Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness, and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.

北控水務集團有限公司
BEIJING ENTERPRISES WATER GROUP LIMITED

(Incorporated in Bermuda with limited liability)

(Stock Code: 371)

CONTINUING CONNECTED TRANSACTIONS REGARDING THE DEPOSIT SERVICES MASTER AGREEMENT AND THE PROVISION OF DEPOSIT SERVICES

THE 2026 DEPOSIT SERVICES MASTER AGREEMENT

References are made to the announcements issued by the Company on 20 December 2023, 3 January 2024 and 18 February 2025 regarding, among other things, the continuing connected transactions contemplated under the 2024 Deposit Services Master Agreement, which has been supplemented by the 2025 Supplemental Agreement.

On 13 February 2026, the Company and BG Finance entered into the 2026 Deposit Services Master Agreement, pursuant to which, BG Finance will provide Deposit Services to the Group. The Existing Annual Caps, which were established under the 2024 Deposit Services Master Agreement (as supplemented by the 2025 Supplemental Agreement) with BG Finance, will be replaced by the Proposed Annual Caps.

LISTING RULES IMPLICATIONS

As at the date of this announcement, each of BEGCL and BEHL is a connected person of the Company under the Listing Rules by virtue of each being a controlling shareholder of the Company. As each of BEGCL and BEHL beneficially owns not less than 30% of the equity interest in BG Finance, BG Finance is an associate of both BEGCL and BEHL and is regarded as a connected person of the Company, therefore, the Deposit Services will constitute continuing connected transactions of the Company under Chapter 14A of the Listing Rules.

As one or more of the applicable ratios as defined under Rule 14.07 of the Listing Rules in respect of the Proposed Annual Caps exceeds 5%, the transactions contemplated thereunder constitute non-exempt continuing connected transactions under Chapter 14A of the Listing Rules and are subject to the reporting, annual review, announcement, and Independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

INDEPENDENT BOARD COMMITTEE AND INDEPENDENT FINANCIAL ADVISER

An Independent Board Committee, comprising all independent non-executive Directors, has been established to advise the Independent Shareholders as to whether the terms of the 2026 Deposit Services Master Agreement and the transactions contemplated thereunder are fair and reasonable, on normal commercial terms or better and in the ordinary and usual course of business of the Group and in the interest of the Company and the Independent Shareholders as a whole, and to advise the Independent Shareholders on how to vote at the SGM. The Company has appointed the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders in this regard.

GENERAL

The SGM will be convened and held for the Independent Shareholders to consider and, if thought fit, to approve, among other things, the 2026 Deposit Services Master Agreement and the transactions contemplated thereunder, including the Proposed Annual Caps.

As BEGCL Group and BEHL Group are considered to have a material interest in the 2026 Deposit Services Master Agreement and the transactions contemplated thereunder, BEGCL Group and BEHL Group (together with their respective associates) shall abstain from voting at the SGM on the proposed resolution to approve, among other things, the 2026 Deposit Services Master Agreement and the transactions contemplated thereunder, including the Proposed Annual Caps.

Save for the aforesaid and to the best of the information, knowledge and belief of the Directors having made all reasonable enquiries, no other Shareholders are required to abstain from voting at the SGM.

A circular containing, among other things, (i) a letter from the Board setting out further details about the 2026 Deposit Services Master Agreement and the transactions contemplated thereunder (including the Proposed Annual Caps); (ii) a letter of recommendation from the Independent Board Committee to the Independent Shareholders regarding the 2026 Deposit Services Master Agreement and the transactions contemplated thereunder; (iii) a letter of advice from the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders regarding the 2026 Deposit Services Master Agreement and the transactions contemplated thereunder; (iv) any other information required under the Listing Rules; and (v) a notice convening the SGM, will be despatched to the Shareholders on or before 11 March 2026.

Shareholders and potential investors of the Company are advised to exercise caution when dealing in securities of the Company, and are recommended to consult their professional advisers if they are in doubt about their position and the actions that they should take.

BACKGROUND

References are made to the announcements issued by the Company on 20 December 2023, 3 January 2024 and 18 February 2025 regarding, among other things, the continuing connected transactions contemplated under the 2024 Deposit Services Master Agreement, which has been supplemented by the 2025 Supplemental Agreement.

In accordance with the 2024 Deposit Services Master Agreement (as supplemented by the 2025 Supplemental Agreement), the Group is authorised to place and maintain deposits with BG Finance in the ordinary course of business, on normal commercial terms or on more favorable terms. The term of the 2024 Deposit Services Master Agreement is three years, starting on 1 January 2024 and ending on 31 December 2026.

Under the terms of the 2025 Supplemental Agreement, the cumulative daily outstanding deposit balances placed by the Group with BG Finance during the term of the 2024 Deposit Services Master Agreement, including any interest accrued thereon, shall not exceed the Existing Annual Caps as set out below:

	Existing Annual Caps
For the financial year ended 31 December 2025	RMB980,000,000
For the financial year ending 31 December 2026	RMB980,000,000

THE 2026 DEPOSIT SERVICES MASTER AGREEMENT

The Board is pleased to announce that on 13 February 2026, the Company and BG Finance entered into the 2026 Deposit Services Master Agreement, pursuant to which, BG Finance will provide Deposit Services to the Group. The Existing Annual Caps, which were established under the 2024 Deposit Services Master Agreement (as supplemented by the 2025 Supplemental Agreement) with BG Finance, will be replaced by the Proposed Annual Caps.

A summary of the key terms of the 2026 Deposit Services Master Agreement are set out below:

Date : 13 February 2026

Parties : (i) the Company; and

(ii) BG Finance.

Effective conditions : The 2026 Deposit Services Master Agreement will become effective upon the fulfillment of the following conditions:

(i) compliance with the Listing Rules regarding continuing connected transactions; and

(ii) if applicable, compliance with the Listing Rules requiring the Company to meet obligations related to disclosure, announcements, and obtaining approval from Independent Shareholders.

Effective Date : The 2026 Deposit Services Master Agreement shall be effective from the date of obtaining the Independent Shareholders' approval at the SGM.

Term : The term of the 2026 Deposit Services Master Agreement shall commence from 13 February 2026 up to and including 31 December 2028.

Scope of the Deposit Services : The Group has opened deposit accounts with BG Finance, and the funds are deposited with BG Finance under the principle of free deposit and withdrawal access. BG Finance offers the Group a variety of deposit services, including demand deposits, call deposits, time deposits, and agreement deposits.

BG Finance ensures the security of the Group's deposits and promptly and thoroughly fulfills the Group's funding requests. If BG Finance fails to pay the Group the deposit in full and on time, the Company may terminate the 2026 Deposit Services Master Agreement.

Subject to the terms of the 2026 Deposit Services Master Agreement, the Company and BG Finance will sign specific contracts and agreements to meet the Group's service needs related to the Deposit Services. These contracts and agreements will outline the particular transaction terms and adhere to the principles, terms and relevant legal provisions set out in the 2026 Deposit Services Master Agreement.

Pricing : BG Finance shall provide the Group with Deposit Services at an interest rate for deposits that is not lower than the following:

(i) the benchmark interest rate prescribed by the People's Bank of China for the same type of deposits and the same period;

(ii) the interest rates offered by commercial banks in Hong Kong and the PRC to the Group for the same type of deposits over the same period; and

(iii) the interest rate offered by BG Finance to other member companies of BEGCL Group for the same type of deposits during the same period.

Termination of 2024 Deposit Services Master Agreement (as supplemented by the 2025 Supplemental Agreement) : Upon the coming into effect of the 2026 Deposit Services Master Agreement, the 2024 Deposit Services Master Agreement (as supplemented by the 2025 Supplemental Agreement) shall be automatically terminated. Neither BG Finance and the Company is required to make any payment to each other as a result of such automatically termination.

PROPOSED ANNUAL CAPS AND BASIS OF DETERMINATION

Historical amounts of cumulative daily outstanding deposit balances placed by the Group with BG Finance

The maximum cumulative daily outstanding deposit balances placed by the Group with BG Finance (including any interest accrued thereon) under the 2024 Deposit Services Master Agreement (as supplemented by the 2025 Supplemental Agreement) for the two financial years ended 31 December 2024 and 31 December 2025 and for the period from 1 January 2026 up to and including the date of this announcement, along with the approved annual caps for each of these periods, are as follows:

	Maximum cumulative daily outstanding deposits balances	**Existing Annual Caps**
For the financial year ended 31 December 2024	Approximately RMB645,369,000	RMB710,000,000
For the financial year ended 31 December 2025	Approximately RMB907,007,000 (unaudited)	RMB980,000,000
For the period from 1 January 2026 up to and including the date of this announcement	Approximately RMB855,396,000 (unaudited)	RMB980,000,000

The Proposed Annual Caps and the basis of determination

According to the 2026 Deposit Services Master Agreement, the maximum cumulative daily outstanding deposit balances placed by the Group with BG Finance (including any interest accrued thereon) shall not exceed the Proposed Annual Caps as set out below:

For the financial year ending	**Proposed Annual Caps**
From 13 February 2026 up to and including 31 December 2026	RMB2,566,000,000
31 December 2027	RMB2,566,000,000
31 December 2028	RMB2,566,000,000

The Proposed Annual Caps are determined after taking into consideration of the following factors, among other things:

(1) the historical amounts of the maximum amount of daily outstanding deposit balances placed by the Group with BG Finance;

(2) the reference to the Group's cash and cash equivalents available; and

(3) the Group's treasury policy and operational requirements.

INTERNAL CONTROL PROCEDURES AND CORPORATE GOVERNANCE MEASURES

In order to protect the interests of the Shareholders, the Company will adopt the following internal control procedures and corporate governance measures in relation to the provisions of the Deposit Services with BG Finance:

(1) the deposits will be placed by the Group with BG Finance on a voluntary and non-exclusive basis;

(2) the comparable interest rates of deposits from independent commercial banks and the benchmark deposit interest rates promulgated by the People's Bank of China together with the terms offered by BG Finance, will be reviewed by the finance and risk management departments of the Group to ensure the terms are fair and no less favourable than those offered by independent financial institutions;

(3) the Company will report to the independent non-executive Directors every year on the maximum amounts of cumulative daily deposits for such financial year; and

(4) the Company will monitor the status of its deposits and other transactions with BG Finance through the internet banking services provided by BG Finance.

The Board considers that the above internal control procedures and corporate governance measures adopted by the Group in relation to the continuing connected transactions with BG Finance are appropriate and sufficient, and that the procedures and measures give sufficient assurance to the Independent Shareholders that the continuing connected transactions will be appropriately monitored by the Company.

REASONS FOR AND BENEFITS OF ENTERING INTO THE 2026 DEPOSIT SERVICES MASTER AGREEMENT

The Group maintains deposits with financial institutions in Hong Kong and the PRC as an integral part of its treasury activities. As of 31 December 2025, the Board noted that the transaction amount for the Deposit Services, governed by the 2024 Deposit Services Master Agreement (as supplemented by the 2025 Supplemental Agreement), has reached approximately RMB846,874,000 (unaudited), which represents approximately 86% of the Existing Annual Caps. Given the anticipated growth in the Group's business and operational scale, it is expected that the utilization of the Deposit Services will increase, potentially exceeding previous transaction estimates. In light of this, the Board has decided to implement Proposed Annual Caps to replace the Existing Annual Caps for the term of the 2026 Deposit Services Master Agreement.

The Directors have carefully considered several key factors: (i) the consistently reliable relationship with BG Finance, which has provided efficient, secure, and stable deposit services to the Group without any instances of non-compliance or execution issues during the previous service period; (ii) BG Finance's capacity to deliver customized proposals for centralized deposit and fund management that align with the Group's needs, thus ensuring timely access to liquidity and the ability to withdraw funds as necessary; (iii) the non-exclusive nature of the Deposit Services, which provides the Group with the flexibility to engage other commercial banks or financial institutions as applicable; and (iv) the competitive deposit interest rates offered by BG Finance, which will be comparable to or more favorable than those prescribed by the People's Bank of China for similar deposit types and durations, as well as those offered by commercial banks in Hong Kong and the PRC.

After thorough consideration of the above factors, along with the internal control and risk management frameworks established by the Group to ensure effective governance over the Deposit Services, the Directors (excluding the independent non-executive Directors who will provide their views after considering the opinion of the Independent Financial Adviser) have concluded that the terms outlined in the 2026 Deposit Services Master Agreement are on normal commercial terms, and the provision of the Deposit Services is fair and reasonable and in the best interests of the Company and its Shareholders as a whole.

To the best of the Directors' knowledge, information and belief after having made all reasonable enquiries, as of the date of this announcement, none of the Directors has a material interest in the 2026 Deposit Services Master Agreement and no Director has abstained from voting on the relevant board resolutions of the Company.

INFORMATION ABOUT THE COMPANY AND 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 (i) construction of sewage and reclaimed water treatment plants, and provision of construction services for comprehensive renovation projects in the PRC, Malaysia, Australia and the Republic of Botswana; (ii) provision of sewage and reclaimed water treatment and seawater desalination services in the PRC, the Republic of Singapore, the Portuguese Republic, Australia, New Zealand and Saudi Arabia; (iii) distribution and sale of piped water in the PRC, the Portuguese Republic, Australia and Saudi Arabia; (iv) 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; (v) licensing of technical know-how related to sewage treatment in the PRC; and (vi) provision of urban services and hazardous waste treatment services in the PRC and Hong Kong.

INFORMATION ABOUT BG FINANCE

BG Finance is a company incorporated in the PRC with limited liability. To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, as at the date of this announcement, BG Finance is held by BEGCL, 北京市燃氣集團有限責任公司 (Beijing Gas Group Company Limited*), 北京燕京啤酒股份有限公司 (Beijing Yanjing Brewery Co., Ltd.*), BEHL, the Company, 北京北控京泰投資管理有限公司 (Beijing Holdings Jingtai Investment Management Co., Ltd.*) and 北京市市政工程設計研究總院有限公司 (Beijing General Municipal Engineering Design & Research Institute Co., Ltd.*) as to approximately 35.14%, 24.80%, 11.08%, 8.91%, 6.69%, 6.69% and 6.69% equity interests respectively.

The ultimate controlling shareholder of BG Finance is BEGCL and the ultimate beneficial owner of BEGCL is 北京市人民政府 (the People's Government of Beijing Municipality*) while 北京市人民政府國有資產監督管理委員會 (The State-owned Assets Supervision and Administration Commission of the People's Government of Beijing Municipality*) has been performing ownership and control functions in respect of BEGCL with the authorisation of 北京市人民政府 (the People's Government of Beijing Municipality*).

BG Finance is held as to 44.79% equity interests in aggregate by BEHL Group and as to 48.52% equity interests in aggregate by BEGCL Group excluding BEHL Group and the Company. Accordingly, each of BEGCL and BEHL beneficially owns not less than 30% equity interest in BG Finance, BG Finance is an associate of each of BEGCL and BEHL, and is regarded as a connected person of the Company.

The establishment of BG Finance as a non-bank financial services institute has been approved by China Banking Regulatory Commission. As at the date of this announcement, BG Finance acts as a platform of BEGCL for provision of intra-group facilities through financial products including deposit-taking, money lending and custodian services, etc.

LISTING RULES IMPLICATIONS

As at the date of this announcement, each of BEGCL and BEHL is a connected person of the Company under the Listing Rules by virtue of each being a controlling shareholder of the Company. As each of BEGCL and BEHL beneficially owns not less than 30% of the equity interest in BG Finance, BG Finance is an associate of both BEGCL and BEHL and is regarded as a connected person of the Company, therefore, the Deposit Services will constitute continuing connected transactions of the Company under Chapter 14A of the Listing Rules.

As one or more of the applicable ratios as defined under Rule 14.07 of the Listing Rules in respect of the Proposed Annual Caps exceeds 5%, the transactions contemplated thereunder constitute non-exempt continuing connected transactions under Chapter 14A of the Listing Rules and are subject to the reporting, annual review, announcement, and Independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

INDEPENDENT BOARD COMMITTEE AND INDEPENDENT FINANCIAL ADVISER

An Independent Board Committee, comprising all independent non-executive Directors, has been established to advise the Independent Shareholders as to whether the terms of the 2026 Deposit Services Master Agreement and the transactions contemplated thereunder are fair and reasonable, on normal commercial terms or better and in the ordinary and usual course of business of the Group and in the interest of the Company and the Independent Shareholders as a whole, and to advise the Independent Shareholders on how to vote at the SGM. The Company has appointed the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders in this regard.

GENERAL

The SGM will be convened and held for the Independent Shareholders to consider and, if thought fit, to approve, among other things, the 2026 Deposit Services Master Agreement and the transactions contemplated thereunder, including the Proposed Annual Caps.

As BEGCL Group and BEHL Group are considered to have a material interest in the 2026 Deposit Services Master Agreement and the transactions contemplated thereunder, BEGCL Group and BEHL Group (together with their respective associates) shall abstain from voting at the SGM on the proposed resolution to approve, among other things, the 2026 Deposit Services Master Agreement and the transactions contemplated thereunder, including the Proposed Annual Caps.

Save for the aforesaid and to the best of the information, knowledge and belief of the Directors having made all reasonable enquiries, no other Shareholders are required to abstain from voting at the SGM.

A circular containing, among other things, (i) a letter from the Board setting out further details about the 2026 Deposit Services Master Agreement and the transactions contemplated thereunder (including the Proposed Annual Caps); (ii) a letter of recommendation from the Independent Board Committee to the Independent Shareholders regarding the 2026 Deposit Services Master Agreement and the transactions contemplated thereunder; (iii) a letter of advice from the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders regarding the 2026 Deposit Services Master Agreement and the transactions contemplated thereunder; (iv) any other information required under the Listing Rules; and (v) a notice convening the SGM, will be despatched to the Shareholders on or before 11 March 2026.

Shareholders and potential investors of the Company are advised to exercise caution when dealing in securities of the Company, and are recommended to consult their professional advisers if they are in doubt about their position and the actions that they should take.

DEFINITIONS

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

"2024 Deposit Services Master Agreement"	the deposit services master agreement dated 20 December 2023, entered into between the Company and BG Finance in respect of the Deposit Services for a term of three years, from 1 January 2024 to 31 December 2026
"2025 Supplemental Agreement"	a supplemental agreement dated 18 February 2025 entered into between the Company and BG Finance, to amend and supplement the 2024 Deposit Services Master Agreement
"2026 Deposit Services Master Agreement"	the deposit services master agreement dated 13 February 2026, entered into between the Company and BG Finance in respect of the Deposit Services from 13 February 2026 up to and including 31 December 2028
"associates"	has the meaning ascribed to it under the Listing Rules
"BEGCL"	北京控股集團有限公司 (Beijing Enterprises Group Company Limited*), a company incorporated in the PRC with limited liability, is the ultimate controlling shareholder of BEHL and the Company
"BEGCL Group"	BEGCL and its subsidiaries

"BEHL"	Beijing Enterprises Holdings Limited (北京控股有限公司), a company incorporated in Hong Kong with limited liability, the shares of which are listed on the main board of the Stock Exchange (stock code: 392), is a controlling shareholder of the Company
"BEHL Group"	BEHL and its subsidiaries
"BG Finance"	北京控股集團財務有限公司 (Beijing Enterprises Group Finance Co., Ltd.*), a company incorporated in the PRC with limited liability, is an associate of the BEGCL Group and the BEHL Group
"Board"	the board of Directors
"Company"	Beijing Enterprises Water Group Limited (北控水務集團有限公司), 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"	has the meaning ascribed to it under the Listing Rules
"controlling shareholder"	has the meaning ascribed to it under the Listing Rules
"Deposit Services"	the deposit services provided by BG Finance to the Group under the 2024 Deposit Services Master Agreement (as supplemented by the 2025 Supplemental Agreement) and the 2026 Deposit Services Master Agreement
"Director(s)"	the director(s) of the Company
"Existing Annual Caps"	the maximum cumulative daily outstanding deposit balances placed by the Group with BG Finance (including any interest accrued thereon) during the term of the 2024 Deposit Services Master Agreement (as supplemented by the 2025 Supplemental Agreement)
"Group"	the Company and its subsidiaries
"Hong Kong"	the Hong Kong Special Administrative Region of the PRC

"Independent Board Committee"	an independent committee of the Board, comprising all independent non-executive Directors, established to advise the Independent Shareholders in respect of the 2026 Deposit Services Master Agreement and the transactions contemplated thereunder (including the Proposed Annual Caps)
"Independent Financial Adviser"	Diligent Capital Limited, a licensed corporation to carry on Type 6 (advising on corporate finance) regulated activity under the SFO, and the independent financial adviser of the Company, to advise the Independent Board Committee and the Independent Shareholders in respect of the 2026 Deposit Services Master Agreement and the transactions contemplated thereunder (including the Proposed Annual Caps)
"Independent Shareholder(s)"	the Shareholders who do not have a material interest in the 2026 Deposit Services Master Agreement and the transactions contemplated thereunder
"Listing Rules"	the Rules Governing the Listing of Securities on the Stock Exchange
"PRC"	the People's Republic of China, and for the purpose of this announcement, excluding Hong Kong, the Macao Special Administrative Region of the People's Republic of China and Taiwan
"Proposed Annual Caps"	the maximum cumulative daily outstanding deposit balances placed by the Group with BG Finance (including any interest accrued thereon) during the term of the 2026 Deposit Services Master Agreement
"RMB"	Renminbi, the lawful currency of the PRC
"SFO"	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
"SGM"	the special general meeting of the Company to be convened to consider and, if thought fit, approve the 2026 Deposit Services Master Agreement and the transactions contemplated thereunder (including the Proposed Annual Caps) and any adjournment thereof
"Share(s)"	ordinary share(s) in the share capital of the Company
"Shareholder(s)"	holder(s) of the Shares

"Stock Exchange"	The Stock Exchange of Hong Kong Limited
"%"	per cent

By Order of the Board
Beijing Enterprises Water Group Limited
Xiong Bin
Chairman and Executive Director

Hong Kong, 13 February 2026

As at the date of this announcement, the Board comprises seven executive directors, namely, Mr. Xiong Bin (chairman), Mr. Zhou Min (chief executive officer), Mr. Li Haifeng, Ms. Li Yining, Mr. Zhang Wenjiang, Ms. Zhou Xueyan and Mr. Tung Woon Cheung Eric, one non-executive director, namely, Mr. Yuan Jianwei and five independent non-executive directors, namely, Mr. Shea Chun Lok Quadrant, Mr. Guo Rui, Mr. Chau On Ta Yuen, Mr. Dai Xiaohu and Ms. Chan Siu Chee Sophia.

* *For identification purpose only*