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## **CHINA ENVIRONMENTAL INVESTMENT HOLDINGS LIMITED**

### **中國環保投資股份有限公司**

*(incorporated in Hong Kong with limited liability)*

(Stock Code: 260)

## **NOTICE OF ANNUAL GENERAL MEETING**

**NOTICE IS HEREBY GIVEN** that an annual general meeting of China Environmental Investment Holdings Limited (the “**Company**”) will be held at Units 2805-6, 28/F, Bank of America Tower, 12 Harcourt Road, Hong Kong on Friday, 15 June 2012 at 10:00 a.m. for the following purposes:

### **AS ORDINARY BUSINESSES:**

1. To receive and consider the audited consolidated financial statements and the reports of the directors (the “**Directors**”) and auditors of the Company for the year ended 31 December 2011;
2.
  - (a) To re-elect Mr. Ji Hui as executive Director;
  - (b) To re-elect Mr. Zhang Chuanjun as executive Director;
  - (c) To re-elect Mr. Zhang Ning as executive Director;
  - (d) To re-elect Mr. Zhong Qiang as independent non-executive Director;
  - (e) To authorise the board of Directors to fix the Directors’ remuneration;
3. To re-appoint Messrs. Ernst & Young as the auditors of the Company and to authorise the board of Directors to fix their remuneration;

## AS ORDINARY RESOLUTIONS:

4. To, as special business, consider and, if thought fit, pass the following resolution as an ordinary resolution:

**“THAT:**

- (a) subject to paragraph (c) below, pursuant to the Rules (the “**Listing Rules**”) Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”), the exercise by the Directors during the Relevant Period (as defined below) of all the powers of the Company to allot, issue and deal with unissued shares of the Company (the “**Shares**”) and to make or grant offers, agreements and options, including warrants to subscribe for Shares, which might require the exercise of such powers be and the same is hereby generally and unconditionally approved;
- (b) the approval in paragraph (a) above shall authorise the Directors during the Relevant Period to make or grant offers, agreements and options which might require the exercise of such powers 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 options or otherwise) by the Directors pursuant to the approval in paragraph (a) above, otherwise than pursuant to (i) a Rights Issue (as defined below); or (ii) the exercise of any options granted under the existing share option scheme of the Company; or (iii) any scrip dividend or similar arrangements providing for the allotment and issue of Shares in lieu of the whole or part of a dividend on Shares in accordance with the articles of association of the Company in force from time to time; or (iv) any issue of Shares upon the exercise of rights of subscription or conversion under the terms of any warrants of the Company or any securities which are convertible into Shares, shall not exceed the aggregate of:
  - (aa) 20 per cent. of the aggregate nominal amount of the share capital of the Company in issue on the date of the passing of this resolution; and
  - (bb) (if the Directors are so authorised by a separate ordinary resolution of the shareholders of the Company) the nominal amount of any share capital of the Company repurchased by the Company subsequent to the passing of this resolution (up to a maximum equivalent to 10 per cent. of the aggregate nominal amount of the share capital of the Company in issue on the date of the passing of resolution no. 5),

and the authority pursuant to paragraph (a) of this resolution shall be limited accordingly; and

(d) for the purposes of this resolution:

“**Relevant Period**” means the period from the date of 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 articles of association of the Company, the Companies Ordinance (Chapter 32 of the Laws of Hong Kong) (the “**Companies Ordinance**”) or any applicable laws to be held; and
- (iii) the passing of an ordinary resolution by the shareholders of the Company in general meeting revoking or varying the authority given to the Directors by this resolution;

“**Rights Issue**” means an offer of Shares, or offer or issue of warrants, options or other securities giving rights to subscribe for Shares open for a period fixed by the Directors to holders of Shares on the register on a fixed record date in proportion to their then holdings of 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 laws of, or the requirements of, or the expense or delay which may be involved in determining the existence or extent of any restrictions or obligations under the laws of, or the requirements of, any jurisdiction outside Hong Kong or any recognised regulatory body or any stock exchange outside Hong Kong).”

5. To, as special business, consider and, if thought fit, pass the following resolution as an ordinary resolution:

“**THAT:**

- (a) the exercise by the Directors during the Relevant Period (as defined below) of all powers of the Company to purchase the Shares on the Stock Exchange or any other stock exchange on which the Shares may be listed and recognised by the Securities and Futures Commission and the Stock Exchange for such purpose, and otherwise in accordance with the rules and regulations of the Securities and Futures Commission, the Stock Exchange, the Companies Ordinance and all other applicable laws in this regard, be and the same is hereby generally and unconditionally approved;

- (b) the aggregate nominal amount of Shares which may be purchased by the Company pursuant to the approval in paragraph (a) during the Relevant Period shall not exceed 10 per cent. of the aggregate nominal amount of the issued share capital of the Company as at the date of the passing of 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 date of 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 articles of association of the Company, the Companies Ordinance or any applicable laws to be held; and
    - (iii) the passing of an ordinary resolution by the shareholders of the Company in general meeting revoking or varying the authority given to the Directors by this resolution.”
6. To, as special business, consider and, if thought fit, pass the following resolution as an ordinary resolution:
- “**THAT** the Directors be and they are hereby authorised to exercise the authority referred to in paragraph (a) of resolution no. 4 above in respect of the share capital of the Company referred to in sub-paragraph (bb) of paragraph (c) of such resolution.”
7. To, as special business, consider and, if thought fit, pass the following resolution as an ordinary resolution:
- “**THAT** subject to the Stock Exchange granting the listing of, and permission to deal in, the Shares to be issued pursuant to the exercise of options which may be granted under the Scheme Mandate Limit (as defined below) and pursuant to the share option scheme of the Company conditionally adopted on 15 April 2005 (the “**Share Option Scheme**”), approval be and is hereby generally and unconditionally granted for refreshing and renewing the Scheme Mandate Limit under the Share Option Scheme provided that (i) the total number of Shares which may be allotted and issued upon the exercise of the options to be granted under the Share Option Scheme and other share option schemes of the Company shall not exceed 10 per cent. of the total number of Shares in issue as at the date of the passing of this resolution (the “**Scheme Mandate Limit**”); and (ii) the overall limit on the number of Shares which may be issued upon the exercise of all options to be granted and yet to be exercised under the Share Option Scheme and other share



“50. An annual general meeting shall be called by notice of not less than twenty-one (21) clear days and not less than twenty (20) clear business days and any extraordinary general meeting at which it is proposed to pass a Special Resolution shall be called by notice of not less than twenty-one (21) clear days and not less than ten (10) clear business days. All other extraordinary general meetings may be called by notice of not less than fourteen (14) clear days and not less than ten (10) clear business days. The period of notice shall in each case be exclusive of the day on which it is served or deemed to be served and of the day on which the meeting is to be held and shall be given in manner hereinafter mentioned to all members entitled to attend and vote at the meeting, provided that:–

(a) a general meeting notwithstanding that it has been called by a shorter notice than that specified above shall be deemed to have been duly called if it is so to agreed:–

(i) in the case of a meeting called as the annual general meeting, by all the members entitled to attend and vote thereat; and

(ii) in the case of any other meeting, by a majority in number of the members having a right to attend and vote at the meeting being a majority together holding not less than ninety-five per cent. in nominal value of the shares giving that right; and

(b) the accidental omission to give notice of a general meeting to or the non-receipt of notice of a general meeting by any person entitled thereto shall not invalidate the proceedings at that general meeting.”

(c) **Article 59**

(i) By renumbering the existing Article 59(B) as Article 59(C).

(ii) By deleting the existing Article 59(A) in its entirety and substituting with the following:

“59.(A) A resolution put to the vote of a meeting shall be decided by way of a poll save that the chairman of the meeting may in good faith, allow a resolution which relates purely to a procedural or administrative matter to be voted on by a show of hands in which case every member present in person (or being a corporation, is present by a duly authorised

representative) or by proxy(ies) shall have one vote provided that where more than one proxy is appointed by a member which is a clearing house (or its nominee(s)), each such proxy shall have one vote on a show of hands. For purposes of this Article, procedural and administrative matters are those that (i) are not on the agenda of the general meeting or in any supplementary circular that may be issued by the Company to its members; and (ii) relate to the chairman's duties to maintain the orderly conduct of the meeting and/or allow the business of the meeting to be properly and effectively dealt with, whilst allowing all members a reasonable opportunity to express their views.

(B) Where a show of hands is allowed, before or on the declaration of the result of the show of hands, a poll may be demanded:

- (a) by at least three members present in person or in the case of a member being a corporation by its duly authorised representative or by proxy for the time being entitled to vote at the meeting; or
- (b) by a member or members present in person or in the case of a member being a corporation by its duly authorised representative or by proxy and representing not less than one-tenth of the total voting rights of all members having the right to vote at the meeting; or
- (c) by a member or members present in person or in the case of a member being a corporation by its duly authorised representative or by proxy and holding shares in the Company conferring a right to vote at the meeting being shares on which an aggregate sum has been paid up equal to not less than one-tenth of the total sum paid up on all shares conferring that right.

A demand by a person as proxy for a member or in the case of a member being a corporation by its duly authorised representative shall be deemed to be the same as a demand by the member.”

(d) **Article 97**

- (i) By deleting paragraph (v) of Article 97(C) in its entirety and replaced with the word “[INTENTIONALLY DELETED]”.
- (ii) By deleting Article 97(D) in its entirety and replaced with the word “[INTENTIONALLY DELETED]”.
- (iii) By deleting the existing Article 97(E) in its entirety and substituting with the following:

“97.(E) Where a company in which a Director and/or his associate(s) hold(s) Shares which is materially interested in a transaction, then that Director and/or his associate(s) shall also be deemed materially interested in such transaction.”

(e) **Article 100**

By adding a new sentence “Notwithstanding the foregoing, a resolution in writing shall not be passed in lieu of a meeting of the board of Directors for the purposes of considering any matter or business in which a substantial shareholder of the Company or a Director has a conflict of interest and the board of Directors has determined that such conflict of interest to be material.” at the end of the existing Article 100.

(f) **Article 132**

By deleting the existing Article 132 in its entirety and substituting with the following:

“132. Any notice or document (including any “corporate communication” within the meaning ascribed thereto under the Listing Rules) from the Company to a member shall be given in writing or by cable, telex or facsimile transmission message or other form of electronic transmission or communication and any such notice and (where appropriate) any other document may be served or delivered by the Company on or to any member either personally or by sending it through the post in a prepaid envelope addresses to such member at his registered address or at any other address supplied by him to the Company for the giving of notice to him or, as the case may be, by transmitting it to any such address or transmitting it to any telex or facsimile transmission number or electronic number or address or website supplied by him to the Company for the giving of notice to him or which the person transmitting the notice reasonably and bona fide believes



at the relevant time will result in the notice being duly received by the member. A member who has no registered address will be deemed to have received any notice which has been advertised in both a leading English language daily newspaper and a leading Chinese language daily newspaper circulating generally in Hong Kong and being specified in the list of newspapers issued under section 71A of the Companies Ordinance or any similar statutory provisions replacing that section, or, to the extent permitted by the applicable laws, by placing it on the Company's website or the website of the Stock Exchange, and giving to the member a notice stating that the notice or other document is available there (a "notice of availability"). The notice of availability may be given to the member by any of the means set out above."

**(g) Article 134**

- (i) By deleting the word "and" at the end of existing Article 134(a).
- (ii) By deleting the full stop at the end of existing Article 134(b) and replacing it with "; and"; and by re-numbering the existing Article 134(b) as Article 134(c).
- (iii) By inserting the following new Article 134(b) after the existing Article 134(a):

"(b) if served or delivered by electronic communication, shall be deemed to be given on the day on which it is transmitted from the server of the Company or its agent. A notice placed on the Company's website or the website of the Stock Exchange is deemed given by the Company to a member on the day following that on which a notice of availability is deemed served on the member;"

- (iv) By inserting the following new Article 134(d) after the new Article 134(c):

"(d) may be given to a member either in the English language or the Chinese language, subject to due compliance with all applicable Statutes, rules and regulations.""

- 9. To, as special business, consider and, if thought fit, pass the following resolution as a special resolution:

“**THAT** the Articles of the Company in the form of the document marked “A” and produced to this meeting and for the purpose of identification signed by the chairman of this meeting, which consolidates all of the proposed amendments referred to in Resolution 8 above and all previous amendments made pursuant to resolutions passed by the members of the Company at general meetings (if any) be approved and adopted as the new Articles of the Company in substitution for and to the exclusion of the existing Articles of the Company with immediate effect.”

Yours faithfully  
For and on behalf of the board of directors of  
**China Environmental Investment Holdings Limited**  
**Ji Hui**  
*Chief Executive Officer*

Hong Kong, 14 May 2012

***Registered office and principal  
place of business:***

Units 2805-6, 28/F  
Bank of America Tower  
12 Harcourt Road  
Hong Kong

*Notes:*

1. A member entitled to attend and vote at the annual general meeting convened by the above notice is entitled to appoint one or more proxy to attend and, subject to the provisions of the articles of association of the Company, to vote on his behalf. A proxy need not be a member of the Company but must be present in person at the annual general meeting to represent the member. If more than one proxy is so appointed, the appointment shall specify the number and class of Shares in respect of which each such proxy is so appointed.
2. In order to be valid, the form of proxy must be deposited together with a power of attorney or other authority, if any, under which it is signed or a certified copy of that power or authority, at the offices of the Company’s share registrar in Hong Kong, Tricor Tengis Limited at 26th Floor, Tesbury Centre, 28 Queen’s Road East, Wanchai, Hong Kong not less than 48 hours before the time for holding the annual general meeting or any adjournment thereof. Completion and return of a form of proxy will not preclude a shareholder of the Company from attending in person and voting at the annual general meeting or any adjournment thereof, should he so wish.
3. In relation to proposed resolutions nos. 4 and 6 above, approval is being sought from the shareholders for the grant to the Directors of a general mandate to authorise the allotment and issue of shares of the Company under the Listing Rules. The Directors have no immediate plans to issue any new shares of the Company other than Shares which may fall to be issued under the share option scheme of the Company or any scrip dividend scheme which may be approved by shareholders.

4. In relation to proposed resolution no. 5 above, the Directors wish to state that they will exercise the powers conferred thereby to repurchase Shares in circumstances which they deem appropriate for the benefit of the shareholders of the Company. An explanatory statement containing the information necessary to enable the shareholders to make an informed decision to vote on the proposed resolution as required by the Listing Rules is set out in Appendix I to the circular of the Company dated 14 May 2012.

*As of the date of this announcement, the Board comprises eight Directors, of which Mr. Ji Guirong (Chairman) is the non-executive Director; Mr. Ji Hui (Chief Executive Officer), Mr. Zang Zheng, Mr. Zhang Ning and Mr. Zhang Chuanjun are the executive Directors; Mr. Wang Zhonghua, Mr. Zhong Qiang and Mr. Xiao Wei are the independent non-executive Directors.*