



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

AN ACQUISITION OF 40% EQUITY INTEREST IN LUOYANG WATER GROUP CO., LTD.

(Hong Kong, 19 December 2011) – Beijing Enterprises Water Group Limited (“BEWG” or “the Company” or the “Group”; stock code: 0371) through its wholly-owned subsidiary of the Company, entered into the Equity Transfer Agreement with 洛阳市人民政府国有资产监督管理委员会 (the State-owned Assets Supervision and Administration Commission of People’s Government of Luoyang Municipality “Luoyang SASAC”). Subject to the terms and conditions of the Equity Transfer Agreement, the Group acquired a 40% equity interest in Luoyang Water Supply Group Co., Ltd. (“Luoyang Water”) for RMB304,061,640 to be paid following the Group’s successful bidding at the public tender through Luoyang Property Rights Exchange Center and Henan Province Property Rights Exchange Center. In addition, an amount of RMB150,000,000 shall be payable or paid as special fund to Luoyang Water for the purpose of ongoing development of its business, technology and workforce as well as provisions of loan and incentive reward for its staff.

Upon completion of the acquisition, Luoyang Water indirectly becomes a 40% owned associate of the Group and will enter into certain franchise agreements, entrusted management agreements and operating lease agreements with Luoyang Municipality Government, pursuant to which Luoyang Municipality Government will grant an exclusive franchise in respect of its water supply, sewage treatment, water reuse, sludge treatment and heating supply services to Luoyang Water.

Mr. Hu Xiaoyong, CEO of the Group, said, “in line with our development strategy, the Group intends to acquire large water projects which are in the operational stage through merger and acquisition. This acquisition will provide a good opportunity for the Group to increase its water treatment capacity as well as expand our market share in other scope of business.”

About Beijing Enterprises Water Group Limited (0371 HK)

The Company is incorporated in Bermuda as an exempted company with limited liability and its shares are listed on The Stock Exchange of Hong Kong Limited. The ultimate company of the Company is Beijing Enterprises Holdings Limited, (stock code: 0392). Beijing Enterprises Water Group Limited strategically positions itself as a "leading integrated water system solution provider", and specializes in water service and environmental protection businesses, with waste water treatment as its core business segment.

For more information, please visit the Group’s site at: <http://www.bewg.com.hk>