li Lijun will be the partners of the Partnership Enterprise, which is a limited partnership enterprise established and existing under the laws of the PRC and which will hold the Sale Interest, being 51% of the total equity interest in Foshan Lepuda after the completion of the Reorganization. Mr. Peng Dongkun will remain interested in 49% of the equity interest of Foshan Lepuda immediately after the Completion.

INFORMATION ON THE TARGET GROUP

The Target Group is a renowned high and new technology enterprise in the Pearl River Delta which specializes in the research and development, manufacture and sale of various types of micro motor products. The main micro motor products of the Target Group are widely used in various household appliances and industrial control equipment. Leveraging on its leading technical strengths and consistent product quality, the Target Group has established long-term and stable collaborative relationships with major domestic household appliances businesses. At the same time, through the China Compulsory Certification, the UL Certification in the United States, the TUV certification in Germany, and the CE marking and the RoHS certification of the European Union, its products possess an extensive sales network in overseas markets including the United States of America, Russia, Italy and Belgium.

Based on the unaudited consolidated financial statements of the Target Group for the financial years ended 31 December 2015 and 2016, prepared in accordance with PRC GAAP, the unaudited profit before taxation and profit after taxation of the Target Group are set out below:

	For the years ended 31 December (unaudited)	
	2015	2016
	<i>RMB</i>	<i>RMB</i>
Profit before taxation	1,508,782	14,520,699
Profit after taxation	1,074,340	12,338,667

Based on the unaudited consolidated financial statements of the Target Group prepared in accordance with PRC GAAP, the unaudited net assets of the Target Group as at 31 December 2016 is RMB23,887,246.

REASONS FOR AND BENEFITS OF THE ACQUISITION

The Company is an investment holding company. The principal activities of the Group are the provision of water purification services and air sanitization services. Shanghai Haoze Water Purification is a wholly-owned subsidiary of the Company and is principally engaged in the provision of water purification services in the PRC.

Micro motors are one of the core components of household appliances. The collaboration between the Target Group and the Company will improve the Company's industrial chain and supply chain, enhance core competitiveness and extend the Company's product line, with the manufacture of new products providing a strong reserve support.

After the completion of the Acquisition, the Company will draw on its own strengths in research and development and the application of smart home appliances technology, and collaborate with the Target Group to create a new business model and profit growth targets, thereby building a pioneering smart motor brand which is leading in the field of environmental-friendly appliances.

The capacity of the global micro motor market at present is extensive and the micro motor market in the PRC has been growing at a fast pace. Benefiting from the continuous development of the household appliance industry and the automotive industry, the scale of the micro motor market will further expand.

The Directors (including the independent non-executive Directors) are of the view that the Acquisition is on normal commercial terms, and such terms are fair and reasonable and that the Acquisition is in the interests of the Company and its Shareholders as a whole.

EFFECT OF THE ACQUISITION ON THE SHAREHOLDING STRUCTURE OF THE COMPANY

As at the date of this announcement, the Company had 2,045,981,950 Shares in issue. Reference is made to the announcement of the Company dated 23 May 2017 in relation to the Bili Acquisition, pursuant to which the Company shall allot and issue the Bili Acquisition Shares (being a maximum of 25,066,535 new consideration Shares) as part of the consideration thereto under the General Mandate. As at the date of this announcement, the Bili Acquisition has not yet completed and the Bili Acquisition Shares have not been issued.

For reference and illustration purposes only, assuming 20,653,363 Consideration Shares will be allotted and issued pursuant to the Share Purchase Agreement, 25,066,535 new Shares will be allotted and issued pursuant to the Bili Acquisition, and there is no other change in the shareholding structure of the Company, the following table illustrates the shareholding structure of the Company (i) as at the date of this announcement; (ii) immediately after the allotment and issuance of 20,653,363 Consideration

Shares but prior to the allotment and issuance of the Bili Acquisition Shares; and (iii) immediately after the Completion and after the allotment and issuance of the Bili Acquisition Shares and the allotment and issuance of 20,653,363 Consideration Shares.

Shareholders	As at the date of this announcement		Immediately after the allotment and issuance of the Consideration Shares but prior to the allotment and issuance of the Bili Acquisition Shares		Immediately after the Completion and after the allotment and issuance of the Bili Acquisition Shares and the allotment and issuance of the Consideration Shares	
	Number of Shares	Approximate %	Number of Shares	Approximate %	Number of Shares	Approximate %
<i>Non-public Shareholders</i>						
Mr. Xiao Shu ⁽¹⁾	4,198,000	0.21	4,198,000	0.20	4,198,000	0.20
Baida Holdings Limited ⁽¹⁾	341,820,000	16.71	341,820,000	16.54	341,820,000	16.34
Lion Rise Holdings Limited ⁽¹⁾	62,182,200	3.04	62,182,200	3.01	62,182,200	2.97
Glorious Shine Holdings Limited ⁽¹⁾	382,831,950	18.71	382,831,950	18.52	382,831,950	18.30
SAIF Partners IV L.P.	334,857,000	16.37	334,857,000	16.20	334,857,000	16.01
<i>Public Shareholders</i>						
China Innovative Capital Management Co., Ltd	189,686,200 ⁽²⁾	9.27	189,686,200 ⁽²⁾	9.18	189,686,200 ⁽²⁾	9.07
Ares FW Holdings, L.P.	187,166,800	9.15	187,166,800	9.06	187,166,800	8.95
Watercube Holdings, L.L.C.	139,006,800	6.79	139,006,800	6.73	139,006,800	6.65
the partnership enterprise to which the Bili Acquisition Shares will be allotted and issued	0	0	0	0	25,066,535	1.20
Partnership Enterprise	0	0	20,653,363	1.00	20,653,363	0.99
Other public Shareholders	404,233,000	19.76	404,233,000	19.57	404,233,000	19.33
Total	2,045,981,950	100.00	2,066,635,313	100.00	2,091,701,848	100.00

Notes:

- (1) Baida Holdings Limited, Lion Rise Holdings Limited and Glorious Shine Holdings Limited are wholly-owned by Baida Capital Limited, Lion Rise Capital Limited and Glorious Shine Capital Limited under the Xiao Family I Trust, the Xiao Family II Trust and the Xiao Family III Trust, respectively. Each of the Xiao Family I Trust, the Xiao Family II Trust and the Xiao Family III Trust is a discretionary trust established by Mr. Xiao Shu, the Chairman and Chief Executive Officer of the Company (as the settlor) and the discretionary beneficiaries of which include Mr. Xiao Shu and certain of his family members.

“Adjustment”	the adjustment to the Consideration, details of which are set out in the paragraph headed “Principal Terms of the Share Purchase Agreement — Adjustment to the Consideration” in this announcement
“Bili Acquisition”	the acquisition of the 51% equity interest in Guangdong Bili Drinking Water Equipment Co., Ltd.* (廣東碧麗飲水設備有限公司) by Shanghai Haoze Water Purification as announced by the Company in its announcement dated 23 May 2017
“Bili Acquisition Shares”	a maximum of a 25,066,535 new consideration Shares to be allotted and issued by the Company as part of the consideration of the Bili Acquisition
“Board”	the board of Directors
“Company”	Ozner Water International Holding Limited, a company incorporated in the Cayman Islands with limited liability, the issued Shares of which are listed on the Stock Exchange
“Completion”	completion of the Acquisition pursuant to the Share Purchase Agreement, as described in the paragraph headed “Principal Terms of the Share Purchase Agreement — Completion of the Acquisition”
“Conditions Precedent”	the conditions precedent set out in the Share Purchase Agreement, details of which are set out under the paragraph headed “Principal Terms of the Share Purchase Agreement — Conditions Precedent” in this announcement
“connected person(s)”	has the meaning ascribed to such term under the Listing Rules
“Consideration”	the aggregate consideration for the Acquisition
“Consideration Shares”	the aggregate new consideration Shares to be allotted and issued by the Company to the Partnership Enterprise (or its nominee(s)) pursuant to the Share Purchase Agreement as part of the Consideration
“Director(s)”	the director(s) of the Company
“Foshan Lehong”	Foshan Shunde Lehong Motor Co., Ltd.* (佛山市順德區樂宏電機有限公司), a company established in the PRC with limited liability and an Independent Third Party
“Foshan Lepuda”	Foshan Lepuda Motor Co., Ltd.* (佛山市順德區樂普達電機有限公司), a company established in the PRC with limited liability and an Independent Third Party

“Foshan Lepu Trading”	Foshan Lepu Trading Co., Ltd* (佛山市樂普貿易有限公司), a company established in the PRC with limited liability and an Independent Third Party
“General Mandate”	the general mandate granted to the Directors at the annual general meeting of the Company held on 27 May 2016 to exercise the powers of the Company to allot, issue and otherwise deal with additional Shares up to 20% of the number of issued Shares as at the date of passing of the resolution in relation to such general mandate (being 1,729,682,000 Shares)
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	Hong Kong Special Administrative Region of the PRC
“Independent Third Party(ies)”	an individual(s) or a company(ies) who or which is(are) independent of the Company and its connected persons
“Issue Price”	HK\$1.778 (equivalent to approximately RMB1.556), the issue price of each Consideration Share
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
“Parties”	the parties to the Share Purchase Agreement, being Shanghai Haoze Water Purification, the Company, the Vendors, the Partnership Enterprise, Foshan Lepuda, Foshan Lepu Trading and Foshan Lehong
“Partnership Enterprise”	Suichuan Lepu Business Service Centre (Limited Partnership)* (遂川樂普商務服務中心(有限合夥)), a limited partnership enterprise established and existing under the laws of the PRC and an Independent Third Party, which directly owns 51% of the equity interest in Foshan Lepuda
“Performance Guarantee Period”	1 July 2017 to 30 June 2018
“PRC”	the People’s Republic of China which, for the purpose of this announcement only, excludes Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan
“PRC GAAP”	generally accepted accounting principles in the PRC

“Reorganization”	the reorganization of the Target Group as described under the paragraph headed “Reorganization” in this announcement
“RMB”	Renminbi, the lawful currency of the PRC
“Sale Interest”	the 51% equity interest in Foshan Lepuda to be acquired by Shanghai Haoze Water Purification pursuant to the Share Purchase Agreement
“Shanghai Haoze Water Purification”	Shanghai Haoze Water Purification Technology Development Co., Ltd.* (上海浩澤淨水科技發展有限公司), a company established under the laws of the PRC and a wholly-owned subsidiary of the Company
“Share(s)”	ordinary share(s) of HK\$0.01 each in the share capital of the Company
“Shareholder(s)”	holder(s) of the Shares
“Share Purchase Agreement”	the share purchase agreement dated 23 June 2017 entered into between Shanghai Haoze Water Purification (as the purchaser), the Company (as the issuer of the Consideration Shares), the Vendors, the Partnership Enterprise, Foshan Lepuda, Foshan Lepu Trading and Foshan Lehong in respect of the Acquisition
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Target Group”	the group of companies comprising Foshan Lepuda, Foshan Lepu Trading and Foshan Lehong, the corporate structure of which is shown under the paragraph headed “Reorganization” in this announcement
“Vendors”	Mr. Peng Dongkun (彭東琨) and Ms. Li Lijun (李麗君), each an Independent Third Party
“%”	per cent.

By Order of the Board
Ozner Water International Holding Limited
Xiao Shu
Chairman and Chief Executive Officer

Hong Kong, 23 June 2017

As at the date of this announcement, the executive directors of the Company are XIAO Shu, ZHOU Guanxuan, TAN Jibin, LI Honggao and WANG Yonghui, the non-executive Directors are Andrew Yan YAN, HE Sean Xing and WANG Haitong and the independent non-executive Directors are CHAN Yuk Sing Gilbert, LAU Tze Cheung Stanley, BAO Jiming and GU Jiuchuan.

* for identification purposes only