
THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

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

If you have sold or transferred all your shares in **Canvest Environmental Protection Group Company Limited**, you should at once hand this circular and accompanying form of proxy to the purchaser or transferee or to the bank, stockbroker or other agent through whom the sale or transfer was effected for transmission to the purchaser or the transferee.

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



CANVEST ENVIRONMENTAL PROTECTION GROUP COMPANY LIMITED

粵豐環保電力有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1381)

PROPOSALS ON RE-ELECTION OF RETIRING DIRECTORS AND GENERAL MANDATES TO REPURCHASE AND ISSUE SHARES AND NOTICE OF ANNUAL GENERAL MEETING

A notice convening the AGM to be held at Admiralty and The Peak Room, Level 3, Pacific Place, JW Marriott Hotel Hong Kong, 88 Queensway, Hong Kong on Friday, 12 June 2020 at 2:30 p.m. is set out in Appendix III to this circular. Whether or not you are able to attend the meeting, you are requested to complete the accompanying proxy form in accordance with the instructions printed thereon and return the same to the Company's branch share registrar and transfer office in Hong Kong, Tricor Investor Services Limited at Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong as soon as possible and in any event not less than 48 hours before the time of the meeting (or any adjournment thereof). Completion and return of the proxy form will not preclude you from attending and voting at the meeting or any adjournment thereof should you so wish.

PRECAUTIONARY MEASURES FOR THE ANNUAL GENERAL MEETING

In compliance with the HKSAR Government's directive on social distancing, personal and environmental hygiene, and the guidelines issued by the Centre for Health Protection of the Department of Health on the prevention of coronavirus disease 2019 (COVID-19), the Company will implement additional precautionary measures at the AGM including, without limitation:

- compulsory body temperature screening;
- mandatory use of surgical face masks;
- anyone attending the AGM is reminded to observe good personal hygiene at all times;
- no refreshment will be served; and
- appropriate distancing and spacing in line with the guidance from the HKSAR Government will be maintained and as such, the Company may limit the number of attendees at the AGM as may be necessary to avoid over-crowding.

Any person who does not comply with the precautionary measures or is subject to any HKSAR Government prescribed quarantine may be denied entry into the meeting venue. In light of the continuing risks posed by the COVID-19 pandemic, the Company reminds Shareholders that they may appoint the Chairman of the AGM or any Director or Company Secretary of the Company as their proxy to vote according to their indicated voting instructions as an alternative to attending the AGM in person. Subject to the development of COVID-19, the Company may implement further changes and precautionary measures and may issue further announcement on such measures as appropriate.

6 April 2020

CONTENTS

| | <i>Page</i> |
|--|-------------|
| Definitions | 1 |
| Letter from the Board | |
| 1. Introduction | 5 |
| 2. Proposed Dividend | 5 |
| 3. Re-election of Retiring Directors | 5 |
| 4. Share Repurchase Mandate | 6 |
| 5. Share Issue Mandate | 7 |
| 6. Recommendation | 7 |
| 7. Book Closure for AGM Attendance | 7 |
| 8. Action to be Taken | 8 |
| 9. AGM | 8 |
| 10. Voting by Poll | 8 |
| 11. Responsibility Statement | 8 |
| 12. General | 8 |
| Appendix I — Particulars of Retiring Directors subject to Re-election | 9 |
| Appendix II — Explanatory Statement on Share Repurchase Mandate | 12 |
| Appendix III — Notice of Annual General Meeting | 16 |

DEFINITIONS

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

| | |
|----------------------------|--|
| “2019 Final Dividend” | the final dividend of the Company of HK4.1 cents per Share for the year ended 31 December 2019 to be paid to the Shareholders whose names are shown on the register of members of the Company at the close of business on the Record Date; |
| “AGM” | the annual general meeting of the Company to be held at Admiralty and The Peak Room, Level 3, Pacific Place, JW Marriott Hotel Hong Kong, 88 Queensway, Hong Kong on Friday, 12 June 2020 at 2:30 p.m.; |
| “AGM Notice” | the notice of AGM set out in Appendix III to this circular; |
| “Articles of Association” | the articles of association of the Company; |
| “Best Approach” | Best Approach Developments Limited (臻達發展有限公司), a company incorporated under the laws of BVI on 2 January 2014 with limited liability and a Controlling Shareholder of the Company; |
| “Board” | the board of Directors of the Company; |
| “BVI” | the British Virgin Islands; |
| “Century Rise” | Century Rise Development Limited (誠朗發展有限公司), a company incorporated under the laws of BVI on 6 January 2012 with limited liability and a Controlling Shareholder of the Company; |
| “China” or “PRC” | The People’s Republic of China, which for the purpose of this circular, shall exclude Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan region; |
| “Company” | Canvest Environmental Protection Group Company Limited, a company incorporated in the Cayman Islands with limited liability on 28 January 2014, the Shares of which are listed on the Main Board of the Stock Exchange; |
| “Controlling Shareholders” | has the meaning ascribed thereto in the Listing Rules and in this circular unless the context otherwise requires, refers to Mr. KM Lai, Ms. Loretta Lee, VISTA Co, Century Rise and Best Approach; each of whom a Controlling Shareholder; |
| “Directors” | the directors of the Company; |

DEFINITIONS

| | |
|---------------------------|--|
| “Eco-Tech” | Dongguan Eco-Tech Environmental Power Company Limited (東莞市科偉環保電力有限公司), a company established under the laws of the PRC with limited liability on 19 June 2003 and an indirect wholly-owned subsidiary of the Company; |
| “Group” | the Company and its subsidiaries; |
| “Harvest VISTA Trust” | the Harvest VISTA Trust, a discretionary trust founded by Ms. Loretta Lee and Mr. KM Lai, with Ms. Loretta Lee, Ms. Loretta Lee’s personal trust and Mr. KM Lai as its beneficiaries; |
| “HK\$” | Hong Kong dollar, the lawful currency of Hong Kong; |
| “Hong Kong” | Hong Kong Special Administrative Region of the PRC; |
| “Kewei” | Canvest Kewei Environmental Investment (Guangdong) Company Limited (粵豐科維環保投資(廣東)有限公司) (formerly known as 東莞科維環保投資有限公司), a company established under the laws of the PRC with limited liability on 13 February 2009 and an indirect wholly-owned subsidiary of the Company; |
| “Latest Practicable Date” | 31 March 2020, being the latest practicable date prior to the printing of this circular for ascertaining certain information contained herein; |
| “Listing Rules” | the Rules Governing the Listing of Securities on the Stock Exchange; |
| “Mr. CT Lai” | Mr. Lai Chun Tung (黎俊東), an executive Director; |
| “Mr. KM Lai” | Mr. Lai Kin Man (黎健文), also known as Li Jianwen (黎建文), one of the Controlling Shareholders, an executive Director and the deputy chairman of the Company; |
| “Ms. Loretta Lee” | Ms. Lee Wing Yee, Loretta (李詠怡), one of the Controlling Shareholders, an executive Director and chairlady of the Company; |
| “Record Date” | Monday, 22 June 2020; |
| “SFO” | the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong); |

DEFINITIONS

| | |
|----------------------------|---|
| “Share(s)” | ordinary share(s) with a nominal value of HK\$0.01 each in the share capital of the Company (or of such other nominal amount as shall result from a sub-division, consolidation, reclassification or reconstruction of the share capital of the Company from time to time); |
| “Shareholder(s)” | the holder(s) of Shares; |
| “Share Issue Mandate” | a general mandate to the Directors to exercise the power of the Company to offer, allot and issue, grant options over or otherwise dispose of the unissued Shares in the capital of the Company of up to 20% of the aggregate nominal value of the entire issued share capital of the Company as at the date of passing of the ordinary resolution described in paragraph 9.B. (as modified by paragraph 9.C.) of the AGM Notice; |
| “Share Repurchase Mandate” | a general mandate to the Directors to exercise the power of the Company to repurchase Shares with an aggregate nominal value of up to 10% of the aggregate nominal value of the entire issued share capital of the Company as at the date of passing the ordinary resolution described in paragraph 9.A. of the AGM Notice; |
| “Share Repurchase Rules” | the relevant rules set out in the Listing Rules to regulate the repurchase by companies with primary listing of their own securities on the Stock Exchange; |
| “Stock Exchange” | The Stock Exchange of Hong Kong Limited; |
| “Takeovers Code” | the Code on Takeovers and Mergers and Share Repurchases; |
| “VISTA Co” | Harvest Vista Company Limited, a company incorporated in BVI on 18 June 2014, whose entire issued share capital is held by HSBC International Trustee Limited in its capacity as trustee of Harvest VISTA Trust; |
| “%” | per cent. |



**CANVEST ENVIRONMENTAL PROTECTION
GROUP COMPANY LIMITED**

粵豐環保電力有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1381)

Executive Directors:

Ms. Lee Wing Yee Loretta (*Chairlady*)
Mr. Lai Kin Man
Mr. Yuan Guozhen
Mr. Lai Chun Tung

Registered office:

P.O. Box 309
Ugland House
Grand Cayman KY1-1104
Cayman Islands

Non-executive Directors:

Mr. Feng Jun
Mr. Lui Ting Cheong Alexander
Mr. Lai Yui

*Headquarter and principal place of
business in Hong Kong:*

Unit 6803B, 68/F
International Commerce Centre
1 Austin Road West
Kowloon
Hong Kong

Independent Non-executive Directors:

Professor Sha Zhenquan
Mr. Chan Kam Kwan Jason
Mr. Chung Wing Yin
Mr. Chung Kwok Nam

6 April 2020

To the Shareholders

Dear Sir or Madam,

**PROPOSALS ON
RE-ELECTION OF RETIRING DIRECTORS
AND
GENERAL MANDATES TO REPURCHASE AND ISSUE SHARES
AND
NOTICE OF ANNUAL GENERAL MEETING**

LETTER FROM THE BOARD

1. INTRODUCTION

The purpose of this circular is to provide you with the information reasonably necessary to enable you to make a decision on whether to vote for or against the resolutions to be proposed at the AGM in relation to, among other matters, (i) declaration of a final dividend for the year ended 31 December 2019, (ii) the re-election of retiring Directors; and (iii) the granting of the Share Repurchase Mandate and the Share Issue Mandate to the Directors.

2. PROPOSED DIVIDEND

On 19 March 2020, the Board announced the final results of the Group for the year ended 31 December 2019 and resolved to recommend at the AGM the payment of the 2019 Final Dividend of HK4.1 cents per Share for the year ended 31 December 2019 to Shareholders whose names appeared on the register of members of the Company on the Record Date. The final dividend will be paid in cash. To qualify for the 2019 Final Dividend, all properly completed transfer forms accompanied by the relevant share certificates must be lodged with the Company's branch share registrar and transfer office in Hong Kong, Tricor Investor Services Limited at Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong not later than 4:30 p.m. on Wednesday, 17 June 2020.

3. RE-ELECTION OF RETIRING DIRECTORS

Pursuant to Article 16.18 of the Articles of Association, Mr. KM Lai, Mr. Feng Jun, Mr. Lui Ting Cheong Alexander and Mr. Chung Kwok Nam, will retire as Directors at the AGM and being eligible, will offer themselves for re-election at the AGM.

The nomination committee of the Company (the "Nomination Committee") has reviewed the structure and composition of the Board, the confirmations and disclosures given by the Directors, the qualifications, skills and experience, time commitment and contribution of the retiring Directors with reference to the nomination principles and criteria set out in the Company's board diversity policy and the Company's policy for the nomination of Directors. The Nomination Committee has recommended to the Board the re-election of all the retiring Directors, including an independent non-executive Director who are due to retire at the AGM.

For the proposal for re-election of Mr. Chung Kwok Nam as an independent non-executive Director, the Board and the Nomination Committee has considered the potential contribution he can bring to the Board in terms of his qualification, skills, experience and independence taking into account his biographical information and background, and considering various factors including but not limited to gender, age, cultural and educational background and professional experience as set out in the board diversity policy of the Company. The Nomination Committee is satisfied that Mr. Chung Kwok Nam has the required character, integrity and experience to continuously fulfill his role as an independent non-executive Director effectively.

LETTER FROM THE BOARD

The Board has considered the extensive experience of Mr. Chung Kwok Nam in accounts and financial services. In addition, the Board has also assessed the independence of Mr. Chung Kwok Nam, by reference to the independence guidelines as set out in Rule 3.13 of the Listing Rules and has also received a confirmation from the relevant independent non-executive Director in respect of his independence. Taking into account the above factors, the Board is satisfied that Mr. Chung Kwok Nam is independent and possesses the perspective, skill and experience that can bring further contributions to the Board and its diversity.

Biographical details of each of Mr. KM Lai, Mr. Feng Jun, Mr. Lui Ting Cheong Alexander and Mr. Chung Kwok Nam are set out in Appendix I to this circular.

If the resolutions of the re-election of the Directors are passed at the AGM, the combination of the Board will have the following advantages:

- Five Directors (Ms. Loretta Lee, Mr. KM Lai, Mr. Yuan Guozhen, Mr. CT Lai and Professor Sha Zhenquan) are experienced in project development and general management;
- Three Directors (Mr. Feng Jun, Mr. Lui Ting Cheong Alexander and Mr. Lai Yui) have extensive experience in securities and investment industry;
- Two Directors (Mr. Chan Kam Kwan Jason and Mr. Chung Kwok Nam) have extensive experience in accounts and financial services; and
- One Director (Mr. Chung Wing Yin) has extensive legal experience.

4. SHARE REPURCHASE MANDATE

An ordinary resolution will be proposed at the AGM to grant to the Directors the Share Repurchase Mandate, details of which are set out in paragraph 9.A. in the AGM Notice. The Shares which may be repurchased pursuant to the Share Repurchase Mandate is up to 10% of the aggregate nominal value of the entire issued share capital of the Company at the date of passing the resolution approving the Share Repurchase Mandate. The Share Repurchase Mandate will expire at 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 Articles of Association or any applicable laws to be held, and (iii) the date on which the authority set out in the ordinary resolution of the Shareholders set out in paragraph 9.A. of the AGM Notice is revoked or varied by an ordinary resolution of the Shareholders at a general meeting, prior to the annual general meeting of the Company.

An explanatory statement as required under the Share Repurchase Rules, containing all relevant information relating to the Share Repurchase Mandate, is set out in Appendix II to this circular. The information in the explanatory statement provides information reasonably necessary to enable the Shareholders to make an informed decision in relation to the proposed ordinary resolution of the Shareholders set out in paragraph 9.A. of the AGM Notice to grant to the Directors the Share Repurchase Mandate.

LETTER FROM THE BOARD

5. SHARE ISSUE MANDATE

At the AGM, an ordinary resolution will also be proposed to grant to the Directors the Share Issue Mandate. In addition, a further resolution will be proposed to authorise an extension of the Share Issue Mandate by adding to the aggregate nominal value of Shares which may be allotted or agreed conditionally or unconditionally to be allotted by the Directors pursuant to the Share Issue Mandate the aggregate nominal value of the Shares repurchased under the Share Repurchase Mandate, if granted.

The Share Issue Mandate shall be exercisable during the period from the passing of the ordinary resolutions of the Shareholders set out in paragraphs 9.B. and 9.C. of the AGM Notice until the earlier 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 Article of Association or any applicable laws to be held; and
- (iii) the date on which the authority set out in the ordinary resolution of the Shareholders set out in paragraphs 9.B. and 9.C. of the AGM Notice is revoked or varied by an ordinary resolution or ordinary resolutions of the Shareholders in general meeting.

Details of the Share Issue Mandate and the extension of the Share Issue Mandate are set out in paragraphs 9.B. and 9.C. of the AGM Notice.

6. RECOMMENDATION

The Directors consider that the 2019 Final Dividend, the re-election of the retiring Directors and approval of the Share Repurchase Mandate and the Share Issue Mandate and the extension of the Share Issue Mandate are in the best interests of the Company and its Shareholders as a whole. Accordingly, the Directors recommend that all Shareholders to vote in favour of the resolutions as set out in the AGM Notice.

7. BOOK CLOSURE FOR AGM ATTENDANCE

In order to ascertain the right to attend the AGM, the register of members of the Company will be closed from Tuesday, 9 June 2020 to Friday, 12 June 2020 (both days inclusive) during which period no transfer of Shares will be registered.

Shareholders are reminded that in order to be entitled to attend the AGM, all properly completed transfer forms accompanied by the relevant share certificates must be lodged with the Company's branch share registrar and transfer office in Hong Kong, Tricor Investor Services Limited at Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong not later than 4:30 p.m. on Monday, 8 June 2020.

LETTER FROM THE BOARD

8. ACTION TO BE TAKEN

A proxy form for use at the AGM is enclosed to this circular. Whether or not you are able to attend the AGM, you are requested to complete the accompanying proxy form in accordance with the instructions printed thereon and return the same to the Company's branch share registrar and transfer office in Hong Kong, Tricor Investor Services Limited at Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong as soon as possible and in any event not less than 48 hours before the time of the AGM. Completion and return of the proxy form will not preclude you from attending and voting at the AGM or any adjournment thereof should you so wish.

9. AGM

The AGM Notice is set out in Appendix III to this circular. An announcement on the poll vote results will be published by the Company after the AGM in the manner prescribed under the Listing Rules.

10. VOTING BY POLL

Pursuant to Rule 13.39(4) of the Listing Rules, any resolution put to the vote of the shareholders at a general meeting must be taken by poll except where the chairman of the annual general meeting in good faith, decides to allow a resolution which relates purely to a procedural or administrative matter to be voted on by a show of hands. Accordingly, each of the resolutions set out in the notice of AGM will be taken by way of poll.

11. 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 to 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 circular misleading.

12. GENERAL

To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, no Shareholder is required to abstain from voting on the resolutions to be proposed at the AGM. Your attention is also drawn to the additional information set out in the appendices to this circular.

By Order of the Board
Canvest Environmental Protection Group Company Limited
Lee Wing Yee Loretta
Chairlady

This appendix sets out the particulars of the retiring who are Directors subject to re-election at the AGM:

Mr. Lai Kin Man (黎健文), also known as Li Jianwen (黎建文), aged 40, was appointed as a Director on 10 February 2014 and was re-designated as an executive Director and the deputy chairman of our Company on 24 September 2014. He has been a director of Eco-Tech since June 2003 and a director of Kewei since October 2011. He is, alongside with the chairlady, responsible for formulating our Group's overall strategies and making major corporate and operational decisions of our Group. Before founding our Group, Mr. KM Lai worked at Dongguan Sanyang Industrial Development Co., Ltd (東莞市三陽實業發展有限公司) (formerly known as Dongguan Sanyang Industrial Development Corporation (東莞市三陽實業發展公司)) from September 1998 to October 2002 and was responsible for business development. He served as the legal representative, chairman and general manager of Guangdong Canvest Investments Company Limited (廣東粵豐投資有限公司) (formerly known as Dongguan Canvest Industrial Investments Limited (東莞市粵豐實業投資有限公司)) from November 2002 to September 2011. Mr. KM Lai obtained an EMBA degree from South China University of Technology (華南理工大學) in December 2008. Mr. KM Lai is a cousin of Mr. CT Lai and Ms. Guo Huilian (a senior management of the Company), and a cousin-in-law of Ms. Loretta Lee.

Save as disclosed above, Mr. KM Lai has not been a director of any publicly listed company in the last three years preceding the date of this circular. Save as disclosed above, Mr. KM Lai has no other relationship with any Directors, Company's senior management, substantial or Controlling Shareholders. As at the Latest Practicable Date, Mr. KM Lai is interested in 1,345,615,837 Shares within the meaning of Part XV of the SFO, representing 55.2% of the issued share capital of the Company.

Mr. KM Lai has entered into a service agreement with the Company for a term of 3 years commencing from 24 September 2017, which may be terminated by not less than 6 months' notice in writing served by either party on the other or otherwise in accordance with the terms of the Director's service agreement. The appointment of Mr. KM Lai is subject to the provisions of retirement and rotation of directors under the Articles of Association. Mr. KM Lai has received a total remuneration of HK\$618,000 for the year 2019. The remuneration of Mr. KM Lai was determined by the Board based on the recommendations of the remuneration committee of the Company with reference to the terms of Mr. KM Lai's services agreement, his level of responsibilities with the Group, the remuneration policy of the Company and prevailing market conditions.

Mr. Feng Jun (馮駿), aged 56, is the chief representative of the Shanghai Representative Office of Shanghai Industrial Holdings Limited, the shares of which are listed on the Main Board of the Stock Exchange (Stock code: 363), an executive director of SIIC Environment Holdings Ltd., the shares of which are listed on the Main Board of the Singapore Stock Exchange (Stock code: BHK.SG) since December 2009 and listed on the Main Board of Hong Kong Stock Exchange since March 2018 (stock code: 807), a vice president of SIIC Management (Shanghai) Ltd, and a chief executive officer of Shanghai overseas company. He graduated from the Economics and Management School of Wuhan University and obtained a master's degree in economics in 1987. Mr. Feng was an assistant chief executive officer and the chief investment officer of Shanghai Industrial Holdings Limited, a deputy manager of the trust department of Shanghai International Trust Co., a director and vice president of SIIC Investment Company Limited and a director and deputy general manager of The Tien Chu (Hong Kong) Company Limited. He has over 30 years' experience in capital markets operation.

Save as disclosed above, Mr. Feng has not been a director of any publicly listed company in the last three years preceding the date of this circular. Saved as disclosed above, Mr. Feng has no relationship with any Directors, Company's senior management, substantial or controlling Shareholders of the Company. As far as the Directors are aware, as at the Latest Practicable Date, Mr. Feng does not have any interest in the Shares which is required to be disclosed under Part XV of SFO.

Mr. Feng has entered into a service agreement with the Company for a term of 3 years commencing from 31 March 2020 which may be terminated by not less than one month's notice in writing served by either party on the other or otherwise in accordance with the terms of the Director's service agreement. Mr. Feng is not entitled to any director's fee.

Mr. Lui Ting Cheong Alexander (呂定昌), aged 40, was appointed as a non-executive Director on 24 September 2014. He is a managing director of Olympus Capital Holdings Asia where he co-heads the environmental investment in Asia. He has been with Olympus Capital Holdings Asia since October 2008. He has been a director of Dongjin Green Tech Holdings Co., Ltd, a leading manufacturer of recycled polyester staple fiber, filamenx and woven fabric using recycled plastics in China since August 2018. He has also been the director of Li Tong EnviroTech Holdings Limited, a leading global reverse supply chain service provider to technology, electronics, and telecom sectors since November 2015. From July 2009 to March 2010, Mr. Lui served as the interim chief financial officer of Zhaoheng Hydropower Holdings Limited. Prior to joining Olympus Capital Holdings Asia, Mr. Lui worked at Merrill Lynch (Asia Pacific) Limited till August 2008. Mr. Lui graduated from Cornell University with a bachelor of science degree (magna cum laude) and a bachelor of arts degree in May 2001.

Save as disclosed above, Mr. Lui has not been a director of any publicly listed company in the last three years preceding the date of this circular. Save as disclosed above, Mr. Lui has no relationship with any Directors, Company's senior management, substantial

or Controlling Shareholders. As far as the Directors are aware, as at the Latest Practicable Date, Mr. Lui does not have any interest in the Shares which is required to be disclosed under Part XV of SFO.

Mr. Lui has entered into a service agreement with the Company for a term of 3 years commencing from 24 September 2017 which may be terminated by not less than one month's notice in writing served by either party on the other or otherwise in accordance with the terms of the Director's service agreement. The appointment of Mr. Lui is subject to the provisions of retirement and rotation of directors under the Articles of Association. Mr. Lui was entitled to receive a total director's fee of HK\$180,000 for year 2019. The director's fee of Mr. Lui was determined by the Board based on the recommendations of the remuneration committee of the Company with reference to the terms of Mr. Lui's appointment letter, his level of responsibilities with the Group, the remuneration policy of the Company and prevailing market conditions.

Mr. Chung Kwok Nam (鍾國南), aged 68, has over 40 years' experience in banking and management. He was a zone manager of Industrial & Commercial Bank of China (Asia) Limited ("ICBC Asia") until his retirement in January 2013. Before joining ICBC Asia, he was a branch manager of The Hongkong and Shanghai Banking Corporation Limited. He graduated in Pui Chung College in 1971.

Mr. Chung has not been a director of any publicly listed company in the last three years preceding the date of this circular. Mr. Chung has no relationship with any Directors, Company's senior management, substantial or controlling Shareholders of the Company. As far as the Directors are aware, as at the Latest Practicable Date, he has a personal interest in 80,000 shares of the Company within the meaning of Part XV of the SFO, representing 0.003% of the issued share capital of the Company.

Mr. Chung has confirmed his independence based on the independence criteria as set out in Rule 3.13 of the Listing Rules, and the nomination committee and the Board affirmed Mr. Chung remained to be independent.

Mr. Chung has entered into a service agreement with the Company for a term of 3 years commencing from 31 March 2020 which may be terminated by not less than six months' notice in writing served by either party on the other or otherwise in accordance with the terms of the Director's service agreement. Mr. Chung is entitled to an annual director's fee of HK\$180,000. It was determined by the Board based on the recommendations of the remuneration committee of the Company with reference to the terms of Mr. Chung's appointment letter, his level of responsibilities with the Group, the remuneration policy of the Company and prevailing market conditions.

GENERAL

Save as disclosed foregoing, there is no other information relating to the Directors to be re-elected that need to be disclosed pursuant to Rule 13.51(2) sub-paragraphs (h) to (v) of the Listing Rules and there is no other matter that needs to be brought to the attention of the Shareholders.

This appendix serves as an explanatory statement, as required by the Listing Rules and Share Repurchase Rules to provide the requisite information to Shareholders for their consideration of the granting of Share Repurchase Mandate and also constitutes the memorandum required under section 239 of the Companies Ordinance (Chapter 622 of the Laws of Hong Kong). For the purpose of this appendix, the term “shares” shall be as defined in Takeovers Code to mean shares of all classes and securities which carry a right to subscribe or purchase shares.

1. SHARE REPURCHASE RULES

The Share Repurchase Rules permit companies whose primary listing are on the Stock Exchange to repurchase their fully paid up shares on the Stock Exchange subject to certain restrictions, the most important of which are summarised below:

(a) Shareholders’ approval

All on-market share repurchases by a company with its primary listing on the Stock Exchange must be approved in advance by an ordinary resolution, either by way of a specific approval in relation to specific transactions or by a general mandate to the directors to make such repurchase.

(b) Source of funds

Repurchases must be made out of funds which are legally available for the purpose and in accordance with the laws of the Cayman Islands and the Company’s memorandum and articles of association.

2. REASONS FOR SHARE REPURCHASE

Although the Directors have no present intention of repurchasing any Shares, they believe the flexibility afforded by the Share Repurchase Mandate would be beneficial to the Company and its Shareholders. Shares trading conditions on the Stock Exchange have sometimes been volatile in recent years. At any time in the future when the Shares are trading at a discount to their underlying value, the ability of the Company to repurchase Shares will be beneficial to those Shareholders who retain their investment in the Company since their interest in the assets of the Company would increase in proportion to the number of Shares repurchased by the Company, thereby resulting in an increase in net assets and/or earnings per Share. Such repurchases will only be made when the Directors believe that such repurchases will benefit the Company and its Shareholders.

3. SHARE CAPITAL

As at the Latest Practicable Date, the aggregate issued share capital of the Company comprised 2,439,541,169 Shares.

Subject to the passing of the ordinary resolutions to approve the Share Repurchase Mandate, and on the basis that no further Shares are issued or repurchased between the Latest Practicable Date and the AGM and the nominal value of each Share remaining the same, the Company would be allowed to repurchase a maximum of 243,954,116 Shares with an aggregate nominal value of HK\$2,439,541 under the Share Repurchase Mandate.

4. FUNDING OF REPURCHASES

In repurchasing Shares, the Company may only apply funds legally available for such purpose in accordance with the memorandum and articles of association of the Company and the laws of the Cayman Islands. Under the Cayman Islands law, the amount of capital repaid in connection with a Share repurchase may only be paid out of either the funds of the Company that would otherwise be available for dividend or distribution or out of the proceeds of a fresh issue of Shares made for the purpose, or out of the capital paid up on such Shares. Regarding the amount of premium (if any) payable on a Share repurchase, the Directors will only apply funds of the Company that would otherwise be available for dividend or distribution or out of the share premium account of the Company.

In the event that the Share Repurchase Mandate was to be carried out in full at any time during the proposed repurchase period, the working capital or gearing position of the Company may be affected. However, the Directors do not propose to exercise the Share Repurchase Mandate to such extent as would, in the circumstances, have a material adverse effect on the working capital requirements of the Company or the gearing levels (as compare with the position as at 31 December 2019, being the date to which the latest audited consolidated financial statements of the Company have been made up) which in the opinion of the Directors are from time to time appropriate for the Company. The number of Shares to be repurchased on any occasion and the price and other terms upon which the same are repurchased will be decided by the Directors at the relevant time having regard to the circumstances then prevailing.

5. SHARE PRICES

The highest and lowest traded prices at which the Shares have been traded on the Stock Exchange during the previous 12 months and up to the Latest Practicable Date were as follows:

| | Share prices | |
|-------------|------------------------|-----------------------|
| | Highest <i>HK\$</i> | Lowest <i>HK\$</i> |
| 2019 | | |
| April | 4.03 | 3.78 |
| May | 3.90 | 3.52 |
| June | 3.81 | 3.46 |
| July | 4.19 | 3.55 |
| August | 4.07 | 3.42 |
| September | 3.79 | 3.35 |
| October | 3.58 | 3.05 |
| November | 3.55 | 3.13 |
| December | 3.79 | 3.22 |
| 2020 | | |
| January | 3.88 | 3.19 |
| February | 3.87 | 3.22 |
| March | 3.85 | 3.32 |

6. SHARE REPURCHASE MADE BY THE COMPANY

In the six months preceding the Latest Practicable Date, the Company purchased 1,038,000 Shares on the Stock Exchange. All of the repurchased Shares have been cancelled prior to the Latest Practicable Date. Details of the repurchase were as follows:

| Date of repurchase | Number of Shares repurchased | Price per Share | | Aggregate price paid <i>HK\$</i> |
|--------------------|------------------------------------|------------------------|-----------------------|--|
| | | Highest <i>HK\$</i> | Lowest <i>HK\$</i> | |
| 4 November 2019 | 109,000 | 3.18 | 3.15 | 345,110 |
| 5 November 2019 | 88,000 | 3.20 | 3.17 | 281,060 |
| 11 November 2019 | 246,000 | 3.37 | 3.33 | 824,180 |
| 12 November 2019 | 85,000 | 3.35 | 3.34 | 284,400 |
| 13 November 2019 | <u>510,000</u> | 3.42 | 3.35 | <u>1,742,730</u> |
| | <u>1,038,000</u> | | | <u>3,477,480</u> |

7. DIRECTORS' UNDERTAKING

The Directors have undertaken to the Stock Exchange that, so far as the same may be applicable, they will exercise the powers of the Company to make purchases pursuant to the Share Repurchase Mandate in accordance with the Listing Rules, the applicable laws of the Cayman Islands and the memorandum and articles of association of the Company.

8. THE TAKEOVERS CODE

If, as a result of Share repurchases of the Company made pursuant to the Share Repurchase Mandate, a Shareholder's proportionate interest in the voting rights of the Company increases, such increase will be treated as an acquisition for the purposes of the Takeovers Code. Accordingly, a Shareholder or group of Shareholders acting in concert (at that term is defined under 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 Rules 26 of the Takeovers Code.

As at the Latest Practicable Date, to the best of the knowledge and belief of the Directors, Best Approach held 1,335,615,837 Shares, representing approximately 54.7% of the issued share capital of the Company. In the event that the Share Repurchase Mandate is exercised in full and on basis that no further Shares are issued, the number of Shares held by Best Approach would represent approximately 60.8% of the issued share capital of the Company. Such increase would not give rise to an obligation to make a mandatory general offer under Rule 26 of the Takeovers Code. The Directors will take all reasonable steps to ensure compliance with the prescribed minimum percentage requirement of 25% of the issued share capital of the Company to be held in public hands pursuant to the Listing Rules.

9. DIRECTORS' SHARE DEALINGS

Neither the Directors nor any of their associates, to the best of knowledge of Directors having made all reasonable enquiries, have any present intention to sell any Shares to the Company under the Share Repurchase Mandate if such is approved by the Shareholders.

10. CORE CONNECTED PERSONS

No core connected persons (as defined in the Listing Rules) have notified the Company that they have a present intention to sell any Shares to the Company, or have undertaken not to do so, in the event that the Share Repurchase Mandate is approved by the Shareholders.



CANVEST ENVIRONMENTAL PROTECTION GROUP COMPANY LIMITED

粵豐環保電力有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1381)

NOTICE IS HEREBY GIVEN that the annual general meeting of Canvest Environmental Protection Group Company Limited (the “**Company**”) will be held at Admiralty and The Peak Room, Level 3, Pacific Place, JW Marriott Hotel Hong Kong, 88 Queensway, Hong Kong on Friday, 12 June 2020 at 2:30 p.m. for the following purposes:

1. To receive and adopt the audited consolidated financial statements together with the report of directors and the independent auditor’s report of the Company and its subsidiaries for the year ended 31 December 2019.
2. To declare a final dividend for the year ended 31 December 2019.
3. To re-elect Mr. Lai Kin Man as an executive director of the Company.
4. To re-elect Mr. Feng Jun as a non-executive director of the Company.
5. To re-elect Mr. Lui Ting Cheong Alexander as a non-executive director of the Company.
6. To re-elect Mr. Chung Kwok Nam as an independent non-executive director of the Company.
7. To authorise the board of directors of the Company (the “**Board**”) to fix the remuneration of directors.
8. To re-appoint PricewaterhouseCoopers as auditor of the Company and to authorise the Board to fix their remuneration.
9. As ordinary business to consider and, if thought fit, pass with or without modifications, the following resolutions (the “**Resolutions**”) as ordinary resolutions:

9.A. “**THAT**:

- (i) subject to paragraph (ii) 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 repurchase shares of the

Company (the “Shares”) on The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) or on any other stock exchange on which the Shares 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 the requirements of the Rules Governing the Listing of Securities on the Stock Exchange or of any other stock exchange as amended from time to time, be and is hereby generally and unconditionally approved;

(ii) the aggregate nominal amount of Shares to be repurchased by the Company pursuant to the approval in paragraph (i) 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 at the date of passing of this Resolution, and the said approval shall be limited accordingly;

(iii) for the purposes of this Resolution:

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

(a) the conclusion of the next annual general meeting of the Company; or

(b) the expiration of the period within which the next annual general meeting of the Company is required by the Articles of Association of the Company or any applicable laws to be held; or

(c) the revocation or variation of the authority given under this Resolution by an ordinary resolution of the shareholders of the Company in general meeting; and

(iv) the approval in paragraph (i) of this Resolution above shall be in addition to any other authorization given to the Directors and shall authorise the Directors on behalf of the Company during the Relevant Period to procure the Company to repurchase its shares at a price determined by the Directors.”

9.B. “**THAT**:

(i) subject to paragraphs (ii) of this Resolution, the exercise by the Directors during the Relevant Period (as hereinafter defined) of all the powers of the Company to allot, issue and deal with additional Shares in the share capital of the Company and to make or grant offers, agreements and options (including warrants, bonds, debentures, notes and other securities which carry rights to subscribe for or are convertible into Shares) which would or might require the exercise of such powers be and is hereby generally and unconditionally approved;

- (ii) the Directors be and hereby authorised during the Relevant Period (as hereinafter defined) to make and grant offers, agreements and options (including warrants, bonds, debentures, notes and other securities which carry rights to subscribe for or are convertible into Shares) which would or might require the exercise of such powers (including but not limited to the power to allot, issue and deal with additional shares in the capital of the Company) during or after the end of the Relevant Period (as hereinafter defined);
- (iii) the aggregate nominal amount of share capital allotted or agreed conditionally or unconditionally to be allotted (whether pursuant to an option or otherwise) and issued by the Directors pursuant to the exercise of the power by the Directors described in paragraph (i) and (ii) of this Resolution, otherwise than pursuant to (a) a Rights Issue (as hereinafter defined); or (b) an issue of Shares upon the exercise of subscription rights under any option scheme or similar arrangement for the time being adopted for the grant or issue to the grantees as specified in such scheme or similar arrangement of Shares or rights to subscribe for Shares; or (c) an issue of Shares pursuant to any scrip dividend or similar arrangement providing for the allotment of Shares in lieu of the whole or part of the dividend on Shares in accordance with the Article of Association of the Company, shall not exceed 20% of the aggregate nominal amount of the share capital of the Company in issue at the date of the passing of this Resolution and the said approval shall be limited accordingly; and
- (iv) the expression “Relevant Period” shall for the purposes of this Resolution have the same meaning as assigned to it under Resolution 9.A. (iii) of this notice.

“Rights Issue” means an offer of shares open for a period fixed by the directors to holders of shares on the register of members on a fixed record date in proportion to their then holdings of such shares (subject to such exclusions 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 laws of any relevant jurisdiction, or the requirements of any recognised regulatory body or any stock exchange, in any territory outside of Hong Kong).”

- (v) the Company may not issue securities convertible into new Shares for cash consideration unless the initial conversion price is not lower than the Benchmarked Price (as hereinafter defined in paragraph (vi) below) of the Shares at the time of the relevant placing, and the Company may not issue warrants, options or similar rights to subscribe for (a) any new Shares; or (b) any securities convertible into new Shares, for cash consideration pursuant to the approval in paragraph (i) above; and

(vi) for the purpose of this resolution numbered 9.B.(v):

“Benchmarked Price” means the higher of:

- (a) the closing price on the date of the relevant placing agreement or other agreement involving the proposed issue of securities pursuant to the approval in paragraph (i) above; and
- (b) the average closing price in the 5 trading days immediately prior to the earlier of:
 - (1) the date of announcement of the placing or the proposed transaction or arrangement involving the proposed issue of securities pursuant to the approval in paragraph (i) above;
 - (2) the date of the placing agreement or other agreement involving the proposed issue of securities pursuant to the approval in paragraph (i) above; and
 - (3) the date on which the placing is fixed.

9.C. “**THAT** subject to Resolutions 9.A. and 9.B. of this notice being passed, the aggregate nominal amount of share capital that may be allotted or agreed conditionally or unconditionally to be allotted by the Directors pursuant to Resolution 9.B. of this notice be and is hereby extended by the addition thereto of an amount representing the aggregate nominal amount of Shares in the capital of the Company repurchased by the Company under the authority granted to the Directors pursuant to Resolution 9.A. of this notice, provided that the amount of share capital repurchased by the Company shall not exceed 10% of the aggregate nominal amount of the share capital of the Company in issue at the date of the passing of this Resolution.”

By Order of the Board
Canvest Environmental Protection Group Company Limited
Lee Wing Yee Loretta
Chairlady

Hong Kong, 6 April 2020

Notes:

- 1 A shareholder entitled to attend and vote at the meeting or any adjournment thereof is entitled to appoint another person as his proxy to attend and vote for him. A shareholder who is the holder of two or more shares in the capital of the Company may appoint more than one proxy. A proxy need not be a shareholder of the Company.
- 2 To be valid, the proxy form together with the power of attorney or other authority (if any) under which it is signed or a notarially certified copy thereof, must be lodged with the Company's branch share registrar and transfer office in Hong Kong, Tricor Investor Services Limited at Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong not less than 48 hours before the time fixed for holding the meeting or any adjourned meeting thereof.
- 3 Delivery of proxy form shall not preclude a shareholder from attending and voting in person at the meeting or any adjournment thereof and in such event, the proxy form shall be deemed to be revoked.
- 4 The register of members of the Company will be closed from Tuesday, 9 June 2020 to Friday, 12 June 2020, both dates inclusive, during which period no transfer of shares will be registered. In order to have right to attend and vote at the meeting or any adjournment thereof, all transfers accompanied by the relevant share certificates must be lodged with the Company's branch share registrar and transfer office in Hong Kong, Tricor Investor Services Limited at Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong not later than 4:30 p.m. on Monday, 8 June 2020.

The register of members of the Company will be closed from Thursday, 18 June 2020 to Monday, 22 June 2020, both dates inclusive, during which period no transfer of shares will be registered. In order to qualify for the final dividend to be approved at the meeting or any adjournment thereof, all transfers accompanied by the relevant share certificates must be lodged with the Company's branch share registrar and transfer office in Hong Kong, Tricor Investor Services Limited at Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong not later than 4:30 p.m. on Wednesday, 17 June 2020.

- 5 Shareholders in person (or by proxy) attending the AGM are responsible for their own transportation and accommodation expenses.
- 6 The Chinese language translation of this notice is for reference only. In case of any inconsistency, the English version shall prevail.

As at the date of this notice, the Board comprises Ms. Lee Wing Yee Loretta, Mr. Lai Kin Man, Mr. Yuan Guozhen and Mr. Lai Chun Tung, as executive Directors; Mr. Feng Jun, Mr. Lui Ting Cheong Alexander and Mr. Lai Yui, as non-executive Directors; Professor Sha Zhenquan, Mr. Chan Kam Kwan Jason, Mr. Chung Wing Yin and Mr. Chung Kwok Nam, as independent non-executive Directors.

PRECAUTIONARY MEASURES FOR THE ANNUAL GENERAL MEETING

In compliance with the HKSAR Government's directive on social distancing, personal and environmental hygiene, and the guidelines issued by the Centre for Health Protection of the Department of Health on the prevention of coronavirus disease 2019 (COVID-19), the Company will implement additional precautionary measures at the AGM including, without limitation:

- compulsory body temperature screening. Any person with a body temperature of over 37.4 degrees Celsius may be denied entry into the meeting venue or be required to leave the meeting venue;
- mandatory use of surgical face masks;
- anyone attending the AGM is reminded to observe good personal hygiene at all times;
- no refreshment will be served; and
- appropriate distancing and spacing in line with the guidance from the HKSAR Government will be maintained and as such, the Company may limit the number of attendees at the AGM as may be necessary to avoid over-crowding.

Any person who does not comply with the precautionary measures or is subject to any HKSAR Government prescribed quarantine may be denied entry into the meeting venue. In light of the continuing risks posed by the COVID-19 pandemic, the Company reminds Shareholders that they may appoint the Chairman of the AGM or any Director or Company Secretary of the Company as their proxy to vote according to their indicated voting instructions as an alternative to attending the AGM in person. Subject to the development of COVID-19, the Company may implement further changes and precautionary measures and may issue further announcement on such measures as appropriate.

If any Shareholder chooses not to attend the meeting in person but has any question about any resolution or about the Company, or has any matter for communication with the board of Directors of the Company, he/she is welcome to send such question or matter in writing to our registered office or to our email at info@canvest.com.hk.

If any Shareholder has any question relating to the meeting, please contact Tricor Investor Services Limited, the Company's branch share registrar transfer office in Hong Kong as follows:

Tricor Investor Services Limited
Level 54, Hopewell Centre
183 Queen's Road East, Hong Kong
Email: is-enquiries@hk.tricorglobal.com
Tel: (852) 2980 1333
Fax: (852) 2810 8185