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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)

**(1) SUBSCRIPTION OF SHARES UNDER SPECIFIC MANDATE
AND
(2) VOLUNTARY ANNOUNCEMENT
COOPERATION AGREEMENT**

(1) THE SUBSCRIPTION

On 18 January 2019, the Company and CYPI entered into the Subscription Agreement, pursuant to which the Company conditionally agreed to allot and issue, and CYPI conditionally agreed to subscribe for, the Subscription Shares at the Subscription Price.

The total number of Subscription Shares represents:

- (i) approximately 5.00% of the total number of issued Shares as at the date of this announcement; and
- (ii) approximately 4.76% of the total number of issued Shares as enlarged by the allotment and issue of the Subscription Shares (assuming there will be no change in the total number of issued Shares between the date of this announcement and the allotment and issue of the Subscription Shares).

The Subscription Shares will be allotted and issued under the Specific Mandate proposed to be sought from the Shareholders at the SGM.

The gross proceeds of the Subscription will be approximately HK\$2,019.1 million. The net proceeds, after deduction of all relevant expenses incidental to the Subscription are estimated to be approximately HK\$2,018.6 million. The intended use of the net proceeds from the Subscription are as follows:

- (i) approximately HK\$1,518.6 million for the investment in traditional water projects including “Build-Operate-Transfer (BOT)” and “Transfer-Operate-Transfer (TOT)” projects; and
- (ii) approximately HK\$500 million for the construction of water environment comprehensive renovation projects.

The Subscription is conditional upon, among others, (i) the Shareholders at the SGM granting approval of the Subscription Agreement and the transactions contemplated thereunder, including the Specific Mandate; and (ii) the Stock Exchange granting the listing of, and permission to deal in, the Subscription Shares.

GENERAL

At the SGM, the Company will seek approval from the Shareholders for the Subscription Agreement and the transactions contemplated thereunder, including the Specific Mandate.

To the best of the Directors’ knowledge, information and belief, having made all reasonable enquiries, as at the date of this announcement, no Shareholder has a material interest in the Subscription Agreement and the transactions contemplated thereunder. As such, no Shareholder is required to abstain from voting for the resolution to approve the Subscription Agreement and the transactions contemplated thereunder at the SGM.

A circular containing, among other things, (i) further details regarding the Subscription Agreement and the transactions contemplated thereunder; (ii) a notice of the SGM; and (iii) other information as required under the Listing Rules, will be despatched by the Company to the Shareholders in accordance with the requirements of the Listing Rules. The circular is expected to be despatched to the Shareholders on or before 13 February 2019.

Shareholders and potential investors of the Company should note that the Subscription is subject to the fulfilment of the conditions under the Subscription Agreement. As the Subscription may or may not proceed to completion, Shareholders and potential investors of the Company are reminded to exercise caution when dealing in the Shares and other securities of the Company.

(2) THE COOPERATION AGREEMENT

On 18 January 2019, the Company entered into the Cooperation Agreement with YEEPG in respect of the cooperation contemplated under the objective of protection of the Yangtze River.

Pursuant to the Cooperation Agreement, the Company and YEEPG agreed, among other things, to cooperate in the aspects of cooperative cities, project business and research, in order to further the work on urban sewage treatment and contribute to the cleanliness of the water in the Yangtze River. Subject to the signing of formal agreements by the Company and YEEPG, under the Cooperation Agreement, the Company and YEEPG shall work together on certain scopes of cooperation from the date of its signing.

Listing Rules Implications

The Cooperation Agreement serves as a guiding document for the future cooperation between the Company and YEEPG. The Company and YEEPG will determine the specific mode of cooperation by taking into account the situation of the specific projects and further enter into relevant formal agreements, which will govern the rights and obligations and the scope of work of the Company and YEEPG in the projects. As concrete details or capital contribution by the Company and YEEPG to the Cooperation are not set out in the Cooperation Agreement, none of the applicable percentage ratios (as defined under the Listing Rules) is applicable in respect of the Cooperation, therefore, the entering into of the Cooperation Agreement is not subject to the reporting, announcement and Shareholders' approval requirements under Chapter 14 of the Listing Rules.

Shareholders and potential investors of the Company should note that the Cooperation is subject to the signing of formal agreements by the Company and YEEPG. As the Cooperation may or may not proceed, Shareholders and potential investors of the Company are reminded to exercise caution when dealing in the Shares and other securities of the Company.

(1) THE SUBSCRIPTION

On 18 January 2019 (after trading hours), the Company and CYPI entered into the Subscription Agreement, the principal terms of which are set out as follows:

The Subscription Agreement

Date 18 January 2019

Parties

Issuer : the Company

Subscriber : CYPI

Subscription Shares

Pursuant to the Subscription Agreement, the Company conditionally agreed to allot and issue, and CYPI conditionally agreed to subscribe for, the Subscription Shares at the Subscription Price.

As at the date of this announcement, the Company has a total number of 9,412,988,721 Shares. The total number of Subscription Shares represents:

- (i) approximately 5.00% of the total number of issued Shares as at the date of this announcement; and
- (ii) approximately 4.76% of the total number of issued Shares as enlarged by the allotment and issue of the Subscription Shares (assuming there will be no change in the total number of issued Shares between the date of this announcement and the allotment and issue of the Subscription Shares).

Based on the closing price of the Shares of HK\$4.29 per Share on the date of this announcement, the Subscription Shares have a market value of approximately HK\$2,019.1 million. The aggregate nominal value of the Subscription Shares is approximately HK\$47.1 million.

It is expected that CYPI will not become a substantial shareholder (as defined in the Listing Rules) of the Company as a result of the Subscription.

Subscription Price

The Subscription Price of HK\$4.29 per Subscription Share represents:

- (a) the equivalence to the closing price of HK\$4.29 per Share as quoted on the Stock Exchange on 18 January 2019, being the date on which the terms of the Subscription was fixed;
- (b) a premium of approximately 0.23% to the closing price of HK\$4.28 per Share as quoted on the Stock Exchange on the Last Trading Day;
- (c) a premium of approximately 1.27% to the average closing price of HK\$4.236 per Share as quoted on the Stock Exchange for the last five consecutive trading days up to and including the Last Trading Day; and
- (d) a premium of approximately 3.80% to the average closing price of HK\$4.133 per Share as quoted on the Stock Exchange for the last ten consecutive trading days up to and including the Last Trading Day.

The Subscription Price was arrived at after arm's length negotiation between the Company and CYPI with reference to the recent trading performance of the Shares and the business prospects of the Group. The Directors consider that the Subscription Price and the terms of the Subscription Agreement are fair and reasonable, in normal commercial terms, and in the interests of the Company and the Shareholders as a whole.

The aggregate Subscription Price of approximately HK\$2,019.1 million shall be payable by CYPI in the following manner:

- (a) within ten (10) Business Days after the date of the Subscription Agreement, CYPI shall pay approximately HK\$20.2 million (being 1% of the aggregate Subscription Price) in cash to the Company as a deposit (the “**Deposit**”); and
- (b) on the date of completion of the Subscription, CYPI shall pay the remaining Subscription Price (the “**Remaining Consideration**”), approximately HK\$1,998.9 million (being 99% of the aggregate Subscription Price) in cash to the Company.

If the allotment, issue and subscription of the Subscription Shares is completed on the date of completion of the Subscription, the Deposit shall constitute part of the aggregate Subscription Price.

If any of the conditions precedent under the Subscription Agreement fails to be satisfied on or before the Long Stop Date other than due to the default of CYPI, the Company shall refund the Deposit to CYPI within five (5) Business Days from (i) the Long Stop Date (or the date of such termination, whichever is the earlier); or (ii) the date on which the Company receives a written notice from CYPI about the information of the bank accounts for refund of the Deposit, whichever is the latter, together with the actual amount of interest (if any) accrued on the bank account in which the Deposit shall have been deposited (“**Deposit Refund**”).

Conditions precedent

Completion of the Subscription is conditional upon fulfilment of the following conditions:

- (a) the Listing Committee having granted the approval for the listing of, and permission to deal in, the Subscription Shares;
- (b) the Company having obtained all necessary consents and authorisations in relation to the Subscription Agreement and the transactions contemplated thereunder; and
- (c) the Shareholders having approved at the SGM the Subscription Agreement and the transactions contemplated thereunder, including but not limited to the allotment and issue of the Subscription Shares.

None of the conditions precedent under the Subscription Agreement are capable of being waived by any of the parties thereto. If any of the conditions precedent under the Subscription Agreement is not fulfilled on or before the Long Stop Date, all rights and obligations of the parties under the Subscription Agreement shall cease and terminate, and save and except for (i) those provisions regarding confidentiality and other general provisions which shall remain in full force and effect; and (ii) the Deposit Refund, no party shall have any claim against the other save for claim (if any) in respect of any antecedent breach thereof.

Ranking

The Subscription Shares, when fully paid and allotted and issued, will rank *pari passu* among themselves and with the Shares in issue on the date of allotment and issue of the Subscription Shares.

Completion of the Subscription

Completion of the Subscription shall take place on the fifth (5th) Business Day following the fulfilment of all the conditions precedent under the Subscription Agreement (or such other date as may be agreed by the Company and CYPI in writing).

On the date of completion of the Subscription, CYPI shall pay to the Company the Remaining Consideration in cash for the subscription of the Subscription Shares and the Subscription Shares shall be allotted and issued to CYPI free from all encumbrances.

Lock-up undertaking

CYPI undertakes that, during the period of six (6) months from the date of completion of the Subscription (the “**Lock-up Period**”), it shall not transfer or seek to dispose of the Subscription Shares (save for the transfer or disposal of the Subscription Shares by CYPI to its associates, who shall execute in favour of the Company a written undertaking (the form and substance of which shall have been approved by the Company in writing prior to such execution) to abide by the lock-up provisions until expiry of the Lock-up Period as though it were CYPI) or otherwise create any options, rights, interests or encumbrances in respect of, any of the Subscription Shares.

Right to nominate executive Director

Pursuant to the Subscription Agreement, if the Subscription is completed, if CYPI and its associates increase their shareholding in the Company in the secondary market which results in their shareholding in the Company reaching or exceeding 10% of the then total number of issued Shares, then CYPI (or its associate) shall have the right to nominate one candidate to act as an executive Director for the Board’s determination. For avoidance of doubt, CYPI and all its associates collectively may only nominate one such candidate.

Specific mandate to issue the Subscription Shares

The Subscription Shares will be allotted and issued under the Specific Mandate proposed to be sought from the Shareholders at the SGM.

INFORMATION OF THE COMPANY

The Company is an investment company and the holding company of the Group. The Group is principally engaged in construction of sewage and reclaimed water treatment and seawater desalination plants, and provision of construction services for comprehensive renovation projects in the PRC, Malaysia and Australia; provision of sewage and reclaimed water treatment services in the PRC, the Republic of Singapore, Portuguese Republic, Australia and New Zealand; distribution and sale of piped water in the PRC, Portuguese Republic and Australia; provision of technical

and consultancy services and sale of machineries related to sewage treatment and construction services for comprehensive renovation projects in the PRC and Australia; and the licensing of technical know-how related to sewage treatment in the PRC.

INFORMATION OF CYPI

CYPI is a company incorporated in Hong Kong with limited liability. It is a wholly-owned subsidiary of China Yangtze Power Co., Ltd.* (中國長江電力股份有限公司) (“CYPC”).

The business scope of CYPI is the development, investment, operation and management of overseas power and energy projects. CYPI is an overseas investment and financing platform for CTG and CYPC to expand their overseas business.

APPLICATION FOR LISTING

An application will be made by the Company to the Stock Exchange for the listing of, and permission to deal in, the Subscription Shares on the Main Board of the Stock Exchange.

EFFECT ON THE SHAREHOLDING OF THE COMPANY

As at the date of this announcement, the Company had 9,412,988,721 Shares in issue.

The following table illustrates the shareholding structure of the Company (i) as at the date of this announcement; and (ii) immediately following the completion of the Subscription (assuming no change in the issued share capital of the Company since the date of this announcement and up to the date of completion of the Subscription):

Shareholders	As at the date of this up to the date of completion of the announcement		Immediately following the completion of the Subscription (assuming no change in the issued share capital of the Company since the date of this announcement and the date of completion of the Subscription)	
	Number of Shares	Approximate %	Number of Shares	Approximate %
BEECL and parties acting in concert with it	3,993,859,356 (<i>Note</i>)	42.43	3,993,859,356 (<i>Note</i>)	40.41
CYPI	—	—	470,649,436	4.76
Public shareholders	<u>5,419,129,365</u>	<u>57.57</u>	<u>5,419,129,365</u>	<u>54.83</u>
Total	<u><u>9,412,988,721</u></u>	<u><u>100</u></u>	<u><u>9,883,638,157</u></u>	<u><u>100</u></u>

Note:

As at the date of this announcement, BEGCL is deemed to be interested in 3,993,859,356 shares as a result of its indirect holding of such shares through the following entities including its wholly-owned subsidiaries:

Name	Long positions in Shares
BEECL	3,993,859,356
BEHL	3,993,859,356
Beijing Enterprises Group (BVI) Company Limited (“BE Group (BVI)”)	3,993,859,356
BEGCL	3,993,859,356

As at the date of this announcement, BEECL beneficially holds 3,993,859,356 Shares (representing approximately 42.43%) in the share capital of the Company. BEECL is a wholly-owned subsidiary of BEHL, which is in turn directly held as to approximately 41.06% by BE Group (BVI), which is in turn held as to 100% by BEGCL.

FUND RAISING ACTIVITIES IN THE PAST TWELVE MONTHS

The Company conducted the following equity fund raising activities during the twelve months immediately preceding the date of this announcement:

Date of announcement	Completion date	Fund raising activities	Net proceeds raised (approximately)	Intended use of proceeds	Actual use of proceeds
24 January 2018	1 February 2018	Placing of new Shares under general mandate	HK\$2,614.7 million	<ul style="list-style-type: none"> (i) approximately HK\$472.0 million for repayment of loans; (ii) approximately HK\$823.0 million for the construction of water plants in the PRC under “Build-Operate-Transfer (BOT)” projects; (iii) approximately HK\$250.0 million for the acquisition of concession rights of “Transfer- Operate-Transfer (TOT)” water projects in the PRC; (iv) approximately HK\$965.0 million for the construction of water environment comprehensive renovation projects in the PRC; and (v) approximately HK\$104.7 million as general working capital of the Group mainly for the payment of interest expenses, administrative expenses and operation expenses, including salaries and office rental expenses. 	<ul style="list-style-type: none"> (i) HK\$513 million for repayment of loans; (ii) HK\$352 million for the construction of water plants in the PRC under BOT projects; (iii) HK\$954 million for the acquisition of concession rights of TOT water projects in the PRC; (iv) HK\$695.7 million for the construction of water environment comprehensive renovation projects in the PRC; and (v) HK\$100 million for general working capital of the Group.
24 January 2018	4 April 2018	Subscription of new Shares under specific mandate	HK\$999.5 million	<ul style="list-style-type: none"> (i) approximately HK\$715.5 million for repayment of loans; (ii) approximately HK\$105.0 million for the construction of water plants in the PRC Under BOT projects; and (iii) approximately HK\$179.0 million for the construction of water environment comprehensive renovation projects in the PRC. 	<ul style="list-style-type: none"> (i) HK\$743 million for repayment of loans; (ii) HK\$68.5 million for the construction of water plants in the PRC under BOT projects; and (iii) HK\$188 million for the construction of water environment comprehensive renovation projects in the PRC.

USE OF PROCEEDS

The gross proceeds of the Subscription will be approximately HK\$2,019.1 million. The net proceeds, after deduction of all relevant expenses incidental to the Subscription are estimated to be approximately HK\$2,018.6 million and the net subscription price per Share is HK\$4.29. The intended use of the net proceeds from the Subscription are as follows: (i) approximately HK\$1,518.6 million for the investment in traditional water projects including “Build-Operate-Transfer (BOT)” and “Transfer-Operate-Transfer (TOT) projects” and (ii) approximately HK\$500 million for the construction of water environment comprehensive renovation projects.

GENERAL

At the SGM, the Company will seek approval from the Shareholders for the Subscription Agreement and the transactions contemplated thereunder, including the Specific Mandate.

The Directors consider that the terms of the Subscription Agreement and the transactions contemplated thereunder, though not in the ordinary and usual course of business of the Company, are on normal commercial terms, fair and reasonable and in the interests of the Company and the Shareholders as a whole.

To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, as at the date of this announcement, no Shareholder has a material interest in the Subscription Agreement and the transactions contemplated thereunder. As such, no Shareholder is required to abstain from voting for the resolution to approve the Subscription Agreement and the transactions contemplated thereunder at the SGM.

A circular containing, among other things, (i) further details regarding the Subscription Agreement and the transactions contemplated thereunder; (ii) a notice of the SGM; and (iii) other information as required under the Listing Rules, will be despatched by the Company to the Shareholders in accordance with the requirements of the Listing Rules. The circular is expected to be despatched to the Shareholders on or before 13 February 2019.

(2) THE COOPERATION AGREEMENT

On 18 January 2019 (after trading hours), the Company entered into the Cooperation Agreement with YEEPG in respect of the cooperation contemplated under the objective of protection of the Yangtze River.

Pursuant to the Cooperation Agreement, the Company and YEEPG agreed, among other things, to cooperate in the aspects of cooperative cities, project business and research, in order to further the work in urban sewage treatment and contribute to the cleanliness of the water in the Yangtze River. Subject to the signing of formal agreements by the Company and YEEPG, under the Cooperation Agreement, the Company and YEEPG shall work together on the following scopes of cooperation from the date of its signing.

Cooperation in research

The Company and YEEPG shall jointly establish the Yangtze River protection technology and economic research platform. The platform will study the mission framework, policies, compensation mechanisms, multi-synergy collaboration, environmental governance and regional economic development in relation to the protection of the Yangtze River. The platform will identify, incubate, apply and trade on domestic and foreign advanced technologies, form its own brand and export its model.

Cooperation in business

The Company and YEEPG intend to cooperate in various cities. The selection of the cooperative cities is based on the respective reserve assets and geographical advantages of the Company and YEEPG, taking into account the relevant national requirements. The cooperation will start with urban sewage treatment, and gradually extend to fields including city water supply, pipe network, comprehensive water control, solid waste treatment and so on.

Recent cooperative cities

The Company and YEEPG intend to jointly establish city investment companies and city services companies in Nanjing and Changsha (including Liuyang). Upon preliminary agreement between the Company and YEEPG, the city investment companies are intended to be controlled by the YEEPG while the city services companies are intended to be controlled by the Company. For projects that are jointly determined and acquired by the Company and YEEPG, the project construction, operation and management shall in principle be brought into the city investment companies, the city services companies or other platforms to be formed by the Company and YEEPG.

The Company and YEEPG intend to engage in the integration of Nanjing and Changsha (including Liuyang) reserve water market and the development of local comprehensive water control or other environmental protection projects.

Medium term cooperative cities

The Company and YEEPG intend to set up joint working groups in Wuhan and Jiangsu to carry out project planning in city water utilities and water environmental governance, and jointly deal with the government to promote project expansion in phases. After identifying the specific projects in Wuhan and Jiangsu, the Company and YEEPG will negotiate to expand the market with reference to the cooperation mode of Nanjing and Changsha or other mutually agreed ways.

Long term exploratory cooperative cities

The Company and YEEPG will further explore the cooperation opportunities in the cities along the Yangtze River.

Union cooperation

The Company shall participate as a core member in the Yangtze River Eco-Environment Industry Alliance* (長江生態環保產業聯盟), in order to play a leading role in the industry, and to attract resources to participate in the industry alliance.

Other cooperation

The Company and YEEPG shall study the feasibility of joint establishment of asset management platform and services platform. In principle, the asset management platform will be positioned as an investment vehicle of the Company and YEEPG for the protection of the Yangtze River, and will be managed and operated in a market-oriented manner covering equity investment and fund management. The service platform will be positioned to set up city services companies in each cooperative city, which will be entrusted with the management of related environmental protection projects.

The Company and YEEPG will discuss the opportunities of jointly establishing a knowledge management platform, an environmental census platform, or other commercial cooperation platforms along the Yangtze River.

INFORMATION OF YEEPG

YEEPG is a company established in the PRC with limited liability. It is an operating entity of CTG in charge of implementing the PRC's objective of protection of the Yangtze River. Its scope of operations include investment, development and operation of pioneer projects for the protection of the Yangtze River; exploration of new mode and new mechanism of sewage processing in cities in the PRC; participation in the repair of the ecology and environmental protection in the Yangtze River economic region; implementation of relevant projects under the cooperation agreements entered into among CTG and provinces and cities in the Yangtze River region; and developing CTG's core capabilities in the ecological environmental protection business.

REASONS FOR AND BENEFITS OF THE ENTERING INTO OF THE CYPI SHARE SUBSCRIPTION AND THE COOPERATION AGREEMENT

Environmental protection is an important direction for the development of today's society, and it is receiving more and more attention from the state. As the longest river and the economic hub in Asia, the great protection of the Yangtze River Basin is imperative. The participation of CTG in the great protection of the Yangtze River as well as playing a major role as the backbone are new missions and new tasks endowed by the state and history. As a leading company in the water industry in the PRC, the Group can play an active role with its more than 10 years of experience in water environmental protection and solid technical strength.

This dual cooperation in equity and business between the Group and CTG (an indirect holding company of CYPI) is based on the need of the strategic development of the Group. It will also be conducive to deepening the partnership between the Group and CTG comprehensively and in depth, which has far-reaching significance for both parties.

Through this equity cooperation, both parties have become close partners. Under the circumstances that both parties complement each other's strengths, they are committed to the environmental protection field along the Yangtze River and even the whole country. This cooperation will give full play to the rich experience and leading technology of the Group in the field of water environmental protection, and will also help to control the ecological environment of the Yangtze River Basin more scientifically and effectively. At the same time, it will strengthen the business development of the Group along the Yangtze River and even in the national market. It will not only improve the development speed of the Group, but also promote the development quality of the Group. It will also verify and strengthen the leading position of the Group in the water industry.

LISTING RULES IMPLICATIONS

The Cooperation Agreement serves as a guiding document for the future cooperations between the Company and YEEPG. The Company and YEEPG will determine the specific mode of cooperation by taking into account the situation of the specific projects and further enter into relevant formal agreements, which will govern the rights and obligations and the scope of work of the Company and YEEPG in the projects. As concrete details or capital contribution by the Company and YEEPG to the cooperation are not set out in the Cooperation Agreement, none of the applicable

percentage ratios (as defined under the Listing Rules) is applicable in respect of the Cooperation, therefore, the entering into of the Cooperation Agreement is not subject to the reporting, announcement and Shareholders' approval requirements under Chapter 14 of the Listing Rules.

Shareholders and potential investors of the Company should note that the Subscription is subject to the fulfilment of the conditions under the Subscription Agreement. As the Subscription may or may not proceed to completion, Shareholders and potential investors of the Company are reminded to exercise caution when dealing in the Shares and other securities of the Company.

Shareholders and potential investors of the Company should note that the Cooperation is subject to the signing of formal agreements by the Company and YEEPG. As the Cooperation may or may not proceed, Shareholders and potential investors of the Company are reminded to exercise caution when dealing in the Shares and other securities of the Company.

DEFINITIONS

In this announcement, unless the context otherwise requires, the following words and expressions shall have the following meanings when used herein:

“associate(s)”	has the meaning ascribed thereto under the Listing Rules
“BEECL”	Beijing Enterprises Environmental Construction Limited, a controlling shareholder of the Company
“BEGCL”	Beijing Enterprises Group Company Limited, a company established in the PRC with limited liability, an indirect controlling shareholder of the Company
“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
“Business Day”	any day (excluding Saturday and Sunday) on which commercial banks generally are open for business in Hong Kong

“Company”	Beijing Enterprises Water Group Limited (Stock Code: 371), a company incorporated in Bermuda with limited liability and the shares of which are listed on the main board of the Stock Exchange
“connected persons”	has the meaning ascribed thereto under the Listing Rules
“Cooperation”	the cooperation between the Company and YEEPG contemplated under the Cooperation Agreement
“Cooperation Agreement”	the cooperation agreement dated 18 January 2019 entered into between the Company and YEEPG
“CTG”	China Three Gorges Corporation, a company established in the PRC with limited liability, an indirect holding company of CYPI and a direct holding company of YEEPG
“CYPI”	China Yangtze Power International (Hongkong) Co., Limited (中國長電國際 (香港) 有限公司), a company incorporated in Hong Kong with limited liability
“Director(s)”	director(s) of the Company from time to time
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollar, the lawful currency of Hong Kong
“Hong Kong”	Hong Kong Special Administrative Region of the PRC
“Last Trading Day”	17 January 2019, being the last full trading day for the Shares immediately before the date of the Subscription Agreement
“Listing Committee”	the Listing Committee of the Stock Exchange
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Long Stop Date”	the date falling ninety (90) days after the date of the Subscription Agreement
“PRC”	the People’s Republic of China, excluding, for the purposes of this announcement, Hong Kong, Macau and Taiwan

“SGM”	the special general meeting of the Company to be convened for the purpose of considering and, if thought fit, approving the Subscription Agreement and the transactions contemplated thereunder, including the Specific Mandate
“Share(s)”	ordinary shares of HK\$0.10 each in the capital of the Company
“Shareholder(s)”	holder(s) of the Shares
“Specific Mandate”	the specific mandate for the allotment and issue of the Subscription Shares, which is subject to approval by the Shareholders voting by way of poll at the SGM
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subscription”	the subscription of the Subscription Shares by CYPI pursuant to the Subscription Agreement
“Subscription Agreement”	a conditional subscription agreement entered into between CYPI and the Company dated 18 January 2019 in relation to the Subscription
“Subscription Price”	HK\$4.29 per Subscription Share
“Subscription Shares”	470,649,436 Shares to be subscribed and allotted pursuant to the terms of the Subscription Agreement
“YEEPG”	Yangtze Ecological Environmental Protection Group Co., Ltd.* (長江生態環保集團有限公司), a company established in the PRC with limited liability
“%”	per cent.

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

Hong Kong, 18 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.

* For identification purpose only