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If you have sold or transferred all your shares in Beijing Enterprises Water Group Limited, you should at once hand this circular and the accompanying form of proxy, to the purchaser(s) or transferee(s) or to the bank, licensed securities dealer or registered institution in securities or other agent through whom the sale or transfer was effected for transmission to the purchaser(s) or transferee(s).

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(Incorporated in Bermuda with limited liability)

(Stock Code: 371)

**DISCLOSEABLE TRANSACTIONS
AND
CONTINUING CONNECTED TRANSACTIONS
REGARDING THE DEPOSIT SERVICES MASTER AGREEMENT
AND
THE PROVISION OF DEPOSIT SERVICES
AND
NOTICE OF THE SPECIAL GENERAL MEETING**

**Independent Financial Adviser to
the Independent Board Committee and the Independent Shareholders**



Capitalised terms used on this cover page shall have the same meanings as those defined in this circular unless otherwise stated.

A notice convening the SGM of the Company to be held at 66/F., Central Plaza, 18 Harbour Road, Wanchai, Hong Kong on Wednesday, 22 April 2026 at 3:00 p.m. is set out on pages 50 to 51 of this circular. A form of proxy for use at the SGM is also enclosed. Such form of proxy is also published on the website of The Stock Exchange of Hong Kong Limited (www.hkexnews.hk) and the website of the Company (www.bewg.net).

Whether or not you are able to attend the SGM, please complete the enclosed proxy form in accordance with the instructions printed thereon and return the same to the Company's branch share registrar in Hong Kong, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong as soon as possible but in any event not less than 48 hours before the time appointed for the holding of the SGM or any adjournment thereof. Completion and return of the proxy form shall not preclude you from attending and voting in person at the SGM or any adjournment thereof should you so wish.

31 March 2026

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DEFINITIONS

In this circular, the following expressions shall have the following meanings unless the context requires otherwise:

“2024 Deposit Services Master Agreement”	the deposit services master agreement dated 20 December 2023, entered into between the Company and BG Finance in respect of the Deposit Services for a term of three years, from 1 January 2024 to 31 December 2026
“2025 Supplemental Agreement”	a supplemental agreement dated 18 February 2025 entered into between the Company and BG Finance, to amend and supplement the 2024 Deposit Services Master Agreement
“2026 Deposit Services Master Agreement”	the deposit services master agreement dated 13 February 2026, entered into between the Company and BG Finance in respect of the Deposit Services from 13 February 2026 up to and including 31 December 2028
“Announcement”	the announcement of the Company dated 13 February 2026 in respect of the continuing connected transactions in relation to, among other things, the 2026 Deposit Services Master Agreement and the Proposed Annual Caps
“associates”	has the meaning ascribed to it under the Listing Rules
“BEGCL”	北京控股集團有限公司 (Beijing Enterprises Group Company Limited), a company incorporated in the PRC with limited liability, is the ultimate controlling shareholder of BEHL and the Company
“BEGCL Group”	BEGCL and its subsidiaries
“BEHL”	Beijing Enterprises Holdings Limited (北京控股有限公司), a company incorporated in Hong Kong with limited liability, the shares of which are listed on the Main Board of the Stock Exchange (Stock Code: 392), is a controlling shareholder of the Company
“BEHL Group”	BEHL and its subsidiaries
“BG Finance”	北京控股集團財務有限公司 (Beijing Enterprises Group Finance Co., Ltd.*), a company incorporated in the PRC with limited liability, is an associate of the BEGCL Group and the BEHL Group
“Board”	the board of Directors

DEFINITIONS

“close associate(s)”	has the meaning ascribed to it under the Listing Rules
“Company”	Beijing Enterprises Water Group Limited (北控水務集團有限公司), a company incorporated in Bermuda with limited liability, the Shares of which are listed on the Main Board of the Stock Exchange (Stock Code: 371)
“connected person”	has the meaning ascribed to it under the Listing Rules
“controlling shareholder”	has the meaning ascribed to it under the Listing Rules
“Deposit Services”	the deposit services provided by BG Finance to the Group under the 2024 Deposit Services Master Agreement (as supplemented by the 2025 Supplemental Agreement) and the 2026 Deposit Services Master Agreement
“Director(s)”	the director(s) of the Company
“Existing Annual Caps”	the maximum cumulative daily outstanding deposit balances placed by the Group with BG Finance (including any interest accrued thereon) during the term of the 2024 Deposit Services Master Agreement (as supplemented by the 2025 Supplemental Agreement)
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Independent Board Committee”	an independent committee of the Board, comprising all independent non-executive Directors, established to advise the Independent Shareholders in respect of the 2026 Deposit Services Master Agreement and the transactions contemplated thereunder (including the Proposed Annual Caps)
“Independent Financial Adviser”	Diligent Capital Limited, a licensed corporation to carry on Type 6 (advising on corporate finance) regulated activity under the SFO, and the independent financial adviser of the Company, to advise the Independent Board Committee and the Independent Shareholders in respect of the 2026 Deposit Services Master Agreement and the transactions contemplated thereunder (including the Proposed Annual Caps)

DEFINITIONS

“Independent Shareholder(s)”	the Shareholders who do not have a material interest in the 2026 Deposit Services Master Agreement and the transactions contemplated thereunder
“Latest Practicable Date”	26 March 2026, being the latest practicable date prior to the publication of this circular for the purpose of ascertaining certain information contained in this circular
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“PRC”	the People’s Republic of China, and for the purpose of this circular, excluding Hong Kong, the Macao Special Administrative Region of the People’s Republic of China and Taiwan
“Proposed Annual Caps”	the maximum cumulative daily outstanding deposit balances placed by the Group with BG Finance (including any interest accrued thereon) during the term of the 2026 Deposit Services Master Agreement
“RMB”	Renminbi, the lawful currency of the PRC
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“SGM”	the special general meeting of the Company to be held at 66/F., Central Plaza, 18 Harbour Road, Wanchai, Hong Kong on Wednesday, 22 April 2026 at 3:00 p.m. to consider and, if thought fit, approve the 2026 Deposit Services Master Agreement and the transactions contemplated thereunder (including the Proposed Annual Caps) and any adjournment thereof
“Share(s)”	ordinary share(s) in the share capital of the Company
“Shareholder(s)”	holder(s) of the Shares
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“substantial shareholder(s)”	has the meaning ascribed to it under the Listing Rules
“%”	per cent

LETTER FROM THE BOARD



(Incorporated in Bermuda with limited liability)

(Stock Code: 371)

Executive Directors:

Mr. Xiong Bin (*Chairman*)
Mr. Zhou Min (*Chief Executive Officer*)
Mr. Li Haifeng
Ms. Li Yining
Mr. Zhang Wenjiang
Ms. Zhou Xueyan
Mr. Tung Woon Cheung Eric

Non-executive Director:

Mr. Yuan Jianwei

Independent Non-executive Directors:

Mr. Shea Chun Lok Quadrant
Mr. Guo Rui
Mr. Chau On Ta Yuen
Mr. Dai Xiaohu
Ms. Chan Siu Chee Sophia

Registered office:

Clarendon House
2 Church Street
Hamilton HM 11
Bermuda

*Head office and principal
place of business:*

66/F., Central Plaza
18 Harbour Road, Wanchai
Hong Kong

31 March 2026

To the Shareholders

Dear Sir or Madam,

**DISCLOSEABLE TRANSACTIONS
AND
CONTINUING CONNECTED TRANSACTIONS
REGARDING THE DEPOSIT SERVICES MASTER AGREEMENT
AND
THE PROVISION OF DEPOSIT SERVICES**

INTRODUCTION

Reference is made to the Announcement. The purpose of this circular is to provide the Shareholders with, among other things, (i) further information of the 2026 Deposit Services Master Agreement and the transactions contemplated thereunder (including the Proposed Annual Caps); (ii) a letter from the Independent Board Committee to the Independent Shareholders in relation to the aforesaid; (iii) a letter from the Independent Financial Adviser containing its advice to the Independent Board Committee and the Independent Shareholders in relation to the aforesaid; and (iv) a notice convening the SGM to approve, among other things, the 2026 Deposit Services Master Agreement and the transactions contemplated thereunder (including the Proposed Annual Caps).

LETTER FROM THE BOARD

BACKGROUND

References are made to the announcements issued by the Company on 20 December 2023, 3 January 2024 and 18 February 2025 regarding, among other things, the continuing connected transactions contemplated under the 2024 Deposit Services Master Agreement, which has been supplemented by the 2025 Supplemental Agreement.

In accordance with the 2024 Deposit Services Master Agreement (as supplemented by the 2025 Supplemental Agreement), the Group is authorised to place and maintain deposits with BG Finance in the ordinary course of business, on normal commercial terms or on more favorable terms. The term of the 2024 Deposit Services Master Agreement is three years, starting on 1 January 2024 and ending on 31 December 2026.

Under the terms of the 2025 Supplemental Agreement, the cumulative daily outstanding deposit balances placed by the Group with BG Finance during the term of the 2024 Deposit Services Master Agreement, including any interest accrued thereon, shall not exceed the Existing Annual Caps as set out below:

Existing Annual Caps

For the financial year ended 31 December 2025	RMB980,000,000
For the financial year ending 31 December 2026	RMB980,000,000

THE 2026 DEPOSIT SERVICES MASTER AGREEMENT

The Board is pleased to announce that on 13 February 2026, the Company and BG Finance entered into the 2026 Deposit Services Master Agreement, pursuant to which, BG Finance will provide Deposit Services to the Group. The Existing Annual Caps, which were established under the 2024 Deposit Services Master Agreement (as supplemented by the 2025 Supplemental Agreement) with BG Finance, will be replaced by the Proposed Annual Caps.

A summary of the key terms of the 2026 Deposit Services Master Agreement are set out below:

Date	:	13 February 2026
Parties	:	(i) the Company; and (ii) BG Finance.
Effective conditions	:	The 2026 Deposit Services Master Agreement will become effective upon the fulfillment of the following conditions: (i) compliance with the Listing Rules regarding continuing connected transactions; and

LETTER FROM THE BOARD

(ii) if applicable, compliance with the Listing Rules requiring the Company to meet obligations related to disclosure, announcements, and obtaining approval from Independent Shareholders.

Effective Date : The 2026 Deposit Services Master Agreement shall be effective from the date of obtaining the Independent Shareholders' approval at the SGM.

Term : The term of the 2026 Deposit Services Master Agreement shall commence from 13 February 2026 up to and including 31 December 2028.

Scope of the Deposit Services : The Group has opened deposit accounts with BG Finance, and the funds are deposited with BG Finance under the principle of free deposit and withdrawal access. BG Finance offers the Group a variety of deposit services, including demand deposits, call deposits, time deposits, and agreement deposits.

BG Finance ensures the security of the Group's deposits and promptly and thoroughly fulfills the Group's funding requests. If BG Finance fails to pay the Group the deposit in full and on time, the Company may terminate the 2026 Deposit Services Master Agreement.

Subject to the terms of the 2026 Deposit Services Master Agreement, the Company and BG Finance will sign specific contracts and agreements to meet the Group's service needs related to the Deposit Services. These contracts and agreements will outline the particular transaction terms and adhere to the principles, terms, and relevant legal provisions set out in the 2026 Deposit Services Master Agreement.

Pricing : BG Finance shall provide the Group with Deposit Services at an interest rate for deposits that is not lower than the following:

(i) the benchmark interest rate prescribed by the People's Bank of China for the same type of deposits and the same period;

LETTER FROM THE BOARD

- (ii) the interest rates offered by commercial banks in Hong Kong and the PRC for the same type of deposits over the same period; and
- (iii) the interest rate offered by BG Finance to other member companies of BEGCL Group for the same type of deposits during the same period.

Termination of 2024 Deposit Services Master Agreement (as supplemented by the 2025 Supplemental Agreement) : Upon the coming into effect of the 2026 Deposit Services Master Agreement, the 2024 Deposit Services Master Agreement (as supplemented by the 2025 Supplemental Agreement) shall be automatically terminated. Neither BG Finance and the Company is required to make any payment to each other as a result of such automatically termination.

The Company would like to provide additional information regarding the pricing policy outlined in the 2026 Deposit Services Master Agreement. In line with this policy, the Group will obtain interest rate quotations from at least four independent commercial banks in Hong Kong and/or the PRC. This approach is intended to facilitate a comprehensive comparison of interest rates for deposits of similar types and durations. The Directors believe that obtaining four quotes is sufficient and representative, enabling Management to evaluate the pricing policy in accordance with the terms of the 2026 Deposit Services Master Agreement. This approach aims to ensure that the terms for Deposit Services are both effective and competitive, being equal to or better than those available in the market. The Board believes that this pricing policy serves the best interests of the Company and its Shareholders as a whole, and therefore it is considered to be fair and reasonable.

LETTER FROM THE BOARD

PROPOSED ANNUAL CAPS AND BASIS OF DETERMINATION

Historical amounts of cumulative daily outstanding deposit balances placed by the Group with BG Finance

The maximum cumulative daily outstanding deposit balances placed by the Group with BG Finance (including any interest accrued thereon) under the 2024 Deposit Services Master Agreement (as supplemented by the 2025 Supplemental Agreement) for the two financial years ended 31 December 2024 and 31 December 2025 and for the period from 1 January 2026 up to and including the Latest Practicable Date, along with the approved annual caps for each of these periods, are as follows:

	Maximum cumulative daily outstanding deposits balances	Existing Annual Caps
For the financial year ended 31 December 2024	Approximately RMB645,369,000	RMB710,000,000
For the financial year ended 31 December 2025	Approximately RMB907,007,000	RMB980,000,000
For the period from 1 January 2026 up to and including the Latest Practicable Date	Approximately RMB855,396,000 (unaudited)	RMB980,000,000

The Proposed Annual Caps and the basis of determination

According to the 2026 Deposit Services Master Agreement, the maximum cumulative daily outstanding deposit balances placed by the Group with BG Finance (including any interest accrued thereon) shall not exceed the Proposed Annual Caps as set out below:

	Proposed Annual Caps
From 13 February 2026 up to and including 31 December 2026	RMB2,566,000,000
For the financial year ending 31 December 2027	RMB2,566,000,000
For the financial year ending 31 December 2028	RMB2,566,000,000

LETTER FROM THE BOARD

In determining the Proposed Annual Caps, the Directors have considered the followings:

- (a) **Maximum daily deposit balances of the Group with the BG Finance.** The maximum daily deposit balances placed by the Group with BG Finance for the years ended 31 December 2024 and 31 December 2025 (i.e. approximately RMB645.37 million and approximately RMB907.01 million) are very close to the Existing Annual Caps, indicating that the current deposit caps are unable to meet the deposit needs of the Group with the BG Finance.
- (b) **Balance of cash and cash equivalents of the Group.** Based on the annual results of the Group for the year ended 31 December 2025, the Group's cash and cash equivalents were approximately RMB9.57 billion as of 31 December 2025, indicating a strong cash position. This total includes (a) approximately RMB193 million held in independent third-party financial institutions as time deposits; (b) approximately RMB8.53 billion placed in independent third-party financial institutions as savings deposits; and (c) approximately RMB847 million placed in BG Finance for Deposit Services.

As the Group has sufficient funds, the Existing Annual Cap of RMB980 million would restrict the Group from using more Deposit Services from BG Finance and the Group is left to use deposit services from other financial institutions which may incur higher charges and expenses. By adopting the Proposed Annual Caps, it gives the Group more flexibility to engage either BG Finance or other independent third party financial institutions for the provision of deposit services depending on its terms of services in order to achieve better utilization of the cash balance and effectively reduce costs and expenses.

- (c) **Strengthened operating cash inflows of the Group.** As disclosed in the Company's interim report for the six months ended 30 June 2025, the Group achieved a significant increase of approximately RMB1.69 billion in net cash inflows from operating activities for the six months ended 30 June 2025 compared to the same period in 2024. The Management has further indicated that this positive trend continued into the financial year ended 31 December 2025. This improvement reflects the Group's strengthened capacity to generate cash.

To elaborate on the factors mentioned above, the Company anticipates that the Group's cash balance will grow substantially in the coming years, driven by growth in operating cash flows, business expansion, and the accumulation of cash reserves through regular business operations. Key initiatives contributing to this expected growth include: (i) the implementation of digital and smart plant technologies aimed at enhancing operational efficiency within the Group's sewage and water supply operations; (ii) the adoption of an asset-light service model for the Group's water renovation services; (iii) improvements to municipal services, such as road cleaning and waste management, to expand the Group's urban resource offerings; and (iv) the development of technology platforms designed to further boost operational efficiency and cash flow. These strategies are projected to yield strong cash reserves for the Group by 31 December 2028.

LETTER FROM THE BOARD

Moreover, based on the Group's historical financial performance, including net profits of at least RMB2 billion from the years 2022 to 2025, the Group anticipates sustained profitability. In light of this expectation, the Board has assessed the proposed increase in the annual caps for the Deposit Services and has considered the Proposed Annual Caps fair and reasonable after considering (1) as of 31 December 2025, the deposits made by the Group with BG Finance represent only 8.9% of the total cash and bank balances; (2) the Group has consistently generated over RMB 2 billion in net cash inflow from operating activities during the years 2022 to 2025; (3) it is anticipated that there shall be an increase in the Group's operating cash flows in the upcoming years, driven by strategic business initiatives and effective treasury management as mentioned above, which is expected to enhance demand for Deposit Services; and (4) the terms proposed by BG Finance are expected to be at least as competitive as those offered by independent commercial banks. Furthermore, reductions in bank charges present an opportunity to improve interest returns should the Group enhance its utilization of Deposit Services within the Proposed Annual Caps. These considerations support the Board's decision that the determination of the Proposed Annual Caps is fair and reasonable and is in the interest of the Company and the Shareholders as a whole.

INTERNAL CONTROL PROCEDURES AND CORPORATE GOVERNANCE MEASURES

In order to protect the interests of the Shareholders, the Company will adopt the following internal control procedures and corporate governance measures in relation to the provisions of the Deposit Services with BG Finance:

- (i) the deposits will be placed by the Group with BG Finance on a voluntary and non-exclusive basis. Before placing all deposits in terms of large or small deposits with BG Finance, the Company will obtain and compare against at least four comparable interest rates of deposits of the same type and duration from independent commercial banks, and the benchmark deposit interest rates promulgated by the People's Bank of China at the time of transaction;
- (ii) the comparable interest rates of deposits from independent commercial banks and the benchmark deposit interest rates promulgated by the People's Bank of China together with the terms offered by BG Finance, will upon being obtained be submitted to the finance and risk management departments of the Group for review, in order to ensure that the terms offered by BG Finance are in strict compliance with the terms and conditions (including the pricing terms) under the 2026 Deposit Services Master Agreement, and are no less favourable to the Group than those offered by independent financial institutions;
- (iii) the Company will report to the independent non-executive Directors every year on the maximum amounts of cumulative daily deposits for such financial year. In addition, the auditors of the Company will conduct an annual review of the transactions contemplated under the 2026 Deposit Services Master Agreement in relation to the pricing policy and annual caps in accordance with the Listing Rules. The independent non-executive

LETTER FROM THE BOARD

Directors will also provide annual confirmations in the annual reports of the Company in respect of such transactions to ensure that they are entered into on normal commercial terms, are fair and reasonable, and are carried out pursuant to their contractual terms;

- (iv) the Company will monitor the status of its deposits and other transactions with BG Finance through the internet banking services provided by BG Finance. To ensure that the transactions contemplated under the 2026 Deposit Services Master Agreement do not exceed the Proposed Annual Cap, the finance department of the Company will conduct daily assessments of the Group's aggregate maximum deposit balance with BG Finance. If it is anticipated that the transactions will reach or exceed the relevant annual cap(s), the finance department will immediately communicate this to the Management, along with any necessary recommendations. If any revision of the annual cap(s) is required, the particulars will be reported to the Board and a meeting will be convened to consider the relevant matters to ensure compliance with the requirements under the Listing Rules; and
- (v) The Company will review BG Finance's financial statements, to the extent available, to monitor its performance and assess the safety of the deposits placed by the Group with BG Finance.

REASONS FOR AND BENEFITS OF ENTERING INTO THE 2026 DEPOSIT SERVICES MASTER AGREEMENT

The Group maintains deposits with financial institutions in Hong Kong and the PRC as an integral part of its treasury activities. As of 31 December 2025, the Board noted that the transaction amount for the Deposit Services, governed by the 2024 Deposit Services Master Agreement (as supplemented by the 2025 Supplemental Agreement), has reached approximately RMB846,874,000, which represents approximately 86% of the Existing Annual Caps. Given the anticipated growth in the Group's business and operational scale, it is expected that the utilization of the Deposit Services will increase, potentially exceeding previous transaction estimates. In light of this, the Board has decided to implement Proposed Annual Caps to replace the Existing Annual Caps for the term of the 2026 Deposit Services Master Agreement.

The Directors have carefully considered several key factors: (i) the consistently reliable relationship with BG Finance, which has provided efficient, secure, and stable deposit services to the Group without any instances of non-compliance or execution issues during the previous service period, and has also waived payment and transfer handling fees, thereby saving the Group's bank charges; (ii) BG Finance's capacity to deliver customized proposals for centralized deposit and fund management that align with the needs of the Group, thus ensuring timely access to liquidity and the ability to withdraw funds and obtain loans as necessary, thereby improving capital efficiency; (iii) the non-exclusive nature of the Deposit Services, which provides the Group with the flexibility to engage other commercial banks or financial institutions as applicable; and (iv) the competitive deposit interest rates offered by BG Finance, which will be comparable to or more favorable than those prescribed by the People's Bank of China for similar deposit types and durations, as well as those offered by commercial banks in Hong Kong and the PRC.

LETTER FROM THE BOARD

After thorough consideration of the above factors, along with the internal control and risk management frameworks established by the Group to ensure effective governance over the Deposit Services, the Directors have concluded that, the terms outlined in the 2026 Deposit Services Master Agreement are on normal commercial terms, and the provision of the Deposit Services is fair and reasonable and in the best interests of the Company and its Shareholders as a whole.

To the best of the Directors' knowledge, information and belief after having made all reasonable enquiries, as of the Latest Practicable Date, none of the Directors has a material interest in the 2026 Deposit Services Master Agreement and no Director has abstained from voting on the relevant board resolutions of the Company.

INFORMATION ABOUT THE COMPANY AND THE GROUP

The Company is a company incorporated in Bermuda with limited liability and the Shares of which are listed on the Main Board of the Stock Exchange.

The Company is an investment company and the holding company of the Group. The Group is principally engaged in (i) the construction of sewage and reclaimed water treatment plants, and provision of construction services for comprehensive renovation projects in the PRC, Malaysia, Australia and the Republic of Botswana; (ii) the provision of sewage and reclaimed water treatment and seawater desalination services in the PRC, the Republic of Singapore, the Portuguese Republic, Australia, New Zealand and Saudi Arabia; (iii) the distribution and sale of piped water in the PRC, the Portuguese Republic, Australia and Saudi Arabia; (iv) the provision of technical and consultancy services and sale of machineries related to sewage treatment and construction services for comprehensive renovation projects in the PRC and Australia; (v) the licensing of technical know-how related to sewage treatment in the PRC; and (vi) the provision of urban services and hazardous waste treatment services in the PRC and Hong Kong.

INFORMATION ABOUT BG FINANCE

BG Finance is a company incorporated in the PRC with limited liability. To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, as of the Latest Practicable Date, the ownership structure of BG Finance is as follows: (i) the Company holds 6.69% directly; (ii) the BEHL Group (excluding the Company) holds a total of 44.79%; and (iii) the BEGCL Group (excluding both the Company and the BEHL Group) collectively hold 48.52%.

The ultimate beneficial owner of BEGCL is the People's Government of Beijing Municipality* (北京市人民政府). The State-owned Assets Supervision and Administration Commission of the People's Government of Beijing Municipality* (北京市人民政府國有資產監督管理委員會) is responsible for executing ownership and control functions for BEGCL, acting with the authorization of the People's Government of Beijing Municipality.

As each of BEGCL and BEHL owns not less than 30% equity interest in BG Finance, BG Finance is an associate of each of BEGCL and BEHL under Chapter 14A of the Listing Rules.

LETTER FROM THE BOARD

BEGCL, which is the ultimate controlling shareholder of the Company, is a connected person of the Group. Therefore, BG Finance, being an associate of the BEGCL, is also regarded as a connected person of the Company under Chapter 14A of the Listing Rules.

The establishment of BG Finance as a non-bank financial services institute has been approved by China Banking Regulatory Commission. As at the Latest Practicable Date, BG Finance acts as a platform of BEGCL for provision of intra-group facilities through financial products including deposit-taking, money lending and custodian services, etc.

DEPOSIT UTILISATION AND RISK PREVENTION FOR THE DEPOSIT SERVICES

Under the 2026 Deposit Services Master Agreement, BG Finance undertakes to using the deposits received from the Group primarily to the funding needs of the Group, thereby ensuring the security of deposit funds. As a result, when the Group obtains financing from BG Finance and has excess funds available, it may deposit such funds with BG Finance to reduce the loan exposure and save interest cost.

In the event that BG Finance encounters difficulties in operation, according to the applicable laws of the PRC and the articles of association of BG Finance, BEGCL Group, as the founder and the parent company of BG Finance, will assume the primary responsibility for risk prevention and resolution of BG Finance in accordance with the applicable laws, and will, if necessary, provide additional capital or liquidity to BG Finance, and BG Finance undertakes that the replenishment of capital or liquidity will be prioritized for guaranteeing the Group's deposits repayment.

LISTING RULES IMPLICATIONS

As at the Latest Practicable Date, each of BEGCL and BEHL is a connected person of the Company under the Listing Rules by virtue of each being a controlling shareholder of the Company. As each of BEGCL and BEHL beneficially owns not less than 30% of the equity interest in BG Finance, BG Finance is an associate of both BEGCL and BEHL.

BEGCL, which is the ultimate controlling shareholder of the Company, is a connected person of the Group. Therefore, BG Finance, being an associate of the BEGCL, is also regarded as a connected person of the Company under Chapter 14A of the Listing Rules. Accordingly, the Deposit Services will constitute continuing connected transactions of the Company under Chapter 14A of the Listing Rules. Additionally, the provision of the Deposit Services also constitutes the provision of financial assistance by the Group to BG Finance under Rule 14.04(1)(e) and Rule 14A.24(4) of the Listing Rules.

As one or more of the applicable ratios (as defined under Rule 14.07 of the Listing Rules) in respect of the Deposit Services (including the Proposed Annual Caps) is more than 5% but less than 25%, the transactions contemplated under the 2026 Deposit Services Master Agreement constitute discloseable transactions and non-exempt continuing connected transactions for the Company under Chapter 14 and Chapter 14A of the Listing Rules. Accordingly, the 2026 Deposit Services Master

LETTER FROM THE BOARD

Agreement and the transactions contemplated thereunder are subject to the reporting, announcement, circular, Independent Shareholders' approval, and annual review requirements as specified under Chapter 14 and Chapter 14A of the Listing Rules.

As BEGCL Group and the BEHL Group are considered to have a material interest in the 2026 Deposit Services Master Agreement and the transactions contemplated thereunder, BEGCL Group and the BEHL Group (together with their respective associates) shall abstain from voting at the SGM on the proposed resolution to approve, among other things, the 2026 Deposit Services Master Agreement and the transactions contemplated thereunder, including the Proposed Annual Caps. Save for the aforesaid and to the best of the information, knowledge and belief of the Directors having made all reasonable enquiries, no other Shareholders are required to abstain from voting at the SGM.

INDEPENDENT BOARD COMMITTEE AND INDEPENDENT FINANCIAL ADVISER

An Independent Board Committee, comprising all independent non-executive Directors, has been established to advise the Independent Shareholders as to whether the terms of the 2026 Deposit Services Master Agreement and the transactions contemplated thereunder are fair and reasonable, on normal commercial terms or better and in the ordinary and usual course of business of the Group and in the interest of the Company and the Independent Shareholders as a whole, and to advise the Independent Shareholders on how to vote at the SGM. The Company has appointed the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders in this regard.

SGM

A notice convening the SGM to be held at 66/F., Central Plaza, 18 Harbour Road, Wanchai, Hong Kong on Wednesday, 22 April 2026 at 3:00 p.m., is set out on pages 50 to 51 of this circular. The SGM will be held for the Independent Shareholders to consider and, if thought fit, pass the resolution to approve, among other things, the 2026 Deposit Services Master Agreement and the transactions contemplated thereunder (including the Proposed Annual Caps).

A form of proxy for use at the SGM is enclosed with this circular. Whether or not you are able to attend the SGM, please complete the enclosed proxy form in accordance with the instructions printed thereon and return the same to the Company's branch share registrar in Hong Kong, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong as soon as possible but in any event not less than 48 hours before the time appointed for the holding of the SGM or any adjournment thereof. Completion and return of the proxy form shall not preclude you from attending and voting in person at the SGM or any adjournment thereof should you so wish.

As BEGCL Group and the BEHL Group are considered to have a material interest in the 2026 Deposit Services Master Agreement and the transactions contemplated thereunder, BEGCL Group (together with their respective associates) shall abstain from voting at the SGM on the proposed resolution to approve, among other things, the 2026 Deposit Services Master Agreement and the

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transactions contemplated thereunder, including the Proposed Annual Caps. Save for the aforesaid and to the best of the information, knowledge and belief of the Directors having made all reasonable enquiries, no other Shareholders are required to abstain from voting at the SGM.

As at the Latest Practicable Date, BEGCL Group and the BEHL Group (including their respective associates) control or are entitled to control over the entire voting right in respect of 4,168,989,070 Shares (representing approximately 41.50% of the issued share capital of the Company). Therefore, a total of 4,168,989,070 Shares (representing approximately 41.50% of the issued share capital of the Company) shall abstain from voting at the SGM.

RECOMMENDATIONS

The Board (including the members of the Independent Board Committee after taking the advice of the Independent Financial Adviser) are of the opinion that the 2026 Deposit Services Master Agreement and the transactions contemplated thereunder are fair and reasonable, on normal commercial terms or better and in the ordinary and usual course of business of the Group, and in the interests of the Company and its Shareholders as a whole. Accordingly, the Directors recommend the Independent Shareholders to vote in favour of the resolution to be proposed at the SGM.

ADDITIONAL INFORMATION

Your attention is drawn to the letter from the Independent Board Committee set out on pages 16 to 17 of this circular, the letter from the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders set out on pages 18 to 41 of this circular and the information set out in the appendix to this circular.

Yours faithfully,
By Order of the Board
Beijing Enterprises Water Group Limited
Xiong Bin
Chairman

* *For identification purpose only and should not be regarded as the official English translation of the Chinese names. In the event of any inconsistency, the Chinese name prevail.*

LETTER FROM THE INDEPENDENT BOARD COMMITTEE



(Incorporated in Bermuda with limited liability)

(Stock Code: 371)

31 March 2026

To the Independent Shareholders,

Dear Sir/Madam,

**DISCLOSEABLE TRANSACTIONS
AND
CONTINUING CONNECTED TRANSACTIONS
REGARDING THE DEPOSIT SERVICES MASTER AGREEMENT
AND
THE PROVISION OF DEPOSIT SERVICES**

We refer to the circular (the “**Circular**”) dated 31 March 2026 issued by the Company of which this letter forms part. Capitalised terms used in this letter shall have the same meanings as those defined in the Circular unless specified otherwise.

We have been appointed by the Board as members of the Independent Board Committee to advise the Independent Shareholders as to whether the terms of the 2026 Deposit Services Master Agreement and the transactions contemplated thereunder (including the Proposed Annual Caps) are fair and reasonable, on normal commercial terms or better and in the ordinary and usual course of business of the Group and in the interest of the Company and its Shareholders as a whole, and to advise the Independent Shareholders how to vote at the SGM.

Diligent Capital Limited has been appointed by the Company as the Independent Financial Adviser to advise us and the Independent Shareholders in this regard. Details of the advice from Diligent Capital Limited are contained in its letter set out on pages 18 to 41 of the Circular. Your attention is also drawn to the letter from the Board and the additional information set out in the appendix to the Circular.

LETTER FROM THE INDEPENDENT BOARD COMMITTEE

Having taken into account the terms of the 2026 Deposit Services Master Agreement and the advice from the Independent Financial Adviser, we consider that the terms of the 2026 Deposit Services Master Agreement and the transactions contemplated thereunder (including the Proposed Annual Caps) are (i) fair and reasonable; (ii) on normal commercial terms or better and in the ordinary and usual course of business of the Group; and (iii) in the interest of the Company and its Shareholders as a whole. Accordingly, we recommend the Independent Shareholders to vote in favor of the resolution to be proposed at the SGM to approve the 2026 Deposit Services Master Agreement and the transactions contemplated thereunder.

Yours faithfully,

For and on behalf of

the Independent Board Committee

Mr. Shea Chun
Lok Quadrant

Mr. Guo Rui

Mr. Chau On Ta
Yuen

Mr. Dai Xiaohu

Ms. Chan Siu
Chee Sophia

Independent non-executive Directors



**DILIGENT
CAPITAL**

道勤資本有限公司
Diligent Capital Limited
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Hong Kong

Tel +852 2170 0699
Fax +852 2170 0600

31 March 2026

*To the Independent Board Committee and
the Independent Shareholders of
Beijing Enterprises Water Group Limited*

Dear Sirs and Madams,

**DISCLOSEABLE TRANSACTIONS AND
CONTINUING CONNECTED TRANSACTIONS
REGARDING THE DEPOSIT SERVICES MASTER AGREEMENT AND
THE PROVISION OF DEPOSIT SERVICES**

INTRODUCTION

We refer to our appointment as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders regarding the 2026 Deposit Services Master Agreement and the transactions contemplated thereunder (including the Proposed Annual Caps) (the “**Transaction**”), particulars of which are set out in the section headed “Letter from the Board” (the “**Letter**”) contained in the circular of the Company to the Shareholders dated 31 March 2026 (the “**Circular**”), of which this letter forms part. Unless the context requires otherwise, capitalized terms used in this letter shall have the same meanings as ascribed to them under the section headed “Definitions” in the Circular.

1. Background of the Transaction

References are made to the announcements issued by the Company on 20 December 2023, 3 January 2024, and 18 February 2025 regarding, among other things, the continuing connected transactions contemplated under the 2024 Deposit Services Master Agreement, which has been supplemented by the 2025 Supplemental Agreement.

1.1 *The 2024 Deposit Services Master Agreement (as supplemented by the 2025 Supplemental Agreement)*

On 20 December 2023, the Company and BG Finance entered into the 2024 Deposit Services Master Agreement, pursuant to which the Group is authorised to place and maintain deposits with BG Finance, on normal commercial terms or on more favourable terms. The 2024 Deposit Services Master Agreement is effective for three years, commencing on 1 January 2024 and ending on 31 December 2026.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

On 18 February 2025, the Company and BG Finance entered into the 2025 Supplemental Agreement, pursuant to which the Company and BG Finance agreed to revise the existing annual caps in relation to the provision of the Deposit Services for the remaining term of the 2024 Deposit Services Master Agreement. Under the terms of the 2025 Supplemental Agreement, the cumulative daily outstanding deposit balances placed by the Group with BG Finance during the term of the 2024 Deposit Services Master Agreement, including any interest accrued thereon, must not exceed the revised annual caps of RMB980,000,000 for the year ended 31 December 2025 and RMB980,000,000 for the year ending 31 December 2026 (the “**Existing Annual Caps**”).

1.2 The 2026 Deposit Services Master Agreement

On 13 February 2026, the Company and BG Finance entered into the 2026 Deposit Services Master Agreement, pursuant to which BG Finance will provide Deposit Services to the Group. The Existing Annual Caps on cumulative daily outstanding deposit balances, which were established under the 2024 Deposit Services Master Agreement (as supplemented by the 2025 Supplemental Agreement) with BG Finance, will be replaced by the Proposed Annual Caps.

2. Implications under the Listing Rules

As at the Latest Practicable Date, as each of BEGCL and BEHL owns more than 30% equity interest in BG Finance, BG Finance is an associate of both BEGCL and BEHL under Chapter 14A of the Listing Rules.

BEGCL, which is the ultimate controlling shareholder of the Company, is a connected person of the Group. Therefore, BG Finance, being an associate of the BEGCL, is also regarded as a connected person of the Company under Chapter 14A of the Listing Rules. Additionally, the provision of the Deposit Services also constitutes the provision of financial assistance by the Group to BG Finance under Rule 14.04(1)(e) and Rule 14A.24(4) of the Listing Rules.

As one or more of the applicable ratios (as defined under Rule 14.07 of the Listing Rules) in respect of the Deposit Services (including the Proposed Annual Caps) is more than 5% but less than 25%, the transactions contemplated under the 2026 Deposit Services Master Agreement constitute discloseable transactions and non-exempt continuing connected transactions for the Company under Chapter 14 and Chapter 14A of the Listing Rules. Accordingly, the 2026 Deposit Services Master Agreement and the transactions contemplated thereunder are subject to the reporting, announcement, circular, Independent Shareholders’ approval, and annual review requirements as specified under Chapter 14 and Chapter 14A of the Listing Rules.

As the BEGCL Group and the BEHL Group are considered to have a material interest in the 2026 Deposit Services Master Agreement and the transactions contemplated thereunder, the BEGCL Group and the BEHL Group, together with their respective associates, will abstain from voting at the SGM regarding the proposed resolution to approve, among other things, the 2026 Deposit Services Master Agreement and the transactions contemplated thereunder, including the Proposed

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

Annual Caps. Save for the aforesaid, and to the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, no other Shareholders are required to abstain from voting at the SGM.

INDEPENDENT BOARD COMMITTEE

The Independent Board Committee, comprising all 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, has been established to consider and advise the Independent Shareholders as to whether the terms of the Transaction are (i) in the ordinary and usual course of business of the Company; (ii) on normal commercial terms; and (iii) on terms that are fair and reasonable and in the interest of the Company and the Independent Shareholders as a whole, and to advise the Independent Shareholders on how to vote at the SGM.

In our capacity as the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders for the purpose of the Listings Rules, our role is to give an independent opinion to advise the Independent Board Committee and the Independent Shareholders as to whether the terms of the Transaction are (i) in the ordinary and usual course of business of the Company; (ii) on normal commercial terms; and (iii) on terms that are fair and reasonable and in the interest of the Company and the Independent Shareholders as a whole, and to advise the Independent Shareholders on how to vote at the SGM.

OUR INDEPENDENCE

We, Diligent Capital Limited ("**Diligent Capital**"), have been appointed as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders in this regard, and such appointment has been approved by the Board pursuant to the Listing Rules.

Diligent Capital is a licensed corporation under the Securities and Futures Ordinance ("**SFO**") to carry out Type 6 (advising on corporate finance) regulated activity. Mr. Felix Huen ("**Mr. Huen**") is the person signing off the opinion letter from Diligent Capital contained in the Circular. Mr. Huen has been a responsible officer of Type 6 (advising on corporate finance) regulated activity under the SFO since 2019, and he has participated in and completed various independent financial advisory transactions in Hong Kong.

As at the Latest Practicable Date, we confirmed that there is no relationship or interest between Diligent Capital and the Company or any other parties that could be reasonably be regarded as hindrance to Diligent Capital's independence as set out under Rule 13.84 of the Listing Rules to act as the Independent Financial Adviser to the Independent Board Committee and the Shareholders in respect of the Transaction.

We are not associated with and have no significant connection, financial or otherwise, with the Company, its subsidiaries, its associates, or their respective substantial shareholders or associates, and accordingly, are eligible to give independent advice and recommendations. Apart from normal professional fees payable to us in connection with this appointment as the Independent Financial

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

Adviser to the Independent Board Committee and the Independent Shareholders, no arrangement exists whereby we will receive any fees from the Company, its subsidiaries, its associates, or their respective substantial shareholders or associates. We are not aware of any circumstances that would affect our independence, nor of any changes in such circumstances. Diligent Capital did not provide any service to the Company in the last two years. Accordingly, we consider ourselves eligible to provide independent advice on the terms of the Transaction.

BASIS OF OUR OPINION AND RECOMMENDATION

In formulating our opinion and recommendation to the Independent Board Committee and the Independent Shareholders in relation to the terms of the Transaction, we have relied on the information, facts and representations contained or referred to in the Circular and the information, facts and representations provided by, and the opinions expressed by the Directors, management of the Company and its subsidiaries (the “**Management**”). We have assumed that all information, facts, opinions, and representations made or referred to in the Circular were true, accurate, and complete at the time they were made and continued to be true and that all expectations and intentions of the Directors and the Management will be met or carried out as the case may be. We have no reason to doubt the truth, accuracy, and completeness of the information, facts, opinions, and representations provided to us by the Directors and the Management. The Directors jointly and severally accept full responsibility for the accuracy of the information contained in the Circular and confirm, having made all reasonable enquiries, that to the best of their knowledge, opinions expressed in the Circular have been arrived at after due and careful consideration. There are no other facts not contained in the Circular, the omission of which would make any statement in the Circular misleading. We have also sought and received confirmation from the Directors that no material facts have been omitted from the information supplied and opinions expressed.

We consider that we have been provided with, and we have reviewed sufficient information to reach an informed view, to justify relying on the accuracy of the information contained in the Circular and to provide a reasonable basis for our opinion. We have no reason to doubt that any relevant material facts have been withheld or omitted from the information provided and referred to in the Circular or the reasonableness of the opinions and representations provided to us by the Directors and the Management. We have not, however, conducted any independent verification of the information provided, nor have we conducted any independent investigation into the Company’s business, financial condition, or affairs, or into its prospects.

Based on the foregoing, we confirm that we have taken all reasonable steps which are applicable to the Transaction, as referred to in Rule 13.80 of the Listing Rules (including the notes thereof) in formulating our opinion and recommendation.

This letter is issued for the information of the Independent Board Committee and the Independent Shareholders solely in connection with their consideration of the terms of the Transaction; except for its inclusion in the Circular, it is not to be quoted or referred to, in whole or in part, nor shall this letter be used for any other purposes, without our prior written consent.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

PRINCIPAL FACTORS AND REASONS CONSIDERED

In arriving at our opinion to the Independent Board Committee and the Independent Shareholders, we have considered the following principal factors and reasons:

1. Background of the Transaction

On 13 February 2026, the Company entered into the 2026 Deposit Services Master Agreement with BG Finance.

1.1 *Information about the Company and the Group*

The Company is a company incorporated in Bermuda with limited liability, and the issued Shares of which have been listed on the Main Board of the Stock Exchange. The Company is an investment company and the holding company of the Group.

(a) *Principal business of the Group*

The Group is principally engaged in (i) the construction of sewage and reclaimed water treatment plants, and the provision of construction services for comprehensive renovation projects in the PRC, Malaysia, Australia and the Republic of Botswana; (ii) the provision of sewage and reclaimed water treatment services and seawater desalination services in the PRC, the Republic of Singapore, the Portuguese Republic, Australia, New Zealand and Saudi Arabia; (iii) the distribution and sale of piped water in the PRC, the Portuguese Republic, Australia and Saudi Arabia; (iv) the offering of technical consultancy services and the sale of machinery related to sewage treatment and construction services for comprehensive renovation projects in the PRC and Australia; (v) the licensing of technical know-how related to sewage treatment in the PRC; and (vi) the provision of urban services and hazardous waste treatment services in the PRC and Hong Kong.

(b) *Financial position of the Group*

Below is a summary of the Group's audited consolidated financial positions as of 31 December 2024 and 31 December 2025, as extracted from the Company's annual report for the year ended 31 December 2024 and the Company's annual results announcement for the year ended 31 December 2025 (the "2025 ARA"):

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

	As at 31 December 2025 <i>RMB'000</i> <i>(Audited)</i>	As at 31 December 2024 <i>RMB'000</i> <i>(Audited)</i>
Non-current assets	<u>118,766,824</u>	<u>125,199,708</u>
Current assets		
— Inventories	340,878	359,487
— Amounts due from contract customers	4,998,893	3,186,867
— Receivables under service concession arrangements	10,392,044	9,447,741
— Trade receivables	11,589,007	11,375,905
— Prepayments, deposits, and other receivables	9,190,537	7,759,427
— Derivative financial instruments	—	17,161
— Restricted cash and pledged deposits	181,730	216,336
— Cash and cash equivalents	<u>9,567,491</u>	<u>9,008,971</u>
Total current assets	<u>46,260,580</u>	<u>41,371,895</u>
TOTAL ASSETS	<u>165,027,404</u>	<u>166,571,603</u>
Current liabilities		
— Trade payables	16,974,195	19,049,467
— Other payables and accruals	7,602,541	7,631,530
— Income tax payables	1,327,381	1,402,863
— Bank and other borrowings	14,626,205	13,145,188
— Corporate bonds	3,998,254	1,997,543
— Lease liabilities	35,023	42,215
— Derivative financial instruments	<u>36,534</u>	<u>—</u>
Total current liabilities	<u>44,600,133</u>	<u>43,268,806</u>
Net current assets/(liabilities)	<u>1,660,447</u>	<u>(1,896,911)</u>

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

	As at	As at
	31 December	31 December
	2025	2024
	<i>RMB'000</i>	<i>RMB'000</i>
	<i>(Audited)</i>	<i>(Audited)</i>
Non-current liabilities		
Other payables and accruals	865,581	766,476
Bank and other borrowings	41,864,328	47,785,821
Corporate bonds	15,269,346	12,573,666
Lease liabilities	130,529	145,598
Provision for major overhauls	760,642	644,880
Deferred income	634,220	577,224
Deferred tax liabilities	<u>4,847,262</u>	<u>4,846,702</u>
Total non-current liabilities	<u>64,371,908</u>	<u>67,340,367</u>
TOTAL LIABILITIES	<u>108,972,041</u>	<u>110,609,173</u>
NET ASSETS	<u><u>56,055,363</u></u>	<u><u>55,962,430</u></u>

As presented in the table above, the Group's total cash and cash equivalents as at 31 December 2025 amounted to approximately RMB9,567,491,000. Out of this total, the Group has allocated approximately RMB846,874,000 to BG Finance for Deposit Services. During the years ended 31 December 2024 and 31 December 2025, the Group generated approximately RMB1,340,000 and RMB4,636,000 in interest income from the Deposit Services, respectively.

Furthermore, the Group has achieved a notable turnaround, transitioning from net current liabilities of approximately RMB1,896,911,000 as at 31 December 2024 to net current assets of approximately RMB1,660,447,000 as at 31 December 2025. This improvement suggests that the provision of Deposit Services has not adversely affected the Group's treasury management or operational efficiency, and it demonstrates a strategic approach to managing idle cash, yielding favorable interest income and flexible deposit and withdrawal arrangements.

1.2 Information of BG Finance

Below is the information related to BG Finance, including (a) the shareholding structure; (b) the principal activities; and (c) the applicable rules and regulations governing its business operations.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

(a) *Shareholding structure*

BG Finance is a company established in the PRC with limited liability. To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, as of the Latest Practicable Date, the ownership structure of BG Finance is as follows: (i) the Company holds 6.69% directly; (ii) the BEHL Group (excluding the Company) holds a total of 44.79%; and (iii) the BEGCL Group (excluding both the Company and the BEHL Group) collectively hold 48.52%.

The ultimate beneficial owner of BEGCL is the People's Government of Beijing Municipality* (北京市人民政府). The State-owned Assets Supervision and Administration Commission of the People's Government of Beijing Municipality* (北京市人民政府國有資產監督管理委員會) is responsible for executing ownership and control functions for BEGCL, acting with the authorization of the People's Government of Beijing Municipality.

As each of BEGCL and BEHL owns more than a 30% equity interest in BG Finance, BG Finance is an associate of both BEGCL and BEHL under Chapter 14A of the Listing Rules.

BEGCL, which is the ultimate controlling shareholder of the Company, is a connected person of the Group. Therefore, BG Finance, being an associate of the BEGCL, is also regarded as a connected person of the Company under Chapter 14A of the Listing Rules.

(b) *Principal activities*

BG Finance is a non-bank financial institution established and commenced business in 2013 with the approval granted by the National Administration of Financial Regulation (the "NAFR") (formerly known as the China Banking and Insurance Regulatory Commission (中國銀行保險監督管理委員會)).

As at the Latest Practicable Date, BG Finance has been established as a platform for the members of the BEGCL Group (including the Group) to facilitate the provision of intra-group services through a range of financial products, including deposit-taking, money-lending, and custodian services.

(c) *Applicable rules and regulations governing the business operations*

As stated above, BG Finance operates as a non-bank financial institution in the PRC. The operations of BG Finance are supervised and regulated by the NAFR, in accordance with the prevailing regulatory framework of the PRC banking industry.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

As advised by the Directors, and as of the Latest Practicable Date, to the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, there has been no record of non-compliance with the applicable laws, rules and regulations of the PRC in relation to the business operations of BG Finance.

2. Reasons for and benefits of the Transaction

2.1 *The Board's view*

As outlined in the Letter, the Board acknowledges that the transaction amount under the 2024 Deposit Services Master Agreement (as supplemented by the 2025 Supplemental Agreement) has reached approximately RMB846,874,000, representing approximately 86% of the Existing Annual Caps as at 31 December 2025. Considering the Group's expected business expansion and treasury requirements, the Board anticipates that the utilization of the Deposit Services may exceed previous estimates and therefore proposes the Proposed Annual Caps for the 2026 Deposit Services Master Agreement.

In forming its view, the Board has taken into account:

- (i) the Group's consistently reliable relationship and satisfactory track record with BG Finance, with no compliance or operational issues;
- (ii) BG Finance's capability to support the Group's liquidity needs through centralized deposit and fund management;
- (iii) the non-exclusive nature of the Deposit Services; and
- (iv) the interest rates offered by BG Finance, which are expected to be comparable to or more favourable than those offered by commercial banks in Hong Kong and the PRC.

In light of the above, the Directors have confirmed that the terms of the 2026 Deposit Services Master Agreement and the Proposed Annual Caps are fair and reasonable, on normal commercial terms, in the ordinary and usual course of business of the Group, and are in the interests of the Company and the Shareholders as a whole.

2.2 *Our view*

To assess the rationale for the Transaction, we have taken into consideration the factors above with the following conclusions:

- (a) *The strong and reliable relationship between the Company and BG Finance*

BG Finance has been providing the Deposit Services to the Group since 2014, resulting in a strong and enduring relationship. We have engaged in discussions with Management to gain insights into the performance of the Deposit Services and the

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

collaboration between the Group and BG Finance. It has been noted that since 2014, a positive relationship has been established, characterized by (i) Deposit Services have been delivered consistently and without interruption; (ii) all deposits have been repaid in full upon maturity, in compliance with applicable regulatory requirements; (iii) operational processes, including the settlement of funds, have been executed efficient, securely and promptly, with no reported delays or disruptions; and (iv) the interest rates offered by BG Finance have consistently been more favourable than those provided by comparable commercial banks. In addition, the waiver of transfer handling fees has resulted in significant cost savings for the Group. Furthermore, the Management has confirmed that there have been no significant compliance issues or operational challenges during this period of service.

BG Finance serves as the primary provider of financial services to the Group and its member companies, enabling it to cultivate a comprehensive understanding of the various industries in which the Group operates. Given its expertise in the Group's capital structure, BG Finance is well-positioned to identify and anticipate the Group's funding requirements. As a result, BG Finance can deliver flexible, convenient, customized, and cost-effective financial solutions tailored to the Group's needs.

(b) *Implementing a more comprehensive and centralized fund management system to enhance the Group's fund management efficiency*

To enhance the Group's fund deployment of funds and streamline the centralization of its fund management and utilization process, we acknowledge that a control account has been established with BG Finance. This account serves as a platform for internal settlement, fundraising, financing, and overall fund management across the Group and its member companies. As a result, the financial services provided by BG Finance are designed to enhance transaction efficiency between the Group and its member companies. By facilitating internal fund transfers without relying on external inter-bank processes, these services will enable immediate settlement and improve the Group's overall liquidity management.

With the support of the account management system and the expertise of BG Finance as a financial institution, we concur that this represents an opportunity for the Group to enhance the centralized management of its subsidiaries' funds. By consolidating available idle cash into BG Finance accounts, the Group can achieve greater efficiency.

Furthermore, BG Finance is prepared to offer tailored proposals for the centralized deposit and management of funds that align with the Group's specific management needs. This enables the Group to meet its funding requirements with flexibility through timely withdrawals. Moreover, BG Finance will facilitate improved fund turnover, allowing for a more efficient clearing and settlement process and reducing associated bank charges.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

In summary, we agree that collaborating with BG Finance will significantly enhance internal settlement efficiency and help lower the Group's overall fund costs by waiving transfer handling fees and providing savings on bank confirmation fees typically incurred with external financial institutions.

(c) *The Group shall use the Deposit Services on a voluntary and non-exclusive basis*

The 2026 Deposit Services Master Agreement is non-exclusive, allowing the Group the flexibility to engage with other commercial banks and financial institutions to fulfill its financial services requirements. BG Finance is one of several financial institutions that provide the Deposit Services to the Group. The Group may consider entering into transactions with BG Finance only when the rates, fees, or other applicable terms are equivalent to, or more favourable than, those offered by the major cooperative commercial banks with which the Group collaborates. Furthermore, the Group reserves the right to engage additional or other financial institutions, as deemed appropriate, to ensure the optimal provision of financial services.

(d) *The favourable commercial terms offered by BG Finance*

In accordance with the provisions of the 2026 Deposit Services Master Agreement, BG Finance is committed to offering a deposit interest rate for the Deposit Services that will not be less than (i) the benchmark interest rate established by the People's Bank of China (the "PBOC") for the comparable types and terms of deposits; (ii) the interest rates offered by commercial banks in Hong Kong and the PRC for similar types of deposits; and (iii) the interest rates offered by BG Finance to other members of the BEGCL Group for the same types of deposits over the same duration.

The Management confirms that since the Group utilised the Deposit Services, all deposits placed by the Group with BG Finance have met the aforesaid conditions. For additional information regarding our comprehensive review of the summary of interest-bearing deposits, please refer to the section headed "4. Internal control procedures and corporate governance measures".

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

- (e) *Capital risk control, internal control and risk management measures adopted by BG Finance*

After discussions with the Management, we further understand that BG Finance has implemented the following internal control and risk management measures:

- i. Regulatory status and deposit protection

BG Finance is a non-bank financial institution that has received approval and regulation from the NAFR and is operated under the supervision of several regulatory bodies, including the PBOC, the State Administration of Foreign Exchange, the China National Association of Finance Companies, and the State-owned Assets Supervision and Administration Commission of the People's Government of Beijing Municipality. BG Finance complies with regulatory standards comparable to those of commercial banks and implements stringent fund management to safeguard deposits.

- ii. Ongoing supervision and compliance

BG Finance is subject to ongoing on-site and off-site supervision by the NAFR and its branch office. It submits regulatory reports on a daily, monthly, quarterly, and annual basis. These reports include financial statements, statistical reports, operational information, and audit reports prepared by certified public accountants.

- iii. BG Finance is operating with positive indicators

As at 31 December 2025, in accordance with Article 34 of the Administrative Measures for Enterprise Group Finance Companies* (企業集團財務公司管理辦法) (the “**Administrative Measures**”), as promulgated by the NAFR, the following are the regulatory indicators of BG Finance:

Regulatory indicators	Requirements	BG Finance ratio as of 31 December 2025
a) capital adequacy ratio	Not less than the minimum regulatory requirement of 10.5%	24.56%
b) liquidity ratio	Not less than the minimum regulatory requirement of 25%	98.36%

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

Regulatory indicators	Requirements	BG Finance ratio as of 31 December 2025
c) inter-bank lending ratio	shall not exceed the total capital	0%
d) guarantee ratio	shall not exceed the total capital	0%
e) investment ratio	not exceed the regulatory ceiling of 70% of net capital	51.58%
f) fixed assets ratio	not exceed the regulatory ceiling of 20% of net capital	0.04%
g) non-performing loans ratio	not exceed the regulatory ceiling of 20% of net capital	0.00%

All indicators outlined above comply with the regulatory requirements established by the NAFR. Therefore, we see this as proof of BG Finance’s strong creditworthiness and asset quality. Moreover, BG Finance exhibits significantly lower exposure to counterparty risk, credit risk, market risk, and liquidity risk than the industry average.

The applicable laws and regulations indicate that the services provided by BG Finance are strictly limited to the fellow enterprise members within the group. In this context, BG Finance has built significant mutual trust, established strong relationships, and maintained stable and long-term cooperation with the Group. Moreover, BG Finance has a comprehensive understanding of the operations and risk appetite of each member of the Group, more than that of external financial institutions. This insight enables BG Finance to develop more effective risk control measures tailored to the Group’s needs.

Having considered the above, we concluded that BG Finance, as a non-banking financial institution established with the approval of the NAFR, is subject to direct and ongoing supervision by the NAFR. BG Finance is required to comply with all applicable regulatory provisions, including maintaining the necessary capital adequacy ratio, liquidity ratio, and the ratio of borrowing balance and outstanding guarantees to total capital, as well as the ratios for both short-term and long-term investments in securities to total capital. Meanwhile, BG Finance is directly regulated by the PBOC, requiring the timely and full payment of deposit reserves.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

In forming our view, we have reviewed BG Finance's periodic regulatory submissions to the NAFR and the PBOC, together with the relevant internal records, regulatory reporting materials, and other supporting documents provided to us. Specifically, such periodic submissions primarily consisted of (i) monthly financial statements; (ii) annual operational reports; and (iii) annual audit reports. We have obtained and examined all the aforementioned submission categories for 2024 and 2025, and our review found no irregularities or exceptions.

(f) *Deposit utilisation and risk prevention for the Deposit Services*

We noticed that under the 2026 Deposit Services Master Agreement, BG Finance is committed to using the deposits received from the Group primarily to improve the Group's credit capacity, thereby ensuring the security of deposit funds. As a result, when the Group secures financing from BG Finance and has excess funds available, it can deposit these funds with BG Finance. This strategy allows the Group to earn interest on the deposited amount, effectively lowering its finance costs.

In the event that BG Finance encounters operational challenges, BEGCL Group, as the founding entity and parent company of BG Finance, will assume the primary responsibility for risk management and resolution in accordance with the regulations of the PRC, including the Administrative Measures, and the articles of association of BG Finance. As the case may be, BEGCL Group is committed to providing additional capital or liquidity to BG Finance. Furthermore, BG Finance undertakes to prioritize capital replenishment and liquidity to ensure the timely repayment of the Group's deposits.

Conclusion

To conduct a thorough evaluation, we undertook the following review:

- (i) we examined the 2024 Deposit Services Master Agreement (as supplemented by the 2025 Supplemental Agreement) previously entered into by the Group. We found that the terms relating to the Deposit Services in the 2024 Deposit Services Master Agreement (as supplemented by the 2025 Supplemental Agreement) are consistent with those set forth in the 2026 Deposit Services Master Agreement;
- (ii) we reviewed (a) deposit interest rate quotations from independent commercial banks in the PRC; and (b) a selection of interest slips from historical deposit transactions between the Group and BG Finance, sampled on a non-exclusive and random basis. This review confirmed that the interest rate applicable to the Deposit Services was at least equal to or higher than the interest rates offered by other major commercial banks; and
- (iii) we conducted a review of independent information derived from the letters issued by the Company's auditors (the "Auditors") and noted that the Auditors executed procedures in accordance with Hong Kong Standard on Assurance Engagements

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3000 (Revised) and with reference to Practice Note 740 (Revised). The Auditors confirmed that they had performed sample checks on the continuing connected transactions entered into between the Group and BG Finance for the year ended 31 December 2025, and the results indicated that, in all material respects, these transactions complied with the pricing policies specified in the relevant agreements.

After considering the above factors, in view of the fact that entering into the 2026 Deposit Services Master Agreement allows the Company to effectively utilise the Deposit Services with enhanced capacities, given that (i) the Existing Annual Caps have nearly been fully utilised; and (ii) the terms offered by BG Finance are more favourable. Therefore, we conclude that the entering into of the 2026 Deposit Services Master Agreement is in the interest of the Company and the Independent Shareholders as a whole.

3. Principal terms of the 2026 Deposit Services Master Agreement

Set out below is the principal terms of the 2026 Deposit Services Master Agreement:

- Date** : 13 February 2026
- Parties** : (i) the Company; and
(ii) BG Finance.
- Effective conditions** : The 2026 Deposit Services Master Agreement will become effective upon the fulfillment of the following conditions:
- (i) compliance with the Listing Rules regarding continuing connected transactions; and
- (ii) if applicable, compliance with the Listing Rules requiring the Company to meet obligations related to disclosure, announcements, and obtaining approval from Independent Shareholders.
- Effective Date** : The 2026 Deposit Services Master Agreement shall be effective from the date of obtaining the Independent Shareholders' approval at the SGM.
- Term** : The term of the 2026 Deposit Services Master Agreement shall commence from 13 February 2026 up to and including 31 December 2028.

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Scope of the Deposit Services : The Group has opened a deposit account with BG Finance, and the funds are deposited with BG Finance under the principle of free deposit and withdrawal access. BG Finance offers the Group a variety of deposit services, including demand deposits, call deposits, time deposits, and agreement deposits.

BG Finance ensures the security of the Group's deposits and promptly and thoroughly fulfills the Group's funding requests. If BG Finance fails to pay the Group the deposit in full and on time, the Company may terminate the 2026 Deposit Services Master Agreement.

Subject to the terms of the 2026 Deposit Services Master Agreement, the Company and BG Finance will sign specific contracts and agreements to meet the Group's service needs related to the Deposit Services. These contracts and agreements will outline the particular transaction terms and adhere to the principles, terms, and relevant legal provisions set out in the 2026 Deposit Services Master Agreement.

Pricing : BG Finance shall provide the Group with Deposit Services at an interest rate for deposits that is not lower than the following:

- (i) the benchmark interest rate prescribed by the PBOC for the same type of deposits and the same period;
- (ii) the interest rates offered by commercial banks in Hong Kong and the PRC to the Group for the same type of deposits over the same period; and
- (iii) the interest rate offered by BG Finance to other member companies of BEGCL Group for the same type of deposits during the same period.

Termination of 2024 Deposit Services Master Agreement (as supplemented by the 2025 Supplemental Agreement) : Upon the coming into effect of the 2026 Deposit Services Master Agreement, the 2024 Deposit Services Master Agreement (as supplemented by the 2025 Supplemental Agreement) shall be automatically terminated. Neither BG Finance and the Company is required to make any payment to each other as a result of such automatically termination.

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3.1 *Basis of the Proposed Annual Caps*

As stated in the Letter, the Proposed Annual Caps were determined based on the following factors:

- (i) **Maximum daily deposit balances of the Group with the BG Finance.** The maximum daily deposit balances placed by the Group with BG Finance for the years ended 31 December 2024 and 31 December 2025 (i.e., approximately RMB645.37 million and approximately RMB907.01 million) are close to the Existing Annual Caps, indicating that the existing deposit limits may not adequately meet the Group's deposit requirements with BG Finance.
- (ii) **Balance of cash and cash equivalents of the Group.** Based on the annual results of the Group for the year ended 31 December 2025, the Group's cash and cash equivalents were approximately RMB9.57 billion as of 31 December 2025, indicating a strong cash position. This total includes (a) approximately RMB193 million held in independent third-party financial institutions as time deposits; (b) approximately RMB8.53 billion placed in independent third-party financial institutions as savings deposits; and (c) approximately RMB847 million placed in BG Finance for Deposit Services.

In light of the Group's treasury management concerning its current cash balances, the Existing Annual Caps of RMB980 million limit its ability to access additional Deposit Services from BG Finance. Consequently, the Group will need to seek deposit services from other financial institutions, which may not offer the best terms, potentially resulting in increased charges and expenses.

The adoption of the Proposed Annual Caps would provide the Group with enhanced flexibility to engage either BG Finance or other independent third-party financial institutions for deposit services. This strategic adjustment will facilitate better management of cash balances and contribute to overall cost reduction.

- (iii) **Strengthened operating cash inflows of the Group.** As disclosed in the Company's interim report for the six months ended 30 June 2025, the Group achieved a significant increase of approximately RMB1.69 billion in net cash inflows from operating activities for the six months ended 30 June 2025 compared to the same period in 2024. The Management has further indicated that this positive trend continued into the financial year ended 31 December 2025. This improvement reflects the Group's strengthened capacity to generate cash. Furthermore, the Group has implemented strict expenditure controls and effectively managed free cash flow, thereby enhancing operational resilience. Given the continued development in its existing business segment and its consistent profitability over the past five years, we concur with Management's anticipation of an increase in cash flow in the

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coming years. This growth is expected to drive demand for Deposit Services to efficiently manage idle cash and maintain flexibility in cash management as required by the Company.

To further assess the fairness and reasonableness of the Proposed Annual Caps, we conducted the following work:

(a) *Review of the historical record in connection with the Deposit Services*

To assess the potential need for revisions to the Existing Annual Caps, we have discussed with the Management and conducted a thorough review. This review includes (i) the historical outstanding balance of the deposit placed by the Company with BG Finance as at 31 December 2024 and 31 December 2025, and the Latest Practicable Date; (ii) the maximum daily outstanding deposits placed by the Group with BG Finance on any given day during each of the specified periods; and (iii) the utilization rates of the Existing Annual Caps for each of the aforesaid period.

	For the period from 1 January 2026 up to and including the Latest Practicable Date <i>(unaudited)</i>	For the years ended 31 December 2025 <i>(audited)</i>	31 December 2024 <i>(audited)</i>
Maximum amounts of cumulative daily deposits for the year/period <i>(approximately)</i>	<i>(a)</i>	RMB855.40 million	RMB907.01 million
The deposit caps for the period/year	<i>(b)</i>	RMB980 million	RMB710 million
Utilisation rate (%)	<i>(a)/(b)</i>	87.29%	90.90%

As noted above, the historical maximum daily deposit balances placed by the Group with BG Finance for the two years ended 31 December 2024 and 31 December 2025 and for the period from 1 January 2026 up to and including the Latest Practicable Date amounted to approximately RMB645.37 million, RMB907.01 million, and RMB855.40 million, respectively, representing utilisation rates of approximately 90.90%, 92.55% and 87.29% of the Existing Annual Caps. This indicates that the Existing Annual Caps have been nearly fully utilised, reflecting a consistent and substantial demand for the Deposit Services.

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(b) *Review of the cash position of the Group*

As disclosed in the 2025 ARA, the Group's cash and cash equivalents as at 31 December 2025 amounted to approximately RMB9.57 billion, representing nearly ten times the Existing Annual Caps. Discussions with Management clarified expectations for the maximum daily deposit balance starting in 2026. It is anticipated that this balance will increase, primarily driven by growth in operating cash flows, business expansion, and the accumulation of cash reserves through regular business operations.

The Group projects that its cash position will increase over the coming three years ending 31 December 2028. This anticipated growth is primarily attributed to strategic advancements in the following areas:

- (i) enhancing sewage and water supply operations through the adoption of digitalisation and smart plant initiatives;
- (ii) transitioning the water renovation construction services business from a capital-intensive investment model to a light-asset service model, this entails continuing to minimise investment in Build-Operate-Transfer (BOT) water projects while concentrating on asset-light service offerings;
- (iii) expanding urban resources services, which mainly comprise municipal environmental services such as road cleaning, waste collection and transfer, and solid waste treatment. These services are characterized by short payment cycles and stable cash inflows; and
- (iv) developing technology platform businesses, including Software as a Service (SaaS) subscription services and equipment sales.

In forming this view, we discussed with the Management and conducted a thorough review of the Group's business strategy, historical financial information, and recent performance. Our analysis revealed a significant shift in the Group's revenue mix, as highlighted in the Company's annual results. Specifically, revenue from the Group's sewage and reclaimed water treatment business increased from approximately RMB8,643.4 million in 2023 to approximately RMB9,178.0 million in 2024 and reached approximately RMB9,456.5 million in 2025. Similarly, revenue from the Group's urban resource services grew from approximately RMB5,057.6 million in 2023 to approximately RMB6,027.7 million in 2024, with approximately RMB6,293.5 million recorded in 2025. This trend indicates a strengthening of recurring service revenue, likely enhancing the stability of cash flows from operations.

In contrast, we observed a decline in revenue from Build-Operate-Transfer (BOT) water projects business, from approximately RMB4,540.6 million in 2023 to approximately RMB2,616.0 million in 2024, and further to approximately RMB1,125.8 million in 2025. This reduction aligns with the Company's strategic shift toward asset-

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light, service-oriented operations, reflecting a deliberate move away from capital-intensive models. A higher proportion of revenue derived from water treatment business and urban resource services is expected to provide greater predictability in cash receipts and decrease near-term capital commitments compared to the BOT model.

Additionally, as noted in the Company's published annual reports, concurrent initiatives such as regional expansion, international operations, and maintenance (O&M) contracts, digitalization of operations, and the implementation of prefabricated, energy-efficient moving bed biofilm reactor (MBBR) equipment contribute to shorter construction cycles, reduced project costs, and more stable cash generation. These factors support the Company's ability to conserve and enhance cash reserves.

Based on our observations, we believe that the revenue trends across various segments, combined with strategic initiatives aimed at asset-light O&M, deployment of prefabricated equipment, digitalized operations, and geographic diversification, provide compelling evidence that the Company is taking decisive steps to improve operational efficiency, reduce capital intensity, and stabilize operating cash inflows. Taking the above factors into consideration, it is our assessment that the expectation for an increase in the Group's cash position for the coming three years ending 31 December 2028 is fair and reasonable.

Furthermore, we noted that the Group has maintained profitability over the past five financial years and the existing treasury management indicates a significant demand for the Group to increase Deposit Services offered by BG Finance, especially if BG Finance can offer more favourable terms than other financial institutions. Specifically, we recognised that the Group (i) achieved a audited net profit of over RMB2 billion from 2022 to 2025; (ii) generated more than RMB2 billion in net cash inflow from operating activities during the years 2022 to 2025; (iii) reported cash and bank balances totaling approximately RMB9.57 billion as of 31 December 2025, which included approximately RMB847 million held in Deposit Services at BG Finance and approximately RMB8.72 billion deposited with other independent commercial banks, representing approximately 8.9% and approximately 91.1% of the Group's total cash and bank balances, respectively. In light of these considerations, we concur with the Management that the Existing Annual Cap is far below the cash balance available to the Group and is unable to satisfy the actual demand of the Group's Deposit Services, while the Proposed Annual Caps allow the Group to increase the buffer for the Deposit Services with better commercial terms.

After considering these factors, there is consensus that the Existing Annual Cap is too low relative to the Group's cash balance and does not adequately meet the Group's actual demand for Deposit Services. On the other hand, the Proposed Annual Caps would increase the Group's capacity for Deposit Services, enabling it to obtain more favourable commercial terms.

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It is advised that the Proposed Annual Caps be established to accommodate idle cash generated from operating activities, and the possible drawdowns of loan facilities that may be temporarily deposited under the Deposit Services. The Group reserves the right to withdraw its deposit with BG Finance, either in full or in part, thereby providing flexibility to manage its cash resources as needed without restrictions.

Given that the Deposit Services present the Group with an option, rather than an obligation, to deposit its cash with BG Finance on terms that are more advantageous than those offered by other commercial banks, we concur with the Directors that the Proposed Annual Caps should (i) be set at a level that includes a buffer to afford the Group flexibility in earning interest income through deposits with BG Finance; (ii) be based on reasonable estimation following due and careful considerations; and (iii) be regarded as fair and reasonable for the Company and the Independent Shareholders.

(c) *The expected increase in the utilization rate of the Group's funds and the ability of centralized fund management*

Following our review of BG Finance's capital risk control, internal control and risk management measures, we recognised that BG Finance has established a comprehensive internal control system. This system is designed to enhance the Group's centralized fund management across its subsidiaries and banking institutions in various provinces. As the collaboration with BG Finance deepens, we agree with the Management that the transaction volumes between the Group and BG Finance will increase. To facilitate more efficient settlement and collection of transaction funds, we understand the Group's decision to expand the Deposit Services, which aims to leverage the control account with BG Finance to significantly improve the efficiency of its fund utilization.

Conclusion

It is expected that, as the Group's business continues to grow, there will be a corresponding increase in both cash and cash equivalents and overall demand for deposits. As of the Latest Practicable Date, the Group has approached the Existing Annual Caps for the years 2024 and 2025. Consequently, we concur with the Directors that, from a strategic perspective, it would be in the interests of the Company to adjust the Existing Annual Caps to enhance its relationship with the BG Finance.

Furthermore, following our evaluation, we hereby summarize that (i) the Group has effectively preserved a considerable amount of cash and cash equivalents, totaling approximately RMB 9.57 billion as of 31 December 2025, which represents nearly ten times the Existing Annual Caps; (ii) of the total cash and cash equivalents, only 8.9% has been allocated for Deposit Services, indicating a considerable opportunity for the Group to increase the cap designated for these services; (iii) the Group has demonstrated robust profitability, with net operating cash inflows exceeding RMB 2 billion annually. This consistent cash generation reflects strong financial health and ongoing demand for the Deposit Services; (iv) in light of the Group's business development strategy, we concur with Management's

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expectations that operating cash flows are likely to increase in the forthcoming years. This anticipated growth further reinforces the expected rise in demand for the Deposit Services; and (v) considering the terms provided by BG Finance, which are expected to be at least as favorable as those from other independent commercial banks, along with potential reductions in bank charges, there exists an opportunity for improved interest returns should the Group increase the utilization of Deposit Services under the Proposed Annual Caps. Taking these factors into account, we are of the view that the proposed significant increase in the Proposed Annual Caps compared to the Existing Annual Caps is both fair and reasonable for the Company and so far as the Independent Shareholders are concerned.

4. Internal control procedures and corporate governance measures

As stated in the Letter, we acknowledged that the Company has established the following internal control procedures and corporate governance measures concerning the provisions of the Deposit Services:

- (i) **The Group will place deposits with BG Finance on a voluntary and non-exclusive basis.** We are advised that prior to making any deposit with BG Finance, the Company will ensure that it obtains and evaluates at least four comparable interest rates for deposits of the same type and duration from independent commercial banks. Additionally, these rates will be compared against the benchmark deposit interest rates established by the PBOC at the time of the transaction;
- (ii) **The Management is committed to selecting interest rate terms that are favourable for the Group.** The Group will diligently gather deposit interest rates from independent commercial banks, in addition to the benchmark deposit interest rates set by the PBOC. This information will be submitted to the Group's finance and risk management departments for thorough review. This process is crucial to ensure that the terms proposed by BG Finance fully comply with the stipulations outlined in the 2026 Deposit Services Master Agreement. Additionally, the Management will ensure that these terms are at least as favorable to the Group as those provided by independent financial institutions;
- (iii) **The Company is committed to providing an annual report to the independent non-executive Directors that outlines the maximum amounts of cumulative daily deposits for the respective financial year.** In conjunction with this, the Auditors will undertake a comprehensive annual review of the transactions contemplated under the 2026 Deposit Services Master Agreement, focusing on the pricing policy and annual caps in alignment with the Listing Rules. Moreover, the independent non-executive Directors will include confirmations in the Company's annual reports regarding these transactions. This process ensures that all transactions are executed on normal commercial terms, are fair and reasonable, and adhere to their contractual obligations;

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- (iv) **The Company is committed to closely monitoring the status of its deposits and transactions with BG Finance through the internet banking services provided by that institution.** To ensure compliance with the Proposed Annual Cap as outlined in the 2026 Deposit Services Master Agreement, the Group's finance department will conduct daily assessments of the Group's aggregate maximum deposit balance with BG Finance. If it is anticipated that the transactions will reach or exceed the relevant annual cap(s), the finance department will immediately communicate this to the Management, along with any necessary recommendations. Should a revision to the annual cap(s) be warranted, the relevant details will be submitted to the Board, and a meeting will be convened to consider the necessary actions to ensure adherence to the Listing Rules; and
- (v) **The Company will review BG Finance's financial statements, to the extent available, to monitor its performance and assess the safety of the deposits placed by the Group with BG Finance.** The review will help identify any adverse changes in BG Finance's financial condition and determine whether adjustments to the Group's deposit exposure are necessary.

We have conducted a comprehensive review of the summary of interest-bearing deposits that the Group placed and maintained with BG Finance for the year ended 31 December 2025 (the "**Review Period**"), which was provided by the Management, the review examined a total of 40 deposit transactions during the Review Period. From this total, randomly selected and reviewed 24 transactions (the "**Selected Deposits**"). The samples represent over 50% of the total population and are considered sufficient and representative, considering that the selected transactions account for a significant share of the total, including deposits of varying sizes and maturities. Additionally, we obtained interest rate quotations from independent third-party financial institutions that the Management used to determine the relevant reference interest rate(s) for the Selected Deposits. As advised by the Management, the Company typically obtains benchmark interest rate quotations in accordance with the aforementioned internal control measures, which serve as references when utilising Deposit services with BG Finance. It was noted that the interest rates offered by BG Finance to the Group were consistently more favourable than those of comparable commercial banks and financial institutions for similar deposit types throughout the 2024 Deposit Services Master Agreement (as supplemented by the 2025 Supplemental Agreement).

We reviewed the letters issued by the Auditors and have confirmed with the Auditors that the Deposit Services executed under the 2024 Deposit Services Master Agreement (as supplemented by the 2025 Supplemental Agreement) are fully compliant with the established pricing policies. Furthermore, we have identified no issues of non-compliance related to the Deposit Services.

In conclusion, it has been determined that the Group has effectively followed its internal control system in overseeing the execution of the Deposit Services. This ensures that the Deposit Services provided align with the interests of both the Company and the Independent Shareholders. As a result, we are of the view that the Deposit Services under the 2026 Deposit Services Master Agreement are under effective control and are fair and reasonable.

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RECOMMENDATION

Having taken into consideration the factors and reasons as stated above, we are of the opinion that the terms of the 2026 Deposit Services Master Agreement, are (i) on normal commercial terms and in the ordinary and usual course of business of the Group; (ii) fair and reasonable; and (iii) in the interests of the Company and the Shareholders as a whole.

Accordingly, we recommend that the Independent Board Committee recommend to the Independent Shareholders to vote in favour of the resolution to be proposed at the SGM to approve the Transaction, and we recommend that the Independent Shareholders vote in favour of the resolutions in this regard.

Yours faithfully
For and on behalf of
Diligent Capital Limited
Felix Huen
Director

* *For identification purpose only and should not be regarded as the official English translation of the Chinese names. In the event of any inconsistency, the Chinese names prevail.*

1. RESPONSIBILITY STATEMENT

This circular, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that, to the best of their knowledge and belief, the information contained in this circular is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this circular misleading.

2. DISCLOSURE OF INTERESTS

(a) Directors' and chief executives' interests or short positions in the Shares, underlying Shares and debentures of the Company and its associated corporations

As at the Latest Practicable Date, the interests and short positions of each Director and the chief executive of the Company in the Shares, underlying Shares and debentures of the Company or its associated corporations (within the meaning of Part XV of the SFO) (i) which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interest and short positions which they were taken or deemed to have under such provisions of the SFO); or (ii) which were required, pursuant to section 352 of the SFO, to be entered in the register referred to therein; or (iii) which were required to be notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Companies contained in the Listing Rules (the "Model Code") were as follows:

(i) Long positions in the Shares and underlying Shares of the Company

Name of Directors	Nature of interests	Number of Shares/ underlying Shares held or interested in	Approximate percentage of the issued share capital of the Company ^{Note 2}
Mr. Zhou Min	<i>Note 1</i>	370,958,118	3.69237%
Mr. Li Haifeng	Beneficial Owner	1,740	0.00002%
Mr. Tung Woon Cheung Eric	Beneficial Owner	590,404	0.00588%

(ii) *Long positions in the shares and/or underlying shares of the associated corporation*

Associated corporation	Nature of Directors	Number of Shares/ underlying Shares held or interested in	Approximate percentage of the issued share capital of the associated corporation <i>Note 5</i>
Beijing Enterprises Urban Resources Group Limited (“BEURG”)	Mr. Zhou Min ^{Note 3}	2,439,980,777	68.60%
	Mr. Li Haifeng ^{Note 4}	2,439,980,777	68.60%

Notes:

1. Mr. Zhou Min was deemed (by virtue of the SFO) to be interested in 370,958,118 ordinary shares of HK\$0.10 each in the Shares as at the Latest Practicable Date. These shares were held in the following capacity:
 - a. 60,167,240 Shares were held in a beneficial owner capacity.
 - b. 307,676,110 Shares and 3,114,768 Shares were held by Tenson Investment Limited and Star Colour Investments Limited (“**Star Colour**”), respectively, both of which are wholly and beneficially owned by Mr. Zhou Min, the chief executive officer and an executive director of the Company.
2. The percentage represented the number of Shares over the total issued Shares of the Company as at the Latest Practicable Date of 10,046,609,871 Shares.
3. Mr. Zhou Min was deemed (by virtue of the SFO) to be interested in 2,439,980,777 ordinary shares of BEURG of HK\$0.10 each (“**BEURG Shares**”) as at the Latest Practicable Date. These BEURG Shares were held in the following capacity:
 - a. 490,476,000 BEURG Shares were held by Star Colour which is wholly and beneficially owned by Mr. Zhou Min, the chief executive officer and an executive Director.
 - b. 1,949,504,777 BEURG Shares were held by Star Colour which entered into an acting in concert agreement (the “**AIC Agreement**”) with the Company, Beijing Holdings Limited (“**BHL**”), Long March Holdings Limited, Zihua Investments Limited, Maolin Investments Limited (“**MIL**”), Mr. Li Haifeng, Mr. Zhou Chen and ZGC International Holding Limited (together referred to as the “**Concert Parties**”) on 10 May 2022. Pursuant to the AIC Agreement, the Concert Parties are acting in concert in respect of their interests in BEURG and therefore each of the Concert Parties is deemed to be interested in all the shares held by them in aggregate under the SFO. As at the Latest Practicable Date, each of the Concert Parties were interested in an aggregate of

2,439,980,777 BEURG Shares, representing approximately 68.60% of the issued share capital of the BEURG. Details of the AIC Agreement are set out in the announcement of the Company dated 10 May 2022.

4. Mr. Li Haifeng was deemed (by virtue of the SFO) to be interested in 2,439,980,777 BEURG Shares as at the Latest Practicable Date. These BEURG Shares were held in the following capacity:
 - a. 1,840,000 BEURG Shares were held in a beneficial owner capacity.
 - b. 48,960,000 BEURG Shares were held by MIL which is wholly and beneficially owned by Mr. Li Haifeng, an executive Director.
 - c. 2,389,180,777 BEURG Shares were held by Mr. Li Haifeng and MIL which entered into the AIC Agreement with the Company, BHL, Star Colour, Long March Holdings Limited, Zihua Investments Limited, Mr. Zhou Chen and ZGC International Holding Limited on 10 May 2022. Pursuant to the AIC Agreement, the Concert Parties are acting in concert in respect of their interests in BEURG and therefore each of the Concert Parties is deemed to be interested in all the shares held by them in aggregate under the SFO. As at the Latest Practicable Date, each of the Concert Parties was interested in an aggregate of 2,439,980,777 BEURG Shares, representing approximately 68.60% of the issued share capital of the BEURG. Details of the AIC Agreement are set out in the announcement of the Company dated 10 May 2022.
5. The percentage represented the number of BEURG Shares over the total issued shares of BEURG as at Latest Practicable Date of 3,556,664,000 shares.

Save as disclosed above, none of the Directors or chief executive of the Company had any interests or short positions in the shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) as at the Latest Practicable Date as recorded in the register required to be kept under Section 352 of the SFO, or as otherwise notified to the Company and the SFC under the Model Code.

(b) Substantial Shareholders and other persons' interests in Shares and underlying Shares

Based on the register kept by the Company, as at the Latest Practicable Date, so far as known to the Directors or chief executive of the Company, the following persons or corporations (other than Directors or chief executive of the Company) who had interests and/or short positions in the Shares or underlying Shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or which were recorded in the register required to be kept by the Company under Section 336 of the SFO were as follow:

Long positions in Shares and underlying Shares

Name of Shareholder	Nature of interest	Number of Shares held or interested in	Approximate percentage of issued share capital of the Company
Beijing Enterprises Environmental Construction Limited (“ BE Environmental ”)	Beneficial Owner	4,121,604,070	41.03%
BEHL ^{Note 1}	Beneficial Owner/ Interest of controlled corporation	4,132,107,070	41.13%
Modern Orient Limited (“ MOL ”) ^{Note 2}	Interest of controlled corporation	4,132,107,070	41.13%
Beijing Enterprises Investments Limited (“ BEIL ”) ^{Note 2}	Interest of controlled corporation	4,132,107,070	41.13%
Beijing Enterprises Group (BVI) Company Limited (“ BE Group (BVI) ”) ^{Note 3}	Interest of controlled corporation	4,132,107,070	41.13%
BEGCL ^{Note 4}	Interest of controlled corporation	4,168,989,070	41.50%
Three Gorges Capital Holdings (HK) Co., Limited (“ TGC HK ”)	Beneficial Owner	515,952,000	5.14%

Name of Shareholder	Nature of interest	Number of Shares held or interested in	Approximate percentage of issued share capital of the Company
Three Gorges Capital Holdings Co., Ltd (“TGC”) ^{Note 5}	Interest of controlled corporation	515,952,000	5.14%
Yangtze Ecology and Environment (HK) Investment Limited (“YEE HK”)	Beneficial Owner	872,121,436	8.68%
Yangtze Ecology and Environment Co., Ltd. (“YEE”) ^{Note 6}	Interest of controlled corporation	872,121,436	8.68%
China Three Gorges Corporation (“CTG”) ^{Note 7}	Interest of controlled corporations	1,588,495,436	15.81%

Notes:

- The interest disclosed comprises 10,503,000 Shares directly held by BEHL and 4,121,604,070 Shares owned by BE Environmental. BE Environmental beneficially holds 4,121,604,070 Shares (representing approximately 41.03% in the share capital of the Company). BE Environmental is a wholly-owned subsidiary of BEHL. Accordingly, BEHL is deemed to be interested in the Shares owned by BE Environmental.
- The interest disclosed comprises 10,503,000 Shares directly held by BEHL and 4,121,604,070 Shares owned through BE Environmental. MOL and BEIL are the immediate shareholders of BEHL and collectively hold approximately 20.97% of the issued share capital of BEHL. Accordingly, each of MOL and BEIL is deemed to be interested in the Shares owned by BEHL through BE Environmental.
- The interest disclosed comprises the Shares owned by BEIL and MOL (through BEHL and BE Environmental). BEHL is held directly as to approximately 41.19% by BE Group (BVI). MOL is a wholly-owned subsidiary of BEIL, which is in turn directly held as to approximately 72.72% by BE Group (BVI). Accordingly, BE Group (BVI) is deemed to be interested in the Shares indirectly owned by BEIL and MOL (through BEHL and BE Environmental).
- The interest disclosed comprises the Shares owned by BE Group (BVI) as detailed in note (3) above and 36,882,000 Shares owned by BHL. BE Group (BVI) and BHL are wholly-owned subsidiaries of the BEGCL. Accordingly, BEGCL is deemed to be interested in the Shares indirectly owned by BE Group (BVI) and BHL.
- The interest disclosed comprises the Shares held by TGC HK which beneficially holds 515,952,000 Shares (representing approximately 5.14% in the share capital of the Company). TGC HK is a wholly-owned subsidiary of TGC. Accordingly, TGC is deemed to be interested in the Shares owned by TGC HK.

6. The interest disclosed comprises the Shares held by YEE HK which beneficially holds 872,121,436 Shares (representing approximately 8.68% in the share capital of the Company). YEE HK is a wholly-owned subsidiary of YEE. Accordingly, YEE is deemed to be interested in the Shares owned by YEE HK.
7. The interest disclosed comprises (i) 515,952,000 Shares held by TGC HK, a direct wholly-owned subsidiary of TGC which is in turn directly held as to 30% by CTG, 40% by China Three Gorges Investment Management Co., Ltd., 10% by China Three Gorges Technology Co. Ltd. and 10% by China Yangtze Power Co., Ltd. (“CYP”). CYP is directly held as to 42.81% by CTG, 3.60% by China Three Gorges Construction Engineering Corporation (“CTG Construction”) and 1.86% by CTG Logistics Management (Beijing) Co., Ltd. (“CTG Management”), both CTG Construction and CTG Management are direct wholly-owned subsidiaries of CTG; (ii) 200,422,000 Shares held by China Yangtze Power International (Hongkong) Co., Ltd., a direct wholly-owned subsidiary of CYP; and (iii) 872,121,436 Shares held by YEE HK, a direct wholly-owned subsidiary of YEE, which is in turn directly held as to 100% by CTG.
8. The percentage represented the number of Shares over the total issued Shares of the Company as at the Latest Practicable Date of 10,046,609,871 Shares.

(c) Directors or proposed directors being a director or employee in a company having an interest under divisions 2 and 3 of part XV of the SFO

As at the Latest Practicable Date, the following Directors were directors or employees of companies which had an interest in the shares and underlying shares of the Company which would fall to be disclosed under the provisions of Divisions 2 and 3 of Part XV of the SFO:

Name of Director	Name of company having an interest in the Shares and underlying Shares	Position held within such companies
Xiong Bin	BEHL	Executive Director, Chief Executive Officer
	BEGCL	Assistant to General Manager
	MOL	Director
	BEIL	Director
Li Yining	BEHL	Vice President
Zhang Wenjiang	BEHL	General Counsel
Tung Woon Cheung Eric	BEHL	Executive Director, Company Secretary
	YEE	Deputy General Manager

Save as discovered above, as at the Latest Practicable Date, the Directors were not aware of any other Directors was a director or an employee of a company who had interests or short positions in the Shares or underlying Shares which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO.

Save as disclosed above, as at the Latest Practicable Date, the Company was not notified by any persons (other than Directors or chief executive of the Company as discussed above) who had interests or short positions in the Shares or underlying Shares which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or which were recorded in the register required to be kept by the Company under Section 336 of the SFO.

3. COMPETING INTERESTS

As at the Latest Practicable Date, so far as the Directors are not aware of any Directors and their respective close associates who had any interest in any businesses which compete or is likely to compete, either directly or indirectly, with the businesses of the Group.

4. DIRECTORS' SERVICE CONTRACTS

As at the Latest Practicable Date, none of the Directors had any existing or proposed service agreement with the Group (excluding contracts expiring or determinable by the employer within one year without payment of compensation (other than statutory compensation)).

5. DIRECTORS' INTERESTS IN CONTRACTS OR ARRANGEMENT

As at the Latest Practicable Date, none of the Directors was materially interested in any contract or arrangement subsisting as at the Latest Practicable Date which was significant in relation to the business of the Group (other than those businesses to which the Directors and his/her associates were appointed to represent the interests of the Company and/or the Group) or have any other conflicts of interest with the Group pursuant to the Listing Rules.

6. DIRECTORS' INTEREST IN ASSETS

As at the Latest Practicable Date, save as disclosed, none of the Directors had any direct or indirect interest in any assets which had been, since 31 December 2025 (being the date to which the latest published audited consolidated financial statements of the Company were made up), acquired or disposed of by or leased to, or were proposed to be acquired or disposed of by or leased to, any member of the Group.

7. MATERIAL ADVERSE CHANGE

As at the Latest Practicable Date, the Directors are not aware of any material adverse change in the financial or trading position of the Group since 31 December 2025, being the date to which the latest published audited consolidated financial statements of the Company were made up.

8. QUALIFICATION AND CONSENT OF EXPERT

The following is the qualification of the expert who has given opinion or advice, which are contained or referred to in this circular:

Name	Qualification
Diligent Capital Limited	a corporation licensed to carry out Type 6 (advising on corporate finance) regulated activity under the SFO

As at the Latest Practicable Date, the above expert had no shareholding in the Company or any other member of the Group or the right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for securities in the Company or any other member of the Group.

As at the Latest Practicable Date, the above expert had no direct or indirect interests in any assets which has been acquired or disposed of by or leased to any member of the Group since 31 December 2025 (the date to which the latest published audited consolidated financial statements of the Group were made up) or proposed to be acquired or disposed of or leased to any member of the Group.

As at the Latest Practicable Date, the above expert had given and has not withdrawn its written consent to the issue of this circular with the inclusion herein of its letter of advice or its name and logo in the form and context in which they respectively appear.

9. DOCUMENTS ON DISPLAY

The following document will be available on the websites of Hong Kong Exchanges and Clearing Limited (www.hkexnews.hk) and the Company (www.bewg.net) during the period of 14 days from the date of this circular (both days inclusive):

- (a) the 2026 Deposit Services Master Agreement;
- (b) the letter from the Independent Board Committee as set out in this circular;
- (c) the letter from the Independent Financial Adviser as set out in this circular;
- (d) the written consent of the experts as referred to in the section headed “Qualification and Consent of Expert” of this Appendix; and
- (e) this circular.

NOTICE OF SPECIAL GENERAL MEETING



(Incorporated in Bermuda with limited liability)

(Stock Code: 371)

NOTICE OF SPECIAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that a special general meeting (the “SGM” or “Meeting”) of Beijing Enterprises Water Group Limited (the “Company”) will be held at 66/F., Central Plaza, 18 Harbour Road, Wanchai, Hong Kong on Wednesday, 22 April 2026 at 3:00 p.m. for the purpose of considering and, if thought fit, passing with or without amendments, the following resolution of the Company as an ordinary resolution. Capitalised terms used in this notice shall have the same meanings as those defined in the circular of the Company dated 31 March 2026 (the “Circular”), unless otherwise specified.

ORDINARY RESOLUTIONS

“THAT:

- (a) the 2026 Deposit Services Master Agreement (details of the 2026 Deposit Services Master Agreement are set out in the Circular, copies of the 2026 Deposit Services Master Agreement and the Circular have been tabled at the Meeting marked “A” and “B” respectively and signed by the chairman of the Meeting for the purpose of identification), and the transactions contemplated thereunder be and are hereby approved, confirmed and ratified;
- (b) the Proposed Annual Caps be and are hereby approved and confirmed; and
- (c) the Directors, acting together, individually or by committee, be and are hereby authorised to take such actions, do all such acts and things and execute all such further documents or deeds as they may consider necessary, appropriate, desirable or expedient for implementation of or giving effect to the 2026 Deposit Services Master Agreement, the Proposed Annual Caps and any of the transactions contemplated thereunder.”

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

Hong Kong, 31 March 2026

NOTICE OF SPECIAL GENERAL MEETING

Notes:

1. The register of members will be closed from Friday, 17 April 2026 to Wednesday, 22 April 2026 (both days inclusive), during which period no transfer of shares will be registered. The record date will be Wednesday, 22 April 2026. In order to qualify for attending and voting at the forthcoming special general meeting of the Company to be held on Wednesday, 22 April 2026, all properly completed transfer forms accompanied by the relevant share certificates must be lodged with the branch share registrar of the Company in Hong Kong, Tricor Investor Services Limited at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong for registration not later than 4:30 p.m. on Thursday, 16 April 2026.
2. Any member of the Company entitled to attend and vote at the SGM shall be entitled to appoint another person as his/her proxy to attend and vote instead of him/her. A member who is the holder of two or more shares entitled to attend and vote at the SGM is entitled to appoint more than one proxy to attend and vote instead of him/her. In case of a recognised clearing house, it may authorise such person(s) as it thinks fit to act as its representative(s) and/or proxy(ies) at the SGM and vote in its stead. A proxy need not be a member of the Company.
3. To be valid, a form of proxy together with a power of attorney or other authority, if any, under which it is signed or a notarially certified copy of such power or authority, must be lodged with the branch share registrar of the Company in Hong Kong, Tricor Investor Services Limited at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong not less than 48 hours before the time fixed for holding the Meeting or any adjournment thereof. Forms of proxy returned electronically or by any other data transmission process will not be accepted.
4. Completion and return of the form of proxy in respect of the proposed ordinary resolutions for the SGM will not preclude a member from attending and voting in person at the SGM (or any adjournment thereof) should he/she so wishes and in such event, the form of proxy for the SGM will be deemed to have been revoked.
5. If tropical cyclone warning signal number 8 or above or “extreme conditions” caused by super typhoon, or a black rainstorm warning signal is in effect any time and remains in force 2 hours before the time of the SGM, the SGM will be adjourned at the discretion of Directors. If so, the Company will publish an announcement on the websites of Hong Kong Exchanges and Clearing Limited and the Company to notify shareholders of the date, time and place of the rescheduled meeting.
6. As at the date of this notice, the Board comprises seven executive Directors, namely Mr. Xiong Bin (chairman), Mr. Zhou Min (chief executive officer), Mr. Li Haifeng, Ms. Li Yining, Mr. Zhang Wenjiang, Ms. Zhou Xueyan and Mr. Tung Woon Cheung Eric, one non-executive Director, namely Mr. Yuan Jianwei 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.