

## BEIJING ENTERPRISES WATER GR

MEETING DATE	Thu, 21 May 2015 15:00 pm	TYPE	AGM	ISSUE DATE	Fri, 15 May 2015
MEETING LOCATION	66th Floor, Central Plaza, 18 Harbour Road, Wanchai, Hong Kong				
CURRENT INDICES	PIRC SE Asia				
SECTOR	Sewerage systems				

	PROPOSALS	ADVICE
1	<p><b>Receive the Audited Financial Statements and Directors Report for the year ended 31 December 2014</b></p> <p>Disclosure is adequate and the reports were made available sufficiently before the meeting. The financial statements have been audited and certified. Acceptable proposal.</p>	For
2	<p><b>Approve the dividend</b></p> <p>The proposed final dividend is HKD 4.8 cents per share on earnings per share of HKD 20.76. Covered by earnings. Acceptable Proposal.</p>	For
3i	<p><b>Re-elect Mr. Li Yongcheng</b></p> <p>Executive Chairman. There should be a clear division of responsibilities at the head of the company between the running of the board and the executive responsibility for the running of the company's business. No one individual should have unfettered powers of decision. Combining the the Chairman's role with an Executive role in one person represents a concentration of power that is potentially detrimental to board balance, effective debate, and board appraisal. He is chair of the Nomination committee and there is insufficient gender diversity on the Board. Triodos opposes this resolution.</p>	Oppose
3ii	<p><b>Re-elect Mr. E Meng</b></p> <p>Executive Vice Chairman. Because the Chairman holds an Executive position, there is no independent leadership of the Board. Triodos opposes this resolution.</p>	Oppose
3iii	<p><b>Re-elect Mr. Hu Xiaoyong</b></p> <p>Chief Executive Officer.</p>	For
3iv	<p><b>Re-elect Mr. Li Haifeng</b></p> <p>Vice President. There are concerns about his aggregate time commitments. Triodos opposes this resolution.</p>	Oppose
3v	<p><b>Re-elect Mr. Tung Woon Cheung Eric</b></p> <p>Chief Financial Officer.</p>	For
3vi	<p><b>Re-elect Mr. Wang Kaijun</b></p> <p>Independent Non-Executive Director.</p>	For
3vii	<p><b>Re-elect Mr. Yu Ning</b></p> <p>Independent Non-Executive Director.</p>	For
3viii	<p><b>Authorise the Board of Directors to fix the Directors' remuneration</b></p> <p>Standard Proposal. There has been no significant change in directors remuneration during the past two fiscal years. Acceptable proposal.</p>	For
4	<p><b>Appoint the auditors and allow the board to determine their remuneration</b></p> <p>It is proposed to re-appoint Ernst &amp; Young as auditors. There were no significant non-audit fees for the year under review or over the past three years. This raises no significant concerns over the independence of the auditors. Acceptable proposal.</p>	For

- 5 To approve the refreshment of 10% limit on the grant of options under the share option scheme** **Oppose**
- The Company adopted the Share Option Scheme pursuant to a resolution passed by the Shareholders at the special general meeting held on 28 June 2011 in accordance with the requirements set out in Chapter 17 of the Listing Rules. Under the existing proposal, the maximum number of Shares which may be issued upon exercise of all outstanding options granted and yet to be exercised under the Share Option Scheme and any other share option scheme(s) of the Company must not in aggregate exceed 30% of the total number of Shares in issue from time to time. The Board considers that share option is an important incentive for motivating and/or rewarding the Eligible Participants to contribute to the success of the Group's business and financial performance. However, the number of shares allowed to be issued is deemed excessive and there are inadequate restrictions on when and how the issues can occur. Triodos opposes this resolution.
- 6 Authorise general share repurchase mandate** **For**
- The authority sought is limited to 10% of issued share capital and expires at the next AGM. The Directors are not aware of any consequences which would arise under the Hong Kong Code on Takeovers and Mergers as a consequence of any purchases pursuant to the general repurchase mandate. Acceptable Proposal.
- 7 Authorise general mandate to the Directors to allot, issue shares of the company** **For**
- The approval sought is limited to 20% of issued share capital. This is in addition to shares that may be issued in relation to a Rights Issue, an option scheme, or a scrip dividend scheme. Acceptable proposal.
- 8 Extend the general mandate to the directors to issue, allot shares of the Company by the amount of shares purchased** **Oppose**
- The directors seek authority to re-issue under the authority granted in proposal 7 those shares repurchased under the authority granted by proposal 6. The effect of the proposal, if approved, would be to extend the limit for issuance of shares from 20% to 30% of issued share capital. Given concerns over dilution of the shareholder rights, Triodos opposes this resolution.
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