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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 ARRANGEMENTS

FINANCE LEASE ARRANGEMENTS

The Board would like to announce that on 2 August 2023, Lessee A, being an indirect non-wholly owned subsidiary of the Company, entered into the Finance Lease Agreement A with Haitong Leasing, pursuant to which (i) Haitong Leasing shall purchase the Leased Assets A from Lessee A for the Purchase Price A of RMB20,000,000 (equivalent to approximately HK\$21,832,000); and (ii) Haitong Leasing shall lease back the Leased Assets A to Lessee A for a lease consideration comprising the principal amount equivalent to the Purchase Price A and the interest accrued thereon at a rate of 5.04% per annum for a lease period of 36 months commencing from the payment date of the Purchase Price A.

The Board would also like to announce that on 2 August 2023, Lessee B, being an indirect non-wholly owned subsidiary of the Company, entered into the Finance Lease Agreement B with Haitong Leasing, pursuant to which (i) Haitong Leasing shall purchase the Leased Assets B from Lessee B for the Purchase Price B of RMB20,000,000 (equivalent to approximately HK\$21,832,000); and (ii) Haitong Leasing shall lease back the Leased Assets B to Lessee B for a lease consideration comprising the principal amount equivalent to the Purchase Price B and the interest accrued thereon at a rate of 5.04% per annum for a lease period of 36 months commencing from the payment date of the Purchase Price B.

The Board would also like to announce that on 2 August 2023, Lessee C, being an indirect non-wholly owned subsidiary of the Company, entered into the Finance Lease Agreement C with Haitong Leasing, pursuant to which (i) Haitong Leasing shall purchase the Leased Assets C from Lessee C for the Purchase Price C of RMB15,000,000 (equivalent to approximately HK\$16,374,000); and (ii) Haitong Leasing shall lease back the Leased Assets C to Lessee C for a lease consideration comprising the principal amount equivalent to the Purchase Price C and the interest accrued thereon at a rate of 5.04% per annum for a lease period of 36 months commencing from the payment date of the Purchase Price C.

* *For identification purposes only*

The Board would also like to announce that on 2 August 2023, Lessee D, being an indirect non-wholly owned subsidiary of the Company, entered into the Finance Lease Agreement D with Haitong Leasing, pursuant to which (i) Haitong Leasing shall purchase the Leased Assets D from Lessee D for the Purchase Price D of RMB15,000,000 (equivalent to approximately HK\$16,374,000); and (ii) Haitong Leasing shall lease back the Leased Assets D to Lessee D for a lease consideration comprising the principal amount equivalent to the Purchase Price D and the interest accrued thereon at a rate of 5.04% per annum for a lease period of 36 months commencing from the payment date of the Purchase Price D.

The Board would also like to announce that on 2 August 2023, Lessee E, being an indirect non-wholly owned subsidiary of the Company, entered into the Finance Lease Agreement E with Haitong Leasing, pursuant to which (i) Haitong Leasing shall purchase the Leased Assets E from Lessee E for the Purchase Price E of RMB10,000,000 (equivalent to approximately HK\$10,916,000); and (ii) Haitong Leasing shall lease back the Leased Assets E to Lessee E for a lease consideration comprising the principal amount equivalent to the Purchase Price E and the interest accrued thereon at a rate of 5.04% per annum for a lease period of 36 months commencing from the payment date of the Purchase Price E.

The Board would also like to announce that on 2 August 2023, Lessee F, being an indirect non-wholly owned subsidiary of the Company, entered into the Finance Lease Agreement F with Haitong Leasing, pursuant to which (i) Haitong Leasing shall purchase the Leased Assets F from Lessee F for the Purchase Price F of RMB10,000,000 (equivalent to approximately HK\$10,916,000); and (ii) Haitong Leasing shall lease back the Leased Assets F to Lessee F for a lease consideration comprising the principal amount equivalent to the Purchase Price F and the interest accrued thereon at a rate of 5.04% per annum for a lease period of 36 months commencing from the payment date of the Purchase Price F.

As security for the due and punctual performance of the Lessees' obligations under the Finance Lease Agreements, (i) Guarantor A executed the Guarantee I and Legal Charge I; (ii) Guarantor B executed the Guarantee II and Legal Charge II; and (iii) each of the Lessees executed the respective Pledge over Receivables, each in favour of Haitong Leasing.

LISTING RULES IMPLICATION

As one or more of the applicable percentage ratio(s) (as defined under the Listing Rules) under the Finance Leases and Incidental Documentations, when aggregated, is/are more than 5% but less than 25%, the entering into of the transactions constitutes a discloseable transaction on the part of the Company under the Listing Rules and is thus subject to the reporting and announcement requirements but exempt from the Shareholders' approval requirement under Chapter 14 of the Listing Rules.

FINANCE LEASE ARRANGEMENTS

The Board would like to announce that on 2 August 2023, Lessee A, being an indirect non-wholly owned subsidiary of the Company, entered into the Finance Lease Agreement A with Haitong Leasing, pursuant to which (i) Haitong Leasing shall purchase the Leased Assets A from Lessee A for the Purchase Price A of RMB20,000,000 (equivalent to approximately HK\$21,832,000); and (ii) Haitong Leasing shall lease back the Leased Assets A to Lessee A for a lease consideration comprising the principal amount equivalent to the Purchase Price A and the interest accrued thereon at a rate of 5.04% per annum for a lease period of 36 months commencing from the payment date of the Purchase Price A.

The Board would also like to announce that on 2 August 2023, Lessee B, being an indirect non-wholly owned subsidiary of the Company, entered into the Finance Lease Agreement B with Haitong Leasing, pursuant to which (i) Haitong Leasing shall purchase the Leased Assets B from Lessee B for the Purchase Price B of RMB20,000,000 (equivalent to approximately HK\$21,832,000); and (ii) Haitong Leasing shall lease back the Leased Assets B to Lessee B for a lease consideration comprising the principal amount equivalent to the Purchase Price B and the interest accrued thereon at a rate of 5.04% per annum for a lease period of 36 months commencing from the payment date of the Purchase Price B.

The Board would also like to announce that on 2 August 2023, Lessee C, being an indirect non-wholly owned subsidiary of the Company, entered into the Finance Lease Agreement C with Haitong Leasing, pursuant to which (i) Haitong Leasing shall purchase the Leased Assets C from Lessee C for the Purchase Price C of RMB15,000,000 (equivalent to approximately HK\$16,374,000); and (ii) Haitong Leasing shall lease back the Leased Assets C to Lessee C for a lease consideration comprising the principal amount equivalent to the Purchase Price C and the interest accrued thereon at a rate of 5.04% per annum for a lease period of 36 months commencing from the payment date of the Purchase Price C.

The Board would also like to announce that on 2 August 2023, Lessee D, being an indirect non-wholly owned subsidiary of the Company, entered into the Finance Lease Agreement D with Haitong Leasing, pursuant to which (i) Haitong Leasing shall purchase the Leased Assets D from Lessee D for the Purchase Price D of RMB15,000,000 (equivalent to approximately HK\$16,374,000); and (ii) Haitong Leasing shall lease back the Leased Assets D to Lessee D for a lease consideration comprising the principal amount equivalent to the Purchase Price D and the interest accrued thereon at a rate of 5.04% per annum for a lease period of 36 months commencing from the payment date of the Purchase Price D.

The Board would also like to announce that on 2 August 2023, Lessee E, being an indirect non-wholly owned subsidiary of the Company, entered into the Finance Lease Agreement E with Haitong Leasing, pursuant to which (i) Haitong Leasing shall purchase the Leased Assets E from Lessee E for the Purchase Price E of RMB10,000,000 (equivalent to approximately HK\$10,916,000); and (ii) Haitong Leasing shall lease back the Leased Assets E to Lessee E for a lease consideration comprising the principal amount equivalent to the Purchase Price E and the interest accrued thereon at a rate of 5.04% per annum for a lease period of 36 months commencing from the payment date of the Purchase Price E.

The Board would also like to announce that on 2 August 2023, Lessee F, being an indirect non-wholly owned subsidiary of the Company, entered into the Finance Lease Agreement F with Haitong Leasing, pursuant to which (i) Haitong Leasing shall purchase the Leased Assets F from Lessee F for the Purchase Price F of RMB10,000,000 (equivalent to approximately HK\$10,916,000); and (ii) Haitong Leasing shall lease back the Leased Assets F to Lessee F for a lease consideration comprising the principal amount equivalent to the Purchase Price F and the interest accrued thereon at a rate of 5.04% per annum for a lease period of 36 months commencing from the payment date of the Purchase Price F.

As security for the due and punctual performance of the Lessees' obligations under the Finance Lease Agreements, (i) Guarantor A executed the Guarantee I and Legal Charge I; (ii) Guarantor B executed the Guarantee II and Legal Charge II; and (iii) each of the Lessees executed the respective Pledge over Receivables, each in favour of Haitong Leasing.

FINANCE LEASE AGREEMENTS

The principal terms of the Finance Lease Agreements are as follows:

	The Finance Lease Agreement A	The Finance Lease Agreement B	The Finance Lease Agreement C	The Finance Lease Agreement D	The Finance Lease Agreement E	The Finance Lease Agreement F
Date:	2 August 2023					
Parties:	(i) Haitong Leasing (as lessor); and (ii) Lessee A (as lessee)	(i) Haitong Leasing (as lessor); and (ii) Lessee B (as lessee)	(i) Haitong Leasing (as lessor); and (ii) Lessee C (as lessee)	(i) Haitong Leasing (as lessor); and (ii) Lessee D (as lessee)	(i) Haitong Leasing (as lessor); and (ii) Lessee E (as lessee)	(i) Haitong Leasing (as lessor); and (ii) Lessee F (as lessee)
	To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, each of Haitong Leasing and its ultimate beneficial owner(s) is an Independent Third Party.					
Sale and leaseback of the Leased Assets:	Lessee A shall sell and Haitong Leasing shall purchase the Leased Assets A for the Purchase Price A of RMB20,000,000 (equivalent to approximately HK\$21,832,000).	Lessee B shall sell and Haitong Leasing shall purchase the Leased Assets B for the Purchase Price B of RMB20,000,000 (equivalent to approximately HK\$21,832,000).	Lessee C shall sell and Haitong Leasing shall purchase the Leased Assets C for the Purchase Price C of RMB15,000,000 (equivalent to approximately HK\$16,374,000).	Lessee D shall sell and Haitong Leasing shall purchase the Leased Assets D for the Purchase Price D of RMB15,000,000 (equivalent to approximately HK\$16,374,000).	Lessee E shall sell and Haitong Leasing shall purchase the Leased Assets E for the Purchase Price E of RMB10,000,000 (equivalent to approximately HK\$10,916,000).	Lessee F shall sell and Haitong Leasing shall purchase the Leased Assets F for the Purchase Price F of RMB10,000,000 (equivalent to approximately HK\$10,916,000).
	Haitong Leasing shall then lease back the Leased Assets A to Lessee A for its use and possession for a lease period of 36 months commencing from the payment date of the Purchase Price A.	Haitong Leasing shall then lease back the Leased Assets B to Lessee B for its use and possession for a lease period of 36 months commencing from the payment date of the Purchase Price B.	Haitong Leasing shall then lease back the Leased Assets C to Lessee C for its use and possession for a lease period of 36 months commencing from the payment date of the Purchase Price C.	Haitong Leasing shall then lease back the Leased Assets D to Lessee D for its use and possession for a lease period of 36 months commencing from the payment date of the Purchase Price D.	Haitong Leasing shall then lease back the Leased Assets E to Lessee E for its use and possession for a lease period of 36 months commencing from the payment date of the Purchase Price E.	Haitong Leasing shall then lease back the Leased Assets F to Lessee F for its use and possession for a lease period of 36 months commencing from the payment date of the Purchase Price F.
Leased Assets:	Leased Assets A comprise biogas and landfill gas power generating facilities situated in Anqiu City, the PRC.	Leased Assets B comprise biogas and landfill gas treatment and power generating facilities situated in Xiangtan City, the PRC.	Leased Assets C comprise biogas and landfill gas treatment and power generating facilities situated in Hengyang County, the PRC.	Leased Assets D comprise biogas treatment and landfill gas power generating facilities situated in Baoji City, the PRC.	Leased Assets E comprise landfill gas treatment and power generating facilities situated in Wuzhou City, the PRC.	Leased Assets F comprise biogas and natural gas treatment and power generating facilities situated in Liuyang City, the PRC.

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

	The Finance Lease Agreement A	The Finance Lease Agreement B	The Finance Lease Agreement C	The Finance Lease Agreement D	The Finance Lease Agreement E	The Finance Lease Agreement F
Purchase Price:	The Purchase Price A is RMB20,000,000 (equivalent to approximately HK\$21,832,000).	The Purchase Price B is RMB20,000,000 (equivalent to approximately HK\$21,832,000).	The Purchase Price C is RMB15,000,000 (equivalent to approximately HK\$16,374,000).	The Purchase Price D is RMB15,000,000 (equivalent to approximately HK\$16,374,000).	The Purchase Price E is RMB10,000,000 (equivalent to approximately HK\$10,916,000).	The Purchase Price F is RMB10,000,000 (equivalent to approximately HK\$10,916,000).

Each of the Lessees shall have the right to apply for the payment of the respective Purchase Price from Haitong Leasing upon the fulfillment of the following conditions:

- (i) each of the Lessees having issued a letter of undertaking in favour of Haitong Leasing to undertake that the ownership of respective Leased Assets is free from encumbrance;
- (ii) each of the Lessees having issued a certificate confirming acceptance of the respective Leased Assets;
- (iii) each of the Lessees having issued to Haitong Leasing a receipt of the respective Purchase Price in full;
- (iv) each of the Lessees having issued to Haitong Leasing a payment notice;
- (v) each of the Lessees having provided Haitong Leasing the original valuation report in respect of the respective Leased Assets as issued by a qualified third party valuer;
- (vi) each of the Lessees having provided Haitong Leasing the relevant valid resolutions approving the transactions contemplated under the respective Finance Lease Agreement and the incidental documentations;
- (vii) all Lessees having executed and duly registered the Pledges over Receivables and provided Haitong Leasing the relevant valid resolutions of the Lessees approving the same;
- (viii) Guarantor A and Guarantor B having executed Guarantee I and Guarantee II respectively;
- (ix) Guarantor A and Guarantor B having executed and duly registered the Legal Charge I and Legal Charge II respectively;
- (x) Guarantor A and Guarantor B having provided Haitong Leasing the relevant valid resolutions approving the Guarantee I, Legal Charge I, Guarantee II and Legal Charge II respectively; and
- (xi) the Lessees having provided Haitong Leasing their respective register of members showing the charges over the interest in the Lessees under the Legal Charge I and Legal Charge II.

As at the date of this announcement, save for conditions vii and ix, all conditions above have been fulfilled.

The Finance Lease Agreement A	The Finance Lease Agreement B	The Finance Lease Agreement C	The Finance Lease Agreement D	The Finance Lease Agreement E	The Finance Lease Agreement F
Upon the fulfillment of the conditions above and Lessee A having applied to Haitong Leasing for the payment of the Purchase Price A, if Haitong Leasing agrees with the said application, (a) Haitong Leasing shall pay Lessee A the Purchase Price A within 30 working days; and (b) Lessee A shall pay to Haitong Leasing a prepaid insurance fee of RMB39,000 (equivalent to approximately HK\$43,000) and Security Deposit A of RMB1,030,000 (equivalent to approximately HK\$1,124,000) at the same time when Haitong Leasing pays for the Purchase Price A.	Upon the fulfillment of the conditions above and Lessee B having applied to Haitong Leasing for the payment of the Purchase Price B, if Haitong Leasing agrees with the said application, (a) Haitong Leasing shall pay Lessee B the Purchase Price B within 30 working days; and (b) Lessee B shall pay to Haitong Leasing a prepaid insurance fee of RMB39,000 (equivalent to approximately HK\$43,000) and Security Deposit B of RMB1,030,000 (equivalent to approximately HK\$1,124,000) at the same time when Haitong Leasing pays for the Purchase Price B.	Upon the fulfillment of the conditions above and Lessee C having applied to Haitong Leasing for the payment of the Purchase Price C, if Haitong Leasing agrees with the said application, (a) Haitong Leasing shall pay Lessee C the Purchase Price C within 30 working days; and (b) Lessee C shall pay to Haitong Leasing a prepaid insurance fee of RMB29,250 (equivalent to approximately HK\$32,000) and Security Deposit C of RMB772,500 (equivalent to approximately HK\$843,000) at the same time when Haitong Leasing pays for the Purchase Price C.	Upon the fulfillment of the conditions above and Lessee D having applied to Haitong Leasing for the payment of the Purchase Price D, if Haitong Leasing agrees with the said application, (a) Haitong Leasing shall pay Lessee D the Purchase Price D within 30 working days; and (b) Lessee D shall pay to Haitong Leasing a prepaid insurance fee of RMB29,250 (equivalent to approximately HK\$32,000) and Security Deposit D of RMB772,500 (equivalent to approximately HK\$843,000) at the same time when Haitong Leasing pays for the Purchase Price D.	Upon the fulfillment of the conditions above and Lessee E having applied to Haitong Leasing for the payment of the Purchase Price E, if Haitong Leasing agrees with the said application, (a) Haitong Leasing shall pay Lessee E the Purchase Price E within 30 working days; and (b) Lessee E shall pay to Haitong Leasing a prepaid insurance fee of RMB19,500 (equivalent to approximately HK\$21,000) and Security Deposit E of RMB515,000 (equivalent to approximately HK\$562,000) at the same time when Haitong Leasing pays for the Purchase Price E.	Upon the fulfillment of the conditions above and Lessee F having applied to Haitong Leasing for the payment of the Purchase Price F, if Haitong Leasing agrees with the said application, (a) Haitong Leasing shall pay Lessee F the Purchase Price F within 30 working days; and (b) Lessee F shall pay to Haitong Leasing a prepaid insurance fee of RMB19,500 (equivalent to approximately HK\$21,000) and Security Deposit F of RMB515,000 (equivalent to approximately HK\$562,000) at the same time when Haitong pays for the Purchase Price F.
The Purchase Price A shall be applied by Lessee A towards the general working capital of the Group.	The Purchase Price B shall be applied by Lessee B towards the general working capital of the Group.	The Purchase Price C shall be applied by Lessee C towards the general working capital of the Group.	The Purchase Price D shall be applied by Lessee D towards the general working capital of the Group.	The Purchase Price E shall be applied by Lessee E towards the general working capital of the Group.	The Purchase Price F shall be applied by Lessee F towards the general working capital of the Group.

	The Finance Lease Agreement A	The Finance Lease Agreement B	The Finance Lease Agreement C	The Finance Lease Agreement D	The Finance Lease Agreement E	The Finance Lease Agreement F
	The Purchase Price A was determined after arm's length negotiations between Lessee A and Haitong Leasing with reference to the original cost of the Leased Assets A of approximately RMB24,210,000 (equivalent to approximately HK\$26,428,000) and their state of condition.	The Purchase Price B was determined after arm's length negotiations between Lessee B and Haitong Leasing with reference to the original cost of the Leased Assets B of approximately RMB26,532,000 (equivalent to approximately HK\$28,962,000) and their state of condition.	The Purchase Price C was determined after arm's length negotiations between Lessee C and Haitong Leasing with reference to the original cost of the Leased Assets C of approximately RMB19,143,000 (equivalent to approximately HK\$20,896,000) and their state of condition.	The Purchase Price D was determined after arm's length negotiations between Lessee D and Haitong Leasing with reference to the original cost of the Leased Assets D of approximately RMB18,196,000 (equivalent to approximately HK\$19,863,000) and their state of condition.	The Purchase Price E was determined after arm's length negotiations between Lessee E and Haitong Leasing with reference to the original cost of the Leased Assets E of approximately RMB12,546,000 (equivalent to approximately HK\$13,695,000) and their state of condition.	The Purchase Price F was determined after arm's length negotiations between Lessee F and Haitong Leasing with reference to the original cost of the Leased Assets F of approximately RMB12,120,000 (equivalent to approximately HK\$13,230,000) and their state of condition.
	As at 31 July 2023, the net book value of the Leased Assets A was approximately RMB11,942,000 (equivalent to approximately HK\$13,036,000).	As at 31 July 2023, the net book value of the Leased Assets B was approximately RMB7,182,000 (equivalent to approximately HK\$7,840,000).	As at 31 July 2023, the net book value of the Leased Assets C was approximately RMB6,809,000 (equivalent to approximately HK\$7,433,000).	As at 31 July 2023, the net book value of the Leased Assets D was approximately RMB9,281,000 (equivalent to approximately HK\$10,131,000).	As at 31 July 2023, the net book value of the Leased Assets E was approximately RMB7,692,000 (equivalent to approximately HK\$8,397,000).	As at 31 July 2023, the net book value of the Leased Assets F was approximately RMB8,939,000 (equivalent to approximately HK\$9,758,000).
Lease consideration:	Lessee A shall pay Haitong Leasing the lease consideration comprising the principal amount equivalent to the Purchase Price A and interest accrued thereon at a rate of 5.04% per annum by 36 monthly installments, of which each installment shall be approximately RMB599,800 (equivalent to approximately HK\$655,000). Such installments shall be payable on a monthly basis, and on the 30th day of each month (or on the 28th or 29th day of each February, as the case may be) during the lease period.	Lessee B shall pay Haitong Leasing the lease consideration comprising the principal amount equivalent to the Purchase Price B and interest accrued thereon at a rate of 5.04% per annum by 36 monthly installments, of which each installment shall be approximately RMB599,800 (equivalent to approximately HK\$655,000). Such installments shall be payable on a monthly basis, and on the 30th day of each month (or on the 28th or 29th day of each February, as the case may be) during the lease period.	Lessee C shall pay Haitong Leasing the lease consideration comprising the principal amount equivalent to the Purchase Price C and interest accrued thereon at a rate of 5.04% per annum by 36 monthly installments, of which each installment shall be approximately RMB449,800 (equivalent to approximately HK\$491,000). Such installments shall be payable on a monthly basis, and on the 30th day of each month (or on the 28th or 29th day of each February, as the case may be) during the lease period.	Lessee D shall pay Haitong Leasing the lease consideration comprising the principal amount equivalent to the Purchase Price D and interest accrued thereon at a rate of 5.04% per annum by 36 monthly installments, of which each installment shall be approximately RMB449,800 (equivalent to approximately HK\$491,000). Such installments shall be payable on a monthly basis, and on the 30th day of each month (or on the 28th or 29th day of each February, as the case may be) during the lease period.	Lessee E shall pay Haitong Leasing the lease consideration comprising the principal amount equivalent to the Purchase Price E and interest accrued thereon at a rate of 5.04% per annum by 36 monthly installments, of which each installment shall be approximately RMB299,900 (equivalent to approximately HK\$327,000). Such installments shall be payable on a monthly basis, and on the 30th day of each month (or on the 28th or 29th day of each February, as the case may be) during the lease period.	Lessee F shall pay Haitong Leasing the lease consideration comprising the principal amount equivalent to the Purchase Price F and interest accrued thereon at a rate of 5.04% per annum by 36 monthly installments, of which each installment shall be approximately RMB299,900 (equivalent to approximately HK\$327,000). Such installments shall be payable on a monthly basis, and on the 30th day of each month (or on the 28th or 29th day of each February, as the case may be) during the lease period.

The Finance Lease Agreement A	The Finance Lease Agreement B	The Finance Lease Agreement C	The Finance Lease Agreement D	The Finance Lease Agreement E	The Finance Lease Agreement F
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The terms of each of the Finance Lease Agreements, including the lease consideration, lease interest, and other fees and expenses under the incidental documentations to the finance leases, were determined after arm's length negotiations between each of the Lessees and Haitong Leasing with reference to the principal amount of the lease and the loan prime rate published by the National Interbank Funding Center on or before the payment date of the respective Purchase Price.

If any of the Lessees fails to pay the lease consideration and other payables pursuant to the terms and conditions of the respective Finance Lease Agreement, it shall pay to Haitong Leasing a default interest on such overdue sum at the rate of 0.05% per day from the overdue date to the date of actual payment in full. Haitong Leasing shall also be entitled to a monthly compound interest (on a 30-day basis) on the said default interest.

Security Deposit:	Lessee A shall pay Haitong Leasing an interest-free security deposit of RMB1,030,000 (equivalent to approximately HK\$1,124,000) (the "Security Deposit A") upon the payment of the Purchase Price A by Haitong Leasing.	Lessee B shall pay Haitong Leasing an interest-free security deposit of RMB1,030,000 (equivalent to approximately HK\$1,124,000) (the "Security Deposit B") upon the payment of the Purchase Price B by Haitong Leasing.	Lessee C shall pay Haitong Leasing an interest-free security deposit of RMB772,500 (equivalent to approximately HK\$843,000) (the "Security Deposit C") upon the payment of the Purchase Price C by Haitong Leasing.	Lessee D shall pay Haitong Leasing an interest-free security deposit of RMB772,500 (equivalent to approximately HK\$843,000) (the "Security Deposit D") upon the payment of the Purchase Price D by Haitong Leasing.	Lessee E shall pay Haitong Leasing an interest-free security deposit of RMB515,000 (equivalent to approximately HK\$562,000) (the "Security Deposit E") upon the payment of the Purchase Price E by Haitong Leasing.	Lessee F shall pay Haitong Leasing an interest-free security deposit of RMB515,000 (equivalent to approximately HK\$562,000) (the "Security Deposit F") upon the payment of the Purchase Price F by Haitong Leasing.
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If any of the Lessees breaches the terms of the respective Finance Lease Agreement, Haitong Leasing shall be entitled to forfeit any part of the Security Deposit to recover any liquidated damages, default interest, lease consideration whether or not due and payable, buyback fee, relevant costs and expenses incurred, or other payables.

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

If there is no non-compliance on the part of the respective Lessee, the respective Security Deposit can be applied towards the payment of the final installment(s) of the lease consideration.

Insurance:	Lessee A shall pay Haitong Leasing a prepaid insurance fee of RMB39,000 (equivalent to approximately HK\$43,000) upon the payment of the Purchase Price A by Haitong Leasing.	Lessee B shall pay Haitong Leasing a prepaid insurance fee of RMB39,000 (equivalent to approximately HK\$43,000) upon the payment of the Purchase Price B by Haitong Leasing.	Lessee C shall pay Haitong Leasing a prepaid insurance fee of RMB29,500 (equivalent to approximately HK\$32,000) upon the payment of the Purchase Price C by Haitong Leasing.	Lessee D shall pay Haitong Leasing a prepaid insurance fee of RMB29,500 (equivalent to approximately HK\$32,000) upon the payment of the Purchase Price D by Haitong Leasing.	Lessee E shall pay Haitong Leasing a prepaid insurance fee of RMB19,500 (equivalent to approximately HK\$21,000) upon the payment of the Purchase Price E by Haitong Leasing.	Lessee F shall pay Haitong Leasing a prepaid insurance fee of RMB19,500 (equivalent to approximately HK\$21,000) upon the payment of the Purchase Price F by Haitong Leasing.
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The Lessees shall keep the respective Leased Assets insured during the term of the Finance Lease Agreements, and be responsible for all costs incurred, with Haitong Leasing being named as the first beneficiary.

Transfer of ownership and delivery of the Leased Assets:	The ownership of each of the Leased Assets shall be automatically transferred from the respective Lessee to Haitong Leasing upon the commencement of the lease period.
Buyback of the Leased Assets by the Lessee:	The delivery of the Leased Assets shall be by way of change of possession. Upon the transfer of ownership of each of the Leased Assets to Haitong Leasing, Haitong Leasing shall be deemed to have delivered the respective Leased Assets to the respective Lessee in accordance with the Finance Lease Agreements.
Buyback of the Leased Assets by the Lessee:	Upon the due performance of all responsibilities and obligations by the Lessee under the respective Finance Lease Agreement, such Lessee may choose to pay the buyback fee of RMB100 (equivalent to approximately HK\$109) to purchase the respective Leased Assets on an "as is" basis. The ownership of the said Leased Assets shall then be transferred from Haitong Leasing to the said Lessee.

GUARANTEES, LEGAL CHARGES AND PLEDGES OVER RECEIVABLES

As security for the due and punctual performance of the Lessees' obligations under the Finance Lease Agreements, (i) Guarantor A executed the Guarantee I and Legal Charge I; (ii) Guarantor B executed the Guarantee II and Legal Charge II; and (iii) each of the Lessees executed the respective Pledge over Receivables, each in favour of Haitong Leasing.

Guarantees

Pursuant to the terms of the Guarantee I, Guarantor A shall provide an irrevocable guarantee in favour of Haitong Leasing for the due and punctual performance of the Lessees' obligations under the Finance Lease Agreements.

Pursuant to the terms of the Guarantee II, Guarantor B shall provide an irrevocable guarantee in favour of Haitong Leasing for the due and punctual performance of the Lessees' obligations under the Finance Lease Agreements.

Legal Charges

Pursuant to the terms of Legal Charge I, Guarantor A shall provide a legal charge over the entire equity interest in each of Lessee A, Lessee C, Lessee D, Lessee E and Lessee F in favour of Haitong Leasing for the due and punctual performance of the Lessees' obligations under the Finance Lease Agreements.

Pursuant to the terms of Legal Charge II, Guarantor B shall provide a legal charge over the entire equity interest in Lessee B in favour of Haitong Leasing for the due and punctual performance of the Lessees' obligations under the Finance Lease Agreements.

Pledges over Receivables

Pursuant to the terms of Pledge over Receivables I, Lessee A shall pledge its rights in the receivables (whether existing or to be incurred in the future) arising from the sale of electricity to its client in favour of Haitong Leasing for the due and punctual performance of the Lessees' obligations under the Finance Lease Agreements.

Pursuant to the terms of Pledge over Receivables II, Lessee B shall pledge its rights in the receivables (whether existing or to be incurred in the future) arising from the sale of electricity to its client in favour of Haitong Leasing for the due and punctual performance of the Lessees' obligations under the Finance Lease Agreements.

Pursuant to the terms of Pledge over Receivables III, Lessee C shall pledge its rights in the receivables (whether existing or to be incurred in the future) arising from the sale of electricity to its client in favour of Haitong Leasing for the due and punctual performance of the Lessees' obligations under the Finance Lease Agreements.

Pursuant to the terms of Pledge over Receivables IV, Lessee D shall pledge its rights in the receivables (whether existing or to be incurred in the future) arising from the sale of electricity to its client in favour of Haitong Leasing for the due and punctual performance of the Lessees' obligations under the Finance Lease Agreements.

Pursuant to the terms of Pledge over Receivables V, Lessee E shall pledge its rights in the receivables (whether existing or to be incurred in the future) arising from the sale of electricity to its client in favour of Haitong Leasing for the due and punctual performance of the Lessees' obligations under the Finance Lease Agreements.

Pursuant to the terms of Pledge over Receivables VI, Lessee F shall pledge its rights in the receivables (whether existing or to be incurred in the future) arising from the sale of electricity to its client in favour of Haitong Leasing for the due and punctual performance of the Lessees' obligations under the Finance Lease Agreements.

CONSULTANCY AGREEMENT

On 2 August 2023, Haitong Leasing and Lessee A entered into a consultancy agreement, pursuant to which Haitong Leasing shall provide Lessee A consultancy services at a total consultancy fee of RMB680,000 (equivalent to approximately HK\$742,000).

On 2 August 2023, Haitong Leasing and Lessee B entered into a consultancy agreement, pursuant to which Haitong Leasing shall provide Lessee B consultancy services at a total consultancy fee of RMB680,000 (equivalent to approximately HK\$742,000).

On 2 August 2023, Haitong Leasing and Lessee C entered into a consultancy agreement, pursuant to which Haitong Leasing shall provide Lessee C consultancy services at a total consultancy fee of RMB510,000 (equivalent to approximately HK\$557,000).

On 2 August 2023, Haitong Leasing and Lessee D entered into a consultancy agreement, pursuant to which Haitong Leasing shall provide Lessee D consultancy services at a total consultancy fee of RMB510,000 (equivalent to approximately HK\$557,000).

On 2 August 2023, Haitong Leasing and Lessee E entered into a consultancy agreement, pursuant to which Haitong Leasing shall provide Lessee E consultancy services at a total consultancy fee of RMB340,000 (equivalent to approximately HK\$371,000).

On 2 August 2023, Haitong Leasing and Lessee F entered into a consultancy agreement, pursuant to which Haitong Leasing shall provide Lessee F consultancy services at a total consultancy fee of RMB340,000 (equivalent to approximately HK\$371,000).

The total consultancy fee under each of the consultancy agreements shall be payable by the respective Lessee to Haitong Leasing within five (5) working days upon the execution of the respective consultancy agreement.

INFORMATION OF THE PARTIES TO THE FINANCE LEASE ARRANGEMENTS

Lessor

Haitong Leasing, a company incorporated in the PRC with limited liability and converted into a joint stock limited company, the H shares of which are listed on the Main Board of the Stock Exchange (stock code: 1905), is a financial leasing company owned as to approximately 55.36% by 海通恒信金融集團有限公司 (for transliteration purpose only,

Haitong UT Capital Group Limited[#]), and approximately 29.64% by 海通創新證券投資有限公司 (for transliteration purpose only, Haitong Innovation Securities Investment Company Limited[#]), and approximately 15% by public holder(s) of the H shares of Haitong Leasing.

Lessees

Each of the Lessees is a company established in the PRC with limited liability and is principally engaged in exploitation, generation and sale of renewable energy. As at the date of this announcement, each of the Lessees is an indirect non-wholly owned subsidiary of the Company, each of Lessee A, Lessee C, Lessee D, Lessee E and Lessee F is owned as to 100% by Guarantor A and Lessee B is owned as to 100% by Guarantor B.

Guarantors

Guarantor A 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 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 exploitation, generation and sale of renewable energy.

REASONS FOR AND BENEFITS OF THE FINANCE LEASE ARRANGEMENTS

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 Arrangements, the Group will obtain additional financial resources for its general working capital while retaining access to its machinery and equipment as required for its operations. The terms under the Finance Leases and Incidental Documentations have been agreed after arm's length negotiation among the relevant parties. The Directors consider that the terms of the Finance Leases and Incidental Documentations, including each of 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 IMPLICATION

As one or more of the applicable percentage ratio(s) (as defined under the Listing Rules) under the Finance Leases and Incidental Documentations, when aggregated, is/are more than 5% but less than 25%, the entering into of the transactions constitutes a discloseable transaction on the part of the Company under the Listing Rules and is thus subject to the reporting and announcement requirements but exempt from the Shareholders' approval requirement under Chapter 14 of the Listing Rules.

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

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, the issued Shares of which are listed on the Main Board of the Stock Exchange (stock code: 1129)
“Director(s)”	the director(s) of the Company
“Finance Lease Agreement A”	the finance lease agreement dated 2 August 2023 and entered into between Haitong Leasing and Lessee A, which sets out the rights and obligations of Lessee A and Haitong Leasing in relation to the Finance Lease Arrangements
“Finance Lease Agreement B”	the finance lease agreement dated 2 August 2023 and entered into between Haitong Leasing and Lessee B, which sets out the rights and obligations of Lessee B and Haitong Leasing in relation to the Finance Lease Arrangements
“Finance Lease Agreement C”	the finance lease agreement dated 2 August 2023 and entered into between Haitong Leasing and Lessee C, which sets out the rights and obligations of Lessee C and Haitong Leasing in relation to the Finance Lease Arrangements
“Finance Lease Agreement D”	the finance lease agreement dated 2 August 2023 and entered into between Haitong Leasing and Lessee D, which sets out the rights and obligations of Lessee D and Haitong Leasing in relation to the Finance Lease Arrangements
“Finance Lease Agreement E”	the finance lease agreement dated 2 August 2023 and entered into between Haitong Leasing and Lessee E, which sets out the rights and obligations of Lessee E and Haitong Leasing in relation to the Finance Lease Arrangements
“Finance Lease Agreement F”	the finance lease agreement dated 2 August 2023 and entered into between Haitong Leasing and Lessee F, which sets out the rights and obligations of Lessee F and Haitong Leasing in relation to the Finance Lease Arrangements
“Finance Lease Agreement(s)”	collectively, Finance Lease Agreement A, Finance Lease Agreement B, Finance Lease Agreement C, Finance Lease Agreement D, Finance Lease Agreement E and/or Finance Lease Agreement F

“Finance Leases and Incidental Documentations”	the Finance Lease Agreements and the agreements incidental thereto, including the Guarantee I, Guarantee II, Legal Charge I, Legal Charge II, Pledges over Receivables and consultancy agreements
“Finance Lease Arrangements”	the transactions contemplated under the Finance Leases and Incidental Documentations
“Group”	the Company and its subsidiaries
“Guarantee I”	a guarantee executed by the Guarantor A in favour of Haitong Leasing as security for the due and punctual performance of Lessees’ obligations under the Finance Lease Agreements
“Guarantee II”	a guarantee executed by the Guarantor B in favour of Haitong Leasing as security for the due and punctual performance of Lessees’ obligations under the Finance Lease Agreements
“Guarantor A”	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 B”	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 non-wholly owned subsidiary of the Company
“Haitong Leasing”	Haitong Unitrust International Financial Leasing Co., Limited (海通恒信國際融資租賃股份有限公司), a company incorporated in the PRC with limited liability and converted into a joint stock limited company, the H shares of which are listed on the Main Board of the Stock Exchange (stock code: 1905)
“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”	collectively, Leased Assets A, Leased Assets B, Leased Assets C, Leased Assets D, Leased Assets E and/or Leased Assets F
“Leased Assets A”	subject leased assets under the Finance Lease Agreement A, which principally comprise biogas and landfill gas power generating facilities situated in Anqiu City, the PRC
“Leased Assets B”	subject leased assets under the Finance Lease Agreement B, which principally comprise biogas and landfill gas power generating facilities situated in Xiangtan City, the PRC
“Leased Assets C”	subject leased assets under the Finance Lease Agreement C, which principally comprise biogas and landfill gas treatment and power generating facilities situated in Hengyang County, the PRC
“Leased Assets D”	subject leased assets under the Finance Lease Agreement D, which principally comprise waste and landfill gas treatment and power generating facilities situated in Baoji City, the PRC
“Leased Assets E”	subject leased assets under the Finance Lease Agreement E, which principally comprise biogas and landfill gas treatment and power generating facilities situated in Wuzhou City, the PRC
“Leased Assets F”	subject leased assets under the Finance Lease Agreement F, which principally comprise biogas and landfill gas treatment and power generating facilities situated in Liuyang City, the PRC
“Legal Charge I”	a legal charge over the entire equity interest in Lessee A, Lessee C, Lessee D, Lessee E and Lessee F executed by Guarantor A in favour of Haitong Leasing as security for the due and punctual performance of the Lessees’ obligations under the Finance Lease Agreements
“Legal Charge II”	a legal charge over the entire equity interest in Lessee B executed by Guarantor B in favour of Haitong Leasing as security for the due and punctual performance of the Lessees’ obligations under the Finance Lease Agreements
“Lessee A”	安丘市新中水環保科技有限公司 (for transliteration purpose only, Anqiu City New China Water Environmental Technology Limited [#]), a company established in the PRC with limited liability, which is an indirect non-wholly owned subsidiary of the Company

“Lessee B”	大唐華銀湘潭環保發電有限責任公司 (for transliteration purpose only, Datang Huayin Xiangtan Environmental Electricity Generation Company Limited [#]), a company established in the PRC with limited liability, which is an indirect non-wholly owned subsidiary of the Company
“Lessee C”	大唐華銀衡陽環保發電有限公司 (for transliteration purpose only, Datang Huayin Heng Yang Environmental Power Company Limited [#]), a company established in the PRC with limited liability, which is an indirect non-wholly owned subsidiary of the Company
“Lessee D”	寶雞市易飛明達電力發展有限公司 (for transliteration purpose only, Baoji City Electric Power Development Co., Limited [#]), a company established in the PRC with limited liability, which is an indirect non-wholly owned subsidiary of the Company
“Lessee E”	梧州市中水新能源科技有限公司 (for transliteration purpose only, Wuzhou City China Water New Renewable Resources Company Limited [#]), a company established in the PRC with limited liability, which is an indirect non-wholly owned subsidiary of the Company
“Lessee F”	湖南瀏陽新中水環保科技有限公司 (for transliteration purpose only, Hunan Liuyang New China Water Environmental Technology Limited [#]), a company established in the PRC with limited liability, which is an indirect non-wholly owned subsidiary of the Company
“Lessee(s)”	collectively, Lessee A, Lessee B, Lessee C, Lessee D, Lessee E and/or Lessee F
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Pledge over Receivables I”	a pledge over the receivables (whether existing or to be incurred in the future) arising from the sale of electricity to Lessee A’s client executed by Lessee A in favour of Haitong Leasing as security for the due and punctual performance of the Lessees’ obligations under the Finance Lease Agreements
“Pledge over Receivables II”	a pledge over the receivables (whether existing or to be incurred in the future) arising from the sale of electricity to Lessee B’s client executed by Lessee B in favour of Haitong Leasing as security for the due and punctual performance of the Lessees’ obligations under the Finance Lease Agreements

“Pledge over Receivables III”	a pledge over the receivables (whether existing or to be incurred in the future) arising from the sale of electricity to Lessee C’s client executed by Lessee C in favour of Haitong Leasing as security for the due and punctual performance of the Lessees’ obligations under the Finance Lease Agreements
“Pledge over Receivables IV”	a pledge over the receivables (whether existing or to be incurred in the future) arising from the sale of electricity to Lessee D’s client executed by Lessee D in favour of Haitong Leasing as security for the due and punctual performance of the Lessees’ obligations under the Finance Lease Agreements
“Pledge over Receivables V”	a pledge over the receivables (whether existing or to be incurred in the future) arising from the sale of electricity to Lessee E’s client executed by Lessee E in favour of Haitong Leasing as security for the due and punctual performance of the Lessees’ obligations under the Finance Lease Agreements
“Pledge over Receivables VI”	a pledge over the receivables (whether existing or to be incurred in the future) arising from the sale of electricity to Lessee F’s client executed by Lessee F in favour of Haitong Leasing as security for the due and punctual performance of the Lessees’ obligations under the Finance Lease Agreements
“Pledge(s) over Receivables”	collectively, Pledge over Receivables I, Pledge over Receivables II, Pledge over Receivables III, Pledge over Receivables IV, Pledge over Receivables V and/or Pledge over Receivables VI
“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 A”	an amount of RMB20,000,000 (equivalent to approximately HK\$21,832,000), being the purchase price for the Leased Assets A paid by Haitong Leasing to Lessee A under the Finance Lease Agreement A
“Purchase Price B”	an amount of RMB20,000,000 (equivalent to approximately HK\$21,832,000), being the purchase price for the Leased Assets B paid by Haitong Leasing to Lessee B under the Finance Lease Agreement B

“Purchase Price C”	an amount of RMB15,000,000 (equivalent to approximately HK\$16,374,000), being the purchase price for the Leased Assets C paid by Haitong Leasing to Lessee C under the Finance Lease Agreement C
“Purchase Price D”	an amount of RMB15,000,000 (equivalent to approximately HK\$16,374,000), being the purchase price for the Leased Assets D paid by Haitong Leasing to Lessee D under the Finance Lease Agreement D
“Purchase Price E”	an amount of RMB10,000,000 (equivalent to approximately HK\$10,916,000), being the purchase price for the Leased Assets E paid by Haitong Leasing to Lessee E under the Finance Lease Agreement E
“Purchase Price F”	an amount of RMB10,000,000 (equivalent to approximately HK\$10,916,000), being the purchase price for the Leased Assets F paid by Haitong Leasing to Lessee F under the Finance Lease Agreement F
“Purchase Price(s)”	collectively, Purchase Price A, Purchase Price B, Purchase Price C, Purchase Price D, Purchase Price E and/or Purchase Price F
“Security Deposit A”	has the meaning ascribed thereto in the paragraph headed “Security Deposit” under the section headed “Finance Lease Agreements” in this announcement
“Security Deposit B”	has the meaning ascribed thereto in the paragraph headed “Security Deposit” under the section headed “Finance Lease Agreements” in this announcement
“Security Deposit C”	has the meaning ascribed thereto in the paragraph headed “Security Deposit” under the section headed “Finance Lease Agreements” in this announcement
“Security Deposit D”	has the meaning ascribed thereto in the paragraph headed “Security Deposit” under the section headed “Finance Lease Agreements” in this announcement
“Security Deposit E”	has the meaning ascribed thereto in the paragraph headed “Security Deposit” under the section headed “Finance Lease Agreements” in this announcement
“Security Deposit F”	has the meaning ascribed thereto in the paragraph headed “Security Deposit” under the section headed “Finance Lease Agreements” in this announcement

“Security Deposit(s)”	collectively, Security Deposit A, Security Deposit B, Security Deposit C, Security Deposit D, Security Deposit E and/or Security Deposit F
“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
“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\$1.0916. 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, 2 August 2023

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