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

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**

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

**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



Optima Capital Limited



KINGSTON CORPORATE FINANCE LTD

On 29 June 2012, the Investor has exercised its own discretion to extend the Long Stop Date to 31 December 2012.

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 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, 7 December 2011 and 29 December 2011 respectively; and (2) the announcement of MEK dated 3 January 2011, all in relation to, among other matters, 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 SECOND SUPPLEMENTAL SUBSCRIPTION AGREEMENT

On 29 June 2012, the Investor has exercised its own discretion to extend the Long Stop Date to 31 December 2012.

THE FOURTH SUPPLEMENTAL LETTER OF INTENT

On 19 June 2012, MEK and the Possible Underwriters entered into the non-legally binding fourth 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 2012 (or any other date so may be agreed in writing by the parties to the Letter of Intent).

THE UNDERWRITING LETTER

On 29 June 2012, the Investor 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 31 December 2012.

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

DELAY IN DESPATCH OF CIRCULAR

Separate application was made on each of 17 December 2010, 29 March 2011, 28 June 2011 and 16 December 2011 respectively 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, 31 December 2011 and 30 June 2012 respectively. In response, each of the consent letters dated 22 December 2010, 1 April 2011, 6 July 2011 and 6 January 2012 was received from the Executive extending the latest time for despatch of the Circular to 31 March 2011, 30 June 2011, 31 December 2011 and 30 June 2012 respectively.

As disclosed in the announcement of MEK dated 16 May 2012, on 15 May 2012, the Stock Exchange issued a letter to MEK in which, amongst other things, the Stock Exchange has decided to place MEK in the second stage of delisting under Practice Note 17 to the Listing Rules and the second stage of delisting will expire on 14 November 2012. MEK is required to submit a viable resumption proposal to address the following resumption conditions at least 10 business days before the expiry date of the second stage of delisting:

- (i) demonstrate sufficient level of operations or assets of sufficient value as required under Rule 13.24 of the Listing Rules;
- (ii) demonstrate sufficient working capital for at least twelve months from resumption date;
- (iii) address any concerns that may be raised by auditors through audit qualifications; and
- (iv) demonstrate adequate and effective internal control system to meet the obligations under the Listing Rules.

During the year ended 31 December 2011, MEK submitted resumption proposals to the Stock Exchange comprising a fund raising exercise by the Open Offer. Following the finalising of the audit of the 2011 financial statements of MEK, the directors of MEK had re-assessed the resumption proposals in light of the audited results of the MEK and its subsidiaries particularly the performance of the design, assembly and trading of televisions carrying out by the Kitking Global Limited and its subsidiaries (the "Kitking Group"), the directors of MEK considered the business of the Kitking Group requires substantial additional working capital to scale up its operations in order to generate a reasonable return. The directors of MEK therefore considered to cease the television related business and commenced discussions with potential investors to dispose of the Kitking Group which led to the conclusion of the disposal of its entire interest in Kitking Global Limited to an independent third party (the "Disposal"), details of the Disposal were disclosed in the circular of MEK dated 25 June 2012. In the circumstances, the resumption proposals previously submitted by MEK to

the Stock Exchange will need to be reformulated. In conjunction with formulating the new resumption proposal, the directors of MEK are actively pursuing potential acquisition targets which would have a sufficient level of operations and tangible assets of sufficient value to meet the resumption conditions set by the Stock Exchange. As advised by MEK, the directors of MEK have identified certain potential acquisition targets, one of which is related to design, assembly and trading of televisions. Some preliminary discussions had taken place but no terms and conditions have been agreed and such acquisition may or may not materialise. As of the date of this announcement, MEK has not entered into any agreement, arrangement, understanding or undertaking, whether formal or informal and whether expressed or implied, about any acquisition of new business by MEK. As additional time is required by MEK to reformulate a new resumption proposal for the Stock Exchange's review and approval, the Circular will not be able to be despatched to the MEK Shareholders on or before 30 June 2012.

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 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
Siu Chi Ming
Executive Director

Hong Kong, 29 June 2012

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. Siu Chi Ming and Mr. Tang Chin Wan; and three independent non-executive Directors, namely Ms. Au Shui Ming, 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. Wu Jiesi, Mr. Chen Guo Ru, 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.