


BEIJING ENTERPRISES WATER GROUP

MEETING DATE	Thu, 29 Mar 2018 11:00 am	TYPE	EGM	ISSUE DATE	Thu, 15 Mar 2018
MEETING LOCATION	66/F., Central Plaza, 18 Harbour Road, Wanchai, Hong Kong				
CURRENT INDICES	PIRC SE Asia				
SECTOR	Sewerage systems				

COMPANY OVERVIEW

Beijing Enterprises Water Group Limited ("BEWG") is a company listed on the Main Board of The Stock Exchange of Hong Kong Limited. The Company provides a broad range of water services and environmental protection services in China.

MEETING SPECIFIC INFORMATION

Quorum requirements and voting requirements

Ordinary business resolutions are approved by simple majority of the votes validly cast.

	PROPOSALS	ADVICE
1	<p>Approve Subscription Agreement, Issuance of Subscription Shares, the Specific Mandate and Related Transactions</p> <p>It is proposed to approve the Subscription Agreement with Beijing Enterprises Environmental Construction Limited, being a controlling shareholder of the Company, signed in January 2018. Pursuant to the Subscription Agreement, the Company has conditionally agreed to allot and issue, and the Subscriber has conditionally agreed to subscribe for 169,491,525 new Shares (approximately 1.9% of the share capital at the date of the Subscription Agreement).</p> <p>Such proposals are considered on the basis of whether they are deemed fair, whether they have been adequately explained, and whether there is sufficient independent oversight of the recommended proposal. The circular contains sufficient details of the transaction, but there is insufficient independence on the Board. Although the dilution from the share issuance is within guidelines, it would be preferred that the controlling company should buy Company shares in the market, instead of relying in an ad hoc issue, for cash, which additionally dilutes the holdings of existing shareholders. Triodos opposes this resolution.</p>	Oppose
2	<p>Elect Lee Man Chun Raymond</p> <p>Non-Executive Director. Not considered independent as the director is considered to be connected with a significant shareholder: the People's Republic of China, the controller of the parent company (Beijing Enterprises Holdings Limited), via his membership of the Chinese People's Political Consultative Conference. There is insufficient independent representation on the Board. He is newly appointed to the Board and his appointment does not improve the gender balance on the Board which Triodos does not support</p>	Oppose

BOARD AND COMMITTEE COMPOSITION (post-Meeting)

DIRECTOR	GENDER	INDEPENDENT BY			BOARD	AC	RC	NC	SC	TENURE
		PIRC	COMPANY							
Li Yongcheng	M	No	No	ExCh	-	-	C	-	3	
E Meng	M	No	No	ExVCh	-	-	-	-	10	
Jiang Xinhao	M	No	No	Exec	-	-	-	-	9	
Zhou Min	M	No	No	CEO	-	-	-	-	9	
Li Haifeng	M	No	No	Exec	-	-	-	-	9	
Zhang Tiefu	M	No	No	Exec	-	-	-	-	8	
Qi Xiaohong	F	No	No	Exec	-	M	-	-	9	
Ke Jian	M	No	No	Exec	-	-	-	-	6	
Tung Woon Cheung Eric	M	No	No	Exec	-	-	-	-	6	
Li Li	M	No	No	Exec	-	-	-	-	4	
Shea Chun Lok Quadrant	M	No	Yes	NED	C	-	-	-	15	
Zhang Gaobo	M	No	Yes	NED	M	C	M	-	9	
Guo Rui	M	No	Yes	NED	M	M	M	-	9	
Wang Kaijun	M	No	Yes	NED	-	-	-	-	10	
Lee Man Chun Raymond	M	No	Yes	NED	-	-	-	-	<1	
Number of Meetings				-	-	-	-	-		
Number of NED only Meetings				-						

PIRC assesses a non-executive director's independence according to PIRC's shareholder guidelines. Comments represent PIRC's analysis based on information in the report and accounts. AC = Audit Committee, RC = Remuneration Committee, NC = Nomination Committee, SC = Sustainability Committee, C = Chairperson of Committee, M = Member of Committee.

BOARD OF DIRECTORS (post-Meeting)

LI YONGCHENG				CHAIRMAN (EXECUTIVE)	
AGE	55	TENURE	3 Years	COMMITTEES	N*
OTHER POSITION	Beijing Enterprises Group Company Limited [VCh, Exec Deputy General Manager]; Beijing Enterprises Holdings Limited [Exec Dir, VCh]; ex-Beijing Enterprises Holdings Limited [Pres]; ex-Beijing Gas Group Co., Ltd [Deputy General Manager, VCh]				
INDEPENDENT BY PIRC	N	INDEPENDENT BY COMPANY			N
E MENG				VICE CHAIRMAN (EXECUTIVE)	
AGE	58	TENURE	10 Years	COMMITTEES	None
OTHER POSITION	Beijing Development (Hong Kong) Limited [Ch]; Beijing Enterprises Group Company Limited [Vice GM, CFO]; Beijing Enterprises Holdings Limited [Exec, VP]; ex-Beijing New Technology Development Zone [DepDir]; ex-Beijing Tianping Accounting Firm [Chief Accountant]; ex-JLF Investment Company Limited [NED]				
INDEPENDENT BY PIRC	N	INDEPENDENT BY COMPANY			N
COMMENT	Vice Chairman as of April 2013.				

JIANG XINHAO		EXECUTIVE DIRECTOR			
AGE	52	TENURE	9 Years	COMMITTEES	None
OTHER POSITION	Beijing Enterprises Group Company Limited [Vice GM]; Beijing Enterprises Holdings Limited [Exec Dir, VP]; China Gas Holdings Limited [NED]; ex-BHL Industrial Investment Company [VP]; ex-Beijing BHL Investment Center [GM]; ex-Beijing Holdings Limited [Exec]; ex-Beijing Properties (Holdings) Limited [Exec]; ex-Jingtai Finance Company [Dep MD]; ex-Tramford International Limited [CEO]				
INDEPENDENT BY PIRC COMMENT	N	INDEPENDENT BY COMPANY			N
Executive Director.					
ZHOU MIN		CHIEF EXECUTIVE			
AGE	53	TENURE	9 Years	COMMITTEES	None
OTHER POSITION	BEWG Environmental Group Co., Ltd. [Ch]; Mianyang Zhejiang Chamber of Commerce [VCh]; ex-Beijing Jingsheng Investment Company Limited [Ch]; ex-Industrial and Commercial Bank of China [VCh]; ex-People's Bank of China [DivExec]				
INDEPENDENT BY PIRC COMMENT	N	INDEPENDENT BY COMPANY			N
Appointed CEO of the Company on 30 March 2016. He previously was Vice President.					
LI HAIFENG		EXECUTIVE DIRECTOR			
AGE	46	TENURE	9 Years	COMMITTEES	None
OTHER POSITION	BEWG Environmental Group Co [Dir]; Carry Wealth Holdings Limited [Ch, Dir]; ex-Founder Group [Assistant to Pres]; ex-Founder Xintiandi Software Technology Co. Ltd [Exec VP]; ex-Simsen International Corporation Limited [NED]				
INDEPENDENT BY PIRC COMMENT	N	INDEPENDENT BY COMPANY			N
Executive Director and Vice President. There are concerns about his aggregate time commitments.					
ZHANG TIEFU		EXECUTIVE DIRECTOR			
AGE	54	TENURE	8 Years	COMMITTEES	None
OTHER POSITION	Beijing Bei Kong Water Production Co., Ltd [MD]; Beijing Yanjing Beer Co., Ltd. [MD]; ex-China Nation Printing Materials Corporation [Snr Manager]				
INDEPENDENT BY PIRC COMMENT	N	INDEPENDENT BY COMPANY			N
Executive director and Vice President.					
QI XIAOHONG		EXECUTIVE DIRECTOR			
AGE	49	TENURE	9 Years	COMMITTEES	R
OTHER POSITION	Beijing Enterprises Holdings Limited [VPres]; ex-Beijing Municipal Government				
INDEPENDENT BY PIRC COMMENT	N	INDEPENDENT BY COMPANY			N
Executive Director.					
KE JIAN		EXECUTIVE DIRECTOR			
AGE	48	TENURE	6 Years	COMMITTEES	None
OTHER POSITION	Beijing Development (Hong Kong) Limited [VCh, CEO, Dir]; Beijing Enterprises Holding Limited [VPres]				
INDEPENDENT BY PIRC COMMENT	N	INDEPENDENT BY COMPANY			N
Executive Director.					

TUNG WOON CHEUNG ERIC					EXECUTIVE DIRECTOR
AGE	46	TENURE	6 Years	COMMITTEES	None
OTHER POSITION	Beijing Enterprises Holdings Limited [Assistant Pres, General Manager]; Biosino Bio-Technology and Science Incorporation [Secretary]; GR Properties Limited [NED]; South China Financial Holdings Limited [NED]				
INDEPENDENT BY PIRC COMMENT	N	INDEPENDENT BY COMPANY			N
Chief Financial Officer and Company Secretary.					
LI LI					EXECUTIVE DIRECTOR
AGE	51	TENURE	4 Years	COMMITTEES	None
OTHER POSITION	ex-Beijing Sound Environmental Group Company Limited [Various Position]; ex-First Design & Research Institute [Snr Engineer, Dir, VPres]				
INDEPENDENT BY PIRC COMMENT	N	INDEPENDENT BY COMPANY			N
Chief Operating Officer of the Company.					
SHEA CHUN LOK QUADRANT					NON-EXECUTIVE DIRECTOR
AGE	50	TENURE	15 Years	COMMITTEES	A*
OTHER POSITION	Asia Allied Infrastructure Holdings Limited, formerly known as China City Construction Group Holdings Limited [CFO and Sec]; CPA Australia [Mem]; Hi-Level Technology Holdings Limited [NED]				
INDEPENDENT BY PIRC COMMENT	N	INDEPENDENT BY COMPANY			Y
Not considered to be independent as he has been on the Board for more than nine years.					
ZHANG GAOBO					NON-EXECUTIVE DIRECTOR
AGE	52	TENURE	9 Years	COMMITTEES	A,R*,N
OTHER POSITION	OP Financial Investments Limited [CEO]; Oriental Patron Financial Group [CEO, Founding Partner]; Vimetco N.V., [NED]; ex-Hainan Provincial Government [DepChief]; ex-Hainan Stock Exchange Centre [Ch]; ex-PBOC branch [Deputy Chief - Financial Markets Administration Committee]				
INDEPENDENT BY PIRC COMMENT	N	INDEPENDENT BY COMPANY			Y
Not considered to be independent owing to a tenure of over nine years. There are concerns about his aggregate time commitments.					
GUO RUI					NON-EXECUTIVE DIRECTOR
AGE	49	TENURE	9 Years	COMMITTEES	A,R,N
OTHER POSITION	Beijing MingRui Hengfeng Management & Consulting Co. Ltd [MD]; Paragon Investment Co. Ltd [Pres]; ex-Arthur Andersen LLC [SnrPartner]; ex-Jinchuan Group International Resources Co. Ltd [NED]				
INDEPENDENT BY PIRC COMMENT	N	INDEPENDENT BY COMPANY			Y
Not considered independent owing to a tenure of over nine years.					
WANG KAIJUN					NON-EXECUTIVE DIRECTOR
AGE	56	TENURE	10 Years	COMMITTEES	None
OTHER POSITION	DHV Engineering Consultancy [Exec]; Tsinghua University [Prof]				
INDEPENDENT BY PIRC COMMENT	N	INDEPENDENT BY COMPANY			Y
Not considered independent owing to a tenure of over nine years.					

LEE MAN CHUN RAYMOND		NON-EXECUTIVE DIRECTOR			
AGE	47	TENURE	<1 Years	COMMITTEES	None
OTHER POSITION	Chinese People's Political Consultative Conference [NED]; Lee & Man Paper Manufacturing Limited [Ch]; ex-Bossini International Holdings Limited [NED]				
INDEPENDENT BY PIRC	N	INDEPENDENT BY COMPANY			Y
COMMENT	Not considered independent as the director is considered to be connected with a significant shareholder: the People's Republic of China, the controller of the parent company (Beijing Enterprises Holdings Limited), via his membership of the Chinese People's Political Consultative Conference.				

BOARD COMPOSITION

BOARD COMPOSITION FOLLOWING THE EGM

	Number	% of Board	- MEAN	
			Number	% of Board
Executive Director	10	66.67	n/a	n/a
Independent NEDs	0	0.0	n/a	n/a
Connected NEDs	5	33.33	n/a	n/a
Other	0	0.0	n/a	n/a

BOARD COMMITTEES FOLLOWING THE EGM

	Number of Members	% Women	% Independent by PIRC	% Independent by Company	- MEAN	
					Number of Members	% Independent by PIRC
Whole Board	15	6.67	0.0	33.33	-	-
Audit	3	0.0	0.0	100.0	-	-
Remuneration	3	33.33	0.0	66.67	-	-
Nomination	3	0.0	0.0	66.67	-	-

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