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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 your licensed securities dealer or other registered institution in securities, bank manager, solicitor, professional accountant or other professional adviser for independent advice.

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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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

A letter from the board of directors of Beijing Enterprises Water Group Limited containing its recommendation is set out from pages 3 to 7 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, 1 June 2018 at 3:00 p.m. is set out from pages 18 to 23 of this circular. A form of proxy for use at the annual general meeting of the Company is also enclosed with this circular. Such form of proxy is also published on the website of The Stock Exchange of Hong Kong Limited (www.hkexnews.hk). Whether or not you are able to attend the annual general meeting, you are requested to complete the accompanying form of proxy in accordance with the instructions printed thereon and return the same 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 you from attending and voting in person at the annual general meeting if they so wish.

13 April 2018

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DEFINITIONS

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

“AGM”	the annual general meeting of the Company to be held at 66th Floor, Central Plaza, 18 Harbour Road, Wanchai, Hong Kong on Friday, 1 June 2018 at 3:00 p.m., the notice of which is set out on pages 18 to 23 of this circular
“associate(s)”	has the meaning ascribed thereto under the Listing Rules
“Board”	the board of Directors
“Bye-Laws”	the bye-laws of the Company, as amended from time to time
“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 resolutions numbered 6 and 7 in the notice convening the AGM

DEFINITIONS

“Latest Practicable Date”	9 April 2018, being the latest practicable date for ascertaining certain information referred to in this circular prior to its printing
“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 numbered 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.

LETTER FROM THE BOARD



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

Independent Non-executive Directors:

Mr. Shea Chun Lok Quadrant
Mr. Zhang Gaobo
Mr. Guo Rui
Mr. Wang Kaijun
Dr. Lee Man Chun Raymond

Registered office:

Canon's Court
22 Victoria Street
Hamilton HM 12
Bermuda

Head office and principal

place of business:
Rooms 6706-07, 67th Floor
Central Plaza
18 Harbour Road
Wanchai
Hong Kong

13 April 2018

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 18 to 23 of this circular.

LETTER FROM THE BOARD

GENERAL MANDATE TO ISSUE AND PURCHASE SHARES

At the Company's last annual general meeting held on 1 June 2017 ("**2017 AGM**"), 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 1 June 2017 (equivalent to the then 1,751,357,839 Shares) ("**2017 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 1 June 2017 (equivalent to the then 875,678,919 Shares) ("**2017 Purchase Mandate**").

From 2017 AGM and up to the Latest Practicable Date, 450,000,000 new Shares were issued under 2017 Issue Mandate upon completion of placing on 1 February 2018, details of which were set out in the announcements of the Company dated 24 January 2018 and 1 February 2018.

On 24 January 2018, the Company entered into the subscription agreement with Beijing Enterprises Environmental Construction Limited ("**BE Environmental**"), a controlling shareholder of the Company and the Company has conditionally agreed to allot and issue, and BE Environmental has conditionally agreed to subscribe for 169,491,525 new Shares. The subscription Shares were allotted and issued pursuant to the specific mandate sought at the special general meeting held on 29 March 2018. References were made to the announcements of the Company dated 24 January 2018 and 29 March 2018, and the circular of the Company dated 6 March 2018.

During the period from the six months immediately preceding the Latest Practicable Date, the Company had purchased a total of 2,000,000 Shares ("**Repurchased Shares**") at an aggregate consideration of HK\$8,475,820 on the Stock Exchange. The Repurchased Shares has not yet cancelled as at Latest Practicable Date. Details of the purchases of such shares are set out on page 11 of this circular.

The 2017 Issue Mandate and the 2017 Purchase Mandate will lapse at the conclusion of the AGM.

As at the Latest Practicable Date, the total number of Shares in issue was 9,415,088,721 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 1,882,617,744 Shares on the basis that no further Shares will be issued or purchased (other than the Repurchased Shares to be cancelled) prior to the date of the AGM) ("**Issue Mandate**"); and

LETTER FROM THE BOARD

- (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 941,308,872 Shares on the basis that no further Shares will be issued or purchased (other than Repurchased Shares to be cancelled) 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.

The Directors have no immediate plans to allot and issue any new Shares under the Issue Mandate.

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 final distribution of HK7.5 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, 8 June 2018.

RE-ELECTION OF THE RETIRING DIRECTORS

The Board currently consists of fifteen Directors, namely Mr. Li Yongcheng (Chairman), Mr. E Meng (Vice Chairman), Mr. Jiang Xinhao, Mr. Zhou Min (Chief Executive Officer), 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, Mr. Wang Kaijun and Dr. Lee Man Chun Raymond as the independent non-executive Directors.

In accordance with Bye-Laws 99(B), Mr. Li Yongcheng, Mr. E Meng, Mr. Li Haifeng, Mr. Tung Woon Cheung Eric and Mr. Guo Rui 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 Mr. Guo Rui, being an independent non-executive Director, is and continues to be independent based on his submitted annual written confirmations concerning his independence.

LETTER FROM THE BOARD

Mr. Guo Rui (“**Mr. Guo**”) is an independent non-executive Director since his appointment in May 2008. As at the Latest Practicable Date, Mr. Guo has been serving on the Board for nine years. The Board believes that Mr. Guo shall be re-elected on the basis that he is a person of high integrity at all times, Mr. Guo 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.

THE ANNUAL GENERAL MEETING

The notice of the AGM is set out on pages 18 to 23 of this circular. At the AGM, 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, 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 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.

LETTER FROM THE BOARD

RECOMMENDATION

The Directors are of the opinion that (i) the granting of the Issue Mandate and the Purchase Mandate; and (ii) the re-election of the retiring Directors 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 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.

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
Li Yongcheng
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 9,415,088,721 Shares before cancellation of Repurchased Shares and there is no 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 and purchased (other than Repurchased Shares to be cancelled) by the Company prior to the AGM, the Company will be allowed to purchase a maximum of 941,308,872 Shares, representing 10% of the issued share capital of the Company after cancellation of Repurchased Shares 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 2017 of the Company dated 28 March 2018) 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 earnings 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 at the Latest Practicable Date, BE Environmental beneficially holds 3,993,859,356 Shares (representing approximately 42.42%) in the share capital of the Company. BE Environmental is a wholly-owned subsidiary of Beijing Enterprises Holdings Limited, which is in turn directly held as to approximately 41.06% by Beijing Enterprises Group (BVI) Company Limited ("**BE Group (BVI)**"), which in turn held as to 100% by Beijing Enterprises Group Company Limited ("**BE Group**").

On the assumption that no Shares are issued or purchased (other than Repurchased Shares to be cancelled) prior to the date of the AGM, in the event that the Directors exercise the power to purchase Shares pursuant to the Purchase Mandate in full, the interests of BE Environmental in the Company would be increased from approximately 42.42% to approximately 47.14% of the total issued share capital of the Company after cancellation of Repurchased Shares. In the opinion of the Directors, such increase of shareholding would give rise to an obligation for BE Environmental to make a mandatory offer under Rule 26 of the Takeover Code.

As at the Latest Practicable Date, the Directors do not have any present intention to exercise the Purchase Mandate to such an extent such that the mandatory offer obligation would be triggered. Save as aforesaid, the Directors are not aware of any consequences which may give rise to an obligation to make a mandatory offer under Rule 26 of the Takeovers Code as a result of an exercise of the Purchase Mandate.

To the best knowledge of the Directors, approximately 57.58% of the Company's total issued capital was held by the public as at the Latest Practicable Date. On the assumption that no Shares are issued or purchased (other than Repurchased Shares to be cancelled) from the public prior to the date of the AGM, in the event that the Directors exercise the power to purchase Shares pursuant to the Purchase Mandate in full, approximately 52.86% of the Company's total issued capital will be held by the public. Therefore, the Company can still maintain its 25% minimum public float upon the exercise of the Purchase Mandate in full.

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 core 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

During the period from the six months immediately preceding the Latest Practicable Date, the Company had purchased a total of 2,000,000 Shares at an aggregate consideration of HK\$8,475,820 on the Stock Exchange as follows:

Date of Purchase	Price per Share or highest price paid <i>HK\$</i>	Lowest price paid <i>HK\$</i>
6 April 2018	4.25	4.23

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>
2017		
April	6.44	5.84
May	6.27	5.66
June	6.29	5.73
July	6.68	5.90
August	6.74	6.19
September	6.67	6.15
October	6.75	6.20
November	6.75	6.05
December	6.21	5.87
2018		
January	6.27	5.56
February	5.74	4.82
March	5.38	4.30
April (up to the Latest Practicable Date)	4.40	4.25

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

Mr. Li Yongcheng (“**Mr. Li**”), aged 56, was appointed as the chairman and an executive director of the Company on 29 October 2014. Mr. Li is also the chairman of nomination committee of the Company. He is currently vice chairman and executive deputy general manager of Beijing Enterprises Group Company Limited. He is an executive director and vice chairman of Beijing Enterprises Holdings Limited (Stock Code: 392). Mr. Li has once assumed various positions of deputy general manager, vice chairman and general manager with Beijing Gas Group Co., Ltd.. Mr. Li is a senior engineer, graduated from Wuhan University of Science and Technology with a master’s degree in environmental engineering, and subsequently obtained an EMBA degree from Guanghua School of Management of Peking University. Mr. Li possesses extensive experience and professional expertise in public utilities industry, and also has plenty of experience in enterprise operations and capital operations.

As at the Latest Practicable Date, 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.

Pursuant to Mr. Li’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. Li’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. Li for the year ended 31 December 2017 was HK\$130,000.

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 his re-election that need to be brought to the attention of the Shareholders.

Mr. E Meng (“**Mr. E Meng**”), aged 59, was appointed as an executive director of the Company in February 2008 and the vice chairman of the Company in April 2013. He serves as a vice general manager and the chief financial officer of Beijing Enterprises Group Company Limited. He is also an executive director and an executive vice president of Beijing Enterprises Holdings Limited (Stock Code: 392) and the chairman and an executive director of Beijing Enterprises Environment Group Limited (Stock Code: 154). Mr. E Meng graduated from China Science and Technology University with a master’s degree in engineering and subsequently obtained an EMBA degree from The Hong Kong University of Science and Technology. He is a PRC senior accountant with the qualifications of PRC certified accountant, asset appraiser, certified real estate appraiser and tax appraiser. From 1988 to 1997, he was the deputy director of Beijing New Technology Development Zone and concurrently acting as the director of the Department of Financial Auditing, the general manager of Investment Operation Company, the chief accountant of Beijing Tianping Accounting Firm and the deputy director of the State-owned Assets Management Office of Beijing Haidian District. From September 2004 to August 2015, Mr. E Meng was an independent non-executive director of New Silkroad Culturaltainment Limited (Stock Code: 472). Mr. E Meng has extensive experience in economics, finance and enterprise management.

As at the Latest Practicable Date, Mr. E Meng 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. E Meng 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. E Meng’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. E Meng’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. E Meng for the year ended 31 December 2017 was HK\$120,000.

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

Mr. E Meng 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. Li Haifeng (“**Mr. Li**”), aged 47, was appointed as an executive director and a vice president of the Company in August 2008. Mr. Li graduated with a bachelor’s degree in Laws from the Peking University. He was an assistant to president of Founder Group (方正集團) and the executive vice president of Founder Xintiandi Software Technology Co. Ltd. (方正新天地軟件科技有限公司). Mr. Li is now the chairman of the Supervisory Committee of BEWG Environmental Group Co., Ltd., responsible for exploring business opportunities in water market in the PRC. Mr. Li is currently the chairman, an executive director and the chief executive officer of Carry Wealth Holdings Limited (Stock Code: 643). During the period from April 2010 to April 2013, he was an independent non-executive director of Huarong International Financial Holdings Limited (Stock Code: 993). Both Carry Wealth Holdings Limited and Huarong International Financial Holdings Limited are listed on The Stock Exchange of Hong Kong Limited.

As at the Latest Practicable Date, Mr. Li has personal interest in 80,000 shares of the Company, personal interests in 22,600,000 underlying Shares in respect of Share Options granted and Mr. Li also has corporate interest in 1,127,175,080 ordinary shares of Beijing Enterprises Clean Energy Group Limited through Maolin Investments Limited. Maolin Investments Limited is wholly and beneficially owned by Mr. Li. 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.

Pursuant to Mr. Li’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. Li’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. Li for the year ended 31 December 2017 was HK\$3,897,000.

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 his re-election that need to be brought to the attention of the Shareholders.

Mr. Tung Woon Cheung Eric (“**Mr. Tung**”), aged 47, was appointed as an executive director of the Company in August 2011. Mr. Tung is the chief financial officer and company secretary of the Company. Mr. Tung is also the assistant president and general manager of the finance department of Beijing Enterprises Holdings Limited (Stock Code: 392), a company listed on the main board of The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”), the company secretary of Biosino Bio-Technology and Science Incorporation* (Stock Code: 8247), a company listed on growth enterprise market of the Stock Exchange and an independent non-executive director of South China Financial Holdings Limited (Stock Code: 619) and GR Properties Limited (Stock Code: 108), both of which are listed on the main board of the Stock Exchange. Mr. Tung graduated from York University, Toronto, Canada with a bachelor’s honours degree in administrative studies. He is a Hong Kong Certified Public Accountant and a U.S. licensed practice Certified Public Accountant.

As at the Latest Practicable Date, Mr. Tung has personal interest in 9,000,000 underlying Shares in respect of Share Option granted. Save as disclosed above, Mr. Tung 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. Tung 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. Tung’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. Tung’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. Tung for the year ended 31 December 2017 was HK\$120,000.

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

Mr. Tung 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. Guo Rui (“**Mr. Guo**”), aged 50, 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, the remuneration committee and the nomination committee of the Company. Mr. Guo is the managing director of 北京明銳恒豐管理諮詢有限公司 Beijing MingRui Hengfeng Management & Consulting Co. Ltd., an investment management organisation that invests in real estate, clean energy, healthcare and pharmaceuticals, biotechnology, financial institutes, mining and manufacturing sectors. Mr. Guo was a former senior consultant of Arthur Andersen LLC from 1999 to 2001. Mr. Guo holds a bachelor’s degree of computer science (or engineering) from Peking University and a master degree of computer engineering from Northwestern University, U.S.A.

As at the Latest Practicable Date, Mr. Guo has personal interests in 400,000 underlying Shares in respect of Share Options granted. Save as disclosed above, Mr. Guo 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. Guo 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. Guo’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. Guo’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. Guo for the year ended 31 December 2017 was HK\$120,000.

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

Mr. Guo 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.

NOTICE OF ANNUAL GENERAL MEETING



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 (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 Friday, 1 June 2018 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 2017.
2. To make final distribution of HK7.5 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.

NOTICE OF ANNUAL GENERAL MEETING

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;
- (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 (“**Bye-Laws**”) 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.”

NOTICE OF ANNUAL 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;
- (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

NOTICE OF ANNUAL GENERAL MEETING

(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 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).”

NOTICE OF ANNUAL GENERAL MEETING

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 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
Li Yongcheng
Chairman

Hong Kong, 13 April 2018

Notes:

1. The register of members will be closed from Tuesday, 29 May 2018 to Friday, 1 June 2018 (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, 1 June 2018, all transfers of shares accompanied by the relevant share certificates and transfer forms must be lodged with the branch share registrar of the Company in Hong Kong, Tricor Tengis Limited, Level 22, Hopewell Centre, 183 Queen’s Road East, Hong Kong for registration not later than 4:30 p.m. on Monday, 28 May 2018.
2. The register of members will be closed from Thursday, 7 June 2018 to Friday, 8 June 2018 (both days inclusive), during which period no transfer of shares will be registered. In order to qualify for entitlement to the proposed final distributions, all transfers of shares accompanied by the relevant share certificates and transfer forms must be lodged with the branch share registrar of the Company in Hong Kong, 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, 6 June 2018.
3. A member who is the holder of two or more shares entitled to attend and vote at the Meeting 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 Meeting and vote in its stead. A proxy need not be a member of the Company.

NOTICE OF ANNUAL GENERAL MEETING

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, 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. Completion and return of the proxy form in respect of the proposed ordinary resolutions for the Meeting will not preclude a member from attending and voting in person at the Meeting (or any adjournment thereof) should he/she so wishes and in such event, the proxy form for the Meeting will be deemed to have been revoked.
6. With regard to item no. 3 in this notice of the Meeting, the Board proposes that the retiring Directors namely, Mr. Li Yongcheng, Mr. E Meng, Mr. Li Haifeng, Mr. Tung Woon Cheung Eric and Mr. Guo Rui be re-elected as Directors. Details of these Directors are set out in Appendix II to the circular to Shareholders dated 13 April 2018.
7. As at the date of this notice of Meeting, the board of Directors comprises ten executive directors, namely, Mr. Li Yongcheng (Chairman), Mr. E Meng (Vice Chairman), Mr. Jiang Xinhao, Mr. Zhou Min (Chief Executive Officer), Mr. Li Haifeng, Mr. Zhang Tiefu, Ms. Qi Xiaohong, Mr. Ke Jian, Mr. Tung Woon Cheung Eric and Mr. Li Li and five independent non-executive directors, namely, Mr. Shea Chun Lok Quadrant, Mr. Zhang Gaobo, Mr. Guo Rui, Mr. Wang Kaijun and Dr. Lee Man Chun Raymond.