



## Press Release

### 2012 FINAL RESULTS OF BEIJING ENTERPRISES WATER GROUP LIMITED

(Hong Kong, 27 March 2013), Beijing Enterprises Water Group Limited and its subsidiaries (“BEWG” or “the Company” or “the Group”) (stock code: 371) officially announced its final results for the year of 2012 today. The Company continued to sustain stable growth in 2012 under the dedication of the board of directors, management and staff of the Company amid grim and complicated economic conditions in China and overseas. In strict adherence to the strategy which emphasised “adjustment and consolidation” for the year, the Group has further standardised its operations, optimised its exposure to various industrial sectors, improved its business layout, embarked on business innovation, strengthened internal management and pursued external market development in an orderly progress with its tasks on all fronts so as to maintain a steady growth of the performance of the Company.

The Group’s major financial figures for the year ended 31 December 2012 are as follows:

Total revenue grew by approximately 40.4% to HK\$3,727.4 million; profit from operating activities grew by approximately 32.8% to HK\$1,531.5 million; profit before tax grew by approximately 26.8% to HK\$1,091.8 million; and profit for the year grew by approximately 25.5% to HK\$867.2 million, as compared to last year. Total assets amounted to HK\$31,289.9 million, representing a year-on-year increase of approximately 26.4%, while total equity amounted to HK\$10,731.5 million, representing a year-on-year increase of approximately 10.5%. Total liabilities increased by approximately 36.7% to HK\$20,558.4 million, as compared to last year.

Meanwhile, profit attributable to shareholders grew to HK\$750.5 million, and basic earnings per share was HK10.86 cents. EBITDA amounted to HK\$1,655.8 million. In recognition of the continuous support of the shareholders, the board of directors of BEWG has recommended to make distributions of HK2 cents per share to shareholders

Guided by its development strategy, the Group continued to expand its principal business by leveraging its financial strengths and pooling its resources in 2012. While continuing to infiltrate existing regional project markets, the Group also succeeded in establishing its presence in Inner Mongolia and Hubei during the year, as well as making substantial progress in industry chain extensions and business model innovations. As at 31 December 2012, the Company had a total of 155 water plants of



various types covering 70 cities in 19 provinces across China, with an aggregate design capacity of 10,494,450 tons per day, representing an increase of 1,765,500 tons per day with the statistical capacity of 8,728,950 tons per day as at 31 December 2011.

During the year, the Group established an investment company to strengthen its ability in resource integration and pooling, as part of its proactive strategy in response to changes in the environment pertaining to the supply of water resources. Meanwhile, the Group continued to achieve rapid development in its business of comprehensive water environmental renovation, a key business segment for profit contribution. The seawater desalination project designed to supply water to Beijing, as a top priority project in the Group's strategic business development, continued to advance with solid progress. Our overseas business has also rolled out steadily under a well elucidated road map for global business development. Breakthroughs have been made in the sludge treatment business, the sinked-style reconstruction on the urban sewage plant and the construction of community ecological square in terms of both conceptual exploration and specific project. Meanwhile, solid progress has also been made in the Group's asset injection with the support of the controlling shareholder. The completion of the injection of premium assets in the water business is expected not only to further expand the scale of the Company's principal business, but also to substantially boost the results of the Company and enhance its financing ability

While China's macro-economic policies and the environment sector will remain favourable in the long run, escalating market competition is also expected. To address the challenges ahead as well as opportunities arising, the Company will continue to expand its investment in the traditional water business whilst vigorously embark on project market development and horizontal acquisitions in resolute implementation of the strategy of expanding its principal businesses. We further concentrate our resources and continue to take part in prudent investments in key regional water environmental renovation business through strategic partnerships as well as develop quality overseas projects which are promising sound strategic value under due control in tandem with its proactive pursuit of global business presence. We also advance our seawater desalination project in a vigorous and orderly manner and step up with the development of its sludge treatment project; expedite the research, development and commercialisation of applied technologies for underground sewage water treatment system, in a move to continuously enhance its ability to add value.

Meanwhile, the Company will continue to carry out in greater depth reforms of the systems and regimes of business division managed by the Group, aiming to increase the efficiency of management and control, improve the standards of foundational management, strengthen human resource management and the fostering of corporate culture, enhance risk control management of project investments, fortify synergistic operations, ensure proper execution of invested projects and identify further potentials in the operation and management of the existing business, with a



view to further enhancing the Group's profitability and procuring sound and rapid development on a sustainable basis.

**About Beijing Enterprises Water Group Limited (0371HK)**

The Company was 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 holding company of the Company is Beijing Enterprises Holdings Limited, (stock code: 392). The Group Strategically positioned as a "leading integrated water system solution provider", the Group is specialised in the water service and environmental protection sectors with a particular focus on sewage treatment.

*For more information and the final results announcement for the year ended 31 December 2012, please visit the Group's website at: <http://www.bewg.com.hk>.*