


Meeting Date:	Tue, 23 Dec 2014 10:00am	Type:	EGM	Issue date:	Fri, 12 Dec 2014
Meeting Location:	United Conference Centre, 10/F, United Centre, 95 Queensway, Admiralty, Hong Kong				
Current Indices:	PIRC SE Asia				
Sector:	Water Utilities				

PROPOSALS	ADVICE
<p>1 Approve Subscription Agreement Shareholders are asked to approve the subscription agreement dated 14 September 2014 entered into between the Company and Sound Environment (Hong Kong) Limited (“Sound Environment (HK)”) in connection with the subscription of 280,373,831 shares at a subscription price of HK\$8.10 per share to be issued and allotted conditionally by the Company to Sound Environment (HK). Triodos supports this resolution.</p>	For
<p>2 Approve Sale and Purchase Agreement Shareholders are asked to approve the sale and purchase agreement dated 14 September 2014 (the “Sale and Purchase Agreement”) entered into between the Company as purchaser and Sound Environmental Resources Co. Ltd. as vendor in connection with the conditional sale and purchase of the entire registered capital of Hubei Yi Hong Water Treatment Company Limited at the consideration of RMB1,200,000,000 (equivalent to approximately HK\$1,518,990,000). Triodos supports this resolution.</p>	For

Supporting Information for Resolutions

Proposal 1 - Pursuant to the Subscription Agreement, the Company conditionally agreed to allot 280,373,831 new Shares, representing approximately 19.11% of the existing issued share capital of the Company as at the date of the Latest Practicable Date and approximately 16.04% of the issued share capital of the Company as enlarged by the Subscription Shares. The Company will seek the Specific Mandate from the Independent Shareholders at the EGM for the allotment and issue of the Subscription Shares which is welcomed. The subscription price is discount of approximately 9.19% to the closing price of HK\$8.92 per Share as quoted on the Stock Exchange on 10 September 2014. Over the past 90 trading days up to and including 10 September the subscription price is a premium of approximately 8.58% to the average closing price per Share as quoted on the Stock Exchange of approximately HK\$7.46.

Proposal 2 - Pursuant to the 1st Sale and Purchase Agreement, Sound Water (BVI) conditionally agreed to sell a total of 264,797,507 Sale Shares, representing approximately 18.05% of the existing issued share capital of the Company as at the Latest Practicable Date and approximately 15.15% of the issued share capital of the Company as enlarged by the Subscription Shares. The Company will seek the Specific Mandate from the Independent Shareholders at the EGM for the allotment and issue of the Subscription Shares which is welcomed. The selling price is a discount of approximately 9.19% to the closing price of HK\$8.92 per Share as quoted on the Stock Exchange on 10 September 2014. Over the past 90 trading days up to and including 10 September the subscription price is a premium of approximately 8.58% to the average closing price per Share as quoted on the Stock Exchange of approximately HK\$7.46.

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