



INTERIM RESULTS OF BEIJING ENTERPRISES WATER GROUP LIMITED

(Hong Kong, 30 August 2012), Beijing Enterprises Water Group Limited and its subsidiaries (stock code: 371, hereinafter referred to as “BEWG” or the “Company” or the “Group”) has officially announced its interim results for the year of 2012 today. Under the leadership of the Board and the dedication of the employees, the Group again made great achievements with regard to our operation and development for the first half of 2012.

The Group’s major financial data for the six months ended 30 June 2012 are as follows:

Revenue amounted to HK\$1,401,506,000, representing an increase of 56% over the previous period; profit from operating activities amounted to HK\$663,647,000, representing an increase of 32% over the previous period; profit before tax amounted to HK\$466,277,000, representing an increase of 16% over the previous period; profit for the period amounted to HK\$397,003,000, representing an increase of 19% over the previous period. Total assets amounted to HK\$26,602,072,000, representing an increase of 8% over the previous period; total equity amounted to HK\$9,761,095,000, representing an increase of 0.5% over the previous period; total liabilities amounted to HK\$16,840,977,000, representing an increase of 12.0% over the previous period.

Furthermore, profit attributable to shareholders grew to HK\$386,593,000, with basic earnings per share amounted to HK5.6 cents; EBITDA amounted to HK\$725,400,000. The board of the Company recommended to make distributions of HK2 cents per ordinary share to shareholders for their continuous support to the Company.

With respect of project investments, for the first half of 2012, the Group obtained an additional water design capacity of 980,000 tons/day including an additional water supply design capacity of 455,000 tons/day, an additional sewage treatment design capacity of 505,000 tons/day and an additional reclaimed water design capacity of 20,000 tons/day. As at 30 June 2012, the Group participates in 144 water plants either



in operation or going to operate in the future of which includes 111 sewage treatment plants, 28 water supply plants, 4 reclaimed plants and 1 seawater desalination plant.

Since this year, in view of the uncertainties in the outlook of global economic recovery and downward pressure on the PRC economy, the central government continues to strengthen the austerity control in order to maintain its “making progress amid stability” position, and the financing environment generally tends to be loosened. Driven by the intensive national industry policies, the water environmental protection industry will enter into a new round of strategic development opportunity phase. Due to the increase of water tariff, it is expected that the overall income level in the industry tends to be moving upward and investment opportunities will be fully triggered in the entire water industry chain. At the same time, along with the intensifying industry competition and increasing merger and acquisition activities, it is increasingly popular that a combined model of traditional water industry and environmental treatment will replace a single business model in the market. In addition, the escalation of water quality standard, industry supervision enhancement, and rising trend of operational costs have also exerted pressure on our operation and management of projects.

In the second half year, the Group will endeavor to entwine round our core business strategy of “maintaining targets and keeping on growth”. With effective risks control, we actively adjust our investment strategies and steadily develop our investments in projects. The main strategy is to achieve merger and acquisitions of large-scale water and sewage projects as well as other small and medium-sized water investment companies and other packing projects. We will also participate in single sewage and water projects, and strive for a breakthrough in key projects. We continue to develop and explore prudently in water environment treatment business under due control in a steady pace. By securing our contracted projects, we focus on their implementation and facilitating their construction progress as well as their payback period. The Group continues to fulfill its internationalization strategy steadily. We put forward the seawater desalination business orderly by establishing a practical and feasible business model, so as to achieve a substantive progress by end of the year. In light of further strengthening the management of project companies after our investment, we enhance our resources allocation to a professional level, co-ordinate and organize the development of different business activities in order to ensure projects are in an “earlier commencement of construction, earlier commencement of operation and earlier payback” mode



Meanwhile, the Group has begun its in-depth reform of its business segment mechanism. We not only strengthen the establishment of the ancillary management control system, but also enhance comprehensive risk prevention system, particularly in reinforcing and monitoring on finance, audit and effective supervision so as to maintain a stable growth of the Group's results with safeguard measures within the Group. In respect of reinforcing the finance and capital management, we build up a strong capital chain as well as speed up the establishment of a water environmental protection industry fund. We strategically strengthen the management on our market values so as to increase the Company's value. The Group continues to strategically enhance its talent and technology reserves by utilizing the entrepreneur training courses, and seriously organizing and completing "China Environmental Industry Senior Manager Seminar". We strengthen the research and development in science and technology as well as promote the co-operation and innovation in the industry–university–research in order to cultivate the core competitiveness of the Group in the technology sector.

About Beijing Enterprises Water Group Limited (0371 HK)

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

For more information and the interim results announcement for the six months ended 30 June 2012, please visit the Group's website at: <http://www.bewg.com.hk>