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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)

DISCLOSEABLE TRANSACTION FINANCE LEASE ARRANGEMENT

INTRODUCTION

Reference is made to the announcement of the Company dated 21 September 2023 in relation to, among other things, the Existing Finance Lease Arrangement.

On 21 September 2023, the Existing Lessee, being an indirect wholly-owned subsidiary of the Company, entered into the Existing Transfer Agreement with Greengold Leasing, pursuant to which Greengold Leasing shall purchase the Existing Leased Assets from the Existing Lessee for the purchase price of RMB15,000,000 (equivalent to approximately HK\$16,169,000). On the same date, the Existing Lessee and Greengold Leasing entered into the Existing Finance Lease Agreement, pursuant to which Greengold Leasing shall lease back the Existing Leased Assets to the Existing Lessee for a lease consideration comprising of principal amount equivalent to the said purchase price and the interest accrued thereon at a rate of 6.35% per annum for a lease period of 60 months commencing from the payment date of the said purchase price.

FINANCE LEASE ARRANGEMENT

The Board would like to announce that on 5 July 2024, the Lessee, being an indirect non-wholly owned subsidiary of the Company, entered into the Transfer Agreement with Greengold Leasing, pursuant to which Greengold Leasing shall purchase the Leased Assets from the Lessee for the Purchase Price of RMB6,000,000 (equivalent to approximately HK\$6,467,000).

On the same date, the Lessee and Greengold Leasing entered into the Finance Lease Agreement, pursuant to which Greengold Leasing shall lease back the Leased Assets to the Lessee for a lease consideration comprising of principal amount equivalent to the Purchase Price and the interest accrued thereon at a rate of 6.35% per annum for a lease period of 60 months commencing from the payment date of the Purchase Price.

* For identification purpose only

LISTING RULES IMPLICATIONS

As the Existing Finance Lease and Incidental Documentation and the Finance Lease and Incidental Documentation were all entered into by the Group with Greengold Leasing within a 12-month period, the transactions contemplated under the Finance Lease and Incidental Documentation are aggregated with the transactions contemplated under the Existing Finance Lease and Incidental Documentation for consideration for the purpose of this announcement.

As one or more of the applicable percentage ratio(s) (as defined under the Listing Rules) under the Finance Lease and Incidental Documentation, when calculated on an aggregated basis with the transactions contemplated under the Existing Finance Lease and Incidental Documentation, is/are more than 5% but less than 25%, the entering into of such transactions constitutes a discloseable transaction on the part of the Company and is thus subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules.

INTRODUCTION

Reference is made to the announcement of the Company dated 21 September 2023 in relation to, among other things, the Existing Finance Lease Arrangement.

On 21 September 2023, the Existing Lessee, being an indirect wholly-owned subsidiary of the Company, entered into the Existing Transfer Agreement with Greengold Leasing, pursuant to which Greengold Leasing shall purchase the Existing Leased Assets from the Existing Lessee for the purchase price of RMB15,000,000 (equivalent to approximately HK\$16,169,000). On the same date, the Existing Lessee and Greengold Leasing entered into the Existing Finance Lease Agreement, pursuant to which Greengold Leasing shall lease back the Existing Leased Assets to the Existing Lessee for a lease consideration comprising of principal amount equivalent to the said purchase price and the interest accrued thereon at a rate of 6.35% per annum for a lease period of 60 months commencing from the payment date of the said purchase price.

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On the same date, the Lessee and Greengold Leasing entered into the Finance Lease Agreement, pursuant to which Greengold Leasing shall lease back the Leased Assets to the Lessee for a lease consideration comprising of principal amount equivalent to the Purchase Price and the interest accrued thereon at a rate of 6.35% per annum for a lease period of 60 months commencing from the payment date of the Purchase Price.

As security for the due and punctual performance of the Lessee's obligations under the Finance Lease Agreement, (i) the Company executed the Guarantee I; (ii) Guarantor A, Guarantor B and Guarantor C executed the Guarantee II; (iii) the Lessee executed the Legal Charge I, the Pledge over Receivables and the Pledge over Bank Accounts; and (iv) Guarantor A executed the Legal Charge II.

TRANSFER AGREEMENT AND FINANCE LEASE AGREEMENT

The principal terms of the Transfer Agreement and the Finance Lease Agreement are as follows:

	Transfer Agreement	Finance Lease Agreement
Date:	5 July 2024	5 July 2024
Parties:	(i) Greengold Leasing (as purchaser); and (ii) Lessee (as vendor)	(i) Greengold Leasing (as lessor); and (ii) Lessee (as lessee)

Greengold Leasing is a company established in the PRC with limited liability which is principally engaged in the provision of finance, including through finance leasing, with a focus on environmental protection projects in the PRC. Greengold Leasing is a subsidiary of Hing Yip Holdings Limited, being a company incorporated in Bermuda with limited liability, the shares of which are listed on the Main Board of the Stock Exchange (Stock Code: 132). To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, Greengold Leasing and its ultimate beneficial owners are Independent Third Parties.

Sale and leaseback of Leased Assets

Greengold Leasing shall purchase and the Lessee shall sell the Leased Assets for the Purchase Price of RMB6,000,000 (equivalent to approximately HK\$6,467,000). Greengold Leasing shall then lease back the Leased Assets to the Lessee for its use and possession for a lease period of 60 months commencing from the payment date of the Purchase Price.

Leased Assets

The Leased Assets comprise sewage treatment equipment situated at Foshan City, Guangdong Province, the PRC. As at the date of this announcement, the net book value of the Leased Assets was approximately RMB5,890,000 (equivalent to approximately HK\$6,349,000).

The Lessee will bear any maintenance, taxation and other costs and levies associated with the Leased Assets.

Purchase Price

Pursuant to the terms and conditions of the Transfer Agreement, the full payment of the Purchase Price for the Leased Assets in the sum of RMB6,000,000 (equivalent to approximately HK\$6,467,000) shall be made by Greengold Leasing to the Lessee on the date of fulfillment (or waiver by Greengold Leasing at its discretion) of all the following conditions:

- (i) Greengold Leasing having received the payment notice issued by the Lessee in the form and substance as agreed by Greengold Leasing;
- (ii) Greengold Leasing having received a sealed copy of (a) the latest business license, articles of association and authorisation for commencement of business (if applicable) of the Lessee; and (b) internal approval document(s) and government approval(s) (if applicable) in relation to the purchase of the Leased Assets;
- (iii) there being no non-compliance with any terms and conditions of the Transfer Agreement, and the representations, warranties or undertakings given by the Lessee thereunder remain true, accurate and valid;
- (iv) there being no damage, loss or encumbrance on the Leased Assets;
- (v) there being no adverse change, which Greengold Leasing may reasonably consider that its rights and benefits under the Transfer Agreement and the Finance Lease Agreement may be materially affected therefrom;
- (vi) save for the payment of the Purchase Price by Greengold Leasing to the Lessee, all conditions precedent for Greengold Leasing's entitlement to lease consideration under the Finance Lease Agreement having been fulfilled; and
- (vii) Greengold Leasing having received the relevant original or sealed copy of the Transfer Agreement, evidence of payment of Purchase Price, insurance policy and insurance contract from the Lessee in respect of the Leased Assets.

Greengold Leasing may at its sole discretion waive any of the condition(s) above. If the conditions above have not been fulfilled (or waived as the case may be) (for reasons other than Greengold Leasing) within one month from the date of the Transfer Agreement, Greengold Leasing may terminate the Transfer Agreement and the Finance Lease Agreement and seek compensation from the Lessee for any loss arising therefrom.

As at the date of this announcement, all conditions above under the Transfer Agreement have been fulfilled.

The Purchase Price was determined after arm's length negotiations by the parties with reference to the original cost of the Leased Assets of approximately RMB9,754,000 (equivalent to approximately HK\$10,514,000), and their state.

Lease consideration

In consideration of the finance lease service provided by Greengold Leasing under the Finance Lease Agreement, the Lessee shall pay Greengold Leasing lease consideration comprising of principal amount equivalent to the Purchase Price and the interest accrued thereon at a rate of 6.35% per annum. During the lease period, Greengold Leasing may at its discretion adjust the lease interest rate with reference to the adjusted loan prime rate published by the National Interbank Funding Center from time to time.

Pursuant to the terms and conditions of the Finance Lease Agreement, Greengold Leasing shall be entitled to lease consideration in accordance with the terms therein commencing from the date on which the following conditions have been fulfilled:

- (i) the Finance Lease Agreement, the Transfer Agreement and other relevant legal documents having been duly executed and become effective;
- (ii) Greengold Leasing having received the relevant resolutions of the governing body of the Lessee approving the transactions contemplated under the Finance Lease Agreement and the authorisation documents of the relevant authorised signatory;
- (iii) Greengold Leasing having received the initial expenses including the Security Deposit (if applicable) from the Lessee in full;
- (iv) security documents and security interest contemplated under the Finance Lease Agreement having become effective, and the Lessee shall assist Greengold Leasing in completing the registration thereof;
- (v) Greengold Leasing having received all such documents evidencing the Lessee's legal ownership of the Leased Assets and other necessary document(s) from the Lessee;
- (vi) there being no non-compliance with any terms and conditions of the Finance Lease Agreement, the Transfer Agreement and other relevant legal documents, nor violation of the representations, warranties and undertakings given by the Lessee thereunder;
- (vii) all conditions precedent for the payment of the Purchase Price under the Transfer Agreement having been fulfilled;
- (viii) the Purchase Price having been paid by Greengold Leasing to the Lessee;
- (ix) the Lessee having insured the Leased Assets as required under the Finance Lease Agreement and delivered the relevant original insurance policy and insurance contract in respect of the Leased Assets to Greengold Leasing; and
- (x) the terms and conditions under the Finance Lease Agreement and other terms and conditions requested by Greengold Leasing.

Greengold Leasing may at its sole discretion waive part of the conditions above (save for the payment of the Purchase Price set out in condition (viii)). In such event, Greengold Leasing is still entitled to demand the Lessee to procure the fulfillment of all conditions above after the commencement of the lease period.

As at the date of this announcement, save for condition (viii), all conditions under the Finance Lease Agreement set out above have been fulfilled.

If the Lessee fails to pay the lease consideration and other payables pursuant to the terms and conditions of the Finance Lease Agreement, the Lessee shall pay to Greengold Leasing a default interest on such overdue sum at a rate of 0.06% per day from the overdue date to the date of actual payment in full.

The terms of the Finance Lease Agreement, including the lease consideration, lease interest, and other fees and expenses under the incidental documentation to the finance lease, were determined after arm's length negotiations between the parties to the Finance Lease Agreement with reference to the principal amount of the lease and the loan prime rate published by the National Interbank Funding Center from time to time.

Repayment

The Lessee shall repay Greengold Leasing the principal amount equivalent to the Purchase Price and interest accrued thereon by 60 monthly installments of approximately RMB117,200 (equivalent to approximately HK\$126,000) each.

Security deposit

The Lessee shall pay Greengold Leasing an interest-free security deposit of RMB312,000 (equivalent to approximately HK\$336,000) (the "**Security Deposit**") in full on the commencement date of the lease period.

If the Lessee fails to perform their obligations under the Finance Lease Agreement, Greengold Leasing may forfeit the Security Deposit to recover any compensation and/or early termination fee, lease consideration whether or not due and payable, relevant costs and expenses incurred or loss on the part of Greengold Leasing arising therefrom.

In the event that the Security Deposit has been forfeited, Greengold Leasing may by notice to the Lessee demand further security deposit, which the Lessee shall provide within three business days from the date of receipt of such notice.

If there is no non-compliance on the part of the Lessee during the term of the Finance Lease Agreement, the Lessee may apply to Greengold Leasing in writing, and upon obtaining consent from Greengold Leasing, for the Security Deposit to be used for the repayment of final instalment(s) of the lease consideration.

Legal ownership and use of the Leased Assets

The legal ownership of the Leased Assets shall be transferred from the Lessee to Greengold Leasing on the date of payment of the Purchase Price, and delivery of the Leased Assets to the Lessee on an "as is" basis shall be deemed to be completed upon such transfer of legal ownership. The Lessee shall not dispose of, transfer, sublet, mortgage, invest or take other actions which may affect Greengold Leasing's legal ownership of the Leased Assets.

Provided that there is no non-compliance with the Finance Lease Agreement on the part of the Lessee during the lease period, Greengold Leasing shall warrant the Lessee's right of use of the Leased Assets during the lease period.

Risks

The Lessee shall take all risks in relation to the Leased Assets, including risk of damage or loss, upon delivery during the term of the Finance Lease Agreement. If the Leased Assets are damaged or lost, the Lessee shall promptly notify Greengold Leasing in writing and, at the discretion of Greengold Leasing, repair or replace the Leased Assets at the Lessee's own expense. If the Leased Assets suffer damage or loss which cannot be repaired or replaced, and the Lessee can prove that such damage or loss is not caused by itself, the Finance Lease Agreement may be early terminated by Greengold Leasing at its discretion and demand the Lessee to compensate or continue to perform the Finance Lease Agreement.

The payment and other obligations of the Lessee under the Finance Lease Agreement shall not be affected in the event that the Leased Assets suffer damage, loss or alike.

Insurance

The Lessee shall keep the Leased Assets insured during the term of the Finance Lease Agreement, and be responsible for all costs incurred, with Greengold Leasing being named as the first beneficiary.

Early termination

The Lessee may, by serving a 60 days' prior written notice to Greengold Leasing and upon obtaining Greengold Leasing's written consent, terminate the Finance Lease Agreement early, provided that the relevant lease consideration, compensation (if any) and other payables under the Finance Lease Agreement have been fully settled.

In the event of early termination of the Finance Lease Agreement, lease consideration and other payments made to Greengold Leasing shall not be refundable and the Lessee shall pay Greengold Leasing the following:

- (i) outstanding lease consideration due and payable as at the date of early termination;
- (ii) outstanding principal amount not yet due and payable as at the date of early termination;
- (iii) early termination fee, being an amount equivalent to 20% of all the interest not yet due and payable as at the date of early termination;
- (iv) buyback fee for the Leased Assets in the sum of RMB100 (equivalent to approximately HK\$108); and
- (v) other payables under the Finance Lease Agreement.

Buyback of the Leased Assets by the Lessee

Upon early termination or expiry of the lease period, the Lessee shall buyback the Leased Assets from Greengold Leasing on an “as is” basis in consideration of the buyback fee of RMB100 (equivalent to approximately HK\$108), which shall be deducted from the Security Deposit, and the legal ownership of the Leased Assets shall then be transferred to the Lessee.

Default

If the Lessee defaults, Greengold Leasing shall be entitled to, among others, (i) terminate the Finance Lease Agreement, (ii) take possession or prohibit the Lessee from using the Leased Assets, (iii) enforce the security documents, and (iv) claim for compensation for any losses incurred against the Lessee.

CONSULTANCY AGREEMENT

On 5 July 2024, Greengold Leasing and the Lessee entered into the Consultancy Agreement, pursuant to which Greengold Leasing shall provide the Lessee consultancy service for a period commencing from 5 July 2024 and ending on 15 August 2024 at a total consultancy fee of RMB360,000 (equivalent to approximately HK\$388,000). The total consultancy fee shall be payable after the execution of the Consultancy Agreement and prior to the issue of a confirmation letter by Lessee to Greengold Leasing.

GUARANTEES, LEGAL CHARGES AND PLEDGES

As security for the due and punctual performance of the Lessee’s obligations under the Finance Lease Agreement, (i) the Company executed the Guarantee I; (ii) Guarantor A, Guarantor B and Guarantor C executed the Guarantee II; (iii) the Lessee executed the Legal Charge I, the Pledge over Receivables and the Pledge over Bank Accounts; and (iv) Guarantor A executed the Legal Charge II.

Guarantees

Pursuant to the terms of the Guarantee I, the Company shall provide an irrevocable guarantee in favour of Greengold Leasing for the due and punctual performance of the Lessee’s obligations under the Finance Lease Agreement.

Pursuant to the terms of the Guarantee II, Guarantor A, Guarantor B and Guarantor C shall provide an irrevocable guarantee in favour of Greengold Leasing for the due and punctual performance of the Lessee’s obligations under the Finance Lease Agreement.

Legal charges

Pursuant to the terms of the Legal Charge I, the Lessee shall provide a legal charge over the Leased Assets in favour of Greengold Leasing for the due and punctual performance of the Lessee’s obligations under the Finance Lease Agreement.

Pursuant to the terms of the Legal Charge II, Guarantor A shall provide a legal charge over its 70% equity interest in the Lessee in favour of Greengold Leasing for a term of six (6) years for, including but not limited to, the due and punctual performance of the Lessee's obligations under the Finance Lease Agreement.

Pledge over Receivables

Pursuant to the terms of Pledge over Receivables, the Lessee shall pledge its rights in the receivables in the sewage treatment charges arising from the provision of sewage treatment services by the Lessee, the value of which is in an aggregate amount of approximately RMB36,000,000 (equivalent to approximately HK\$38,804,000) in favour of Greengold Leasing for the due and punctual performance of the Lessee's obligations under the Finance Lease Agreement.

Pledge over Bank Accounts

Pursuant to the terms of the Pledge over Bank Accounts, the Lessee shall provide a pledge over all of its 100% interests in two of its bank accounts in favour of Greengold Leasing for a term of six (6) years, for, including but not limited to, the due and punctual performance of the Lessee's obligations under the Finance Lease Agreement.

INFORMATION OF THE PARTIES TO THE FINANCE LEASE ARRANGEMENT

Greengold Leasing

Greengold Leasing is a company established in the PRC with limited liability which is principally engaged in the provision of finance, including through finance leasing, with a focus on environmental protection projects in the PRC. Greengold Leasing is a subsidiary of Hing Yip Holdings Limited, being a company incorporated in Bermuda with limited liability, the shares of which are listed on the Main Board of the Stock Exchange (Stock Code: 132).

The Lessee

Lessee is a company established in the PRC with limited liability, which is an indirect non-wholly owned subsidiary of the Company. It is principally engaged in the provision of sewage treatment in Foshan City, Guangdong Province, the PRC.

The Guarantors

The Company is a company established in the Cayman Islands with limited liability and whose Shares are listed on the Main Board of the Stock Exchange (stock code: 1129).

Guarantor A is a company established in the PRC with limited liability, which is an indirect wholly-owned subsidiary of the Company. It is an investment holding company.

Guarantor B is a company established in the PRC with limited liability, which is an indirect non-wholly owned subsidiary of the Company. It is principally engaged in the exploitation, generation and sale of renewable energy.

Guarantor C is a company established in the PRC with limited liability, which is an indirect wholly-owned subsidiary of the Company. It is principally engaged in exploitation, generation and sale of renewable energy.

REASONS FOR AND BENEFITS OF THE FINANCE LEASE ARRANGEMENT

The Group is principally engaged in (i) provision of water supply, sewage treatment and construction services; (ii) exploitation and sale of renewable energy in the PRC; and (iii) property investment and development.

The Directors are of the view that under the Finance Lease Arrangement, the Group will obtain financial resources and gain access to certain equipment as required for its operations. The terms under the Finance Lease and Incidental Documentation have been agreed after arm's length negotiation among the relevant parties. The Directors consider that the terms of the Finance Lease and Incidental Documentation, including the Purchase Price and the lease consideration, are on normal commercial terms, fair and reasonable and are in the interests of the Company and the Shareholders as a whole.

LISTING RULES IMPLICATIONS

As the Existing Finance Lease and Incidental Documentation and the Finance Lease and Incidental Documentation were all entered into by the Group with Greengold Leasing within a 12-month period, the transactions contemplated under the Finance Lease and Incidental Documentation are aggregated with the transactions contemplated under the Existing Finance Lease and Incidental Documentation for consideration for the purpose of this announcement.

As one or more of the applicable percentage ratio(s) (as defined under the Listing Rules) under the Finance Lease and Incidental Documentation, when calculated on an aggregated basis with the transactions contemplated under the Existing Finance Lease and Incidental Documentation, is/are more than 5% but less than 25%, the entering into of such transactions constitutes a discloseable transaction on the part of the Company and is thus subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules.

None of the Directors has any material interest in the Finance Lease Arrangement and is required to abstain from voting on the board resolutions approving the Finance Lease Arrangement.

DEFINITIONS

Unless the context otherwise requires, capitalised terms used in this announcement shall have the following meanings:

“Board”	the board of Directors
“Company”	China Water Industry Group Limited, a company incorporated in the Cayman Islands with limited liability and whose Shares are listed on the Main Board of the Stock Exchange (stock code: 1129)
“Consultancy Agreement”	the consultancy agreement dated 5 July 2024 and entered into between Greengold Leasing and the Lessee in relation to the provision of consultancy services by Greengold Leasing to the Lessee
“Director(s)”	the director(s) of the Company
“Existing Consultancy Agreement”	the consultancy agreement dated 21 September 2023 and entered into between Greengold Leasing and the Existing Lessee in relation to the provision of consultancy services by Greengold Leasing to the Existing Lessee
“Existing Finance Lease Agreement”	the finance lease agreement dated 21 September 2023 and entered into between the Existing Lessee and Greengold Leasing which sets out the rights and obligations of the Existing Lessee and Greengold Leasing in relation to the Existing Finance Lease Arrangement
“Existing Finance Lease and Incidental Documentation”	the Existing Finance Lease Agreement and the agreements incidental to the Existing Finance Lease Agreement, including the Existing Transfer Agreement, the Existing Consultancy Agreement, the guarantees, legal charges, pledge over account receivables and pledge over bank account
“Existing Finance Lease Arrangement”	the transactions contemplated under the Existing Finance Lease and Incidental Documentation
“Existing Leased Assets”	subject leased assets under the Existing Finance Lease Arrangement, which comprise certain designated equipment and facilities for sewage treatment systems situated in Jining City, Shandong Province, the PRC
“Existing Lessee”	濟寧市海晟水務有限公司 (for transliteration purpose only, Jining City Haisheng Water Treatment Company Limited [#]), a company established in the PRC with limited liability, which is an indirect wholly-owned subsidiary of the Company

“Existing Transfer Agreement”	the transfer agreement dated 21 September 2023 and entered into between the Existing Lessee and Greengold Leasing in relation to the sale and purchase of the Existing Leased Assets
“Finance Lease Agreement”	the finance lease agreement dated 5 July 2024 and entered into between the Lessee and Greengold Leasing which sets out the rights and obligations of the Lessee and Greengold Leasing in relation to the Finance Lease Arrangement
“Finance Lease and Incidental Documentation”	the Finance Lease Agreement and the agreements incidental to the Finance Lease Agreement, including the Transfer Agreement, the Consultancy Agreement, the Guarantee I, Guarantee II, Legal Charge I, Legal Charge II, Pledge over Receivables and Pledge over Bank Accounts
“Finance Lease Arrangement”	the transactions contemplated under the Finance Lease and Incidental Documentation
“Greengold Leasing”	廣東綠金融租賃有限公司 (for transliteration purpose only, Canton Greengold Financial Leasing Ltd. [#]) ((formerly known as Canton Risen Financial Leasing Co., Ltd. (廣東粵盛科融資租賃有限公司 [#])), a company established in the PRC with limited liability and a subsidiary of Hing Yip Holdings Limited (興業控股有限公司), being a company incorporated in Bermuda with limited liability, the shares of which are listed on the Main Board of the Stock Exchange (Stock Code: 132)
“Group”	the Company and its subsidiaries
“Guarantee I”	a guarantee executed by the Company in favour of Greengold Leasing for the due and punctual performance of the Lessee’s obligations under the Finance Lease Agreement
“Guarantee II”	a guarantee executed by Guarantor A, Guarantor B and Guarantor C in favour of Greengold Leasing for the due and punctual performance of the Lessee’s obligations under the Finance Lease Agreement
“Guarantor A”	廣州市海德環保科技有限公司 (for transliteration purpose only, Guangzhou City Hyde Environmental Protection Technology Company Limited [#]), a company established in the PRC with limited liability, which is an indirect wholly-owned subsidiary of the Company

“Guarantor B”	新中水(南京)再生資源投資有限公司 (for transliteration purpose only, New China Water (Nanjing) Renewable Resources Investment Company Limited [#]), a company established in the PRC with limited liability, which is an indirect non-wholly owned subsidiary of the Company
“Guarantor C”	深圳市新中水環保科技有限公司 (for transliteration purpose only, Shenzhen City New China Water Environmental Technology Limited [#]), a company established in the PRC with limited liability, which is an indirect wholly-owned subsidiary of the Company
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Independent Third Party(ies)”	any person or company and its ultimate beneficial owner(s), to the best of the Directors’ knowledge, information and belief having made all reasonable enquiries, is/are not connected person(s) of the Company and is/are third party(ies) independent of the Company and its connected person(s) in accordance with the Listing Rules
“Leased Assets”	subject leased assets under the Finance Lease Arrangement, which comprise sewage treatment equipment situated at Foshan City, Guangdong Province, the PRC
“Legal Charge I”	a legal charge over the Leased Assets executed by the Lessee in favour of Greengold Leasing as security for the due and punctual performance of the Lessee’s obligations under the Finance Lease Agreement
“Legal Charge II”	a legal charge over 70% equity interest in the Lessee executed by Guarantor A in favour of Greengold Leasing for the due and punctual performance of the Lessee’s obligations under the Finance Lease Agreement
“Lessee”	佛山市高明區華信污水處理有限公司 (for transliteration purpose only, Foshan City Gaoming District Huaxin Sewage Treatment Company Limited [#]), a company established in the PRC with limited liability, which is an indirect non-wholly owned subsidiary of the Company
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Pledge over Bank Accounts”	a pledge over 100% interests in two of the Lessee’s bank accounts executed by the Lessee in favour of Greengold Leasing as security for the due and punctual performance of the Lessee’s obligations under the Finance Lease Agreement

“Pledge over Receivables”	a pledge over the rights in the receivables in the sewage treatment charges arising from the provision of sewage treatment services by the Lessee executed by the Lessee in favour of Greengold Leasing as security for the due and punctual performance of the Lessee’s obligations under the Finance Lease Agreement
“PRC”	the People’s Republic of China which for the purpose of this announcement excludes Hong Kong, the Macau Special Administrative Region of the People’s Republic of China and Taiwan
“Purchase Price”	an amount of RMB6,000,000 (equivalent to approximately HK\$6,467,000), being the purchase price for the Leased Assets paid by Greengold Leasing to the Lessee under the Transfer Agreement
“Security Deposit”	has the meaning ascribed thereto in the paragraph headed “Security Deposit” under the section headed “Transfer Agreement and Finance Lease Agreement” in this announcement
“Share(s)”	ordinary share(s) of the Company of HK\$0.01 each
“Shareholder(s)”	holder(s) of issued Share(s) from time to time
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Transfer Agreement”	the transfer agreement dated 5 July 2024 and entered into between the Lessee and Greengold Leasing in relation to the sale and purchase of the Leased Assets
“HK\$”	Hong Kong Dollar, the lawful currency of Hong Kong
“RMB”	Renminbi, the lawful currency of the PRC
“%”	per cent

the English translation of Chinese names or words in this announcement, where indicated, is included for information purpose only, and should not be regarded as the official English translation of such Chinese names or words.

For the purpose of this announcement, unless otherwise indicated, conversion of Renminbi into Hong Kong dollars is calculated at the approximate exchange rate of RMB1.0000 to HK\$1.0779. Such exchange rate has been used, where applicable, for the purpose of illustration only and does not constitute a representation that any amounts were or may have been exchanged at this or any other rates or at all.

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

Hong Kong, 5 July 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.