

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this joint 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 joint announcement.

This joint announcement appears for information only and does not constitute an invitation or offer to acquire, purchase or subscribe for securities of Mitsumaru East Kit (Holdings) Limited.



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)

DISCLOSEABLE TRANSACTION

**POSSIBLE APPLICATION FOR
WHITEWASH WAIVER**

Joint financial advisers to CWA

 **亞洲資產管理**
ASIA INVESTMENT MANAGEMENT

 **廣發融資(香港)有限公司**
GF CAPITAL (HONG KONG) LIMITED

**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**

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 30 June 2012.

References are made to (1) the joint announcements of CWA and MEK dated 1 December 2010, 7 March 2011, 31 March 2011, 30 June 2011 and 7 December 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.

Separate application was made on each of 17 December 2010, 29 March 2011 and 28 June 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, 30 June 2011 and 31 December 2011 respectively. In response, each of a consent letter dated 22 December 2010, 1 April 2011 and 6 July 2011 was received from the Executive extending the latest time for despatch of the Circular to 31 March 2011, 30 June 2011 and 31 December 2011 respectively.

On 30 June 2011, the Stock Exchange issued a letter to MEK in which amongst other things the Stock Exchange has decided to place MEK in the first stage of delisting under Practice Note 17 to the Listing Rules and the Company is required to submit a viable resumption proposal to address the resumption conditions by 29 December 2011. MEK submitted a resumption proposal to the Stock Exchange on 28 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 30 June 2012. 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, 29 December 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.

** For identification purpose only*