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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)

GENERAL DISCLOSURE UNDER RULE 13.18 OF THE LISTING RULES

This announcement is made pursuant to Rule 13.18 of the Listing Rules with respect of a term loan facility agreement entered into by the Company with the bank in the amount of HK\$250,000,000. The facility agreement imposes, among other things, a minimum shareholding percentage requirement of Beijing Enterprises Holdings Limited in the Company.

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

On 27 July 2010, Beijing Enterprises Water Group Limited (the “Company”) as borrower entered into a term loan facility agreement (“Facility Agreement”) for a term loan facility (“Loan Facility”) in the amount of HK\$250,000,000. The Loan Facility is for a term of three years commencing from the date of the Facility Agreement, i.e. 27 July 2010.

Pursuant to the Facility Agreement, it shall be an event of default (except with the written consent or waiver from the bank) if Beijing Enterprises Holdings Limited (“BEHL”) ceases to hold at least 51 per cent. of the issued share capital of the Company. As at the date of this announcement, BEHL owns approximately 53.73% per cent. of the issued share capital of the Company.

If an event of default under the Facility Agreement occurs, the bank may declare any commitment under the Facility Agreement to be cancelled and/or declare all outstanding amounts together with interest accrued thereon and all other sums payable by the Company under the Facility Agreement to be immediately due and payable. It will also cause the occurrence of events of default in other loan agreements entered into between the Company and any other banks or financial institutions.

The Company will comply with the continuing disclosure requirements pursuant to Rule 13.21 of the Listing Rules for so long as circumstances giving rise to the obligation continue to exist.

On Behalf of the Board
Beijing Enterprises Water Group Limited
Zhang Honghai
Chairman

Hong Kong, 27 July 2010

As at the date of this announcement, the board of directors of the Company comprises ten executive directors, namely Mr. Zhang Honghai (Chairman), Mr. Liu Kai, Mr. E Meng, Mr. Jiang Xinhao, Mr. Hu Xiaoyong (Chief Executive Officer), Mr. Zhou Min, Mr. Li Haifeng, Ms. Qi Xiaohong, Mr. Ju Yadong and Mr. Zhang Tiefu and five independent non-executive directors, namely Mr. Shea Chun Lok Quadrant, Mr. Zhang Gaobo, Mr. Guo Rui, Ms. Hang Shijun and Mr. Wang Kaijun.