

CT ENVIRONMENTAL GROUP LTD

MEETING DATE	Wed, 28 Oct 2015 15:30 pm	TYPE	EGM	ISSUE DATE	Mon, 26 Oct 2015
MEETING LOCATION	Harbour Room I, Kowloon Shangri-La, 64 Mody Road, Kowloon, Hong Kon				
CURRENT INDICES	PIRC SE Asia				
SECTOR	Water, sewer, pipeline, and communications and power line construction				

COMPANY OVERVIEW

CT Environmental Group Limited is a wastewater and industrial water supply services company focusing on industrial wastewater. Its services covers the chain of wastewater treatment, from design and planning, procurement and construction, to operations and maintenance. The Company was founded in 1999 and is headquartered in Hong Kong.

PROPOSALS

ADVICE

1 Issue shares to a related party

For

Approval is sought to issue shares through a Subscription Agreement pursuant to which the Subscriber Mr. Gu Yao Kun, will purchase 200,000,000 new shares at a price of HKD 2.575 per share. The Subscription shares represent approximately 3.27% of the issued share capital of the Company and approximately 3.17% of the enlarged issued share capital of the Company. The issue price represents: a premium of approximately 0.98% over the closing price of HKD 2.550 per share at the date of the Subscription Agreement; a premium of approximately 13.54% to the average closing price per share of approximately HKD 2.268 as quoted on the Stock Exchange for the last five consecutive trading days immediately preceding the date of the Subscription Agreement; and a premium of approximately 3.83% over the closing price of HKD 2.48 per share as quoted on the Stock Exchange as of 02 October 2015. Net proceeds from the Subscription are estimated to be approximately HKD 513,550,000, and they will be used by the Company for financing mergers and acquisitions, capital expenditures, partial repayment of bank loans and for working capital and general corporate purposes.

Such transactions are considered on the basis of whether the transaction has been adequately explained and whether there is sufficient independent oversight of the recommended transaction. The circular contains full details of the transaction. Whilst there is insufficient independent representation on the Board, the Independent Board Committee comprising solely independent Non-Executive Directors, has determined the proposed transaction to be fair and reasonable. Triodos supports this resolution.

SUPPORTING INFORMATION FOR RESOLUTIONS

Proposal 1 - Issue shares to a related party

Mr. Gu Yao Kun is a Director of the PRC Subsidiary of the Company, and therefore considered to be a related party.

BOARD AND COMMITTEE COMPOSITION (post-Meeting)

DIRECTORS NAME	GENDER	PIRC	COMPANY	BOARD	AC	RC	NC	TENURE
Tsui Cham To	M	No	No	ExCh	-	Y	Y	4
Lu Yili	M	No	No	Exec	-	-	-	5
Xu Ju Wen	M	No	No	Exec	-	-	-	12
Xu Shu Biao	M	No	No	Exec	-	-	-	4
Xu Zi Tao	M	No	No	Exec	-	-	-	4
Liu Yung Chau	M	Yes	Yes	NED	Y	-	Y*	4
Vincent Lien Jown Jing	M	Yes	Yes	NED	Y*	-	Y	1
Du Hequn	M	Yes	Yes	NED	Y	Y*	-	1
Number of Meetings				-	-	-	-	
Number of NED only Meetings				-				

BOARD OF DIRECTORS (post-Meeting)

PIRC assesses a non-executive director's independence according to PIRC's shareholder guidelines. Comments represent PIRC's analysis based on information in the report and accounts. AC = Audit Committee, RC = Remuneration Committee, NC = Nomination Committee, C = Corporate Responsibility or Ethics Committee, * = Committee Chairman.

TSUI CHAM TO		CHAIRMAN (EXECUTIVE)	
AGE	48	TENURE	4 Years
OTHER POSITION	ex-Guangdong Foundation for Justice and Courage [VCh]; ex-Guangzhou Overseas Chinese Chamber of Commerce [VPres]; ex-Hong Kong Yan Chai Hospital [Dir]; ex-Shenzhen University [Ch Professor of Faculty]; ex-Standing Committee of the 6th, 7th and 8th sessions of Zengcheng City Chinese People's Political Consultative Conference [Mem]; ex-Standing Committee of the 9th session of the Huizhou City Chinese People's Political Consultative Conference [Mem]		
INDEPENDENT BY PIRC	N	INDEPENDENT BY COMPANY	N
COMMENT	Founder of the group. He is a brother of Mr. Xu Zi Tao and is a cousin of Mr. Xu Ju Wen.		
LU YILI		EXECUTIVE DIRECTOR	
AGE	40	TENURE	5 Years
OTHER POSITION	none disclosed.		
INDEPENDENT BY PIRC	N	INDEPENDENT BY COMPANY	N
COMMENT	Executive Director and Managing Director		
XU JU WEN		EXECUTIVE DIRECTOR	
AGE	40	TENURE	12 Years
OTHER POSITION	ex-Guangzhou To Kee Enterprises Development Group Limited [Assistant General Manager]; ex-of Guangzhou Zhugang Pier Company Limited [General Manager, Exec Dir]		
INDEPENDENT BY PIRC	N	INDEPENDENT BY COMPANY	N
COMMENT	Executive Director and Vice President. Mr. Xu is a cousin of Mr. Tsui Cham to and Mr. Xu Zi Tao.		

XU SHU BIAO		EXECUTIVE DIRECTOR			
AGE	49	TENURE	4 Years	COMMITTEES	None
OTHER POSITION	ex-Guangzhou To Kee Enterprises Development Group Limited [Assistant General Manager]				
INDEPENDENT BY PIRC	N	INDEPENDENT BY COMPANY		N	
COMMENT	Chief Operating Officer				

XU ZI TAO		EXECUTIVE DIRECTOR			
AGE	45	TENURE	4 Years	COMMITTEES	None
OTHER POSITION	ex-Guangzhou To Kee [Manager]; ex-Guangzhou Xinzhou Industrial Park [Assistant Manager]				
INDEPENDENT BY PIRC	N	INDEPENDENT BY COMPANY		N	
COMMENT	He is the brother of Mr. Tsui Cham to and a cousin of Mr. Xu Ju Wen.				

LIU YUNG CHAU		NON-EXECUTIVE DIRECTOR			
AGE	61	TENURE	4 Years	COMMITTEES	A,N*
OTHER POSITION	Guangzhou Sun City Group Limited [Dir]; Yue Hua Group Company Limited [Dir]; ex-Guangdong Chamber of Foreign Investors [VCh]; ex-Guangdong Federation of Industry [Standing Committee Mem]; ex-Hong Kong Industrial & Commercial General Association [Chief Pres]; ex-Zengcheng Federation of Industry [Ch]				
INDEPENDENT BY PIRC	Y	INDEPENDENT BY COMPANY		Y	

VINCENT LIEN JOWN JING		NON-EXECUTIVE DIRECTOR			
AGE	54	TENURE	1 Year	COMMITTEES	A*,N
OTHER POSITION	P Energy Development Group Limited [NED]; Primeline Energy Holdings Inc. [NED]; The Maritime and Port Authority of Singapore [Dir]; Viva China Holdings Limited [NED]; Wah Hin & Company [Dir]; ex-ABN AMRO Bank [MD]; ex-Bankers Trust & Company [Snr Positions]; ex-Merrill Lynch & Company [Finance]; ex-Swiss Bank Corporation [Snr Positions]				
INDEPENDENT BY PIRC	Y	INDEPENDENT BY COMPANY		Y	

DU HEQUN		NON-EXECUTIVE DIRECTOR			
AGE	39	TENURE	1 Year	COMMITTEES	A,R*
OTHER POSITION	Venture Markit International Capital Management Group [MD]; ex-Commonwealth Bank of Australia [Snr positions]; ex-Credit Suisse [Snr positions]; ex-Deutsche Bank [Snr positions]; ex-Greater China Private & Structured Finance in Macquarie Group [MD]; ex-Harbin Overseas Friendship Association [Council Mem]; ex-Nantong Municipal Government [Snr economic Consultant]; ex-The China Federation of Overseas Chinese Entrepreneurs [Council Mem]; ex-Yaan Municipal Government [Snr economic Consultant]				
INDEPENDENT BY PIRC	Y	INDEPENDENT BY COMPANY		Y	

BOARD COMPOSITION

BOARD COMPOSITION FOLLOWING THE EGM

	CURRENT YEAR		- MEAN	
	Number	% of Board	Number	% of Board
Executive Director	5	62.5	n/a	n/a
Independent NED's	3	37.5	n/a	n/a
Connected NED's	0	0.0	n/a	n/a
Other	0	0.0	n/a	n/a

BOARD COMMITTEES FOLLOWING THE EGM**CURRENT YEAR****- MEAN**

	Number of Members	% Independent by PIRC	% Independent by Company	Number of Members	% Independent by PIRC
Whole Board	8	37.5	37.5	-	-
Audit	3	100.0	100.0	-	-
Remuneration	2	50.0	50.0	-	-
Nomination	3	66.67	66.67	-	-

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Researcher: Anita Sangwa
Email: pircresearch@pirc.co.uk

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Pensions & Investment Research Consultants Limited
8th Floor, Suite 8.02, Exchange Tower
2 Harbour Exchange Square
E14 9GE

Tel: 020 7247 2323
Fax: 020 7247 2457
<http://www.pirc.co.uk>

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