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(Incorporated in Bermuda with limited liability)

(Stock Code: 371)

## SUPPLEMENTAL ANNOUNCEMENT

### CONTINUING CONNECTED TRANSACTIONS IN RELATION TO DEPOSIT SERVICES MASTER AGREEMENT

Reference is made to the Company's announcement of 20 December 2023 (the "Announcement") in relation to its entering into the 2024 Deposit Services Master Agreement with BG Finance for provision of Deposit Services to the Group. Unless otherwise defined herein, capitalised terms used in this announcement shall have the same meanings as given to them in the Announcement.

The Company hereby provides the following further information to the Announcement:

#### 1. HISTORICAL AMOUNT OF DEPOSIT IN BG FINANCE

The maximum amounts of cumulative daily deposits placed by the Group with BG Finance (including any interest accrued thereon) for the two financial years ended 31 December 2022 and for the six months ended 30 June 2023 and the deposit caps of the Group with BG Finance for each of the corresponding periods were as follows:

	For the financial year ended 31 December 2021 <i>(audited)</i> <i>Equivalent to</i> <i>approximately</i>	For the financial year ended 31 December 2022 <i>(audited)</i> <i>Equivalent to</i> <i>approximately</i>	For the six months ended 30 June 2023 <i>(unaudited)</i> <i>Equivalent to</i> <i>approximately</i>
Maximum amounts of cumulative daily deposits for the year/period	HK\$1,513 million	HK\$1,410 million	HK\$1,359 million
The deposit caps for the year/period	HK\$1,520 million	HK\$1,520 million	HK\$1,520 million

## 2. BASIS OF DETERMINATION OF THE NEW ANNUAL CAPS

The proposed new annual caps have been determined after taking into consideration of the following factors, among other things:

- (1) the historical amounts of the maximum amounts of daily outstanding deposits balance placed by the Group with BG Finance;
- (2) the reference to the Group's cash and cash equivalents available;
- (3) the Deposit Services will be obtained by the Group on a voluntary and non-exclusive basis. There is no restriction under the 2024 Deposit Services Master Agreement on the Group's ability to obtain deposit services from other banks or financial institutions, and the Group is at its sole discretion to make its selection according to the relevant interest rates and quality of services being delivered by other banks or financial institutions. The Group has been diversifying the banks or financial institutions for cash deposits for the purpose of risk management of its capital and the new proposed annual caps can provide more flexibility to the Group's cash management and allocation, such as maximizing the interest income earned from deposit; and
- (4) the annual caps for the years ending 31 December 2024, 31 December 2025, and 31 December 2026 under the 2024 Deposit Services Master Agreement have been determined based on the cumulative daily outstanding deposits balance that the Group can place with BG Finance annually under Rule 14A.76 of the Listing Rules.

In consideration of the 2021 Deposit Services Master Agreement would come to an end on 31 December 2023 and in view of BG Finance enabling the provision of stable and efficient deposit services to the Group, the signing of the 2024 Deposit Services Master Agreement will continuously allow the Group carrying out similar deposit transactions as before and the Group will be in a better position to negotiate with BG Finance for a comprehensive and tailored financial services in future.

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

Hong Kong, 3 January 2024

*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. Guo Rui, Mr. Chau On Ta Yuen, Mr. Dai Xiaohu and Ms. Chan Siu Chee Sophia.*