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If you have sold or transferred all your shares in ELL Environmental Holdings Limited, you should at once hand this circular and the accompanying form of proxy to the purchaser or transferee or to the bank, licensed securities dealer, registered institution in securities or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.



ELL ENVIRONMENTAL HOLDINGS LIMITED

強泰環保控股有限公司*

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1395)

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

Capitalized terms used in the lower portion of this page and the cover inside page of this circular shall have the same respective meanings as those defined in the section headed “Definitions” of this circular.

A notice convening the Company’s annual general meeting to be held at Units 1-3, 11th Floor, Westlands Centre, 20 Westlands Road, Hong Kong on Friday, 21 June 2019 at 10:30 a.m. is set out on pages 17 to 22 of this circular.

A form of proxy for use in connection with the 2019 AGM is enclosed with this circular. If you do not intend to attend the 2019 AGM in person but wish to exercise your right as a Shareholder, you are requested to complete and sign the form of proxy in accordance with the instructions printed thereon and return the same to the Company’s branch share registrar and transfer office in Hong Kong, Boardroom Share Registrars (HK) Limited at Room 2103B, 21/F., 148 Electric Road, North Point, Hong Kong not less than 48 hours before the time appointed for holding the 2019 AGM or the adjournment thereof. Completion and return of the form of proxy will not preclude you from subsequently attending and voting in person at the 2019 AGM or the adjournment thereof should you so wish and in such event, the form of proxy shall be deemed to be revoked.

** For identification purpose only*

30 April 2019

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This circular is prepared in both English and Chinese. In the event of any inconsistency, the English text of this circular will prevail.

DEFINITIONS

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

| | |
|---------------------------|---|
| “2018 AGM” | the AGM held on 25 May 2018 |
| “2019 AGM” | the AGM to be held at Units 1-3, 11th Floor, Westlands Centre, 20 Westlands Road, Hong Kong on Friday, 21 June 2019 at 10:30 a.m. |
| “AGM” | the annual general meeting of the Company |
| “Articles of Association” | the articles of association of the Company as adopted by the Shareholders on 5 September 2014 and as amended, supplemented or otherwise modified from time to time |
| “Audit Committee” | the audit committee of the Board |
| “Board” | the board of Directors |
| “Chairman” | the chairman of the Board |
| “close associate(s)” | has the meaning ascribed thereto under the Listing Rules |
| “Company” | ELL Environmental Holdings Limited, a company incorporated in the Cayman Islands with limited liability, the issued Shares of which are listed and traded on the Main Board of the Stock Exchange (stock code: 1395) |
| “controlling shareholder” | has the meaning ascribed thereto under the Listing Rules |
| “core connected person” | has the meaning ascribed thereto under the Listing Rules |
| “Director(s)” | the director(s) of the Company |
| “Group” | the Company and its subsidiaries |
| “HK\$” | Hong Kong dollars, the lawful currency of Hong Kong |
| “Hong Kong” | Hong Kong Special Administrative Region of the PRC |
| “INED(s)” | the independent non-executive Director(s) |
| “Issue Mandate” | the general and unconditional mandate proposed to be granted to the Directors at the 2019 AGM to allot, issue and deal with Shares not exceeding 20% of the aggregate number of the issued Shares as at the date of passing the relevant resolution granting such mandate |

DEFINITIONS

| | |
|------------------------------|---|
| “Latest Practicable Date” | 24 April 2019, being the latest practicable date prior to the printing of this circular for the purpose of ascertaining certain information contained in this circular |
| “Listing Rules” | the Rules Governing the Listing of Securities on the Stock Exchange as amended, supplemented or otherwise modified from time to time |
| “Nomination Committee” | the nomination committee of the Board |
| “PRC” | the People’s Republic of China and for the purpose of this circular, excluding Hong Kong, the Macau Special Administrative Region of the People’s Republic of China and Taiwan |
| “Remuneration Committee” | the remuneration committee of the Board |
| “Repurchase Mandate” | the general and unconditional mandate proposed to be granted to the Directors at the 2019 AGM to repurchase Shares not exceeding 10% of the aggregate number of the issued Shares as at the date of passing the relevant resolution granting such mandate |
| “RMB” | Renminbi, the lawful currency of the PRC |
| “SFO” | the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) as amended, supplemented or otherwise modified from time to time |
| “Share(s)” | ordinary share(s) with nominal value of HK\$0.0001 each in the capital of the Company |
| “Shareholder(s)” | the holder(s) of the Share(s) |
| “Stock Exchange” | The Stock Exchange of Hong Kong Limited |
| “subsidiary(ies)” | has the meaning ascribed thereto under the Listing Rules |
| “substantial shareholder(s)” | has the meaning ascribed thereto under the Listing Rules |
| “Takeovers Code” | the Codes on Takeovers and Mergers and Share Buy-backs as amended from time to time and administered by the Securities and Futures Commission of Hong Kong |
| “Year” | the year ended 31 December 2018 |
| “%” | per cent. |

LETTER FROM THE BOARD



ELL ENVIRONMENTAL HOLDINGS LIMITED

強泰環保控股有限公司*

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1395)

Executive Directors:

Mr. Chau On Ta Yuen (*Chairman*)
Mr. Chan Kwan (*Chief Executive Officer*)
Mr. Radius Suhendra
Mr. Chau Chi Yan Benny

Non-executive Director:

Mr. Chan Pak Lam Brian

Independent Non-executive Directors:

Ms. Ng Chung Yan Linda
Mr. Ng Man Kung
Mr. Sze Yeuk Lung Benedict

Registered Office:

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

Headquarters:

Rugao Hengfa Municipal and
Industrial Wastewater Treatment Facility
North of Huimin Road
Rugao Economic and
Technological Development Zone
Jiangsu Province, PRC

*Principal Place of Business
in Hong Kong:*

Units 1-3, 11th Floor
Westlands Centre
20 Westlands Road
Hong Kong

30 April 2019

To the Shareholders

Dear Sir or Madam,

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

INTRODUCTION

The Directors wish to seek the approval of the Shareholders at the 2019 AGM for, among other matters, the grant of the Issue Mandate and the Repurchase Mandate, the extension of the Issue Mandate and the proposed re-election of the retiring Directors.

** For identification purpose only*

LETTER FROM THE BOARD

The purpose of this circular is to give you the information regarding the resolutions to be proposed at the 2019 AGM relating to the grant to the Directors of the Issue Mandate and the Repurchase Mandate, the extension of the Issue Mandate and the re-election of the retiring Directors.

ISSUE MANDATE

Given that the general mandate granted to the Directors to issue Shares pursuant to a resolution passed by the Shareholders at the 2018 AGM will lapse at the conclusion of the 2019 AGM, an ordinary resolution will be proposed at the 2019 AGM to grant the Issue Mandate to the Directors. Based on 1,108,000,000 Shares in issue as at the Latest Practicable Date and assuming that no further Shares will be issued and no Shares will be repurchased and cancelled after the Latest Practicable Date and up to the date of the 2019 AGM, the Directors will be able to allot, issue and deal with up to a total of 221,600,000 Shares, being 20% of the total number of the issued Shares as at the date of the resolution in relation thereto if the Issue Mandate is granted at the 2019 AGM, which will remain in effect until the earliest of (i) the conclusion of the next AGM; (ii) the expiration of the period within which the next AGM is required to be held by the Articles of Association or any applicable laws of the Cayman Islands; and (iii) the date on which such authority is revoked or varied by an ordinary resolution of the Shareholders in general meeting of the Company.

REPURCHASE MANDATE

Given that the general mandate granted to the Directors to repurchase Shares pursuant to a resolution passed by the Shareholders at the 2018 AGM will lapse at the conclusion of the 2019 AGM, an ordinary resolution will be proposed at the 2019 AGM to grant the Repurchase Mandate to the Directors. Subject to the passing of the proposed ordinary resolution approving the grant of the Repurchase Mandate, based on the 1,108,000,000 Shares in issue as at the Latest Practicable Date and assuming that no further Shares will be issued and no Shares will be repurchased and cancelled after the Latest Practicable Date and up to the date of the 2019 AGM, the Company would be allowed to repurchase a maximum of 110,800,000 Shares, being 10% of the total number of the issued Shares as at the date of the resolution in relation thereto. The Repurchase Mandate, if granted, will be effective until the earliest of (i) the conclusion of the next AGM; (ii) the expiration of the period within which the next AGM is required to be held by the Articles of Association or any applicable laws of the Cayman Islands; and (iii) the passing of an ordinary resolution by the Shareholders in general meeting of the Company revoking or varying the authority given to the Directors.

An explanatory statement in connection with the Repurchase Mandate is set out in Appendix II to this circular. The explanatory statement contains all the requisite information required under the Listing Rules to be given to the Shareholders to enable them to make an informed decision on whether to vote for or against the resolution approving the Repurchase Mandate.

LETTER FROM THE BOARD

EXTENSION OF GENERAL MANDATE TO ISSUE SHARES

Subject to the passing of the ordinary resolutions to grant the Issue Mandate and the Repurchase Mandate, an ordinary resolution will be proposed at the 2019 AGM to extend the Issue Mandate by the addition to the aggregate number of the Shares which may be allotted or agreed conditionally or unconditionally to be allotted by the Directors pursuant to the Issue Mandate of an amount representing the aggregate number of the Shares repurchased by the Company pursuant to the Repurchase Mandate, provided that such extended amount shall not exceed 10% of the aggregate number of the issued Shares as at the date of passing the resolution in relation thereto.

RE-ELECTION OF RETIRING DIRECTORS

As at the Latest Practicable Date, there were four executive Directors, namely Mr. Chau On Ta Yuen, Mr. Chan Kwan (“**Mr. Chan**”), Mr. Radius Suhendra and Mr. Chau Chi Yan Benny (“**Mr. Benny Chau**”); a non-executive Director Mr. Chan Pak Lam Brian; and three independent non-executive Directors, namely Ms. Ng Chung Yan Linda (“**Ms. Ng**”), Mr. Ng Man Kung and Mr. Sze Yeuk Lung Benedict.

Article 16.18 of the Articles of Association provides that one-third of the Directors for the time being, or, if their number is not a multiple of three, the number nearest to but not less than one-third shall retire from office by rotation at each AGM provided that every Director shall be subject to retirement by rotation at least once every three years and shall be eligible for re-election. Accordingly, Mr. Chan, Mr. Benny Chau and Ms. Ng will retire from office by rotation and being eligible, have offered themselves for re-election at the 2019 AGM.

The biographical details of each of the above retiring Directors to be re-elected at the 2019 AGM are set out in Appendix I to this circular in accordance with the relevant requirements under the Listing Rules.

The Nomination Committee has assessed and reviewed the annual written confirmation of independence of each of the INEDs based on the independence criteria as set out in Rule 3.13 of the Listing Rules and confirmed that all the INEDs, including Ms. Ng, remain independent. The Nomination Committee (with Ms. Ng abstaining) has assessed and evaluated the performance and the overall contribution of Ms. Ng to the Company based on the Company’s nomination policy which was disclosed in the Corporate Governance Report of the annual report of the Company for the Year. The Nomination Committee is of the view that based on Ms. Ng’s perspectives, skills and experience, she can bring further contributions to the Board and its diversity. In addition, with the nomination of the Nomination Committee, the Board has recommended that all the retiring Directors, namely Mr. Chan, Mr. Benny Chau and Ms. Ng, stand for re-election as Directors at the 2019 AGM. For good corporate governance, each of the retiring Directors abstained from voting at the relevant Board meeting on the respective propositions of their recommendations for re-election by the Shareholders.

LETTER FROM THE BOARD

2019 AGM

The notice convening the 2019 AGM is set out on pages 17 to 22 of this circular. At the 2019 AGM, resolutions will be proposed to approve, among others, the grant of the Issue Mandate and the Repurchase Mandate, the extension of the Issue Mandate by the addition thereto of the number of Shares repurchased pursuant to the Repurchase Mandate and the re-election of the retiring Directors.

A form of proxy for use in connection with the 2019 AGM is enclosed with this circular and such form of proxy is also published on the respective websites of the Stock Exchange (www.hkexnews.hk) and the Company (www.ellhk.com). If you do not intend to attend the 2019 AGM in person but wish to exercise your right as a Shareholder, you are requested to complete and sign the form of proxy in accordance with the instructions printed thereon and return the same to the Company's branch share registrar in Hong Kong, Boardroom Share Registrars (HK) Limited located at Room 2103B, 21/F., 148 Electric Road, North Point, Hong Kong, together with a power of attorney or other authority, if any, under which it is signed or a notarially certified copy of that power of attorney or authority, not less than 48 hours before the time appointed for holding the 2019 AGM or the adjournment thereof. Completion and return of the form of proxy will not preclude any Shareholder from attending in person and voting at the 2019 AGM or the adjournment thereof should he/she/it so wish and in such event, the form of proxy shall be deemed to be revoked.

VOTING BY POLL

Pursuant to Rule 13.39(4) of the Listing Rules, any vote of the Shareholders at a general meeting must be taken by poll except where the chairman of the 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. Therefore, all resolutions proposed at the 2019 AGM will be voted by poll and the Company will announce the results of the poll in the manner prescribed under Rule 13.39(5) of the Listing Rules.

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, is not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this circular misleading.

LETTER FROM THE BOARD

RECOMMENDATION

The Directors believe that the proposals for the grant of the Issue Mandate and the Repurchase Mandate, the extension of the Issue Mandate and the re-election of the retiring Directors as set out in the notice convening the 2019 AGM (the “**Notice**”) are in the interests of the Company and the Shareholders as a whole. Therefore, they recommend the Shareholders to vote in favour of the relevant resolutions to be proposed at the 2019 AGM as set out in the Notice on pages 17 to 22 of this circular.

Yours faithfully,
For and on behalf of the Board
ELL Environmental Holdings Limited
Chan Kwan
Executive Director and Chief Executive Officer

The particulars of the Directors retiring as required by the Articles of Association and the Listing Rules and proposed to be re-elected at the 2019 AGM are set out as follows.

Save as disclosed herein, there is no information to be disclosed pursuant to any of the requirements set out in Rule 13.51(2)(h) to (v) of the Listing Rules in respect of each of the following retiring Directors and there are no other matters that need to be brought to the attention of the Shareholders in respect of each of the following retiring Directors' re-election.

Mr. Chan Kwan

Mr. Chan Kwan, aged 36, was appointed as a Director on 25 February 2014 and was re-designated as an executive Director and the chief executive officer of the Company on 5 September 2014. He has been a member of the Nomination Committee since 5 September 2014. Mr. Chan also holds directorships in certain subsidiaries of the Company and is mainly responsible for all major affairs of the Group, including project construction and operation, business development, marketing and the formulation of strategies. Mr. Chan joined the Group in March 2007 as a director of Everbest Water Treatment Development Company Limited. Prior to joining the Group, Mr. Chan was a database administrator at Panda Restaurant Group, Inc. in Los Angeles, the United States of America (the "US"), from February 2005 to December 2006.

Mr. Chan obtained a bachelor's degree in science from the Iowa State University of Science and Technology in the US in December 2004. He is a member of the 12th Fujian Province Committee of the Chinese People's Political Consultative Conference (中國人民政治協商會議福建省委員會), a standing committee member of the 10th board of directors of the Hong Kong Federation of Fujian Associations (香港福建社團聯會), the chief supervisor of the 10th Hong Kong Minxi Association Ltd. (香港閩西聯會), the vice-president of the 11th Supervision Committee of Lung Yen Residents Association of Hong Kong Limited (香港龍岩同鄉會), and the president of the 2nd Hong Kong Federation of Overseas Chinese Youth Committee (香港華僑華人總會). Mr. Chan is the elder brother of Mr. Chan Pak Lam Brian, the non-executive Director.

Mr. Chan has entered into a service agreement with the Company in respect of his appointment as an executive Director since 5 September 2014 and is subject to retirement by rotation and re-election at the 2019 AGM in accordance with the Articles of Association. He is presently entitled to a director's fee of HK\$100,000 per annum and an annual salary of RMB60,000 and approximately HK\$1,758,000 as the chief executive officer of the Company and a discretionary bonus. His emolument was determined by the Board by reference to his responsibilities and duties within the Company and may be adjusted upon the recommendation of the Remuneration Committee. For the Year, the total amount of his emoluments was approximately HK\$1,952,000.

As at the Latest Practicable Date, Mr. Chan (i) was the sole director of and held a 20% shareholding interest in Everbest Environmental Investment Limited, a controlling shareholder of the Company which held 375,000,000 Shares, representing approximately 33.84% of the issued Shares; and (ii) owned 25% of the issued shares in Kingdrive Limited (“**Kingdrive**”) which owned all the issued shares in Carlton Asia Limited (“**Carlton Asia**”). Carlton Asia held 15,700,000 Shares, representing approximately 1.42% of the issued Shares, and is accustomed to act in accordance with the directions of Mr. Chan. Save as disclosed above, as at the Latest Practicable Date, Mr. Chan did not have any interest or short position in the shares, underlying shares or debentures of the Company or its associated corporations within the meaning of Part XV of the SFO.

Save as disclosed above, Mr. Chan (i) has not held any directorship in any public listed company in the past three years; (ii) does not have any relationship with any Director, senior management, substantial shareholder or controlling shareholder of the Company; and (iii) does not hold any other position within the Group.

Mr. Chau Chi Yan Benny

Mr. Chau Chi Yan Benny, aged 37, was appointed as a Director on 18 March 2014 and was re-designated as a non-executive Director on 5 September 2014. He was re-designated from a non-executive Director to an executive Director upon his appointment as the deputy general manager of the Group, both with effect from 1 April 2019. He was a member of the Audit Committee from 5 September 2014 to 31 March 2019 and also holds directorships in certain subsidiaries of the Company.

Prior to joining the Group, Mr. Chau worked as an international trade department manager of China Ocean Shipbuilding Industry Group Limited from February 2011 to August 2013 and a business adviser at Vodafone Ltd. in the United Kingdom (the “**UK**”) from November 2005 to September 2008.

Mr. Chau was a consultant of Convoy Financial Services Limited from August 2012 to June 2017. He obtained a bachelor’s degree in arts from Manchester Metropolitan University in the UK in September 2005. He is also registered as a technical representative of the Professional Insurance Brokers Association in Hong Kong. Mr. Chau is (i) the son of Mr. Chau On Ta Yuen, an executive Director and the Chairman; and (ii) a director and a shareholder of Wealthy Sea Holdings Limited, a substantial shareholder of the Company.

Mr. Chau has entered into a service agreement with the Company in relation to his re-designation as an executive Director and appointment as the deputy general manager of the Group for a term of three years commencing on 1 April 2019 and is subject to retirement by rotation and re-election at the 2019 AGM in accordance with the Articles of Association. He is presently entitled to a director’s fee of HK\$100,000 per annum and an annual salary of HK\$600,000. His emolument was determined by the Board by reference to his responsibilities and duties within the Company and may be adjusted upon the recommendation of the Remuneration Committee. For the Year, the total amount of his emoluments was HK\$100,000.

As at the Latest Practicable Date, Mr. Chau did not have any interest or short position in the shares, underlying shares or debentures of the Company or its associated corporations within the meaning of Part XV of the SFO. Save as disclosed above, Mr. Chau (i) has not held any directorship in any public listed company in the past three years; (ii) does not hold any other position within the Group; and (iii) does not have any relationship with any Director, senior management, substantial shareholder or controlling shareholder of the Company.

Ms. Ng Chung Yan Linda

Ms. Ng Chung Yan Linda, aged 43, was appointed as an INED on 5 September 2014. She has been the chairlady of the Audit Committee and a member of each of the Remuneration Committee and the Nomination Committee since 5 September 2014.

Ms. Ng has been a director of Linda C.Y. Ng (CPA) Limited (previously known as Tseung & Ng (CPA) Limited) since April 2012, prior to which she was the sole proprietor of Linda C.Y. Ng & Co., an accounting firm, from January 2008 to April 2013. Ms Ng has also been a director of Futurelink Limited since February 2004. She has been a part-time lecturer (i) in the School of Continuing and Professional Education of City University of Hong Kong since October 2015; and (ii) at HKCA Learning Media Limited since August 2010. She was also a part-time lecturer at Accountancy Training Company (International) Limited from September 2007 to April 2010. She has been the author of “Financial Reporting in Hong Kong: SME Edition 2015/16” published in December 2015 and “Practical Guide to Financial Reporting Standards in Hong Kong” published by CCH Hong Kong Limited since September 2013. She was a director of Learning Is Fun Association Limited from June 2007 to June 2012. Ms. Ng was a staff accountant at Ernst & Young from September 2000 to September 2001, and was promoted to senior accountant in October 2001 until she left that firm in October 2002.

Ms. Ng obtained a master’s degree in professional accounting from Hong Kong Polytechnic University in October 2009 and a bachelor’s degree in business administration from Hong Kong University of Science and Technology in November 1997. She has been a certified professional forensic accountant of The Institute of Certified Forensic Accountants since September 2011, a certified tax adviser and an associate of the Taxation Institute of Hong Kong since September 2010, a fellow of the Association of Chartered Certified Accountants in the UK since October 2005 and a practising member of Hong Kong Institute of Certified Public Accountants since January 2005.

Ms. Ng has entered into a letter of appointment with the Company in respect of her appointment as an INED since 5 September 2014 and is subject to retirement by rotation and re-election at the 2019 AGM in accordance with the Articles of Association. Pursuant to the letter of appointment, she is entitled to a director's fee of HK\$120,000 per annum. Her emolument was determined by the Board by reference to her responsibilities and duties within the Company and shall be adjusted by the recommendation of the Remuneration Committee. For the Year, the total amount of her emoluments was approximately HK\$120,000.

As at the Latest Practicable Date, Ms. Ng did not have any interest or short position in the shares, underlying shares or debentures of the Company or its associated corporations within the meaning of Part XV of the SFO. Save as disclosed above, Ms. Ng (i) has not held any directorship in any public listed company in the past three years; (ii) does not hold any other position within the Group; and (iii) does not have any relationship with any Director, senior management, substantial shareholder or controlling shareholder of the Company.

This appendix serves as an explanatory statement, as required by the Listing Rules, to provide the requisite information to you for your consideration of the proposed grant of the Repurchase Mandate.

1. REPURCHASE OF SECURITIES FROM CONNECTED PARTIES

Under the Listing Rules, a company is prohibited from knowingly purchasing securities on the Stock Exchange from a “core connected person”, that is, the directors, chief executive or substantial shareholder(s) of the Company or any of its subsidiaries or their respective close associates, and a core connected person is prohibited from knowingly selling his/her/its securities to the Company.

As at the Latest Practicable Date, to the best knowledge of the Directors having made all reasonable enquiries, no core connected person of the Company has notified the Company that he/she/it has a present intention to sell any Shares to the Company, nor has any such core connected person undertaken not to sell any of the Shares held by him/her/it to the Company in the event that the Repurchase Mandate is approved by the Shareholders.

2. SHARE CAPITAL

As at the Latest Practicable Date, there were a total of 1,108,000,000 issued Shares. Subject to the passing of the ordinary resolution for the approval of the Repurchase Mandate and assuming that no further Shares are issued and no Shares are repurchased and cancelled after the Latest Practicable Date and up to the date of the 2019 AGM, the Directors would be authorised to repurchase up to a maximum of 110,800,000 Shares, representing 10% of the issued Shares as at the date of the 2019 AGM up to (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 to be held by the Articles of Association or any applicable laws of the Cayman Islands; or (iii) the revocation or variation of the Repurchase Mandate by an ordinary resolution of the Shareholders in a general meeting of the Company, whichever occurs first.

3. REASONS FOR REPURCHASES

The Directors have no present intention to repurchase any Shares but consider that the Repurchase Mandate is in the interests of the Company and the Shareholders as a whole. An exercise of the Repurchase Mandate may, depending on market conditions and funding arrangements at the time, lead to an enhancement of the net asset value per Share and/or earnings per Share and will only be made when the Directors believe that a repurchase will benefit the Company and the Shareholders as a whole.

4. FUNDING OF REPURCHASES

Pursuant to the Repurchase Mandate, repurchases would be funded entirely from the Company’s available cash flow or working capital facilities, which will be funds legally available under the laws of the Cayman Islands, the memorandum of association of the Company, the Articles of Association and the Listing Rules for such purpose.

5. IMPACT ON WORKING CAPITAL OR GEARING LEVEL

An exercise of the Repurchase Mandate in full would have a material adverse impact on the working capital or gearing position of the Company when compared with that as at 31 December 2018, being the date of the Company's latest published audited consolidated financial statements. The Directors do not, however, intend to make any repurchase in circumstances that would have a material adverse impact on the working capital or gearing position of the Company.

6. SHARE PRICES

The highest and lowest market prices at which the Shares had been traded on the Stock Exchange during each of the twelve months preceding the Latest Practicable Date were as follows:

| Month | Traded Price (HK\$) | |
|---|----------------------------|---------------|
| | Highest | Lowest |
| 2018 | | |
| April | 0.300 | 0.265 |
| May | 0.335 | 0.260 |
| June | 0.285 | 0.240 |
| July | 0.250 | 0.210 |
| August | 0.210 | 0.144 |
| September | 0.161 | 0.118 |
| October | 0.180 | 0.133 |
| November | 0.162 | 0.160 |
| December | 0.166 | 0.127 |
| 2019 | | |
| January | 0.155 | 0.133 |
| February | 0.178 | 0.136 |
| March | 0.185 | 0.137 |
| April (up to and including the Latest Practicable Date) | 0.194 | 0.141 |

7. DIRECTORS AND THEIR CLOSE ASSOCIATES

None of the Directors or, to the best of their knowledge having made all reasonable enquiries, their close associates, have any present intention to sell to the Company any of the Shares if the Repurchase Mandate is approved at the 2019 AGM.

8. UNDERTAKING OF THE DIRECTORS

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 repurchases pursuant to the Repurchase Mandate in accordance with the Listing Rules and the applicable laws of the Cayman Islands.

9. EFFECT OF TAKEOVERS CODE

If a Shareholder's proportionate interest in the voting rights of the Company increases as a result of the Company exercising its powers to repurchase Shares pursuant to the Repurchase Mandate, such an increase will be treated as an acquisition for the purpose of Rule 32 of the Takeovers Code. As a result, a Shareholder or a group of Shareholders acting in concert (as defined in the Takeovers Code) could obtain or consolidate control of the Company and become obliged to make a mandatory offer in accordance with Rule 26 of the Takeovers Code. According to the register of interests and short positions in Shares maintained by the Company under Section 336 of the SFO, as at the Latest Practicable Date, the following Shareholders were interested or deemed to be interested in 5% or more of the issued Shares:

| Name of Shareholders | Capacity / Nature of interest | Number of issued Shares held | Position held | Approximate percentage of shareholding interest in the Company | Approximate percentage of shareholding interest in the Company if Repurchase Mandate is exercised in full |
|---|--|------------------------------|---------------|--|---|
| Mr. Chan (<i>Note 1</i>) | Interest in controlled corporations | 390,700,000 | Long Position | 35.26% | 39.18% |
| Ms. Wong Shu Ying (<i>Notes 1 and 3</i>) (" Ms. Wong ") | Interest in controlled corporations | 380,790,000 | Long Position | 34.37% | 38.19% |
| Mr. Chan Chun Keung (<i>Note 4</i>) | Interest in a controlled corporation and interest held by spouse | 380,790,000 | Long Position | 34.37% | 38.19% |
| Everbest Environmental Investment Limited (<i>Note 1</i>) (" Everbest Environmental ") | Beneficial owner | 375,000,000 | Long Position | 33.84% | 37.61% |
| Mr. Chau On Ta Yuen ("Mr. Chau") (<i>Note 2</i>) | Interest in a controlled corporation | 225,000,000 | Long Position | 20.31% | 22.56% |
| Ms. Wong Mei Ling (<i>Note 2</i>) | Interest held by spouse | 225,000,000 | Long Position | 20.31% | 22.56% |
| Wealthy Sea Holdings Limited ("Wealthy Sea") (<i>Note 2</i>) | Beneficial owner | 225,000,000 | Long Position | 20.31% | 22.56% |
| Morgan Top Trading Co., Ltd. | Beneficial owner | 143,300,000 | Long Position | 12.93% | 14.37% |

Notes:

- (1) Everbest Environmental which held 375,000,000 Shares was owned as to 50%, 30% and 20% by Ms. Wong, Ms. Judy Chan and Mr. Chan, an executive Director and the chief executive officer of the Company, respectively. Mr. Chan is the sole director of Everbest Environmental. Ms. Wong is the mother of all of Ms. Judy Chan, Mr. Chan and Mr. Chan Pak Lam Brian (“**Mr. Brian Chan**”). Mr. Chan also owns 25% of the issued shares in Kingdrive, which in turn owns 100% of the issued shares in Carlton Asia which held 15,700,000 Shares. Carlton Asia is accustomed to act in accordance with the directions of Mr. Chan.
- (2) Wealthy Sea which held 225,000,000 Shares was owned as to (i) 90% by Mr. Chau, an executive Director, the Chairman and the father of Mr. Benny Chau, an executive Director; and (ii) 10% by Ms. Wong Mei Ling, the wife of Mr. Chau. Ms. Wong Mei Ling is, therefore, deemed to be interested in the 225,000,000 Shares held by Wealthy Sea controlled by Mr. Chau pursuant to the SFO.
- (3) Hightop Investment Limited (“**Hightop**”) was owned as to 50% by Ms. Wong and 50% by Mr. Chan Chun Keung, the husband of Ms. Wong and the father of Mr. Chan and Mr. Brian Chan and therefore, each of Ms. Wong and Mr. Chan Chun Keung was deemed to be interested in the 5,790,000 Shares held by Hightop pursuant to the SFO. Together with the 375,000,000 Shares held through Everbest Environmental, Ms. Wong was deemed to be interested in a total of 380,790,000 Shares pursuant to the SFO.
- (4) Mr. Chan Chun Keung was deemed to be interested in a total of 380,790,000 Shares pursuant to the SFO as he was deemed to be interested in the Shares held by Hightop and Ms. Wong, his wife.

In the event that the Directors will exercise in full the Repurchase Mandate, (i) the shareholding interests in the Company of Everbest Environmental would be increased to 37.61% and the deemed proportionate shareholding interests in the Company of Mr. Chan would be increased to approximately 39.18%; (ii) the deemed shareholding interests in the Company of Ms. Wong and Mr. Chan Chun Keung would be increased to approximately 38.19%; and (iii) the shareholding interests in the Company of Wealthy Sea and the deemed shareholding interests in the Company of Mr. Chau and Ms. Wong Mei Ling would be increased to approximately 22.56%. The Board has been informed that each of these parties are parties acting in concert under the Takeovers Code. For details, please refer to the Company’s announcement of 16 June 2016.

Hence, each of Everbest Environmental, Ms. Wong, Mr. Chan Chun Keung, and Mr. Chan, and the parties acting in concert with them, including Hightop, Carlton Asia, Kingdrive, Wealthy Sea, Mr. Chau and Ms. Wong Mei Ling, would be required under Rules 26 and 32 of the Takeovers Code to make a mandatory offer in respect of all the remaining issued Shares not owned by them as they will be regarded as having acquired in any period of 12 months additional Shares carrying more than 2% of the voting rights of Shareholders at a general meeting of the Company. However, the Directors do not have any plan or intend to repurchase Shares to such extent as would result in any of the takeover obligations abovementioned. Save as aforesaid, the Directors are not aware of any consequence which may arise under the Takeovers Code as a consequence of any repurchase of Shares under the Repurchase Mandate or so that the number of Shares held by the public would be reduced to less than 25% of the total number of the issued Shares.

10. SHARE REPURCHASE MADE BY THE COMPANY

During the six months preceding the Latest Practicable Date, the Company repurchased 3,050,000 Shares on the Stock Exchange for an aggregate consideration of HK\$473,900, excluding transaction costs. All the Shares repurchased in October, November and December 2018 had been cancelled on 28 December 2018. The Shares repurchased in January 2019 have not yet been cancelled.

Particulars of the repurchases in the six months preceding the Latest Practicable Date are as follows:

| Date of repurchase | Number of Shares repurchased | Highest purchase price per Share (HK\$) | Lowest purchase price per Share (HK\$) |
|---------------------------|-------------------------------------|--|---|
| 22 October 2018 | 10,000 | 0.15 | 0.15 |
| 23 October 2018 | 360,000 | 0.16 | 0.16 |
| 24 October 2018 | 50,000 | 0.16 | 0.16 |
| 25 October 2018 | 305,000 | 0.16 | 0.16 |
| 26 October 2018 | 180,000 | 0.16 | 0.16 |
| 29 October 2018 | 40,000 | 0.16 | 0.16 |
| 30 October 2018 | 405,000 | 0.16 | 0.16 |
| 7 November 2018 | 500,000 | 0.16 | 0.16 |
| 8 November 2018 | 70,000 | 0.16 | 0.16 |
| 9 November 2018 | 80,000 | 0.16 | 0.16 |
| 15 November 2018 | 55,000 | 0.16 | 0.16 |
| 16 November 2018 | 20,000 | 0.16 | 0.16 |
| 21 November 2018 | 40,000 | 0.16 | 0.16 |
| 22 November 2018 | 20,000 | 0.16 | 0.16 |
| 28 November 2018 | 30,000 | 0.16 | 0.16 |
| 29 November 2018 | 30,000 | 0.16 | 0.16 |
| 6 December 2018 | 65,000 | 0.16 | 0.16 |
| 11 December 2018 | 30,000 | 0.16 | 0.16 |
| 13 December 2018 | 60,000 | 0.16 | 0.16 |
| 7 January 2019 | 15,000 | 0.14 | 0.14 |
| 8 January 2019 | 15,000 | 0.14 | 0.14 |
| 9 January 2019 | 30,000 | 0.14 | 0.14 |
| 10 January 2019 | 30,000 | 0.14 | 0.14 |
| 11 January 2019 | 80,000 | 0.14 | 0.14 |
| 15 January 2019 | 320,000 | 0.14 | 0.14 |
| 16 January 2019 | 210,000 | 0.14 | 0.14 |
| | <u>3,050,000</u> | | |

Save as disclosed above, the Company did not redeem any of its Shares listed on the Main Board of the Stock Exchange, nor did the Company or any of its subsidiaries purchase or sell any of such Shares, during the six months preceding the Latest Practicable Date.

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ELL ENVIRONMENTAL HOLDINGS LIMITED

強泰環保控股有限公司 *

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1395)

NOTICE IS HEREBY GIVEN THAT the annual general meeting of the members of ELL Environmental Holdings Limited (the “**Company**” and the “**2019 AGM**”, respectively) will be held at Units 1-3, 11th Floor, Westlands Centre, 20 Westlands Road, Hong Kong on Friday, 21 June 2019 at 10:30 a.m. for the following purposes:

As ordinary business,

1. To receive and adopt the audited consolidated financial statements and the reports of the directors and independent auditor of the Company for the year ended 31 December 2018.
2. To re-elect the following retiring directors of the Company:
 - (i) Mr. Chan Kwan as an executive director of the Company;
 - (ii) Mr. Chau Chi Yan Benny as an executive director of the Company; and
 - (iii) Ms. Ng Chung Yan Linda as an independent non-executive director of the Company.
3. To authorize the board of directors of the Company (the “**Board**”) to fix the directors’ remuneration for the year ending 31 December 2019.
4. To re-appoint Deloitte Touche Tohmatsu as the independent auditor of the Company for the ensuing year and authorize the Board to fix its remuneration.

** For identification purpose only*

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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) of this Resolution below, pursuant to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, the exercise by the directors of the Company (the **“Directors”**) during the Relevant Period (as defined below) of all the powers of the Company to allot, issue and deal with shares of the Company (the **“Shares”**) or securities convertible into or exchangeable for Shares, or options or warrants, for similar rights to subscribe for any 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) of this Resolution 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 number of Shares 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 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 (the **“Articles of Association”**) in force from time to time; or (iv) any issue of Shares upon the exercise of rights of subscription, conversion or exchange under the terms of any warrants of the Company or any securities which are convertible into or exchangeable for Shares, shall not exceed the aggregate of 20% of the aggregate number of the issued Shares as at the date of the passing of this Resolution and the authority pursuant to paragraph (a) of this Resolution above 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;

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- (ii) the expiration of the period within which the next annual general meeting of the Company is required to be held by the Articles of Association, the Companies Law, Cap. 22 (Law 3 of 1961, as consolidated or revised) of the Cayman Islands or any other applicable laws of the Cayman Islands; 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 the 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 such 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 applicable to the Company or any recognized regulatory body or any stock exchange applicable to the Company).”

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) of this Resolution below, the exercise by the directors of the Company (the **“Directors”**) during the Relevant Period (as defined below) of all the powers of the Company to repurchase the shares of the Company (the **“Shares”**) on The Stock Exchange of Hong Kong Limited (the **“Stock Exchange”**) or any other stock exchange on which the Shares may be listed and recognised by the Securities and Futures Commission of Hong Kong (the **“Commission”**) and the Stock Exchange under the Hong Kong Code on Share Buy-backs issued by the Commission for such purpose, and otherwise in accordance with the rules and regulations of the Commission, the Stock Exchange, the Companies Law, Cap. 22 (Law 3 of 1961, as consolidated or revised) of the Cayman Islands and all other applicable laws in this regard, be and the same is hereby generally and unconditionally approved;

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- (b) the aggregate number of the Shares which may be repurchased by the Company pursuant to the approval in paragraph (a) of this Resolution above during the Relevant Period (as defined below) shall not exceed 10% of the aggregate number of the issued Shares as at the date of the passing of this Resolution and the authority pursuant to paragraph (a) of this Resolution above shall be limited accordingly; and
- (c) for the purpose 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 to be held by the articles of association of the Company, the Companies Law, Cap. 22 (Law 3 of 1961, as consolidated or revised) of the Cayman Islands or any other applicable laws of the Cayman Islands; 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.”
7. To consider and, if thought fit, pass with or without amendments the following resolution as an ordinary resolution:

“**THAT** subject to the passing of Resolutions no. 5 and 6 set out in the notice convening the annual general meeting of the Company (the “**Notice**”), the authority of the directors of the Company pursuant to Resolution no. 5 set out in the Notice be and the same is hereby approved to extend to cover such amount representing the aggregate number of the issued shares of the Company (the “**Shares**”) repurchased pursuant to the authority granted pursuant to Resolution no. 6 set out in the Notice provided that such number shall not exceed 10% of the aggregate number of the issued Shares as at the date of the passing of this Resolution.”

By order of the Board of
ELL Environmental Holdings Limited
Chan Kwan
Executive Director and Chief Executive Officer

Hong Kong, 30 April 2019

NOTICE OF 2019 AGM

Registered Office:

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

Principal Place of Business in Hong Kong:

Units 1-3, 11th Floor
Westlands Centre
20 Westlands Road
Hong Kong

Notes:

1. Any member of the Company (the “**Member**”) entitled to attend and vote at the 2019 AGM convened by the Notice or its adjourned meeting (as the case may be) is entitled to appoint one (or, if he/she/it holds two or more shares in the Company, more than one) proxy to attend and, on a poll, vote on his/her/its behalf subject to the provisions of the Articles of Association. A proxy need not be a Member but must be present in person at the 2019 AGM to represent the Member. If more than one proxy is so appointed, the appointment shall specify the number and class of such Shares in respect of which such proxy is so appointed.
2. In order to be valid, the duly completed and signed form of proxy must be deposited together with a power of attorney or other authority, if any, under which it is signed or a notarially certified copy of that power or authority, at the office of the Company’s branch share registrar in Hong Kong, Boardroom Share Registrars (HK) Limited at Room 2103B, 21/F., 148 Electric Road, North Point, Hong Kong not less than 48 hours before the time for holding the 2019 AGM or its adjourned meeting. Completion and return of a form of proxy will not preclude a Member from subsequently attending in person and voting at the 2019 AGM or its adjourned meeting should he/she so wish.
3. For determining the Members’ entitlement to attend and vote at the 2019 AGM, the register of Members will be closed from Tuesday, 18 June 2019 to Friday, 21 June 2019 (both dates inclusive), during which period no transfer of Shares will be effected. In order to qualify for attending and voting at the forthcoming 2019 AGM, the non-registered Members must lodge all transfer documents, accompanied by the relevant share certificates, with the Company’s Hong Kong branch share registrar, Boardroom Share Registrars (HK) Limited at Room 2103B, 21/F., 148 Electric Road, North Point, Hong Kong for registration not later than 4:30 p.m. on Monday, 17 June 2019.
4. In relation to the proposed Resolution no. 4 above, the Board concurs with the views of the audit committee of the Company and has recommended that Deloitte Touche Tohmatsu be re-appointed the independent auditor of the Company.
5. In relation to the proposed Resolutions no. 5 and 7 above, approval is being sought from the Members for the grant to the Directors of a general mandate to authorize the allotment and issue of Shares under the Rules Governing the Listing of Securities on the Stock Exchange (the “**Listing Rules**”). The Directors have no immediate plans to issue any new Shares.
6. In relation to the proposed Resolution no. 6 above, the Directors wish to state that they will exercise the powers conferred thereby to repurchase Shares only in the circumstances which they consider appropriate for the benefit of the Members. An explanatory statement containing the information necessary to enable the Members to make an informed decision to vote on the proposed resolution as required by the Listing Rules is set out in Appendix II to the circular of the Company dated 30 April 2019.

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7. In compliance with Rule 13.39(4) of the Listing Rules, voting on all proposed resolutions set out in the Notice will be decided by way of a poll.
8.
 - (a) Subject to paragraph (b) below, if a tropical cyclone warning signal No. 8 or above is expected to be hoisted or a black rainstorm warning signal is expected to be in force at any time between 7:00 a.m. and 5:00 p.m. on the date of the 2019 AGM, the 2019 AGM will be postponed and Members will be informed of the date, time and venue of the postponed 2019 AGM by a supplemental notice posted on the respective websites of the Company and the Stock Exchange.
 - (b) If a tropical cyclone warning signal No. 8 or above or a black rainstorm warning signal is lowered or cancelled three hours or more before the appointed time of the 2019 AGM and where conditions permit, the 2019 AGM will be held as scheduled.
 - (c) The 2019 AGM will be held as scheduled when a tropical cyclone warning signal No. 3 or below is hoisted or an amber or red rainstorm warning signal is in force.
 - (d) After considering their own situations, Members should decide on their own whether or not they would attend the 2019 AGM under any bad weather condition and if they do so, they are advised to exercise care and caution.
9. The translation into Chinese language of this Notice is for reference only. In case of any inconsistency, the English version shall prevail.