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**THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION**

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

**If you have sold or transferred** all your shares in Pan Asia Environmental Protection Group Limited (the “Company”), you should at once hand this circular together with the accompanying form of proxy to the purchaser or transferee or to the bank, licensed securities dealer or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

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**泛亞環保集團有限公司**  
**Pan Asia Environmental Protection Group Limited**  
*(Incorporated in the Cayman Islands with limited liability)*  
**(Stock Code: 556)**

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

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A notice convening the 2015 annual general meeting of the Company to be held at Salao Nobre de Camoes, Club Lusitano, 27th Floor, 16 Ice House Street, Central, Hong Kong on Friday, 5 June 2015 at 2:30 p.m. is set out on pages 12 to 15 of this circular. A form of proxy for use at the annual general meeting is also enclosed with this circular.

Whether or not you intend to attend the meeting, you are requested to complete the accompanying form of proxy in accordance with the instructions printed thereon and return it to the Company’s Hong Kong branch share registrar, Tricor Investor Services 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 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 meeting if you so wish and, in such event, the form of proxy shall be deemed to be revoked.

24 April 2015

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## DEFINITIONS

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

“AGM”	the 2015 annual general meeting of the Company
“AGM Notice”	the notice convening the AGM as set out on pages 12 to 15 of this circular
“Articles”	the Articles of Association of the Company currently in force
“Board”	the board of Directors
“Close Associate(s)”	shall have the same meaning as ascribed to it under the Listing Rules
“Companies Law”	the Companies Law, Cap. 22 of the Cayman Islands
“Company”	Pan Asia Environmental Protection Group Limited, an exempted company incorporated in the Cayman Islands with limited liability, the Shares of which are listed on the Main Board of the Stock Exchange
“Core Connected Person(s)”	shall have the same meaning as ascribed to it under the Listing Rules
“Director(s)”	the director(s) of the Company
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Issue Mandate”	a general and unconditional mandate to allot, issue and deal with Shares up to a maximum of 20% of the total number of issued shares of the Company as at the date of passing of the relevant resolution
“Latest Practicable Date”	21 April 2015, being the latest practicable date prior to the printing of this circular for ascertaining certain information contained therein
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited

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## DEFINITIONS

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“PRC”	the People’s Republic of China which, for the purposes of this circular only, excludes Hong Kong, the Macau Special Administrative Region and Taiwan
“Repurchase Mandate”	a general and unconditional mandate to repurchase on the Stock Exchange, or any other stock exchange on which the Shares of the Company may be listed, Shares up to a maximum of 10% of the total number of issued shares of the Company as at the date of passing of the relevant resolution
“SFO”	the Securities and Futures Ordinance, Chapter 571 of the Laws of Hong Kong
“Share(s)”	the ordinary share(s) of HK\$0.10 each of the Company
“Shareholder(s)”	the registered holder(s) of the Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Takeovers Code”	The Code on Takeovers and Mergers approved by the Securities and Futures Commission of Hong Kong as amended from time to time
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“%”	per cent

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LETTER FROM THE BOARD

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泛亞環保集團有限公司  
Pan Asia Environmental Protection Group Limited

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 556)

*Executive Directors:*

Mr. Jiang Quanlong (*Chairman*)  
Mr. Jiang Lei (*Chief Executive Officer*)  
Mr. Fan Yajun

*Independent Non-Executive Directors:*

Mr. Lai Wing Lee  
Mr. Leung Shu Sun, Sunny  
Professor Wang Guozhen

*Registered office:*

Cricket Square  
Hutchins Drive  
P.O. Box 2681  
Grand Cayman KY1-1111  
Cayman Islands

*Principal place of  
business in the PRC:*

No. 1 Chuanshan Road  
Dingshu Town  
Yixing City  
Jiangsu Province  
PRC 214222

*Principal place of  
business in Hong Kong:*

Suite 6302, The Center  
99 Queen's Road Central  
Hong Kong

24 April 2015

*To the Shareholders*

Dear Sir/Madam,

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

**1. INTRODUCTION**

On 6 June 2014, ordinary resolutions were passed to grant to the Directors the Issue Mandate and the Repurchase Mandate to issue Shares and to repurchase Shares respectively and to extend the Issue Mandate to include Shares repurchased under the Repurchase Mandate. These Issue Mandate and Repurchase Mandate will lapse at the conclusion of the AGM. In order to give the Company the flexibility to issue and repurchase Shares, it is proposed to renew the Issue Mandate and the Repurchase Mandate at the AGM.

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## LETTER FROM THE BOARD

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The purpose of this circular is to provide the Shareholders with information regarding the resolutions to be proposed at the AGM. These resolutions include, among others, (i) the re-election of the retiring Directors in accordance with the Articles; and (ii) the granting to the Directors of the Issue Mandate and the Repurchase Mandate and the extension of the Issue Mandate. The resolutions will be proposed at the AGM and are set out in the AGM Notice as contained in this circular.

### **2. RE-ELECTION OF RETIRING DIRECTORS**

In relation to resolution number 3 as set out in the AGM Notice, Mr. Fan Yajun will retire from the office as Executive Director and Mr. Leung Shu Sun, Sunny will retire from the office as Independent Non-Executive Director at the AGM in accordance with Article 108(A) of the Articles and all retiring Directors, being eligible, will offer themselves for re-election.

Biographical details of the above retiring Directors, which are required to be disclosed pursuant to the Listing Rules, are set out in Appendix I to this circular.

### **3. THE ISSUE MANDATE**

At the AGM, an ordinary resolution as set out in resolution number 5 of the AGM Notice will be proposed to the Shareholders to consider and, if thought fit, to grant to the Directors the Issue Mandate to allot, issue and deal with Shares up to a maximum of 20% of the total number of issued shares of the Company as at the date of passing of the relevant resolution. As at the Latest Practicable Date, the number of Shares in issue was 840,000,000. Subject to the passing of the relevant resolution, and assuming that there will be no change in the number of Shares in issue between the Latest Practicable Date and the date of AGM, the maximum number of new Shares to be issued under the Issue Mandate will be 168,000,000 Shares.

The Issue Mandate will remain in effect 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 or any 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 in general meeting. The Directors wish to state that they have no immediate plan to issue any new Shares pursuant to the Issue Mandate.

### **4. THE REPURCHASE MANDATE**

At the AGM, an ordinary resolution as set out in resolution number 6 of the AGM Notice will be proposed to the Shareholders to consider and, if thought fit, to grant to the Directors the Repurchase Mandate to exercise all powers of the Company to repurchase on the Stock Exchange, or on any other stock exchange on which the Shares of the Company may be listed subject to the criteria set out in this circular, Shares up to a maximum of 10% of the total number of issued shares of the Company as at the date of passing of the relevant resolution, i.e. up to 84,000,000 Shares on the basis that there will be no change in the number of Shares in issue between the Latest Practicable Date and the date of AGM. The Directors wish to state that they have no immediate plan to repurchase any Shares pursuant to the Repurchase Mandate.

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## LETTER FROM THE BOARD

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An explanatory statement containing relevant information relating to the Repurchase Mandate as required by the Listing Rules to be sent to the Shareholders is set out in Appendix II to this circular. The explanatory statement contains all the information reasonably necessary to enable the Shareholders to make an informed decision on whether to vote for or against the resolution relating to the Repurchase Mandate at the AGM.

### **5. EXTENSION OF THE ISSUE MANDATE**

At the AGM, an ordinary resolution as set out in resolution number 7 of the AGM Notice will be proposed that the Issue Mandate be extended by the addition of the number of Shares repurchased by the Company pursuant to the Repurchase Mandate being approved provided that such amount will not exceed 10% of the total number of issued shares of the Company as at the date of resolution approving the Issue Mandate.

### **6. ANNUAL GENERAL MEETING**

The AGM Notice is set out on pages 12 to 15 of this circular to consider the resolutions relating to, inter-alia, the re-election of the retiring Directors, the Issue Mandate, the Repurchase Mandate, and the extension of the Issue Mandate.

### **7. ACTIONS TO BE TAKEN**

A form of proxy for use at the AGM is enclosed with this circular and published on the website of the Stock Exchange ([www.hkexnews.hk](http://www.hkexnews.hk)) and the website of the Company ([www.paep.com.cn](http://www.paep.com.cn)). Whether or not you intend to attend the AGM, you are requested to complete the form of proxy in accordance with the instructions printed thereon and return it to the Company's Hong Kong branch share registrar, Tricor Investor Services Limited at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong not less than 48 hours before the time appointed for the holding of the AGM or any adjournment thereof (as the case may be). Completion and return of the form of proxy will not preclude you from attending and voting in person at the AGM or at any adjournment thereof if you so wish and in such event, the form of proxy shall be deemed to be revoked.

### **8. VOTING BY POLL**

Pursuant to Rule 13.39 of the Listing Rules, any vote of shareholders at a general meeting must be taken by poll except where the chairman, 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. All resolutions put to the vote at the AGM shall therefore be decided by way of poll pursuant to Article 72 of the Articles except for resolutions regarding procedural or administrative matters as allowed by the chairman. The result of the poll shall be deemed to be the resolution of the general meeting and the poll results will be published on the website of the Stock Exchange ([www.hkexnews.hk](http://www.hkexnews.hk)) and the website of the Company ([www.paep.com.cn](http://www.paep.com.cn)).

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## LETTER FROM THE BOARD

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### 9. RECOMMENDATION

The Directors consider that the proposed re-election of the retiring Directors, the granting to the Directors of the Issue Mandate, the Repurchase Mandate, and the extension of the Issue Mandate are in the best interests of the Company and the Shareholders as a whole. The Directors therefore recommend the Shareholders to vote in favour of the relevant resolutions as set out in the AGM Notice.

Yours faithfully,

For and on behalf of the Board

**Pan Asia Environmental Protection Group Limited**

**Jiang Quanlong**

*Chairman*



**Executive Director**

**Mr. Fan Yajun**, aged 47, is an Executive Director of the Company. He was appointed as Director of the Company in March 2007. He has more than 20 years of experience in business management. He joined the Group in July 2002 and has been responsible for the overall administration and business management. He completed a Master of Business Administration course at Southeast University in July 2004. For the period between August 1999 and August 2005, he was an executive director of China Rare Earth Holdings Limited, the shares of which are listed on the Main Board of the Stock Exchange. Save as aforesaid, Mr. Fan did not hold any other position with the Company or other members of the Group. Mr. Fan did not hold any other directorships in public listed companies in Hong Kong or overseas in the last three years.

Mr. Fan has entered into a service contract with the Company which is renewable from year to year until terminated by either party with 3 months' notice in writing served on the other side. Mr. Fan is subject to retirement by rotation and re-election at least once every three years at the annual general meeting in accordance with the Articles. He is entitled to a basic salary of HK\$120,000 per annum. Such basic salary is determined by the Board with reference to his responsibilities and duties within the Company as well as the prevailing market conditions. The basic salary is subject to annual review by the Board with an annual increment at the discretion of the Directors of not more than 15% of the annual salary immediately prior to such increase. In addition, he is also entitled to a discretionary management bonus provided that the aggregate amount of the bonuses payable to all the executive Directors for any financial year of the Company shall not exceed 5% of the audited combined or consolidated net profit of the Group (after taxation and minority interests and payment of such bonuses but before extraordinary or exceptional items) in respect of that financial year of the Company. The amount of emoluments paid and payable to Mr. Fan for the year ended 31 December 2014 is set out in note 8 to the financial statements in the Annual Report of the Company for the year ended 31 December 2014.

As at the Latest Practicable Date, Mr. Fan is deemed to be interested in 5,000,000 underlying shares of the Company in respect of share options granted to him under the share option scheme of the Company within the meaning of Part XV of the SFO. Save as disclosed, Mr. Fan does not have any relationship with any Directors, senior management, substantial shareholders or controlling shareholders of the Company.

There is no information to be disclosed pursuant to any of the requirements of the provisions under paragraphs (h) to (v) of Rule 13.51(2) of the Listing Rules and there are no other matters concerning Mr. Fan that need to be brought to the attention of the Shareholders.

**Independent Non-Executive Director**

**Mr. Leung Shu Sun, Sunny**, aged 52, has been appointed as an Independent Non-Executive Director of the Company since December 2007. He is the Chairman of the Audit Committee and a member of the Nomination Committee and the Remuneration Committee. He has over 20 years' working experience in, among others, accounting, treasury management, budgeting and corporate finance. He graduated from Hong Kong Polytechnic University with a professional diploma in Accountancy and obtained a master's degree in business administration from the University of South Australia. He is a fellow member of the Association of Chartered Certified Accountants, an associate member of the Hong Kong Institute of Certified Public Accountants and a member of Certified General Accountants' Association of Canada. From 2005 to 2007, he served as the financial controller, qualified accountant and company secretary of Xiwang Sugar Holdings Company Limited, the shares of which are listed on the Main Board of the Stock Exchange. From 2001 to date, he has been a director of a company providing accounting, tax and corporate finance services. From 1999 to 2001, he held key financial position in a listed company in Hong Kong. From 1998 to 1999, he was a finance director of a company principally engaged in the provision of network infrastructure solutions. From 1993 to 1998, he was the financial controller of a company principally engaged in property investment, trading and securities. From 1987 to 1990, he worked in international accounting firms handling audit, tax and accounting matters. Mr. Leung has been an independent non-executive director of Xiwang Special Steel Company Limited, the shares of which are listed on the Main Board of the Stock Exchange since February 2012. Save as aforesaid, Mr. Leung did not hold any other position with the Company or other members of the Group, and Mr. Leung did not hold any other directorships in public listed companies in Hong Kong or overseas in the last three years.

Pursuant to a letter of appointment issued by the Company to Mr. Leung, Mr. Leung's term of office is terminable by either party with not less than three months' written notice. Mr. Leung is also subject to retirement by rotation and re-election at least once every three years at the annual general meeting in accordance with the Articles. He is entitled to a director's fee of HK\$216,000 per annum which is determined by the Board with reference to his responsibilities and duties within the Company as well as the prevailing market conditions. The amount of emoluments paid and payable to Mr. Leung for the year ended 31 December 2014 is set out in note 8 to the financial statements in the Annual Report of the Company for the year ended 31 December 2014.

As at the Latest Practicable Date, Mr. Leung is deemed to be interested in 1,000,000 underlying shares of the Company in respect of share options granted to him under the share option scheme of the Company within the meaning of Part XV of the SFO. Mr. Leung does not have any relationship with any Directors, senior management, substantial shareholders or controlling shareholders of the Company.

There is no information to be disclosed pursuant to any of the requirements of the provisions under paragraphs (h) to (v) of Rule 13.51(2) of the Listing Rules and there are no other matters concerning Mr. Leung that need to be brought to the attention of the Shareholders.

*This appendix serves as an explanatory statement as required by the Listing Rules to provide certain information to you for your consideration of the Repurchase Mandate.*

## **1. SHARE CAPITAL**

As at the Latest Practicable Date, there were a total of 840,000,000 Shares in issue.

Subject to the passing of the resolution granting the Repurchase Mandate and on the basis that no further Shares are issued or repurchased before the AGM, the Company will be allowed to repurchase a maximum of 84,000,000 Shares, being 10% of the total number of issued shares of the Company as at the date of the AGM, during the period ending on 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 or any 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 in general meeting.

## **2. REASONS FOR REPURCHASES**

The Directors believe that it is in the best interests of the Company and the Shareholders to seek a general authority from the Shareholders to enable the Company to repurchase its Shares on the Stock Exchange. Such repurchases may, depending on market conditions and funding arrangements at the time, lead to an enhancement of the net asset value of the Company and/or its earnings per share and will only be made when the Directors believe that such a repurchase will benefit the Company and the Shareholders.

## **3. FUNDING OF REPURCHASES**

Repurchases made pursuant to the Repurchase Mandate would be funded out of funds legally available for the purpose in accordance with the Company's memorandum and articles of association and the applicable laws of the Cayman Islands.

## **4. IMPACT OF REPURCHASES**

There might be material adverse impact on the working capital or gearing position of the Company (as compared with the position disclosed in the audited accounts contained in the annual report for the year ended 31 December 2014) in the event that the Repurchase Mandate were to be carried out in full at any time during the proposed repurchase period. However, the Directors do not propose to exercise the Repurchase Mandate to such extent as would, in the circumstances, have a material adverse impact on the working capital requirements of the Company or the gearing levels which, in the opinion of the Board, are from time to time appropriate for the Company.

**5. SHARE PRICES**

The following table shows the highest and lowest prices at which the Shares have been traded on the Stock Exchange during each of the twelve months preceeding the Latest Practicable Date:

<b>Month</b>	<b>Share Prices Per Share</b>	
	<b>Highest</b> <i>HK\$</i>	<b>Lowest</b> <i>HK\$</i>
<b>2014</b>		
April	1.82	1.35
May	1.86	1.45
June	2.00	1.62
July	1.90	1.48
August	2.27	1.45
September	2.00	1.53
October	1.79	1.56
November	2.07	1.69
December	2.03	1.57
<b>2015</b>		
January	1.80	1.62
February	1.70	1.55
March	1.79	1.58
April ( <i>up to the Latest Practicable Date</i> )	1.75	1.58

**6. GENERAL**

None of the Directors nor, to the best of their knowledge having made all reasonable enquiries, any of their Close Associates, has any present intention to sell any Shares to the Company if the Repurchase Mandate is approved by the Shareholders.

The Directors have undertaken to the Stock Exchange that, so far as the same may be applicable, they will only exercise the Repurchase Mandate in accordance with the Listing Rules and the applicable laws of the Cayman Islands.

The Company has not been notified by any Core Connected Person that such a person has a present intention to sell, or has undertaken not to sell, any Shares to the Company, if the Repurchase Mandate is approved by the Shareholders.

**7. EFFECT OF TAKEOVERS CODE**

If, as a result of a repurchase of Shares, a Shareholder's proportionate interest in the voting rights of the Company increases, such increase will be treated as an acquisition of voting rights for the purposes of Rule 32 of the Takeovers Code. Accordingly, a Shareholder, or a group of Shareholders acting in concert (within the meaning under the Takeovers Code), depending on the level of increase in the Shareholders' interest, could obtain or consolidate control of the Company and thereby become obliged to make a mandatory offer in accordance with Rule 26 of the Takeovers Code.

As at the Latest Practicable Date, to the best of the knowledge and belief of the Company, Mr. Jiang Quanlong, Chairman, Mr. Jiang Lei, executive Director and Mr. Jiang Xin together owned 609,150,000 Shares representing 72.52% of the issued share capital of the Company of which 606,568,000 Shares were held via Praise Fortune Limited. Mr. Jiang Quanlong is the sole director and Mr. Jiang Lei and Mr. Jiang Xin are the controlling shareholders of Praise Fortune Limited. Mr. Jiang Quanlong is the father of Mr. Jiang Lei and Mr. Jiang Xin. In the event that the Directors exercise in full the power to repurchase Shares which is proposed to be granted pursuant to the Repurchase Mandate, then, (if the present shareholdings otherwise remain the same) the interests of Mr. Jiang Quanlong, Mr. Jiang Lei and Mr. Jiang Xin together in the Company would be increased to approximately 80.58% of the total number of issued shares of the Company. Such increase would not give rise to an obligation to make a mandatory offer under Rule 26 of the Takeovers Code but would reduce the number of Shares held by the public to less than 25% of the total number of issued shares of the Company. The Directors have no intention to repurchase Shares to such an extent which will result in reducing the number of Shares held by the public to less than 25%.

Save as disclosed above, the Directors are not aware of any Shareholder or group of Shareholders acting in concert, who may become obliged to make a mandatory offer under Rule 26 of the Takeovers Code as a consequence of any purchases pursuant to the Repurchase Mandate.

**8. SHARE REPURCHASE BY THE COMPANY**

No Shares had been repurchased by the Company, whether on the Stock Exchange or otherwise, during the six months preceding the Latest Practicable Date.

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## NOTICE OF ANNUAL GENERAL MEETING

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泛亞環保集團有限公司

Pan Asia Environmental Protection Group Limited

*(Incorporated in the Cayman Islands with limited liability)*

(Stock Code: 556)

### NOTICE OF ANNUAL GENERAL MEETING

**NOTICE IS HEREBY GIVEN** that the 2015 annual general meeting of Pan Asia Environmental Protection Group Limited (the “Company”) will be held at Salao Nobre de Camoes, Club Lusitano, 27th Floor, 16 Ice House Street, Central, Hong Kong on Friday, 5 June 2015 at 2:30 p.m. for the following purposes:

1. To consider and adopt the audited consolidated financial statements of the Company and its subsidiaries and the reports of the directors and of the independent auditor for the year ended 31 December 2014.
2. To declare a final dividend for the year ended 31 December 2014.
3. To re-elect the retiring directors and to authorise the board of directors of the Company to fix the remuneration of the respective directors.
4. To re-appoint independent auditor and to authorise the board of directors to fix their remuneration.
5. To consider and, if thought fit, pass, with or without amendments, the following resolution as an ordinary resolution:

**“THAT**

- (a) subject to paragraph (c) below, a general mandate be and is hereby generally and unconditionally given to the directors of the Company during the Relevant Period (as defined below) to allot, issue and deal with additional shares in the capital of the Company and to make or grant offers, agreements and options which might require the exercise of such powers;
- (b) the mandate in paragraph (a) above shall authorize the directors of the Company to make or grant offers, agreements and options during the Relevant Period which would or might require the exercise of such powers after the end of the Relevant Period;
- (c) the aggregate number of shares allotted or agreed conditionally or unconditionally to be allotted by the directors pursuant to the mandate in paragraph (a) above, otherwise than pursuant to:
  - (i) a Rights Issue (as defined below);

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## NOTICE OF ANNUAL GENERAL MEETING

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- (ii) the exercise of options under a share option scheme of the Company; and
- (iii) any scrip dividend scheme or similar arrangement providing for the allotment of shares in lieu of the whole or part of a dividend on shares of the Company in accordance with the articles of association of the Company,

shall not exceed 20% of the total number of issued shares of the Company as at the date of passing of this resolution, and if any subsequent consolidation or subdivision of shares is conducted, the maximum number of shares that may be issued under the mandate in paragraph (a) above as a percentage of the total number of issued shares at the date immediately before and after such consolidation or subdivision shall be the same; and

- (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 articles of association of the Company or any applicable laws to be held; and
- (iii) the date on which the authority set out in this resolution is revoked or varied by an ordinary resolution of the shareholders in general meeting.

“Rights Issue” means an offer of shares open for a period fixed by the directors to holders of shares of the Company or any class thereof on the register on a fixed record date in proportion to their then holdings of such shares or class thereof (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 recognized regulatory body or any stock exchange).”

- 6. To consider and, if thought fit, pass, with or without amendments, the following resolution as an ordinary resolution:

**“THAT**

- (a) subject to paragraph (b) below, a general mandate be and is hereby generally and unconditionally given to the directors of the Company to exercise during the Relevant Period (as defined below) all the powers of the Company to purchase its shares in accordance with all applicable laws, rules and regulations;

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## NOTICE OF ANNUAL GENERAL MEETING

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- (b) the total number of shares of the Company to be purchased pursuant to the mandate in paragraph (a) above shall not exceed 10% of the total number of issued shares of the Company as at the date of passing of this resolution, and if any subsequent consolidation or subdivision of shares is conducted, the maximum number of shares that may be purchased under the mandate in paragraph (a) above as a percentage of the total number of issued shares at the date immediately before and after such consolidation or subdivision shall be the same; 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 articles of association of the Company or any applicable laws to be held; and
  
  - (iii) the date on which the authority set out in this resolution is revoked or varied by an ordinary resolution of the shareholders in general meeting.”
7. To consider and, if thought fit, pass, with or without amendments, the following resolution as an Ordinary Resolution:

“**THAT** conditional upon the passing of resolutions set out in items 5 and 6 of the notice convening this meeting (the “Notice”), the general mandate referred to in the resolution set out in item 5 of the Notice be and is hereby extended by the addition to the number of shares which may be allotted and issued or agreed conditionally or unconditionally to be allotted and issued by the directors pursuant to such general mandate of the number of shares representing the aggregate number of shares purchased by the Company pursuant to the mandate referred to in resolution set out in item 6 of the Notice, provided that such amount shall not exceed 10% of the total number of issued shares of the Company as at the date of passing of this resolution.”

By order of the Board  
**Pan Asia Environmental Protection Group Limited**  
**Wan San Fai, Vincent**  
*Company Secretary*

Hong Kong, 24 April 2015



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## NOTICE OF ANNUAL GENERAL MEETING

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*Notes:*

- (a) A member entitled to attend and vote at the meeting may appoint a proxy or, if holding two or more shares, more than one proxy to attend and vote on his behalf. A proxy need not be a member of the Company.
- (b) To be valid, the form of proxy together with the power of attorney or other authority, if any, under which it is signed, or a notarially certified copy thereof must be deposited at the Company's Hong Kong branch share registrar, Tricor Investor Services Limited at 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 adjournment thereof.
- (c) To be valid, the form of notice of appointment of corporate representative, in the case of appointment by a shareholder which is a corporate shareholder other than a clearing house, must be deposited at the Company's Hong Kong branch share registrar, Tricor Investor Services Limited at 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 adjournment thereof.
- (d) For determining the entitlement to attend and vote at the meeting, the Register of Members of the Company will be closed from Wednesday, 3 June 2015 to Friday, 5 June 2015, both days inclusive, during which period no transfer of shares will be registered. In order to be eligible to attend and vote at the meeting, all transfer documents accompanied by the relevant share certificates must be lodged with the Company's Hong Kong branch share registrar, Tricor Investor Services Limited at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong for registration no later than 4:30 p.m. on Tuesday, 2 June 2015.
- (e) For determining the entitlement to the proposed final dividend, the Register of Members of the Company will be closed from Friday, 12 June 2015 to Tuesday, 16 June 2015, both days inclusive, during which period no transfer of shares will be registered. In order to be eligible to receive the proposed final dividend, all transfer of shares, accompanied by the relevant share certificates and appropriate transfer forms, must be lodged with the Company's Hong Kong branch share registrar, Tricor Investor Services Limited of Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong, for registration no later than 4:30 p.m. on Thursday, 11 June 2015.