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GREAT WATER
GREAT WATER HOLDINGS LIMITED
建禹集團控股有限公司
(Incorporated in the Cayman Islands with limited liability)
(Stock Code: 8196)

**DISCLOSEABLE TRANSACTION IN RELATION TO
THE ACQUISITION OF PROPERTIES**

THE SALE AND PURCHASE AGREEMENTS

The Board is pleased to announce that on 18 January 2017 (after trading hours), the Purchaser (an indirect non wholly-owned subsidiary of the Company) entered into the Sale and Purchase Agreements with the Vendor, pursuant to which the Purchaser conditionally agreed to acquire and the Vendor conditionally agreed to sell the Properties at a total consideration of RMB40,000,000 (excluding tax) (equivalent to approximately HK\$44,444,000).

GEM LISTING RULES IMPLICATIONS

As one of the applicable percentage ratios set out in Rule 19.06 of the GEM Listing Rules in respect of the Acquisition are more than 5% but less than 25%, the entering into of the Sale and Purchase Agreements and the transactions contemplated thereunder constitute discloseable transactions for the Company and are subject to the reporting and announcement requirements under Chapter 19 of the GEM Listing Rules.

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The terms of the Sale and Purchase Agreements in respect of each of the Properties are identical and their principal terms are as follows:

THE SALE AND PURCHASE AGREEMENTS

Date

18 January 2017 (after trading hours)

Parties

- (a) Great Water Environmental Technology (Shanghai) Company Limited* (建禹環保科技(上海)有限公司) (an indirect non wholly-owned subsidiary of the Company), as the Purchaser; and
- (b) Shanghai Shengkai Group Longcheng Property Company Limited* (上海城開集團龍城置業有限公司), as the Vendor.

Subject Matter

Pursuant to the Sale and Purchase Agreements, the Vendor conditionally agreed to sell and the Purchaser conditionally agreed to purchase each of the six units of the Properties, respectively, subject to the terms and conditions set out therein.

Consideration

Pursuant to the Sale and Purchase Agreements, the aggregate consideration for acquiring each unit of the Properties is RMB40,000,000 (excluding tax) (equivalent to approximately HK\$44,444,000), which was determined after arm's length negotiations between the parties by reference to the market price of neighboring new and first hand properties of a similar standard. In line with the practice generally adopted in Shanghai with regard to first hand properties, no formal valuation has been conducted in respect of the Properties at the time of entering into of the Sale and Purchase Agreements. The aggregate consideration will be paid in the following manner:

- (i) RMB20,000,000 (equivalent to approximately HK\$22,222,000) shall be paid to the Vendor on the date of the respective Sale and Purchase Agreements; and
- (ii) the balance of the consideration, being RMB20,000,000 (equivalent to approximately HK\$22,222,000), shall be paid by the Purchaser to the Vendor at the completion of the Acquisition.

The aggregate consideration of the Acquisition will be settled partly by internal resources of the JV Group, and partly by bank mortgage financing.

Conditions precedent

Completion of the Acquisition is conditional upon the completion of inspection works of the Properties.

Completion

Completion of the Acquisition shall take place within 20 business days from the date of the respective Sale and Purchase Agreements (the “**Completion Date**”). If the completion of the Acquisition does not take place on or before the Completion Date, the Vendor shall pay damages to the Purchaser at a rate of 0.02% per annum calculated on a daily basis for the period commencing from the next day of the Completion Date to the actual date of completion, and based on the amount of consideration paid by the Purchaser. In the event that completion does not take place within 180 days from the Completion Date, the Purchaser shall have the right to forthwith terminate the respective Sale and Purchase Agreements.

If the Purchaser fails to pay the consideration in accordance with the respective Sale and Purchase Agreements, the Purchaser shall pay damages to the Vendor at a rate of 0.02% per annum calculated on a daily basis for the period commencing from the next day of the agreed payment date to the actual payment date, and based on the amount of outstanding consideration payable by the Purchaser. In the event that the Purchaser does not settle the payment within 30 days from the agreed payment date, the Vendor shall have the right to forthwith terminate the respective Sale and Purchase Agreements and the Purchaser shall be liable to pay a termination fee amounting to 5% of the total consideration payable under the respective Sale and Purchase Agreements.

Post-Completion Obligations of the Vendor and the Purchaser

Pursuant to the Sale and Purchase Agreements, it was agreed between the parties that:

- (i) the parties shall sign the delivery certificate (房屋交接書) within 30 days after the Purchaser obtained the initial land use right certificate (大產證); and
- (ii) the parties shall complete all transfer procedures with respect to the Properties with the local PRC authorities, among others, to apply for the property right certificate (小產證), in accordance to the applicable laws and regulations and within 60 days from the signing of the delivery certificate (房屋交接書).

INFORMATION OF THE VENDOR

The Vendor is a commercial property developer based in Shanghai, the PRC. To the best of the Directors’ knowledge, information and belief, having made all reasonable enquiries, the Vendor and its ultimate beneficial owners are third parties independent of the Company and its connected persons as at the date of this announcement.

INFORMATION OF THE PROPERTIES

The Properties comprise of a total of six first-hand units with a total saleable floor area of 815.54 square meters each at the addresses of 2801 to 2803, 2805 to 2807 on the 28th floor of Shanghai International Commerce Centre* (上海城開國際商業中心) on No. 166 Min Hong Road, Minghang Qu, Shanghai, the PRC. As at the date of this announcement, the construction of the Shanghai International Commerce Centre has been completed.

INFORMATION OF THE GROUP

The Company is an investment holding company and the Group is principally engaged in the environmental protection business, including wastewater treatment and soil remediation, through the provision of design, construction, operation and maintenance service for related facilities and the trading of related equipment.

The Purchaser is an indirect non wholly-owned subsidiary of the Company and is established in the PRC with limited liability. The Purchaser is the project company formed as part of the JV Group and is principally engaged in development and promotion of business in the hazardous waste treatment industry in the PRC through the provision of design, construction, operation, maintenance and technical services for third party hazardous waste treatment plants in the PRC.

REASONS FOR AND BENEFITS OF THE SALE AND PURCHASE AGREEMENTS

The Properties are located close to the central commercial area in Shanghai, the PRC. The Properties will serve as office space for the JV Group. In view of its geographical proximity to various transportation terminals, the Acquisition is expected to enhance the operation efficiency of the JV Group. Accordingly, the Directors are of the view that the terms of the Sale and Purchase Agreements are normal commercial terms and that such terms are fair and reasonable so far as the Company and the Shareholders are concerned and in the interests of the Company and the Shareholders as a whole.

GEM LISTING RULES IMPLICATIONS

As one of the applicable percentage ratios set out in Rule 19.06 of the GEM Listing Rules in respect of the Acquisition are more than 5% but less than 25%, the entering into of the Sale and Purchase Agreements and the transactions contemplated thereunder constitute discloseable transactions for the Company and are subject to the reporting and announcement requirements under Chapter 19 of the GEM Listing Rules.

DEFINITIONS

In this announcement, the following expressions have the meanings set out below unless the context requires otherwise:

“Acquisition”	the acquisition of the Properties by the Purchaser in accordance with the terms and conditions of the Sale and Purchase Agreements
“Board”	the board of Directors
“Company”	Great Water Holdings Limited (建禹集團控股有限公司), a company incorporated in the Cayman Islands on 25 March 2015 as an exempted company with limited liability, the Shares of which are listed on GEM (GEM stock code: 8196)
“connected person(s)”	has the meaning ascribed to it under the GEM Listing Rules
“Director(s)”	the director(s) of the Company

“GEM”	the Growth Enterprise Market operated by the Stock Exchange
“GEM Listing Rules”	the Rules Governing the Listing of Securities on the Growth Enterprise Market of the Stock Exchange
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“HK\$”	Hong Kong dollar(s), the lawful currency of Hong Kong
“JV Group”	Sino Tactics Limited, Manford Incorporation Limited and the Purchaser, being the joint venture group established between Strong Wave Group Limited (堅濤集團有限公司) (a direct wholly-owned subsidiary of the Company) and Best Well Ventures Limited (優佳創投有限公司), details of the joint venture arrangement are set out in the announcement of the Company dated 30 September 2016
“PRC”	the People’s Republic of China (excluding, for the purpose of this announcement, Hong Kong, the Macau Special Administrative Region of the People’s Republic of China and Taiwan)
“Properties”	a total of six units with a total saleable floor area of 815.54 square meters each at the addresses of 2801 to 2803, 2805 to 2807 on the 28th floor of Shanghai International Commerce Centre* (上海城開國際商業中心) on No. 166 Min Hong Road, Minghang Qu, Shanghai, the PRC
“Purchaser”	Great Water Environmental Technology (Shanghai) Company Limited* (建禹環保科技(上海)有限公司), a company established in the PRC and a non wholly-owned subsidiary of the Company
“RMB”	Renminbi, the lawful currency of the PRC
“Sale and Purchase Agreements”	the six agreements all dated 18 January 2017 entered into between the Purchaser and the Vendor in relation to the sale and purchase of the Properties
“Share(s)”	the ordinary share(s) with a par value of HK\$0.01 each in the share capital of the Company
“Shareholder(s)”	the holder(s) of the Shares from time to time
“Stock Exchange”	The Stock Exchange of Hong Kong Limited

“Vendor” Shanghai Shengkai Group Longcheng Property Company Limited* (上海城開集團龍城置業有限公司), a company established in the PRC

“%” per cent

In this announcement, RMB is converted into HK\$ at the exchange rate of HK\$1= RMB0.9 for illustration purposes only.

By Order of the Board of
Great Water Holdings Limited
XIE YANG
Chairman

Wednesday, 18 January 2017

* For identification purpose only

As at the date of this announcement, the Board consists of two executive Directors, Mr. XIE Yang and Mr. HE Xuan Xi; two non-executive Directors of the Company, Ms. GONG Lan Lan and Mr. SONG Xiao Xing; and three independent non-executive Directors of the Company, Ms. BAI Shuang, Mr. HA Cheng Yong and Mr. TSE Chi Wai.

This announcement for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the GEM Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this announcement is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this announcement misleading.

This announcement will remain on the “Latest Company Announcements” page of the GEM website at www.hkgem.com for at least seven days from the date of its posting and be posted on the website of the Company at www.greatwater.com.cn.