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*(Incorporated in Bermuda with limited liability)*

**(Stock Code: 371)**

## **PROFIT WARNING**

This announcement is made by Beijing Enterprises Water Group Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) pursuant to Rule 13.09(2)(a) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”) and the Inside Information Provisions (as defined in the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

The board of directors (the “**Board**”) of the Company wishes to inform the shareholders of the Company (the “**Shareholders**”) and potential investors that, based on the Board’s preliminary review of the latest unaudited consolidated management accounts of the Group for the year ended 31 December 2022 (the “**Year 2022**”) and the information currently available to the Board, it is expected that the profit attributable to shareholders of the Company for the Year 2022 will record a decrease of not exceeding 70% as compared with that for the year ended 31 December 2021. Based on the information currently available, the expected decrease was mainly due to the following factors:

- (1) Shandong Hi-Speed New Energy Group Limited (“**SDHS New Energy**”) (formerly known as “Beijing Enterprises Clean Energy Group Limited”) issued and allotted 48,804,039,247 new shares to Profit Plan Global Investment Limited. Accordingly, the Company’s indirect shareholding percentage in SDHS New Energy was diluted from 31.88% to approximately 18.03%. Under the Hong Kong Accounting Standard 28 - Investments in Associates and Joint Ventures, the Group recognised a deemed disposal loss of around HK\$1.1 billion as a result of such dilution. The deemed disposal loss is one-off and non-cash in nature. It does not have any impact on the cash flow of the Group.
- (2) The Group had already stopped investing in water environmental comprehensive renovation projects. With the gradual completion of the construction of water environmental renovation projects in hand or entering into the final stage of construction works, thus, there was a decrease year by year in the income contributed by these projects. In addition, a number of construction projects and their related businesses could only maintain limited operations during the year. As such, there is a decrease in the net profit arising from construction services for the water environmental renovation.

The Board believes the core water treatment businesses of the Company grew steadily during the Year 2022, the cash flow remained stable, the production and operation were normal and smooth, and various risk management and control were in place. The Group has a healthy balance sheet and each of its fundamental elements remained solid. With the rapid recovery of economy in China, the Board surely believes that the operating level of the Group will be further enhanced and developed since year 2023 onwards.

As at the date of this announcement, the Company is still in the course of finalising its unaudited consolidated management accounts for the Year 2022. The information contained in this announcement is only based on the Board's preliminary review of the Group's latest unaudited consolidated management accounts for the Year 2022 and the information currently available to the Board, and is not based on any figures or information reviewed or audited by the auditors of the Company or the audit committee of the Company and may be subject to adjustments arising from further review. Shareholders and potential investors are advised to read carefully the final results of the Company for the Year 2022, which is expected to be published by the end of March 2023.

**Shareholders and potential investors of the Company should exercise caution when dealing in the shares of the Company.**

By order of the Board  
**Beijing Enterprises Water Group Limited**  
**Xiong Bin**  
*Chairman*

Hong Kong, 24 March 2023

*As at the date of this announcement, the Board comprises eight executive directors, namely, Mr. Xiong Bin (chairman), Mr. Jiang Xinhao, Mr. Zhou Min (chief executive officer), Mr. Li Haifeng, Mr. Ke Jian, Ms. Sha Ning, Mr. Tung Woon Cheung Eric and Mr. Li Li, one non-executive director, namely, Mr. Wang Dianchang and five independent non-executive directors, namely, Mr. Shea Chun Lok Quadrant, Mr. Zhang Gaobo, Mr. Guo Rui, Mr. Chau On Ta Yuen and Mr. Dai Xiaohu.*