



**IN THE GRAND COURT OF THE CAYMAN ISLANDS
FINANCIAL SERVICES DIVISION**

CAUSE NO. FSD OF 2025 ()

**IN THE MATTER OF SECTIONS 15 AND 86 OF THE COMPANIES ACT (2025
REVISION)**

**AND IN THE MATTER OF ORDER 102 OF THE GRAND COURT RULES 2023 (AS
REVISED)**

**AND IN THE MATTER OF CANVEST ENVIRONMENTAL PROTECTION GROUP
COMPANY LIMITED 粵豐環保電力有限公司**

PETITION

To: The Grand Court of the Cayman Islands

**THE HUMBLE PETITION OF CANVEST ENVIRONMENTAL PROTECTION GROUP
COMPANY LIMITED 粵豐環保電力有限公司**, whose registered office is at the offices of
Maples Corporate Services Limited, PO Box 309, Ugland House, Grand Cayman, KY1-
1104, Cayman Islands, shows the following:

Object of the Petition

1. The object of this Petition is to seek:
 - (a) the sanction of the Court, pursuant to section 86 of the Companies Act (2025 Revision) (the "**Companies Act**"), to a proposed scheme of

arrangement (the “**Scheme**”) between the petitioner, Canvest Environmental Protection Group Company Limited 粵豐環保電力有限公司 (the “**Company**”) and the Scheme Shareholders (as defined in the scheme document (the “**Scheme Document**”)) a draft of which is attached as Exhibit “LWY-1” to the first affirmation of Lee Wing Yee Loretta made on 27 March 2025; and

- (b) the confirmation of the Court, pursuant to section 15 of the Companies Act, of any reduction of the issued share capital of the Company associated with the cancellation of the Scheme Shares (as defined in the Scheme) pursuant to the Scheme (the “**Capital Reduction**”). The Capital Reduction is expected to be approved by way of a special resolution to be passed at an extraordinary general meeting of the shareholders of the Company to be held as soon as practicable after the conclusion or adjournment of the Court Meeting (as defined below) on the same day.

The Company

2. The Company was incorporated under the name “Canvest Environmental Protection Group Company Limited” on 28 January 2014 under the Companies Act as an exempted company with registration number 284673. The Company adopted “粵豐環保電力有限公司” as its dual foreign name on 23 May 2014.
3. The registered office of the Company is situated at the offices of Maples Corporate Services Limited, PO Box 309, Ugland House, Grand Cayman, KY1-1104, Cayman Islands, and the principal place of business of the Company is at 28/F, No. 9 Des Voeux Road West, Sheung Wan, Hong Kong.
4. The objects for which the Company was established are unrestricted, save for generally applicable statutory restrictions on its powers to trade in the Cayman

Islands and is otherwise capable of exercising all the functions of a natural person as provided by section 27(2) of the Companies Act.

5. The Company is an investment holding company and the principal activities of its group (the “**Group**”) are the operation and management of waste-to-energy plants, provision of environmental hygiene and related services and integrated smart city management services across several regions in the People’s Republic of China.

Share Capital and Listing

6. As at 27 March 2025, the Company has an authorised share capital of HK\$50,000,000 divided into 5,000,000,000 shares of a par value HK\$0.01 each (the “**Shares**”), of which 2,439,541,169 have been issued and fully paid-up or credited as fully paid-up and the remainder are unissued.
7. The Shares are listed on the Main Board of The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”).
8. As at 27 March 2025, the major shareholdings of the Company are as follows:

Shareholders	Number of Shares	Approximate %
Offeror		
Grandblue Investment Hongkong Limited (瀚藍(香港)環境投資有限公司) (the “ Offeror ”)	-	-
Offeror Concert Parties		
Shares held not subject to the Scheme		
Best Approach ⁽¹⁾	176,388,620	7.23

Shares held subject to the Scheme

Best Approach ⁽¹⁾	1,159,227,217	47.52
Ms. Loretta Lee ^(1,2)	1,376,000	0.06
Mr. KM Lai ⁽³⁾	10,000,000	0.41
Subtotal	1,346,991,837	55.22
Other directors		
Mr. Yuan Guozhen ^(4,5)	357,000	0.01
Professor Sha Zhenquan ⁽⁵⁾	100,000	0.004
Mr. Chung Kwok Nam ⁽⁵⁾	80,000	0.003
True Victor Holdings Limited ⁽⁶⁾	475,251,000	19.48
Other Scheme Shareholders	616,761,332	25.28
Total number of Shares in issue	2,439,541,169	100.00

Notes: The following are the notes in respect of the table above:

1. As at 27 March 2025:
 - (a) Best Approach Developments Limited (臻達發展有限公司) (“**Best Approach**”), a company incorporated under the laws of the British Virgin Islands (“**BVI**”) with limited liability, holds 1,335,615,837 Shares in the Company, of which 1,159,227,217 Shares will form part of the Scheme Shares and will be cancelled upon the Scheme becoming effective, and the remaining 176,388,620 Shares (the “**Rollover Shares**”) will be subject to the Rollover Arrangement (as defined below) and will not form part of the Scheme Shares.
 - (b) Of the 1,335,615,837 Shares held by Best Approach, 370,668,722 Shares have been pledged (the “**Pledge**”) by Best Approach to Shanghai Industrial Holdings Limited (“**Shanghai Industrial**”), a company incorporated in Hong Kong with limited liability, the shares of which are listed on the Main Board of the Stock Exchange, as security for certain exchangeable bonds (the “**Exchangeable Bonds**”) issued by Best

Approach to Shanghai Industrial exchangeable into shares of the Company. The parties to the Exchangeable Bonds are in the process of finalising certain amendments to the Exchangeable Bonds including an early release of the Pledge.

- (c) The entire issued share capital of Best Approach is directly or indirectly held by Harvest Vista Company Limited ("**VISTA Co**"), whose entire issued share capital is held by HSBC International Trustee Limited as trustee of the Harvest VISTA Trust, a trust with Mr. KM Lai (as defined below) and Ms. Loretta Lee as founders and established in accordance with the laws of the BVI. The discretionary beneficiaries of the Harvest VISTA Trust include Mr. KM Lai, Ms. Loretta Lee and the personal trust of Ms. Loretta Lee (the beneficiaries of which are Ms. Loretta Lee and her immediate family members). Best Approach is an Offeror Concert Party (as defined in the Scheme Document) for purposes of The Hong Kong Code on Takeovers and Mergers (the "**Takeovers Code**").

2. As at 27 March 2025:

- (a) Ms. Loretta Lee, an executive director of the Company, is an Offeror Concert Party for purposes of the Takeovers Code. Mr. Lai Chun Tung is an executive director of the Company and the spouse of Ms. Loretta Lee. Ms. Loretta Lee and Mr. Lai Chun Tung each hold 250,000 Share Options (as defined in the Scheme Document).
- (b) Under the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), Ms. Loretta Lee is deemed to be interested in the same number of Shares and Share Options in which Mr. Lai Chun Tung is interested.
- (c) Pursuant to the Irrevocable Undertaking (as defined in the Scheme Document), Ms. Loretta Lee has undertaken that she will refrain from exercising the 250,000 Share Options held by her and will accept the

Option Offer (as defined in the Scheme Document) in respect of the Share Options held by her.

3. Mr. Lai Kin Man (黎健文), also known as Li Jianwen (黎建文), an executive director and the deputy chairman of the Company (“**Mr. KM Lai**”), is an Offeror Concert Party for purposes of the Takeovers Code. Mr. KM Lai is deemed to be interested in 10,000,000 Shares held by his spouse, representing approximately 0.41% of the total issued share capital of the Company.
4. Mr. Yuan Guozhen, an executive director of the Company, holds 250,000 Share Options and is deemed to be interested in 357,000 Shares held by his spouse, representing approximately 0.01% of the total issued share capital of the Company.
5. None of these directors of the Company are acting in concert with the Offeror for purposes of the Takeovers Code.
6. True Victor Holdings Limited is an indirect wholly-owned subsidiary of Shanghai Industrial. True Victor Holdings Limited does not have any relationship with the Offeror. Other than the issuance of the exchangeable bonds in respect of the Shares by Best Approach to Shanghai Industrial (being the parent company of True Victor Holdings Limited), there is no relationship between Best Approach and True Victor Holdings Limited.
7. The aggregate of the percentage figures in the table above may not add up to the relevant sub-total or total percentage figures shown due to rounding of the percentage figures.

The Scheme Shares

9. All of the Shares in issue and such further Share(s) as may be issued prior to the Record Date (as defined in the Scheme Document), other than (i) those which are held or beneficially owned by the Offeror; and (ii) the Rollover Shares, will constitute the Scheme Shares.

10. Each of Best Approach, Mr. KM Lai and Ms. Loretta Lee has agreed to give an undertaking not to attend nor vote at the Court Meeting (as defined below) and to be bound by the terms of the Scheme.
11. The Offeror has agreed to give an undertaking to be bound by the terms of the Scheme.

The Scheme

12. The purpose of the Scheme is to privatise the Company and de-list the Company from the Stock Exchange such that the Company will be owned by the Offeror and Best Approach as to approximately 92.77% and 7.23% respectively.
13. The Scheme involves:
 - (a) the cancellation of all Scheme Shares in return for payment of the Cancellation Price (as defined in the Scheme Document) by the Offeror;
 - (b) subject to and contemporaneously with the cancellation of the Scheme Shares, the issued share capital of the Company will be restored to its former amount by the issue to the Offeror of an aggregate number of new Shares which is equal to the number of Scheme Shares cancelled and the Company will apply the credit created in its books of account as a result of the cancellation of the Scheme Shares to pay up in full at par the new Shares issued to the Offeror (the "**Restoration of Capital**").
14. The Scheme presents an opportunity for Scheme Shareholders to realise their investments in the Company for cash at a premium. The Cancellation Price is

fully explained in the Scheme Document together with the recommendation from the Independent Financial Adviser (as defined in the Scheme Document).

15. After careful consideration, the board of directors of the Company has determined that the Scheme, the Capital Reduction and the Restoration of Capital are in the best interests of the Company.
16. Under the Takeovers Code, unless permitted by the Securities and Futures Commission of Hong Kong (the “**SFC**”), Scheme Shareholders who are Offeror Concert Parties may not be counted for the purposes of satisfying the voting requirements of Rule 2.10 of the Takeovers Code but may be counted for the purposes of satisfying the voting requirements of section 86 of the Companies Act. As noted under paragraph 10, Best Approach, Mr. KM Lai and Ms. Loretta Lee has agreed to give an undertaking not to attend nor vote at the Court Meeting and to be bound by the terms of the Scheme.
17. The Company intends to make an application for directions, declarations and orders that, amongst other things:
 - (a) all Scheme Shareholders voting at the Court Meeting form one class for the purpose of approving the Scheme and are identified as one class in the Scheme Document;
 - (b) the Company be at liberty to convene a meeting of the Scheme Shareholders (the “**Court Meeting**”) for the purpose of considering and, if thought fit, approving the Scheme (with or without modification);
 - (c) directions as to the mode of delivery of the Scheme Document (including an explanatory memorandum) together with a proxy form to the Scheme Shareholders; and

- (d) the appointment of a chairman of the Court Meeting and for the conduct of the Court Meeting generally.
18. The Company proposes to convene the Court Meeting at which the following resolution (with such amendments as may be approved at the Court Meeting) will be considered:

“THAT a scheme of arrangement (the “Scheme”) dated 16 April 2025 between the Company and the Scheme Shareholders (as defined in the Scheme) in the form of the print thereof which has been produced to the meeting and, for the purpose of identification signed by the chairman of the meeting, or in such other form and on such terms and conditions as may be approved or imposed by the Grand Court of the Cayman Islands, be and is hereby approved.”

19. The Scheme Document exhibited as Exhibit “LWY-1” to the first affirmation of Lee Wing Yee Loretta will be sent to all Scheme Shareholders (with the possible exception of overseas shareholders of the Company).

Effect of the Scheme on Issued Share Capital

20. Article 10.2 of the third amended and restated articles of association of the Company provides as follows:

“The Company may by special resolution reduce its share capital or any capital redemption reserve in any manner authorised and subject to any conditions prescribed by the Companies Act.”

21. The Company intends to convene an extraordinary general meeting of the Shareholders (the “EGM”) to take place as soon as practicable after the Court Meeting on the same day at which the Company intends to submit, amongst other things, a special resolution to approve the Capital Reduction and an

ordinary resolution to approve the Restoration of Capital. The proposed resolutions are set out below.

SPECIAL RESOLUTION

1. *“THAT:*

- (a) pursuant to a scheme of arrangement dated 16 April 2025 (the “Scheme”) between the Company and the Scheme Shareholders (as defined in the Scheme) in the form of the print thereof, which has been produced to this meeting and for the purposes of identification signed by the chairman of this meeting, or in such other form and on such terms and conditions as may be approved or imposed by the Grand Court of the Cayman Islands, on the Effective Date (as defined in the Scheme), the issued shares in the share capital of the Company shall be reduced by the cancellation of the Scheme Shares (as defined in the Scheme); and*
- (b) any one of the directors of the Company be and is hereby authorised to do all acts and things considered by him/her to be necessary or desirable in connection with the implementation of the Scheme and the reduction of the issued shares in the share capital of the Company pursuant to the Scheme, including (without limitation) giving consent to any modification of, or addition to, the Scheme which the Grand Court of the Cayman Islands may see fit to impose.”*

ORDINARY RESOLUTIONS

2. *“THAT:*

- (a) subject to and contemporaneously with the cancellation of the Scheme Shares referred to in resolution 1(a) taking effect, the number of issued shares in the share capital of the Company be maintained at its former amount by issuance at par to the Offeror (as defined in the Scheme), credited as fully paid, of such number of new ordinary*

shares of HK\$0.01 each in the share capital of the Company as is equal to the number of Scheme Shares cancelled;

- (b) the credit arising in the books of account of the Company consequent upon the reduction of its issued share capital resulting from the cancellation of the Scheme Shares referred to in resolution 1(a) shall be applied by the Company in paying up in full at par the new ordinary shares issued to the Offeror pursuant to resolution 2(a) above, and any one of the directors of the Company be and is hereby authorised to allot and issue the same accordingly; and*
- (c) any one of the directors of the Company be and is hereby authorised to do all acts and things considered by him to be necessary or desirable in connection with the implementation of the Scheme and the maintenance of issued share capital pursuant to the Scheme, including (without limitation) the giving of consent to any modification of, or addition to, the Scheme, which the Grand Court of the Cayman Islands may see fit to impose.”*

22. The Scheme and the Capital Reduction will not involve any diminution of liability in respect of any unpaid share capital or the payment to any member of the Company of any paid up capital or other monies by the Company or alteration of the underlying assets, business operations, management or financial position of the Company and will have no effect on the creditors of the Company. The Restoration of Capital will take place contemporaneously with the Capital Reduction and the overall effect is that the issued share capital of the Company will be maintained at the same amount pre and post Scheme. The Company will continue to be able to pay its debts as they fall due in the ordinary course of business. It is therefore suggested that preparing a list of creditors be dispensed with and no enquiry as to creditors is necessary.

23. The form of minute proposed to be registered in relation to the Capital Reduction is as follows:

“The issued shares of par value HK\$0.01 each (the “Shares”) in the share capital of Canvest Environmental Protection Group Company Limited 粵豐環保電力有限公司 (the “Company”) was by virtue of a special resolution passed on and with the sanction of an Order of the Grand Court of the Cayman Islands dated reduced from HK\$ divided into Shares to HK\$ divided into Shares (the “Capital Reduction”). Subject to and contemporaneously with the Capital Reduction, the issued share capital of the Company was restored to HK\$ divided into by issuing to Grandblue Investment Hongkong Limited (瀚藍(香港)環境投資有限公司) credited as fully paid at par, Shares. The authorised share capital of the Company, on the registration of this minute, is HK\$50,000,000 divided into 5,000,000,000 shares of par value HK\$0.01 each.

24. The completed minute will be provided to the Court before the sanction of the Capital Reduction pursuant to the Scheme by the Court.

Approval of the Independent Shareholder to the Rollover Arrangement

25. The Scheme will also involve the Rollover Arrangement (as defined in the Scheme Document) whereby Best Approach will retain the Rollover Shares in the Company after the Scheme becomes effective.
26. The Offeror is of the view that it is important for the Company to retain Best Approach as a Shareholder after the completion of the Scheme so that the Offeror can draw upon the experience and long-term involvement of Best Approach and its beneficial owners in the business and operations of the Company to ensure that the benefits of synergies and collaboration between the

Offeror and the Company continue to be realised, which will enhance the competitiveness of the Offeror and the Company in the market and benefit the long-term sustainable development and growth of the Offeror and the Company.

27. Full details of the Rollover Arrangement are set out in the section headed 9. Special Deal In Relation to Rollover Arrangement in Part VII – Explanatory Memorandum of the Scheme Document.
28. As the Rollover Arrangement is not offered to all Shareholders, the Rollover Arrangement constitutes a special deal and requires the consent of the Executive under Rule 25 of the Takeovers Code. The Offeror has made an application for consent from the Executive to the Rollover Arrangement conditional on: (i) the Independent Financial Adviser confirming to the Independent Board Committee (as defined in the Scheme Document) that the Rollover Arrangement is fair and reasonable; and (ii) the passing of an ordinary resolution by the Independent Shareholders (as defined in the Scheme Document) at the EGM to approve the Rollover Arrangement.
29. The Independent Financial Adviser has stated in the letter from the Independent Financial Adviser in Part VI of the Scheme Document that in its opinion, the Rollover Arrangement is fair and reasonable as far as the Independent Shareholders are concerned.
30. If the Rollover Arrangement is not approved by the Independent Shareholders at the EGM, the Rollover Arrangement will not be implemented and the Scheme will not proceed.

Prayer for Relief

31. The Company therefore humbly prays as follows:

- (a) That the Scheme to be approved at the Court Meeting to be convened at the direction of this Honourable Court may be sanctioned by this Honourable Court.
- (b) That the Capital Reduction may be confirmed and that the minute referred to in paragraph 24 may be approved by the Court.
- (c) That the preparation of a list of creditors be dispensed with and an enquiry as to creditors is not necessary.
- (d) That, to this end, all necessary inquiries and directions may be made and given.
- (e) That such further or other order be made as the Court shall see fit.

Dated this 27th day of March 2025

Conyers Dill & Pearman LLP

Conyers Dill & Pearman LLP
Attorneys-at-Law for the Petitioner herein

NOTE: It is intended to serve this Petition on Canvest Environmental Protection Group Company Limited 粵豐環保電力有限公司 at its registered office located at the offices of Maples Corporate Services Limited, PO Box 309, Ugland House, Grand Cayman, KY1-1104, Cayman Islands.

This Petition is presented by Conyers Dill & Pearman LLP, for and on behalf of the Petitioner, whose address for service is that of its said Attorneys-at-Law, Second Floor, SIX, Cricket Square, PO Box 2681, Grand Cayman KY1-1111, Cayman Islands.

Notice of Hearing

This Petition, having been presented to the Court on the 27th day of March 2025, will be heard at the Law Courts, George Town, Grand Cayman on the day of 2025 at a.m./p.m or as soon thereafter as the Petition can be heard.