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## THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

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**If you are in any doubt** as to any aspect of this circular or as to the action to be taken, you should consult a stockbroker or other registered dealer in securities, a bank manager, solicitor, professional accountant or other professional adviser.

**If you have sold or transferred** all your shares in Beijing Enterprises Water Group Limited, you should at once hand this circular, together with the enclosed form of proxy, to the purchaser or transferee or to the bank, stockbroker or other agent through whom the sale was effected for transmission to the purchaser or transferee.

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**北控水務集團有限公司**

BEIJING ENTERPRISES WATER GROUP LIMITED

*(Incorporated in Bermuda with limited liability)*

**(Stock Code: 371)**

### **PROPOSALS FOR GENERAL MANDATE TO ISSUE AND PURCHASE SHARES, RE-ELECTION OF THE RETIRING DIRECTORS AND NOTICE OF ANNUAL GENERAL MEETING**

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A letter from the board of directors of Beijing Enterprises Water Group Limited containing its recommendation is set out from pages 3 to 8 of this circular.

A notice convening the annual general meeting of Beijing Enterprises Water Group Limited to be held at 66th Floor, Central Plaza, 18 Harbour Road, Wanchai, Hong Kong on Friday, 23 May 2014 at 3:00 p.m. is set out from pages 20 to 24 of this circular. A form of proxy for use at the annual general meeting of the Company is also enclosed. Such form of proxy is also published on the website of The Stock Exchange of Hong Kong Limited ([www.hkexnews.hk](http://www.hkexnews.hk)). Whether or not you are able to attend the annual general meeting of the Company, please complete the accompanying form of proxy in accordance with the instructions printed thereon and return it to the branch share registrar of the Company in Hong Kong, Tricor Tengis Limited at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong as soon as possible but in any event not less than 48 hours before the time appointed for the holding of the annual general meeting or any adjournment thereof. Completion and return of the form of proxy will not preclude shareholders from attending and voting in person at the annual general meeting if they so wish.

22 April 2014

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## DEFINITIONS

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

“AGM”	the annual general meeting of the Company to be held at 66th Floor, Central Plaza, 18 Harbour Road, Wanchai, Hong Kong on Friday, 23 May 2014 at 3:00 p.m., the notice of which is set out on pages 20 to 24 of this circular
“associate(s)”	has the meaning ascribed thereto under the Listing Rules
“Board”	the board of Directors
“Bye-laws”	the bye-laws from time to time adopted by the Company
“Company”	Beijing Enterprises Water Group Limited (Stock code: 371), a company incorporated in Bermuda with limited liability and the shares of which are listed on the main board of the Stock Exchange
“Company Act”	The Companies Act 1981 of Bermuda (as amended)
“connected person(s)”	has the meaning ascribed thereto under the Listing Rules
“controlling shareholder(s)”	has the meaning ascribed thereto under the Listing Rules
“Directors”	the directors of the Company
“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 People’s Republic of China
“Issue Mandate”	a general and unconditional mandate proposed to be granted to the Directors to exercise all powers of the Company to allot and issue Shares as set out in resolution numbered 6 and 7 in the notice convening the AGM

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## DEFINITIONS

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“Latest Practicable Date”	15 April 2014, being the latest practicable date prior to the printing of this circular for ascertaining certain information in this circular
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Purchase Mandate”	a general and unconditional mandate proposed to be granted to the Directors to empower the Directors to exercise all powers of the Company to purchase Shares as set out in resolution number 5 in the notice convening the AGM
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Share(s)”	ordinary share(s) of HK\$0.10 each in the capital of the Company or if there has been a subsequent sub-division, consolidation, reclassification or reconstruction of the share capital of the Company, shares forming part of the ordinary equity share capital of the Company
“Shareholder(s)”	holder(s) of the Share(s)
“Share Options”	the option(s) to subscribe for Shares granted under the share option scheme adopted by the Shareholders at the special general meeting of the Company held on 28 June 2011
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Takeover Code”	The Code on Takeovers and Mergers and Share Repurchases published by the Securities and Futures Commission of Hong Kong
“%”	per cent.

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## LETTER FROM THE BOARD

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北控水務集團有限公司

BEIJING ENTERPRISES WATER GROUP LIMITED

*(Incorporated in Bermuda with limited liability)*

**(Stock Code: 371)**

*Executive Directors:*

Mr. Zhang Honghai (*Chairman*)  
Mr. E Meng (*Vice Chairman*)  
Mr. Jiang Xinhao  
Mr. Hu Xiaoyong (*Chief Executive Officer*)  
Mr. Zhou Min  
Mr. Li Haifeng  
Mr. Zhang Tiefu  
Ms. Qi Xiaohong  
Mr. Ke Jian  
Mr. Tung Woon Cheung Eric  
Mr. Li Li

*Registered office:*

Canon's Court  
22 Victoria Street  
Hamilton HM 12  
Bermuda

*Head office and principal  
place of business:*

66th Floor  
Central Plaza  
18 Harbour Road  
Wanchai  
Hong Kong

*Independent non-executive Directors:*

Mr. Shea Chun Lok Quadrant  
Mr. Zhang Gaobo  
Mr. Guo Rui  
Ms. Hang Shijun  
Mr. Wang Kaijun  
Mr. Yu Ning

22 April 2014

*To the Shareholders*

Dear Sir or Madam,

**PROPOSALS FOR  
GENERAL MANDATE TO ISSUE AND PURCHASE SHARES,  
RE-ELECTION OF THE RETIRING DIRECTORS  
AND  
NOTICE OF ANNUAL GENERAL MEETING**

**INTRODUCTION**

The purpose of this circular is to provide you with information and/or to seek your approval, inter alia, on (i) the granting of the Issue Mandate and the Purchase Mandate; and (ii) the re-election of the retiring Directors. A notice of the AGM containing the resolutions to be proposed at the AGM is set out on pages 20 to 24 of this circular.

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## LETTER FROM THE BOARD

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### GENERAL MANDATE TO ISSUE AND PURCHASE SHARES

At the Company's last annual general meeting held on 21 May 2013, the Directors were granted a mandate to allot, issue and deal with the Shares not exceeding 20% of the issued share capital of the Company as at 21 May 2013 (equivalent to the then 1,513,505,646 Shares) ("**2013 Issue Mandate**"); and a general mandate to repurchase the Shares up to a maximum of 10% of the issued share capital of the Company as at 21 May 2013 (equivalent to the then 756,752,823 Shares) ("**2013 Purchase Mandate**").

The Company entered into the sale and purchase agreement on 6 September 2013 whereas the Company agreed to acquire the entire issued share capital of each of Crystal Water Company Limited and China Water Holdings Pte. Ltd. ("**Acquisition**") and the supplemental agreement to the sale and purchase agreement on 27 January 2014 to allot and issue the 219,634,335 Shares of the Company as settlement of part of consideration by installments of the Acquisition under the 2013 Issue Mandate. The completion of issuance of 219,634,335 consideration Shares of the Company took place on 19 February 2014. Details of the Acquisition were disclosed in the announcements of the Company dated 17 July 2013, 6 September 2013, 25 October 2013 and 27 January 2014.

On 26 September 2013, the Company entered into the subscription agreement to allot and issue the 400,000,000 new shares of the Company under the 2013 Issue Mandate, completion of which took place on 16 October 2013. Details of the subscription were disclosed in the announcement of the Company dated 26 September 2013. The net proceeds was approximately HK\$1.18 billion which the Company has been using as its general working capital of the Group.

On 17 October 2013, the Company entered into the placing and subscription agreement to allot and issue the 350,000,000 new shares of the Company under the 2013 Issue Mandate, completion of which took place on 30 October 2013. Details of the top-up placement were disclosed in the announcements of the Company dated 17 October 2013 and 18 October 2013. The net proceeds are approximately HK\$1.12 billion which the Company has been using as its general working capital of the Group.

The 2013 Issue Mandate and the 2013 Purchase Mandate will lapse at the conclusion of the AGM.

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## LETTER FROM THE BOARD

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As at the Latest Practicable Date, the total number of Shares in issue was 8,655,615,659 Shares. Ordinary resolutions will be proposed at the AGM to approve the granting of new general mandates to the Directors:

- (1) to allot, issue or deal with Shares with an aggregate nominal amount not exceeding 20% of the aggregate nominal amount of the issued share capital of the Company at the date of passing the proposed resolution at the AGM (i.e. a maximum of 1,731,123,131 Shares on the basis that no further Shares will be issued or repurchased prior to the date of the AGM) (“**Issue Mandate**”); and
- (2) to purchase Shares with an aggregate nominal amount not exceeding 10% of the aggregate nominal amount of issued share capital of the Company as at the date of passing the proposed resolution at the AGM (i.e. a maximum of 865,561,565 Shares on the basis that no further Shares will be issued or repurchased prior to the date of the AGM) (“**Purchase Mandate**”).

The Directors will also propose a separate ordinary resolution at the AGM to add to the general mandate to issue those Shares purchased by the Company pursuant to the Purchase Mandate granted to the Directors at the AGM.

Such Shares which may fall to be issued upon the exercise of the outstanding Shares Option granted shall be allotted and issued pursuant to the mandate granted to the Directors by the Shareholders at the special general meeting held on 28 June 2011. The consideration Shares which may fall to be issued by installments under the Acquisition shall be allotted and issued pursuant to the 2013 Issue Mandate. Details of the Acquisition were disclosed in the announcements of the Company dated 17 July 2013, 6 September 2013, 25 October 2013 and 27 January 2014.

The Directors have no immediate plans to allot and issue any new Shares.

An explanatory statement relating to the general mandate to purchase Shares is set out in Appendix I to this circular.

### **FINAL DISTRIBUTION**

Subject to the approval of Shareholders at the AGM, the Directors recommended to make distributions of HK2.7 cents per Share out of the contributed surplus of the Company, payable to Shareholders whose names appear on the register of members of the Company on Friday, 30 May 2014.

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## LETTER FROM THE BOARD

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### RE-ELECTION OF THE RETIRING DIRECTORS

The Board currently consists of seventeen Directors, namely Mr. Zhang Honghai (Chairman), Mr. E Meng (Vice Chairman), Mr. Jiang Xinhao, Mr. Hu Xiaoyong (Chief Executive Officer), Mr. Zhou Min, Mr. Li Haifeng, Mr. Zhang Tiefu, Ms. Qi Xiaohong, Mr. Ke Jian, Mr. Tung Woon Cheung Eric and Mr. Li Li as the executive Directors; Mr. Shea Chun Lok Quadrant, Mr. Zhang Gaobo, Mr. Guo Rui, Ms. Hang Shijun, Mr. Wang Kaijun and Mr. Yu Ning as the independent non-executive Directors.

Mr. Li Li was appointed as an executive Director on 26 February 2014. Pursuant to Bye-law 91 of the Company, Mr. Li Li shall hold office until the AGM and, being eligible, offers himself for re-election.

In accordance with Bye-law 99(B), Mr. Zhou Min, Mr. Zhang Tiefu, Ms. Qi Xiaohong, Mr. Ke Jian, Mr. Shea Chu Lok Quadrant and Mr. Zhang Gaobo will retire by rotation as Directors at the AGM pursuant to the Bye-laws and being eligible, will offer themselves for re-election.

The Board considers that each of Mr. Shea Chun Lok Quadrant and Mr. Zhang Gaobo, being an independent non-executive Directors, is and continues to be independent based on his submitted annual written confirmations concerning his independence.

Mr. Shea Chun Lok Quadrant (“**Mr. Shea**”) is an independent non-executive Director since his appointment in May 2002. As of the Latest Practicable Date, Mr. Shea has been serving on the Board for more than nine years. The Board believes that Mr. Shea shall be re-elected on the basis that he is a person of high integrity and at all times. Mr. Shea has been exercising judgment in the best interests of the Company when discharging his duties as an independent non-executive Director.

The re-election of the retiring Directors will be individually and separately voted on by the Shareholders. Details of the above retiring Directors which are required to be disclosed by the Listing Rules are set out in Appendix II to this circular.

If a valid notice from a Shareholder to propose a person to stand for election as a Director at the AGM is received in accordance with the Bye-laws after the printing of this circular, the Company will issue a supplemental circular to inform Shareholders of the details of any additional candidate proposed.



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## **LETTER FROM THE BOARD**

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### **THE ANNUAL GENERAL MEETING**

The notice of the Annual General Meeting is set out on pages 20 to 24 of this circular. At the AGM, ordinary resolutions will be proposed to approve, inter alia, (i) the granting of the Issue Mandate and the Purchase Mandate and (ii) the re-election of the retiring Directors.

A form of proxy for use at the AGM is enclosed with this circular. Whether or not you are able to attend the AGM, you are requested to complete the accompanying form of proxy in accordance with the instruction printed thereon and return the same to the Company's branch share registrar in Hong Kong, Tricor Tengis Limited of Level 22, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong as soon as possible but in any event not less than 48 hours before the time appointed for holding of the AGM or any adjournment thereof. Completion and return of the form of proxy will not preclude you from attending and voting at the AGM if you so wish.

### **VOTING AT THE ANNUAL GENERAL MEETING**

Pursuant to Rule 13.39(4) of the Listing Rules, any vote of the Shareholders at the AGM must be taken by poll and the Company will then announce the results of the poll in the manner as prescribed under Rule 13.39(5) of the Listing Rules after the AGM.

### **RECOMMENDATION**

The Directors are of the opinion that the proposed resolutions set out in the notice of AGM are in the interests of the Company and the Shareholders as a whole and, accordingly, the Directors recommend all Shareholders to vote in favour of all the resolutions set out in the notice of the AGM contained herein.

### **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 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 document misleading.

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## LETTER FROM THE BOARD

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### GENERAL INFORMATION

Your attention is drawn to the additional information set out in the Appendices to this circular. The English text shall prevail over the Chinese text in this circular.

Yours faithfully,  
By Order of the Board  
**Beijing Enterprises Water Group Limited**  
**Zhang Honghai**  
*Chairman*

*The following is an explanatory statement required by the Listing Rules relating to the Purchase Mandate proposed to be granted to the Directors.*

### **1. LISTING RULES**

The Listing Rules permit companies with a primary listing on the Stock Exchange to repurchase their securities on the Stock Exchange subject to certain restrictions, the most important of which is summarised below:

The Listing Rules provide that repurchases of securities of such company must be approved in advance by an ordinary resolution of shareholders, either by way of a general mandate or by a specific approval of a particular transaction and that the securities to be purchased must be fully paid up.

### **2. SHARE CAPITAL**

As at the Latest Practicable Date, the issued share capital of the Company comprised 8,655,615,659 Shares and there is no outstanding share options under the Share Option Scheme or any outstanding convertible notes or options carrying the rights to subscribe for any Shares.

Subject to the passing of the ordinary resolution approving the grant of the Purchase Mandate and on the basis that no Shares are issued or purchased by the Company prior to the AGM, the Company will be allowed to purchase a maximum of 865,561,565 Shares, representing 10% of the issued share capital of the Company as at the date of passing the resolution.

### **3. FUNDING OF PURCHASES**

In purchasing Shares, the Company may only apply funds legally available for such purpose in accordance with its memorandum of association, the Bye-laws and the laws of Bermuda. The Company is empowered by its Bye-laws to purchase its Shares. The laws of Bermuda provide that the amount of capital repaid in connection with a share purchase may only be paid out of the capital paid up on the relevant shares, or from funds of the Company that would otherwise be available for dividend or distribution, or from the proceeds of an issue of shares made for the purpose. The amount of premium payable on redemption may only be paid out of either funds of the Company that would otherwise be available for dividend or distribution or out of the Company's share premium account.

There might be a material adverse impact on the working capital or gearing position of the Company (as compared with the position disclosed in the most recent published audited accounts for the year ended 31 December 2013 of the Company dated 27 March 2014) in the event that the Purchase Mandate was to be exercised in full at any time during the proposed purchase period.

The Directors do not propose to exercise the Purchase Mandate to such extent, as would, in the circumstances, have a material adverse effect on the working capital requirements or the gearing level of the Company, which in the opinion of the Directors are from time to time appropriate for the Company.

#### **4. REASON FOR PURCHASE**

The Directors believe that it is in the best interests of the Company and the Shareholders to have a general authority from the Shareholders to enable the Directors to purchase Shares on the market. Such purchase may, depending on market conditions and funding arrangements at the time, lead to an enhancement of the net asset value per Share and/or its earning per Share and will only be made when the Directors believe that such purchase will benefit the Company and the Shareholders as a whole.

#### **5. UNDERTAKING OF THE DIRECTORS**

The Directors have undertaken to the Stock Exchange to exercise the powers of the Company to make purchases pursuant to the proposed resolution in accordance with the Listing Rules and all applicable laws of Bermuda, and in accordance with the regulations set out in its memorandum of association and the Bye-laws.

#### **6. EFFECT OF TAKEOVERS CODE**

If as a result of a purchase of Share(s) a Shareholder's proportionate interest in the voting rights of the Company increases, such increase will be treated as an acquisition for the purpose of the Takeovers Code. Accordingly, a Shareholder or a group of Shareholders acting in concert (within the meaning of the Takeovers Code) depending on the level of increase of the Shareholder's interest, could obtain or consolidate control of the Company and become obliged to make a mandatory offer in accordance with Rule 26 of the Takeovers Code as a result of such increase.

As at the Latest Practicable Date, Beijing Enterprises Holdings Limited, is beneficially interested in 3,824,367,831 Shares, representing approximately 44.18% of the total issued share capital of the Company. On the basis that no Shares are issued or purchased prior to the date of the AGM, in the event that the Directors exercise in full the power to purchase Shares in accordance with the terms of the relevant ordinary resolution to be proposed at the AGM, the interests of Beijing Enterprises Holdings Limited in the Company would be increased to approximately 49.09% of the total issued share capital of the Company. The Directors are aware of any consequences which will arise under the Takeovers Code as a result of any purchase to be made under the Purchase Mandate. The Company can still maintain its 25% minimum public float upon fully exercising the Purchase Mandate.

#### **7. DIRECTORS, THEIR ASSOCIATES AND CONNECTED PERSONS**

None of the Directors nor, to the best of the knowledge and belief of the Directors having made all reasonable enquiries, any of the associates (as defined in the Listing Rules) has any present intention, in the event that the relevant proposed resolution is approved by the Shareholders in the AGM, to sell Shares to the Company or its subsidiaries.

No connected person (as defined in the Listing Rules) of the Company has notified the Company that he/she has a present intention to sell securities to the Company nor has he/she undertaken not to sell any of securities held by him/her to the Company in the event that the Company is authorised to make purchases of the Shares.

#### **8. SHARE REPURCHASES MADE BY THE COMPANY**

The Company has not purchased any of its Shares (whether on the Stock Exchange or otherwise) in the six months preceding the Latest Practicable Date.

**9. SHARE PRICES**

The highest and lowest prices at which the Shares were traded on the Stock Exchange in each of the previous twelve months were as follows:

	Price per Share	
	Highest <i>HK\$</i>	Lowest <i>HK\$</i>
<b>2013</b>		
April	2.43	2.16
May	2.96	2.32
June	2.93	2.40
July	3.17	2.71
August	3.42	3.14
September	3.37	2.96
October	3.61	3.25
November	4.37	3.37
December	4.95	4.17
<b>2014</b>		
January	5.04	4.11
February	5.57	4.03
March	5.80	4.66
April (up to the Latest Practicable Date)	5.59	4.90

Source: <http://www.hkex.com.hk>

Mr. Zhou Min (“**Mr. Zhou**”), aged 50, was appointed as an executive director in August 2008. Mr. Zhou graduated with an EMBA from the Tsinghua University and is the vice chairman of Mianyang Zhejiang Chamber of Commerce (綿陽市浙江商會). Mr. Zhou previously worked in the People’s Bank of China, Yongkang Branch of Zhejiang Province (浙江省人民銀行永康支行), the Industrial and Commercial Bank of China, Yongkang Branch of Zhejiang Province (浙江省工商銀行永康支行), and was the chairman of Beijing Jingsheng Investment Company Limited (北京景盛投資有限公司). Mr. Zhou is now a director and the chief financial officer of BEWG Environmental Group Co., Ltd.

As at the Latest Practicable Date, the personal interests of Mr. Zhou represents the interests in 300,000 Shares and the interests in 56,000,000 underlying Shares in respect of Share Options granted and corporate interest in 618,012,566 Shares through Tenson Investment Limited, of which 391,155,200 Shares was pledged as security for the provision of guarantee by Beijing Enterprises Holdings Limited in favour of a bank in respect of a loan facility granted by a bank. Mr. Zhou was interested in Tenson Investment Limited as to 49.80% and therefore Mr. Zhou was regarded as interested in the 618,012,566 Shares. Save as disclosed above, Mr. Zhou does not hold any shares, underlying shares or debenture of the Company and/or its associated corporation within the meaning of Part XV of the SFO

Save as disclosed herein and as at the Latest Practicable Date, Mr. Zhou does not have any relationship with any directors, senior management or substantial or controlling shareholders of the Company as defined in the Listing Rules.

Pursuant to Mr. Zhou’s letter of appointment, his term of office is three years and subject to retirement and being eligible for re-election at the AGM in accordance with the Bye-laws.

Mr. Zhou’s director’s fee is to be determined by the Board with reference to the prevailing market rate, the Company’s remuneration policy, his duties and responsibilities with the Group and his contribution to the Group. The total amount of emoluments of Mr. Zhou for the year ended 31 December 2013 was HK\$2,969,000.

Save as disclosed herein, Mr. Zhou holds no other directorships in listed public companies in the last three years preceding the date of this circular.

Mr. Zhou does not have any information which is required to be disclosed under Listing Rules 13.51(2)(h) to (v) of the Listing Rules. Save as disclosed above, there are no other matters relating to his re-election that need to be brought to the attention of the Shareholders.

Mr. Zhang Tiefu (“**Mr. Zhang**”), aged 51, was appointed as an executive director and a vice president of the Company in April 2009. He graduated from Jilin Industrial Institute with a bachelor’s degree of engineering in 1983. He further studied business administration in the University of International Business and Economics in 1998. He has been awarded the titles of senior engineer and senior international finance manager. He served as the senior manager in China Nation Printing Materials Corporation (中國印刷物資總公司) in 1986. He joined Beijing Enterprises Holdings Limited as manager in 2001, and is concurrently acting the director and a general manager of Beijing Bei Kong Water Production Co., Ltd. (北京北控制水有限公司) and a director of Beijing Yanjing Beer Co., Ltd. (北京燕京啤酒有限公司). He has extensive experiences in economics, market development and corporate management. He joined the Group in April 2009.

As at the Latest Practicable Date, Mr. Zhang does not hold any shares, underlying shares or debenture of the Company and/or its associated corporation within the meaning of Part XV of the SFO.

Save as disclosed herein and as at the Latest Practicable Date, Mr. Zhang does not have any relationship with any directors, senior management or substantial or controlling shareholders of the Company as defined in the Listing Rules.

Pursuant to Mr. Zhang’s letter of appointment, his term of office is three years and subject to retirement and being eligible for re-election at the AGM in accordance with the Bye-laws.

Mr. Zhang’s director’s fee is to be determined by the Board with reference to the prevailing market rate, the Company’s remuneration policy, his duties and responsibilities with the Group and his contribution to the Group. The total amount of emoluments of Mr. Zhang for the year ended 31 December 2013 was HK\$1,853,000.

Save as disclosed herein, Mr. Zhang holds no other directorships in listed public companies in the last three years preceding the date of this circular.

Mr. Zhang does not have any information which is required to be disclosed under Listing Rules 13.51(2)(h) to (v) of the Listing Rules. Save as disclosed above, there are no other matters relating to his re-election that need to be brought to the attention of the Shareholders.



Ms. Qi Xiaohong (“**Ms. Qi**”), aged 46, was appointed as an executive director of the Company in May 2008 and a member of remuneration committee of the Company. Ms. Qi graduated from Capital Normal University with a bachelor’s degree in legal studies and subsequently obtained a master degree in economic management at Capital University of Economics and Business. She has worked for the Beijing Municipal Government for many years. She joined Beijing Enterprises Holdings Limited in 1997 and is now a vice president of Beijing Enterprises Holdings Limited (stock Code: 392), responsible for corporate administration and human resources management.

As at the Latest Practicable Date, Ms. Qi does not hold any shares, underlying shares or debenture of the Company and/or its associated corporation within the meaning of Part XV of the SFO.

Save as disclosed herein and as at the Latest Practicable Date, Ms. Qi does not have any relationship with any directors, senior management or substantial or controlling shareholders of the Company as defined in the Listing Rules.

Pursuant to Ms. Qi’s letter of appointment, his term of office is three years and subject to retirement and being eligible for re-election at the AGM in accordance with the Bye-laws.

Ms. Qi’s director’s fee is to be determined by the Board with reference to the prevailing market rate, the Company’s remuneration policy, his duties and responsibilities with the Group and his contribution to the Group. The total amount of emoluments of Ms. Qi for the year ended 31 December 2013 was HK\$120,000.

Save as disclosed herein, Ms. Qi holds no other directorships in listed public companies in the last three years preceding the date of this circular.

Mr. Qi does not have any information which is required to be disclosed under Listing Rules 13.51(2)(h) to (v) of the Listing Rules. Save as disclosed above, there are no other matters relating to his re-election that need to be brought to the attention of the Shareholders.

Mr. Ke Jian (“**Mr. Ke**”), aged 45, was appointed as an executive director of the Company in June 2011 and is the vice president of Beijing Enterprises Holding Limited (Stock code: 392) and an executive director of Beijing Development (Hong Kong) Limited (stock code: 154). Mr. Ke is a PRC Senior Accountant, Certified Tax Agent and Senior International Finance Manager. Mr. Ke received a bachelor’s degree in economics from Beijing College of Finance and Commerce and a MBA degree from Murdoch University, Australia. Mr. Ke has extensive experience in finance and corporate administration.

As at the Latest Practicable Date, Mr. Ke does not hold any shares, underlying shares or debenture of the Company and/or its associated corporation within the meaning of Part XV of the SFO.

Save as disclosed herein and as at the Latest Practicable Date, Mr. Ke does not have any relationship with any directors, senior management or substantial or controlling shareholders of the Company as defined in the Listing Rules.

Pursuant to Mr. Ke’s letter of appointment, his term of office is three years and subject to retirement and being eligible for re-election at the AGM in accordance with the Bye-laws.

Mr. Ke’s director’s fee is to be determined by the Board with reference to the prevailing market rate, the Company’s remuneration policy, his duties and responsibilities with the Group and his contribution to the Group. The total amount of remuneration of Mr. Ke for the year ended 31 December 2013 was HK\$120,000.

Save as disclosed herein, Mr. Ke holds no other directorships in listed public companies in the last three years preceding the date of this circular.

Mr. Ke does not have any information which is required to be disclosed under Rules Rules 13.51(2)(h) to (v) of the Listing Rules. Save as disclosed above, there are no other matters relating to his re-election that need to be brought to the attention of the Shareholders.

Mr. Li Li (“**Mr. Li**”), aged 48, was appointed as an executive director of the Company in February 2014. He is a Senior Engineer and qualified Senior Project Manager. Mr. Li joined the Company in October 2010 and is currently an executive vice president of the Company. Mr. Li graduated from Xian Jiaotong University in mechanical engineering and is currently undertaking PhD study in engineering at School of Environment, Tsinghua University. Prior to joining the Company, Mr. Li was a senior engineer, a technical quality director and vice president of the First Design & Research Institute. Mr. Li served as various key positions of 北京桑德環保集團有限公司 (Beijing Sound Environmental Group Company Limited\*) from 2001 to 2010. He has extensive experience in investment, construction and operation in water industry.

As at the Latest Practicable Date, Mr. Li has personal interest in 19,200,000 underlying Shares in respect of Share Option granted. Save as disclosed above, Mr. Li does not hold any shares, underlying shares or debenture of the Company and/or its associated corporation within the meaning of Part XV of the SFO.

Save as disclosed herein and as at the Latest Practicable Date, Mr. Li does not have any relationship with any directors, senior management or substantial or controlling shareholders of the Company as defined in the Listing Rules.

The Company and Mr. Li entered into a letter of appointment for a term of three years effective on 26 February 2014. Pursuant to the bye-laws of the Company and the Listing Rules, Mr. Li shall hold office until the next annual general meeting of the Company and, being eligible, offer himself for re-election and thereafter subject to retirement by rotation and re-election at annual general meetings of the Company. Mr. Li is entitled to an annual director’s fee of HK\$120,000 and bonus at the discretion of the Board by reference to the market conditions, the Group’s performance, his duties and performance.

Save as disclosed herein, Mr. Li holds no other directorships in listed public companies in the last three years preceding the date of this circular.

Mr. Li does not have any information which is required to be disclosed under Listing Rules 13.51(2)(h) to (v) of the Listing Rules. Save as disclosed above, there are no other matters relating to her re-election that need to be brought to the attention of the Shareholders.

\* *For identification purpose only*

Mr. Shea Chun Lok Quadrant (“**Mr. Shea**”), aged 47, was appointed as an independent non-executive director of the Company in April 2002. He is also the chairman of audit committee of the Company. Mr. Shea graduated from Monash University of Australia with a bachelor’s degree in business and later graduated from Jinan University of China with a master degree in Public Finance (Taxation). He is also a fellow member of CPA Australia, a member of Chartered Institute of Management Accountants of United Kingdom, Institute of Singapore Chartered Accountant, Chartered Global Management Accountant and Hong Kong Institute of Certified Public Accountants. Also, Mr. Shea is a Certified Tax Adviser of Hong Kong. Mr. Shea currently serves as financial controller of a main board listed company in Hong Kong. Mr. Shea has been working as a company secretary and qualified accountant in various Hong Kong main board listed companies for many years. He has substantial experience as a financial controller of listed companies.

As at the Latest Practicable Date, Mr. Shea has personal interest in 2,000,000 underlying Shares in respect of Share Option granted. Save as disclosed above, Mr. Shea does not hold any shares, underlying shares or debenture of the Company and/or its associated corporation within the meaning of Part XV of the SFO.

Save as disclosed herein and as at the Latest Practicable Date, Mr. Shea does not have any relationship with any directors, senior management or substantial or controlling shareholders of the Company as defined in the Listing Rules.

Pursuant to Mr. Shea’s letter of appointment, his term of office is three years and subject to retirement and being eligible for re-election at the AGM in accordance with the Bye-laws.

Mr. Shea’s director’s fee is to be determined by the Board with reference to the prevailing market rate, the Company’s remuneration policy, his duties and responsibilities with the Group and his contribution to the Group. The total amount of emoluments of Mr. Shea for the year ended 31 December 2013 was HK\$120,000.

Save as disclosed herein, Mr. Shea holds no other directorships in listed public companies in the last three years preceding the date of this circular.

Mr. Shea does not have any information which is required to be disclosed under Listing Rules 13.51(2)(h) to (v) of the Listing Rules. Save as disclosed above, there are no other matters relating to his re-election that need to be brought to the attention of the Shareholders.

**Mr. Zhang Gaobo**, aged 49, was appointed as an independent non-executive director of the Company in May 2008. He is also a member of each of the audit committee and the nomination committee and chairman of the remuneration committee of the Company. He obtained a bachelor's degree in science from Henan University in 1985 and later graduated from Peking University with a master's degree in Economics in 1988. From 1988 to 1991, he was a deputy chief of the policy division of the Hainan Provincial Government. From 1991 to 1993, he was the deputy chief of Financial Markets Administration Committee of PBOC Hainan Branch. From 1992 to 1994, he was the chairman of Hainan Stock Exchange Centre. Since 1993, he has been a founding partner and chief executive officer of Oriental Patron Financial Group and is responsible for its overall general management and business development. He is also an executive director and the chief executive officer of OP Financial Investments Limited (stock code: 1140), a company listed on the Stock Exchange of Hong Kong Limited and a non-executive director of Vimetco N.V., a company listed on the London Stock Exchange.

As at the Latest Practicable Date, Mr. Zhang Gaobo has personal interest in 2,000,000 underlying Shares in respect of Share Option granted. Save as disclosed above, Mr. Zhang Gaobo does not hold any shares, underlying shares or debenture of the Company and/or its associated corporation within the meaning of Part XV of the SFO.

Save as disclosed herein and as at the Latest Practicable Date, Mr. Zhang Gaobo does not have any relationship with any directors, senior management or substantial or controlling shareholders of the Company as defined in the Listing Rules.

Pursuant to Mr. Zhang Gaobo's letter of appointment, his term of office is three years and subject to retirement and being eligible for re-election at the AGM in accordance with the Bye-laws.

Mr. Zhang Gaobo's director's fee is to be determined by the Board with reference to the prevailing market rate, the Company's remuneration policy, his duties and responsibilities with the Group and his contribution to the Group. The total amount of emoluments of Mr. Zhang Gaobo for the year ended 31 December 2013 was HK\$150,000.

Save as disclosed herein, Mr. Zhang Gaobo holds no other directorships in listed public companies in the last three years preceding the date of this circular.

Mr. Zhang Gaobo does not have any information which is required to be disclosed under Listing Rules 13.51(2)(h) to (v) of the Listing Rules. Save as disclosed above, there are no other matters relating to his re-election that need to be brought to the attention of the Shareholders.

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## NOTICE OF THE ANNUAL GENERAL MEETING

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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 ANNUAL GENERAL MEETING

**NOTICE IS HEREBY GIVEN** that the Annual General 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 Friday, 23 May 2014 at 3:00 p.m. for the purpose of considering and, if thought fit, passing the following resolutions:–

#### ORDINARY RESOLUTIONS

1. To receive and consider the audited consolidated financial statements and the reports of the directors and of the auditors of the Company for the year ended 31 December 2013.
2. To make final distribution of HK2.7 cents per share out of the contributed surplus of the Company.
3. To re-elect the retiring directors and to authorise the board of directors of the Company to fix the directors’ remuneration.
4. To re-appoint Messrs. Ernst & Young as auditors of the Company and to authorise the board of directors of the Company to fix their remuneration.
5. As special business, to consider and, if thought fit, pass, with or without amendments, the following resolution as an ordinary resolution of the Company:

**“THAT**

- (A) subject to paragraph (B) of this resolution, the exercise by the directors of the Company (“**Directors**”) during the Relevant Period (as hereinafter defined) of all powers of the Company to purchase its own shares of the Company on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) or on any other stock exchange on which the shares of the Company may be listed and recognised by the Securities and Futures Commission of Hong Kong and the Stock Exchange for this purpose, subject to and in accordance with all applicable laws and/or requirements of the Rules Governing the Listing of Securities on the Stock Exchange (the “**Listing Rules**”) or any other stock exchange as amended from time to time, be and is hereby, generally and unconditionally approved;

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## NOTICE OF THE ANNUAL GENERAL MEETING

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(B) the aggregate nominal amount of shares of the Company to be purchased by the Company pursuant to the approval in paragraph (A) of this resolution during the Relevant Period shall not exceed 10% of the aggregate nominal amount of the share capital of the Company in issue as at the date of passing this resolution and the authority pursuant to paragraph (A) of this resolution shall be limited accordingly; and

(C) for the purposes of this resolution:

“**Relevant Period**” means the period from the passing of this resolution until whichever is the earliest of:

(i) the conclusion of the next annual general meeting of the Company;

(ii) the expiration of the period within which the next annual general meeting of the Company is required by the bye-laws of the Company or the Companies Act 1981 of Bermuda or any other applicable law to be held; and

(iii) the revocation or variation of the authority given under this resolution by an ordinary resolution of the shareholders of the Company in general meeting.”

6. As special business, to consider and, if thought fit, pass, with or without amendments, the following resolution as an ordinary resolution of the Company:

“**THAT**

(A) subject to paragraph (C) of this resolution, the exercise by the Directors during the Relevant Period (as hereinafter defined) of all powers of the Company to allot, issue and deal with additional shares of HK\$0.10 each in the capital of the Company and to make or grant offers, agreements, options (including bonds, warrants and debentures convertible into shares of the Company), which would or might require the exercise of such powers be and is hereby, generally and unconditionally approved;

(B) the approval in paragraph (A) of this resolution shall authorise the Directors during the Relevant Period to make or grant offers, agreements, options (including bonds, warrants, and debentures convertible into shares of the Company), which would or might require the exercise of such power after the end of the Relevant Period;

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## NOTICE OF THE ANNUAL GENERAL MEETING

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- (C) the aggregate nominal amount of share capital allotted or agreed conditionally or unconditionally to be allotted (whether pursuant to an option or otherwise) and to be issued by the Directors pursuant to the approval in paragraph (A) of this resolution, otherwise than pursuant to (i) a Rights Issue (as hereafter defined), or (ii) an issue of shares under any option scheme or similar arrangement for the time being adopted by the Company and/or its subsidiaries for the grant or issue of shares or rights to acquire shares in the capital of the Company, or (iii) any scrip dividend scheme or similar arrangement providing for the allotment and issue of shares in lieu of the whole or part of a dividend on shares in accordance with the bye-laws of the Company or (iv) the exercise of right of subscription or conversion under the terms of any warrants, option bond or convertible bond issued by the Company, or any securities which are convertible into shares of the Company, shall not exceed 20% of the aggregate nominal amount of the share capital of the Company in issue as at the date of passing this resolution and the said approval shall be limited accordingly; and
- (D) for the purposes of this resolution:

“**Relevant Period**” means the period from the passing of this resolution until whichever is the earliest of:

- (i) the conclusion of the next annual general meeting of the Company;
- (ii) the expiration of the period within which the next annual general meeting of the Company is required by the bye-laws of the Company or the Companies Act 1981 of Bermuda or any other applicable law to be held; and
- (iii) the revocation or variation of the authority given under this resolution by an ordinary resolution of the shareholders of the Company in general meeting.

“**Rights Issue**” means an offer of shares or issue of options to subscribe for shares open for a period fixed by the Directors to holders of shares whose names appear on the register of members of the Company on a fixed record date in proportion to their then holdings of such shares (subject to such exclusion or other arrangements as the Directors may deem necessary or expedient in relation to fractional entitlements or having regard to any restrictions or obligations under the law of, or the requirements of any recognised regulatory body or any stock exchange, in any territory applicable to the Company).”



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## NOTICE OF THE ANNUAL GENERAL MEETING

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7. As special business, to consider and, if thought fit, pass, with or without amendments, the following resolution as an ordinary resolution of the Company:

“**THAT** the general mandate granted to the directors of the Company pursuant to resolution numbered 6 above and for the time being in force to exercise the powers of the Company to allot shares and to make or grant offers, agreements and options which would or might require the exercise of such powers be and is hereby extended by the total nominal amount of shares in the capital of the Company repurchased by the Company pursuant to the exercise by the Directors of the powers of the Company to purchase such shares since the granting of such general mandate referred to in the above resolution numbered 5, provided that such amount shall not exceed 10% of the total nominal amount of the share capital of the Company in issue on the date of passing of this resolution.”

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

Hong Kong, 22 April 2014

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## NOTICE OF THE ANNUAL GENERAL MEETING

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*Notes:*

1. The register of members will be closed from Wednesday, 21 May 2014 to Friday, 23 May 2014 (both days inclusive), during which period no transfer of shares will be registered. In order to qualify for attending and voting at the forthcoming annual general meeting of the Company to be held on Friday, 23 May 2014, all transfers of shares accompanied by the relevant share certificates and transfer forms must be lodged with the Company's share registrar, Tricor Tengis Limited, Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong for registration not later than 4:30 p.m. on Tuesday, 20 May 2014.
2. The register of members will be closed from Thursday, 29 May 2014 to Friday, 30 May 2014 (both days inclusive), during which period no transfer of shares will be registered. In order to qualify for entitlement to the proposed distributions, all transfers of shares accompanied by the relevant share certificates and transfer forms must be lodged with the Company's share registrar, Tricor Tengis Limited, Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong for registration not later than 4:30 p.m. on Wednesday, 28 May 2014.
3. 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.
4. 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 Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong not less than 48 hours before the time fixed for holding the meeting or any adjournment thereof.
5. With regard to item no. 3 in this notice, the Board proposes that the retiring Directors namely, Mr. Zhou Min, Mr. Zhang Tiefu, Ms. Qi Xiaohong, Mr. Ke Jian, Mr. Li Li, Mr. Shea Chun Lok Quadrant and Mr. Zhang Gaobo be re-elected as Directors. Details of these Directors are set out in Appendix II to the circular to Shareholders dated 22 April 2014.
6. As at the date of this notice of meeting, the board of directors of the Company comprises eleven executive directors, namely, Mr. Zhang Honghai (Chairman), Mr. E Meng (Vice Chairman), Mr. Jiang Xinhao, Mr. Hu Xiaoyong (Chief Executive Officer), Mr. Zhou Min, Mr. Li Haifeng, Mr. Zhang Tiefu, Ms. Qi Xiaohong, Mr. Ke Jian, Mr. Tung Woon Cheung Eric and Mr. Li Li and six independent non-executive directors, namely, Mr. Shea Chun Lok Quadrant, Mr. Zhang Gaobo, Mr. Guo Rui, Ms. Hang Shijun, Mr. Wang Kaijun and Mr. Yu Ning.