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**北控水務集團有限公司**

BEIJING ENTERPRISES WATER GROUP LIMITED

*(Incorporated in Bermuda with limited liability)*

**(Stock Code: 371)**

**ISSUE OF USD500,000,000 4.95 PER CENT. BONDS DUE 2023  
AND DISCLOSURE PURSUANT TO RULE 13.18  
OF THE LISTING RULES**

The Board is pleased to announce that on 24 April 2018, the Company and the Issuer entered into a subscription agreement with Deutsche Bank AG, Hong Kong Branch, Mizuho Securities Asia Limited, UBS AG Hong Kong Branch, Bank of China (Hong Kong) Limited, China CITIC Bank International Limited, China Everbright Bank Co., Ltd., Hong Kong Branch, China International Capital Corporation Hong Kong Securities Limited, China Securities (International) Corporate Finance Company Limited, DBS Bank Ltd., Industrial and Commercial Bank of China (Asia) Limited and Wing Lung Bank Limited in connection with the Bond Issue. The Issuer is expected to issue the USD500,000,000 4.95 per cent. Bonds due 2023 on 2 May 2018.

It is expected that listing of the Bonds on the Stock Exchange will commence on 3 May 2018. The Bonds have not been and will not be rated.

This announcement is made for the purpose of Rule 13.18 of the Listing Rules.

## **INTRODUCTION**

The Board is pleased to announce that on 24 April 2018, the Company and the Issuer entered into a subscription agreement with Deutsche Bank AG, Hong Kong Branch, Mizuho Securities Asia Limited, UBS AG Hong Kong Branch, Bank of China (Hong Kong) Limited, China CITIC Bank International Limited, China Everbright Bank Co., Ltd., Hong Kong Branch, China International Capital Corporation Hong Kong Securities Limited, China Securities (International) Corporate Finance Company Limited, DBS Bank Ltd., Industrial and Commercial Bank of China (Asia) Limited and Wing Lung Bank Limited, whereby the Issuer is expected to issue the USD500,000,000 4.95 per cent. Bonds due 2023 on 2 May 2018 to professional investors, and the Bonds will be unconditionally and irrevocably guaranteed by the Company.

## **PRINCIPAL TERMS OF THE BONDS**

### **Bonds offered**

Subject to certain conditions to completion, the Issuer will issue the Bonds in the aggregate principal amount of USD500,000,000 which will mature on 2 May 2023 unless redeemed earlier pursuant to the terms thereof.

The Bonds are to be offered or sold outside of the United States in reliance on Regulation S under the U.S. Securities Act.

### **Issue Price**

99.781 per cent.

### **Interest**

The Bonds will bear interest from and including 2 May 2018 at the rate of 4.95% per annum, payable semi-annually in arrear on 2 May and 2 November in each year commencing on 2 November 2018.

### **Guarantee**

The Company will unconditionally and irrevocably guarantee the due payment of all sums expressed to be payable by the Issuer under the Bonds (the “**Guarantee**”). The obligations of the Company under the Guarantee shall, save for such exceptions as may be provided by applicable law and subject to the terms and conditions of the Bonds, at all times rank at least equally with all its other present and future unsecured and unsubordinated obligations.

## **Letter of Comfort**

BEHL, the controlling shareholder of the Company, has issued a letter of comfort dated 24 April 2018 (the “**Letter of Comfort**”) to the holders of the Bonds. The Letter of Comfort does not constitute a guarantee by BEHL of the obligations of the Issuer and the Company under the Bonds.

## **LISTING**

The Company and the Issuer have made an application to the Stock Exchange for the listing of, and permission to deal in, the Bonds by way of debt issues to professional investors only. The Stock Exchange has confirmed that the Issuer and its debt securities are eligible for listing on the Stock Exchange. Admission of the Bonds to the Stock Exchange is not to be taken as an indication of the merits of the Company, the Group or the Bonds. It is expected that listing of the Bonds on the Stock Exchange will commence on 3 May 2018. The Bonds have not been and will not be rated.

## **USE OF PROCEEDS**

The Company intends to use the net proceeds of the Bond Issue for refinancing of existing borrowings and general working capital purpose.

## **JOINT LEAD MANAGERS**

Deutsche Bank AG, Hong Kong Branch, Mizuho Securities Asia Limited and UBS AG Hong Kong Branch, Bank of China (Hong Kong) Limited, China CITIC Bank International Limited, China Everbright Bank Co., Ltd., Hong Kong Branch, China International Capital Corporation Hong Kong Securities Limited, China Securities (International) Corporate Finance Company Limited, DBS Bank Ltd., Industrial and Commercial Bank of China (Asia) Limited and Wing Lung Bank Limited are the joint lead managers of the Bond Issue.

## **SPECIFIC PERFORMANCE OBLIGATION DISCLOSURE PURSUANT TO RULE 13.18 OF THE LISTING RULES**

Pursuant to the terms and conditions of the Bonds, it is provided that at any time following the occurrence of a change of control, the holder of each Bond will have the right at such holder’s option to require the Issuer to redeem all but not some only of such holder’s Bonds at 101 per cent. of their principal amount together with accrued but unpaid interest.

Under the terms and conditions of the Bonds, a change of control occurs when, among others,

- (a) BEHL does not or ceases to own or hold more than 35 per cent. of the voting rights of the issued share capital of the Company;
- (b) BEHL does not or ceases to supervise the Company;
- (c) BEHL is not or ceases to be the single largest shareholder of the Company; or
- (d) the nominees of BEHL cease to comprise the majority of the Board.

The Company will comply with the continuing disclosure requirements pursuant to Rule 13.21 of the Listing Rules for so long as circumstances giving rise to the obligation continue to exist.

## **DEFINITIONS**

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

- “BEHL” : Beijing Enterprises Holdings Limited, a company incorporated in Hong Kong with limited liability and the shares of which are listed on the main board of the Stock Exchange (Stock Code: 392), is a controlling shareholder of the Company
- “Board” : the board of Directors
- “Bond Issue” : the issue of Bonds
- “Bonds” : the USD denominated fixed rate bonds to be issued by the Issuer and unconditionally and irrevocably guaranteed by the Company, as described in this announcement
- “Company” : Beijing Enterprises Water Group Limited, a company incorporated in Bermuda with limited liability, the shares of which are listed on the main board of the Stock Exchange (Stock Code: 371)
- “Director(s)” : director(s) of the Company (including independent non-executive director(s))
- “Group” : the Company and its subsidiaries

“Hong Kong”	:	the Hong Kong Special Administrative Region of the PRC
“Issuer”	:	Beijing Enterprises Water Capital Management Holdings Limited, a wholly-owned subsidiary of the Company incorporated in the British Virgin Islands
“Listing Rules”	:	the Rules Governing the Listing of Securities on the Stock Exchange
“PRC”	:	the People’s Republic of China (for the purpose of this announcement only, excluding Hong Kong, Macau Special Administrative Region of the People’s Republic of China and Taiwan)
“Stock Exchange”	:	The Stock Exchange of Hong Kong Limited
“United States”	:	the United States of America
“USD”	:	United States dollars, the lawful currency of the United States of America
“U.S. Securities Act”	:	the United States Securities Act of 1933, as amended

On Order of the Board  
**Beijing Enterprises Water Group Limited**  
**Li Yongcheng**  
*Chairman*

Hong Kong, 24 April 2018

*As at the date of this announcement, the board of directors of the Company comprises ten executive directors, namely Mr. Li Yongcheng (Chairman), Mr. E Meng (Vice Chairman), Mr. Jiang Xinhao, Mr. Zhou Min (Chief Executive Officer), Mr. Li Haifeng, Mr. Zhang Tiefu, Ms. Qi Xiaohong, Mr. Ke Jian, Mr. Tung Woon Cheung Eric and Mr. Li Li and five independent non-executive directors, namely Mr. Shea Chun Lok Quadrant, Mr. Zhang Gaobo, Mr. Guo Rui, Mr. Wang Kaijun and Dr. Lee Man Chun Raymond.*