THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

If you are in any doubt as to any aspect of this circular or as to the action to be taken, you should consult a stockbroker or other registered dealer in securities, bank manager, solicitor, professional accountant or other professional adviser immediately.

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
(i) RE-ELECTION OF RETIRING DIRECTORS;
(ii) RE-APPOINTMENT OF RETIRING AUDITOR;
(iii) GRANTING OF GENERAL MANDATES TO ISSUE SHARES AND TO REPURCHASE SHARES;
(iv) AMENDMENTS TO THE EXISTING MEMORANDUM AND ARTICLES AND ADOPTION OF THE AMENDED AND RESTATED MEMORANDUM AND ARTICLES; AND
(v) 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 Friday, 11 December 2026 at 11:00 a.m. is set out on pages 35 to 40 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.

20 October 2026

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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 Friday, 11 December 2026 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, an exempted 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

"Hong Kong"	the Hong Kong Special Administrative Region of the PRC
"Issuance Mandate"	as defined in paragraph 4 of the Letter from the Board in this circular
"Latest Practicable Date"	12 October 2026, 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 4 of the Letter from the Board in this circular
"SFO"	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
"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. 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:
Unit 512, 5/F,
Seapower Tower, Concordia Plaza,
No. 1 Science Museum Road,
Tsim Sha Tsui East, Kowloon,
Hong Kong

20 October 2026

To the Shareholders

Dear Sir or Madam,

PROPOSALS FOR
(i) RE-ELECTION OF RETIRING DIRECTORS;
(ii) RE-APPOINTMENT OF RETIRING AUDITOR;
(iii) GRANTING OF GENERAL MANDATES TO ISSUE SHARES AND TO REPURCHASE SHARES;
(iv) AMENDMENTS TO THE EXISTING MEMORANDUM AND ARTICLES AND ADOPTION OF THE AMENDED AND RESTATED MEMORANDUM AND ARTICLES; AND
(v) NOTICE OF ANNUAL GENERAL MEETING

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 Issuance Mandate, re-election of retiring Directors, re-appointment of retiring auditor, 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 eight Directors, comprising five executive Directors, namely Mr. Yeung Chi Hang, 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 12 years, 3 years and 2 years 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 Company 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. Yeung Chi Hang ("**Mr. Yeung**"), Mr. Chung Siu Wah ("**Mr. Chung**") and Ms. Lai Pik Chi Peggy ("**Ms. Lai**"), being the existing Directors longest in office since their last re-election, will retire by rotation at the AGM. Mr. Yeung, Mr. Chung, and Ms. Lai will offer themselves for re-election. No director is required to retire at the AGM pursuant to Article 99 of the Articles.

Ms. Lai has given her 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 her 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 Ms. Lai, 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 Ms. Lai's tenure, she actively participated in the meetings of the Board and Board committees to give professional, objective and independent opinion and insight. She continues demonstrating a firm commitment to her role and is able to devote sufficient time for the Board and the Board committees that she is currently serving. Ms. Lai 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 her independent judgement.

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. Ms. Lai, being member of the nomination committee, abstained from voting when her own nominations was being considered. After considering the recommendation of the nomination committee, the Board has also proposed Mr. Yeung, Mr. Chung, and Ms. Lai 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 I to this circular.

3. RE-APPOINTMENT OF RETIRING AUDITOR

The Board proposed the re-appointment of ZHONGHUI ANDA CPA Limited ("**ZHONGHUI**") as the auditor of the Company and to hold office until the next annual general meeting of the Company, subject to the approval of the Shareholders at the 2026 Annual General Meeting.

It is expected that the audit fee for the year ending on 30 June 2027 will be approximately HK$900,000 to HK$1,000,000, similar to the audit fee for the year ended 30 June 2026 of approximately HK$920,000. This estimate is based on discussions between the Company and ZHONGHUI, taking into account the current audit fee, and the complexity of the Company's operations, the planned business activities for the period, the expected audit scope, the proposed audit timetable, and ZHONGHUI's resources required to perform the audit, which are expected to be similar previous reporting year. The estimated fee is a fair and reasonable assessment based on the facts and circumstances known at the relevant time and is provided for illustrative purposes only; it may be subject to adjustment prior to the final determination of the audit fee.

4. GENERAL MANDATES TO ISSUE SHARES AND TO REPURCHASE SHARES

At the last annual general meeting held on 4 December 2025, ordinary resolutions were passed for the granting of general mandates to the Directors, respectively 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. 112,573,829 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. 56,286,914 Shares of HK$0.10 each). Such general mandates will lapse upon the conclusion of the AGM.

It will 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**").

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.

Assuming that there is no further issuance and allotment of and dealing in new Shares and repurchase of Shares from the Latest Practicable Date to the date of AGM, a maximum of 112,573,829 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 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.

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

As disclosed in the announcement of the Company dated 16 October 2026, the Board proposed to amend certain provisions of the existing Memorandum and Articles by way of adoption of the Amended and Restated Memorandum and Articles to (i) bring the existing Memorandum and Articles in line with the requirements of the uncertificated securities market regime in Hong Kong (including the relevant requirements of the Listing Rules and the SFO (including its subsidiary legislations)); and (ii) make other consequential and housekeeping amendments.

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 are not inconsistent with the laws of the Cayman Islands, 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.

6. 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, re-appointment of retiring auditor, 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 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.

7. 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.

8. RECOMMENDATION

The Directors consider that the proposed ordinary resolutions for approval of the re-election of Retiring Directors, re-appointment of retiring auditor, 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.

9. GENERAL INFORMATION

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

10. 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. Yeung Chi Hang, aged 47, was appointed as Executive Director on 16 January 2014 and as the Chairman and chief executive officer of the Company on 27 January 2015. Mr. Yeung is a Substantial Shareholder of the Company. Mr. Yeung studied at Camosun College, Canada and has over 10 years of experience in investment, hotel management and in operating entertainment businesses.

   Mr. Yeung has entered into an appointment letter with the Company for a term of three years commencing from 16 January 2026. 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 2026, Mr. Yeung received emoluments in a total sum of HK$2,154,000 which comprised director's fees, salary and allowance 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 Shareholder at the annual general meeting and recommendation by the remuneration committee of the Company and determination by the Board.

   As at the Latest Practicable Date, Mr. Yeung has a personal interest in 102,247,200 issued Shares.

2. Mr. Chung Siu Wah, aged 69, was appointed as Executive Director on 14 August 2014. He is also a director of certain subsidiaries of the Company. Mr. Chung started his career in 1976 by joining the Hong Kong Government as a Customs Inspector. He obtained his law degree with honour at the University of London in 1986 and further obtained his Postgraduate Certificate of Laws at University of Hong Kong in 1987. He resigned from the Customs and Excise Department in 1987 and started his legal career. He has been a solicitor practicing in Hong Kong since 1989. He joined Messrs. Tony Kan & Co. in 1987 and became a partner in 1992. He retired from the partnership in 2004 but continues to associate with the law firm as a consultant till now. Mr. Chung has over 8 years of experience in the hotel, gaming and entertainment industry. Mr. Chung has also experience in the management of listed company in Hong Kong.

   Mr. Chung has entered into an appointment letter with the Company for a term of three years commencing from 14 August 2026. 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 2026, Mr. Chung received emoluments of approximately HK$1,204,000 which comprised director's fees and salary and allowances 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 recommendation by the remuneration committee of the Company and determination by the Board.

As at the Latest Practicable Date, Mr. Chung does not have any interests in the shares of the Company within the meaning of Part XV of the SFO.

3. Ms. Lai Pik Chi Peggy, aged 62, was appointed as Independent Non-executive Director on 3 October 2024. She is also a member of each of the audit committee, the remuneration committee and the nomination committee. She has over 30 years of auditing, accounting, financial management experience. She obtained a master degree of business administration from the University of Manchester in the United Kingdom in June 2010. She is a fellow member of the Association of Chartered Certified Accountants and an associate member of the Hong Kong Institute of Certified Public Accountants.

   She is currently an independent non-executive director of KPa-BM Holdings Limited (stock code: 2663), Wuxi Life International Holdings Group Limited (stock code: 8148) and China Beidahuang Industry Group Holdings Limited (stock code: 39), all companies listed on the Stock Exchange. She was an independent non-executive director of Wan Leader International Limited (stock code: 8482) from August 2024 to September 2024, Elegance Optical International Holdings Limited (stock code: 907) from May 2024 to May 2025, China Come Ride New Energy Group Limited (stock code: 8039) from August 2019 to September 2024 and FEG Holding Corporation Limited (stock code: 1413) from July 2024 to August 2025, all companies listed on the Stock Exchange. She was an executive director of Zhejiang United Investment Holdings Group Limited (stock code: 8366) from July 2021 to March 2024.

   Ms. Lai has entered into a letter of appointment with the Company for a term of three years commencing from 3 October 2024. She is subject to retirement by rotation at annual general meeting of the Company and re-election under the provision of the Articles. Pursuant to the letter of appointment, Ms. Lai is entitled to a Director's fee of HK$120,000 per annum which is determined with reference to her qualification and experience, her 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 recommendation by the remuneration committee of the Company and determination by the Board.

   As at the Latest Practicable Date, Ms. Lai does not have any interests in the shares of the Company within the meaning of Part XV of the SFO.

Save as disclosed above, Mr. Yeung, Mr. Chung and Ms. Lai (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. Yeung, Mr. Chung and Ms. Lai 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 2026 (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 562,869,147 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 56,286,914 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	Percentage of shareholding in the Company After exercise in full of the Repurchase Mandate
Mr. Yeung Chi Hang	102,247,200	18.17%	20.18%
Ocean Line Holdings Limited	59,900,000	10.64%	11.82%
Ms. Cheung Wai Fung	62,802,400	11.16%	12.40%
Mr. Kwai Sze Hoi	62,802,400	11.16%	12.40%

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**
	HK$	*HK$*
2025		
October	0.560	0.430
November	0.660	0.465
December	0.680	0.510
2026		
January	0.550	0.480
February	0.710	0.500
March	0.710	0.600
April	0.650	0.560
May	0.650	0.610
June	0.640	0.570
July	0.630	0.590
August	0.600	0.570
September	0.570	0.400
October (till the Latest Practicable Date)	—*	—*

* No trading on the Stock Exchange

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, the paragraph and article numbers referred to in this appendix are the paragraph and article numbers of the Articles in the proposed Amended and Restated Memorandum and Articles proposed to be adopted at the AGM.

ARTICLES OF ASSOCIATION

The Proposed Amendments (showing changes to certain Articles) are set out below.

For the avoidance of doubt, no proposed amendment will be made to the existing provisions of the Memorandum.

	Articles No.	**Interpretation**
ASR	2.	"ASR" means a person approved by the SFC under the SFO to provide one or more securities registrar services;
ASR Code		"ASR Code" means the Code of Conduct for Approved Securities Registrars published by the SFC as from time to time in effect and includes any amendments thereof and any other codes or guidelines incorporated therewith, supplementary thereto or substituted therefor;
ASR Rules		"ASR Rules" means the Securities and Futures (Approved Securities Registrar) Rules (Cap. 571AT), as amended from time to time;
Authenticated Message		"Authenticated Message" has the meaning given under rule 2(1) of the USM Rules;
Certificated Form		a share is in a "Certificated Form" where, under the USM Rules, it is not recorded in the Hong Kong Register as being held in Uncertificated Form;
the Companies Ordinance		"the Companies Ordinance" shall mean the Companies Ordinance (Cap. ~~32~~622 of the Laws of Hong Kong) as in force from time to time;
Dematerialisation		"Dematerialisation" means conversion from Certificated Form to Uncertificated Form (and "Dematerialise" shall be construed accordingly);
Dematerialisation Request		"Dematerialisation Request" has the meaning given under the rule 2(1) of USM Rules;
HKSCC		"HKSCC" means Hong Kong Securities Clearing Company Limited;
Hong Kong Register		"Hong Kong Register" means the branch register of members holding Prescribed Securities of the Company that is maintained in Hong Kong in accordance with the Act and the USM Rules;
In the Process of Delisting		"In the Process of Delisting" has the meaning given under rule 2(2) of the USM Rules;

	Articles No.	Interpretation
Operating Rules		"Operating Rules" means the operating rules of the Company's ASR (by whatever name called) for using any facilities provided by it, including in particular any facilities for evidencing and transferring legal title to shares in the Company or for sending and receiving Authenticated Messages;
Participating Securities		"Participating Securities" has the meaning given under rule 2(1) of the USM Rules;
Prescribed Securities		"Prescribed Securities" shall have the meaning ascribed to it in section 101AA of the SFO;
the register		"the register" shall mean the principal register and any branch registers, including the Hong Kong Register;
Rematerialisation		"Rematerialisation" means conversion from Uncertificated Form to Certificated Form (and "Rematerialise" shall be construed accordingly);
Securities and Futures Ordinance or SFO		"Securities and Futures Ordinance" or "SFO" means the Securities and Futures Ordinance (Cap. 571 of the Laws of Hong Kong) as amended from time to time and includes every other rule or subsidiary legislation incorporated therewith or substituted therefor;
SFC		"SFC" means the Securities and Futures Commission of Hong Kong;
Specified Request		"Specified Request" has the meaning given under rule 2(1) of the USM Rules;
System-member		"System-member" has the meaning given under rule 2(1) of the USM Rules;
Uncertificated Form		"Uncertificated Form" a share is in Uncertificated Form if it is recorded in the Hong Kong Register as being held in uncertificated form in accordance with section 1AB of Part 1 of Schedule 1 to the SFO;
UNSRT System		"UNSRT System" means an uncertificated securities registration and transfer system in relation to any Prescribed Securities, which is a computer-based system, together with procedures and other facilities, that enables title to the securities to be evidenced and transferred without an instrument, and facilitates supplementary and incidental matters, adopted by the Company in accordance with the SFO;
USM Rules		"USM Rules" means the Securities and Futures (Uncertificated Securities Market) Rules (Cap. 571AS) made under the Securities and Futures Ordinance, as in force from time to time and any amendments thereto or re-enactments thereof for the time being in force and includes every other rule or subsidiary legislation incorporated therewith or substituted therefor;

	Articles No.	Interpretation
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 communication, Specified Request and Authenticated Message), or partly in one visible form and partly in another visible form;
singular and plural		words denoting the singular shall include the plural and words denoting the plural shall include the singular; sections 8 and 19(3) of the Electronic Transactions Act shall not apply; the term "published on the Exchange's website" means published in English and Chinese on the Exchange's website in accordance with the Listing Rules~~.~~; references to "address" in the context of any communication pursuant to these Articles shall, where applicable, include an electronic address unless the Act or the Listing Rules require a postal address.
How class rights may be modified	6.	(a) If at any time the share capital of the Company is divided into different classes of shares, all or any of the rights attached to any class of shares for the time being issued (unless otherwise provided for in the terms of issue of the shares of that class) may, subject to the provisions of the Act, be varied or abrogated with the consent in writing of the holders of not less than three-fourths of the voting rights of the issued shares of that class or with the sanction of a special resolution passed at a separate meeting of the holders of shares of that class. To every such separate meeting all the provisions of these Articles relating to general meetings shall *mutatis mutandis* apply, but so that the quorum for the purposes of any such separate meeting and of any adjournment thereof shall be a person or persons together holding (or representing by proxy) at the date of the relevant meeting not less than one-third in nominal value of the issued shares of that class. For the avoidance of doubt, shares in the Company do not constitute a separate class solely by virtue of being in Certificated Form or Uncertificated Form.

	Articles No.	Interpretation
Certificates to be surrendered for cancellation	10.	(b) The holder of the shares being purchased, surrendered or redeemed shall be bound to deliver up to the Company at its principal place of business in Hong Kong or such other place as the Board shall specify the certificate(s) (if any) thereof for cancellation and thereupon the Company shall pay to him the purchase or redemption monies in respect thereof.
Share register	14.	(a) The Board shall cause to be kept at such place within or outside the Cayman Islands as they deem fit a principal register of the members and there shall be entered therein the particulars of the members and the shares issued to each of them and other particulars required under the Act and, for so long as any class of shares are Prescribed Securities, the Board shall keep the Hong Kong Register in accordance with the USM Rules, and shall include in it such matters as are required by the Act and the USM Rules to be included in it. (b) If the Board considers it necessary or appropriate, the Company may establish and maintain a branch register or registers of members at such location or locations within or outside the Cayman Islands as the Board thinks fit in accordance with the Act and the USM Rules. The principal register and the branch register(s) shall together be treated as the register for the purposes of these Articles.

	Articles No.	Interpretation
	15.	(a) ~~Except~~Subject to the USM Rules, except when the register of members is closed and, if applicable, subject to the additional provisions of Article 15. (~~c~~d), the principal register and any branch register shall during business hours be kept open to the inspection of any member without charge. For the avoidance of doubt, any holder of Prescribed Securities is entitled, on request and without charge, to inspect any entry made in relation to that person in the register and to make a copy of any such entries during the course of inspection in accordance with this Article and the USM Rules (where applicable). (b) The reference to business hours is subject to such reasonable restrictions as the Company in general meeting may impose, but so that not less than two hours in each business day is to be allowed for inspections. (c) For so long as any class of shares are Prescribed Securities, and to the extent not inconsistent with the Act, the following provisions shall apply in respect of the Hong Kong Register relating to such shares that are Prescribed Securities: (i) where any share in issue is in Uncertificated Form, or is Dematerialised, the share will be recorded in the Hong Kong Register as being in Uncertificated Form and such record will not be amended or removed except in accordance with the USM Rules; (ii) entries in the Hong Kong Register will have such evidential value and other effect as provided in the Act and the USM Rules; (iii) changes to any entry in the Hong Kong Register relating to the holder of a share will be notified to the holder in accordance with the USM Rules and the ASR Code; and (iv) a person may, in accordance with the USM Rules, inspect, make copies of, and request to be provided with copies of, entries in the Hong Kong Register.

	Articles No.	Interpretation
		(~~e~~d) 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 communication in the manner in which notices may be served by the Company by Electronic means 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, in each case subject to and in compliance with the USM Rules (in respect of the Hong Kong Register) and other rules and regulations relevant to the Company (including any waiver or exemption granted thereunder); provided that, subject to the foregoing, the register shall not be closed for more than 30 days in aggregate 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 aggregate in any year). For so long as any shares in the Company are Participating Securities, the Hong Kong Register may not be closed for more than two consecutive Business Days at a time, or any longer period during which trading of the shares on the Exchange is suspended, except as otherwise permitted under the USM Rules or otherwise exempted by the SFC. 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. (~~d~~e) Any register held in Hong Kong shall during normal business hours (subject to such reasonable restrictions as the Board may impose) be open to inspection by a member without charge and any other person on payment of a fee of such amount not exceeding the maximum amount as may from time to time be permitted under the Listing Rules as the Board may determine for each inspection. Any member may require a copy of the register, or any part thereof, on payment of HK$0.25, or such lesser sum as the Company may prescribe, for every 100 words or fractional part thereof required to be copied. The Company shall cause any copy so required by any person to be sent to that person within a period of 10 days commencing on the date next after the day on which the request is received by the Company.

	Articles No.	Interpretation
Share certificates	16.	~~A~~Every person whose name is entered as a member in the Hong Kong Register shall be entitled to hold their shares in Uncertificated Form in accordance with the USM Rules and in compliance with the Listing Rules and other relevant regulations applicable to the Company. Subject to Article 16A, 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.
	16A.	Notwithstanding Article 16., this Articles 16A to 20A applies to the shares in the Company for so long as they are Participating Securities and not In the Process of Delisting and save as otherwise permitted or required under the USM Rules. With effect from (and including) the day on which any class of shares in the Company become Participating Securities (the "Participation Date"), no certificate will be issued in respect of any such Participating Securities. For the avoidance of doubt, the preceding sentence applies (without limitation) in the following circumstances: (a) following any issue, allotment, transfer, transmission, consolidation or subdivision of shares is registered in the Hong Kong Register on or after the Participation Date; or (b) where, for whatever reason, the holder of a share requests to replace an existing certificate for the share, and the replacement certificate is not issued before the Participation Date.
Replacement of share certificates	20.	~~If~~Subject to Article 20A, if a share certificate is defaced, lost or destroyed, it may be replaced on payment of such fee, if any, not exceeding HK$2.50 (or such higher amount as may from time to time be permitted under the Listing Rules or such lesser sum as the Board may from time to time require) or the ASR Code (as the case may be) and on such terms and conditions, if any, as to publication of notices, evidence and indemnity, as the Board thinks fit and where it is defaced or worn out, after delivery up of the old certificate to the Company for cancellation.

	Articles No.	Interpretation
	20A.	This Article applies to shares in the Company for so long as they are Participating Securities and not In the Process of Delisting and save as otherwise permitted or required under the USM Rules. If a certificate issued in respect of a member's shares is defaced, damaged, lost or destroyed, and no replacement certificate is issued prior to the Participation Date: (a) the member is not entitled to be issued with a replacement certificate in respect of the same shares; and (b) subject to the below, the shares may instead be Dematerialised in accordance with the USM Rules. Shares of a member that are covered by a certificate that is defaced, damaged, lost or destroyed may not be Dematerialised unless the member has complied with the conditions as to evidence, indemnity and the payment of a reasonable fee that the Directors decide.
New Shares in Uncertificated Form, Dematerialisation and Rematerialisation		
	20B.	Articles 20C and 20D apply (a) to shares in the Company for so long as they are Participating Securities and not in the Process of Delisting; and (b) save as otherwise permitted or required under the USM Rules.
	20C.	Any share issued on or after the Participation Date will be issued in Uncertificated Form and no certificate will be issued in respect of any share in accordance with the USM Rules.
	20D.	With effect from (and including) the Participation Date, shares which are in Certificated Form may be Dematerialised in accordance with the USM Rules. A reasonable Dematerialisation fee (not exceeding any applicable limits prescribed under the ASR Code) may be charged by the Company's ASR to the holder and/or transferee of a share in connection with the Dematerialisation of the share. Such fee may be charged irrespective of whether the Dematerialisation is initiated by the Company or requested by the holder or transferee.
	20E.	This Article applies to shares in the Company if they are Participating Securities. Shares in the Company which are in Uncertificated Form may be Rematerialised in accordance with the USM Rules. As soon as reasonably practicable after any Rematerialisation, the Company must issue, free of charge, to each Member whose shares are Rematerialised, such number of certificates in respect of those shares as is required under the USM Rules. If more than one person holds a share, only one certificate may be issued in respect of it.

	Articles No.	Interpretation
Application ~~or~~of proceeds of such sale	23.	The net proceeds of such sale by the Company after the payment of the costs of such sale shall be applied in or towards payment or satisfaction of the debt or liability or engagement in respect whereof the lien exists, so far as the same is presently payable, and any residue shall (subject to a like lien for debts or liabilities not presently payable as existed upon the shares prior to the sale and upon surrender, if required by the Company, for cancellation of the certificate for the share sold) be paid to the holder immediately before such sale of the share, provided that any certificate issued in respect of the shares sold has been surrendered to the Company, if required by the Company, for cancellation or a suitable indemnity has been given for any lost certificates. For giving effect to any such sale, the Board may authorise any person to transfer the shares sold to the purchaser thereof and may enter the purchaser's name in the register as holder of the shares, and the purchaser shall not be bound to see to the application of the purchase money, nor shall his title to the shares be affected by any irregularity or invalidity in the proceedings in reference to the sale.
Form of transfer	37.	~~All~~Subject to Article 38A., all transfers of shares may be effected by an instrument of transfer in the usual common form or in such other form as the Board may approve. All instruments of transfer must be left at the registered office of the Company or at such other place as the Board may appoint and all such instruments of transfer shall be retained by the Company.
	38A.	This Article 38A applies to shares in the Company for so long as they are Prescribed Securities and not In the Process of Delisting and save as otherwise permitted or required under the USM Rules. With effect from (and including) the Participation Date, (a) if the shares to be transferred are held by the transferor in Certificated Form, they may be transferred by means of an instrument of transfer that complies with Article 37. and the USM Rules; and (b) if the shares are held by the transferor in Uncertificated Form, shares may be transferred by means of a Specified Request from the transferor and the transferee that complies with the USM Rules provided that shares held by the transferor in Uncertificated Form may be transferred by means of an instrument of transfer if the Directors are satisfied that it is not reasonably practicable to transfer them by means of a Specified Request. A reasonable fee (not exceeding any applicable limits prescribed under the ASR Code) may be charged by the Company's ASR for registering any instrument of transfer, Specified Request or other document relating to or affecting the title to any share.

	Articles No.	Interpretation
Requirements as to transfer	41.	The Board may also decline to register any transfer of any shares unless: (a) where the transfer is effected by an instrument of transfer, the instrument of transfer is lodged with the Company accompanied by the certificate (if any) for the shares to which it relates (which shall upon registration of the transfer be cancelled), if any such certificate has been issued, and such other evidence as the Board may reasonably require to show the right of the transferor to make the transfer; and (b) where the transfer is effected by an instrument of transfer, the instrument of transfer is in respect of only one class of shares; and (c) where the transfer is effected by an instrument of transfer, 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~~ be prescribed by the ASR Code (as the case may be) or the Exchange to be payable or such lesser sum as the Board may from time to time require~~)~~ is paid to the Company in respect thereof.
	41A.	Without prejudice to Articles 39. and 41., the Directors may refuse to register the transfer or transmission of a share if: (a) the share is in Certificated Form and a Dematerialisation Request in respect of that share and any other share covered by the same certificate as that share is not received or is refused under the USM Rules; (b) the share is in Uncertificated Form as a result of the Company having initiated its Dematerialisation, and the Dematerialisation fee payable in respect of the Dematerialisation remains unpaid; or (c) the transferor, transferee or transmittee (as applicable) of the share is not a System-member of the UNSRT System operated by the Company's ASR. This Article applies to shares in the Company for so long as they are Participating Securities and not In the Process of Delisting and save as otherwise permitted or required under the USM Rules.

	Articles No.	Interpretation
	41B.	Without prejudice to Articles 39., 41. and 41A., the Directors may refuse to register the transfer of a share if: (a) the share is in Certificated Form, and a Specified Request is sent; (b) the share is in Uncertificated Form, and (i) the Specified Request is not sent in accordance with the Operating Rules; or (ii) subject to Article 38A.(b), an instrument of transfer is lodged; (c) if the Directors are entitled to do so by virtue of Article 41A.; or (d) on any other ground provided under the USM Rules.
	41C.	Where Article 41A. applies, and the Directors refuse to register the transfer of a share, a notice of refusal must be sent to the transferor and the transferee within such period as indicated in the ASR Code.
When transfer books and register may close	44.	The registration of transfers may, on 10 Business Days' notice (or on 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, be suspended and the register closed at such times for such periods as the Board may from time to time determine, in each case subject to and in compliance with the USM Rules (in respect of the Hong Kong Register) and other rules and regulations relevant to the Company (including any waiver or exemption granted thereunder); provided always that, subject to the foregoing, such registration shall not be suspended or the register closed for more than 30 days in aggregate 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 aggregate in any year). For so long as any Shares in the Company are Participating Securities, the Hong Kong Register may not be closed for more than two consecutive Business Days at a time, or any longer period during which trading of the Shares on the Exchange is suspended, except as otherwise permitted under the USM Rules. In the event that there is an alteration of book closure dates, the Company shall give at least 5 business days' notice ~~before the announced closure, or the new closure, whichever is earlier~~in accordance with the procedures set out in these Articles, the Listing Rules and the USM Rules (to the extent applicable). If, however, there are exceptional circumstances (e.g. during a Gale Warning or Black Rainstorm Warning) that render the giving of such publication of advertisement impossible, the Company shall comply with these requirements as soon as practicable.

	Articles No.	Interpretation
Notice of election to be registered/ Registration of nominee	47.	If the person so becoming entitled shall elect to be registered himself, he shall deliver or send to the Company a notice in writing signed by him stating that he so elects. If he shall elect to have his nominee registered he shall testify his election by executing in favour of his nominee a transfer of such share or, if Article 38A applies and so permits, send a Specified Request in respect of it. All the limitations, restrictions and provisions of these Articles relating to the right to transfer and the registration of transfers of shares shall be applicable to any such notice or transfer as aforesaid as if the death or bankruptcy or winding-up of the member had not occurred and the notice or transfer were a transfer executed by such member.
Consolidation and division of capital and sub division and cancellation of shares	63.	(a) The Company may from time to time by ordinary resolution: (i) consolidate and divide all or any of its share capital into shares of larger amount than its existing shares. On any consolidation of fully paid shares and division into shares of larger amount, the Board may settle any difficulty which may arise as it thinks expedient and in particular (but without prejudice to the generality of the foregoing) may as between the holders of shares to be consolidated determine which particular shares are to be consolidated into each consolidated share, and if it shall happen that any person shall become entitled to fractions of a consolidated share or shares, such fractions may be sold by some person appointed by the Board for that purpose and the person so appointed may transfer the shares so sold to the purchaser thereof and the validity of such transfer shall not be questioned, and so that the net proceeds of such sale (after deduction of the expenses of such sale) may either be distributed among the persons who would otherwise be entitled to a fraction or fractions of a consolidated share or shares rateably in accordance with their rights and interests or may be paid to the Company for the Company's benefit; (ii) cancel any shares which at the date of the passing of the resolution have not been taken or agreed to be taken by any person, and diminish the amount of its share capital by the amount of the shares so cancelled subject to the provisions of the Act; and

	Articles No.	Interpretation
		(iii) sub divide its shares or any of them into shares of smaller amount than is fixed by the Memorandum of Association of the Company, subject nevertheless to the provisions of the Act, and so that the resolution whereby any share is sub divided may determine that, as between the holders of the shares resulting from such sub division, one or more of the shares may have any such preferred or other special rights, over, or may have such deferred rights or be subject to any such restrictions as compared with the others as the Company has power to attach to unissued or new shares. To the extent necessary, the Board may make arrangements to calculate a member's rights in such consolidation or sub-division separately in respect of the portion of shares held by the member in Certificated Form and the portion held in Uncertificated Form where it is impractical to do otherwise.
Notice of Meetings	73.	(c) There shall appear with reasonable prominence in every notice of general meetings of the Company a statement that a member entitled to attend and vote is entitled to appoint a proxy to attend and vote instead of him provided that the number of proxies appointed by a member who is an individual may not in any event exceed two, and that a proxy need not be a member of the Company.
Proxies	90.	Any member of the Company entitled to attend and vote at a meeting of the Company shall be entitled to appoint another person (who must be an individual) as his proxy to attend and vote instead of him. Votes may be given either personally or by proxy. A proxy need not be a member of the Company. A member may appoint any number of proxies to attend and vote in his stead at any one general meeting (or at any one class meeting). The number of proxies appointed by a member who is an individual may not in any event exceed two.
Instrument appointing proxy to be in writing	91.	The instrument appointing a proxy shall be in writing under the hand of the appointor or of his attorney authorised in writing, or if the appointor is a corporation, either under its seal or under the hand of an officer, attorney or other person duly authorised to sign the same, or (subject to any limitations imposed by the Company's ASR) may be an Authenticated Message that is attributable and addressed as described in the USM Rules. An appointment under an instrument of proxy may be revoked by delivering to the Company a notice in writing given by or on behalf of the person by whom or on whose behalf the proxy was given. Subject to any limitations imposed by the Company's ASR, such notice may be sent by means of an Authenticated Message that is attributable and addressed as described in the USM Rules.

	Articles No.	Interpretation
Delivery of authority for appointment of proxy or copy resolution appointing representative	92.	The instrument appointing a proxy (other than that sent by way of an Authenticated Message in accordance with Article 91) 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 and/or in such other manner, including by Electronic means, 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 or email confirmation or confirmation by other Electronic means 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.
Board may fill vacancies/appoint additional Directors	99.	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 Company after his appointment and shall then be eligible for re election at that meeting.

	Articles No.	Interpretation
Effect of resolution to capitalise	143.	(a) Wherever such a resolution as referred to in Article 142 shall have been passed the Board shall make all appropriations and applications of the undivided profits resolved to be capitalised thereby, and all allotments and issues of fully paid up shares, debentures or other securities, if any, and generally shall do all acts and things required to give effect thereto, with full power to the Board: (i) to make such provision by the issue of fractional certificates (subject to Article 16A) or by payment in cash or otherwise (including provisions whereby, in whole or in part, fractional entitlements are aggregated and sold and the net proceeds distributed to those entitled, or are disregarded or rounded up or down or whereby the benefit of fractional entitlements accrues to the Company rather than to the members concerned) as they think fit in cases where shares, debentures or other securities become distributable in fractions; (ii) to exclude the right of participation or entitlement of any member with a registered address outside any territory where in the absence of a registration statement or other special or onerous formalities the circulation of an offer of such right or entitlement would or might be unlawful or where the Board consider the costs, expense or possible delays in ascertaining the existence or extent of the legal and other requirements applicable to such offer or the acceptance of such offer out of proportion to the benefits of the Company; and (iii) to authorise any person to enter on behalf of all members entitled thereto into an agreement with the Company providing for the allotment to them respectively, credited as fully paid up, of any further shares, debentures or other securities to which they may be entitled upon such capitalisation, or, as the case may require, for the payment up by the Company on their behalf, by the application thereto of their respective proportions of the profits resolved to be capitalised, of the amounts or any part of the amounts remaining unpaid on their existing shares, and any agreement made under such authority shall be effective and binding on all such members.

	Articles No.	Interpretation
		(b) The Board may, in relation to any capitalisation sanctioned under this Article in its absolute discretion specify that, and in such circumstances and if directed so to do by a member or members entitled to an allotment and distribution credited as fully paid up of unissued shares or debentures in the Company pursuant to such capitalisation, shall allot and distribute credited as fully paid up the unissued shares, debentures or other securities to which that member is entitled to such person or persons as that member may nominate by notice in writing to the Company, such notice to be received not later than the day for which the general meeting of the Company to sanction the capitalisation is convened. To the extent necessary, the Board may make arrangements to calculate a member's rights under the capitalisation separately in respect of the portion of shares held by the member in Certificated Form and the portion held in Uncertificated Form where it is impractical to do otherwise.
Dividend in specie	152.	The Board, with the sanction of the members in general meeting, may direct that any dividend be satisfied wholly or in part by the distribution of specific assets of any kind and in particular of paid up shares, debentures or warrants to subscribe securities of any other company, or in any one or more of such ways, and where any difficulty arises in regard to the distribution the Board may settle the same as it thinks expedient, and in particular may issue fractional certificates (subject to Article 16A), disregard fractional entitlements, round the same up or down or provide that the same shall accrue to the benefit of the Company, and may fix the value for distribution of such specific assets, or any part thereof, and may determine that cash payments shall be made to any members upon the footing of the value so fixed in order to adjust the rights of all parties, and may vest any such specific assets in trustees as may seem expedient to the Board and may appoint any person to sign any requisite instruments of transfer and other documents on behalf of the persons entitled to the dividend and such appointment shall be effective. Where required, a contract shall be filed in accordance with the provisions of the Act and the Board may appoint any person to sign such contract on behalf of the persons entitled to the dividend and such appointment shall be effective.

	Articles No.	Interpretation
Sale of shares of untraceable shareholders	157.	(b) To give effect to any sale contemplated by paragraph (a) the Company may appoint any person to execute as transferor an instrument of transfer or send a Specified Request in respect of the said shares and such other documents as are necessary to effect the transfer, and such documents shall be as effective as if it had been executed by the registered holder of or person entitled by transmission to such shares and the title of the transferee shall not be affected by any irregularity or invalidity in the proceedings relating thereto. The net proceeds of sale shall belong to the Company which shall be obliged to account to the former member or other person previously entitled as aforesaid for an amount equal to such proceeds and shall enter the name of such former member or other person in the books of the Company as a creditor for such amount. No trust shall be created in respect of the debt, no interest shall be payable in respect of the same and the Company shall not be required to account for any money earned on the net proceeds, which may be employed in the business of the Company or invested in such investments (other than shares or other securities in or of the Company or its holding company if any) or as the Board may from time to time think fit.

	Articles No.	Interpretation
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 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 by Electronic means to the entitled person at his electronic number or address or website as he may provide; or (vi) by publishing it on the Exchange's website and the Company's computer network or website, giving access to such network to the entitled person and giving to such person a notice of publication of such notice or document~~.~~; or

	Articles No.	Interpretation
		(vii) subject to any limitations imposed by the Company's ASR, by means of an Authenticated Message. The provisions of the USM Rules relating to the effect of an Authenticated Message apply if, in accordance with the USM Rules: (a) the message is attributable to the person sending or supplying it; and (b) the person receiving the message is the addressee of the message. In the case of joint holders of a share, all notices shall be given to that holder for the time being one of the joint holders whose names stands first in the register and notice so given shall be sufficient notice to all the joint holders.

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 Friday, 11 December 2026 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 2026 together with the report of the directors and the independent auditor's report.

2. (a) To re-elect Mr. Yeung Chi Hang as executive director.

   (b) To re-elect Mr. Chung Siu Wah as executive director.

   (c) To re-elect Ms. Lai Pik Chi Peggy as independent non-executive director.

   (d) To authorise the board of directors of the Company to fix the directors' remuneration for the year ending 30 June 2027.

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 articles of association of the Company as set out in Appendix III to the circular of the Company dated 20 October 2026 (the "**Proposed Amendments**") be and are hereby approved and the new amended and restated memorandum of association and 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 amended and restated articles of

association of the Company in substitution for and to the exclusion of the existing memorandum of association and 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, 20 October 2026

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 Tuesday, 8 December 2026 to Friday, 11 December 2026 (both days inclusive), during which period no transfer of share(s) will be effected. The record date for attending the annual general meeting is Tuesday, 8 December 2026. 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 Monday, 7 December 2026.

5. With regard to item no. 2 in this notice, the Board proposes the retiring directors, namely Mr. Yeung Chi Hang, Mr. Chung Siu Wah and Ms. Lai Pik Chi Peggy 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 20 October 2026.