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(Incorporated in Bermuda with limited liability)

(Stock Code: 371)

CONNECTED TRANSACTIONS

LOAN AGREEMENTS

QINGDAO WEST COAST LOAN AGREEMENT

The Board announces that on 23 August 2023, Qingdao West Coast (a non-wholly owned subsidiary of the Company), as borrower, entered into Qingdao West Coast Loan Agreement with ABC, Qingdao Huangdao sub-branch, ICBC, Beijing Nanlishi Road sub-branch and CMBC, Qingdao branch, as lenders, pursuant to which all lenders have agreed to grant Qingdao West Coast Syndicated Loan Facility in an aggregate principal amount of not more than RMB1,253,000,000 (equivalent to approximately HK\$1,364,314,000) to Qingdao West Coast. The Qingdao West Coast Syndicated Loan Facility shall be secured by the security given by Qingdao West Coast under Qingdao West Coast Pledge Agreement in favour of ABC, Qingdao Huangdao sub-branch.

ZAOZHUANG ZHIXIN LOAN AGREEMENT

The Board announces that on 23 August 2023, Zaozhuang Zhixin (a non-wholly owned subsidiary of the Company), as borrower, entered into Zaozhuang Zhixin Loan Agreement with ABC, Zaozhuang Xincheng sub-branch as lender, pursuant to which ABC, Zaozhuang Xincheng sub-branch has agreed to grant Zaozhuang Zhixin Loan Facility in a principal amount of RMB134,000,000 (equivalent to approximately HK\$145,904,000) to Zaozhuang Zhixin. The Zaozhuang Zhixin Loan Facility shall be secured by the security given by Zaozhuang Zhixin under Zaozhuang Zhixin Pledge Agreement and guarantee will be given by BEWG (China) Investment (a wholly-owned subsidiary of the Company) in favour of ABC, Zaozhuang Xincheng sub-branch.

IMPLICATIONS UNDER THE LISTING RULES

ABC Financial Asset is a connected person of the Company under the Listing Rules by virtue of being the substantial shareholders of various subsidiaries of the Company. As ABC beneficially owns 100% equity interest in ABC Financial Asset, ABC is an associate of ABC Financial Asset, therefore, the entering into each of Qingdao West Coast Loan Agreement, Qingdao West Coast Pledge Agreement, Zaozhuang Zhixin Loan Agreement and Zaozhuang Zhixin Pledge Agreement constitutes connected transaction for the Company under Chapter 14A of the Listing Rules.

References are made to the announcements dated 25 August 2021, 19 August 2022, 22 March 2023 and 17 May 2023 regarding connected transactions in relation to the entering into Previous Loan Agreements and Previous Pledge Agreements therein.

As each of Qingdao West Coast Loan Agreement, Zaozhuang Zhixin Loan Agreement together with Previous Loan Agreements and Qingdao West Coast Pledge Agreement, Zaozhuang Zhixin Pledge Agreement together with Previous Pledge Agreements were made or incompleting with ABC, Qingdao Huangdao sub-branch, ABC, Zaozhuang Xincheng sub-branch or its other branch or sub-branches within a 12-month period prior to the date of each of Qingdao West Coast Loan Agreement, Qingdao West Coast Pledge Agreement, Zaozhuang Zhixin Loan Agreement and Zaozhuang Zhixin Pledge Agreement, each of Qingdao West Coast Loan Agreement, Zaozhuang Zhixin Loan Agreement will be aggregated with Previous Loan Agreements while Qingdao West Coast Pledge Agreement, Zaozhuang Zhixin Pledge Agreement will be aggregated with Previous Pledge Agreements, respectively as if they were one transaction pursuant to Rule 14A.81 of the Listing Rules.

As one or more of the applicable percentage ratios calculated pursuant to Rule 14.07 of the Listing Rules with reference to each of Qingdao West Coast Loan Agreement and Qingdao West Coast Pledge Agreement on a stand-alone basis, exceed 1% but less than 5%, and with reference to each of Qingdao West Coast Loan Agreement, Zaozhuang Zhixin Loan Agreement in aggregate with Previous Loan Agreements while Qingdao West Coast Pledge Agreement, Zaozhuang Zhixin Pledge Agreement in aggregate with Previous Pledge Agreements respectively, exceed 5%, the entering into Qingdao West Coast Loan Agreement, Qingdao West Coast Pledge Agreement, Zaozhuang Zhixin Loan Agreement and Zaozhuang Zhixin Pledge Agreement together constitute connected transactions of the Company. Since (i) ABC is a connected person of the Company at the subsidiary level and (ii) the Board (including the independent non-executive Directors) has considered, confirmed and approved that the terms of Qingdao West Coast Loan Agreement, Qingdao West Coast Pledge Agreement, Zaozhuang Zhixin Loan Agreement and Zaozhuang Zhixin Pledge Agreement are on normal commercial terms, which are fair and reasonable and in the interests of the Company and its shareholders as a whole, pursuant to Rule 14A.101 of the Listing Rules, the

entering into Qingdao West Coast Loan Agreement, Qingdao West Coast Pledge Agreement, Zaozhuang Zhixin Loan Agreement and Zaozhuang Zhixin Pledge Agreement are only subject to the announcement and reporting requirements but are exempt from the circular, independent financial advice and shareholders' approval requirements under Chapter 14A of the Listing Rules.

QINGDAO WEST COAST LOAN AGREEMENT

The Board announces that on 23 August 2023, Qingdao West Coast (a non-wholly owned subsidiary of the Company), as borrower, entered into Qingdao West Coast Loan Agreement with ABC, Qingdao Huangdao sub-branch, ICBC, Beijing Nanlishi Road sub-branch and CMBC, Qingdao branch, as lenders, pursuant to which all lenders have agreed to grant Qingdao West Coast Syndicated Loan Facility in an aggregate principal amount of not more than RMB1,253,000,000 (equivalent to approximately HK\$1,364,314,000) to Qingdao West Coast. The Qingdao West Coast Syndicated Loan Facility shall be secured by the security given by Qingdao West Coast under Qingdao West Coast Pledge Agreement in favour of ABC, Qingdao Huangdao sub-branch.

The principal terms and conditions of Qingdao West Coast Loan Agreement are set out as follows:

Date of Qingdao West Coast Loan Agreement: 23 August 2023

Parties:

- (1) ABC, Qingdao Huangdao sub-branch, ICBC, Beijing Nanlishi Road sub-branch and CMBC, Qingdao branch, as lenders
- (2) Qingdao West Coast, as borrower

To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, ABC Financial Asset is a connected person of the Company under the Listing Rules by virtue of being the substantial shareholders of various subsidiaries of the Company. As ABC beneficially owns 100% equity interest in ABC Financial Asset, ABC is an associate of ABC Financial Asset. The single largest shareholder of ABC is Central Huijin Investment Ltd. (中央匯金投資有限責任公司) and the ultimate beneficial owner of Central Huijin Investment Ltd. is the State Council of the PRC* (中國國務院)

To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, ICBC and CMBC and their ultimate beneficial owners are third parties independent of and not connected with the Company and its connected persons

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| Principal amount of Qingdao West Coast Syndicated Loan Facility: | An aggregate principal amount of not more than RMB1,253,000,000 (equivalent to approximately HK\$1,364,314,000) to be granted by ABC, Qingdao Huangdao sub-branch, ICBC, Beijing Nanlishi Road sub-branch and CMBC, Qingdao branch in the amount of RMB550,000,000 (equivalent to approximately HK\$598,861,000), RMB450,000,000 (equivalent to approximately HK\$489,977,000) and RMB253,000,000 (equivalent to approximately HK\$275,476,000), respectively |
| Term: | Twenty (20) years from the date of drawdown |
| Interest rate: | The applicable interest rate is a floating interest rate equal to the relevant loan prime rate for a period longer than 5 years (currently 4.20%) announced by the National Interbank Funding Centre on the date immediately preceding the drawdown date minus 1.10%. It shall be adjusted for each 12 months with reference to the then latest loan prime rate for a period longer than 5 years |
| Interest payment period: | On quarterly basis |
| Security: | Pledge of earning rights for sewage treatment under the concession agreement for the building, operation and transfer (BOT) of the Fenghe Wetland Park Project, pursuant to Qingdao West Coast Pledge Agreement dated 23 August 2023 |
| Purpose: | For construction of Fenghe Wetland Park Project |

ZAOZHUANG ZHIXIN LOAN AGREEMENT

The Board announces that on 23 August 2023, Zaozhuang Zhixin (a non-wholly owned subsidiary of the Company) as borrower, entered into Zaozhuang Zhixin Loan Agreement with ABC, Zaozhuang Xincheng sub-branch as lender, pursuant to which ABC, Zaozhuang Xincheng sub-branch has agreed to grant the Zaozhuang Zhixin Loan Facility in a principal amount of RMB134,000,000 (equivalent to approximately HK\$145,904,000) to Zaozhuang Zhixin. The Zaozhuang Zhixin Loan Facility shall be secured by the security given by Zaozhuang Zhixin under Zaozhuang Zhixin Pledge Agreement and guarantee will be given by BEWG (China) Investment (a wholly-owned subsidiary of the Company) in favour of ABC, Zaozhuang Xincheng sub-branch.

The principal terms and conditions of Zaozhuang Zhixin Loan Agreement are set out as follows:

Date of Zaozhuang Zhixin Loan Agreement: 23 August 2023

Parties: (1) ABC, Zaozhuang Xincheng sub-branch as lender
(2) Zaozhuang Zhixin, as borrower

To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, ABC Financial Asset is a connected person of the Company under the Listing Rules by virtue of being the substantial shareholders of various subsidiaries of the Company. As ABC beneficially owns 100% equity interest in ABC Financial Asset, ABC is an associate of ABC Financial Asset. The single largest shareholder of ABC is Central Huijin Investment Ltd. (中央匯金投資有限責任公司) and the ultimate beneficial owner of Central Huijin Investment Ltd. is the State Council of the PRC* (中國國務院)

Principal amount of Zaozhuang Zhixin Loan Facility: RMB134,000,000 (equivalent to approximately HK\$145,904,000)

Term: Twelve (12) years from the date of drawdown

Interest rate: The applicable interest rate is a fixed interest rate equal to the relevant loan prime rate for a year or period longer than 5 years (currently 4.20%) announced by the National Interbank Funding Centre on the date immediately preceding the date of Zaozhuang Zhixin Loan Agreement minus 0.65%

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| Interest payment period: | On quarterly basis |
| Security: | Pledge of earning rights for supplying water of Zaozhuang Zhixin, pursuant to Zaozhuang Zhixin Pledge Agreement dated 23 August 2023. The estimated value to be guaranteed by the earning rights of the aforesaid project is approximately RMB134,000,000 (equivalent to approximately HK\$145,904,000) |
| Purpose: | For replacement of the original project loan for the continuation construction of auxiliary projects of the Phase I of the eastern route of the South-to-North Water Diversion Project in Zaozhuang City |

ABC Financial Asset is a connected person of the Company under the Listing Rules by virtue of being the substantial shareholders of various subsidiaries of the Company. As ABC beneficially owns 100% equity interest in ABC Financial Asset, ABC is an associate of ABC Financial Asset, therefore, the entering into each of Qingdao West Coast Loan Agreement, Qingdao West Coast Pledge Agreement, Zaozhuang Zhixin Loan Agreement and Zaozhuang Zhixin Pledge Agreement constitutes connected transaction for the Company under Chapter 14A of the Listing Rules.

As each of Qingdao West Coast Loan Agreement, Zaozhuang Zhixin Loan Agreement together with Previous Loan Agreements and Qingdao West Coast Pledge Agreement, Zaozhuang Zhixin Pledge Agreement together with Previous Pledge Agreements were made or incompleting with ABC, Qingdao Huangdao sub-branch, ABC, Zaozhuang Xincheng sub-branch or its other branch or sub-branches within a 12-month period prior to the date of each of Qingdao West Coast Loan Agreement, Qingdao West Coast Pledge Agreement, Zaozhuang Zhixin Loan Agreement and Zaozhuang Zhixin Pledge Agreement, each of Qingdao West Coast Loan Agreement, Zaozhuang Zhixin Loan Agreement will be aggregated with Previous Loan Agreements while Qingdao West Coast Pledge Agreement, Zaozhuang Zhixin Pledge Agreement will be aggregated with Previous Pledge Agreements, respectively as if they were one transaction pursuant to Rule 14A.81 of the Listing Rules.

REASONS FOR AND THE BENEFITS OF ENTERING INTO QINGDAO WEST COAST LOAN AGREEMENT, QINGDAO WEST COAST PLEDGE AGREEMENT ZAOZHUANG ZHIXIN LOAN AGREEMENT AND ZAOZHUANG ZHIXIN PLEDGE AGREEMENT

The Group will use the proceeds of Qingdao West Coast Syndicated Loan Facility for financing the construction of Fenghe Wetland Park Project.

The Group will use the proceeds of Zaozhuang Zhixin Loan Facility for replacement of the original project loan for the continuation construction of auxiliary projects of the Phase I of the eastern route of the South-to-North Water Diversion Project in Zaozhuang City.

The financing will optimize the asset-liability structure of the projects and improve the return level of its own capital from the projects.

The terms of Qingdao West Coast Loan Agreement, Qingdao West Coast Pledge Agreement, Zaozhuang Zhixin Loan Agreement and Zaozhuang Zhixin Pledge Agreement were determined between the parties after arm's length negotiations having taken account of the prevailing market interest rates and practices.

The Directors (including the independent non-executive Directors) consider that the entering into Qingdao West Coast Loan Agreement, Qingdao West Coast Pledge Agreement, Zaozhuang Zhixin Loan Agreement and Zaozhuang Zhixin Pledge Agreement, together are in the ordinary and usual course of business of the Group and the terms of Qingdao West Coast Loan Agreement, Qingdao West Coast Pledge Agreement, Zaozhuang Zhixin Loan Agreement and Zaozhuang Zhixin Pledge Agreement, are on normal commercial terms, which are fair and reasonable and in the interests of the Company and its shareholders as a whole.

None of the Directors has a material interest in Qingdao West Coast Loan Agreement, Qingdao West Coast Pledge Agreement, Zaozhuang Zhixin Loan Agreement and Zaozhuang Zhixin Pledge Agreement, and therefore none of them is required to abstain from voting on the Board resolutions for considering and approving Qingdao West Coast Loan Agreement, Qingdao West Coast Pledge Agreement, Zaozhuang Zhixin Loan Agreement and Zaozhuang Zhixin Pledge Agreement.

INFORMATION OF THE GROUP

The Company is a company incorporated in Bermuda with limited liability and the Shares of which are listed on the main board of the Stock Exchange. 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, Australia and Republic of Botswana; provision of sewage and reclaimed water treatment services in the PRC, the Republic of Singapore, the Portuguese Republic, Australia and New Zealand; distribution and sale of piped water in the PRC, the 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; the licensing of technical know-how related to sewage treatment in the PRC; and provision of environmental hygiene services and hazardous waste treatment services in the PRC.

Qingdao West Coast is a company incorporated in the PRC with limited liability and is held as to 67.00032% equity interest by the Company and 32.99968% equity interest by Qingdao West Coast Public Utility Group Co., Ltd.* (青島西海岸公用事業集團有限公司). To the best knowledge of the Director, and having made all reasonable enquiries, the ultimate beneficial owner of Qingdao West Coast Public Utility Group Co., Ltd.* (青島西海岸公用事業集團有限公司) is the State-owned Assets Administration Bureau of Qingdao West Coast New Area* (青島西海岸新區國有資產管理局), a third party independent of the Company and its connected persons and does not have any business relationship or arrangement with the Company and its connected persons other than those by virtue of its interest in Qingdao West Coast. The principal activities of Qingdao West Coast are sewage treatment and recycling.

Zaozhuang Zhixin is a company incorporated in the PRC with limited liability and is held as to 60% equity interest by BEWG Environmental Group Co., Ltd.* (北控中科成環保集團有限公司), a non-wholly owned subsidiary of the Company, and 40% equity interest by Zaozhuang Zhixin Water Conservancy Co., Ltd.* (棗莊智信水利有限公司). To the best knowledge of the Director, and having made all reasonable enquiries, the ultimate beneficial owner of Zaozhuang Zhixin Water Conservancy Co., Ltd.* (棗莊智信水利有限公司) is the State-owned Assets Supervision and Administration Commission of People's Government of Zaozhuang Municipality* (棗莊市人民政府國有資產監督管理委員會), a third party independent of the Company and its connected persons and does not have any business relationship or arrangement with the Company and its connected persons other than those by virtue of his/its interest in Zaozhuang Zhixin. The principal activities of Zaozhuang Zhixin are south-to-north water diversion and water conservancy engineering.

INFORMATION OF OTHER PARTIES

ABC is a joint stock limited company incorporated in the PRC and the A shares and H shares of which are listed on the Shanghai Stock Exchange (Stock Code: 601288) and the Stock Exchange (Stock Code: 1288), respectively. The principal activities of ABC and its subsidiaries include RMB and foreign currency deposits, loans, clearing and settlement services, assets custodian services, fund management, financial leasing services, insurance services and other services as approved by relevant regulators, and the provision of related services by its overseas establishments as approved by the respective local regulators. The single largest shareholder of ABC is Central Huijin Investment Ltd.* (中央匯金投資有限責任公司) and the ultimate beneficial owner of Central Huijin Investment Ltd. is the State Council of the PRC* (中國國務院).

CMBC is a joint stock limited company incorporated in the PRC and the A shares and H shares of which are listed on the Shanghai Stock Exchange (Stock Code: 600016) and the Stock Exchange (Stock Code: 1988), respectively. The principal activities of CMBC and its subsidiaries mainly provide corporate and personal banking, treasury business, financial leasing, fund and asset management, investment banking and other financial services in the PRC. The single largest shareholder of CMBC is Dajia Life Insurance Co., Ltd.* (大家人壽保險股份有限公司). The ultimate beneficial owner of Dajia Life Insurance Co., Ltd.* (大家人壽保險股份有限公司) is the Ministry of Finance of the PRC* (中國財政部).

ICBC is a joint stock limited company incorporated in the PRC and the A shares and H shares of which are listed on the Shanghai Stock Exchange (Stock Code: 601398) and the Stock Exchange (Stock Code: 1398), respectively. The principal activities of ICBC and its subsidiaries comprise corporate financial services, personal financial services, treasury operations, investment banking, asset management, trust, financial leasing, insurance and other financial services. The single largest shareholder of ICBC is Central Huijin Investment Ltd. (中央匯金投資有限責任公司) and the ultimate beneficial owner of Central Huijin Investment Ltd. is the State Council of the PRC* (中國國務院).

IMPLICATIONS UNDER THE LISTING RULES

ABC Financial Asset is a connected person of the Company under the Listing Rules by virtue of being the substantial shareholders of various subsidiaries of the Company. As ABC beneficially owns 100% equity interest in ABC Financial Asset, ABC is an associate of ABC Financial Asset, therefore, the entering into each of Qingdao West Coast Loan Agreement, Qingdao West Coast Pledge Agreement, Zaozhuang Zhixin Loan Agreement and Zaozhuang Zhixin Pledge Agreement constitutes connected transaction for the Company under Chapter 14A of the Listing Rules.

References are made to the announcements dated 25 August 2021, 19 August 2022, 22 March 2023 and 17 May 2023 regarding connected transactions in relation to the entering into Previous Loan Agreements and Previous Pledge Agreements therein.

As each of Qingdao West Coast Loan Agreement, Zaozhuang Zhixin Loan Agreement together with Previous Loan Agreements and Qingdao West Coast Pledge Agreement, Zaozhuang Zhixin Pledge Agreement together with Previous Pledge Agreements were made or incompleting with ABC, Qingdao Huangdao sub-branch, ABC, Zaozhuang Xincheng sub-branch or its other branch or sub-branches within a 12-month period prior to the date of each of Qingdao West Coast Loan Agreement, Qingdao West Coast Pledge Agreement, Zaozhuang Zhixin Loan Agreement and Zaozhuang Zhixin Pledge Agreement, each of Qingdao West Coast Loan Agreement, Zaozhuang Zhixin Loan Agreement will be aggregated with Previous Loan Agreements while Qingdao West Coast Pledge Agreement, Zaozhuang Zhixin Pledge Agreement will be aggregated with Previous Pledge Agreements, respectively as if they were one transaction pursuant to Rule 14A.81 of the Listing Rules.

As one or more of the applicable percentage ratios calculated pursuant to Rule 14.07 of the Listing Rules with reference to each of Qingdao West Coast Loan Agreement and Qingdao West Coast Pledge Agreement on a stand-alone basis, exceed 1% but less than 5%, and with reference to each of Qingdao West Coast Loan Agreement, Zaozhuang Zhixin Loan Agreement in aggregate with Previous Loan Agreements while Qingdao West Coast Pledge Agreement, Zaozhuang Zhixin Pledge Agreement in aggregate with Previous Pledge Agreements respectively, exceed 5%, the entering into Qingdao West Coast Loan Agreement, Qingdao West Coast Pledge Agreement, Zaozhuang Zhixin Loan Agreement and Zaozhuang Zhixin Pledge Agreement together constitute connected transactions of the Company. Since (i) ABC is a connected person of the Company at the subsidiary level and (ii) the Board (including the independent non-executive Directors) has considered, confirmed and approved that the terms of Qingdao West Coast Loan Agreement, Qingdao West Coast Pledge Agreement, Zaozhuang Zhixin Loan Agreement and Zaozhuang Zhixin Pledge Agreement are on normal commercial terms, which are fair and reasonable and in the interests of the Company and its shareholders as a whole, pursuant to Rule 14A.101 of the Listing Rules, the entering into Qingdao West Coast Loan Agreement, Qingdao West Coast Pledge Agreement, Zaozhuang Zhixin Loan Agreement and Zaozhuang Zhixin Pledge Agreement are only subject to the announcement and reporting requirements but are exempt from the circular, independent financial advice and shareholders' approval requirements under Chapter 14A of the Listing Rules.

DEFINITIONS

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

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| “ABC” | Agricultural Bank of China Limited, a joint stock limited company incorporated in the PRC and the A shares and H shares of which are listed on the Shanghai Stock Exchange (Stock Code: 601288) and the Stock Exchange (Stock Code: 1288), respectively; |
| “ABC, Anshan Tiedong sub-branch” | Anshan Tiedong sub-branch of Agricultural Bank of China Limited* (中國農業銀行股份有限公司鞍山鐵東支行); |
| “ABC, Beijing branch” | Beijing pilot free trade zone branch of Agricultural Bank of China Limited* (中國農業銀行股份有限公司北京自貿試驗區分行); |
| “ABC, Juye sub-branch” | Juye Province sub-branch of Agricultural Bank of China Limited* (中國農業銀行股份有限公司巨野縣支行); |
| “ABC, Linyi sub-branch” | Linyi Lanshan sub-branch of Agricultural Bank of China Limited* (中國農業銀行股份有限公司臨沂蘭山支行); |
| “ABC, Qingdao Huangdao sub-branch” | Qingdao Huangdao sub-branch of Agricultural Bank of China Limited* (中國農業銀行股份有限公司青島黃島支行); |
| “ABC, Zaozhuang Xincheng” | Zaozhuang Xincheng sub-branch of Agricultural Bank of China Limited* (中國農業銀行股份有限公司棗莊新城支行); |
| “ABC Financial Asset” | ABC Financial Asset Investment Co., Ltd* (農銀金融資產投資有限公司), a company incorporated in the PRC with limited liability, is a wholly-owned subsidiary of ABC; |
| “associate” | has the meaning ascribed to it under the Listing Rules; |
| “Beishui Anda” | Anshan City Beishui Anda Water Development Co., Ltd.* (鞍山市北水鞍達水務發展有限公司), a company incorporated in the PRC with limited liability and is a wholly-owned subsidiary of the Company; |

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| “BEWG (China) Investment” | Beijing Enterprises Water Group (China) Investment Limited* (北控水務(中國)投資有限公司), a company incorporated in the PRC with limited liability and is a wholly-owned subsidiary of the Company; |
| “Board” | the board of directors of the Company; |
| “CMBC” | China Minsheng Banking Corp., Ltd., a joint stock limited company incorporated in the PRC and the A shares and H shares of which are listed on the Shanghai Stock Exchange (Stock Code: 600016) and the Stock Exchange (Stock Code: 1988), respectively; |
| “CMBC, Qingdao branch” | Qingdao branch of China Minsheng Banking Corp., Ltd.* (中國民生銀行股份有限公司青島分行); |
| “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); |
| “connected person(s)” | has the meaning ascribed to it under the Listing Rules; |
| “Daoxiang” | Beijing Daoxiang Water Resources Technology Co., Ltd.* (北京稻香水資源科技有限公司), a company incorporated in the PRC with limited liability and is a wholly-owned subsidiary of the Company; |
| “Directors” | the directors of the Company; |
| “First Previous Loan Agreement” | the loan agreement dated 25 August 2021 entered into between Linyi Bei Kong as borrower and ABC, Linyi sub-branch as lender, pursuant to which lender agreed to provide a loan to borrower in the principal amount of RMB150,000,000 (equivalent to approximately HK\$163,326,000), the details of which was set out in the announcement of the Company dated 25 August 2021; |

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| “First Previous Pledge Agreement” | the equity pledge agreement dated 25 August 2021 entered into between Linyi Bei Kong as pledgor and ABC, Linyi sub-branch as pledgee, pursuant to which pledgor agreed to pledge the account receivables from Linyi Liuqing River No. 2 sewage treatment plant expansion and supporting PPP project to pledgee; |
| “Fourth Previous Loan Agreement” | the loan agreement dated 17 May 2023 entered into between Juye Beikong as borrower and ABC, Juye sub-branch as lender, pursuant to which lender agreed to provide a loan to borrower in the principal amount of RMB258,000,000 (equivalent to approximately HK\$280,920,000), the details of which was set out in the announcement of the Company dated 17 May 2023; |
| “Fourth Previous Pledge Agreement” | the equity pledge agreement dated 17 May 2023 entered into between Juye Beikong as pledgor and ABC, Juye sub-branch as pledgee, pursuant to which pledgor agreed to pledge the account receivables from Juye Province sewage treatment construction project (Chengbei) PPP project to pledgee; |
| “Group” | the Company and its subsidiaries; |
| “HK\$” | Hong Kong dollars, the lawful currency of Hong Kong; |
| “Hong Kong” | the Hong Kong Special Administrative Region of the PRC; |
| “ICBC” | Industrial and Commercial Bank of China Limited, a joint stock limited company incorporated in the PRC and the A shares and H shares of which are listed on Shanghai Stock Exchange (Stock Code: 601398) and the Stock Exchange (Stock Code: 1398), respectively; |
| “ICBC, Beijing Nanlishi Road sub-branch” | Beijing Nanlishi Road sub-branch of Industrial and Commercial Bank of China Limited* (中國工商銀行股份有限公司北京南禮士路支行); |
| “Juye Beikong” | Juye Beikong Chengbei Beishui Water Co., Ltd.* (巨野北控城北水務有限公司), a company incorporated in the PRC with limited liability and is a non-wholly owned subsidiary of the Company; |

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| “Linyi Bei Kong” | Linyi Bei Kong Beicheng Water Co., Ltd.* (臨沂北控北城水務有限公司), a company incorporated in the PRC with limited liability and is a non-wholly owned subsidiary of the Company; |
| “Listing Rules” | the Rules Governing the Listing of Securities on the Stock Exchange; |
| “PPP” | Public-Private-Partnership; |
| “PRC” | the People’s Republic of China (excluding, for the purpose of this announcement, Hong Kong, the Macao Special Administrative Region of the PRC and Taiwan); |
| “Previous Loan Agreements” | First Previous Loan Agreement, Second Previous Loan Agreement, Third Previous Loan Agreement and Fourth Previous Loan Agreement; |
| “Previous Pledge Agreements” | First Previous Pledge Agreement, Second Previous Pledge Agreement, Third Previous Pledge Agreement and Fourth Previous Pledge Agreement; |
| “Qingdao West Coast” | Qingdao West Coast Water Co., Ltd.* (青島西海岸北控水務有限公司), a company incorporated in the PRC with limited liability and is a non-wholly owned subsidiary of the Company; |
| “Qingdao West Coast Loan Agreement” | the fixed assets syndicated loan agreement of Fenghe Wetland Park Project dated 23 August 2023 entered into between Qingdao West Coast, ABC, Qingdao Huangdao sub-branch, ICBC, Beijing Nanlishi Road sub-branch and CMBC, Qingdao branch; |
| “Qingdao West Coast Syndicated Loan Facility” | a syndicated loan facility in an aggregate principal amount of not more than RMB1,253,000,000 (equivalent to approximately HK\$1,364,314,000) to be granted by ABC, Qingdao Huangdao sub-branch, ICBC, Beijing Nanlishi Road sub-branch and CMBC, Qingdao branch in the amount of RMB550,000,000 (equivalent to approximately HK\$598,861,000), RMB450,000,000 (equivalent to approximately HK\$489,977,000) and RMB253,000,000 (equivalent to approximately HK\$275,476,000), respectively; |

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| “Qingdao West Coast Pledge Agreement” | the equity pledge agreement dated 23 August 2023 entered into between Qingdao West Coast and ABC, Qingdao Huangdao sub-branch; |
| “RMB” | Renminbi, the lawful currency of the PRC; |
| “Second Previous Loan Agreement” | the loan agreement dated 19 August 2022 entered into between Daoxiang as borrower and ABC, Beijing branch as lender, pursuant to which lender agreed to provide a loan to borrower in the principal amount of RMB503,685,200 (equivalent to approximately HK\$548,432,000), the details of which was set out in the announcement of the Company dated 19 August 2022; |
| “Second Previous Pledge Agreement” | the equity pledge agreement dated 19 August 2022 entered into between Daoxiang as pledgor and ABC, Beijing branch as pledgee, pursuant to which pledgor agreed to pledge the expected earnings right from Beijing Haidian Daoxiang Lake reclaimed water plant phase II project to pledgee; |
| “Shares” | ordinary shares of HK\$0.10 each in the share capital of the Company; |
| “Stock Exchange” | The Stock Exchange of Hong Kong Limited; |
| “substantial shareholder” | has the meaning ascribed to it under the Listing Rules; |
| “Third Previous Loan Agreement” | the loan agreement dated 22 March 2023 entered into between Beishui Anda as borrower and ABC, Anshan Tiedong sub-branch as lender, pursuant to which lender agreed to provide a loan to borrower in the principal amount of RMB363,880,000 (equivalent to approximately HK\$396,206,000), the details of which was set out in the announcement of the Company dated 22 March 2023; |
| “Third Previous Pledge Agreement” | the equity pledge agreement dated 22 March 2023 entered into between Beishui Anda as pledgor and ABC, Anshan Tiedong as pledgee, pursuant to which pledgor agreed to pledge earnings right under concession agreement of Anshan City urban sewage treatment phase I project to pledgee; |

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| “Zaozhuang Zhixin” | Zaozhuang Beikong Zhixin Water Co., Ltd.* (棗莊北控智信水務有限公司), a company incorporated in the PRC with limited liability and is a non-wholly owned subsidiary of the Company; |
| “Zaozhuang Zhixin Loan Agreement” | the operating fixed assets loan agreement dated 23 August 2023 entered into between Zaozhuang Zhixin and Zaozhuang Xincheng sub-branch; |
| “Zaozhuang Zhixin Loan Facility” | a loan facility in a principal amount of RMB134,000,000 (equivalent to approximately HK\$145,904,000) granted by ABC, Zaozhuang Xincheng sub-branch to Zaozhuang Zhixin pursuant to Zaozhuang Zhixin Loan Agreement; |
| “Zaozhuang Zhixin Pledge Agreement” | the equity pledge agreement dated 23 August 2023 entered into between Zaozhuang Zhixin and Zaozhuang Xincheng sub-branch; and |
| “%” | percentage. |

For the purpose of this announcement and for illustrative purpose only, RMB is converted into HK\$ at the rate of HK\$1:RMB0.91841. No representation is made that any amounts in RMB has been or could be converted at the above rates or at any other rates.

By order of the Board
Beijing Enterprises Water Group Limited
Xiong Bin
Chairman

Hong Kong, 23 August 2023

As at the date of this announcement, the Board comprises eight executive directors, namely, Mr. Xiong Bin (chairman), Mr. Jiang Xinhao, Mr. Zhou Min (chief executive officer), Mr. Li Haifeng, Mr. Ke Jian, Ms. Sha Ning, Mr. Tung Woon Cheung Eric and Mr. Li Li, one non-executive director, namely, Mr. Wang Dianchang and four independent non-executive directors, namely, Mr. Shea Chun Lok Quadrant, Mr. Guo Rui, Mr. Chau On Ta Yuen and Mr. Dai Xiaohu.

** For identification purpose only*