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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)

ANNOUNCEMENT

ISSUE OF 2019 MEDIUM-TERM NOTES SERIES 1

AND

GENERAL DISCLOSURE UNDER RULE 13.18 OF THE LISTING RULES

This announcement is made pursuant to the requirement under Rule 13.18 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Listing Rules”).

ISSUE OF 2019 MEDIUM-TERM NOTES SERIES 1

References are made to the announcements of the Company dated 18 May 2018, 28 May 2018, 16 July 2018 and 20 July 2018 regarding 2018 medium-term notes registered in China with the aggregate amount of not more than RMB8 billion (the “Announcements”). The issue of Medium-term Notes Series 1 of the principal amount of RMB3 billion and Medium-term Notes Series 2 of the principal amount of RMB3 billion was completed on 25 May 2018 and 20 July 2018 respectively. Unless otherwise defined, terms used herein shall have the same meanings as those defined in the Announcements.

The board of directors of the Company hereby announces that the Company proposes to issue 2019 medium-term notes series 1 (the “2019 Medium-term Notes Series 1”) of principal amount of RMB2 billion. Proceeds to be raised from the 2019 Medium-term Notes Series 1 are intended to be used for the Company and its subsidiaries in China to repay the existing loans of the financial institutions and general working capital purposes.

In case of any inconsistency, the principal amount, terms, interest rates, use of proceeds raised from the issuance of the 2019 Medium-term Notes Series 1 and other key information set out in the offering circular published at the time of issuance of the 2019 Medium-term Notes Series 1 shall prevail.

Offering circular and other documents relating to the issuance of 2019 Medium-term Notes Series 1 will be published on the websites of China Money (www.chinamoney.com.cn) and Shanghai Clearing House (www.shclearing.com) at the time of issuance.

GENERAL DISCLOSURE UNDER RULE 13.18 OF THE LISTING RULES

Unless waiver has been obtained from the holders of 2019 Medium-term Notes Series 1, the noteholders may have the option to sell back the 2019 Medium-term Notes Series 1 to the Company following a change of control. In accordance with the terms of 2019 Medium-term Notes Series 1, a change of control means the occurrence of one of the following events:

- (a) Beijing Enterprises Holdings Limited (“BEHL”) owns or controls, directly or indirectly, less than 35% of voting rights in the Company;
- (b) BEHL does not or ceases to supervise the Company;
- (c) BEHL is not or ceases to be the, direct or indirect, single largest shareholder of the Company;
- (d) The nominees of BEHL do not comprise the majority of the members of the board of directors of the Company.

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.

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

Hong Kong, 7 January 2019

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.