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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)**

## **VOLUNTARY ANNOUNCEMENT**

### **(1) CHANGE IN A SUBSTANTIAL SHAREHOLDER**

**AND**

### **(2) COOPERATION WITH CHINA THREE GORGES CORPORATION**

This announcement is made by Beijing Enterprises Water Group Limited (the “Company”, and together with its subsidiaries, the “Group”) on a voluntary basis to keep the shareholders and potential investors of the Company informed of the latest business development of the Group.

#### **(1) Change in a substantial shareholder**

With reference to the disclosure of interests filings dated 4 May 2020 made by China Three Gorges Corporation (“CTG”) pursuant to Part XV of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), it has come to the board (the “Board”) of directors of the Company’s knowledge that on 4 May 2020, 1,008,167,436 shares of the Company, representing approximately 10.06% of the total issued share capital of the Company, were indirectly held by CTG through its subsidiaries, Three Gorges Capital Holdings Co., Ltd.\* (三峽資本控股有限責任公司) (“TGC”), China Yangtze Power Co., Ltd. and Yangtze Ecology and Environment Co., Ltd.\* (長江生態環保集團有限公司) (“YEE”). Since 4 May 2020, CTG is deemed to be a substantial shareholder of the Company (as defined in the Listing Rules).

#### **(2) Cooperation with CTG**

On 18 January 2019, the Company entered into the cooperation agreement with YEE in respect of the cooperation contemplated under the objective of protection of the Yangtze River. The Company and YEE have cooperation in several areas since the signing date of the cooperation agreement.

The cooperation between the Group and CTG and its subsidiaries is set out as follows:

### Establishment of Dual Platforms Joint Ventures

In November 2019, the Group and YEE set up dual platforms joint ventures in Nanjing of Jiangsu province and Changsha of Hunan province in China in order to promote the cooperation between the two groups in those areas. The information of dual platforms joint ventures are as follows:

Name of Joint Venture	Registered Capital (RMB Million)	Equity Interest held by the Group	Equity Interest held by YEE	Scope of Business
Changsha Three Gorges Beijing Enterprises Water Group Co., Ltd.	50	51%	49%	Sewage treatment and recycling; Consultancy, design, construction and operation related to comprehensive renovation projects; Operation of pollution renovation projects; Operation of sludge treatment projects; Operation and management of environmental protection facilities; Construction of environmental protection facilities and pollution renovation project; Operation management and maintenance management of urban comprehensive pipe gallery etc.
Changsha Three Gorges Beijing Enterprises Water Group Investment Co., Ltd.	500	49%	51%	Investment on environmental pollution renovation projects; Investment consultancy (excluding finance, securities, futures) etc.
Three Gorges Beijing Enterprises Nanjing Water Group Co., Ltd.	50	51%	49%	Development of water comprehensive renovation projects; Investment on construction of environmental protection projects, municipal projects and industrial water supply and drainage projects; construction, maintenance and operation management etc.

<b>Name of Joint Venture</b>	<b>Registered Capital (RMB Million)</b>	<b>Equity Interest held by the Group</b>	<b>Equity Interest held by YEE</b>	<b>Scope of Business</b>
Three Gorges Beijing Enterprises Nanjing Water Group Investment Co., Ltd.	1,000	49%	51%	Investment on environmental protection projects, municipal projects and industrial water supply and drainage projects investment etc.

### **Fund Cooperation**

On 12 October 2019, Beijing Enterprises Jinfu (Beijing) Investment Holding Co., Ltd.\* (北控金服(北京)投資控股有限公司) (“Beijing Enterprise Jinfu”), an associated company of the Group and, TGC, the subsidiary of the CTG, jointly established Yangtze River Green Development Fund Management Co., Ltd. for the purpose of raising the Yangtze River Green Development Fund. After the completion of changes of equity on 27 March 2020, the structure of equity is as follows:

<b>Name of the Company</b>	Yangtze River Green Development Fund Management Co., Ltd.
<b>Structure of Equity</b>	TGC 40%
	Beijing Enterprises Jinfu 30%
	CCCC Investment Fund Management (Beijing) Co., Ltd.* (中交投資基金管理(北京)有限公司) 30%

Beijing Enterprises Jinfu is a company incorporated in China with limited liability and a company indirectly held as to 42% by the Company.

## Project Cooperation

### (1) Contracted Project

On 11 September 2019, the Group, YEE and other third parties jointly formed a joint venture company, Yueyang Three Gorges Water Environment Comprehensive Renovation Co., Ltd.\* (岳陽市三峽水環境綜合治理有限責任公司) (“YTGWE”), in which the Group holds 4.8% equity interest. On 19 December 2019, YTGWE signed a contract on Yueyang city sewage system comprehensive treatment public-private-partnership (“PPP”) project (Phase I). Details of project information are as follows :

<b>Name of the Project</b>	Yueyang city sewage system comprehensive treatment PPP project (Phase I)
<b>Date of Contract</b>	19 December 2019
<b>Estimated Total Project Investment Amount</b>	RMB 4.445 Billion
<b>Estimated Water Treatment Capacity</b>	155,000 tons/day
<b>Members of YTGWE</b>	YEE North China Municipal Engineering Design & Research Institute Co., Ltd.* (中國市政工程華北設計研究總院有限公司) Shanghai Investigation, Design & Research Institute Co., Ltd.* (上海勘測設計研究院有限公司) Sinohydro Bureau 8 Co., Ltd.* (中國水利水電第八工程局有限公司) China Gezhouba Group Co., Ltd.* (中國葛洲壩集團股份有限公司) China Construction Second Engineering Bureau Ltd.* (中國建築第二工程局有限公司) Beijing Enterprises Water (China) Investment Co., Ltd.* (北控水務(中國)投資有限公司) (“Beijing Enterprises Water (China) Investment”)
<b>Cooperation Period of the Project</b>	The cooperation period of this project is 25 years, of which the construction period of each new sub-project is 3 years, and the period of operation is 22 years from the date of formal commercial operation of each sub-project. The operating period of each of brownfield projects is 25 years, which expires 25 years from the date of formal commercial operation of each project. If each of brownfield projects lags behind due to delay in handover by the local government, the operating period will be extended accordingly. In order to remain the operating period unchanged, the starting of operation will be shift to an earlier date or later date in case of any adjustment in the construction period.

## *(2) Successful Tender*

On 6 September 2019, the Group as one of the members of consortium together with YEE has successfully won the bid recently for a PPP Project for Reconstruction and Expansion of Sewage Treatment Plant in Junshan District of Yueyang Hunan Province. The summary of tender are as follows:

<b>Name of Project</b>	Yueyang Junshan City sewage treatment plant reconstruction and expansion PPP Project
<b>Date of Publication of Tender Results</b>	6 September 2019
<b>Estimate Total Project Investment Amount</b>	RMB 275 Million
<b>Estimated Water Treatment Capacity</b>	25,000 tons/day
<b>Members of Consortium</b>	YEE China National Chemical Engineering No. 4 Construction Co., Ltd.* (中國化學工程第四建設有限公司) Beijing Enterprises Water (China) Investment
<b>Cooperation Period of the Project</b>	Cooperation period of the project is planned to be 30 years, of which the construction period is 1 year and the operating period is 29 years.

Beijing Enterprises Water (China) Investment is a company incorporated in China with limited liability and an investment holding company which is wholly owned by the Company.

The Board wishes to state that the Group obtained the result of the tender from the platform of the relevant local authority in China and has yet to enter into any formal contract in relation to the tender. The actual contract value and total revenue may be different to this announcement as a result of any unexpected changes in the market environment and other conditions. No forecast or prediction of the profits of the Group has been made with regard to the tender in this announcement.

Shareholders and potential investors of the Company are advised to exercise caution when dealing in the shares of the Company.

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

Hong Kong, 11 May 2020

*As at the date of this announcement, the Board comprises nine executive directors, namely Mr. Li Yongcheng (Chairman), Mr. Jiang Xinhao, Mr. Zhou Min (Chief Executive Officer), Mr. Li Haifeng, Mr. Zhang Tiefu, Mr. Ke Jian, Ms. Sha Ning, 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*