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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 (the “AGM”) of the members of South West Eco Development Limited (the “Company”) will be held at Caine Room, Level 7, Conrad Hong Kong, Pacific Place, 88 Queensway, Hong Kong on Monday, 28 April 2014 at 2:00 p.m. for the following purposes:

1. To receive and adopt the audited consolidated financial statements of the Company and the reports of the directors and the independent auditor for the year ended 31 December 2013 (the “Year”).
2. To declare a final dividend in respect of the Year.
3. To re-elect the following retiring directors of the Company (the “Directors”):
 - i. Dr. Lee Kai Hung as an Executive Director;
 - ii. Dr. Lee Tse Ching, Elaine (also known as Dr. Eick Lee Tse Ching, Elaine) as an Executive Director; and
 - iii. Mr. Wong Tat Yan, Paul as an Independent Non-executive Director.
4. To approve the Directors’ remuneration for the Year and to authorize the board of Directors (the “Board”) to fix the Directors’ remuneration for the year ending 31 December 2014.
5. To re-appoint BDO Limited, Certified Public Accountants (“BDO”) as the independent auditor of the Company for the ensuing year and authorize the Board to fix its remuneration.
6. 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 Growth Enterprise Market (the “GEM”) of The Stock Exchange of Hong Kong Limited (the “Stock Exchange” and the “GEM Listing Rules”, respectively), 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 unissued shares of HK\$0.1 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) of this Resolution above shall authorise the Directors during the Relevant Period (as defined below) 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, conversion, or exchange under the terms of any warrants of the Company or any securities which are convertible into or exchange for 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 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;

- (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 or any other applicable laws of the Cayman Islands to be held; 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 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 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 purchase the shares in the share capital of the Company 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 Hong Kong Code of Share Repurchases 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 (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 the shares which may be purchased 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 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 purpose of this Resolution:

“**Relevant Period**” means the period from the passing of this Resolution until whichever is the earliest of:

- (i) the conclusion of the next annual general meeting;
- (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 or any other applicable laws of the Cayman Islands to be held; 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.”

8. “**THAT** subject to the passing of Resolutions no. 6 and 7 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. 6 set out in the Notice 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 set out in the Notice.”

By Order of the Board
South West Eco Development Limited
Lee Kai Hung
Chairman

Hong Kong, 6 March 2014

Notes:

1. Any member of the Company (the “Member”) entitled to attend and vote at the 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 of the Company. A proxy need not be a Member but must be present in person at the AGM to represent the Member. If more than one proxy is so appointed, the appointment must specify the number and class of shares in respect of which 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 whose office is located at 26th Floor, Tesbury Centre, 28 Queen’s Road East, Wanchai, Hong Kong (which will be relocated to Level 22, Hopewell Centre, 183 Queen’s Road East, Hong Kong with effect from 31 March 2014) not less than 48 hours before the time for holding the AGM or its adjourned meeting. Completion and return of a form of proxy will not preclude a Member from attending in person and voting at the AGM or any adjournment thereof should he/she/it so wish.

3. For determining Members' entitlement to attend and vote at the AGM, the register of members will be closed from Thursday, 24 April 2014 to Monday, 28 April 2014 (both dates inclusive), during which period no transfer of shares will be effected. In order to qualify for attending the forthcoming AGM, all transfer documents accompanied by the relevant share certificates must be lodged with the Company's branch share registrar and transfer office in Hong Kong, Tricor Investor Services Limited whose office is located at 26th Floor, Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong (which will be relocated to Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong with effect from 31 March 2014) for registration not later than 4:30 p.m. on Wednesday, 23 April 2014.
4. For determining Members' entitlement to the proposed final dividend, the register of members will be closed from Wednesday, 7 May 2014 to Friday, 9 May 2014 (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 Wednesday, 30 April 2014. In order to qualify for the proposed final dividend, all transfer documents 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 whose office is located at 26th Floor, Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong (which will be relocated to Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong with effect from 31 March 2014) for registration no later than 4:30 p.m. on Monday, 5 May 2014.
5. In relation to the proposed Resolution no. 5 above, the Board concurs with the views of the Audit Committee of the Company and has recommended that BDO be re-appointed as the independent auditor of the Company.
6. The final dividend of HK cents 1.8 per share for the Year, if approved by the Members at the forthcoming AGM, is expected to be payable to the eligible Members on or about Friday, 30 May 2014.
7. In relation to the proposed Resolutions no. 6 and 8 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 of the Company under the GEM Listing Rules. The Directors have no immediate plans to issue any new shares of the Company.
8. In relation to the 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 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 GEM Listing Rules is set out in Appendix II of the circular.
9. In compliance with Rule 17.47(4) of the GEM Listing Rules, voting on all proposed resolutions set out in the Notice will be decided by way of a poll.

As at the date this notice, the Directors are:

Executive Directors

Dr. Lee Kai Hung (Chairman and Chief Executive Officer), Ms. Chan Koon Woon (also known as Mrs. Lee Chan Koon Woon), Dr. Lee Tse Ching, Elaine (also known as Dr. Eick Lee Tse Ching, Elaine) (Vice Chairman) and Mr. Cheng Bun

Independent Non-executive Directors

Mr. Wong Chi Wai, Mr. Wong Tat Yan, Paul and Mr. Chan Chun Yee

This notice, for which the directors of the Company (the “Directors”) collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on the Growth Enterprise Market (“GEM”) of The Stock Exchange of Hong Kong Limited 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 notice is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this notice misleading.

This notice will remain on the “Latest Company Notices” page of the GEM website at www.hkgem.com for at least 7 days from the date of its publication. This notice will also be published on the Company’s website at www.southwesteco.com.

This notice is prepared in both English and Chinese. In the event of inconsistency, the English text of the notice shall prevail over the Chinese text.