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If you have sold or transferred all your shares in China Environmental Resources Group Limited, you should at once hand this circular, together with the accompanying form of proxy, to the purchaser or other transferee or to the bank, stockbroker or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

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CHINA ENVIRONMENTAL RESOURCES GROUP LIMITED

中國環境資源集團有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1130)

PROPOSALS FOR RE-ELECTION OF RETIRING DIRECTORS AND GENERAL MANDATES TO ISSUE SHARES AND TO REPURCHASE SHARES AND AMENDMENTS TO THE EXISTING MEMORANDUM AND ARTICLES AND ADOPTION OF THE AMENDED AND RESTATED MEMORANDUM AND ARTICLES AND NOTICE OF ANNUAL GENERAL MEETING

A notice convening an annual general meeting of China Environmental Resources Group Limited to be held at Orchid Room, 2/F, The Royal Garden, 69 Mody Road, Tsim Sha Tsui East, Kowloon, Hong Kong on Thursday, 4 December 2025 at 11:00 a.m. is set out on pages 31 to 36 of this circular.

Whether or not you are able to attend the annual general meeting, you are requested to complete the accompanying form of proxy in accordance with the instructions printed thereon and deposit the same at the Company's Hong Kong branch share registrar and transfer office in Hong Kong, Union Registrars Limited at Suites 3301-04, 33/F, Two Chinachem Exchange Square, 338 King's Road, North Point, Hong Kong as soon as possible and in any event not less than 48 hours before the time appointed for the holding of the annual general meeting or any adjournment thereof. Completion and return of the form of proxy will not preclude you from attending and voting in person at the annual general meeting or any adjournment thereof should you so wish.

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DEFINITIONS

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

“AGM”	the annual general meeting of the Company to be held at Orchid Room, 2/F, The Royal Garden, 69 Mody Road, Tsim Sha Tsui East, Kowloon, Hong Kong on Thursday, 4 December 2025 at 11:00 a.m.
“AGM Notice”	the notice convening the AGM as set out in Appendix IV to this circular
“Amended and Restated Memorandum and Articles”	the amended and restated memorandum of association and the amended and restated articles of association of the Company proposed to be adopted by the Company at the AGM
“Articles”	the articles of association of the Company being effective from time to time
“associate(s)”	has the meaning ascribed thereto under the Listing Rules
“Board”	the board of Directors
“CCASS”	the Central Clearing and Settlement System, a securities settlement system used within the Hong Kong Exchanges and Clearing Limited market system established and operated by the HKSCC
“close associate(s)”	has the meaning ascribed thereto under the Listing Rules
“Company”	China Environmental Resources Group Limited, a company incorporated in the Cayman Islands with limited liability, the Shares of which are listed on the main board of the Stock Exchange (Stock code: 1130) and have a secondary listing on Singapore Exchange Securities Trading Limited
“connected person(s)”	has the meaning ascribed thereto under the Listing Rules
“core connected person(s)”	has the meaning ascribed thereto under the Listing Rules
“Director(s)”	the director(s) of the Company
“Group”	the Company and its subsidiaries
“HK\$” or “Hong Kong Dollars”	Hong Kong dollars, the lawful currency of Hong Kong
“HKSCC”	The Hong Kong Securities Clearing Company Limited

DEFINITIONS

“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Issuance Mandate”	as defined in paragraph 3 of the Letter from the Board in this circular
“Latest Practicable Date”	10 October 2025, being the latest practicable date prior to the printing of this circular for the purpose of ascertaining certain information included herein
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Memorandum”	the memorandum of association of the Company being effective from time to time
“PRC”	the People’s Republic of China
“Proposed Amendments”	the proposed amendments to the existing Memorandum and Articles as set out in Appendix III to this circular
“Repurchase Mandate”	as defined in paragraph 3 of the Letter from the Board in this circular
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Share Option Scheme”	the share option scheme adopted by the Company on 11 November 2015
“Share(s)”	ordinary share(s) of HK\$0.10 each in the share capital of the Company
“Shareholder(s)”	registered holder(s) of Share(s) of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Substantial Shareholder(s)”	has the meaning ascribed thereto under the Listing Rules
“Takeovers Code”	Hong Kong Code on Takeovers and Mergers
“Treasury Shares”	has the meaning ascribed thereto under the Listing Rules
“%”	per cent



CHINA ENVIRONMENTAL RESOURCES GROUP LIMITED

中國環境資源集團有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1130)

Executive Directors:

Mr. Yeung Chi Hang

(Chairman and Chief Executive Officer)

Mr. Leung Kwong Choi

Mr. Wong Po Keung

Mr. Chung Siu Wah

Mr. Chik To Pan

Mr. Liu Yafei

Independent Non-executive Directors:

Mr. Heung Chee Hang, Eric

Mr. Lee Chi Ho

Ms. Lai Pik Chi, Peggy

Registered office:

PO Box 309

Ugland House

Grand Cayman, KY1-1104

Cayman Islands

***Head office and principal place
of business:***

Room 2608, 26/F,

Greenfield Tower, Concordia Plaza,

No. 1 Science Museum Road,

Tsim Sha Tsui East, Kowloon,

Hong Kong

17 October 2025

To the Shareholders

Dear Sir or Madam,

**PROPOSALS FOR
RE-ELECTION OF RETIRING DIRECTORS AND
GENERAL MANDATES TO ISSUE SHARES AND
TO REPURCHASE SHARES AND
AMENDMENTS TO THE EXISTING
MEMORANDUM AND ARTICLES AND
ADOPTION OF THE AMENDED AND
RESTATED MEMORANDUM AND ARTICLES AND
NOTICE OF ANNUAL GENERAL MEETING**

LETTER FROM THE BOARD

1. INTRODUCTION

The purpose of this circular is to provide you with the information regarding resolutions to be proposed at the AGM relating to the granting to the Directors of the Issuance Mandate and Repurchase Mandate, extension of Issue Mandate, re-election of retiring Directors, proposed amendments to the existing Memorandum and Articles and adoption of the Amended and Restated Memorandum and Articles and notice to convene the AGM to approve, *inter alia*, the said resolutions.

2. RE-ELECTION OF RETIRING DIRECTORS

The Board currently has nine Directors, comprising six executive Directors, namely Mr. Yeung Chi Hang, Mr. Leung Kwong Choi, Mr. Wong Po Keung, Mr. Chung Siu Wah, Mr. Chik To Pan and Mr. Liu Yafei and three independent non-executive Directors (“INED(s)”), namely Mr. Heung Chee Hang, Eric, Mr. Lee Chi Ho and Ms. Lai Pik Chi, Peggy who have served as an independent non-executive Director for approximately 11 years, 2 years and 1 year respectively.

Pursuant to Article 99 of the Articles, the Board shall have power from time to time and at any time to appoint any person as a Director either to fill a casual vacancy or as an addition to the Board. Any Director so appointed shall hold office only until the first annual general meeting of the after his appointment and shall then be eligible for re-election at that meeting.

Pursuant to Article 116 of the Articles, at each annual general meeting, one-third of the Directors for the time being (or, if their number is not a multiple of three (3), the number nearest to but not less than one-third) shall retire from office by rotation provided that every Director (including those appointed for a specific term and those holding the office of Chairman or Managing Director) shall be subject to retirement by rotation at least once every three years. The Directors to retire in every year shall be those who have been longest in office since their last re-election or appointment but as between persons who became Directors on the same day those to retire shall (unless they otherwise agree between themselves) be determined by lot.

Pursuant to the Article 116, Mr. Leung Kwong Choi (“**Mr. Leung**”), Mr. Chik To Pan (“**Mr. Chik**”) and Mr. Heung Chee Hang, Eric (“**Mr. Heung**”), being the existing Directors longest in office since their last re-election, will retire by rotation at the AGM. Mr. Leung, Mr. Chik, and Mr. Heung will offer themselves for re-election. No director is required to retire at the AGM pursuant to Article 99 of the Articles.

Mr. Heung was appointed and has served as an INED for more than nine years since January 2015. Pursuant to code provision B.2.3 of the Corporate Governance Code set out in part 2 of Appendix C1 to the Listing Rules, if an INED has served more than nine years, his further appointment should be subject to a separate resolution to be approved by the Shareholders. The Company should also state the reason why the Board and the nomination Committee believe the Director is still independent and should be re-elected, including the factors considered, the process and discussion of the Board and the nomination Committee in arriving at such determination.

LETTER FROM THE BOARD

Mr. Heung has given his annual written confirmation of independence to the Company according to Rule 3.13 of the Listing Rules. In evaluating the independence of the INEDs, in addition to the independence criteria as set out in Rule 3.13 of the Listing Rules, the nomination committee has considered all relevant factors, instead of only evaluating the length of service of the relevant individuals. The nomination Committee has made reference to the nomination policy and the board diversity policy of the Company, and given due regard to whether his independence and ability may contribute to the Board based on the skills, knowledge and experience required by the Board, as well as the time such INED devoted to the Board. In this regard, the nomination committee considered that Mr. Heung, as an INED, possesses in-depth knowledge of the Group's operations and business, as well as extensive experience and knowledge in the legal profession industry that contributes invaluable expertise to the Board, which is beneficial to the Board with diversity, continuity and stability. During Mr. Heung's tenure, he actively participated in the meetings of the Board and Board committees to give professional, objective and independent opinion and insight. He continues demonstrating a firm commitment to his role and is able to devote sufficient time for the Board and the Board committees that he is currently serving. Mr. Heung has not been involved in the day-to-day management duties of the Group, and does not have any relationship with any other Directors, senior management, substantial shareholders or controlling shareholders of the Company which could give rise to a conflict of interest or otherwise affect the exercise of his independent judgement.

The nomination committee has reviewed Mr. Heung's long service to the Board, and proposed his re-election at the AGM. Despite the fact that Mr. Heung has served as an INED for more than nine years, the nomination committee still considered him to be independent, and is capable of bringing new perspectives, objective insights and independent judgement to the Board and the Board committees that he is currently serving. Having considered the results of evaluation and advice of the Nomination committee, the Board is of the view that the long service of Mr. Heung will not affect the exercise of his independent judgement, and that he is still independent. Accordingly, the Board adopted the recommendation of the nomination committee and considered that the re-election of Mr. Heung as an INED at the AGM would contribute to the stability and diversity of the Board.

In addition, the nomination committee had also considered and nominated the above retiring Directors to the Board for it to propose to the Shareholders for re-election as Directors at the AGM. Mr. Heung being member of the nomination committee, abstained from voting when his own nominations was being considered. After considering the recommendation of the nomination committee, the Board has also proposed Mr. Leung, Mr. Chik, and Mr. Heung to stand for re-election as Directors. As a good corporate governance practice, each of the above retiring Directors abstained from voting at the relevant Board meeting on the respective proposals of their recommendations for re-election as Directors by the Shareholders at the AGM.

Biographical details of the retiring Directors proposed to be re-elected at the AGM are set out in Appendix II to this circular.

LETTER FROM THE BOARD

3. GENERAL MANDATES TO ISSUE SHARES AND TO REPURCHASE SHARES

At the last annual general meeting held on 3 December 2024, an ordinary resolution was passed for the granting of general mandates to the Directors, to allot, issue or otherwise deal with shares of the Company of HK\$0.10 each not exceeding 20% of the number of the issued Shares as at that date (i.e. 97,753,829 Shares of HK\$0.10 each) and to repurchase Shares of HK\$0.10 each not exceeding 10% of the number of the issued Shares as at that date (i.e. 48,876,914 Shares of HK\$0.10 each).

The Issuance Mandate and Repurchase Mandate will lapse upon the conclusion of the AGM. The Directors consider that the Issuance Mandate and Repurchase Mandate increase the flexibility in the Company's affairs and are in the interests of the Shareholders, and should continue to be adopted by the Company.

It will therefore be proposed at the forthcoming AGM to approve the granting of new general mandates to the Directors to exercise the power of the Company:

- (i) to allot, issue and deal with new Shares and to make or grant offers, agreements and options, including warrants to subscribe for Shares and other rights of subscription for or conversion into Shares, of not exceeding 20% of the number of issued Shares of the Company (excluding Treasury Shares) as at the date of passing of such resolution (the “**Issuance Mandate**”); and
- (ii) to repurchase Shares on the Stock Exchange of not exceeding 10% of the number of issued Shares of the Company (excluding Treasury Shares) as at the date of passing of such resolution (the “**Repurchase Mandate**”).

Assuming that there is no further issuance and allotment of and dealing in new Shares from the Latest Practicable Date to the date of AGM, a maximum of 97,753,829 new Shares, representing 20% of the number of issued Shares of the Company (excluding Treasury Shares), will be allotted, issued and dealt with under the Issuance Mandate.

A resolution authorising the extension of the Issuance Mandate to include the aggregate nominal number of Shares repurchased (if any) under the Repurchase Mandate will be proposed as ordinary resolution no. 6 set out in the AGM Notice.

An explanatory statement containing the particulars required by the Listing Rules to enable the Shareholders to make an informed decision on whether to vote for or against the resolution to approve the granting of the Repurchase Mandate is set out in Appendix II to this circular.

4. PROPOSED AMENDMENTS TO THE EXISTING MEMORANDUM AND ARTICLES AND ADOPTION OF THE AMENDED AND RESTATED MEMORANDUM AND ARTICLES

Reference is made to the announcement of the Company dated 16 October 2025 in relation to, among other things, the Proposed Amendments and the proposed adoption of the Amended and Restated Memorandum and Articles.

LETTER FROM THE BOARD

The Board proposed to (a) amend the existing Memorandum and Articles for the purposes of, among other things, (i) enabling the Company to allow the Shareholders the option to attend and participate at general meetings of the Company virtually with the use of virtual meeting technology and to cast votes and deliver proxy-related instructions to the Company by electronic means, and making corresponding amendments on the related proceedings and procedures in relation to virtual general meetings of the Company; (ii) bringing the existing Articles in line with the latest regulatory requirements in relation to the further expanded paperless listing regime under the Listing Rules; and (iii) incorporating certain minor consequential and housekeeping amendments; and (b) adopt the Amended and Restated Memorandum and Articles which incorporate and consolidate the Proposed Amendments in substitution for, and to the exclusion of, the existing Memorandum and Articles in their entirety.

Details of the Proposed Amendments are set out in Appendix III to this circular. A special resolution will be proposed at the AGM to approve the Proposed Amendments and the adoption of the Amended and Restated Memorandum and Articles. The Proposed Amendments and the adoption of the Amended and Restated Memorandum and Articles shall be subject to the approval of the Shareholders by way of a special resolution at the AGM. The Amended and Restated Memorandum and Articles shall become effective upon the passing of such special resolution at the AGM.

The Company's legal advisers as to Hong Kong laws and Cayman Islands laws have confirmed that the Proposed Amendments conform with the requirements of the Listing Rules and do not violate the Cayman Islands laws, respectively. The Company also confirms that there is nothing unusual about the Proposed Amendments for a company listed in Hong Kong.

The Proposed Amendments are prepared in English. The Chinese translation of the Amended and Restated Memorandum and Articles is for reference only. In case there are any inconsistencies between the English version and the Chinese version of the Amended and Restated Memorandum and Articles, the English version shall prevail.

5. ANNUAL GENERAL MEETING

The AGM Notice is set out in Appendix IV to this circular containing, *inter alia*, ordinary resolutions relating to the re-election of retiring Directors, granting of the Issuance Mandate, the Repurchase Mandate and extension of the Issuance Mandate; and a special resolution relating to amendments to the existing Memorandum and Articles and adoption of the Amended and Restated Memorandum and Articles, which will be proposed at the AGM for approval respectively.

A form of proxy is enclosed with this circular for use at the AGM. Whether or not you are able to attend the AGM, you are requested to complete and return the enclosed form of proxy to the Company's Hong Kong branch share registrar and transfer office, Union Registrars Limited at Suites 3301-04, 33/F, Two Chinachem Exchange Square, 338 King's Road, North Point, Hong Kong, not less than 48 hours before the time appointed for the

LETTER FROM THE BOARD

holding of the meeting. Completion and return of the form of proxy will not preclude you from attending and voting in person at the meeting or any adjournment thereof should you so wish.

6. VOTING BY WAY OF POLL

Pursuant to Rule 13.39(4) of the 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. The chairman of the meeting will therefore demand a poll for every resolution put to the vote at the AGM pursuant to the Articles and the Company will announce the results of the poll in the manner prescribed under Rule 13.39(5) and 13.39(5A) of the Listing Rules.

7. RECOMMENDATION

The Directors consider that the proposed ordinary resolutions for approval of the re-election of Retiring Directors, granting of Issuance Mandate, Repurchase Mandate and extension of the Issuance Mandate; and the proposed special resolution for approval of the proposed amendments to the existing Memorandum and Articles as set out in Appendix III to this circular and the adoption of the Amended and Restated Memorandum and Articles are each in the best interests of the Company and the Shareholders as a whole. Accordingly, the Directors recommend the Shareholders to vote in favour of the relevant resolutions to be proposed at the AGM.

8. GENERAL INFORMATION

Your attention is also drawn to the additional information set out in the appendices in this circular.

LETTER FROM THE BOARD

9. RESPONSIBILITY STATEMENT

This document, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the issuer. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this document 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 document misleading.

Yours faithfully,
By Order of the Board
China Environmental Resources Group Limited
Yeung Chi Hang
Chairman and Chief Executive Officer

The biographical details of the retiring Directors who shall retire from office at the AGM and, being eligible, will offer themselves for re-election are as follows:

1. Mr. Leung Kwong Choi, aged 69, was appointed as Executive Director on 6 October 2008. He is a director of a subsidiary of the Company. Mr. Leung holds a Bachelor of Social Science Degree from the Chinese University of Hong Kong. He had been working for 10 years in the marketing department of Hang Lung Development Ltd. since graduation. Mr. Leung has over 28 years of real estate and business experience in Hong Kong and Mainland China concentrating in property investment and development, acquisition and merger, deal marking and investment projects arrangement. He was appointed as an independent non-executive director of Rainbow Digital Commercial Co., Ltd. (stock code: 002419SZ) and Smartac International Holdings Limited (former stock code: 395 and listing cancelled on 20 February 2023) with effect from 19 September 2019 and 31 March 2022 respectively.

Mr. Leung has entered into an appointment letter with the Company for a term of three years commencing from 6 October 2023. He is subject to retirement by rotation at the annual general meeting of the Company and re-election under the provision of the Articles. For the year ended 30 June 2025, Mr. Leung received emoluments in a total sum of HK\$360,000 which comprised director's fees which is determined with reference to his qualification and experience, his duties and responsibilities within the Company, the performance of the Company and the prevailing market situation and subject to authorisation by the Shareholders at the annual general meeting and determination by the remuneration committee of the Company and the Board.

2. Mr. Chik To Pan, aged 46, was appointed as Executive Director on 15 April 2016. He is a director of certain subsidiaries of the Company. Mr. Chik has wide experience in licensing of karaoke music products, operating entertainment businesses and wedding service business. Mr. Chik has also experience in the management of listed company in Hong Kong. He was appointed as an executive director of United Power Investment Limited (now named as China Tangshang Holdings Limited) (a company listed on the main board of the Stock Exchange) (stock code: 674) for the period from 8 March 2005 to 24 January 2008.

Mr. Chik has entered into an appointment letter with the Company for a term of three years commencing from 15 April 2025. He is subject to retirement by rotation at the annual general meeting of the Company and re-election under the provision of the Articles. For the year ended 30 June 2025, Mr. Chik received emoluments in a total sum of HK\$618,000 which comprised director's fees, director's salaries and retirement benefit scheme contributions which is determined with reference to his qualification and experience, his duties and responsibilities within the Company, the performance of the Company and the prevailing market situation and subject to authorisation by the Shareholders at the annual general meeting and determination by the remuneration committee of the Company and the Board.

3. Mr. Heung Chee Hang, Eric, aged 57, was appointed as Independent Non-executive Director on 16 January 2015. He is also a member of audit committee, remuneration committee and nomination committee. He is a qualified solicitor admitted to the Supreme Court of Hong Kong and a Civil Celebrant of Marriages. Mr. Heung received a bachelor's degree in Law from University of Leicester England. He has more than 24 years of experience in the legal profession. Mr. Heung is presently a partner of Messrs. Wong Heung Sum & Lawyers, executive committee member of Basic Law Institute Limited, committee member of USRC Standing Disciplinary and member of the sixth Guangxi Guilin Municipal Committee of the Chinese People's Political Consultative Conference.

Mr. Heung has entered into an appointment letter with the Company for a term of one year commencing from 16 January 2025. He is subject to retirement by rotation at annual general meeting of the Company and re-election under the provision of the Articles. For the year ended 30 June 2025, Mr. Heung received emoluments in a total sum of HK\$120,000 which comprised director's fees which is determined with reference to his qualification and experience, his duties and responsibilities within the Company, the performance of the Company and the prevailing market situation and subject to authorisation by the Shareholders at the annual general meeting and determination by the remuneration committee of the Company and the Board.

Save as disclosed above, Mr. Leung, Mr. Chik and Mr. Heung (i) do not hold any position with the Company or other members of the Group; (ii) do not have any relationship with any Directors, senior management, substantial or controlling shareholders (having the meaning ascribed to them in the Listing Rules) of the Company; (iii) do not have any interests in the Shares within the meaning of Part XV of the SFO; and (iv) do not hold any other directorships in public companies the securities of which are listed on any securities market in Hong Kong or overseas in the last three years and they do not have any other major appointments or professional qualifications.

Save as disclosed above, Mr. Leung, Mr. Chik and Mr. Heung have respectively confirmed that there are no other matters that need to be brought to the attention of the Shareholders in connection with their re-election nor any information that need to be disclosed pursuant to the Rule 13.51(2)(h) to 13.51(2)(v) of the Listing Rules.

This appendix includes an explanatory statement required by the Stock Exchange to be presented to the Shareholders concerning the Repurchase Mandate proposed to be granted to the Directors.

1. LISTING RULES FOR REPURCHASES OF SHARES

The Listing Rules permit companies with a primary listing on the Stock Exchange to repurchase their shares on the Stock Exchange subject to certain restrictions.

The Listing Rules provide that all proposed repurchases of shares by a company with a primary listing on the Stock Exchange must be approved by shareholders in advance by an ordinary resolution at a general meeting, either by way of a general mandate or by a specific approval of a particular transaction and that the shares to be repurchased must be fully paid up.

2. FUNDING AND IMPACT OF REPURCHASES

Any repurchase will be made out of funds which are legally available for the purpose in accordance with the Memorandum, the Articles, the Listing Rules and the applicable laws of the Cayman Islands. As compared with the financial position of the Company as at 30 June 2025 (being the date to which the latest audited financial statements of the Company have been made up), the Directors consider that there would be a material adverse impact on the working capital and on the gearing position of the Company in the event that the proposed repurchases were to be carried out in full during the proposed repurchase period.

The Directors do not propose to exercise the Repurchase Mandate to such extent as would, in the circumstances, have a material adverse effect on the working capital of the Company or the gearing position which in the opinion of the Directors are from time to time appropriate for the Company.

3. REASONS FOR REPURCHASES

The Directors believe that it is in the best interests of the Company and the Shareholders to have a general authority from the Shareholders to enable the Directors to repurchase Shares on the market. Such repurchases may, depending on market conditions and funding arrangements at the time, lead to an enhancement of the net asset value of the Company and/or its earnings per Share and will only be made when the Directors believe that such repurchases will benefit the Company and the Shareholders.

4. SHARE CAPITAL

As at the Latest Practicable Date, the issued share capital of the Company comprised 488,769,147 Shares.

Subject to the passing of the relevant ordinary resolutions to approve the general mandates to repurchase Shares and on the basis that no further Shares are issued or repurchased between the Latest Practicable Date and the AGM, the Directors would be authorised to exercise the powers of the Company to repurchase a maximum of 48,876,914 Shares.

As of the Latest Practicable Date, the Company had not repurchased any Shares, nor did it hold any Treasury Share. If the Directors exercise the power to repurchase Shares pursuant to the Repurchase Mandate, the Company will cancel the repurchased Shares following settlement of such repurchase and will not hold the same as Treasury Shares.

5. UNDERTAKING OF THE DIRECTORS

The Directors will exercise the power of the Company to make repurchases pursuant to the Repurchase Mandate and in accordance with the Listing Rules, the Memorandum and the Articles, the applicable laws of Hong Kong, the Companies Act and the applicable laws of the Cayman Islands.

The Directors confirmed that neither this explanatory statement nor the proposed share repurchase has any unusual features.

6. EFFECT OF THE TAKEOVERS CODE

A repurchase of Shares by the Company may result in an increase in the proportionate interests of Substantial Shareholder in the voting rights of the Company, which may give rise to an obligation to make a mandatory offer in accordance with Rules 26 and 32 of the Takeovers Code. As at the Latest Practicable Date, the following Shareholders are taken to have 5% or more of the issued share capital of the Company:

Name of shareholders	No. of issued Shares Interested	Percentage of shareholding in the Company	
		As at the Latest Practicable Date	After exercise in full of the Repurchase Mandate
Mr. Yeung Chi Hang	102,247,200	20.92%	23.24%
Ocean Line Holdings Limited	59,900,000	12.26%	13.62%
Ms. Cheung Wai Fung	62,802,400	12.85%	14.28%
Mr. Kwai Sze Hoi	62,802,400	12.85%	14.28%

On the basis that no further Shares are issued or repurchased prior to the AGM, in the event that the Directors exercise in full the Repurchase Mandate, the interests of the above Shareholders would be increased to such percentages of the issued share capital of the Company as set out in the fourth column of the above table and such increase would not give rise to an obligation to make a mandatory offer under Rule 26 of the Takeovers Code.

In the event that the Repurchase Mandate is exercised in full, the number of Shares held by the public would not fall below 25%.

7. DIRECTORS, THEIR ASSOCIATES AND CONNECTED PERSONS

None of the Directors nor, to the best knowledge and belief of the Directors, having made all reasonable enquiries, any of their respective close associates has any present intention, in the event that the proposed Repurchase Mandate is granted, to sell Shares to the Company. No core connected person of the Company has notified the Company that he/she/it has a present intention to sell Shares to the Company nor has he/she/it undertaken not to sell any of the Shares held by him/her/it to the Company in the event that the Company is authorised to make repurchases of Shares.

8. SHARE REPURCHASE MADE BY THE COMPANY

No repurchase of Shares has been made by the Company (whether on the Stock Exchange or otherwise) during the six months ended on the Latest Practicable Date.

9. SHARE PRICES

The highest and lowest prices at which the Shares have been traded on the Stock Exchange in each of the previous twelve months up to the Latest Practicable Date were as follows:

	Shares	
	Highest	Lowest
	<i>HK\$</i>	<i>HK\$</i>
2024		
October	0.248	0.193
November	0.248	0.198
December	0.226	0.200
2025		
January	0.250	0.199
February	0.770	0.243
March	0.790	0.530
April	0.830	0.630
May	0.800	0.510
June	0.680	0.550
July	0.640	0.540
August	0.660	0.500
September	0.540	0.455
October (till the Latest Practicable Date)	0.490	0.460

APPENDIX III	PROPOSED AMENDMENTS TO THE EXISTING MEMORANDUM AND ARTICLES AND ADOPTION OF THE AMENDED AND RESTATED MEMORANDUM AND ARTICLES
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Details of the Proposed Amendments to certain provisions in the existing Memorandum and Articles are set out below (as indicated by the marked-up amendments). Unless otherwise specified, paragraph and article numbers referred to in this appendix are the paragraph and article numbers of the existing Memorandum and Articles or the proposed Amended and Restated Memorandum and Articles proposed to be adopted at the AGM.

MEMORANDUM OF ASSOCIATION	
The Proposed Amendments (showing changes to the Memorandum) are set out below	
Paragraph No.	
6)	The share capital of the Company is HK\$300,000,000 divided into 453,000,000 <u>30,000,000</u> shares of a nominal or par value of HK\$0.020.1 <u>HK\$0.020.1</u> each with power for the Company insofar as is permitted by law, to redeem or purchase any of its shares and to increase or reduce the said capital subject to the provisions of the Companies Act (As Revised) and the Articles of Association and to issue any part of its capital, whether original, redeemed or increased with or without any preference, priority or special privilege or subject to any postponement of rights or to any conditions or restrictions and so that unless the conditions of issue shall otherwise expressly declare every issue of shares whether declared to be preference or otherwise shall be subject to the powers hereinbefore contained.

ARTICLES OF ASSOCIATION		
The Proposed Amendments (showing changes to certain Articles) are set out below		
Margin Notes	Articles No.	
Business Day	2.	“Business Day” means a day on which the Exchange generally is open for the business of dealing in securities in Hong Kong. Notwithstanding the foregoing, where the Exchange is closed for the business of dealing in securities in Hong Kong on a day by reason of a Gale Warning, Black Rainstorm Warning or other similar event, such day shall for the purpose of any notice sent under these Articles be counted as a Business Day;
<u>Communication Facilities</u>		“Communication Facilities” means video, video-conferencing, internet or online conferencing applications, telephone or tele-conferencing and/or any other video-communication, internet or online conferencing application or telecommunications facilities or other virtual meeting technology by means of which all Persons participating in a meeting are capable of hearing and being heard by each other and all members’ rights to speak and vote at the meeting are maintained;
electronic Electronic		“ electronic Electronic” shall have the meaning given to it in the Electronic Transactions Act (As Revised) of the Cayman Islands and any amendment thereto or re-enactments thereof for the time being in force and includes every other law incorporated therewith or substituted therefor;
electronic communication		“ electronic communication ” shall mean a communication sent by electronic transmission in any form through any medium;
Electronic Means		“ Electronic Means ” means sending or otherwise making the communication available to the intended recipients in electronic format;
<u>Present</u>		“Present” means in respect of any Person, such Person’s presence at a general meeting of members, which may be satisfied by means of such Person or, if a corporation or other non-natural Person, its duly authorised representative (or, in the case of any member, a proxy which has been validly appointed by such member in accordance with these Articles), being: (a) <u>physically present at the meeting; or</u> (b) <u>in the case of any meeting at which Communication Facilities are permitted in accordance with these Articles, connected by means of the use of such Communication Facilities;</u>
writing/printing		“writing” or “printing” shall include written or printed or printed by lithography or printed by photography or typewritten or produced by any other mode of representing words or figures in a visible form or, to such extent permitted by, and in accordance with all applicable laws, rules and regulations, any visible substitute for writing (including an electronic Electronic communication), or partly in one visible form and partly in another visible form;

ARTICLES OF ASSOCIATION		
The Proposed Amendments (showing changes to certain Articles) are set out below		
Margin Notes	Articles No.	
Capital	3.	The capital of the Company at the date of the adoption of these Articles is HK\$300,000,000 divided into 453,000,000 <u>300,000,000</u> shares of a nominal or par value of HK\$0.020.1 <u>HK\$1.00</u> each.
Share register	15.	(c) The register may, on 10 Business Days' notice (or 6 Business Days' notice in the case of a Rights Issue) being given by advertisement published on the Exchange's website or published in the newspapers, or, subject to the Listing Rules, by electronic <u>Electronic</u> communication in the manner in which notices may be served by the Company by Electronic Means <u>means</u> as herein provided, be closed at such times and for such periods as the Board may from time to time determine, either generally or in respect of any class of shares, provided that the register shall not be closed for more than 30 days in any year (or such longer period as the members may by ordinary resolution determine provided that such period shall not be extended beyond 60 days in any year). The Company shall, on demand, furnish any person seeking to inspect the register or part thereof which is closed by virtue of this Article with a certificate under the hand of the Secretary stating the period for which, and by whose authority, it is closed.
Share certificates	16.	Every person whose name is entered as a member in the register shall be entitled without payment to receive, within the relevant time limit as prescribed in the Act or as the Exchange may from time to time determine, whichever is shorter, after allotment or lodgment of transfer (or within such other period as the conditions of issue shall provide), one certificate for all his shares of each class or, if he shall so request, in a case where the allotment or transfer is of a number of shares in excess of the number for the time being forming an Exchange board lot, upon payment, in the case of a transfer, of a sum equal to the relevant maximum amount as the Exchange may from time to time determine for every certificate after the first or such lesser sum as the Board shall from time to time determine, such numbers of certificates for shares in Exchange board lots or multiples thereof as he shall request and one for the balance (if any) of the shares in question. A member shall only be entitled to a share certificate if the Board resolves that share certificates be issued, provided that in respect of a share or shares held jointly by several persons the Company shall not be bound to issue a certificate or certificates to each such person, and the issue and delivery of a certificate or certificates to one of several joint holders shall be sufficient delivery to all such holders.
Notice of call	25.	At least 14 days' notice of any call shall be given to each member specifying the time and place of payment and to whom <u>and the manner in which</u> such payment shall be made.

ARTICLES OF ASSOCIATION		
The Proposed Amendments (showing changes to certain Articles) are set out below		
Margin Notes	Articles No.	
Every member liable to pay call at appointed time and place	27.	Every member upon whom a call is made shall pay the amount of every call so made on him to the person and at the time or times and place or places <u>and in such manner as</u> the Board shall specify. A person upon whom a call is made shall remain liable on such call notwithstanding the subsequent transfer of the shares in respect of which the call was made.
Notice of call may be published in newspapers or given by Electronic Means <u>means</u>	28.	In addition to the giving of notice in accordance with Article 26, notice of the person appointed to receive payment of every call and of the times and places appointed for <u>and the manner of</u> payment may be given to the members affected by notice published on the Exchange's website or by advertisement published in the newspapers or, subject to the Listing Rules, by electronic <u>Electronic</u> communication in the manner in which notices may be served by the Company by Electronic Means <u>means</u> as herein provided.
Suspension of privileges while call in arrears	33.	No member shall be entitled to receive any dividend or bonus or to be present <u>Present</u> and vote (save as proxy for another member) at any general meeting, either personally or by proxy, or be reckoned in a quorum, or to exercise any other privilege as a member until all sums or instalments due from him to the Company in respect of any call, whether alone or jointly with any other person, together with interest and expenses (if any) shall have been paid.

ARTICLES OF ASSOCIATION		
The Proposed Amendments (showing changes to certain Articles) are set out below		
Margin Notes	Articles No.	
Requirements as to transfer	41.	The Board may also decline to register any transfer of any shares unless: (a) the instrument of transfer is lodged with the Company accompanied by the certificate <u>(if any)</u> for the shares to which it relates (which shall upon registration of the transfer be cancelled) and such other evidence as the Board may reasonably require to show the right of the transferor to make the transfer; and (b) the instrument of transfer is in respect of only one class of shares; and (c) the instrument of transfer is properly stamped (in circumstances where stamping is required); and (d) in the case of a transfer to joint holders, the number of joint holders to which the share is to be transferred does not exceed four; and (e) the shares concerned are free of any lien in favour of the Company; and (f) a fee of such amount not exceeding the maximum amount as the Exchange may from time to time determine to be payable or such lesser sum as the Board may from time to time require) is paid to the Company in respect thereof.
Certificate to be given up on transfer	43.	Upon every transfer of shares the certificate <u>(if any)</u> held by the transferor shall be given up to be cancelled, and shall forthwith be cancelled accordingly, and a new certificate shall, <u>subject to the Board resolving to issue share certificates pursuant to Article 16.,</u> be issued without charge to the transferee in respect of the shares transferred to him, and if any of the shares included in the certificate so given up shall be retained by the transferor a new certificate in respect thereof shall, <u>subject to the Board resolving to issue share certificates pursuant to Article 16.,</u> be issued to him without charge. The Company shall also retain the instrument(s) of transfer.

ARTICLES OF ASSOCIATION		
The Proposed Amendments (showing changes to certain Articles) are set out below		
Margin Notes	Articles No.	
Form of notice	50.	The notice shall name a further day (not earlier than the expiration of 14 days from the date of service of the notice) on or before which, and the place where, <u>and the manner in which</u> , the payment required by the notice is to be made, and shall state that in the event of non payment at or before the time and at the place <u>and in the manner so</u> appointed, the shares in respect of which the call was made or instalment is unpaid will be liable to be forfeited. The Board may accept a surrender of any share liable to be forfeited hereunder and in such case, references in these Articles to forfeiture shall include surrender.
When annual general meeting to be held	70.	The Company shall hold a general meeting as its annual general meeting for each financial year, to be held within six months (or such other period as may be permitted by the Listing Rules or the Exchange) after the end of such financial year, in addition to any other meeting in that year and shall specify the meeting as such in the notices calling it. The annual general meeting shall be held at such <u>date</u> , time and place as the Board shall appoint.
<u>Use of Communication Facilities</u>	<u>72A.</u>	<u>The Directors may make Communication Facilities available for a specific general meeting or all general meetings of the Company so that members and other participants may attend and participate at such general meetings by means of such Communication Facilities.</u>

ARTICLES OF ASSOCIATION		
The Proposed Amendments (showing changes to certain Articles) are set out below		
Margin Notes	Articles No.	
Notice of Meetings	73.	(a) An annual general meeting called for the passing of a special resolution shall be called by not less than 21 days' notice in writing and any extraordinary general meeting shall be called by not less than 14 days' notice in writing. Subject to the requirement under the Listing Rules, the notice shall be exclusive of the day on which it is served or deemed to be served and of the day for which it is given, and shall specify the <u>date, time, and place of</u>, and <u>the agenda of the meeting, particulars of the resolutions and the general nature of the business to be considered at the meeting.</u> The notice convening an annual general meeting shall specify the meeting as such, and the notice convening a meeting to pass a special resolution shall specify the intention to propose the resolution as a special resolution. Notice of every general meeting shall be given to the Auditors and to all members other than such as, under the provisions hereof or the terms of issue of the shares they hold, are not entitled to receive such notice from the Company. (d) <u>The notice of any general meeting (including a postponed or reconvened meeting held pursuant to Article 74.(c) or 74.(e)) at which Communication Facilities will be utilised shall specify the Communication Facilities that will be utilised, including the procedures to be followed by any member or other participant of the general meeting who wishes to utilise such Communication Facilities for the purpose of attending, participating and voting at such meeting.</u>
Quorum	76.	For all purposes the quorum for a general meeting shall be two members present in person or by proxy <u>Present</u> provided always that if the Company has only one member of record the quorum shall be that one member present in person or by proxy <u>Present</u> . No business (except the appointment of a Chairman) shall be transacted at any general meeting unless the requisite quorum shall be present <u>Present</u> at the commencement of the business.
When if quorum not present meeting to be dissolved and when to be adjourned	77.	If within half an hour from the time appointed for the meeting a quorum is not present <u>Present</u> , the meeting, if convened upon the requisition of members, shall be dissolved, but in any other case it shall stand adjourned to the same day in the next week and at such time and place as shall be decided by the Board, and if at such adjourned meeting a quorum is not present <u>Present</u> within half an hour from the time appointed for holding the meeting, the member or members present in person or by proxy <u>Present</u> shall be a quorum and may transact the business for which the meeting was called.

ARTICLES OF ASSOCIATION		
The Proposed Amendments (showing changes to certain Articles) are set out below		
Margin Notes	Articles No.	
Chairman of general meeting	78.	The Chairman shall take the chair at every general meeting, or, if there be no such Chairman or, if at any general meeting such Chairman shall not be present <u>Present</u> within 15 minutes after the time appointed for holding such meeting or is unwilling to act, the Directors present <u>Present</u> shall choose another Director as Chairman, and if no Director be present <u>Present</u> , or if all the Directors present <u>Present</u> decline to take the chair, or if the Chairman chosen shall retire from the chair, then the members present shall choose one of their own number to be Chairman.
<u>Chairman's attendance by means of Communication Facilities</u>	<u>78A.</u>	<u>The chairman of any general meeting shall be entitled to attend and participate at such general meeting by means of Communication Facilities, and to act as the chairman, in which event:</u> (a) <u>the chairman shall be deemed to be Present at the meeting; and</u> (b) <u>if the Communication Facilities are interrupted or fail for any reason to enable the chairperson to hear and be heard by all other Persons attending and participating at the meeting, then the Directors Present at the meeting shall choose another Director Present to act as chairman of the meeting for the remainder of the meeting; provided that if (i) no other Director is Present at the meeting, or (ii) all the Directors Present decline to take the chair, the meeting shall be automatically adjourned to the same day in the next week and at such time and place and in such manner as shall be decided by the Directors.</u>
Power to adjourn general meeting/ business of adjourned meeting	79.	The Chairman may, with the consent of any general meeting at which a quorum is present <u>Present</u> , and shall, if so directed by the meeting, adjourn any meeting from time to time and from place to place as the meeting shall determine. Whenever a meeting is adjourned for 14 days or more, at least seven clear days' notice, specifying the place, the day and the hour of the adjourned meeting shall be given in the same manner as in the case of an original meeting but it shall not be necessary to specify in such notice the nature of the business to be transacted at the adjourned meeting. Save as aforesaid, no member shall be entitled to any notice of an adjournment or of the business to be transacted at any adjourned meeting. No business shall be transacted at any adjourned meeting other than the business which might have been transacted at the meeting from which the adjournment took place.

ARTICLES OF ASSOCIATION		
The Proposed Amendments (showing changes to certain Articles) are set out below		
Margin Notes	Articles No.	
Poll	81.	A poll shall (subject as provided in Article 82) be taken in such manner (including the use of ballot or voting papers or tickets <u>or by Electronic voting</u>) and at such time and place, not being more than 30 days from the date of the meeting or adjourned meeting as the Chairman directs. No notice need be given of a poll not taken immediately. The result of the poll shall be deemed to be the resolution of the meeting at which the poll was taken.
Votes of Members	85.	Subject to any special rights, privileges or restrictions as to voting for the time being attached to any class or classes of shares, at any general meeting (a) every member who is present in person or by proxy (or, in the case of a member being a corporation by its duly authorised representative) <u>Present</u> shall have the right to speak, (b) on a show of hands, every member present in such manner shall have one vote, and (bc) on a poll every member present in such manner <u>Present</u> shall have one vote for each share registered in his name in the register, except, in the cases of sub-paragraphs (b) and (c) above, where a member is required, by the Listing Rules, to abstain from voting to approve the matter under consideration. On a poll a member entitled to more than one vote is under no obligation to cast all his votes in the same way.
Qualification for voting	89.	(a) (i) Save as expressly provided in these Articles or as otherwise determined by the Board, no person other than a member duly registered and who shall have paid everything for the time being due from him payable to the Company in respect of his shares shall be entitled to be present <u>Present</u> or to vote (save as proxy for another member), or to be reckoned in a quorum, either personally or by proxy at any general meeting.

ARTICLES OF ASSOCIATION		
The Proposed Amendments (showing changes to certain Articles) are set out below		
Margin Notes	Articles No.	
Delivery of authority for appointment of proxy or copy resolution appointing representative	92.	The instrument appointing a proxy and (if required by the Board) the power of attorney or other authority, (if any) under which it is signed, or a notarially certified copy of such power or authority, shall be delivered at the registered office of the Company (or at such other place <u>and/or in such other manner, including by Electronic means</u> , as may be specified in the notice convening the meeting or in any notice of any adjournment or, in either case, in any document sent therewith) not less than 48 hours before the time appointed for holding the meeting or adjourned meeting at which the person named in the instrument proposes to vote, or, in the case of a poll taken subsequently to the date of a meeting or adjourned meeting, not less than 48 hours before the time appointed for the taking of the poll, and in default the instrument of proxy shall not be treated as valid provided always that the Chairman of the meeting may at his discretion direct that an instrument of proxy shall be deemed to have been duly deposited upon receipt of telex or cable or facsimile <u>or email confirmation or confirmation by other Electronic means</u> from the appointor that the instrument of proxy duly signed is in the course of transmission to the Company. No instrument appointing a proxy shall be valid after the expiration of 12 months from the date named in it as the date of its execution. Delivery of any instrument appointing a proxy shall not preclude a member from attending and voting in person at the meeting or poll concerned and, in such event, the instrument appointing a proxy shall be deemed to be revoked.
Chairman	126.	The Board may elect a Chairman of its meetings and determine the period (not being a period extending beyond the date of the annual general meeting at which such Chairman is due to retire by rotation under Article 116) for which he is to hold office; but if no such Chairman is elected, or if at any meeting the Chairman is not present <u>Present</u> within five minutes after the time appointed for holding the same, the Directors present <u>Present</u> may choose one of their number to be Chairman of the meeting.
Power of meeting	127.	A meeting of the Board for the time being at which a quorum is present <u>Present</u> shall be competent to exercise all or any of the authorities, powers and discretions by or under these Articles for the time being vested in or exercisable by the Board generally.

ARTICLES OF ASSOCIATION		
The Proposed Amendments (showing changes to certain Articles) are set out below		
Margin Notes	Articles No.	
Payment by post	155.	(a) Unless otherwise directed by the Board any dividend or bonus may be paid or distributions may be paid by wire transfer to the holder(s) of shares or in case of joint holders, to the <u>person whose name stands first in the register in respect of the joint holding or to such person as the holder or joint holders may in writing direct, or</u> by cheque or warrant sent through the post to the registered address of the member entitled, or, in case of joint holders, to the registered address of the person whose name stands first in the register in respect of the joint holding or to such person and to such address as the holder or joint holders may in writing direct. Every cheque or warrant so sent shall be made payable to the order of the holder or, in the case of joint holders, to the order of the holder whose name stands first on the register in respect of such shares and shall be sent at his or their risk, and the payment of any such cheque or warrant by the bank on which it is drawn shall operate as a good discharge to the Company in respect of the dividend and/or bonus <u>and/or distributions</u> represented thereby, notwithstanding that it may subsequently appear that the same has been stolen or that any endorsement thereon has been forged. (b) The Company may cease sending such cheques for dividend entitlements or dividend warrants by post if such cheques or warrants have been left uncashed on two consecutive occasions. However, the Company may exercise its power to cease sending <u>wire transfers or</u> cheques for dividend entitlements or dividend warrants after the first occasion on which such <u>wire transfer,</u>a cheque or warrant is returned undelivered.

ARTICLES OF ASSOCIATION		
The Proposed Amendments (showing changes to certain Articles) are set out below		
Margin Notes	Articles No.	
Sale of shares of untraceable shareholders	157.	(a) The Company shall be entitled to sell any shares of a member or the shares to which a person is entitled by virtue of transmission on death or bankruptcy or operation of law if and provided that: (i) all cheques or warrants, not being less than three in number, for any sums payable in cash to the holder of such shares have remained uncashed for a period of 12 years; (ii) the Company has not during that time or before the expiry of the three month period referred to in paragraph (iv) below received any indication of the whereabouts or existence of the member or person entitled to such shares by death, bankruptcy or operation of law; (iii) during the 12-year period, at least three dividends in respect of the shares in question have become payable and no dividend during that period has been claimed by the member; and (iv) upon expiry of the 12-year period, the Company has caused an advertisement to be published in the newspapers, <u>or, subject to the Listing Rules, by Electronic communication in the manner in which notices may be served by the Company by Electronic means as provided in these Articles,</u> giving notice of its intention to sell such shares, and a period of three months has elapsed since such advertisement and the Exchange has been notified of such intention.

ARTICLES OF ASSOCIATION		
The Proposed Amendments (showing changes to certain Articles) are set out below		
Margin Notes	Articles No.	
Destruction of registered documents, etc.	158.	The Company shall be entitled to destroy all instruments of transfer, probate, letters of administration, stop notices, powers of attorney, certificates of marriage or death and other documents relating to or affecting title to securities in or of the Company (“Registrable Documents”) which have been registered at any time after the expiration of six years from the date of registration thereof and all dividend mandates and notifications of change of address <u>or electronic address (if any)</u> at any time after the expiration of two years from the date of recording thereof and all share certificates which have been cancelled at any time after the expiration of one year from the date of the cancellation thereof and it shall conclusively be presumed in favour of the Company that every entry in the register if purporting to have been made on the basis of an instrument of transfer or Registrable Document so destroyed was duly and properly made and every instrument of transfer or Registrable Document so destroyed was a valid and effective instrument or document duly and properly registered and every share certificate so destroyed was a valid and effective certificate duly and properly cancelled and every other document hereinbefore mentioned so destroyed was a valid and effective document in accordance with the recorded particulars thereof in the books or records of the Company, provided always that: (a) the provisions aforesaid shall apply only to the destruction of a document in good faith and without express notice of the Company of any claim (regardless of the parties thereto) to which the document might be relevant; (b) nothing herein contained shall be construed as imposing upon the Company any liability in respect of the destruction of any such document earlier than as aforesaid or in any other circumstances which would not attach to the Company in the absence of this Article; and (c) references herein to the destruction of any document include references to the disposal thereof in any manner.

ARTICLES OF ASSOCIATION		
The Proposed Amendments (showing changes to certain Articles) are set out below		
Margin Notes	Articles No.	
Service of notices	167.	(a) Any notice or document to be given or issued under these Articles shall be in writing, except that any such notice or document to be given or issued by or on behalf of the Company under these Articles (including any “corporate communication” within the meaning ascribed thereto in the Listing Rules) shall be in writing which may or may not be in a transitory form and may be recorded or stored in any digital, electronic, electrical, magnetic or other retrievable form or medium and information in visible form (including an electronic <u>Electronic</u> communication and publication on a computer network) whether having physical substance or not and may be served or delivered by the Company by any of the following means subject to and to such extent permitted by and in accordance with the Companies Ordinance, the Listing Rules and any applicable laws, rules and regulations: (i) personally; (ii) by sending it through the post in a properly prepaid letter, envelope or wrapper addressed to a member at his registered address as appearing in the register (in case of other entitled person, to such address as he may provide); (iii) by delivering or leaving it at such address as aforesaid; (iv) by advertisement published in the newspapers; (v) by sending or transmitting it as an electronic communication <u>by Electronic means</u> to the entitled person at his <u>electronic number or address or website</u> as he may provide; or (vi) by publishing it on the Exchange’s website and the Company’s computer network <u>or website</u>, giving access to such network to the entitled person and giving to such person a notice of publication of such notice or document.

ARTICLES OF ASSOCIATION		
The Proposed Amendments (showing changes to certain Articles) are set out below		
Margin Notes	Articles No.	
When notice by post deemed to be served	169.	Any notice or document (including any “corporate communication” within the meaning ascribed thereto in the Listing Rules) given or issued by or on behalf of the Company: (a) if served or delivered in person, shall be deemed to have been served or delivered at the time of personal service or delivery, and in proving such service or delivery, a certificate in writing signed by the Secretary or other officer of the Company or other person appointed by the Board that the notice or document was so served or delivered shall be conclusive evidence thereof; (b) if served by post, shall be deemed to have been served at the expiration of forty-eight hours after the envelope or wrapper containing the same is posted and in proving such service it shall be sufficient to prove that the envelope or wrapper containing the notice or document was properly prepaid, addressed and posted (in the case of an address outside Hong Kong by air-mail postage prepaid where air-mail posting from Hong Kong to such place is available) and a certificate in writing signed by the Secretary or other person appointed by the Board that the envelope or wrapper containing the notice or document was so addressed and put into such post office shall be conclusive evidence thereof; (c) if served by advertisement published in the newspapers, shall be deemed to have been served on the day of issue of the newspaper(s) in which the advertisement is published; and (d) if sent by electronic communication <u>Electronic means</u>, shall be deemed to be given on the day on which it is transmitted from the server of the Company or its agent. A notice or document placed on the Company’s computer network or website <u>and/ or publishing it on the Exchange’s website is deemed given by the Company to a member on at the day on which a time the notice of availability is deemed served on the member or document first appears on the Company’s computer network or website or the Exchange’s website (whichever is earlier).</u>



CHINA ENVIRONMENTAL RESOURCES GROUP LIMITED

中國環境資源集團有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1130)

NOTICE IS HEREBY GIVEN that an annual general meeting of China Environmental Resources Group Limited (the “**Company**”) will be held at Orchid Room, 2/F, The Royal Garden, 69 Mody Road, Tsim Sha Tsui East, Kowloon, Hong Kong on Thursday, 4 December 2025 at 11:00 a.m. for the following purposes:

ORDINARY BUSINESS

ORDINARY RESOLUTIONS

1. To receive and adopt the audited consolidated financial statements for the year ended 30 June 2025 together with the report of the directors and the independent auditor’s report.
2.
 - (a) To re-elect Mr. Leung Kwong Choi as executive director.
 - (b) To re-elect Mr. Chik To Pan as executive director.
 - (c) To re-elect Mr. Heung Chee Hang, Eric (who has served as independent non-executive director for more than 9 years) as independent non-executive director.
 - (d) To authorise the board of director of the Company to fix the directors’ remuneration for the year ending 30 June 2026.
3. To re-appoint ZHONGHUI ANDA CPA Limited as auditor of the Company and to authorise the board of directors of the Company to fix the remuneration of auditor of the Company.

SPECIAL BUSINESS**ORDINARY RESOLUTIONS**

The following resolutions no. 4 to no. 6 will be proposed and, if thought fit, passed as ordinary resolutions of the Company:

4. **“THAT:**

- (a) subject to the provisions of paragraph (c) below, the exercise by the directors of the Company during the Relevant Period (as hereinafter defined) of all the powers of the Company to allot, issue and deal with additional shares of HK\$0.10 each in the capital of the Company (“**Shares**”) and to make or grant offers, agreements and options which would or might require the exercise of such powers be and is hereby generally and unconditionally approved;
- (b) the approval given in paragraph (a) above shall authorise the directors of the Company during the Relevant Period (as hereinafter defined) to make or grant offers, agreements and options which would or might require the exercise of such powers after the end of the Relevant Period;
- (c) the total number of shares allotted and issued or agreed conditionally or unconditionally to be allotted, issued (whether pursuant to an option or otherwise) and issued by the directors of the Company pursuant to the approval in paragraph (a) above, otherwise than pursuant to (i) a Rights Issue (as hereinafter defined); (ii) an issue of shares upon the exercise of rights of subscription or conversion under the terms of warrants of the Company or any securities which are convertible into shares; (iii) an issue of Shares as scrip dividends or similar arrangement providing for the allotment of Shares in lieu of the whole or part of a dividend on shares of the Company in accordance with the articles of association of the Company from time to time; (iv) an issue of shares under any share option scheme or similar arrangement of the Company; or (v) an issue of shares under a specific mandate granted by the shareholders of the Company in general meeting, shall not exceed 20% of the total number of the issued shares of the Company (excluding treasury shares) at the date of passing of this resolution, provided that if any subsequent consolidation or subdivision of Shares is effected, the maximum number of Shares that may be allotted and issued under the mandate in paragraph (a) above as a percentage of the total number of issued Shares (excluding treasury shares) at the date immediately before and after such consolidation or subdivision shall be the same and such maximum number of shares shall be adjusted accordingly; and

(d) 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 of the Company;
- (ii) the expiration of the period within which the next annual general meeting of the Company is required by the applicable laws of the Cayman Islands or the Company’s articles of association to be held; or
- (iii) the date on which the authority set out in this resolution is revoked or varied by an ordinary resolution in general meeting.

“**Rights Issue**” means an offer of shares open for a period fixed by the directors of the Company to holders of shares of the Company whose names on the register of members of the Company on a fixed record date in proportion to their then holdings of such Shares (subject to such exclusions or other arrangements as the directors of the Company may deem necessary or expedient in relation to fractional entitlements or having regard to any restriction or obligations under the laws of, or the requirements of, any recognised regulatory body or any stock exchange in any territory applicable to the Company).”

5. “**THAT:**

- (a) subject to the provisions of paragraph (b) below, the exercise by the directors of the Company during the Relevant Period (as hereinafter defined) of all the powers of the Company to repurchase the Shares on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) or on any stock exchange on which the securities of the Company may be listed and recognised for this purpose by the Securities and Futures Commission of Hong Kong and the Stock Exchange under the Hong Kong Code on Share Repurchases, subject to and in accordance with all applicable laws and requirements of the Rules Governing the Listing of Securities on the Stock Exchange (the “**Listing Rules**”) or listing rules of any other stock exchange as amended from time to time and the articles of association of the Company, be and is hereby generally and unconditionally approved;

(b) the total number of shares of the Company which the directors of the Company are authorised to repurchase pursuant to the approval in paragraph (a) above shall not exceed 10% of the total number of issued shares of the Company (excluding treasury shares) as at the date of the passing of this resolution, provided that if any subsequent consolidation or subdivision of Shares is effected, the maximum number of Shares that may be allotted and issued under the mandate in paragraph (a) above as a percentage of the total number of issued Shares (excluding treasury shares) at the date immediately before and after such consolidation or subdivision shall be the same and such maximum number of shares shall be adjusted 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 of the Company;
- (ii) the expiration of the period within which the next annual general meeting of the Company is required by the laws of the Cayman Islands or the Company’s articles of association to be held; or
- (iii) the date on which the authority set out in this resolution is revoked or varied by an ordinary resolution in general meeting.”

6. “**THAT** subject to the passing of the resolution nos. 4 and 5 set out in the notice convening this meeting, the general mandate granted to the directors of the Company to allot, issue and deal with additional shares pursuant to resolution no. 4 set out in the notice convening this meeting be and is hereby extended by the addition thereto of a number representing the total number of shares of the Company repurchased by the Company under the authority granted pursuant to resolution no. 5 set out in the notice convening this meeting, provided that such number of shares so repurchased shall not exceed 10% of the total number of the issued shares of the Company (excluding treasury shares) as at the date of the said resolution.”

SPECIAL RESOLUTION

7. The following resolution no.7 will be proposed, if thought fit, pass with or without amendments the following resolution as special resolution:

“THAT:

- (a) the proposed amendments to the existing memorandum of association and the existing articles of association of the Company as set out in Appendix III to the circular of the Company dated 17 October 2025 (the “**Proposed Amendments**”) be and are hereby approved and the new amended and restated memorandum of association and the new amended and restated articles of association of the Company (collectively, the “**New Memorandum and Articles**”) (a combined copy of which is tabled at the meeting and marked “A” and initialled by the chairman of the meeting for identification purpose), incorporating and consolidating all the Proposed Amendments, be and is hereby approved and adopted as the new amended and restated memorandum of association and the new amended and restated articles of association of the Company in substitution for and to the exclusion of the existing memorandum of association and the existing articles of association of the Company with immediate effect; and
- (b) any one director (“**Director**”) or secretary or the registered office provider of the Company be and is hereby authorised to do all such acts and things (including filing the New Memorandum and Articles with the relevant authorities for approval, endorsement and/or registration in accordance with the relevant requirements of the applicable laws, rules and regulations in the Cayman Islands and Hong Kong) and execute and deliver all such documents, deeds or instruments (including affixing the common seal of the Company thereon) and take all such steps as the Director in his or her sole opinion and absolute discretion may consider necessary, appropriate or desirable to implement or give effect to the Proposed Amendments and the adoption of the New Memorandum and Articles.”

Yours faithfully,

By Order of the Board

China Environmental Resources Group Limited

Yeung Chi Hang

Chairman and Chief Executive Officer

Hong Kong, 17 October 2025

Notes:

1. The annual general meeting of the Company will be held in the form of a physical meeting. Any member entitled to attend and vote at the meeting is entitled to appoint a proxy or, if such member is a holder of two or more shares, proxies to attend and vote in his stead. A proxy need not be a member of the Company but must attend the meeting in person to represent the appointing member.
2. To be valid, the form of proxy must be deposited with the Company's Hong Kong branch share registrar and transfer office, Union Registrars Limited at Suites 3301–04, 33/F, Two Chinachem Exchange Square, 338 King's Road, North Point, Hong Kong not less than 48 hours before the time appointed for holding the meeting or any adjournment thereof.
3. Where there are joint holders of any share, any one of such joint holder may vote, either in person or by proxy, in respect of such share as if he were solely entitled thereto, but if more than one of such joint holders be present at the meeting, the vote of the senior who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint holders, and for this purpose seniority shall be determined by the order in which the names stand in the register of members in respect of the joint holding.
4. For the purpose of determining the entitlement of the shareholders of the Company to attend and vote at the annual general meeting, the register of members of the Company will be closed from Monday, 1 December 2025 to Thursday, 4 December 2025 (both days inclusive), during which period no transfer of share(s) will be effected. The record date for attending the annual general meeting is 1 December 2025. In order to be eligible to attend and vote at the annual general meeting, all transfers documents, accompanied by the relevant share certificates, must be lodged with Union Registrars Limited, the branch share registrar and transfer office of the Company in Hong Kong, at Suites 3301–04, 33/F., Two Chinachem Exchange Square, 338 King's Road, North Point, Hong Kong for registration not later than 4:00 p.m. on Friday, 28 November 2025.
5. With regard to item no. 2 in this notice, the Board proposes the retiring directors, namely Mr. Leung Kwong Choi, Mr. Chik To Pan and Mr. Heung Chee Hang, Eric for re-election as directors. Details of the retiring directors subject to re-election are set out in Appendix I to the circular to shareholders of the Company dated 17 October 2025.