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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 ACQUISITION OF A WATER SUPPLY COMPANY IN HUIZHOU**

This is a voluntary announcement made by the Company.

On 19 October 2017, the Purchaser, a wholly owned subsidiary of the Company, entered into the Agreement to acquire, among others, 70% equity interest in the Water Supply Company at the consideration of approximately RMB61 million in cash.

To the best of the Directors' knowledge, information and belief, and after making all reasonable enquiries, the Vendor is an Independent Third Party.

The Water Supply Company is principally engaged in water supply in Huicheng District, Huizhou, Guangdong Province, PRC. The designed daily water supply capacity of the Water Supply Company is approximately 60,000 tonnes. The Water Supply Company has been granted a concession to operate water supply until 2040.

The Group is currently a water supply operator in Daya Bay, Huizhou. The Company is of the view that the Acquisition will further strengthen its water supply business in Huizhou, Guangdong Province, PRC.

### **DEFINITIONS**

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

“Acquisition”	the acquisition of the Water Supply Company by the Purchaser pursuant to the Agreement
“Agreement”	the agreement dated 19 October 2017 made between the Vendor and the Purchaser relating to, among others, the Water Supply Company
“Board”	the board of directors of the Company

“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
“Directors”	the directors of the Company
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Independent Third Party”	a third party who is independent of and not connected with the Company or its connected persons (as defined under the Listing Rules)
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“PRC”	The People’s Republic of China which, for the purpose of this announcement, excludes Hong Kong, the Macau Special Administrative Region and Taiwan
“Purchaser”	湖北銀龍水務有限公司(Hubei Silver Dragon Water Affairs Co. Ltd.*), a company incorporated in the PRC with limited liability and a wholly owned subsidiary of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Vendor”	the vendor under the Agreement
“Water Supply Company”	惠州市惠城區馬安自來水有限公司(Huizhou City Huicheng District Maan Water Supply Co. Ltd.*)

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

Hong Kong, 19 October 2017

*As at the date of this announcement, the Board comprises four executive Directors, being Mr. Duan Chuan Liang, Ms. Ding Bin, Ms. Liu Yu Jie and Mr. Li Zhong, four non-executive Directors, being Mr. Zhao Hai Hu, Mr. Zhou Wen Zhi, Mr. Makoto Inoue and Ms. Wang Xiaoqin, and four independent non-executive Directors, being Mr. Chau Kam Wing, Mr. Ong King Keung, Mr. Siu Chi Ming and Ms. Ho Ping.*

\* For identification purposes only