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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)

SUPPLEMENTAL ANNOUNCEMENT IN RELATION TO PLACING OF NEW SHARES UNDER GENERAL MANDATE

Placing Agent to the Company



Reference is made to the announcement of China Environment Resources Group Limited (the “**Company**”) dated 4 November 2025 (the “**Announcement**”) in relation to the placing of new shares under the general mandate. Unless otherwise defined, capitalised terms used herein have the same meanings as defined in the Announcement.

AMENDMENT TO THE PLACING AGREEMENT

On 7 November 2025 (after trading hours), the Company and the Placing Agent entered into a supplemental agreement to the Placing Agreement (the “**Supplemental Agreement**”), pursuant to which the maximum number of new Shares to be placed under the Placing Agreement has been increased from 64,100,000 Shares to 74,100,000 Shares (the “**Revised Placing Shares**”).

Assuming there will be no change in the issued share capital of the Company between the date of this announcement and the completion of the Placing, the maximum number of Revised Placing Shares under the Placing represent (i) 15.16% of the existing issued share capital of the Company as at the date of this announcement; and (ii) approximately 13.16% of the issued share capital of the Company as enlarged by the allotment and issue of the Revised Placing Shares. The maximum aggregate nominal value of the Revised Placing Shares under the Placing will be HK\$7,410,000.

The Revised Placing Shares represent approximately 75.80% of the General Mandate.

USE OF PROCEEDS

Subject to completion of the Placing and assuming all the 74,100,000 Revised Placing Shares are fully placed, it is expected that the updated maximum gross proceeds and net proceeds (after deduction of placing commission and other expenses of the Placing) from the Placing will be approximately HK\$34.68 million and HK\$34.01 million respectively. On such basis, the net issue price will be approximately HK\$0.459 per Revised Placing Share. The Group intends to apply such net proceeds in the following manners:

- (i) approximately 35.28% (or approximately HK\$12.00 million) for repayment of loans;
- (ii) approximately 29.40% (or approximately HK\$10.00 million) for development of existing recycle and motorcycle accessories business;
- (iii) approximately 14.70% (or approximately HK\$5.00 million) for settlement of outstanding trade and other payables; and
- (iv) approximately 20.62% (or approximately HK\$7.01 million) for the general working capital of the Group (including but not limited to payment of salaries, administrative expenses, operating costs and other corporate and utilities expenses).

EFFECT ON SHAREHOLDING STRUCTURE OF THE COMPANY

For illustration purpose only, the following table sets out the shareholding structures of the Company (i) as at the date of this announcement; and (ii) immediately upon completion of the Placing (assuming the maximum number of Revised Placing Shares are placed and there is no change in the share capital of the Company from the date of this announcement up to the completion of the Placing) are set out as follows:

Shareholders	As at the date of this announcement		Immediately upon completion of the Placing	
	<i>No. of Shares</i>	<i>Approximate %</i>	<i>No. of Shares</i>	<i>Approximate %</i>
Director				
Mr. Yeung Chi Hang (<i>Note 1</i>)	102,247,200	20.92	102,247,200	18.17
Ocean Line Holdings Limited, Mr. Kwai Sze Hoi and parties acting in concert with it (<i>Notes 2</i>)				
— Ocean Line Holdings Limited	59,900,000	12.26	59,900,000	10.64
— Ms. Cheung Wai Fung	<u>2,902,400</u>	<u>0.59</u>	<u>2,902,400</u>	<u>0.52</u>
<i>Sub-total</i>	<i>62,802,400</i>	<i>12.85</i>	<i>62,802,400</i>	<i>11.16</i>
Public Shareholders				
Other Placees	—	—	74,100,000	13.16
Other public Shareholders	<u>323,719,547</u>	<u>66.23</u>	<u>323,719,547</u>	<u>57.51</u>
<i>Sub-total</i>	<u><i>323,719,547</i></u>	<u><i>66.23</i></u>	<u><i>397,819,547</i></u>	<u><i>70.67</i></u>
Total	<u>488,769,147</u>	<u>100.00</u>	<u>562,869,147</u>	<u>100.00</u>

Notes:

1. Mr. Yeung Chi Hang is an executive Director, the Chairman and Chief Executive Officer of the Company.
2. Ocean Line Holdings Limited (“**Ocean Line**”), a substantial Shareholder, holds 59,900,000 Shares (or approximately 12.26% of the issued share capital of the Company) as at the date of this announcement. Ocean Line is owned as to 60% by Mr. Kwai Sze Hoi (“**Mr. SH Kwai**”) and 40% by Ms. Cheung Wai Fung (“**Ms. Cheung**”), the spouse of Mr. SH Kwai, who also holds personal interest in 2,902,400 Shares. By virtue of Part XV of the SFO, both Mr. SH Kwai and Ms. Cheung are deemed to be interested in an aggregate of 62,802,400 Shares (or approximately 12.85% of the total issued share capital of the Company), comprising (i) 59,900,000 Shares held by Ocean Line; and (ii) 2,902,400 Shares held by Ms. Cheung, as at the date of this announcement.

Save for the supplemental information in this announcement, all other information contained in the Announcement remains unchanged.

Given that completion of the Placing may or may not take place, shareholders and potential investors of the Company are advised to exercise caution when dealing in the securities of the Company.

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

Hong Kong, 7 November 2025

As at the date of this announcement, the Board comprises 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 namely Mr. Heung Chee Hang, Eric, Mr. Lee Chi Ho and Ms. Lai Pik Chi, Peggy.