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REDEMPTION OF SENIOR NOTES DUE 2022

Reference is made to the announcement of China Water Affairs Group Limited (the “**Company**”) dated 25 January 2017 (the “**Announcement**”) in relation to the issuance of 5.25% senior notes due 2022 (the “**2017 Notes**”). Unless otherwise defined, capitalized terms used herein shall have the same meanings as defined in the Announcement.

Pursuant to the terms of the indenture dated as of 7 February 2017 (as amended or supplemented from time to time), among the Company, the entities set forth in Schedule I thereto as Subsidiary Guarantors and Citicorp International Limited as Trustee (the “**Trustee**”), entered into in connection with the issuance of the 2017 Notes, the Company announces today that it has informed the Trustee and holders of the 2017 Notes that an aggregate principal amount of US\$150,000,000 of the outstanding 2017 Notes will be redeemed on 21 June 2021 (the “**Redemption Date**”) at a redemption price equal to 101.3125% of the principal amount thereof, plus accrued and unpaid interest, if any, to (but not including) the Redemption Date (the “**Partial Redemption**”).

As of the date of this announcement, the outstanding principal amount of the 2017 Notes is US\$300,000,000. Upon completion of the Partial Redemption, the outstanding principal amount of the 2017 Notes will be US\$150,000,000, assuming that the Company does not otherwise redeem or repurchase any of the outstanding 2017 Notes during the period from the date hereof to the Redemption Date other than the Partial Redemption. The Company will satisfy the payment of the Partial Redemption using the proceeds from the issuance of 4.85% senior notes due 2026 and its internal resources.

Upon the Partial Redemption, all the redeemed 2017 Notes will be cancelled.

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

Hong Kong, 21 May 2021

As at the date of this announcement, the Board comprises five executive Directors, being Mr. Duan Chuan Liang, Ms. Ding Bin, Ms. Liu Yu Jie, Mr. Li Zhong and Mr. Duan Jerry Linnan, four non-executive Directors, being Mr. Zhao Hai Hu, Mr. Zhou Wen Zhi, Mr. Makoto Inoue and Ms. Wang Xiaoqin, and five independent non-executive Directors, being Mr. Chau Kam Wing, Mr. Siu Chi Ming, Ms. Ho Ping, Ms. Zhou Nan and Mr. Chan Wai Cheung Admiral.