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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 WUZHI COUNTY**

This is a voluntary announcement made by the Company.

The Board is pleased to announce that on 11 January 2018, the Purchaser, a wholly owned subsidiary of the Company, has completed the acquisition of 100% equity interest in the Water Supply Company at the total consideration of RMB70 million, of which RMB40 million for repayment of debt and RMB30 million as the transfer price.

To the best of the Directors' knowledge, information and belief, and after making all reasonable enquiries, the vendors are Independent Third Parties.

The Water Supply Company is principally engaged in water supply in Wuzhi County, Henan Province, PRC. The daily water supply capacity of the Water Supply Company is approximately 20,000 tonnes. The Water Supply Company has been granted a concession to operate water supply until 2038.

The Purchaser currently operates a "North-South Water Diversion" waterworks in Wuzhi County with a designed daily water supply capacity of approximately 30,000 tonnes. After the Acquisition, the combined daily water supply capacity of the Purchaser in Wuzhi County will be increased to approximately 50,000 tonnes. The Company is of the view that the Acquisition will further strengthen its water supply business in Henan 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

"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”	河南國源水務有限公司(Henan Guoyuan 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
“Water Supply Company”	武陟縣民生水務有限公司(Wuzhi County Minsheng Water Affairs Co. Ltd.*)

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

Hong Kong, 23 January 2018

*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