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**中國水務集團有限公司\***  
**China Water Affairs Group Limited**

*(Incorporated in the Cayman Islands and continued in  
Bermuda with limited liability)*

**(Stock Code: 855)**

**EXTENSION OF LONG STOP DATE  
DISCLOSEABLE TRANSACTION  
POSSIBLE APPLICATION FOR  
WHITEWASH WAIVER**

**Mitsumaru East Kit (Holdings) Limited**  
**三丸東傑(控股)有限公司**

*(Incorporated in the Cayman Islands with limited liability)*

**(Stock Code: 2358)**

**EXTENSION OF LONG STOP DATE  
IN RELATION TO THE LOAN  
AGREEMENT,  
THE SUBSCRIPTION AGREEMENT, THE  
LETTER OF INTENT IN RELATION TO  
THE PROPOSED OPEN OFFER  
AND  
THE UNDERWRITING LETTER**

**Joint financial advisers to MEK**



**博大資本國際有限公司**  
**Partners Capital International Limited**



**KINGSTON CORPORATE FINANCE LTD**

On 7 March 2011, the Investor and MEK entered into the supplemental Loan Agreement and supplemental Subscription Agreement pursuant to which (amongst others) the Long Stop Date and the latest date for submission of the Resumption Proposal and certain deliverables are to be extended.

References are made to (1) the joint announcement of CWA and MEK dated 1 December 2010 and (2) the announcement of MEK dated 3 January 2011 respectively, both in relation to the captioned transactions (the “Announcements”).

Unless otherwise defined in this announcement, capitalised terms used herein shall have the same meanings as those defined in the Announcements.

## THE SUPPLEMENTAL AGREEMENTS

On 7 March 2011, the Investor and MEK entered into the supplemental Loan Agreement and supplemental Subscription Agreement pursuant to which (amongst others):

- (1) the Long Stop Date shall become 30 June 2011 (instead of 31 March 2011); and
- (2) MEK shall on or before 31 March 2011 (instead of 31 December 2010) submit the Resumption Proposal to the Stock Exchange and shall use its best endeavours to obtain the Stock Exchange's approval for Resumption of Trading and listing of and permission to deal in the Subscription Shares and the Offer Shares.

The parties also agree to extend the latest time for MEK to provide CWA with certain deliverables under the Loan Agreement and Subscription Agreement.

## THE SUPPLEMENTAL LETTER OF INTENT

On 7 March 2011, MEK and the Possible Underwriters entered into the non-legally binding supplemental Letter of Intent pursuant to which the Letter of Intent may be terminated if any of the relevant conditions are not satisfied or waived (as the case may be) or by mutual written consent of the parties to the Letter of Intent, on or before 30 June 2011 (instead of 31 March 2011) (or any other date so may be agreed in writing by the parties to the Letter of Intent).

## THE UNDERWRITING LETTER

On 7 March 2011, the Investor announces that it has exercised its own discretion that the Investor's underwriting obligations under the Underwriting Letter will be subject to, inter alia, the fulfilment (or waiver in writing by the Investor to the extent permitted by all applicable laws or rules) of the conditions that (amongst others) the Possible Underwriters failing to enter into the Underwriting Agreement with MEK in relation to the Open Offer prior to or upon the Subscription Agreement becoming unconditional which is extended to be on or before 30 June 2011 (instead of 31 March 2011) at its own discretion.

Other than the above, there are no amendments to the Subscription Agreement, the Loan Agreement, the Letter of Intent and the Underwriting Letter.

At the direction of the Stock Exchange, trading in the MEK Shares was suspended from 9:30a.m. on 14 February 2008 and will remain suspended until further notice. **Until satisfaction of all the resumption conditions set by the Stock Exchange, trading in the MEK Shares will continue to be suspended. The release of this announcement does not indicate that trading in the MEK Shares will be resumed.**

By order of the board of directors of  
**China Water Affairs Group Limited**  
**Duan Chuan Liang**  
*Chairman*

By order of the board of directors of  
**Mitsumaru East Kit (Holdings) Limited**  
**Leung Koon Sing**  
*Executive Director*

Hong Kong, 7 March 2011

*The MEK Directors jointly and severally accept full responsibility for the accuracy of the information contained in this announcement (other than those relating to the CWA Group) and confirm, having made all reasonable inquiries, that to the best of their knowledge, opinions expressed (other than those expressed by CWA Group) in this announcement have been arrived*

*at after due and careful consideration and there are no other facts not contained in this announcement, the omission of which would make any statement in this announcement misleading.*

*The CWA Directors jointly and severally accept full responsibility for the accuracy of the information contained in this announcement (other than those relating to the MEK Group) and confirm, having made all reasonable inquiries, that to the best of their knowledge, opinions expressed (other than those expressed by the MEK Group) in this announcement have been arrived at after due and careful consideration and there are no other facts not contained in this announcement, the omission of which would make any statement in this announcement misleading.*

*As at the date of this announcement, the board of directors of MEK comprises two executive Directors, namely Mr. Leung Koon Sing and Mr. Tang Chin Wan; and three independent non-executive Directors, namely Mr. Kwong Ping Man, Mr. Martin He and Mr. Mu Xiangming.*

*As at the date of this announcement, the board of directors of CWA comprises two executive Directors, being Mr. Duan Chuan Liang and Mr. Li Ji Sheng, four non-executive Directors, being Mr. Chen Guo Ru, Mr. Wu Jiesi, Mr. Zhao Hai Hu and Mr. Zhou Wen Zhi, and four independent non-executive Directors, being Ms. Huang Shao Yun, Ms. Liu Dong, Mr. Chau Kam Wing and Mr. Ong King Keung.*