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If you have sold or transferred all your shares in South West Eco Development Limited (the “**Company**”), 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.

South West Eco Development Limited
西南環保發展有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock code: 8291)

GENERAL MANDATES TO REPURCHASE AND ISSUE SHARES
RE-ELECTION OF DIRECTORS
AND
NOTICE OF ANNUAL GENERAL MEETING

A notice convening the annual general meeting of the Company to be held at Kennedy Room, Level 7, Conrad Hong Kong, Pacific Place, 88 Queensway, Hong Kong on Friday, 3 May 2013 at 2:00 p.m. is set on pages 17 to 21 of this circular.

A form of proxy for the annual general meeting is enclosed with this circular. Whether or not you propose to attend the annual general meeting, you are requested to complete the form of proxy and return the same to the Company’s branch share registrar and transfer office in Hong Kong, Tricor Investor Services Limited, at 26th Floor, Tesbury Centre, 28 Queen’s Road East, Wanchai, Hong Kong in accordance with the instructions printed thereon not less than 48 hours before the time appointed for holding the annual general meeting or any adjournment thereof. Completion and return of the form of proxy will not preclude you from subsequently attending and voting in person at the annual general meeting or any adjournment thereof should you so wish.

This circular will remain on the “Latest Company Announcements” page of the GEM website at www.hkgem.com for at least 7 days from the date of its posting and on the website of the Company at <http://www.southwesteco.com>.

28 March 2013

CHARACTERISTICS OF GEM

GEM has been positioned as a market designed to accommodate companies to which a higher investment risk may be attached than other companies listed on the Stock Exchange. Prospective investors should be aware of the potential risks of investing in such companies and should make the decision to invest only after due and careful consideration. The greater risk profile and other characteristics of GEM mean that it is a market more suited to professional and other sophisticated investors.

Given the emerging nature of companies listed on GEM, there is a risk that securities traded on GEM may be more susceptible to high market volatility than securities traded on the Main Board of the Stock Exchange and no assurance is given that there will be a liquid market in the securities traded on GEM.

TABLE OF CONTENTS

	<i>Page</i>
DEFINITIONS	1
 LETTER FROM THE BOARD	
Introduction	3
Repurchase Mandate	3
Issue Mandate	4
Extend General Mandate to Issue Shares	4
Re-election of Directors	4
Annual General Meeting	5
Voting by Poll	5
Closure of Register of Members	5
Responsibility Statement	6
Recommendation	6
 APPENDIX I — Explanatory Statement	 7
 APPENDIX II — Details of Directors Proposed to be Re-elected	 11
 NOTICE OF THE AGM	 17

DEFINITIONS

In this circular, unless the context otherwise requires, the following expressions shall have the following meanings:

“2012 Annual Report”	the audited financial statements and the reports of the Directors and auditors of the Company for the year ended 31 December 2012
“AGM”	the annual general meeting of the Company to be held at Kennedy Room, Level 7, Conrad Hong Kong, Pacific Place, 88 Queensway, Hong Kong on Friday, 3 May 2013 at 2:00 p.m., or any adjournment thereof (as the case may be)
“Articles of Association”	the articles of association of the Company as amended from time to time
“Board”	the board of Directors
“Company”	South West Eco Development Limited, a company incorporated in the Cayman Islands with limited liability, the issued Shares of which are listed on GEM
“Controlling Shareholders”	has the meaning ascribed thereto under the GEM Listing Rules
“Director(s)”	the director(s) of the Company
“Dr. Elaine Eick”	Dr. Lee Tse Ching, Elaine (李紫清) also known as Dr. Eick Lee Tse Ching, Elaine, the vice-chairman of the Company, an executive Director and one of the Controlling Shareholders
“Dr. Lee”	Dr. Lee Kai Hung (李啟鴻), the founder of the Group, the chairman of the Board, a chief executive officer, an executive Director and one of the Controlling Shareholders, and is the spouse of Mrs. Lee and the father of Dr. Elaine Eick
“GEM”	The Growth Enterprise Market of the Stock Exchange
“GEM Listing Rules”	the Rules Governing the Listing of Securities on GEM as amended from time to time
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administration Region of the People’s Republic of China

DEFINITIONS

“Issue Mandate”	the issue mandate proposed to be granted to the Directors at the AGM to allot, issue and deal with Shares not exceeding 20% of the issued share capital of the Company as at the date of passing the relevant resolution for approving the issue mandate
“Latest Practicable Date”	25 March 2013, being the latest practicable date prior to the printing of this circular for the purpose of ascertaining certain information for inclusion in this circular
“Listing Date”	14 December 2012, the date on which dealing in the Shares first commenced on GEM
“Mrs. Lee”	Ms. Chan Koon Woon (陳莞媛), also known as Mrs. Lee Chan Koon Woon (李陳莞媛), an executive Director and one of the Controlling Shareholders, and is the spouse of Dr. Lee and the mother of Dr. Elaine Eick
“Repurchase Mandate”	the repurchase mandate proposed to be granted to the Directors at the AGM to exercise the power of the Company to repurchase Shares up to a maximum of 10% of the issued share capital of the Company as at the date of passing of the resolution approving the repurchase mandate
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Share(s)”	ordinary share(s) of nominal value of HK\$0.1 each in the share capital of the Company
“Shareholder(s)”	registered holder(s) of the Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Takeovers Code”	The Hong Kong Code on Takeovers and Mergers as amended from time to time
“%”	per cent.

LETTER FROM THE BOARD

South West Eco Development Limited
西南環保發展有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock code: 8291)

Executive Directors:

Dr. LEE Kai Hung
Ms. CHAN Koon Woon
Dr. LEE Tse Ching, Elaine
Mr. CHENG Bun

Registered Office:

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

Independent non-executive Directors:

Mr. WONG Chi Wai
Mr. WONG Tat Yan, Paul
Mr. CHAN Chun Yee

*Head Office and Principal Place of
Business in Hong Kong:*

Office No. 3517
35th Floor
Wu Chung House
213 Queen's Road East
Wanchai
Hong Kong

28 March 2013

To the Shareholders

Dear Sir or Madam,

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

INTRODUCTION

At the forthcoming AGM and in addition to ordinary businesses, ordinary resolutions will be proposed to seek Shareholders' approval for (i) the Repurchase Mandate; (ii) the Issue Mandate; (iii) the extension of the Issue Mandate; and (iv) the re-election of Directors.

The purpose of this circular is to provide you with information relating to the resolutions to be proposed at the AGM for the grant of the Issue Mandate; the Repurchase Mandate; the extension of the Issue Mandate and the re-election of Directors, and to give you the notice of the AGM.

REPURCHASE MANDATE

An ordinary resolution will be proposed at the AGM to grant the Repurchase Mandate to the Directors. The Repurchase Mandate, if granted, shall be effective until whichever is the earliest of (i)

LETTER FROM THE BOARD

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 by the Articles of Association, or any applicable law of the Cayman Islands to be held; 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.

An explanatory statement in connection with the Repurchase Mandate is set out in Appendix I to this circular. The explanatory statement contains all the requisite information required under the GEM 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.

ISSUE MANDATE

An ordinary resolution will be proposed at the AGM to grant the Issue Mandate to the Directors. Based on 300,000,000 Shares in issue as at the Latest Practicable Date and assuming no further Shares are issued or repurchased after the Latest Practicable Date and up to the date of the AGM, the Directors will be able to allot, issue and deal with for up to a total of 60,000,000 Shares if the Issue Mandate is granted at the AGM, which will remain in effect until 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 by the Articles of Association, or any applicable law of the Cayman Islands to be held; and (iii) the date upon which such authority is revoked or varied by an ordinary resolution of the Shareholders in a general meeting of the Company.

EXTEND GENERAL MANDATE TO ISSUE SHARES

Subject to the passing of the resolutions to grant the Issue Mandate and the Repurchase Mandate, an ordinary resolution will be proposed at the AGM to extend the Issue Mandate by the addition to the aggregate nominal amount of the share capital of the Company which may be allotted or agreed conditionally or unconditionally by the Directors pursuant to such general mandates of an amount representing the aggregate nominal amount of the share capital of the Company repurchased by the Company pursuant to the Repurchase Mandate provided that such extended amount shall not exceed 10% of the aggregate of the total nominal amount of the issued share capital of the Company in issue on the date of passing the resolution for approving the Issue Mandate.

RE-ELECTION OF DIRECTORS

As at the Latest Practicable Date, the executive Directors are Dr. Lee Kai Hung, Ms. Chan Koon Woon, Dr. Lee Tse Ching, Elaine and Mr. Cheng Bun and the independent non-executive Directors are Mr. Wong Chi Wai, Mr. Wong Tat Yan, Paul and Mr. Chan Chun Yee. Pursuant to article 109 of the Articles of Association, any Director appointed by the Board shall hold office only until the next following general meeting of the Company. In addition, pursuant to article 105 of the Articles of Association, at each annual general meeting, 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 provided that every Director shall be subject to retirement at an annual general meeting at least once every three years.

LETTER FROM THE BOARD

Accordingly, Ms. Chan Koon Woon and Mr. Cheng Bun, being Directors to retire in rotation, and Mr. Wong Chi Wai, Mr. Wong Tat Yan, Paul and Mr. Chan Chun Yee, being Directors appointed by the Board and whose respective appointments will end at the AGM, will being eligible, offer themselves for re-election at the AGM.

ANNUAL GENERAL MEETING

The notice of the AGM is set out on pages 17 to 21 of this circular. At the AGM, resolutions will be proposed to approve, among others, the granting of the Repurchase Mandate and the Issue Mandate and 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 Directors. A form of proxy for use at the AGM is enclosed with this circular and such form of proxy is also published on the website of the Stock Exchange (www.hkexnews.hk). In order to be valid, the form of proxy must be completed and signed in accordance with the instructions printed thereon and deposited at the Company's branch share registrar and transfer office in Hong Kong, Tricor Investor Services Limited, at 26th Floor, Tesbury Centre, 28 Queen's Road East, Wanchai, 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 or authority, not less than 48 hours before the time appointed for holding the AGM or any adjournment thereof. The completion and return of the form of proxy will not preclude any Shareholder from attending and voting in person at the annual general meeting or any adjournment thereof should he/she/it so wishes.

VOTING BY POLL

Pursuant to Rule 17.47(4) of the GEM Listing Rules, any vote of shareholders at a general meeting must be taken by poll except where the chairman, 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 AGM shall be voted by poll and the Company will announce the results of the poll in the manner prescribed under Rule 17.47(5) of the GEM Listing Rules.

CLOSURE OF REGISTER OF MEMBERS

The Directors recommend, subject to Shareholders' approval at the AGM, the payment of a final dividend of HK4 cents per Share for the year ended 31 December 2012 to those Shareholders whose names appear on the register of members of the Company on Thursday, 16 May 2013.

For the purpose of determining Shareholders who qualify for the final dividend, the register of members of the Company will be closed from Tuesday, 14 May 2013 to Thursday, 16 May 2013 (both days inclusive). In order to qualify for the final dividend, all transfer documents accompanied by the relevant share certificates should be lodged for registration with the Hong Kong branch share registrar and transfer office of the Company, Tricor Investor Services Limited, at 26th Floor, Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong by 4:30 p.m. on Monday, 13 May 2013.

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 GEM 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 aspects and 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 granting of the Repurchase Mandate and the Issue Mandate, the extension of the Issue Mandate and the re-election of Directors are in the interests of the Company and the Shareholders as a whole and therefore recommend the Shareholders to vote in favour of the relevant resolutions to be proposed at the AGM as set out in the notice of the AGM on pages 17 to 21 of this circular.

Yours faithfully
For and on behalf of the Board
South West Eco Development Limited
Lee Kai Hung
Chairman

This appendix serves as an explanatory statement, as required by Rule 13.08 of the GEM 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

The GEM Listing Rules prohibit a company from knowingly purchasing securities on the Stock Exchange from a “connected person”, that is, a director, chief executive or substantial shareholder of the Company or any of its subsidiaries or their respective associates and a 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 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 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, the issued share capital of the Company comprised 300,000,000 fully paid Shares.

Subject to the passing of the ordinary resolution for the approval of the Repurchase Mandate and on the basis that no further Shares are issued or repurchased after the Latest Practicable Date and up to the date of passing of such resolution, the Directors would be authorised to repurchase up to a maximum of 30,000,000 Shares, representing 10% of the issued Shares as at the Latest Practicable Date during the period up to (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 by the Articles of Association, or any applicable law of the Cayman Islands to be held; 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 Share 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 assets 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 Cayman Islands law and the memorandum of association and the Articles of Association of the Company and the GEM Listing Rules for such purpose.

5. IMPACT ON WORKING CAPITAL OR GEARING LEVEL

An exercise of the Repurchase Mandate in full could have a material adverse impact on the working capital or gearing position of the Company compared with that as at 31 December 2012, being the date of its latest published audited consolidated accounts. 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 Shares traded on the GEM since the Listing Date and up to the Latest Practicable Date were as follows:

	Price per Share	
	Highest	Lowest
	<i>HK\$</i>	<i>HK\$</i>
2012		
December	0.81	0.52
2013		
January	0.81	0.67
February	0.84	0.72
March (up to the Latest Practicable Date)	0.82	0.75

7. DIRECTORS AND THEIR ASSOCIATES

None of the Directors or, to the best of their knowledge having made all reasonable enquiries, their associates, have any present intention to sell to the Company or its subsidiaries any of the Shares in the Company if the Repurchase Mandate is approved at the 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 GEM Listing Rules, the applicable laws of the Cayman Islands, and in accordance with the regulations set out in the memorandum of association and the Articles of Association of the Company.

9. EFFECT OF TAKEOVERS CODE

If a Shareholder's proportionate interest in the voting rights of the Company increases as a result of the exercising of 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(s) obliged to make a mandatory offer in

accordance with Rule 26 of the Takeovers Code. The Directors are not aware of any Shareholders, or a group of Shareholders acting in concert, who may become obliged to make a mandatory offer in accordance with Rules 26 and 32 of the Takeovers Code in the event that the Directors exercise the power to repurchase Shares pursuant to the Repurchase Mandate.

As at the Latest Practicable Date, the following Shareholders are interested in more than 5% of the Shares then in issue:

Name of shareholder	Number of Shares held	Approximate percentage of existing shareholding	Approximate percentage of shareholding if the Repurchase Mandate is exercised in full
First Beijing International Limited ("First Beijing") (Note 1)	90,000,000	30%	33.33%
Dr. Lee Kai Hung (Note 1)	90,000,000	30%	33.33%
Ease Gain Holdings Limited ("Ease Gain") (Note 2)	90,000,000	30%	33.33%
Ms. Chan Koon Woon (Note 2)	90,000,000	30%	33.33%
Chosen Leader Limited ("Chosen Leader") (Note 3)	45,000,000	15%	16.67%
Dr. Lee Tse Ching, Elaine (Note 3)	45,000,000	15%	16.67%
Dr. Holger Eick (Note 4)	45,000,000	15%	16.67%
Ms. Huang Yuanning (黃元寧)	18,204,000	6.07%	6.74%
Mr. Zhang Liming (張麗銘) (Mr. Zhang") (Note 5)	18,204,000	6.07%	6.74%

Notes:

- (1) These Shares are registered in the name of First Beijing, which is solely and beneficially owned by Dr. Lee Kai Hung. By virtue of the SFO, Dr. Lee Kai Hung is deemed to be interested in the Shares held by First Beijing. Dr. Lee Kai Hung is the spouse of Ms. Chan Koon Woon and the father of Dr. Lee Tse Ching, Elaine.
- (2) These Shares are registered in the name of Ease Gain, which is solely and beneficially owned by Ms. Chan Koon Woon. By virtue of the SFO, Ms. Chan Koon Woon is deemed to be interested in the Shares held by Ease Gain. Ms. Chan Koon Woon is the spouse of Dr. Lee Kai Hung and the mother of Dr. Lee Tse Ching, Elaine.
- (3) These Shares are registered in the name of Chosen Leader, which is solely and beneficially owned by Dr. Lee Tse Ching, Elaine. By virtue of the SFO, Dr. Lee Tse Ching, Elaine is deemed to be interested in the Shares held by Chosen Leader. Dr. Lee Tse Ching, Elaine is the daughter of Dr. Lee Kai Hung and Ms. Chan Koon Woon.
- (4) These Shares are registered in the name of Chosen Leader, which is solely and beneficially owned by Dr. Lee Tse Ching, Elaine, who is the spouse of Dr. Holger Eick. By virtue of the SFO, Dr. Holger Eick is deemed to be interested in the Shares which Dr. Lee Tse Ching, Elaine is deemed to be interested in for the purposes of the SFO.

- (5) These Shares are registered in the name of Ms. Huang Yuanning, who is the spouse of Mr. Zhang. By virtue of the SFO, Mr. Zhang is deemed to be interested in the Shares which Ms. Huang Yuanning is interested in for the purposes of the SFO.

In the event that the Directors shall exercise in full the Repurchase Mandate, the total interests of the above Shareholders would be increased to the respective approximate percentages shown in the last column of the table above and such increase will not give rise to an obligation to make a mandatory offer under Rule 26 of the Takeovers Code.

Assuming that there is no issue of Shares in the Company between the Latest Practicable Date and the date of a repurchase, an exercise of the Repurchase Mandate in whole will result in the aggregate amount of the issued share capital of the Company in the public hands falling below the prescribed minimum percentage of 25% as required by the Stock Exchange. The Directors confirm that the Repurchase Mandate will not be exercised to the extent as may result in a public shareholding falling below the prescribed minimum percentage.

10. SHARES REPURCHASE MADE BY THE COMPANY

No repurchases of Shares have been made by the Company (whether on the Stock Exchange or otherwise) since the Listing Date up to the Latest Practicable Date.

APPENDIX II DETAILS OF DIRECTORS PROPOSED TO BE RE-ELECTED

The following are the particulars of the Directors proposed to be re-elected at the AGM:

(1.) Ms. CHAN Koon Woon (陳莞嫒), also known as Mrs. Lee Chan Koon Woon (李陳莞嫒) (“Mrs. Lee”)

Mrs. Lee, aged 71, was appointed an executive Director on 18 February 2011. Mrs. Lee has also been the chairman of the board, the vice-chairman and/or a director of various subsidiaries of the Company. She is primarily responsible for the administrative management of the Company and has been working closely with the management of the Group in the general strategic planning, operation and development of the Group. Mrs. Lee has over 19 years of experience in corporate management within the Group.

Save as disclosed above, Mrs. Lee has not held any directorship in any public listed company in the past three years and has not held any other position within the Group.

Mrs. Lee has entered into a service contract with the Company for an initial fixed term of two years commencing from 14 December 2012 renewable automatically until terminated by not less than three month’s notice in writing served by either party on the other. Pursuant to the service contract, Mrs. Lee is entitled to an annual salary of RMB3,607,200, and discretionary management bonus as the Board may, upon the recommendation of the remuneration committee of the Company, approve, provided that Mrs. Lee shall not be counted in the quorum in respect of any resolution of the Board approving the amount of annual salary, management bonus and other benefits payable to her. Mrs. Lee’s emolument is determined by the Board by reference to her experience, responsibilities and the prevailing market conditions. Mrs. Lee’s appointment is subject to retirement by rotation and re-election at the AGM in accordance with the Articles of Association.

As at the Latest Practicable Date, Mrs. Lee was deemed to be interested in 90,000,000 Shares registered in the name of Ease Gain Holdings Limited, one of the Controlling Shareholders, in which its entire issued capital is solely and beneficially owned by Mrs. Lee. Mrs. Lee is also the sole director of Ease Gain Holdings Limited. Save as disclosed above, as at the Latest Practicable Date, Mrs. Lee had no other interest (within the meaning of Part XV of the SFO) in any Shares, underlying shares or debentures of the Company and/or its associated corporations.

Mrs. Lee is the spouse of Dr. Lee (a Director and one of the Controlling Shareholders), the mother of Dr. Elaine Eick (a Director and one of the Controlling Shareholders) and the aunt of Mr. Cheng Bun (a Director).

Save as disclosed above, Mrs. Lee does not have any relationship with any director, senior management, management shareholder, substantial shareholder or controlling shareholder of the Company.

Save as disclosed above, there is no information which should be disclosed nor is/was Mrs. Lee involved in any of the matter required to be disclosed pursuant to any of the requirements of the provisions under Rule 17.50(2) (h) to (v) of the GEM Listing Rules nor are there other matters that need to be brought to the attention of the Shareholders.

APPENDIX II DETAILS OF DIRECTORS PROPOSED TO BE RE-ELECTED

(2.) Mr. CHENG Bun (鄭鑛) (“Mr. Cheng”)

Mr. CHENG, aged 48, was appointed an executive Director on 18 February 2011. Mr. Cheng has also been a director of various subsidiaries of the Company. He is primarily responsible for formulating the overall development strategies and managing the daily operations of the Group’s subsidiaries in the PRC. He is also responsible for internal management, investment planning and administrative functions of the Group. He graduated from the University of Sheffield with a postgraduate diploma in business in 1990 and obtained a master’s degree of computer science in the University of Salford in 1992. He joined the Group in 1993 as a project leader of the Group.

Mr. Cheng was awarded with the Honorary Credential for Outstanding Entrepreneurs 2006 of Qin Xiu District* (2006年度青秀區優秀企業家榮譽證書) jointly issued by the Committee of Qin Xiu District of the PRC* (中共南寧市青秀區委員會) and the People’s Government of Qin Xiu District, Nanning* (南寧市青秀區人民政府) in March 2007. He was also appointed by the Guangxi Returned Scholars Chamber of Commerce (廣西歸國留學人員商業界人士聯合會) (the “GRSCC”) in December 2010 as a council member of the first session of the council of the GRSCC for a term of 5 years. In October 2011, he was appointed as a committee member of Nanning Municipal Committee of the Chinese People’s Political Consultative Conference for a term of 5 years.

Save as disclosed above, Mr. Cheng has not held any directorship in any public listed company in the past three years and has not held any other position within the Group.

Mr. Cheng has entered into a service contract with the Company for an initial fixed term of two years commencing from 14 December 2012 renewable automatically until terminated by not less than three month’s notice in writing served by either party on the other. Pursuant to the service contract, Mr. Cheng is entitled to an annual salary of RMB698,400, and discretionary management bonus as the Board may, upon the recommendation of the remuneration committee of the Company, approve, provided that Mr. Cheng shall not be counted in the quorum in respect of any resolution of the Board approving the amount of annual salary, management bonus and other benefits payable to him. Mr. Cheng’s emolument is determined by the Board by reference to his experience, responsibilities and the prevailing market conditions. Mr. Cheng’s appointment is subject to retirement by rotation and re-election at the AGM in accordance with the Articles of Association.

As at the Latest Practicable Date, Mr. Cheng had no interest (within the meaning of Part XV of the SFO) in any Shares, underlying shares, or debentures of the Company and/or its associated corporations.

Mr. Cheng is the nephew of Dr. Lee (a Director and one of the Controlling Shareholders) and Mrs. Lee (a Director and one of the Controlling Shareholders) and the cousin of Dr. Elaine Eick (a Director and one of the Controlling Shareholders).

Save as disclosed above, Mr. Cheng does not have any relationship with any director, senior management, management shareholder, substantial shareholder or controlling shareholder of the Company.

APPENDIX II DETAILS OF DIRECTORS PROPOSED TO BE RE-ELECTED

Save as disclosed above, there is no information which should be disclosed nor is/was Mr. Cheng involved in any of the matter required to be disclosed pursuant to any of the requirements of the provisions under Rule 17.50(2) (h) to (v) of the GEM Listing Rules nor are there other matters that need to be brought to the attention of the Shareholders.

(3.) Mr. WONG Chi Wai (黃馳維) (“Mr. Wong”)

Mr. WONG, aged 46, was appointed as an independent non-executive Director on 23 November 2012. Mr. Wong currently also serves as an independent non-executive director for Bonjour Holdings Limited (stock code 653), Kin Yat Holdings Limited (stock code 638) and Arts Optical International Holdings Limited (stock code 1120), all of which are listed on the Main Board of the Stock Exchange. He is currently the chairman of the audit committee of both Bonjour Holdings Limited and Arts Optical International Holdings Limited and the chairman of the nomination committee of Kin Yat Holdings Limited. Mr. Wong obtained a bachelor’s degree in social science from and was awarded postgraduate certificate in laws by the University of Hong Kong in 1988 and 1993 respectively. Mr. Wong is a practicing certified public accountant in Hong Kong and an associate member of the Institute of Chartered Accountants in England and Wales. Mr. Wong has also been admitted as a barrister of the High Court of Hong Kong since 1998. Mr. Wong has over 24 years of experience in the accountancy profession and he is currently the owner of a certified public accountants firm in Hong Kong, Albert Wong & Co.

Mr. Wong was an independent non-executive director of Tin Tin Publication Development Limited (“Tin Tin”) during the periods from 3 June 2000 to 31 August 2000 and from 18 December 2000 to 27 June 2002. Tin Tin was incorporated in Hong Kong, engaging in the publication business. Mr. Wong confirmed that he had never participated in the management of Tin Tin during his appointment as a director of Tin Tin. His re-appointment on 18 December 2000 as a director of Tin Tin was for the sole purpose of constituting a valid board quorum pursuant to the articles of association of Tin Tin so that Tin Tin could enter into settlement agreements with and release funds to its creditors after Tin Tin lost a court case in the Court of Final Appeal in July 2000. A judgment creditor obtained a judgment against Tin Tin on or about 11 January 2002 for a sum of HK\$4,675,325 and then applied to the Court for the winding-up of Tin Tin. The order for the winding-up of Tin Tin was granted on 7 August 2002. No further information about the progress of the winding-up of Tin Tin is available after the resignation of Mr. Wong as a director of Tin Tin on 27 June 2002. Mr. Wong confirmed that this incident had been duly disclosed to the Stock Exchange at the time when Mr. Wong was first appointed as an independent non-executive director of Bonjour Holdings Limited in 2003 and his subsequent appointments as an independent non-executive director of each of Kin Yat Holdings Limited and Arts Optical International Holdings Limited in 2004.

However, due to oversight, Mr. Wong omitted to mention his directorship in Tin Tin when he filled the application form for application of membership of the Hong Kong Federation of Insurers (“HKFI”) in May 2004. Mr. Wong subsequently informed HKFI of his omission in July 2004 and HKFI decided to suspend his membership as an insurance agent for 9 months until June 2005. Mr. Wong confirmed that he had disclosed the decision of the HKFI to the Stock Exchange in October 2004.

APPENDIX II DETAILS OF DIRECTORS PROPOSED TO BE RE-ELECTED

Save as disclosed above, Mr. Wong has not held any directorship in any public listed company in the past three years and has not held any other position within the Group.

Pursuant to a letter of appointment dated 23 November 2012 entered into by the Company with Mr. Wong, Mr. Wong has been appointed for an initial term of one year commencing from 14 December 2012, which is renewable automatically for successive terms of one year each from the day immediately after the expiry of the then current term. The appointment may be terminated by the giving of three months' written notice by a party on the other and is subject to the provisions of the Articles of Association with regard to vacation of office of Directors, removal and retirement by rotation of Directors. Mr. Wong is entitled to an annual director's fee of HK\$120,000 and his emolument is determined by the Board by reference to his experience, responsibilities and the prevailing market conditions.

As at the Latest Practicable Date, Mr. Wong had no interest (within the meaning of Part XV of the SFO) in any Shares, underlying shares, or debentures of the Company and/or its associated corporations.

Save as disclosed above, Mr. Wong does not have any relationship with any director, senior management, management shareholder, substantial shareholder or controlling shareholder of the Company.

Save as disclosed above, there is no information which should be disclosed nor is/was Mr. Wong involved in any of the matter required to be disclosed pursuant to any of the requirements of the provisions under Rule 17.50(2) (h) to (v) of the GEM Listing Rules nor are there other matters that need to be brought to the attention of the Shareholders.

(4.) Mr. WONG Tat Yan, Paul (黃達仁) (“Mr. Paul Wong”)

Mr. Paul WONG, aged 43, was appointed as an independent non-executive Director on 23 November 2012. Mr. Paul Wong obtained a bachelor's degree in commerce from James Cook University of North Queensland of Australia in 1993 and a master's degree in business administration from the University of Queensland of Australia in 2004. Mr. Paul Wong is a practicing certified public accountant in Hong Kong, a fellow member of the Hong Kong Institute of Certified Public Accountants, a fellow member of Taxation Institute of Hong Kong and a fellow member of the Taxation Institute of Australia. He has over 19 years of experience in auditing, accounting and taxation gained by taking up various positions in a number of accounting firms in Hong Kong and he is currently the partner of a certified public accountants firm in Hong Kong, Paul Wong & Co.

Save as disclosed above, Mr. Paul Wong has not held any directorship in any public listed company in the past three years and has not held any other position within the Group.

Pursuant to a letter of appointment dated 23 November 2012 entered into by the Company with Mr. Paul Wong, Mr. Paul Wong has been appointed for an initial term of one year commencing from 14 December 2012, which is renewable automatically for successive terms of one year each from the

APPENDIX II DETAILS OF DIRECTORS PROPOSED TO BE RE-ELECTED

day immediately after the expiry of the then current term. The appointment may be terminated by the giving of three months' written notice by a party on the other and is subject to the provisions of the Articles of Association with regard to vacation of office of Directors, removal and retirement by rotation of Directors. Mr. Paul Wong is entitled to an annual director's fee of HK\$120,000 and his emolument is determined by the Board by reference to his experience, responsibilities and the prevailing market conditions.

As at the Latest Practicable Date, Mr. Wong had no interest (within the meaning of Part XV of the SFO) in any Shares, underlying shares, or debentures of the Company and/or its associated corporations.

Save as disclosed above, Mr. Wong does not have any relationship with any director, senior management, management shareholder, substantial shareholder or controlling shareholder of the Company.

Save as disclosed above, there is no information which should be disclosed nor is/was Mr. Paul Wong involved in any of the matter required to be disclosed pursuant to any of the requirements of the provisions under Rule 17.50(2) (h) to (v) of the GEM Listing Rules nor are there other matters that need to be brought to the attention of the Shareholders.

(5.) Mr. CHAN Chun Yee (陳振宜) (“Mr. Chan”)

Mr. CHAN, aged 35, was appointed as an independent non-executive Director on 23 November 2012. Mr. Chan obtained a bachelor's degree in law from the City University of Hong Kong in 1999 and a master's degree in laws in information technology and intellectual property law from the University of Hong Kong in 2004. He is a member of the Law Society of Hong Kong and has been a practising solicitor in Hong Kong for more than ten years in general legal practice and in different areas of law. From 2002 to the present, Mr. Chan works as a solicitor at the law firm of C.T. Chan & Co., Solicitors. Mr. Chan has experience in advising on the legal aspects of a broad range of company, commercial and corporate finance matters.

Save as disclosed above, Mr. Chan has not held any directorship in any public listed company in the past three years and has not held any other position within the Group.

Pursuant to a letter of appointment dated 23 November 2012 entered into by the Company with Mr. Chan, Mr. Chan has been appointed for an initial term of one year commencing from 14 December 2012, which is renewable automatically for successive terms of one year each from the day immediately after the expiry of the then current term. The appointment may be terminated by the giving of three months' written notice by a party on the other and is subject to the provisions of the Articles of Association with regard to vacation of office of Directors, removal and retirement by rotation of Directors. Mr. Chan is entitled to an annual director's fee of HK\$120,000 and his emolument is determined by the Board by reference to his experience, responsibilities and the prevailing market conditions.

As at the Latest Practicable Date, Mr. Chan had no interest (within the meaning of Part XV of the SFO) in any Shares, underlying shares, or debentures of the Company and/or its associated corporations.

APPENDIX II DETAILS OF DIRECTORS PROPOSED TO BE RE-ELECTED

Save as disclosed above, Mr. Chan does not have any relationship with any director, senior management, management shareholder, substantial shareholder or controlling shareholder of the Company.

Save as disclosed above, there is no information which should be disclosed nor is/was Mr. Chan involved in any of the matter required to be disclosed pursuant to any of the requirements of the provisions under Rule 17.50(2) (h) to (v) of the GEM Listing Rules nor are there other matters that need to be brought to the attention of the Shareholders.

As regards each of the independent non-executive Directors proposed to be re-elected at the AGM, based on the information contained in the annual confirmation on independence provided by each of Mr. Wong, Mr. Paul Wong and Mr. Chan to the Company pursuant to Rule 5.09 of the GEM Listing Rules, the Board has reviewed and evaluated the independence of each of Mr. Wong, Mr. Paul Wong and Mr. Chan and is satisfied that each of them has met the criteria of independence expected of an independent non-executive director under the GEM Listing Rules. The Board is of the view that each of Mr. Wong, Mr. Paul Wong and Mr. Chan remains to be independent, and have the character, integrity, independence and experience required to fulfil and discharge the role and duties of an independent non-executive Director in the event that each of them is re-elected at the AGM.

NOTICE OF THE AGM

South West Eco Development Limited 西南環保發展有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock code: 8291)

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT the annual general meeting of South West Eco Development Limited (the “**Company**”) will be held at Kennedy Room, Level 7, Conrad Hong Kong, Pacific Place, 88 Queensway, Hong Kong on Friday, 3 May 2013 at 2:00 p.m. for the following purposes:

As Ordinary Business

1. To receive and consider the audited consolidated financial statements and the reports of the directors (“**Directors**”) and the auditors of Company for the year ended 31 December 2012;
2. To approve a final dividend for the year ended 31 December 2012;
3.
 - A. To re-elect Ms. Chan Koon Woon (also known as Mrs. Lee Chan Koon Woon) as an executive Director;
 - B. To re-elect Mr. Cheng Bun as an executive Director;
 - C. To re-elect Mr. Wong Chi Wai as an independent non-executive Director;
 - D. To re-elect Mr. Wong Tat Yan, Paul as an independent non-executive Director; and
 - E. To re-elect Mr. Chan Chun Yee as an independent non-executive Director.
4. To authorise the board of Directors (the “**Board**”) to fix the Directors’ remuneration;
5. To re-appoint BDO Limited as auditors of the Company and to authorize the Board to fix their remuneration; and

As Special Business

6. To consider and, if thought fit, pass with or without amendments, the following resolution as ordinary resolutions:

“**THAT:**

- (a) subject to paragraph (c) below, pursuant to the Rules Governing the Listing of Securities on the Growth Enterprise Market (the “**GEM Listing Rules**”) of The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”), the exercise by the

NOTICE OF THE AGM

Directors during the Relevant Period (as defined below) of all the powers of the Company to allot, issue and deal with unissued shares of HK\$0.10 each in the share capital of the Company 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) 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 nominal amount of share capital 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 in force from time to time; or (iv) any issue of shares upon the exercise of rights of subscription or conversion under the terms of any warrants of the Company or any securities which are convertible into shares, shall not exceed the aggregate of:
 - (aa) 20% of the aggregate nominal amount of the share capital of the Company in issue on the date of the passing of this Resolution; and
 - (bb) (if the Directors are so authorised by a separate ordinary resolution of the shareholders of the Company) the aggregate nominal amount of any share capital of the Company repurchased by the Company subsequent to the passing of this resolution (up to a maximum equivalent to 10% of the aggregate nominal amount of the share capital of the Company in issue on the date of the passing of this Resolution),

and the authority pursuant to paragraph (a) of this Resolution 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;
- (ii) the expiration of the period within which the next annual general meeting of the Company is required 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 (the “**Companies Law**”), or any other applicable law of the Cayman Islands to be held; and

NOTICE OF THE AGM

- (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 of the Company by this Resolution;

“**Rights Issue**” means an offer of shares, or offer or issue of warrants, options or other securities giving 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 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 outside Hong Kong or any recognized regulatory body or any stock exchange outside Hong Kong).”

- 7. To consider and, if thought fit, pass with or without amendments, the following resolution as ordinary resolutions:

“**THAT:**

- (a) subject to paragraph (b) below, the exercise by the Directors during the Relevant Period (as defined below) of all powers of the Company to purchase the shares in the share capital of the Company on the 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 and the Stock Exchange for such purpose, and otherwise in accordance with the rules and regulations of the Securities and Futures Commission, the Stock Exchange, the Companies Law and all other applicable laws in this regard, be and the same is hereby generally and unconditionally approved;
- (b) the aggregate nominal amount of shares which may be purchased by the Company pursuant to the approval in paragraph (a) during the Relevant Period (as defined below) shall not exceed 10% of the aggregate nominal amount of the issued share capital of the Company as at the date of the passing of this Resolution and the authority pursuant to paragraph (a) of this Resolution shall be limited accordingly; and
- (c) 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;
- (ii) the expiration of the period within which the next annual general meeting of the Company is required by the articles of association of the Company, the Companies Law, any other applicable law of the Cayman Islands to be held; and

NOTICE OF THE AGM

(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 of the Company by this Resolution.”

8. “**THAT** subject to the passing of Resolution nos. 6 and 7 above, the authority of the Directors pursuant to Resolution no. 6 above be and is hereby approved to extend to cover such amount representing the aggregate nominal amount of the shares in the capital of the Company repurchased pursuant to the authority granted pursuant to Resolution no. 7”.

For and on behalf of the Board
South West Eco Development Limited
Lee Kai Hung
Chairman

Hong Kong, 28 March 2013

Notes:

1. Any member of the Company entitled to attend and vote at the annual general meeting convened by the above notice is entitled to appoint one or more proxy to attend and, subject to the provisions of the articles of association of the Company, to vote on his behalf. A proxy need not be a member of the Company but must be present in person at the annual general meeting to represent the member. If more than one proxy is so appointed, the appointment shall specify the number and class of shares in respect of which each such proxy is so appointed.
2. In order to be valid, the 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 offices of the Company’s branch share registrar and transfer office in Hong Kong, Tricor Investor Services Limited, at 26th Floor, Tesbury Centre, 28 Queen’s Road East, Wanchai, Hong Kong not less than 48 hours before the time for holding the meeting or adjourned meeting. Completion and return of a form of proxy will not preclude a shareholder of the Company from attending in person and voting at the annual general meeting or any adjournment thereof, should he so wish.
3. In order to qualify for attending the forthcoming annual general meeting, all transfers of shares, accompanied by the relevant share certificates and transfer forms, must be lodged with the Company’s Hong Kong branch share registrar and transfer office in Hong Kong, Tricor Investor Services Limited, at 26th Floor, Tesbury Centre, 28 Queen’s Road East, Wanchai, Hong Kong for registration not later than 4:30 p.m. on Thursday, 2 May 2013.
4. For determining the entitlement to the proposed final dividend, the register of members will be closed from 14 May 2013 (Tuesday) to 16 May 2013 (Thursday) (both dates inclusive), during which period no transfer of shares will be effected. The last day for dealing in the Company’s shares cum entitlements to the proposed final dividend will be 9 May 2013 (Thursday). In order to qualify for the proposed final dividend, all transfer forms of shares accompanied by the relevant shares certificates must be lodged with the Company’s branch share registrar and transfer office in Hong Kong, Tricor Investor Services Limited, at 26th Floor, Tesbury Centre, 28 Queen’s Road East, Wanchai, Hong Kong for registration no later than 4:30 p.m. on 13 May 2013 (Monday).
5. The final dividend of HK4 cents per share for the year ended 31 December 2012, if approved by the shareholders of the Company in the forthcoming AGM, is expected to be payable to the eligible shareholders on 31 May 2013.

NOTICE OF THE AGM

6. In relation to proposed Resolutions nos. 6 and 8 above, approval is being sought from the shareholders for the grant to the Directors of a general mandate to authorise the allotment and issue of shares of the Company under the GEM Listing Rules. The Directors have no immediate plans to issue any new shares of the Company other than shares which may fall to be issued under the share option scheme of the Company or any scrip dividend scheme which may be approved by the shareholders of the Company.

7. In relation to proposed Resolution no. 7 above, the Directors wish to state that they will exercise the powers conferred thereby to repurchase shares in circumstances which they deem appropriate for the benefit of the shareholders of the Company. An explanatory statement containing the information necessary to enable the shareholders to make an informed decision to vote on the proposed resolution as required by the GEM Listing Rules is set out in appendix I to this circular.