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

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.



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

Capitalised 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 2021 AGM to be held at Unit 5, 7th Floor, Westlands Centre, 20 Westlands Road, Hong Kong on Friday, 4 June 2021 at 10:30 a.m. is set out on pages 19 to 24 of this circular.

A form of proxy for use in connection with the 2021 AGM is enclosed with this circular. If you do not intend to attend the 2021 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 2021 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 2021 AGM or the adjournment thereof should you so wish and in such event, the form of proxy shall be deemed to be revoked.

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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:

“2020 AGM”	the AGM held on 12 June 2020
“2021 AGM”	the AGM to be held at Unit 5, 7th Floor, Westlands Centre, 20 Westlands Road, Hong Kong on Friday, 4 June 2021 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 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

DEFINITIONS

“INED(s)”	the independent non-executive Director(s)
“Issue Mandate”	the general and unconditional mandate proposed to be granted to the Directors at the 2021 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
“Latest Practicable Date”	22 April 2021, 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
“Predecessor Companies Ordinance”	the Companies Ordinance (Chapter 32 of the Laws of Hong Kong) as in force from time to time immediately before 3 March 2014
“Remuneration Committee”	the remuneration committee of the Board
“Repurchase Mandate”	the general and unconditional mandate proposed to be granted to the Directors at the 2021 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

DEFINITIONS

“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, supplemented or otherwise modified from time to time and administered by the Securities and Futures Commission of Hong Kong
“US”	the United States of America
“Year”	the year ended 31 December 2020
“%”	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
Ms. Leung Bo Yee Nancy

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:

Unit 5, 7th Floor
Westlands Centre
20 Westlands Road
Hong Kong

28 April 2021

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 2021 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 2021 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 2020 AGM will lapse at the conclusion of the 2021 AGM, an ordinary resolution will be proposed at the 2021 AGM to grant the Issue Mandate to the Directors. Based on 1,107,300,000 Shares in issue as at the Latest Practicable Date and assuming that no further Shares will be issued or no Shares will be repurchased and cancelled after the Latest Practicable Date and up to the date of the 2021 AGM, the Directors will be able to allot, issue and deal with up to a total of 221,460,000 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 2021 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 2020 AGM will lapse at the conclusion of the 2021 AGM, an ordinary resolution will be proposed at the 2021 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 1,107,300,000 Shares in issue as at the Latest Practicable Date and assuming that no further Shares will be issued or no Shares will be repurchased and cancelled after the Latest Practicable Date and up to the date of the 2021 AGM, the Company would be allowed to repurchase a maximum of 110,730,000 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.

LETTER FROM THE BOARD

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.

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 2021 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. Chau**”), Mr. Chan Kwan (“**Mr. Chan**”), Mr. Radius Suhendra and Mr. Chau Chi Yan Benny; 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 Ms. Leung Bo Yee Nancy.

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. Chau, Mr. Chan and Ms. Ng will retire from office by rotation and being eligible, have offered themselves for re-election at the 2021 AGM.

The biographical details of each of the above retiring Directors to be re-elected at the 2021 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 Mr. Chau, Mr. Chan and Ms. Ng abstaining) has assessed and evaluated the performance and the overall contribution of each of the above retiring Directors to the Company based on the Company’s nomination policy which was disclosed in the Corporate

LETTER FROM THE BOARD

Governance Report of the annual report of the Company for the Year and found their performance satisfactory. The Nomination Committee is of the view that based on the perspectives, skills and experience of Ms. Ng, she can bring further contributions to the Board and increase its diversity. In addition, with the nomination of the Nomination Committee, the Board has recommended that all the retiring Directors, namely Mr. Chau, Mr. Chan and Ms. Ng, stand for re-election as Directors at the 2021 AGM. For good corporate governance, each of the above retiring Directors abstained from voting at the relevant Board meeting on the respective propositions of their recommendations for re-election by the Shareholders.

2021 AGM

The notice convening the 2021 AGM is set out on pages 19 to 24 of this circular. At the 2021 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 2021 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 2021 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 2021 AGM or the adjournment thereof. Completion and return of the form of proxy will not preclude any Shareholder from attending and voting in person at the 2021 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 2021 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.

LETTER FROM THE BOARD

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.

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 2021 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 2021 AGM as set out in the Notice on pages 19 to 24 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 2021 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. Chau On Ta Yuen

Mr. Chau On Ta Yuen, aged 73, was appointed as a Director on 18 March 2014 and was re-designated as the Chairman and an executive Director on 5 September 2014. He has been the chairman of the Nomination Committee since 5 September 2014. Mr. Chau also holds directorships in certain subsidiaries of the Company and is mainly responsible for business development and strategic formulation of the Group. He joined the Group in December 2002 as a director of Everbest Water Treatment Development Company Limited, an indirect wholly-owned subsidiary of the Company. Mr. Chau is a director of and owns 90% of the issued shares in Wealthy Sea Holdings Limited (“**Wealthy Sea**”), a substantial shareholder of the Company.

Mr. Chau obtained a bachelor's degree in Chinese language and literature from Xiamen University (廈門大學) in the PRC in August 1968. He is currently a member of the 12th National Committee of the Chinese People's Political Consultative Conference (中國人民政治協商會議), a deputy officer of the Social and Legal Affairs Committee of the Chinese People's Political Consultative Conference (全國政協社會和法制委員會) and the vice chairman and the secretary-general of the 10th board of directors of the Hong Kong Federation of Fujian Associations (香港福建社團聯會). Mr. Chau was awarded the Bronze Bauhinia Star and the Silver Bauhinia Star by the Hong Kong government in 2010 and 2016, respectively.

Mr. Chau has held directorships in various companies listed on the Stock Exchange. Mr. Chau was the chairman and an executive director of China Ocean Industry Group Limited (stock code: 651) from September 2007 and has ceased to be the chairman from June 2015 and was re-designated as a non-executive director and appointed as the honorary chairman from June 2015 to November 2019. Mr. Chau has also been appointed as an independent non-executive director of Redco Properties Group Limited (stock code: 1622), Come Sure Group (Holdings) Limited (stock code: 794), Good Resources Holdings Limited (stock code: 109) and Million Hope Industries Holdings Limited (stock code: 1897) since January 2014, February 2009, July 2007 and June 2020, respectively. Mr. Chau had also been an executive director of Rosan Resources Holdings Limited (stock code: 578) from March 2000 to November 2006, an independent non-executive director of Hao Wen Holdings Limited (stock code: 8019) from June 2003 to August 2009, GR Properties

Limited (stock code: 108) from December 2008 to September 2010, Leyou Technologies Holdings Limited (stock code: 1089) from December 2010 to May 2016 and Hang Pin Living Technology Company Limited (stock code: 1682) from September 2017 to April 2021. Mr. Chau is the father of Mr. Chau Chi Yan Benny, an executive Director.

Mr. Chau was also a director of Wealthy Sea, a company incorporated in Hong Kong on 28 April 1997. On 8 September 2006, Wealthy Sea was struck off and dissolved due to its failure to file annual returns to the Companies Registry of Hong Kong (the “Registry”) after 2002. On 21 June 2011, the High Court of Hong Kong granted the order for restoration of the name of the company “Wealthy Sea Holdings Limited (潤海集團有限公司)” to the register of the Registry.

Mr. Chau was the director of the following companies which were incorporated in Hong Kong and were deregistered pursuant to section 291AA of the Predecessor Companies Ordinance which provides that a defunct and solvent company may be dissolved by way of deregistration. The deregistration of all the following three companies was voluntary by way of submitting an application to the Registry because these companies had either never commenced business or operation or ceased to carry on business or operation for more than three months immediately before the relevant application. The relevant details are as follows:

Name of company	Nature of business	Date of incorporation	Date of deregistration
Everbest Water Treatment Investment (Rugao) Limited (恒發水務投資(如皋)有限公司)	Investment holding	23 March 2004	27 February 2009
Gold Power Holdings Limited (金英集團有限公司)	Inactive	19 September 1997	14 November 2003
Wealthy Sea Group (H.K.) Limited (潤海集團(香港)有限公司)	Trading and investment	1 November 2006	16 November 2012

Mr. Chau has entered into a service agreement with the Company since 5 September 2014 and is subject to retirement by rotation and re-election at the 2021 AGM in accordance with the Articles of Association. He is presently entitled to a director’s fee, including the fee for acting as Chairman, of HK\$120,000 per annum and an annual salary of RMB60,000. His emolument was recommended by the Remuneration Committee and determined by the Board by reference to his responsibilities and duties within the Company. For the Year, the total amount of his emoluments was approximately HK\$287,000.

As at the Latest Practicable Date, Mr. Chau held 225,000,000 Shares, representing approximately 20.32% of the issued Shares, through Wealthy Sea which is owned as to 90% by him and 10% by his wife.

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

Mr. Chan Kwan

Mr. Chan Kwan, aged 38, 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 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 2021 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 RMB215,300 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\$479,000.

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 337,500,000 Shares, representing approximately 30.48% of the issued Shares; and (ii) owned 20% of the issued shares in Kingdrive Limited, which owned all the issued shares in Carlton Asia Limited. Carlton Asia Limited 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.

Ms. Ng Chung Yan Linda

Ms. Ng Chung Yan Linda, aged 45, 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 United Kingdom 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 2021 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 1,107,300,000 issued Shares. Subject to the passing of the ordinary resolution for the approval of the Repurchase Mandate and assuming that no further Shares will be issued or no Shares will be repurchased and cancelled after the Latest Practicable Date and up to the date of the 2021 AGM, the Directors would be authorised to repurchase up to a maximum of 110,730,000 Shares, representing 10% of the issued Shares as at the date of the 2021 AGM up to (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; 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 2020, 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
2020		
April	0.123	0.096
May	0.102	0.081
June	0.120	0.085
July	0.169	0.091
August	0.120	0.092
September	0.115	0.102
October	0.130	0.097
November	0.113	0.081
December	0.095	0.078
2021		
January	0.101	0.080
February	0.650	0.084
March	0.202	0.104
April (up to and including the Latest Practicable Date)	0.140	0.102

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, has any present intention to sell to the Company any of the Shares if the Repurchase Mandate is approved at the 2021 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		Approximate percentage of shareholding interest in the Company	Approximate percentage of if Repurchase Mandate is exercised in full
		Shares held	Position held		
Ms. Wong Shu Ying ("Ms. Wong") (Notes 1 and 3)	Interest in controlled corporations and beneficial owner	365,080,000	Long Position	32.97%	36.63%

Name of Shareholders	Capacity/ Nature of interest	Number of issued		Approximate percentage of shareholding interest in the Company	Approximate percentage of shareholding interest in the Company if Repurchase Mandate is exercised in full
		Shares held	Position held		
Mr. Chan Chun Keung (<i>Note 4</i>)	Interest in a controlled corporation and interest held by spouse	365,080,000	Long Position	32.97%	36.63%
Mr. Chan Kwan (“ Mr. Chan ”) (<i>Note 1</i>)	Interest in controlled corporations	353,200,000	Long Position	31.90%	35.44%
Everbest Environmental Investment Limited (“ Everbest Environmental ”) (<i>Note 1</i>)	Beneficial owner	337,500,000	Long Position	30.48%	33.87%
Mr. Chau On Ta Yuen (“ Mr. Chau ”) (<i>Note 2</i>)	Interest in a controlled corporation	225,000,000	Long Position	20.32%	22.58%
Ms. Wong Mei Ling (<i>Note 2</i>)	Interest held by spouse	225,000,000	Long Position	20.32%	22.58%
Wealthy Sea Holdings Limited (“ Wealthy Sea ”) (<i>Note 2</i>)	Beneficial owner	225,000,000	Long Position	20.32%	22.58%
Morgan Top Trading Co., Ltd.	Beneficial owner	143,300,000	Long Position	12.94%	14.38%

Notes:

- (1) Everbest Environmental which held 337,500,000 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, the non-executive Director. Mr. Chan also owns 20% of the issued shares in Kingdrive Limited (“**Kingdrive**”). Kingdrive in turn owns all the issued shares in Carlton Asia Limited (“**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. Chau Chi Yan Benny, 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. Chan Pak Lam Brian and therefore, each of Ms. Wong and Mr. Chan Chun Keung was deemed to be interested in the 8,665,000 Shares held by Hightop pursuant to the SFO. Together with the 337,500,000 Shares held through Everbest Environmental and 18,915,000 Shares held as beneficial owner, Ms. Wong was deemed to be interested in a total of 365,080,000 Shares pursuant to the SFO.
- (4) Mr. Chan Chun Keung was deemed to be interested in a total of 365,080,000 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 33.87% and the deemed proportionate shareholding interests in the Company of Mr. Chan would be increased to approximately 35.44%; (ii) the deemed shareholding interests in the Company of Ms. Wong and Mr. Chan Chun Keung would be increased to approximately 36.63%; 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 22.58%. 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 dated 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

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.

NOTICE OF 2021 AGM



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 “**2021 AGM**”, respectively) will be held at Unit 5, 7th Floor, Westlands Centre, 20 Westlands Road, Hong Kong on Friday, 4 June 2021 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 2020.
2. To re-elect the following retiring directors of the Company by way of a separate resolution:
 - (i) Mr. Chau On Ta Yuen as an executive director of the Company;
 - (ii) Mr. Chan Kwan 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 authorise the board of directors of the Company (the “**Board**”) to fix the directors’ remuneration for the year ending 31 December 2021.
4. To re-appoint Baker Tilly Hong Kong Limited as the independent auditor of the Company for the ensuing year and authorise the Board to fix its remuneration.

* For identification purpose only

NOTICE OF 2021 AGM

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 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;

NOTICE OF 2021 AGM

- (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 recognised 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 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;
- (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

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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, 28 April 2021

NOTICE OF 2021 AGM

Registered Office:

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

Principal Place of Business in Hong Kong:

Unit 5, 7th Floor
Westlands Centre
20 Westlands Road
Hong Kong

Notes:

1. Any member of the Company (the “**Member**”) entitled to attend and vote at the 2021 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 2021 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 2021 AGM or its adjourned meeting. Completion and return of a form of proxy will not preclude a Member from subsequently attending and voting in person at the 2021 AGM or its adjourned meeting should he/she so wish.
3. For determining the Members’ entitlement to attend and vote at the 2021 AGM, the register of Members will be closed from Tuesday, 1 June 2021 to Friday, 4 June 2021 (both dates inclusive), during which period no transfer of Shares will be effected. In order to qualify for attending and voting at the forthcoming 2021 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, 31 May 2021.
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 Baker Tilly Hong Kong Limited 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 authorise 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.

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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 28 April 2021.
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 2021 AGM, the 2021 AGM will be postponed and Members will be informed of the date, time and venue of the postponed 2021 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 2021 AGM and where conditions permit, the 2021 AGM will be held as scheduled.
 - (c) The 2021 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 2021 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.