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**THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION**

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

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The 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 Tuesday, 3 December 2024 at 11:00 a.m. is set out on pages 17 to 21 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.

18 October 2024

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## DEFINITIONS

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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 Tuesday, 3 December 2024 at 11:00 a.m.
“AGM Notice”	the notice convening the AGM as set out in Appendix III to this circular
“Articles”	the articles of association of the Company
“associate(s)”	has the meaning ascribed thereto under the Listing Rules
“Board”	the board of Directors
“close associate(s)”	has the meaning ascribed thereto under the Listing Rules
“Company”	China Environmental Resources Group Limited, a company incorporated in the Cayman Islands with limited liability, the Shares of which are listed on the main board of the Stock Exchange (Stock code: 1130) and have a secondary listing on Singapore Exchange Securities Trading Limited
“connected person(s)”	has the meaning ascribed thereto under the Listing Rules
“core connected person(s)”	has the meaning ascribed thereto under the Listing Rules
“Director(s)”	the director(s) of the Company
“Group”	the Company and its subsidiaries
“HK\$” or “Hong Kong Dollars”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Issuance Mandate”	as defined in paragraph 3 of the Letter from the Board in this circular
“Latest Practicable Date”	9 October 2024, 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

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## DEFINITIONS

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“Memorandum”	the memorandum of association of the Company
“PRC”	the People’s Republic of China
“Repurchase Mandate”	as defined in paragraph 3 of the Letter from the Board in this circular
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Share Option Scheme”	the share option scheme adopted by the Company on 11 November 2015
“Share(s)”	ordinary share(s) of HK\$0.10 each in the share capital of the Company
“Shareholder(s)”	registered holder(s) of Share(s) of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Substantial Shareholder(s)”	has the meaning ascribed thereto under the Listing Rules
“Takeovers Code”	Hong Kong Code on Takeovers and Mergers
“%”	per cent



**CHINA ENVIRONMENTAL RESOURCES GROUP LIMITED**

**中國環境資源集團有限公司**

*(Incorporated in the Cayman Islands with limited liability)*

**(Stock Code: 1130)**

***Executive Directors:***

Mr. Yeung Chi Hang

*(Chairman and Chief Executive Officer)*

Mr. Leung Kwong Choi

Mr. Wong Po Keung

Mr. Chung Siu Wah

Mr. Chik To Pan

Mr. Liu Yafei

***Independent Non-executive Directors:***

Mr. Wong Kwai Sang

Mr. Heung Chee Hang, Eric

Mr. Lee Chi Ho

Ms. Lai Pik Chi, Peggy

***Registered office:***

Ugland House

PO Box 309

Grand Cayman, KY1-1104

Cayman Islands

***Head office and principal***

***place of business:***

Room 2608, 26/F,

Greenfield Tower, Concordia Plaza,

No. 1 Science Museum Road,

Tsim Sha Tsui East, Kowloon,

Hong Kong

18 October 2024

*To the Shareholders*

Dear Sir or Madam,

**PROPOSALS FOR  
RE-ELECTION OF RETIRING DIRECTORS AND  
GENERAL MANDATES TO ISSUE SHARES AND  
TO REPURCHASE SHARES  
AND  
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 re-election of retiring Directors, granting to the Directors of the Issuance Mandate and Repurchase Mandate and notice to convene the AGM to approve, among other things, re-election of retiring Directors and granting of the Issuance Mandate and Repurchase Mandate, extension of Issuance Mandate.

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## LETTER FROM THE BOARD

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### 2. RE-ELECTION OF RETIRING DIRECTORS

The Board currently has ten Directors, comprising six executive Directors, namely Mr. Yeung Chi Hang, Mr. Leung Kwong Choi, Mr. Wong Po Keung, Mr. Chung Siu Wah, Mr. Chik To Pan and Mr. Liu Yafei and four independent non-executive Directors (“INED(s)”), namely Mr. Wong Kwai Sang, Mr. Heung Chee Hang, Eric, Mr. Lee Chi Ho and Ms. Lai Pik Chi, Peggy. Mr. Wong Kwai Sang and Mr. Heung Chee Hang, Eric have served as independent non-executive Directors for approximately 15 years and 9 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 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.

Mr. Lee Chi Ho, Mr. Liu Yafei and Ms. Lai Pik Chi, Peggy were appointed after the last annual general meeting as new Directors on 5 December 2023, 2 August 2024 and 3 October 2024 respectively. Pursuant to the Article 99, they will retire at the AGM and, being eligible, offer themselves for re-election.

Pursuant to the Article 116, Mr. Yeung Chi Hang, Mr. Wong Po Keung, Mr. Chung Siu Wah and Mr. Wong Kwai Sang (“**Mr. Wong**”), being the existing Directors longest in office since their last re-election, will retire by rotation at the AGM. Mr. Yeung Chi Hang, Mr. Wong Po Keung and Mr. Chung Siu Wah will offer themselves for re-election.

Reference was made to the announcement of the Company dated 3 October 2024, Mr. Wong will retire by rotation from office at the AGM. As he has been an INED for more than 9 years and with an aim to promote good corporate governance of the Company and healthy development of the Board, he will not offer himself for re-election and accordingly, he will cease to act as an INED upon the conclusion of the AGM.

Mr. Wong has confirmed that he has no disagreement with the Board and save as disclosed in the aforesaid announcement, there are no other matters relating to Mr. Wong that need to be brought to the attention of the Shareholders nor any information that needs to be disclosed pursuant to Rule 13.51(2) of the Listing Rules.

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## LETTER FROM THE BOARD

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The nomination committee of the Board had reviewed, with reference to nomination policy of the Company, the overall contribution and service to the Company of the retiring Directors (except Mr. Wong, details are as mentioned above). The nomination committee also reviewed their expertise and professional qualifications and considered that the retiring Directors subject to re-election continued to meet the nomination criteria under the nomination policy of the Company.

The nomination committee and the Board had assessed and reviewed the annual written confirmation of independence of the INEDs for the year ended 30 June 2024 based on the independence criteria as set out in rule 3.13 of the Listing Rules. With reference to the board diversity policy of the Company, the nomination committee also conducted an annual review of the effectiveness of the Board and considered the balance of talents, skills, experience, independence, knowledge and diversity on the existing Board.

The Board is of the view that the retiring Directors proposed for re-election are beneficial to the Board with diversity of their comprehensive business experience that contributes to invaluable expertise, continuity and stability to the Board and the Company has benefited greatly from their contribution and valuable insights derived from their in-depth knowledge of the Company. The Board believes that they will continue to contribute effectively to the Board and, with the recommendation of the nomination committee, has proposed that each of the retiring Directors, namely Mr. Yeung Chi Hang, Mr. Wong Po Keung, Mr. Chung Siu Wah, Mr. Lee Chi Ho, Mr. Liu Yafei and Ms. Lai Pik Chi, Peggy stands for re-election as Director by way of separate resolution at the AGM.

Details of the retiring Directors proposed to be re-elected at the AGM are set out in Appendix I hereto.

### 3. GENERAL MANDATES TO ISSUE SHARES AND TO REPURCHASE SHARES

At the last annual general meeting held on 4 December 2023, an ordinary resolution was passed for the granting of general mandates to the Directors, to allot, issue or otherwise deal with shares of the Company of HK\$0.02 each not exceeding 20% of the number of the issued shares of the Company as at that date (i.e. 407,307,622 shares of HK\$0.02 each) and to repurchase shares of the Company of HK\$0.02 each not exceeding 10% of the number of the issued shares of the Company as at that date (i.e. 203,653,811 shares of HK\$0.02 each) (the “**Existing Repurchase Mandate**”).

At an extraordinary general meeting of the Company held on 5 April 2024, the Company approved, *inter alia*, an ordinary resolution to consolidate every five(5) issued and unissued existing shares of HK\$0.02 each into one(1) Share of HK\$0.10 each.

At another extraordinary general meeting of the Company held on 5 July 2024, an ordinary resolution was passed to approve, *inter alia*, the granting of general mandates to the Directors, to allot, issue or otherwise deal with Shares not exceeding 20% of the number of the issued Shares of the Company as at that date (i.e. 97,753,829 Shares of HK\$0.10 each) (the “**Existing Issuance Mandate**”).

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## LETTER FROM THE BOARD

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

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

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

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

A resolution authorising the extension of the Issuance Mandate to include the aggregate nominal number of Shares repurchased (if any) under the Repurchase Mandate will be proposed as ordinary resolution 6 set out in the AGM Notice.

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

#### 4. ANNUAL GENERAL MEETING

The AGM Notice is set out in Appendix III to this circular. At the AGM, ordinary resolutions will be proposed to approve, *inter alia*, re-election of retiring Directors subject to re-election, granting of the Issuance Mandate, the Repurchase Mandate and extension of the Issuance Mandate.

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.



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## LETTER FROM THE BOARD

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### 5. 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.

### 6. RECOMMENDATION

The Directors consider that the proposed ordinary resolutions for approval of re-election of Retiring Directors, granting of Issuance Mandate, Repurchase Mandate and extension of the Issuance Mandate 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.

### 7. GENERAL INFORMATION

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

### 8. 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*

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**APPENDIX I    DETAILS OF RETIRING DIRECTORS PROPOSED TO BE RE-ELECTED**

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*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 45, 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. 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 2023. 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 2024, 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 and share options granted under the Company's share option scheme to subscribe for 3,388,563 new Shares.

2. Mr. Wong Po Keung, aged 53, was appointed as Executive Director on 30 September 2013. He is also the director of certain subsidiaries of the Company and the financial controller of the Company. Mr. Wong holds a Master degree in business administration from the University of South Australia. He is a fellow member of both the Association of Chartered Certified Accountants and the Hong Kong Institute of Certified Public Accountants. He has ample experience in auditing, accounting, financial management and company secretarial practices in respect of listed companies. He is an independent non-executive director of FSM Holdings Limited (stock code: 1721) from 8 April 2020.

Mr. Wong has entered into an appointment letter with the Company for a term of three years commencing from 30 September 2022. 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 2024, Mr. Wong received emoluments in a total sum of HK\$1,518,000 which comprised director's fees, salaries and allowances, and retirement benefit scheme contributions which is with reference to his qualification and experience, his duties and responsibilities within the Company, the performance of the Company and the prevailing market situation and subject to authorisation by the Shareholders at the annual general meeting and determination by the remuneration committee of the Company and the Board.

As at the Latest Practicable Date, Mr. Wong has a personal interest in share options granted under the Company's Share Option Scheme to subscribe for 3,388,563 new shares.

3. Mr. Chung Siu Wah, aged 67, 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. He was an executive director of Daido Group Limited (stock code: 544) for the period from 9 September 2011 to 5 August 2013.

Mr. Chung has entered into an appointment letter with the Company for a term of three years commencing from 14 August 2023. 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 2024, Mr. Chung received emoluments of approximately HK\$1,656,000 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 has a personal interest in share options granted under the Company's share option scheme to subscribe for 3,388,563 new Shares.

4. Mr. Lee Chi Ho, aged 42, was appointed as Independent Non-executive Director on 5 December 2023. He is also a chairman of audit committee and a member of each of remuneration committee and nomination committee. He is a fellow member of the Association of Chartered Certified Accountants and has over 15 years of experience in finance, auditing and accounting sectors. He obtained his Bachelor of Arts in Accountancy from The Hong Kong Polytechnic University in November 2004. Mr. Lee has been serving as the chief financial officer in two companies listed in Hong Kong, namely (i) TOMO Holdings Limited (stock code: 6928) since April 2023; and (ii) Carry Wealth Holdings Limited (stock code: 643) since November 2023. From August 2019 to April 2023, Mr. Lee worked for Zhongshan Pacific Lighting Co., Ltd. as a general manager. He also served as the chief financial officer at (i) Gold-Finance (Holdings) Group Company Limited from June 2014 to August 2015; (ii) Huajin International Holdings Limited (stock

code: 2738) from July 2015 to June 2017; (iii) Mastermind Manufacture Limited from January 2018 to August 2019; and (iv) Fullwealth International Group Holdings Limited (stock code: 1034) from May 2023 to May 2024. During the period from August 2004 to December 2013, Mr. Lee worked in Deloitte Touche Tohmatsu in Hong Kong and its affiliates operating in Shenzhen and Shanghai, with his last position being audit manager.

Mr. Lee has entered into a letter of appointment with the Company for a term of three years commencing from 5 December 2023. He 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, Mr. Lee is entitled to a Director's fee of HK\$120,000 per annum 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. Lee does not have any interests in the shares of the Company within the meaning of Part XV of the SFO.

5. Mr. Liu Yafei, aged 55, was appointed as Executive Director on 2 August 2024. He has over 15 years of experience in international trading and mining business in the People's Republic of China. He obtained his master's degree in engineering from Wuhan University in June 2009.

Mr. Liu has entered into a service agreement with the Company for a term of three years commencing from 2 August 2024. He is subject to retirement by rotation at annual general meeting of the Company and re-election under the provision of the Articles. Pursuant to his service agreement, Mr. Liu is entitled to a remuneration of HK\$240,000 per annum and a discretionary bonus 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. Liu does not have any interests in the shares of the Company within the meaning of Part XV of the SFO.

6. Ms. Lai Pik Chi Peggy, aged 60, 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 Elegance Optical International Holdings Limited (stock code: 907), Kwong Luen Engineering Holdings Limited (stock code: 1413), KPa-BM Holdings Limited (stock code: 2663), all companies listed on the Main Board of the Stock Exchange and an independent non-executive director of Wan Leader International Limited (stock code: 8482), a company listed on the GEM of the Stock Exchange. She was an independent non-executive director of CT Environmental Group Limited (previous stock code: 1363 prior to delisting from the Main Board of the Stock Exchange) from August 2020 to August 2021. She was a non-executive director of Larry Jewelry International Company Limited (stock code: 8351, prior to delisting from GEM of the Stock Exchange) from February 2020 to November 2021. She was an executive director of Zhejiang United Investment Holdings Group Limited (stock code: 8366) from July 2021 to March 2024, for which she served as an independent non-executive director from November 2019 to July 2021 and an independent non-executive director of China Come Ride New Energy Group Limited (stock code: 8039) from August 2019 to September 2024, a company listed on GEM of the Stock Exchange.

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.

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**APPENDIX I    DETAILS OF RETIRING DIRECTORS PROPOSED TO BE RE-ELECTED**

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Save as disclosed above, Mr. Yeung, Mr. Wong, Mr. Chung, Mr. Lee, Mr. Liu 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; and (iii) 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. Wong, Mr. Chung, Mr. Lee, Mr. Liu 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 2024 (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.

As at the Latest Practicable Date, the Company has no share repurchased and no treasury shares. It is intended that any shares which are repurchased by the Company will be cancelled.

## **4. SHARE CAPITAL**

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

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

## **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.

None of the Directors nor, to the best of their knowledge having made all reasonable enquiries, their close associates (as defined in the Listing Rules), have any present intention to sell any Shares to the Company or its subsidiaries under the Repurchase Mandate if such is approved by the Shareholders.

No core connected persons (as defined in the Listing Rules) have notified the Company that they have a present intention to sell Shares to the Company or its subsidiaries, or have undertaken not to do so, in the event that the Repurchase Mandate is approved by the Shareholders.

## **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:

<b>Name of shareholders</b>	<b>No. of issued Shares Interested</b>	<b>Percentage of shareholding in the Company</b>	
		<b>As at the Latest Practicable Date</b>	<b>After exercise in full of the Repurchase Mandate</b>
Mr. Yeung Chi Hang	102,247,200	20.92%	23.24%
Mr. Chu Ying Man	27,000,000	5.52%	6.14%
Ocean Line Holdings Limited	59,900,000	12.26%	13.62%
Ms. Cheung Wai Fung	62,802,400	12.85%	14.28%
Mr. Kwai Sze Hoi	62,802,400	12.85%	14.28%



*Note:* Pursuant to an ordinary resolution passed on 5 April 2024, every five shares of HK\$0.02 each were consolidated into one consolidated share of HK\$0.1 each effective on 9 April 2024. The percentage of shareholding was calculated based on the Company's issued share capital of 488,769,147 consolidated shares as at 30 June 2024.

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:

	<b>Shares</b>	
	<b>Highest</b>	<b>Lowest</b>
	<i>HK\$</i>	<i>HK\$</i>
<b>2023</b>		
October	0.064	0.039
November	0.097	0.037
December	0.102	0.045
<b>2024</b>		
January	0.054	0.043
February	0.060	0.039
March	0.058	0.032
April	0.245A	0.130A
May	0.245A	0.161A
June	0.200A	0.170A
July	0.240A	0.198A
August	0.237A	0.186A
September	0.242A	0.173A
October (till the Latest Practicable Date)	0.234A	0.193A

A = Adjusted for the consolidation of every 5 shares of HK\$0.02 each into 1 consolidated share of HK\$0.10 each approved on 5 April 2024.



## 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 Tuesday, 3 December 2024 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 2024 together with the report of the directors and the independent auditor’s report.
2. (a) To re-elect each of the retiring directors of the Company as follows by way of a separate resolution:
  - (i) Mr. Yeung Chi Hang
  - (ii) Mr. Wong Po Keung
  - (iii) Mr. Chung Siu Wah
  - (iv) Mr. Lee Chi Ho
  - (v) Mr. Liu Yafei
  - (vi) Ms. Lai Pik Chi, Peggy
- (b) To authorise the board of director of the Company (the “**Board**”) to fix the directors’ remuneration for the year ending 30 June 2025.
3. To re-appoint ZHONGHUI ANDA CPA Limited as auditor of the Company and to authorise the Board to fix the remuneration of auditor of the Company.

**SPECIAL BUSINESS****ORDINARY RESOLUTIONS**

The following resolutions 4 to 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 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 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 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.”

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

Hong Kong, 18 October 2024

**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 Thursday, 28 November 2024 to Tuesday, 3 December 2024 (both days inclusive), during which period no transfer of share(s) will be effected. 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 Wednesday, 27 November 2024.
5. With regard to item no. 2(a) in this notice, the Board proposes the retiring directors, namely Mr. Yeung Chi Hang, Mr. Wong Po Keung, Mr. Chung Siu Wah, Mr. Lee Chi Ho, Mr. Liu Yafei 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 18 October 2024.