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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)**

## **ANNOUNCEMENT**

This announcement is made pursuant to Rule 13.09 of the Listing Rules.

On 3 November 2011, the Company has formally executed the Contract with the Government of Malaysia for the construction of Pantai 2 underground sewage treatment plant, Federal Territory of Kuala Lumpur.

This announcement is made by Beijing Enterprises Water Group Limited (the “Company”, together with its subsidiaries, the “Group”) pursuant to Rule 13.09 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Listing Rules”).

Reference is made to the announcement made by the Company on 4 July 2011 (the “Announcement”) in relation to the award of letter of acceptance for the construction of Pantai 2 underground sewage treatment plant, Federal Territory of Kuala Lumpur (the “Project”). Capitalised terms used in this announcement shall have the same meaning as in the Announcement unless otherwise defined.

On 3 November 2011, the Company has formally executed a tender contract (the “Contract”) with Ministry of Energy, Green Technology and Water, Malaysia (the “Government of Malaysia”) for the Project pursuant to the terms of letter of acceptance dated 4 July 2011 (the “Letter of Acceptance”) awarded from the Government of Malaysia in respect of the Project.

The Contract specifies the contractual and general requirements for design and build of the Project as well as contractor’s technical proposal and specifications. The scope of works covered in the Contract comprising the provisions by the Company at its own risk and cost of all materials, scaffolding, tools, plants, professional services, labour, transport, water, light and everything else necessary for the investigation, planning, design, construction, equipping, commissioning and proving of the Project including operation and maintenance of the Pantai 2 underground Sewage Treatment for twenty four (24) months all in accordance with the specified requirements of the Government of Malaysia.

Other terms and conditions of the Project, including the contract sum for the Project amounts to Ringgit Malaysia nine hundred eighty-three million two hundred forty-six thousand three hundred and sixty only (RM983,246,360) (approximately HK\$2,547,886,293 equivalent) as well as the completion date for the whole of the Project is expected on 27 July 2017, six years from the date of possession of the site (i.e. four years for construction of and two years for operation and maintenance of the Project), are the same as stipulated in the Letter of Acceptance.

*The figures in RM are converted into HK\$ at the rate of RM1: HK\$2.5913 throughout this announcement for indicative purpose only.*

By Order of the Board  
**Beijing Enterprises Water Group Limited**  
**Zhang Honghai**  
*Chairman*

Hong Kong, 3 November 2011

*As at the date of this announcement, the board of directors of the Company comprises eleven executive directors, namely Mr. Zhang Honghai (Chairman), Mr. E Meng, Mr. Jiang Xinhao, Mr. Hu Xiaoyong (Chief Executive Officer), Mr. Zhou Min, Mr. Li Haifeng, Mr. Zhang Tiefu, Mr. Hou Feng, Ms. Qi Xiaohong, Mr. Ke Jian and Mr. Tung Woon Cheung Eric 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.*