



**CANVEST ENVIRONMENTAL PROTECTION
GROUP COMPANY LIMITED**

粵豐環保電力有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1381)

17 April 2025

*To the Independent Shareholders, the EB Amendments Independent Shareholders and the
Optionholder*

Dear Sir or Madam,

**(1) PROPOSAL FOR THE PRIVATISATION OF
CANVEST ENVIRONMENTAL PROTECTION GROUP COMPANY LIMITED
BY THE OFFEROR BY WAY OF A SCHEME OF ARRANGEMENT**

**(UNDER SECTION 86 OF THE COMPANIES ACT OF
THE CAYMAN ISLANDS)**

(2) OPTION OFFER

**(3) CONNECTED TRANSACTIONS AND SPECIAL DEALS IN RELATION TO
THE LAND DISPOSAL, SMART PARKING DISPOSAL AND
OFFICE BUILDING DISPOSAL**

(4) SPECIAL DEAL IN RELATION TO THE ROLLOVER ARRANGEMENT

**(5) SPECIAL DEAL IN RELATION TO AMENDMENTS TO THE
EXCHANGEABLE BONDS TERMS AND CONDITIONS**

(6) PROPOSED WITHDRAWAL OF LISTING OF THE COMPANY

We refer to the scheme document dated 17 April 2025 jointly issued by the Company and the Offeror in relation to the Proposal (the “Scheme Document”), of which this letter forms part. Terms defined in the Scheme Document have the same meanings in this letter unless the context otherwise requires.

We have been appointed as members of the Independent Board Committee to give advice and recommendation to the Independent Shareholders in respect of the Proposal, the Scheme, the Rollover Arrangement, the Land Disposal, the Smart Parking Disposal, the Office Building Disposal and the Option Offer, and to the EB Amendments Independent Shareholders in respect of the EB Amendments only, the details of which are set out in the letter from the Board and the Explanatory Memorandum.

Somerley Capital Limited has been appointed with our approval as the Independent Financial Adviser to give advice and recommendation to us in respect of the Proposal, the Scheme, the Rollover Arrangement, the Land Disposal, the Smart Parking Disposal, the Office Building Disposal, the EB Amendments and the Option Offer. Details of the advice from the Independent Financial Adviser and the principal factors which the Independent Financial Adviser has taken into consideration in arriving at its advice and recommendation are set out in the letter from Independent Financial Adviser.

In the letter from Independent Financial Adviser, the Independent Financial Adviser states that it considers the terms of the Proposal, the Scheme, the Rollover Arrangement, the Land Disposal, the Smart Parking Disposal, the Office Building Disposal, the EB Amendments and the Option Offer are fair and reasonable, and advises the Independent Board Committee to recommend (i) the Independent Shareholders to vote in favour of (a) the Scheme at the Court Meeting (b) the resolutions necessary to implement the Proposal, the Rollover Arrangement, the Land Disposal, the Smart Parking Disposal and the Office Building Disposal at the EGM, (ii) the EB Amendments Independent Shareholders to vote in favour of the resolutions necessary to implement the EB Amendments, and (iii) the Optionholder to accept the Option Offer.

RECOMMENDATIONS

The Independent Board Committee, having considered the terms of the Proposal, the Scheme, the Rollover Arrangement, the Land Disposal, the Smart Parking Disposal, the Office Building Disposal, the EB Amendments and the Option Offer, and having taken into account the advice and recommendation of the Independent Financial Adviser (in particular the factors, reasons and recommendations as set out in the letter from Independent Financial Adviser), considers that the terms of the Proposal, the Scheme, the Rollover Arrangement, the Smart Parking Disposal and the Office Building Disposal, the Land Disposal, the EB Amendments and the Option Offer are fair and reasonable.

Accordingly, we recommend that:

- (1) at the Court Meeting, the Independent Shareholders to vote in favour of the resolution to approve the Scheme;

(2) at the EGM:

(a) the Independent Shareholders to vote in favour of:

- (i) the special resolution to approve and give effect to any reduction of the issued share capital of the Company associated with the cancellation of the Scheme Shares;
- (ii) the ordinary resolution to contemporaneously maintain the issued share capital of the Company at the amount immediately prior to the cancellation of the Scheme Shares by issuing to the Offeror such number of new Shares as is equal to the number of Scheme Shares cancelled and applying the credit arising in the Company's books of accounts as a result of the aforesaid cancellation of the Scheme Shares to pay up in full at par such number of new Shares for issuance to the Offeror;
- (iii) the ordinary resolution to approve the Rollover Arrangement; and
- (iv) the ordinary resolution to approve the Land Disposal, Smart Parking Disposal and Office Building Disposal;

(b) the EB Amendments Independent Shareholders to vote in favour of the ordinary resolution to approve the EB Amendments; and

(3) the Optionholder to accept the Option Offer.

The Independent Board Committee draws the attention of the Independent Shareholders, the EB Amendments Independent Shareholders and the Optionholder to:

(i) the letter from the Board; (ii) the letter from the Independent Financial Adviser, which sets out the factors and reasons taken into account by the Independent Financial Adviser in arriving at its advice and recommendation to the Independent Board Committee; and (iii) the Explanatory Memorandum.

Yours faithfully,
Independent Committee of the Board



Mr. FENG Jun
Non-executive Director

Professor SHA Zhenquan
Independent non-executive Director

Mr. CHAN Kam Kwan Jason
Independent non-executive Director

Mr. CHUNG Kwok Nam
Independent non-executive Director

Mr. LEE Tsung Wah Jonathan
Independent non-executive Director

Yours faithfully,

Independent Committee of the Board

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Non-executive Director



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Independent non-executive Director

Professor SHA Zhenquan

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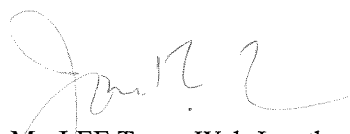
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