

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this notice, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this notice.



北控水務集團有限公司

BEIJING ENTERPRISES WATER GROUP LIMITED

(Incorporated in Bermuda with limited liability)

(Stock code: 371)

NOTICE OF SPECIAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that a special general meeting (the “Meeting”) of the shareholders of Beijing Enterprises Water Group Limited (the “Company”) will be held at 66th Floor, Central Plaza, 18 Harbour Road, Wanchai, Hong Kong on Thursday, 22 March 2012 at 3:00 p.m. for the purpose of considering and, if thought fit, passing with or without modifications, the following resolutions as a special resolution or an ordinary resolution of the Company:–

SPECIAL RESOLUTIONS

1. **“THAT** conditional upon compliance by the Company with all relevant legal procedures and requirements under Bermuda laws, and with effect from the business day immediately following the day of passing this resolution (“Effective Date”):
 - (a) the entire amount standing to the credit of the share premium account of the Company as at the Effective Date be reduced to nil, with the credit arising therefrom being applied towards offsetting the entire amount of the accumulated losses of the Company as at the Effective Date and the remaining balance being credited to the contributed surplus account of the Company and the directors of the Company be and are hereby authorised to apply any credit balance in the contributed surplus account of the Company in accordance with the bye-laws of the Company and all applicable laws (including but not limited to the application of such credit balance to set off against accumulated losses of the Company) (“Reduction of Share Premium”); and

(b) the directors of the Company be and are hereby authorised generally to carry out all acts and things which they may consider appropriate, necessary or desirable to give effect to or to implement the Reduction of Share Premium and the applications of the credits which will be released thereby.”

2. “**THAT**, conditional upon compliance with the relevant legal procedures and requirements under Bermuda laws:

(a) the bye-laws of the Company be and are hereby amended in the following manner (collectively, the “Bye-Laws Amendments”):

(i) by deleting the existing bye-law 137 in its entirety and substituting therefor the following new bye-law 137:

“137. Subject to the Act and as hereinafter set out, the Company in general meeting may by ordinary resolution declare dividends or distribution out of contributed surplus, in any currency, to be paid to members according to their rights and privileges. No dividend shall be declared or paid and no distribution of contributed surplus shall be made otherwise than in accordance with the Statutes. No dividend shall be paid otherwise than out of profits available for distribution and no dividend or distribution out of contributed surplus shall exceed the amount recommended by the Directors.”

(ii) by deleting the existing bye-law 138(A) in its entirety and substituting therefor the following new bye-law 138(A):

“138. (A) The Directors may from time to time declare and pay to the members such interim dividends or distributions out of contributed surplus as appear to the Directors to be justified by the position of the Company and, in particular (but without prejudice to the generality of the foregoing), if at any time the capital of the Company is divided into different classes, the Directors may pay such interim dividends in respect of those shares in the capital of the Company which confer on the holders thereof deferred or non-preferential rights as well as in respect of those shares which confer on the holders thereof preferential rights with regard to dividend but no interim dividend shall be paid on shares carrying

deferred or non-preferential rights if, at the time of payment, any preferential dividend is in arrear provided that if the Directors act bona fide the Directors shall not incur any responsibility to the holders of shares conferring any preference for any damage that they may suffer by reason of the lawful payment of an interim dividend on any shares having deferred or non-preferential rights.”

- (b) the directors of the Company be and are hereby authorised generally to do or procure to be done on behalf of the Company all such things they may in their discretion consider appropriate or desirable to effect and implement the Bye-Laws Amendments.”

ORDINARY RESOLUTION

3. “**THAT** Mr. Tung Woon Cheung Eric be re-elected as an executive director of the Company and the board of directors of the Company be authorised to fix his remuneration.”

By Order of the Board
Beijing Enterprises Water Group Limited
Zhang Honghai
Chairman

Hong Kong, 24 February 2012

Notes:

- (i) A member entitled to attend and vote at the Meeting is entitled to appoint not more than two proxies to attend and vote instead of him. In the case of a recognised clearing house, it may authorise such person(s) as it thinks fit to act as its representative(s) at the Meeting and vote in its stead. A proxy need not be a member of the Company.
- (ii) In order to be valid, the 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 deposited at the branch share registrar of the Company in Hong Kong, Tricor Tengis Limited of 26/F., Tesbury Centre, 28 Queen’s Road East, Wanchai, Hong Kong not less than 48 hours before the time fixed for holding the Meeting or any adjournment thereof.
- (iii) As at the date of this notice of the Meeting, the board of directors of the Company comprises eleven executive directors, namely, Mr. Zhang Honghai (*Chairman*), Mr. E Meng, Mr. Jiang Xinhao, Mr. Hu Xiaoyong (*Chief Executive Officer*), Mr. Zhou Min, Mr. Li Haifeng, Mr. Zhang Tiefu, Mr. Hou Feng, Ms. Qi Xiaohong, Mr. Ke Jian and Mr. Tung Woon Cheung Eric and five independent non-executive directors, namely, Mr. Shea Chun Lok Quadrant, Mr. Zhang Gaobo, Mr. Guo Rui, Ms. Hang Shijun and Mr. Wang Kaijun.