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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)

**FURTHER UPDATE ON MAJOR TRANSACTION
IN RELATION TO
THE DISPOSAL OF THE ENTIRE EQUITY INTERESTS IN
ONFAR INTERNATIONAL LIMITED**

References are made to (i) the announcement of China Water Industry Group Limited (the “**Company**”) dated 25 March 2024 and the circular (the “**Circular**”) of the Company dated 27 April 2024 in relation to, among others, the Disposal; and (ii) the announcement (the “**Update Announcement**”) of the Company dated 9 May 2024 in relation to, among others, the Property Attachment. Unless otherwise defined, capitalised terms used in this announcement shall have the same meanings as those defined in the Circular and the Update Announcement.

The Company has recently received a statement of claim (民事起訴狀) from the Court regarding the claims by 宜春市市政發展有限公司 (for transliteration purpose only, Yichun Municipal Development Co., Ltd.) (the “**Plaintiff**”) against (i) the Company, as 1st defendant; (ii) the Purchaser, as 2nd defendant; (iii) the Disposal Company, as 3rd defendant; and (iv) Yichun Water, as third party, in respect of the Disposal (the “**Civil Claim**”).

It is alleged by the Plaintiff that pursuant to the relevant laws of the PRC, the Company shall give written notice and seek consent from the Plaintiff in relation to the transfer of equity interests in the Disposal Company to any third parties. Within 30 days after the date of such written notice, the Plaintiff shall be entitled to exercise the right of first refusal to purchase such equity interests on the same terms.

The Plaintiff alleged that the Company has infringed its legal rights by disposing the Sale Shares to the Purchaser without notifying the Plaintiff in writing and seeking its consent.

* For identification purpose only

The Company is in the course of seeking legal advice from its PRC legal advisers in respect of the above matter. As at the date of this announcement and to the best of the Directors' knowledge, information and belief, the Civil Claim has no material impact to the business operation and financial position of the Group. The Company will keep the Shareholders and potential investors of the Company informed of any further material development regarding the Civil Claim by way of further announcement(s) as and when appropriate.

Completion is subject to the fulfillment of the conditions precedent set out in the Equity Transfer Agreement and certain condition(s) may not be fulfilled if the Property Attachment is not released. As such, the Disposal may or may not proceed. Shareholders and potential investors of the Company are advised to exercise caution when dealing in the Shares.

By order of the Board
China Water Industry Group Limited
Mr. Zhu Yongjun
Chairman and Executive Director

Hong Kong, 17 June 2024

As at the date of this announcement, the Board comprises Mr. Zhu Yongjun (Chairman) and Ms. Chu Yin Yin Georgiana, all being executive Directors and Mr. Wong Siu Keung, Joe and Mr. Lam Cheung Shing, Richard, all being independent non-executive Directors.