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**THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION**

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**If you are in any doubt** as to any aspect of this circular or as to the action to be taken, you should consult your stockbroker or other registered dealer in securities, bank manager, solicitor, professional accountant or other professional adviser.

**If you have sold or transferred** all your shares in China Water Affairs Group Limited, you should at once hand this circular and the accompanying form of proxy to the purchaser or the transferee, or to the bank, stockbroker or other agent through whom the sale or the transfer was effected for transmission to the purchaser or the transferee.

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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)

**PROPOSALS RELATING TO GENERAL MANDATES  
TO ISSUE AND REPURCHASE SHARES OF THE COMPANY,  
RE-ELECTION OF RETIRING DIRECTORS  
AND  
NOTICE OF ANNUAL GENERAL MEETING OF THE COMPANY**

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A notice convening the annual general meeting of China Water Affairs Group Limited (the “Company”) to be held at Suite 6408, 64/F, Central Plaza, 18 Harbour Road, Wanchai, Hong Kong on 6 September 2019 at 10:00 a.m. or any adjournment thereof is set out on pages 13 to 16 of this circular. Whether or not you intend to attend the annual general meeting of the Company, you are advised to complete the accompanying proxy form in accordance with the instructions printed thereon and return the same to the Company’s branch share registrar in Hong Kong, Tricor Tengis Limited, at Level 54, Hopewell Centre, 183 Queen’s Road East, Hong Kong not less than 48 hours before the time fixed for holding of the meeting or any adjournment thereof. Completion and delivery of the proxy form will not preclude Shareholders from attending and voting in person at the meeting if they so wish.

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## DEFINITIONS

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*In this circular, unless the context otherwise requires, the following expressions have the following meanings:*

“AGM”	the annual general meeting of the Company to be held at Suite 6408, 64/F, Central Plaza, 18 Harbour Road, Wanchai, Hong Kong on 6 September 2019 at 10:00 a.m.
“AGM Notice”	the notice convening the AGM as set out in pages 13 to 16 of this circular
“Asset Full”	Asset Full Resources Limited, a company incorporated in the British Virgin Islands, whose entire issued share capital is wholly and beneficially owned by Mr. Duan Chuan Liang, the chairman and executive director of the Company
“Board” or “Directors”	the board of Directors of the Company or a duly authorised committee thereof for the time being
“Business Day(s)”	a day (other than a Saturday or Sunday) on which banks are open for business in Hong Kong
“Bye-laws”	the existing Bye-laws of the Company
“close associates”	has the meaning ascribed to it in the Listing Rules
“Company”	China Water Affairs Group Limited, a company incorporated in Cayman Islands and continued in Bermuda with limited liability
“core connected persons”	has the meaning ascribed to it in the Listing Rules
“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 People’s Republic of China
“Issue Mandate”	a general mandate to the Directors to exercise the powers of the Company to issue and allot new Shares during the period as set out in the AGM Notice up to 20% of the number of issued Shares of the Company as at the date of passing the resolution
“Latest Practicable Date”	25 July 2019, being the latest practicable date prior to the printing of this circular for ascertaining certain information contained herein

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## DEFINITIONS

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“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 circular, excludes Hong Kong, the Macau Special Administrative Region and Taiwan
“Repurchase Mandate”	a general mandate to the Board to exercise the powers of the Company to repurchase Shares during the period as set out in the AGM Notice up to 10% of the number of issued Share of the Company as at the date of passing the resolution
“SFO”	The Securities and Future Ordinance (Chapter 571 of the Laws of Hong Kong)
“Shareholder(s)”	the holder(s) of the Shares
“Share(s)”	Share(s) of HK\$0.01 each in the capital of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Takeovers code”	the Hong Kong Code on Takeovers and Mergers
“%”	per cent.

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## LETTER FROM THE BOARD

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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)

*Executive Directors:*

Mr. Duan Chuan Liang (*Chairman*)

Ms. Ding Bin

Ms. Liu Yu Jie

Mr. Li Zhong

*Registered office:*

Clarendon House

2 Church Street

Hamilton HM 11

Bermuda

*Non-executive Directors:*

Mr. Zhao Hai Hu

Mr. Zhou Wen Zhi

Mr. Makoto Inoue

Ms. Wang Xiaoqin

*Head Office and Principal place of  
business in Hong Kong:*

Suite 6408, 64/F, Central Plaza,

18 Harbour Road,

Wanchai, Hong Kong

*Independent non-executive Directors:*

Mr. Chau Kam Wing

Mr. Ong King Keung

Mr. Siu Chi Ming

Ms. Ho Ping

31 July 2019

*To the Shareholders*

Dear Sir/Madam,

**PROPOSALS RELATING TO GENERAL MANDATES  
TO ISSUE AND REPURCHASE SHARES OF THE COMPANY,  
RE-ELECTION OF RETIRING DIRECTORS  
AND  
NOTICE OF ANNUAL GENERAL MEETING OF THE COMPANY**

**INTRODUCTION**

The purpose of this circular is to seek your approval of proposals on the grant of general mandates to issue and repurchase shares of the Company and re-election of retiring directors as well as to provide you with information in connection with such proposals. Your approval will be sought at the general meeting of the Company to be held at the AGM.

\* For identification purpose only

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## LETTER FROM THE BOARD

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### **GENERAL MANDATE FOR REPURCHASE BY THE COMPANY OF ITS OWN SECURITIES**

It will be proposed at the AGM an ordinary resolution as set out in the AGM Notice for granting to the Board the Repurchase Mandate. At the Latest Practicable Date, there were 1,608,900,859 Shares in issue and subject to the passing of the necessary ordinary resolution and on the basis that no further Shares are issued or repurchased prior to the AGM, exercise in full of the Repurchase Mandate could accordingly result in up to 160,890,085 Shares being repurchased by the Company, representing 10% of the number of issued Shares of the Company at the Latest Practicable Date, during the course of the period prior to the next annual general meeting to be held in 2020. Subject to approval of Shareholders at the AGM, the Repurchase Mandate would continue in force until the next annual general meeting in 2020.

An explanation statement, as required under the relevant rules set out in Listing Rules of the Stock Exchange regulating the repurchase by companies with primary listings on the Stock Exchange of their own securities on the Stock Exchange, to provide the requisite information for your consideration of the Repurchase Mandate is set out in the Explanatory Statement in Appendix II hereto.

### **GENERAL MANDATE TO ISSUE NEW SECURITIES OF THE COMPANY**

It will be proposed at the AGM the ordinary resolutions as set out in the AGM Notice for granting to the Board the Issue Mandate and to extend the Issue Mandate by adding to it the aggregate number of Shares repurchased by the Company under the Repurchase Mandate.

At the Latest Practicable Date, there were 1,608,900,859 Shares in issue and subject to the passing of the necessary ordinary resolution and on the basis that no further Shares are issued or repurchased prior to the AGM, exercise in full of the Issue Mandate could accordingly result in up to 321,780,171 Shares being issued by the Company, representing 20% of the number of issued Shares of the Company at the Latest Practicable Date, during the course of the period prior to the next annual general meeting to be held in 2020. Subject to approval of Shareholders at the AGM, the Issue Mandate would continue in force until the next annual general meeting in 2020.

At the Latest Practicable Date, the Directors have no immediate plan to use the Issue Mandate to issue shares of the Company but consider the Issue Mandate to be in the interests of the Company in order to provide itself with flexibility.

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## LETTER FROM THE BOARD

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### RE-ELECTION OF RETIRING DIRECTORS

Pursuant to clause 87 of Bye-laws, at each annual general meeting one-third of the Directors for the time being (or, if their number is not a multiple of three (3), the number nearest to but not greater than one-third) shall retire from office by rotation. A retiring Director shall be eligible for re-election. The Directors to retire by rotation shall include (so far as necessary to ascertain the number of Directors to retire by rotation) any Director who wishes to retire and not to offer himself for re-election. Any further Directors so to retire shall be those of the other Directors subject to retirement by rotation who have been longest in office since their last re-election or appointment and so that as between persons who became or were last re-elected Directors on the same day those to retire shall (unless they otherwise agree among themselves) be determined by lot.

In accordance with clause 87 of Bye-laws, the Directors to retire and being eligible offer themselves for re-election at the AGM are Ms. Ding Bin, Mr. Zhao Hai Hu, Mr. Ong King Keung and Mr. Siu Chi Ming.

The biographical details of the Directors to be re-elected at the AGM are set out in Appendix I of this circular.

Mr. Ong King Keung has served as the Company's independent non-executive Director for more than 9 years. His appointment is subject to a separate resolution to be approved by Shareholders pursuant to Code A.4.3 of Appendix 14 of the Listing Rules.

Both Mr. Ong King Keung and Mr. Siu Chi Ming have confirmed in writing their independence as regards each of the factors referred to in Rule 3.13(1) to (8) of the Listing Rules which also cover their immediate family members. Both the Nomination Committee and the Board are satisfied with their independence.

The independent non-executive Directors to be re-elected have provided valuable contributions and insights to the Board. The Nomination Committee has considered the experience, skills and expertise of each of the independent non-executive Directors to be re-elected as well as the overall board diversity according to the Board's diversity policy. The Board, based on the recommendation of the Nomination Committee, believes that the independent non-executive Directors to be re-elected will continue to provide valuable insights and contribute to diversity to the Board and should be re-elected.

### ANNUAL GENERAL MEETING

Set out on pages 13 to 16 of this circular is the AGM Notice at which ordinary resolutions will be proposed to approve the Issue Mandate, Repurchase Mandate and re-election of retiring directors.

To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, no Shareholder is required to abstain from voting on the resolutions to be proposed at the AGM.

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## LETTER FROM THE BOARD

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### **ACTION TO BE TAKEN**

A Proxy form for use at the AGM is enclosed with this circular. Whether or not you intend to attend the AGM, you are advised to complete the proxy form and return it to the Company's branch share registrar in Hong Kong, Tricor Tengis Limited, at Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong not less than 48 hours before the time fixed for holding the meeting or any adjournment thereof. Completion and delivery of the proxy form will not preclude Shareholders from attending and voting in person at the AGM if they so wish.

The register of members will be closed from Wednesday, 4 September 2019 to Friday, 6 September 2019 (both days inclusive), during which period no transfer of shares will be registered. In order to qualify for attending and voting at the AGM, all transfers of shares accompanied by the relevant share certificates and appropriate transfer forms must be lodged with the office of the Company's branch share registrar in Hong Kong, Tricor Tengis Limited, at Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong, for registration not later than 4:30 p.m. on Tuesday, 3 September 2019.

### **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 Company. 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.

### **RECOMMENDATION**

The Board considers that the Issue Mandate, the Repurchase Mandate and the re-election of retiring Directors as set out in the AGM Notice are all in the interests of the Company and its Shareholders as a whole. Accordingly, the Directors recommend that all Shareholders should vote in favour of the relevant resolutions to be proposed at the AGM.

Yours faithfully  
By order of the Board  
**China Water Affairs Group Limited**  
**DUAN CHUAN LIANG**  
*Chairman*



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## APPENDIX I      DETAILS OF DIRECTORS PROPOSED TO BE RE-ELECTED

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*The following are the particulars of the retiring Directors proposed to be re-elected at the AGM:*

### **Executive Director**

**Ms. Ding Bin**, aged 43, has over 15 years of experience in financial management and tax planning. Ms. Ding was graduated from Zhengzhou University of Technology in finance and computing management. Ms. Ding is a Certified Public Accountant in the PRC and a member of the Chinese Institute of Certified Public Accountants. Ms. Ding joined the Group in 2007. Ms. Ding did not hold any other directorship in any public listed companies in the last three years.

There is no service contract between Ms. Ding and the Company. Her appointment has no fixed term and is subject to retirement and re-election at the annual general meeting of the Company. Ms. Ding is entitled to an annual remuneration of HK\$2,122,000 which was determined based on market rate and the time, effort and expertise to be exercised on the Group's affairs. Ms. Ding has no relationship with any director, senior management or substantial or controlling shareholder of the Company. As at the Latest Practicable Date, Ms. Ding is interested in 5,500,000 Shares. Save as aforesaid, Ms. Ding has no interest in the shares of the Company within the meaning of Part XV of the SFO. Ms. Ding is currently the directors of certain subsidiaries of the Company. There is no information to be disclosed by Ms. Ding pursuant to Rule 13.51(2) (h) to (v) of the Listing Rules and there is no other information that need to be brought to the attention of the Shareholders.

### **Non-Executive Director**

**Mr. Zhao Hai Hu**, aged 64, was graduated from Zhejiang University with a master degree in Engineering. He was a general manager of an irrigation technology company which was engaged in the research and development of irrigation and hydroelectric technology. Mr. Zhao was primarily responsible for project management, research and development of irrigation and water supply. Mr. Zhao acted as an assistant to the head of North China College of Water Conservancy and Hydro Power. He was also the head of the infra-structure department and the head of the personnel department. Mr. Zhao has over 28 years' experience in engineering. He joined the Group in 2003. Mr. Zhao did not hold any directorship in any other public listed companies in the last three years.

There is no service contract between Mr. Zhao and the Company. His appointment will be for a term of three years, subject to retirement and re-election at the annual general meeting of the Company. Mr. Zhao is entitled to an annual remuneration of HK\$678,000 which was determined based on market rate and the time, effort and expertise to be exercised on the Group's affairs. Mr. Zhao has no relationship with any director, senior management or substantial or controlling shareholder of the Company. As at the Latest Practicable Date, Mr. Zhao is interested in 4,306,000 Shares. Save as aforesaid, Mr. Zhao has no interest in the shares of the Company within the meaning of Part XV of the SFO. Mr. Zhao is currently the directors of certain subsidiaries of the Company. There is no information to be disclosed by Mr. Zhao pursuant to Rule 13.51(2) (h) to (v) of the Listing Rules and there is no other information that need to be brought to the attention of the Shareholders.

**Independent Non-Executive Directors**

**Mr. Ong King Keung**, aged 43, is the company secretary of a company whose shares are listed on the main board of the Stock Exchange. He has over 18 years of experience in the auditing and accounting industry. He holds a bachelor's degree in Accountancy from The Hong Kong Polytechnic University and master degree in Corporate Finance from the City University of Hong Kong. He has been a fellow member of the Association of Chartered Certified Accountants since October 2007 and a fellow member of the Hong Kong Institute of Certified Public Accountants since June 2010. Mr. Ong is currently an independent non-executive director of one company listed on the main board and two companies listed on the GEM of the Stock Exchange, namely Risecomm Group Holdings Limited (stock code: 1679), Bingo Group Holdings Limited (stock code: 8220) and My Heart Bodibra Group Limited (stock code: 8297). Mr. Ong had also been an independent non-executive director of Deson Construction International Holdings Limited (stock code: 8268), which is the company listed on the GEM of the Stock Exchange, since December 2014 and has been subsequently redesignated as a non-executive director since December 2015. Mr. Ong was also an independent non-executive director of Tech Pro Technology Development Limited (stock code: 3823) from 17 March 2017 to 2 February 2019, which is listed on the main board of the Stock Exchange. Mr. Ong was also an independent non-executive director of China Candy Holdings Limited (stock code: 8182) and Koala Financial Group Limited (stock code: 8226), which are listed on the GEM of the Stock Exchange and resigned in September 2017. He joined the Group in 2007. He is also a member of the audit committee and remuneration committee of the Company. Save as disclosed above, Mr. Ong did not hold any other directorship in any public listed companies in the last three years.

There is no service contract between Mr. Ong and the Company. His appointment will be for a term of three years, subject to retirement and re-election at the annual general meeting of the Company. Mr. Ong is entitled to an annual remuneration of HK\$300,000 which was determined based on market rate and the time, effort and expertise to be exercised on the Group's affairs. Mr. Ong has no relationship with any director, senior management or substantial or controlling shareholder of the Company. As at the Latest Practicable Date, Mr. Ong does not have, and is not deemed to have any interests or short positions in any shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO). Save as disclosed above, there are no other matters relating to his re-election that need to be brought to the attention of the Shareholders and apart from information disclosed above, there is no other information which is required to be disclosed pursuant to rule 13.51 (2) (h) to (v) of the Listing Rules.

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## APPENDIX I      DETAILS OF DIRECTORS PROPOSED TO BE RE-ELECTED

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**Mr. Siu Chi Ming**, aged 38, holds a Bachelor of Business Administration (Accounting) from Hong Kong Baptist University. He is a member of the Association of Chartered Certified Accountants and an associate of Hong Kong Institute of Chartered Secretaries as well as the Institute of Chartered Secretaries and Administrators. Mr. Siu is the executive director and company secretary of Jiu Rong Holdings Limited, which is listed on the main board of the Stock Exchange (stock code: 2358) and an independent non-executive director of Ying Kee Tea House Group Limited (stock code: 8241), which is listed on the GEM of the Stock Exchange. Mr. Siu was a senior manager of a corporate finance division of a licensed corporation registered under Securities and Futures Ordinance (the “SFO”) and a licensed person registered under the SFO to carry on type 6 (advising on corporate finance) regulated activities. He has been involved in several corporate finance transactions including mergers and acquisitions, corporate reorganisation and a variety of fund raising exercises. Mr. Siu joined the Group in 2016. He is also a member of the audit committee, remuneration committee and nomination committee of the Company. Save as disclosed above, Mr. Siu did not hold any other directorship in any public listed companies in the last three years.

There is no service contract between Mr. Siu and the Company. His appointment will be for a term of three years, subject to retirement and re-election at the annual general meeting of the Company. Mr. Siu is entitled to an annual remuneration of HK\$300,000 which was determined based on market rate and the time, effort and expertise to be exercised on the Group’s affairs. Mr. Siu has no relationship with any director, senior management or substantial or controlling shareholder of the Company. As at the Latest Practicable Date, Mr. Siu does not have, and is not deemed to have any interests or short positions in any shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO). Save as disclosed above, there are no other matters relating to his re-election that need to be brought to the attention of the Shareholders and apart from information disclosed above, there is no other information which is required to be disclosed pursuant to rule 13.51 (2) (h) to (v) of the Listing Rules.

*The Appendix serves as an explanatory statement, as required by the Listing Rules, to provide information to you with regard to the Repurchase Mandate.*

### **1. STOCK EXCHANGE RULES FOR REPURCHASES OF SHARES**

The Listing Rules permit companies with a primary listing on the Stock Exchange to repurchase their shares on the Stock Exchange subject to certain restrictions.

The Listing Rules provide that all proposed repurchases of shares by a company with a primary listing on the Stock Exchange must be approved by shareholders in advance by an ordinary resolution, either by way of a general mandate or by a specific approval of a particular transaction and that the shares to be repurchased must be fully paid up. A maximum of 10% of the number of issued Shares as to the date of passing the relevant resolution may be repurchased on the Stock Exchange.

### **2. FUNDING OF REPURCHASES**

Any repurchase will be funded entirely from the Company's available cashflow or working capital facilities and will, in any event, be made out of funds which are legally available for the repurchase in accordance with the memorandum and Bye-laws of the Company and the Companies Act 1981 of Bermuda. Any repurchases will be made out of funds of the Company legally permitted to be utilised in this connection. Such fund may include profits available for distribution and proceeds of a new issue of Shares made for the purpose of the repurchases. In addition, under the laws of Bermuda and other applicable laws and regulations, no repurchase of the Company's Shares may be effected if, on the date on which the repurchase is to be effected, there are reasonable grounds for believing that the Company is, or after the repurchase would be, unable to pay its liabilities as they become due.

As compared with the financial position of the Company as at 31 March 2019 (being the date of its latest audited accounts), the Directors consider that there should not be any material adverse impact on the working capital and on the gearing position of the Company in the event that the proposed repurchases were to be carried out in full during the proposed repurchase period. The Directors do not propose to exercise the Repurchase Mandate to such extent as would, in the circumstances, have a material adverse effect on the working capital of the Company or the gearing position which in the opinion of the Directors are from time to time appropriate for the Company.

### **3. SHARE CAPITAL**

As at the Latest Practicable Date, the issued share capital of the Company comprised 1,608,900,859 Shares. Subject to the passing of the relevant ordinary resolutions to approve the general mandates to repurchase Shares and on the basis that no further Shares are issued or repurchased between the Latest Practicable Date and the AGM, the Company would be allowed under the Repurchase Mandate to repurchase a maximum of 160,890,085 Shares representing 10% of the number of issued Shares of the Company at the Latest Practicable Date.

**4. REASONS FOR REPURCHASES**

The Directors believe that it is in the best interests of the Company and the Shareholders to have a general authority from Shareholders to enable the Directors to repurchase Shares in the market. Such repurchases may, depending on market conditions and funding arrangements at the time, lead to an enhancement of the net asset value of the Company and/or its earnings per Share and will only be made when the Directors believe that such repurchases will benefit the Company and its Shareholders.

**5. UNDERTAKING OF THE DIRECTORS**

The Directors have undertaken to the Stock Exchange to exercise the Repurchase Mandate in accordance with the Listing Rules, the applicable laws of Bermuda and in accordance with the memorandum and Bye-laws of the Company.

**6. EFFECT OF THE TAKEOVERS CODE**

If as a result of the repurchases of Shares, a Shareholder's proportionate interest in the voting rights of the Company increase, such increase will be treated as an acquisition of voting rights for the purpose of the Rule 32 of the Takeovers Code. As a result, a shareholder or a group of shareholders acting in concert, depending on the level of increase of the shareholder's interest, could obtain or consolidate control of the Company and become obliged to make a mandatory offer in accordance with Rule 26 and Rule 32 of the Takeovers Code. As at the Latest Practicable Date, Asset Full and Mr. Duan Chuan Liang, together held 469,120,301 Shares of the Company representing approximately 29.16 % of the total number of issued Shares of the Company, is the single largest substantial Shareholder. In the event that the Repurchase Mandate is exercised in full, Mr. Duan Chuan Liang's interest would be increased to approximately 32.40% of the total number of issued Shares of the Company. Accordingly, the Directors consider that the exercise in full of the power to repurchase Shares under the Repurchase Mandate will give rise to an obligation to make a mandatory offer for Asset Full and Mr. Duan Chuan Liang in accordance with Rule 26 of the Takeovers Code. The Directors have no present intention to repurchase Shares to an extent that will trigger the obligations under the Takeovers Code to make a mandatory offer.

**7. DIRECTORS, THEIR CLOSE ASSOCIATES AND CORE CONNECTED PERSONS**

To the best of the Directors' knowledge and belief, after having made all reasonable enquiries, none of the Directors nor any of their respective close associates have any present intention, in the event that the proposed Repurchase Mandate is approved by the Shareholders, to sell any Shares to the Company.

No core connected person of the Company has notified the Company that he/she/it has a present intention to sell any Shares to the Company nor has he/she/it undertaken not to sell any of the Shares held by him/her/it to the Company in the event that the Repurchase Mandate is approved by the Shareholders.

**8. REPURCHASES OF SHARES BY THE COMPANY**

The Company made the following repurchase of Shares in the six months preceding the Latest Practicable Date:

<b>Trade day</b>	<b>No. of Shares repurchased</b>	<b>Method of repurchase</b>	<b>Highest price paid (HK\$)</b>	<b>Lowest price paid (HK\$)</b>	<b>Total paid (HK\$)</b>
25 July 2019	74,000	On Stock Exchange	7.31	7.26	539,340
24 July 2019	56,000	On Stock Exchange	7.39	7.32	411,020
23 July 2019	120,000	On Stock Exchange	7.33	7.27	875,800
22 July 2019	156,000	On Stock Exchange	7.33	7.24	1,136,860
19 July 2019	270,000	On Stock Exchange	7.46	7.29	1,995,920
18 July 2019	50,000	On Stock Exchange	7.46	7.41	371,700
17 July 2019	86,000	On Stock Exchange	7.34	7.22	629,300
16 July 2019	196,000	On Stock Exchange	7.26	7.15	1,412,640
15 July 2019	106,000	On Stock Exchange	7.22	7.06	761,000
12 July 2019	246,000	On Stock Exchange	7.17	7.07	1,751,000
11 July 2019	132,000	On Stock Exchange	7.15	7.05	936,100
10 July 2019	280,000	On Stock Exchange	7.12	7.04	1,985,920
9 July 2019	188,000	On Stock Exchange	7.18	7.15	1,346,700
8 July 2019	180,000	On Stock Exchange	7.19	7.15	1,290,020
5 July 2019	188,000	On Stock Exchange	7.17	7.11	1,343,380
4 July 2019	320,000	On Stock Exchange	7.16	7.00	2,254,420
3 July 2019	360,000	On Stock Exchange	7.27	7.03	2,560,900
2 July 2019	306,000	On Stock Exchange	7.38	7.31	2,245,300

**9. THE SHARE PRICES**

The highest and lowest prices at which the Shares have traded on the Stock Exchange during each of the previous twelve months and the current month (up to the Latest Practicable Date prior to the printing of this circular) were as follows:

	<b>Share Prices</b>	
	<b>Highest HK\$</b>	<b>Lowest HK\$</b>
<b>2018</b>		
July	10.62	8.08
August	10.46	8.81
September	9.19	8.19
October	8.88	6.82
November	8.88	7.04
December	8.95	8.08
<b>2019</b>		
January	8.68	7.98
February	8.70	7.83
March	8.78	7.97
April	8.66	8.01
May	8.35	7.18
June	8.21	7.31
July (up to the Latest Practicable Date)	7.72	7.00

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## NOTICE OF ANNUAL GENERAL MEETING

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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)

**NOTICE IS HEREBY GIVEN** that an annual general meeting of China Water Affairs Group Limited (the “Company”) will be held at 10:00 a.m. on 6 September 2019 at Suite 6408, 64/F, Central Plaza, 18 Harbour Road, Wanchai, Hong Kong for the following purposes:

1. To receive and consider the Audited Financial Statements and the Reports of the Directors and the Auditors of the Company for the year ended 31 March 2019.
2. To declare a final dividend.
3.
  - (i) To re-elect Ms. Ding Bin as executive director;
  - (ii) To re-elect Mr. Zhao Hai Hu as non-executive director;
  - (iii) To re-elect Mr. Ong King Keung as independent non-executive director;
  - (iv) To re-elect Mr. Siu Chi Ming as independent non-executive director; and
  - (v) To authorise the board of directors to fix the Directors’ remunerations.
4. To consider and, if thought fit, re-appoint PricewaterhouseCoopers as auditors and to authorise the board of directors of the Company to fix their remuneration.

As special business, to consider and, if thought fit, pass the following resolutions, which will be proposed with or without amendments, as ordinary resolutions:

#### **ORDINARY RESOLUTIONS**

5. **“THAT**
  - (A) subject to paragraph (C) of this resolution below, the exercise by the directors of the Company (the “Directors”) during the Relevant Period (as hereinafter defined) of all the powers of the Company to allot, issue and deal with additional shares in the capital of the Company and to make or grant offers, agreements and options (including warrants, bonds and debentures convertible into shares of the Company) which might require the exercise of such powers be and is hereby generally and unconditionally approved;

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- (B) the Directors be and are hereby authorised during the Relevant Period to make or grant offers, agreements and options (including warrants, bonds and debentures convertible into shares of the Company) which might require the exercise of such powers during or after the end of the Relevant Period;
- (C) the aggregate number of shares allotted or agreed conditionally or unconditionally to be allotted (whether pursuant to an option or otherwise) by the Directors pursuant to the approval in paragraphs (A) and (B) of this resolution above, otherwise than pursuant to a Rights Issue (as hereinafter defined) or pursuant to the exercise of any options granted under the share option scheme adopted by the Company or an issue of shares upon the exercise of subscription rights attached to the warrants which might be issued by the Company or an issue of shares in lieu of the whole or part of a dividend on shares or any scrip dividend scheme or similar arrangement in accordance with the bye-laws of the Company, shall not exceed 20% of the number of issued shares of the Company at the time of passing this resolution; and
- (D) for the purposes of this resolution:

“Relevant Period” means the period from the time 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 memorandum and bye-laws of the Company or the applicable laws of Bermuda to be held; or
- (iii) the revocation or variation of the authority given under this resolution by an ordinary resolution of the shareholders of the Company in general meeting.

“Right Issue” means an offer of shares open for a period fixed by the Directors to holders of shares on the register of members on a fixed record date in proportion to their then holdings of such shares (subject to such exclusions or other arrangements as the Directors may deem necessary or expedient in relation to fractional entitlements or having regard to any restrictions or obligations under the laws of any relevant jurisdiction, or the requirements of any recognised regulatory body or any stock exchange).”



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6. **“THAT**

- (A) subject to paragraph (C) of this resolution below, the exercise by the directors of the Company (“Directors”) during the Relevant Period (as hereinafter defined) of all powers of the Company to repurchase issued shares in the capital of the Company on The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) or any other stock exchange on which the shares of the Company may be listed and recognised by the Securities and Futures Commission of Hong Kong and the Stock Exchange for this purpose, and that the exercise by the Directors of all powers of the Company to repurchase such shares are subject to and in accordance with all applicable laws and the requirements of the Rules Governing the Listing of Securities on the Stock Exchange, be and is hereby, generally and unconditionally approved;
- (B) the approval in paragraph (A) of this resolution above shall be in addition to any other authorisation given to the Directors and shall authorise the Directors on behalf of the Company during the Relevant Period to procure the Company to repurchase its shares at a price determined by the Directors;
- (C) the aggregate number of shares of the Company repurchased or agreed conditionally or unconditionally to be repurchased by the Company pursuant to the approval in paragraph (A) of this resolution above during the Relevant Period shall not exceed 10% of the number of issued shares of the Company as at the time of passing this resolution; and
- (D) for the purposes of this resolution:

“Relevant Period” means the period from the time 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 memorandum and bye-laws of the Company or the applicable laws of Bermuda to be held; or
- (iii) the revocation or variation of the authority given under this resolution by an ordinary resolution of the shareholders of the Company in general meeting.”

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## NOTICE OF ANNUAL GENERAL MEETING

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7. “**THAT** conditional upon the passing of the ordinary resolution nos. 5 and 6 in the notice convening the annual general meeting of the Company, the aggregate number of shares of the Company which are repurchased by the Company pursuant to and in accordance with the said ordinary resolution no. 6 shall be added to the aggregate number of shares of the Company that may be allotted or agreed conditionally or unconditionally to be allotted by the directors of the Company pursuant to and in accordance with ordinary resolution no. 5 as set out in the notice of the annual general meeting of the Company.”

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

Hong Kong, 31 July 2019

*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.*

*Notes:*

1. A member of the Company entitled to attend and vote at the meeting shall be entitled to appoint another person as his proxy to attend and vote instead of him. A proxy need not be a member of the Company. In addition, a proxy or proxies representing either an individual member or a member which is a corporation shall be entitled to exercise the same powers on behalf of the member which he or they represent as such member could exercise.
2. The instrument appointing a proxy shall be in writing under the hand of the appointer or of his attorney duly authorised in writing or, if the appointer is a corporation, either under its seal or under the hand of an officer, attorney or other person duly authorised.
3. The instrument appointing a proxy and the power of attorney or other authority, if any, under which it is signed or a certified copy of such power or authority shall be deposited to the Company's branch share registrar in Hong Kong, Tricor Tengis Limited, at Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong not less than 48 hours before the time fixed for holding the meeting.
4. Delivery of an instrument appointing a proxy shall not preclude a member from attending and voting in person at the meeting convened or upon the poll concerned and in such event, the instrument appointing a proxy shall be deemed to be revoked.
5. Where there are joint registered holders of any Shares, any one of such joint holders may vote either personally or by proxy in respect of such Shares as if he/she was solely entitled thereto; but if more than one of such joint holders be present at the Meeting personally or by proxy, that one of the said persons so present whose name stands first on the register in respect of such Share shall alone be entitled to vote in respect thereof.

\* *For identification purpose only*