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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**

On 28 June 2013, the Investor has exercised its own discretion to extend the Long Stop Date to 31 December 2013.

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 2013.

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, 29 December 2011, 29 June 2012 and 28 December 2012 respectively; and (2) the announcement of MEK dated 3 January 2011, 5 July 2011, 16 May 2012, 31 October 2012, 5 December 2012, 4 March 2013, 20 May 2013 and 18 June 2013; and (3) the announcement of CWA dated 1 November 2012, 21 May 2013 and 20 June 2013, 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 THIRD SUPPLEMENTAL SUBSCRIPTION AGREEMENT

On 28 June 2013, the Investor has exercised its own discretion to extend the Long Stop Date to 31 December 2013.

THE SIXTH SUPPLEMENTAL LETTER OF INTENT

On 28 June 2013, MEK and the Possible Underwriters entered into the non-legally binding sixth 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 2013 (or any other date so may be agreed in writing by the parties to the Letter of Intent).

THE UNDERWRITING LETTER

On 28 June 2013, 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 2013.

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, 16 December 2011, 25 June 2012 and 28 December 2012 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, 30 June 2012, 31 December 2012 and 30 June 2013 respectively. In response, each of the consent letters dated 22 December 2010, 1 April 2011, 6 July 2011, 6 January 2012, 3 July 2012 and 7 January 2013 was received from the Executive extending the latest time for despatch of the Circular to 31 March 2011, 30 June 2011, 31 December 2011, 30 June 2012, 31 December 2012 and 30 June 2013 respectively.

As disclosed in the announcement of MEK dated 18 June 2013, MEK submitted on 20 May 2013 the Revised Resumption Proposal to the Stock Exchange for resumption of trading in the Shares. According to a letter from the Stock Exchange to MEK dated 14 June 2013, the Listing Committee of the Stock Exchange considered that the Revised Resumption Proposal was not viable and decided that the listing of the Shares on the Stock Exchange be cancelled in accordance with Practice Note 17 to the Listing Rules (the "Listing Decision").

MEK submitted an application to the Listing (Review) Committee of the Stock Exchange to seek a review of the Listing Decision pursuant to Rule 2B.07(5)(b) of the Listing Rules on 18 June 2013.

Pending the decision of the Listing (Review) Committee of the Stock Exchange, the Circular will not be able to be despatched to the MEK Shareholders on or before 30 June 2013.

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 2013. 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, 2 July 2013

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 two independent non-executive Directors, namely Ms. Au Shui Ming and Mr. Martin He.

As at the date of this announcement, the board of directors of CWA comprises two executive Directors, being Mr. Duan Chuan Liang and Ms. Ding Bin, four non-executive Directors, Mr. Chen Guo Ru, Mr. Zhao Hai Hu, Mr. Zhou Wen Zhi and Mr. Makoto Inoue, 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*