



CHINA ENVIRONMENT LTD.
(Incorporated in Singapore on 3 March 2003)
(Company Registration No. 200301902W)

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Annual General Meeting of CHINA ENVIRONMENT LTD. ("the Company") will be held at Suntec Singapore, International Convention & Exhibition Centre, Level 3 Room 309, 1 Raffles Boulevard Suntec City, Singapore 039591 on Tuesday, 28 April 2015 at 9.00 a.m. for the following purposes:

AS ORDINARY BUSINESS

- To receive and adopt the Directors' Report and the Audited Financial Statements for the financial year ended 31 December 2014 together with the Independent Auditor's Report thereon. **(Resolution 1)**
- To re-elect the following Directors of the Company retiring pursuant to Article 95(2) of the Articles of Association of the Company:
Mr Andrew Bek **(Resolution 2)**
Mr Wu Yu Liang **(Resolution 3)**
Mr Wu Yu Liang will, upon re-election as Director of the Company, remain as Chairman of the Nominating Committee and a member of the Audit Committee and Remuneration Committee will be considered independent.
- To approve the payment of Directors' Fees of S\$160,000 for the financial year from 1 January 2015 to 31 December 2015 to be paid quarterly in arrears (FY2014: S\$160,000). **(Resolution 4)**
- To re-appoint Messrs Baker Tilly TFW LLP as the Independent Auditor of the Company and to authorise the Directors of the Company to fix their remuneration. **(Resolution 5)**
- To transact any other ordinary business which may properly be transacted at an Annual General Meeting.

AS SPECIAL BUSINESS

To consider and if thought fit, to pass the following resolutions as Ordinary Resolutions, with or without any modifications:

6. Authority to issue shares

That pursuant to Section 161 of the Companies Act, Chapter 50 and Rule 806 of the Listing Manual of the Singapore Exchange Securities Trading Limited, the Directors of the Company be authorised and empowered to:

- issue shares in the Company ("shares") whether by way of rights, bonus or otherwise; and/or
- make or grant offers, agreements or options (collectively, "Instruments") that might or would require shares to be issued, including but not limited to the creation and issue of (as well as adjustments to) options, warrants, debentures or other instruments convertible into shares, at any time and upon such terms and conditions and for such purposes and to such persons as the Directors of the Company may in their absolute discretion deem fit; and
- (notwithstanding the authority conferred by this Resolution may have ceased to be in force) issue shares in pursuance of any Instruments made or granted by the Directors of the Company while this Resolution was in force,

provided that:

- the aggregate number of shares (including shares to be issued in pursuance of the Instruments, made or granted pursuant to this Resolution) to be issued pursuant to this Resolution shall not exceed fifty per centum (50%) of the total number of issued shares (excluding treasury shares) in the capital of the Company (as calculated in accordance with sub-paragraph (2) below), of which the aggregate number of shares to be issued other than on a pro rata basis to shareholders of the Company shall not exceed twenty per centum (20%) of the total number of issued shares (excluding treasury shares) in the capital of the Company (as calculated in accordance with sub-paragraph (2) below);
- subject to such calculation as may be prescribed by the Singapore Exchange Securities Trading Limited) for the purpose of determining the aggregate number of shares that may be issued under sub-paragraph (1) above, the total number of issued shares (excluding treasury shares) shall be based on the total number of issued shares (excluding treasury shares) in the capital of the Company at the time of the passing of this Resolution, after adjusting for:
 - new shares arising from the conversion or exercise of any convertible securities;
 - new shares arising from exercising share options or vesting of share awards which are outstanding or subsisting at the time of the passing of this Resolution; and
 - any subsequent consolidation or subdivision of shares;
- in exercising the authority conferred by this Resolution, the Company shall comply with the provisions of the Listing Manual of the Singapore Exchange Securities Trading Limited for the time being in force (unless such compliance has been waived by the Singapore Exchange Securities Trading Limited) and the Articles of Association of the Company; and
- unless revoked or varied by the Company in a general meeting, such authority shall continue in force until the conclusion of the next Annual General Meeting of the Company or the date by which the next Annual General Meeting of the Company is required by law to be held, whichever is earlier. [See Explanatory Note (i)] **(Resolution 6)**

7. Renewal of the Share Buy-Back Mandate

That for the purposes of Sections 76C and 76E of the Companies Act, Chapter 50, the Directors of the Company be and are hereby authorised to make purchases or otherwise acquire issued shares in the capital of the Company from time to time (whether by way of market Share Buy-Backs or off-market Share Buy-Backs on an equal access scheme) of up to ten per centum (10%) of the total issued ordinary share capital of the Company (excluding treasury shares) (as ascertained as at the date of the Annual General Meeting of the Company at which the proposed renewal of the Share Buy-Back Mandate is approved), at the price of up to but not exceeding the Maximum Price as defined in paragraph 2.3.4 of Appendix to the Notice of Annual General Meeting dated 13 April 2015 (the "Appendix"), and this Share Buy-Back Mandate shall continue in force until (a) the date on which the next Annual General Meeting of the Company is held or is required by law to be held; (b) the date on which the Share Buy-Backs are carried out to the full extent mandated; or (c) the date on which the authority contained in the Share Buy-Back Mandate is revoked or varied by the Company in general meeting. [See Explanatory Note (ii)] **(Resolution 7)**

By Order of the Board

Wong Yoen Har
Secretary
Singapore, 13 April 2015

Explanatory Notes:

- The Ordinary Resolution 6 in item 6 above, if passed, will empower the Directors of the Company, effective until the conclusion of the next Annual General Meeting of the Company, or the date by which the next Annual General Meeting of the Company is required by law to be held or such authority is varied or revoked by the Company in a general meeting, whichever is the earlier, to issue shares, make or grant Instruments convertible into shares and to issue shares pursuant to such Instruments, up to a number not exceeding, in total, 50% of the total number of issued shares (excluding treasury shares) in the capital of the Company, of which up to 20% may be issued other than on a pro-rata basis to shareholders.
For determining the aggregate number of shares that may be issued, the total number of issued shares (excluding treasury shares) will be calculated based on the total number of issued shares (excluding treasury shares) in the capital of the Company at the time this Ordinary Resolution is passed after adjusting for new shares arising from the conversion or exercise of any convertible securities or share options or vesting of share awards which are outstanding or subsisting at the time when this Ordinary Resolution is passed and any subsequent consolidation or subdivision of shares.
- The Ordinary Resolution 7 proposed in item 7 above is to renew the Share Buy-Back Mandate and to permit the Company to purchase or acquire shares at the Maximum Price as defined in the Appendix. The rationale for, the authority and limitation on, the sources of funds to be used for the purchase or acquisition including the amount of financing and the financial effects of the purchase or acquisition of ordinary shares by the Company pursuant to the Share Buy-Back Mandate on the audited consolidated financial statements of the Group for the financial year ended 31 December 2014 are set out in greater detail in paragraph 2 of the Appendix.

Notes:

- A Member entitled to attend and vote at the Annual General Meeting (the "Meeting") is entitled to appoint not more than two proxies to attend and vote in his/her stead. A proxy need not be a Member of the Company.
- The instrument appointing a proxy must be deposited at the Registered Office of the Company at 133 Cecil Street #18-03, Keck Seng Tower, Singapore 069535 not less than forty-eight (48) hours before the time appointed for holding the Meeting.

Personal data privacy:

By submitting an instrument appointing a proxy(ies) and/or representative(s) to attend, speak and vote at the AGM and/or any adjournment thereof, a member of the Company (i) consents to the collection, use and disclosure of the member's personal data by the Company (or its agents) for the purpose of the processing and administration by the Company (or its agents) of proxies and representatives appointed for the AGM (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the AGM (including any adjournment thereof), and in order for the Company (or its agents) to comply with any applicable laws, listing rules, regulations and/or guidelines (collectively, the "Purposes"), (ii) warrants that where the member discloses the personal data of the member's proxy(ies) and/or representative(s) to the Company (or its agents), the member has obtained the prior consent of such proxy(ies) and/or representative(s) for the collection, use and disclosure by the Company (or its agents) of the personal data of such proxy(ies) and/or representative(s) for the Purposes, and (iii) agrees that the member will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the member's breach of warranty.

NOTICE OF EXTRAORDINARY GENERAL MEETING

NOTICE IS HEREBY GIVEN that an Extraordinary General Meeting (the "EGM") of China Environment Ltd. (the "Company") will be held on Tuesday, 28 April 2015 at 9.30 a.m. (or as soon as possible thereafter following the conclusion or adjournment of the Annual General Meeting of the Company to be held on the same date and at the same place) at Suntec Singapore, International Convention & Exhibition Centre, Level 3 Room 309, 1 Raffles Boulevard Suntec City, Singapore 039591 for the purpose of considering and, if thought fit, passing with or without any modifications, the following ordinary resolutions:

ORDINARY RESOLUTIONS:

RESOLUTION (1):

PROPOSED ADOPTION OF THE CHINA ENVIRONMENT SCHEME 2015

That the employee share option scheme to be known as the "China Environment Share Option Scheme 2015" (the "Scheme") under which options ("Options") may be granted to selected directors and employees of the Company and its subsidiaries (the "Group") who have attained the age of 21 years, to subscribe for ordinary shares in the capital of the Company ("Shares"), particulars of which are set out in the circular to shareholders of the Company dated 13 April 2015 (the "Circular"), be and is hereby approved and adopted, and that the Remuneration Committee of the Company for the time being, or such other committee comprising Directors of the Company duly authorised and appointed by the Board to administer the Scheme, (the "Scheme Committee") be and are hereby authorised:

- to establish and administer the Scheme;
- to modify and/or amend the Scheme from time to time provided that such modification and/or amendment is effected in accordance with the rules of the Scheme, and to do all such acts and to enter into such transactions, arrangements and agreements as may be necessary or expedient in order to give full effect to the Scheme; and
- to offer and grant Options in accordance with the rules of the Scheme and pursuant to Section 161 of the Companies Act, Chapter 50 of Singapore (the "Companies Act"), and to deliver existing Shares (including treasury shares) and allot and issue from time to time such number of new Shares as may be required to be transferred or allotted and issued pursuant to the exercise of the Options under the Scheme.

RESOLUTION (2):

PROPOSED RESOLUTION OF OPTIONS AT A DISCOUNT UNDER THE CHINA ENVIRONMENT SCHEME 2015

That subject to and contingent upon the passing of Resolution 1, the Board of Directors of the Company be and is hereby authorised to offer and grant Options in accordance with the rules of the Scheme with exercise prices set at a discount not exceeding fifteen per cent. (15%) to the market price (being the average of the closing market prices of the Shares over a period of five (5) consecutive trading days on which the Shares are traded on the SGX-ST immediately prior to the date of grant of that Option, provided always that in the case of a trading day on which the Shares were not traded on the SGX-ST, the closing market price for the Shares on such trading day shall be deemed to be the closing price of the Shares on the immediately preceding trading day on which the Shares were traded, as determined by the Committee authorised and appointed to administer the Scheme, rounded up to the nearest whole cent in the event of fractional prices), provided that such discount does not exceed the relevant limits set by the SGX-ST.

All capitalised terms used which are not defined herein shall have the same meaning as defined in the Circular to Shareholders dated 13 April 2015.

By Order of the Board

Mr Huang Min
Executive Chairman
China Environment Ltd.
Singapore, 13 April 2015

Notes:

- A member of the Company entitled to attend and vote at EGM is entitled to appoint not more than two proxies to attend and vote in his/her behalf. A proxy need not be a member of the Company.
- If the appointor is a corporation, the Proxy Form must be executed either under its common seal or under the hand of its attorney or a duly authorised officer.
- The instrument appointing a proxy must be lodged at the Company's registered office at 133 Cecil Street, #18-03, Keck Seng Tower, Singapore 069535, not less than 48 hours before the time appointed for the EGM. The completion and return of the proxy form by a member will not prevent him from attending and voting in person at the EGM if he so wishes. In such event, the relevant proxy form will be deemed to be revoked.

Personal data privacy:

By submitting an instrument appointing a proxy(ies) and/or representative(s) to attend, speak and vote at the EGM and/or any adjournment thereof, a member of the Company (i) consents to the collection, use and disclosure of the member's personal data by the Company (or its agents) for the purpose of the processing and administration by the Company (or its agents) of proxies and representatives appointed for the EGM (including any adjournment thereof), and in order for the Company (or its agents) to comply with any applicable laws, listing rules, regulations and/or guidelines (collectively, the "Purposes"), (ii) warrants that where the member discloses the personal data of the member's proxy(ies) and/or representative(s) to the Company (or its agents), the member has obtained the prior consent of such proxy(ies) and/or representative(s) for the collection, use and disclosure by the Company (or its agents) of the personal data of such proxy(ies) and/or representative(s) for the Purposes, and (iii) agrees that the member will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the member's breach of warranty.