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中國水業集團有限公司*
CHINA WATER INDUSTRY GROUP LIMITED

(Incorporated in the Cayman Islands with limited liability)

(Stock code: 1129)

PROPOSED ISSUE OF CONVERTIBLE BONDS UNDER SPECIFIC MANDATE

PROPOSED ISSUE OF CONVERTIBLE BONDS

On 16 February 2026 (after trading hours of the Stock Exchange), the Company entered into the Subscription Agreement with the Subscribers, pursuant to which the Company has conditionally agreed to issue, and the Subscribers have conditionally agreed to subscribe for, the Convertible Bonds in an aggregate principal amount of HK\$278.25 million (equivalent to approximately RMB250.0 million).

Based on the initial Conversion Price of HK\$0.308 per Conversion Share (subject to adjustment), a maximum of 903,409,090 Conversion Shares will be allotted and issued upon exercise of the Conversion Rights in full, representing (i) approximately 142.90% of the total number of Shares in issue as at the date of this announcement; and (ii) approximately 58.83% of the total number of Shares in issue as enlarged by the allotment and issue of the Conversion Shares upon full conversion of the Convertible Bonds (assuming that there will be no change in the issued share capital of the Company from the date of this announcement and up to conversion of the Bonds in full at the initial Conversion Price).

The Conversion Shares will be allotted and issued under the Specific Mandate to be approved by the Shareholders at the EGM.

GENERAL

The EGM will be convened and held for the Shareholders to consider and, if thought fit, approve, among other things, the Subscription Agreement and the transactions contemplated thereunder (including the proposed issue of the Convertible Bonds and the grant of the Specific Mandate). In compliance with the Listing Rules, the relevant resolutions will be voted on by way of poll at the EGM. To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, none of the Shareholders or their associates would have a material interest in the Subscription Agreement and the transactions contemplated thereunder. No Shareholder would be required to abstain from voting on the relevant resolutions at the EGM.

* For identification purpose only

A circular containing, among other things, details of the Subscription Agreement and the transactions contemplated thereunder, together with a notice convening the EGM, is expected to be despatched to the Shareholders on or before Friday, 20 March 2026.

Shareholders and potential investors of the Company should note that the Subscription Agreement and the transactions contemplated thereunder are subject to the satisfaction of certain conditions precedent and therefore may or may not proceed. Shareholders and potential investors of the Company are advised to exercise caution when dealing in the Shares. If they are in any doubt, they should consult their professional advisers.

SUBSCRIPTION OF CONVERTIBLE BONDS

On 16 February 2026 (after trading hours of the Stock Exchange), the Company entered into the Subscription Agreement with the Subscribers, pursuant to which the Company has conditionally agreed to issue, and the Subscribers have conditionally agreed to subscribe for, the Convertible Bonds in an aggregate principal amount of up to HK\$278.25 million (equivalent to approximately RMB250.0 million).

The principal terms of the Subscription Agreement are set out below:

Subscription Agreement

Date:	16 February 2026
Parties:	(i) the Company;
	(ii) Subscriber 1;
	(iii) Subscriber 2;
	(iv) Subscriber 3;
	(v) Subscriber 4; and
	(vi) Subscriber 5

Subject matter

The Company has conditionally agreed to issue, and the Subscribers have conditionally agreed to subscribe for, the Convertible Bonds in an aggregate principal amount of up to HK\$278.25 million (equivalent to approximately RMB250.0 million) in five (5) tranches.

Conditions precedent

The Completion shall be subject to the fulfilment (or waiver) of the following conditions on or before the Long Stop Date:

- (a) all necessary consents, licences and approvals required to be obtained on the part of the Company in respect of the Subscription Agreement and the transactions contemplated hereunder having been obtained and remain in full force and effect;

- (b) all necessary consents, licences and approvals required to be obtained on the part of the Subscribers in respect of the Subscription Agreement and the transactions contemplated hereunder having been obtained and remain in full force and effect;
- (c) the warranties given by the Company remaining true, accurate and complete in all respects;
- (d) the entering into of the Rescheduling Deed;
- (e) the Subscribers having received all Security Documents that have been duly executed with the statutory registration procedures of the PRC having been completed;
- (f) if applicable, a court validation order having been obtained validating all the transactions contemplated under the Rescheduling Deed and the Subscription Agreement;
- (g) the relevant resolution(s) having been passed by the shareholders of the Company at its general meeting approving the issue of the Convertible Bonds and the specific mandate for the allotment and issue of the Conversion Shares; and
- (h) the Listing Committee of the Stock Exchange granting or agreeing to grant the listing of, and permission to deal in, all of the Conversion Shares under the Convertible Bonds, and such permission not having been subsequently revoked or withdrawn.

Completion

Subject to fulfilment or waiver (as the case may be) of the conditions set out in the paragraph headed “Conditions precedent” above, Completion shall take place on the respective Completion Date.

Terms and conditions

The principal terms and conditions of the Convertible Bonds are set out as follows:

Issuer	: The Company
Subscriber	: The Subscribers
Principal amount	: Up to HK\$278.25 million (equivalent to approximately RMB250.0 million)

The Convertible Bonds shall be issued in five (5) tranches. The principal amount of each tranche of the Convertible Bonds shall be as follows:

Tranche 1 Bond

Each of Subscriber 1 and Subscriber 2 shall subscribe for the Tranche 1 Bond and shall respectively pay to the Company an aggregate amount of HK\$39.40 million (equivalent to approximately RMB35.40 million) on the Tranche 1 Bond Completion Date, which shall be satisfied by cash and be applied to settle the principal amount of RMB35.40 million of the Bridging Loan in full.

Each of Subscriber 3 and Subscriber 4 shall subscribe for the Tranche 1 Bond and shall respectively pay to the Company an aggregate amount of HK\$13.13 million (equivalent to approximately RMB11.80 million) on the Tranche 1 Bond Completion Date, which shall be satisfied by cash and be applied to settle the principal amount of RMB11.80 million of the Bridging Loan in full.

Subscriber 5 shall subscribe for the Tranche 1 Bond and shall pay to the Company an aggregate amount of HK\$26.27 million (equivalent to approximately RMB23.60 million) on the Tranche 1 Bond Completion Date, which shall be satisfied by cash and be applied to settle the principal amount of RMB23.60 million of the Bridging Loan in full.

Tranche 2 Bond

Each of Subscriber 1 and Subscriber 2 shall subscribe for the Tranche 2 Bond and shall respectively pay to the Company an aggregate amount of HK\$11.02 million (equivalent to approximately RMB9.90 million) on the Tranche 2 Bond Completion Date.

Each of Subscriber 3 and Subscriber 4 shall subscribe for the Tranche 2 Bond and shall respectively pay to the Company an aggregate amount of HK\$3.67 million (equivalent to approximately RMB3.30 million) on the Tranche 2 Bond Completion.

Subscriber 5 shall subscribe for the Tranche 2 Bond and shall pay to the Company an aggregate amount of HK\$7.35 million (equivalent to approximately RMB6.60 million) on the Tranche 2 Bond Completion Date.

Tranche 3 Bond

Each of Subscriber 1 and Subscriber 2 shall subscribe for the Tranche 3 Bond and shall respectively pay to the Company an aggregate amount of HK\$11.02 million (equivalent to approximately RMB9.90 million) on the Tranche 3 Bond Completion Date.

Each of Subscriber 3 and Subscriber 4 shall subscribe for the Tranche 3 Bond and shall respectively pay to the Company an aggregate amount of HK\$3.67 million (equivalent to approximately RMB3.30 million) on the Tranche 3 Bond Completion Date.

Subscriber 5 shall subscribe for the Tranche 3 Bond and shall pay to the Company an aggregate amount of HK\$7.35 million (equivalent to approximately RMB6.60 million) on the Tranche 3 Bond Completion Date.

Tranche 4 Bond

Each of Subscriber 1 and Subscriber 2 shall subscribe for the Tranche 4 Bond and shall respectively pay to the Company an aggregate amount of HK\$11.02 million (equivalent to approximately RMB9.90 million) on the Tranche 4 Bond Completion Date.

Each of Subscriber 3 and Subscriber 4 shall subscribe for the Tranche 4 Bond and shall respectively pay to the Company an aggregate amount of HK\$3.67 million (equivalent to approximately RMB3.30 million) on the Tranche 4 Bond Completion Date.

Subscriber 5 shall subscribe for the Tranche 4 Bond and shall pay to the Company an aggregate amount of HK\$7.35 million (equivalent to approximately RMB6.60 million) on the Tranche 4 Bond Completion Date.

Tranche 5 Bond

Each of Subscriber 1 and Subscriber 2 shall subscribe for the Tranche 5 Bond and shall respectively pay to the Company an aggregate amount of HK\$11.02 million (equivalent to approximately RMB9.90 million) on the Tranche 5 Bond Completion Date.

Each of Subscriber 3 and Subscriber 4 shall subscribe for the Tranche 5 Bond and shall respectively pay to the Company an aggregate amount of HK\$3.67 million (equivalent to approximately RMB3.30 million) on the Tranche 5 Bond Completion Date.

Subscriber 5 shall subscribe for the Tranche 5 Bond and shall pay to the Company an aggregate amount of HK\$7.35 million (equivalent to approximately RMB6.60 million) on the Tranche 5 Bond Completion Date.

Maturity date	: Second anniversary of the date of issue of the respective tranche of the Convertible Bonds
Interest rate	: 10% per annum
Conversion period	: The period commencing from the date of issue of the Convertible Bonds up to and including the date which is three (3) days prior to the respective maturity date of the Convertible Bonds
Conversion Restriction	<p>: Any conversion of the Convertible Bonds shall be made in amounts of not less than a whole multiple of HK\$10,000 on each conversion of the Convertible Bonds unless the principal amount of the outstanding Convertible Bonds is less than HK\$10,000 in which case the whole (but not part only) of such outstanding principal amount of the Convertible Bonds shall be converted.</p> <p>Provided that (i) any conversion of the Convertible Bonds does not result in the Bondholders and/or the parties acting in concert with any of them and/or their respective associates being interested in 30% or more of the issued share capital of the Company as enlarged by the allotment and issued of the Conversion Shares (or such lower percentage as may from time to time be specified in the Takeovers Code as being the level for triggering a mandatory general offer obligation under Rule 26 of the Takeovers Code on the part of the Bondholder which exercised the Conversion Rights, or result in the change in control or de facto control of the Company under the Listing Rules), whether or not such mandatory offer obligation is triggered off by the fact that the number of Conversion Shares to be allotted and issued upon the exercise of the Conversion Rights attaching to the Bonds (if applicable, including any Shares acquired by the parties acting in concert with any of the Bondholders) or otherwise pursuant to other provisions of the Takeovers Code; and (ii) any conversion of the Bonds does not result in the public float of the Shares being less than 25% (or any given percentage as required by the Listing Rules) of the issued Shares, the Bondholder shall, subject to compliance with the procedures set out in the terms and conditions of the Bonds, have the right at any time during the conversion period to convert the whole or part of the outstanding principal amount of the Bonds registered in their name into Shares.</p>
Conversion Price	: The initial Conversion Price shall be HK\$0.308 per Conversion Share, subject to adjustments hereunder described.

Adjustment to the
Conversion Price

- : The Conversion Price of the Bonds shall from time to time be subject to adjustment upon occurrence of the following events:
- (a) an alteration to the nominal number of the Shares by way of consolidation, sub-division, or reclassification;
 - (b) an issue (other than in lieu of cash dividend and other than issue that would amount to capital distribution) of any Shares credited as fully paid to the Shareholders by way of capitalisation of profits or reserves (including any share premium account or capital redemption reserve fund);
 - (c) a capital distribution (in cash or specie and whether on a reduction of capital or otherwise) to the Shareholders or grant to the Shareholders rights to acquire for cash assets of the Group;
 - (d) an offer of new Shares to the Shareholders for subscription by way of rights, or grant, to Shareholders of any options or warrants to subscribe for new Shares, at a price which is less than the Conversion Price;
 - (e) (aa) an issue of securities wholly for cash or for reduction of liabilities or for acquisition of asset which by their terms are convertible into or exchangeable for or carry rights of subscription for new Shares, and the total effective consideration per Share initially receivable for such securities is less than the Conversion Price;

(bb) modification of the rights of conversion or exchange or subscription attached to any such securities as are mentioned in section (aa) of this paragraph (e), so that the total effective consideration per Share initially receivable for such securities shall be less than the Conversion Price;
 - (f) an issue of any Shares wholly for cash or for reduction of liabilities at a price per Share which is less than the Conversion Price; and
 - (g) an issue of any Shares for the acquisition of asset at a total effective consideration per Share which is less than the Conversion Price.

Redemption

- : No outstanding amount of Convertible Bonds shall be redeemed at the request of the Bondholders before the maturity date of the Convertible Bonds. Subject to obtaining the written consent of the Bondholders, the Company shall be entitled, on the maturity date of the Convertible Bonds, to redeem the then outstanding Convertible Bonds, at 100% of the principal of the Convertible Bonds or any part thereof.

Transferability	: The Bondholder may only assign or transfer the Convertible Bonds to the transferee subject to the prior notification to the Company. The Convertible Bonds may not be assigned or transferred, in whole or in part, to any connected person of the Company (as defined under the Listing Rules).
Voting rights	: The Bondholders shall not be entitled to attend or vote at any meetings of the Company by reason only of it being a Bondholder.
Listing	: No application will be made for the listing of the Convertible Bonds on the Stock Exchange or any other stock exchange. The Company will apply to the Stock Exchange for the listing of and permission to deal in the Conversion Shares to be allotted and issued upon exercise of the Conversion Rights.
Ranking	: The Conversion Shares will, when allotted and issued, rank pari passu in all respects among themselves and with all other fully paid Shares in issue as at the date of such allotment and issue and have the rights, privileges and limitations specified in the memorandum of association and articles of association of the Company.
Security	: The obligations of the Company under the Convertible Bonds are secured by the Security Documents.

Conversion Shares

Based on the initial Conversion Price of HK\$0.308 per Conversion Share (subject to adjustment), a maximum of 903,409,090 Conversion Shares will be allotted and issued upon exercise of the Conversion Rights in full, representing (i) approximately 142.90% of the total number of Shares in issue as at the date of this announcement; and (ii) approximately 58.83% of the total number of Shares in issue as enlarged by the allotment and issue of the Conversion Shares upon full conversion of the Convertible Bonds (assuming that there will be no change in the issued share capital of the Company from the date of this announcement and up to conversion of the Convertible Bonds in full at the initial Conversion Price).

The maximum aggregate nominal value of the Conversion Shares (with a par value of HK\$0.1 each) will be HK\$90,340,909.

Specific Mandate to issue the Conversion Shares

The Conversion Shares will be allotted and issued under the Specific Mandate to be approved by the Shareholders at the EGM.

Application for listing of the Conversion Shares

The Company will apply to the Listing Committee for the listing of, and permission to deal in, the Conversion Shares. No application will be made for the listing of the Bonds on the Stock Exchange or any other stock exchange.

Conversion Price

The initial Conversion Price of HK\$0.308 per Conversion Share:

- (a) represents a discount of approximately 31.56% to the closing price of HK\$0.45 per Share as quoted on the Stock Exchange on the date of the Subscription Agreement;
- (b) is equal to the average closing price of approximately HK\$0.308 per Share as quoted on the Stock Exchange for the five consecutive trading days immediately prior to the date of the Subscription Agreement;
- (c) represents a discount of approximately 1.44% to the average closing price of approximately HK\$0.3125 per Share as quoted on the Stock Exchange for the ten consecutive trading days immediately prior to the date of the Subscription Agreement; and
- (d) represents a discount of approximately 82.5% to the unaudited net asset value per Share as 30 June 2025 of approximately HK\$1.76.
- (e) a theoretical dilution effect (as defined under Rule 7.27B of the Listing Rules) of approximately 18.44%, represented by the theoretical diluted price of approximately HK\$0.367 per Share to the benchmarked price (as defined under Rule 7.27B of the Listing Rules, taking into account the closing price of HK\$0.45 per Share as quoted on the Stock Exchange on the date of the Subscription Agreement and the average closing price of the Shares as quoted on the Stock Exchange for the five previous consecutive trading days prior to the date of the Subscription Agreement of HK\$0.308 per Share) of HK\$0.45 per Share.

The initial Conversion Price of HK\$0.308 was arrived at after arm's length negotiations between the Company and the Subscribers. The issuance of the Convertible Bonds enables the Company to resolve the IFC Indebtedness and other liabilities of the Company through capitalisation, thereby alleviating the financial burden without impacting the Company's cashflow. While the initial Conversion Price is set at a discount, the issue of the Convertible Bonds would enable the Company to repay its immediate financial obligations. The entering into of the Subscription Agreement not only ensures the settlement of the IFC Indebtedness and other liabilities of the Company, but also preserves the Company's liquidity, and rescue the Company from being wound up. The Directors consider that the initial Conversion Price is fair and reasonable and in the interests of the Company and the Shareholders as a whole.

INFORMATION OF THE PARTIES TO THE SUBSCRIPTION AGREEMENT

The principal activity of the Company is investment holding. The Group is principally engaged in (i) provision of sewage treatment and the related construction services; (ii) exploitation and sale of renewable energy; (iii) property investment and development; and (iv) waste management and recycling.

Subscriber 1, Flower Bull International Limited, is a Company incorporated in Hong Kong with limited liability and is principally engaged in activities auxiliary to financial service and insurance activities. The ultimate beneficial owner of Subscriber 1 is Shen Ding (沈定).

Subscriber 2, Digital Advisors Limited, is a Company incorporated in the British Virgin Islands with limited liability and is principally engaged in investment, business and technology consulting. The ultimate beneficial owner of Subscriber 2 is Yang Chen (楊晨*).

Subscriber 3, Mingta Fortune Hub Limited, is a Company incorporated in Hong Kong with limited liability and is principally engaged in business consulting and promotion services business. The ultimate beneficial owner of Subscriber 3 is Wang Lin (王琳).

Subscriber 4, Wonder Consulting Company Limited, is a Company incorporated in Hong Kong with limited liability and is principally engaged in business consulting and promotion services. The ultimate beneficial owner of Subscriber 4 is Liu Meiyang (劉美燕).

Subscriber 5, Eastern Billion Industries Limited, is a Company incorporated in Hong Kong with limited liability and is principally engaged in investment, industrial and international trading. Subscriber 5 is ultimately owned as to 80% by Tong Tung Kuan (唐東軍) and 20% by Hu Yidong (胡宜東).

To the best knowledge, information and belief of the Directors, having made all reasonable enquiries, each of the Subscribers and its respective ultimate beneficial owner and associates is an Independent Third Party.

REASONS FOR THE PROPOSED ISSUE OF THE CONVERTIBLE BONDS

References are made to the announcements of the Company dated 18 November 2025, 20 November 2025, 25 November 2025, 27 November 2025, 21 January 2026 and 11 February 2026 in relation to a winding-up petition (the “**Petition**”) presented by International Finance Corporation (“**IFC**”) against the Company.

On 17 November 2025, the Petition was filed against the Company at the High Court of Hong Kong by IFC for the winding up of the Company in relation to the outstanding principal amount of a sum of RMB216,602,900 together with interest accrued thereon (the “**IFC Indebtedness**”) under a loan agreement dated 20 May 2022 between New China Water (Nanjing) Renewable Resources Investment Co., Ltd.* (新中水(南京)再生資源投資有限公司) (“**NCW**”), an indirect non wholly-owned subsidiary of the Company, and IFC (as amended and supplemented by a deed of amendment and accession dated 12 July 2023 between NCW and IFC) and a guarantee dated 20 May 2022 made by the Company in favour of IFC.

On 19 November 2025, the Company has been served with a Notice of Intention to Appear on Petition by Gao Yuan, a creditor for an outstanding indebtedness in a sum of HK\$3,000,000, being the outstanding principal amount of a bond issued by the Company on 6 April 2018, indicating her intention to appear on the hearing of the Petition for supporting the Petition.

On 25 November 2025, the Company has received a Notice of Intention to Appear on Petition by Zhao Yuan, a creditor for an outstanding indebtedness in a sum of HK\$2,012,493, being the outstanding principal amount of a bond issued by the Company on 18 April 2018 together with the outstanding interest accrued thereon, indicating her intention to appear on the hearing of the Petition for supporting the Petition.

On 16 February 2026, NCW, as borrower, entered into a loan agreement with an Independent Third Party, as lender, pursuant to the lender conditionally agreed to advance a loan in the principal amount of RMB118.0 million (equivalent to approximately HK\$131.33 million) to NCW (the “**Bridging Loan**”) for the purpose of partial settlement of the IFC Indebtedness.

As at the date of this announcement, the Company and IFC are in negotiation in relation to the proposed rescheduling of the IFC Indebtedness (the “**Debt Rescheduling**”). Subject to further negotiation between the Company and IFC, a formal rescheduling deed (the “**Rescheduling Deed**”) will be entered into between the Company and IFC in relation to the Debt Rescheduling. The subscription timetable of the Convertible Bonds is aligned with the proposed repayment schedule of the IFC Indebtedness, of which the Bond Consideration from the Tranche 1 Bonds will be utilised to settle the Bridging Loan and the Bond Consideration from the subsequent tranches of the Convertible Bonds to be subscribed will be utilised to repay the IFC Indebtedness and other liabilities of the Company, the completion date of the respective tranche of the Convertible Bonds is in line with the rescheduled repayment dates of the IFC Indebtedness.

The Directors are of the view that the issue of the Convertible Bonds represents an opportunity to (i) raise capital for the Company in a timely manner; (ii) broaden the Company’s shareholder and capital base; and (iii) provide immediate resources to partially settle existing indebtedness of the Company, thereby alleviating its immediate liquidity pressure. According to the management accounts of the Company, as at 31 December 2025, the aggregate indebtedness of the Company, comprising bank borrowings, other loans, and guaranteed liabilities repayable on demand within three months, amounted to approximately HK\$401.63 million. The Company has an imminent need to repay its outstanding liabilities. Save for the anticipated proceeds from the issuance of Convertible Bonds, the Group intends to discharge the aforesaid indebtedness through a combination of operating cash flows, collection of trade receivables, and other potential equity and debt financing activities. In view of the immediate funding need of the Company and the fact that issue of the Convertible Bonds will not cause an immediate dilution effect to the existing Shareholders, the Directors (including the independent non-executive Directors) consider that the terms and conditions of the Subscription Agreement are made on normal commercial terms and are fair and reasonable as far as the Shareholders are concerned, and the issue of the Convertible Bonds is in the interests of the Company and the Shareholders as a whole.

USE OF PROCEEDS

The estimated net proceeds from the proposed issue of the Convertible Bonds after deduction of related expenses (including professional fees) are approximately HK\$277.50 million. The Company intends to utilise all net proceeds for the repayment of the IFC Indebtedness and other liabilities of the Company. The net price per Conversion Share, which is calculated by dividing the aggregate net proceeds by the maximum number of the Conversion Shares based on the initial Conversion Price, is approximately HK\$0.307.

EFFECTS ON SHAREHOLDING STRUCTURE OF THE COMPANY

To the best of the Directors' knowledge, information and belief after having made all reasonable enquires, and for illustrative purpose only, the following table illustrates the shareholding structure of the Company (i) as at the date of this announcement and (ii) immediately upon full conversion of the Convertible Bonds, assuming there being no other change in the issued share capital and shareholding structure of the Company from the date of this announcement and up to the date of full conversion of the Convertible Bonds:

	As at the date of this announcement		Immediately upon full conversion of the Convertible Bonds	
	<i>Number of Shares</i>	<i>Approximate %</i>	<i>Number of Shares</i>	<i>Approximate %</i>
Substantial Shareholder				
Step Wide Investment Limited (Note 1)	141,564,202	22.39	141,564,202	9.22
Director				
Ms. Chu Yin Yin Georgiana	111,200	0.02	111,200	0.007
Other public Shareholders	490,518,526	77.59	490,518,526	31.94
Subscriber 1	–	–	271,038,961	17.65
Subscriber 2	–	–	271,038,961	17.65
Subscriber 3	–	–	90,292,208	5.88
Subscriber 4	–	–	90,292,208	5.88
Subscriber 5	–	–	180,746,752	11.77
	<u>632,193,928</u>	<u>100.00</u>	<u>1,535,603,018</u>	<u>100.00</u>

Notes:

- (1) Step Wide Investment Limited is ultimately controlled by Mrs. Chu Yuet Wah.
- (2) The percentage figures have been subject to rounding adjustments. Any discrepancies between totals and sums of amounts listed herein are due to rounding adjustments.

FUND RAISING ACTIVITIES IN THE PAST TWELVE MONTHS

On 5 June 2025, the Company entered into a placing agreement with the Placing Agent in relation to the placing of up to 57,472,000 Shares (the “**2025 Placing**”) at a placing price of HK\$0.228 per share under the General Mandate. The Placing Agent has successfully placed 57,472,000 Shares and the 2025 Placing was completed on 16 June 2025 with net proceeds amounting to approximately HK\$12.6 million (after deducting all related costs, fees, expenses and commission). As at the date of this announcement, the Company had fully utilised the net proceeds from the 2025 Placing for the intended purposes as previously disclosed in the announcement of the Company dated 16 June 2025. For details of the Previous Placing, please refer to the announcements of the Company dated 5 June 2025 and 16 June 2025.

Save as disclosed above, as at the date of this announcement, the Company has not conducted any fundraising activities involving the issue of equity securities in the past twelve months immediately prior to the date of this announcement.

GENERAL

The EGM will be convened and held for the Shareholders to consider and, if thought fit, approve, among other things, the Subscription Agreement and the transactions contemplated thereunder (including the proposed issue of the Convertible Bonds and the grant of the Specific Mandate). In compliance with the Listing Rules, the relevant resolutions will be voted on by way of poll at the EGM. To the best of the Directors’ knowledge, information and belief having made all reasonable enquiries, none of the Shareholders or their associates would have a material interest in the Subscription Agreement and the transactions contemplated thereunder. No Shareholder would be required to abstain from voting on the relevant resolutions at the EGM.

A circular containing, among other things, details of the Subscription and the transactions contemplated thereunder, together with a notice convening the EGM, is expected to be despatched to the Shareholders on or before Friday, 20 March 2026.

Shareholders and potential investors of the Company should note that the Subscription Agreement and the transactions contemplated thereunder are subject to the satisfaction of certain conditions precedent and therefore may or may not proceed. Shareholders and potential investors of the Company are advised to exercise caution when dealing in the Shares. If they are in any doubt, they should consult their professional advisers.

DEFINITIONS

In this announcement, unless the context otherwise requires, the following expressions shall have the following meaning:

“Bridging Loan”	has the meaning ascribed thereto in the section headed “REASONS FOR THE PROPOSED ISSUE OF THE CONVERTIBLE BONDS” in this Announcement
“Board”	the board of Directors of the Company

“Bond Consideration”	the subscription money for each tranche of the Convertible Bonds, being an amount equal to the face value of each tranche of the Convertible Bonds
“Bondholder(s)”	the holder in whose name the Convertible Bonds is registered in the register of bondholders to be maintained by the Company, and the first registered holder being the Subscriber, and “holder” in relation to the Convertible Bonds has the corresponding meaning
“Business Day(s)”	any day (excluding a Saturday, a Sunday, a public holiday and any day on which a tropical cyclone warning no. 8 or above or a “black” rainstorm warning signal is hoisted or remains hoisted in Hong Kong at any time between 9:00 a.m. and 12:00 noon and is not lowered or discontinued at or before 12:00 noon) on which licensed banks are generally open for business in Hong Kong throughout their normal business hours
“Company”	China Water Industry Group Limited, incorporated in the Cayman Islands with limited liability, the shares of which are listed on the Stock Exchange (stock code: 1129)
“connected person(s)”	has the meaning ascribed to it under the Listing Rules
“Completion”	the completion of the Subscription of the Convertible Bonds under the Subscription Agreement
“Completion Date”	Tranche 1 Bond Completion Date, Tranche 2 Bond Completion Date, Tranche 3 Bond Completion Date, Tranche 4 Bond Completion Date or Tranche 5 Bond Completion Date, as the case may be
“Conversion Price”	the initial conversion price of the Convertible Bonds, being HK\$0.308 per Conversion Share (subject to adjustments)
“Conversion Rights”	rights of the Convertible Bonds to convert the principal amount (in whole or in part) thereof into Shares
“Conversion Share(s)”	the Shares to be allotted and issued upon the exercise of the conversion rights attaching to the Convertible Bonds
“Convertible Bonds”	the convertible bonds in the aggregate principal amount of aggregate principal amount of up to HK\$278.25 million (equivalent to approximately RMB250.0 million) to be issued by the Company to the Subscribers pursuant to the Subscription Agreement
“Director(s)”	the director(s) of the Company

“EGM”	the extraordinary general meeting of the Company to be convened and held to consider and approve the Subscription Agreement and the transactions respectively contemplated thereunder including the grant of the Specific Mandate
“Listing Committee”	has the meaning ascribed to it in the Listing Rules
“Listing Rules”	the Rules Governing the Listing of Securities on of the Stock Exchange
“Long Stop Date”	31 May 2026 or such later date as the Company and the Subscribers may agree in writing
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	Hong Kong Special Administrative Region of the PRC
“IFC Indebtedness”	has the meaning ascribed thereto in the section headed “REASONS FOR THE PROPOSED ISSUE OF THE CONVERTIBLE BONDS” in this Announcement
“Independent Third Party(ies)”	third party(ies) independent of and not connected (as defined under the Listing Rules) with the Company and connected person(s) of the Company
“Maturity Date”	the date falling on the fourth anniversary of the issue date of the Convertible Bonds
“PRC”	People’s Republic of China which, and for the sole purpose of this announcement, shall exclude Hong Kong, Macau Special Administrative Region and Taiwan
“Rescheduling Deed”	has the meaning ascribed thereto in the section headed “REASONS FOR THE PROPOSED ISSUE OF THE CONVERTIBLE BONDS” in this Announcement
“RMB”	Renminbi, the lawful currency of the PRC
“Security Documents”	the security documents to be entered into by the relevant members of the Group in favour of the holder(s) of the Convertible Bonds to secure the payment obligations of the Company under the Convertible Bonds
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the laws of Hong Kong)

“Share(s)”	ordinary share(s) of HK\$0.1 each in the share capital of the Company
“Shareholder(s)”	holder(s) of the issued Shares
“Specific Mandate”	a specific mandate to cover the allotment and issue of the Conversion Shares upon exercise of the conversion rights attached to the Convertible Bonds
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subscribers”	collectively, Subscriber 1, Subscriber 2, Subscriber 3, Subscriber 4 and Subscriber 5
“Subscriber 1”	Flower Bull International Limited, is a Company incorporated in Hong Kong with limited liability
“Subscriber 2”	Digital Advisors Limited, is a Company incorporated in the British Virgin Islands with limited liability
“Subscriber 3”	Mingta Fortune Hub Limited, is a Company incorporated in Hong Kong with limited liability
“Subscriber 4”	Wonder Consulting Company Limited, is a Company incorporated in Hong Kong with limited liability
“Subscriber 5”	Eastern Billion Industries Limited, is a Company incorporated in Hong Kong with limited liability
“Subscription”	the subscription of each tranche of the Convertible Bonds by the Subscribers pursuant to the terms and conditions of the Subscription Agreement
“Subscription Agreement”	the conditional subscription agreement dated 16 February 2026 and entered into between the Company as issuer and the Subscribers in relation to the subscription of the Convertible Bonds in the aggregate principal amount of up to HK\$278.25 million (equivalent to approximately RMB250.0 million)
“Tranche 1 Bond”	the 10% coupon secured convertible bonds in the aggregate principal amount of HK\$131.33 million (equivalent to approximately RMB118.0 million) due on the second anniversary of the date of issue of Tranche 1 Bond to be issued by the Company to the Subscribers and convertible into Shares at the conversion price of HK\$0.308 per Share (subject to adjustments)

“Tranche 2 Bond”	the 10% coupon secured convertible bonds in the aggregate principal amount of up to HK\$36.73 million (equivalent to approximately RMB33.0 million) due on the second anniversary of the date of issue of Tranche 2 Bond to be issued by the Company to the Subscribers and convertible into Shares at the conversion price of HK\$0.308 per Share (subject to adjustments)
“Tranche 3 Bond”	the 10% coupon secured convertible bonds in the aggregate principal amount of up to HK\$36.73 million (equivalent to approximately RMB33.0 million) due on the second anniversary of the date of issue of Tranche 3 Bond to be issued by the Company to the Subscribers and convertible into Shares at the conversion price of HK\$0.308 per Share (subject to adjustments)
“Tranche 4 Bond”	the 10% coupon secured convertible bonds in the aggregate principal amount of up to HK\$36.73 million (equivalent to approximately RMB33.0 million) due on the second anniversary of the date of issue of Tranche 4 Bond to be issued by the Company to the Subscribers and convertible into Shares at the conversion price of HK\$0.308 per Share (subject to adjustments)
“Tranche 5 Bond”	the 10% coupon secured convertible bonds in the aggregate principal amount of up to HK\$36.73 million (equivalent to approximately RMB33.0 million) due on the second anniversary of the date of issue of Tranche 5 Bond to be issued by the Company to the Subscribers and convertible into Shares at the conversion price of HK\$0.308 per Share (subject to adjustments)
“Tranche 1 Bond Completion Date”	within five (5) Business Days upon fulfilment (or waiver) of the conditions precedent set out in the Subscription Agreement
“Tranche 2 Bond Completion Date”	subject to the fulfilment (or waiver) of the conditions precedent set out in the Subscription Agreement, a date falling on the 5th Business Day before 30 June 2026
“Tranche 3 Bond Completion Date”	subject to the fulfilment (or waiver) of the conditions precedent set out in the Subscription Agreement, a date falling on the 5th Business Day before 30 September 2026
“Tranche 4 Bond Completion Date”	subject to the fulfilment (or waiver) of the conditions precedent set out in the Subscription Agreement, a date falling on the 5th Business Day before 15 December 2026

“Tranche 5 Bond
Completion Date”

subject to the fulfilment (or waiver) of the conditions precedent set out in the Subscription Agreement, a date falling on the 5th Business Day before 31 March 2027, or, in the event that the Subscriber(s) elects an early completion of the subscription of the Tranche 5 Bond, on a date falling on the 5th Business Day before 30 December 2026

“%”

per cent.

For the purpose of this announcement, unless otherwise indicated, the exchange rate of RMB1.000 = HK\$1.113 has been used, where applicable, for the purpose of illustration only and does not constitute a representation that any amount has been, could have been or may be exchanged at such a rate or at any other rates.

By order of the Board
China Water Industry Group Limited
Mr. Zhu Yongjun
Chairman and Executive Director

Hong Kong, 16 February 2026

As at the date of this announcement, the Board comprises Mr. Zhu Yongjun (Chairman) and Ms. Chu Yin Yin Georgiana, all being executive Directors, Mr. Wong Siu Keung, Joe, Mr. Lam Cheung Shing, Richard and Mr. Mak Ka Wing, Patrick, all being independent non-executive Directors.