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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)**

**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**

**DISCLOSEABLE TRANSACTION**

**POSSIBLE APPLICATION FOR  
WHITEWASH WAIVER**

**EXTENSION OF LONG STOP DATE  
AND**

**DELAY IN DESPATCH OF CIRCULAR  
IN RELATION TO  
THE LOAN AGREEMENT, THE  
DEBENTURE,  
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 30 June 2011, the Investor agreed to extend the Long Stop Date to 31 December 2011.

Further application has been made for the consent of the Executive to waive the requirement of Rule 8.2 of the Takeovers Code and to further extend the deadline for the despatch of the Circular to the MEK Shareholders to 31 December 2011.

References are made to (1) the joint announcements of CWA and MEK dated 1 December 2010, 7 March 2011 and 31 March 2011; and (2) the announcement of MEK dated 3 January 2011, all 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.

Pursuant to Rule 8.2 of the Takeovers Code, a circular (the “Circular”) from MEK containing, among other matters, further information on (i) the Loan Agreement; (ii) the Debenture; (iii) the Subscription and the transactions contemplated under the Subscription Agreement (including the grant of the Specific Mandate, the allotment and issue of the Subscription Shares and the application for Whitewash Waiver); (iv) a letter from the independent financial adviser containing its advice to the MEK Independent Board Committee and the MEK Independent Shareholders in respect of the Subscription and the Whitewash Waiver; (v) the recommendation of the MEK Independent Board Committee to the MEK Independent Shareholders in respect of the Subscription and the Whitewash Waiver; and (vi) a notice of the EGM should be despatched to the MEK Shareholders within 21 days from the date of the joint announcement of CWA and MEK dated 1 December 2010 in accordance with the Listing Rules and the Takeovers Code.

### **THE LONG STOP DATE**

On 30 June 2011, the Investor agreed pursuant to the Subscription Agreement dated 7 March 2011 as amended by the supplemental Subscription Agreement dated 7 March 2011 to extend the Long Stop Date to 31 December 2011.

### **THE SECOND SUPPLEMENTAL LETTER OF INTENT**

On 30 June 2011, MEK and the Possible Underwriters entered into the non-legally binding second 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 31 December 2011 (or any other date so may be agreed in writing by the parties to the Letter of Intent).

### **THE UNDERWRITING LETTER**

On 30 June 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 31 December 2011.

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

### **DELAY IN DESPATCH OF CIRCULAR**

Separate application was made on each of 17 December 2010 and 29 March 2011 for the Executive’s consent under Rule 8.2 of the Takeovers Code to extend the deadline for the despatch of the Circular as soon as practicable but in any event on or before 31 March 2011 and 30 June 2011 respectively. In response, each of a consent letter dated 22 December 2010 and 1 April 2011 was received from the Executive extending the latest time for despatch of the Circular to 31 March 2011 and 30 June 2011 respectively.

On 31 March 2011, MEK submitted its Resumption Proposal, which is subject to the approval by the Stock Exchange. Up to the date hereof, the Resumption Proposal is still in the process of vetting by the Stock Exchange, and the Company has been communicating with the Stock

Exchange in response to relevant comments raised by the Stock Exchange from time to time. Accordingly, the Circular will not be able to be despatched to the MEK Shareholders on or before 30 June 2011.

Further application has been made for the consent of the Executive to waive the requirement of Rule 8.2 of the Takeovers Code and to further extend the deadline for the despatch of the Circular to the MEK Shareholders to 31 December 2011. The Executive has indicated that it is minded to grant the consent.

At the direction of the Stock Exchange, trading in the MEK Shares was suspended from 9:30 a.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, 30 June 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.*