

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.



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)

MAJOR TRANSACTION

TERMINATION OF THE DISPOSAL OF 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 announcements of the Company dated 9 May 2024 and 17 June 2024 (the “**Update Announcements**”) in relation to, among others, the Property Attachment and the Civil Claim. Unless otherwise defined, capitalised terms used in this announcement shall have the same meanings as those defined in the Circular and the Update Announcements.

BACKGROUND

On 25 March 2024, the Purchaser, the Company, the Vendor, being a direct wholly-owned subsidiary of the Company, and Shenzhen Haisheng, being an indirect wholly-owned subsidiary of the Company entered into the Equity Transfer Agreement, pursuant to which the Vendor has conditionally agreed to sell, and the Purchaser has conditionally agreed to purchase, the Sale Capital, representing the entire equity interests in the Disposal Company, for a total consideration of RMB270,000,000 (equivalent to approximately HK\$293,517,000).

As at the date of this announcement, the Purchaser has paid the Deposit (including the Earnest Money) in the sum of RMB54,000,000 (equivalent to approximately HK\$58,703,000) to Shenzhen Haisheng pursuant to the terms of the Equity Transfer Agreement.

* *For identification purpose only*

As disclosed in the Circular, pursuant to the terms of the Equity Transfer Agreement, the Purchaser shall pay to the Vendor the First Installment within ten (10) Business Days after the issue of the Confirmation of Fulfillment by the Purchaser and within three (3) Business Days upon receipt of the First Installment by the Vendor, the Vendor shall procure Shenzhen Haisheng to unconditionally return the interest-free Deposit of RMB54,000,000 (equivalent to approximately HK\$58,703,000) to the Purchaser in full.

Furthermore, in the event that the Payment Conditions have not been fully fulfilled or waived by the Purchaser in writing within 120 days after the date of the Equity Transfer Agreement (being 23 July 2024), or even if the aforesaid period has not expired, it becomes apparently impossible that the Payment Conditions could be fulfilled or waived by the Purchaser in writing, (i) the Equity Transfer Agreement shall cease and determine and thereafter, neither party shall have any obligations and liabilities thereunder; and (ii) the Company and the Vendor shall procure Shenzhen Haisheng to return the Deposit to the Purchaser in full upon the issue of the notice of demand for the Deposit by the Purchaser.

TERMINATION OF THE DISPOSAL

The Board hereby announces that on 25 July 2024, the Purchaser confirmed in writing that it will not proceed with the transactions contemplated under the Equity Transfer Agreement. As the Payment Conditions under the Equity Transfer Agreement were not fulfilled or waived by the Purchaser in writing on or before 23 July 2024, the Equity Transfer Agreement shall cease and determine and the Disposal has been terminated pursuant to the terms and conditions of the Equity Transfer Agreement. On 25 July 2024, following the termination of the Disposal, the Purchaser has issued to the Company a notice of demand for the return of the Deposit. The Company and the Vendor will procure Shenzhen Haisheng to return the Deposit to the Purchaser in full in accordance with the terms of the Equity Transfer Agreement.

The Board considers that the termination of the Equity Transfer Agreement will not have any material adverse effect on the existing business and operations of the Company.

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

Hong Kong, 25 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.