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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 your licensed securities dealer or registered institution in securities, bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your shares in HONGCHENG ENVIRONMENTAL TECHNOLOGY COMPANY LIMITED, you should at once hand this circular and the accompanying form of proxy to the purchaser or to the transferee or to the bank, licensed securities dealer or registered institution in securities or other agent through whom the sale was effected for transmission to the purchaser or the transferee.

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HONGCHENG ENVIRONMENTAL TECHNOLOGY COMPANY LIMITED

鴻承環保科技有限公司

(incorporated in the Cayman Islands with limited liability)

(Stock Code: 2265)

PROPOSALS FOR
(i) RE-ELECTION OF DIRECTORS
(ii) RE-APPOINTMENT OF AUDITOR
(iii) GRANT OF GENERAL MANDATES TO ISSUE,
REPURCHASE SHARES AND EXTENSION MANDATE
(iv) DECLARATION OF FINAL DIVIDEND AND
(v) AMENDMENTS TO THE
ARTICLES OF ASSOCIATION AND
THE ADOPTION OF THE NEW ARTICLES OF ASSOCIATION
AND
NOTICE OF ANNUAL GENERAL MEETING

A notice convening the AGM (as defined herein) of HONGCHENG ENVIRONMENTAL TECHNOLOGY COMPANY LIMITED to be held at Meeting Room, 2/F, Shandong Qiaoshang Shuangchuang Industrial Park, 317 Beiyuan Road, Laizhou City, Shandong Province, PRC on Friday, 24 June 2022 at 2:00 p.m. is set out on pages 28 to 33 of this circular. A form of proxy for use at the AGM is also enclosed. Such form of proxy is also published on the website of The Stock Exchange of Hong Kong Limited at www.hkexnews.hk and the website of the Company at www.sdhcgroup.cn.

Whether or not you are able to attend the AGM, please complete and sign the enclosed form of proxy in accordance with the instructions printed thereon and return it to the Company's Hong Kong branch share registrar, Tricor Investor Services Limited, at Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong as soon as possible but in any event not less than 48 hours before the time appointed for the holding of the AGM or any adjourned meeting thereof (as the case may be). Completion and return of the form of proxy will not preclude Shareholders from attending and voting in person at the AGM if they so wish, and in such event, the instrument appointing a proxy shall be deemed to be revoked.

References to time and dates in this circular are to Hong Kong time and dates.

29 April 2022

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Note: In the event of any discrepancy between the English and Chinese versions of this circular, the English version shall prevail.

SPECIAL ARRANGEMENTS FOR THE AGM

Due to the recent development of the COVID-19 pandemic situation in Hong Kong and China and the travel restriction currently imposed on the border between Hong Kong and China, the following additional arrangements will be made for the AGM:

- (a) Shareholders may not be able to attend the AGM in person. If Shareholders wish to exercise the voting rights at the AGM, they are recommended to cast their vote(s) by depositing their form of proxy in advance of the AGM and appointing the chairman of the AGM (the “**Chairman**”) or any other person to attend, speak and vote on their behalf at the AGM according to the instructions stated in the form of proxy.
- (b) In appointing the Chairman or other person as proxy, Shareholders (whether individual or corporate) must give specific instructions as to vote in the form of proxy, the duly completed and signed form of proxy must be deposited with the Company’s Hong Kong branch share registrar, Tricor Investor Services Limited at Level 54, Hopewell Centre, 183 Queen’s Road East, Hong Kong not less than 48 hours before the time appointed for holding the AGM or any adjournment thereof. If you are not a registered Shareholder, e.g. if your Shares are held via banks, brokers, custodians or Hong Kong Securities Clearing Company Limited, you should consult directly with your banks or brokers or custodians (as the case may be) to assist you in the appointment of a proxy.
- (c) Subject to prior registration and completion of identity verification, Shareholders may view and listen to the AGM through a live webcast (the “**Webcast**”) which can be accessed using computers, mobile phones or any browser-enabled electronic or communication devices. Any Shareholder who wishes to access the AGM by Webcast must send his/her full name, phone number and registered address to this email address: is-enquiries@hk.tricorglobal.com not later than 48 hours before the appointed time and date of the AGM. Shareholders may be required to produce identification documents to show identity and enable the Company to check against its Shareholders’ records. Shareholders having completed registration and identity verification will be provided the web link and/or password to access the Webcast at the start of the AGM until conclusion. Shareholders who are given the web link and/or password of the Webcast should not share such information to anyone else.
- (d) Shareholders having completed registration and identity verification can submit questions to the Board in advance of the AGM via this email address: is-enquiries@hk.tricorglobal.com. Shareholders having completed registration and identity verification can also submit questions during the AGM through the message board of the Webcast. Subject to the discretion of the Chairman as to the proper conduct of the meetings, questions relevant to the business of the AGM will be addressed by the Board during the AGM.

SPECIAL ARRANGEMENTS FOR THE AGM

- (e) No remote voting system will be provided at the Webcast. For the avoidance of doubt, presence at the Webcast is not counted as quorum or attendance of the AGM, and will not revoke any proxy instrument previously delivered to the Company by the same Shareholder.

The Company is closely monitoring the impact of COVID-19. Should any changes be made to the AGM arrangements, the Company will publish further announcement posted on the website of The Stock Exchange of Hong Kong Limited at www.hkexnews.hk and the website of the Company at www.sdhcgroup.cn.

DEFINITIONS

In this circular, unless the context requires otherwise, the following terms have the meanings set out below, and words in plural shall include the singular and vice versa, as applicable:

“AGM”	the forthcoming annual general meeting of the Company
“Audit Committee”	the audit committee of the Board
“Articles of Association” or “Articles”	the amended and restated articles of association of the Company, conditionally adopted by the then Shareholders on 23 October 2021 and became effective on the Listing Date.
“Board”	the board of Directors
“Companies Act”	the Companies, Cap. 22 (Act 3 of 1961, as consolidated and revised) of the Cayman Islands, as amended, supplemented or otherwise modified from time to time
“Company”	HONGCHENG ENVIRONMENTAL TECHNOLOGY COMPANY LIMITED (鴻承環保科技有限公司), a company incorporated in the Cayman Islands with limited liability, the issued shares of which are listed on the Main Board of the Stock Exchange (stock code: 2265)
“Controlling Shareholder(s)”	has the meaning ascribed thereto under the Listing Rules and unless the context requires otherwise, refers to Mr. Liu and Zeming International Investment Co., Ltd
“Director(s)”	the director(s) of the Company
“Extension Mandate”	a general and unconditional mandate proposed to be granted to the Directors at the AGM to extend the Issue Mandate by an amount representing the aggregate amount of Shares repurchased under the Repurchase Mandate
“Final Dividend”	the proposed final dividend of HKD0.0189 per Share for the year ended 31 December 2021 out of the Company’s share premium account to Shareholders whose names appear on the register of members of the Company on Friday, 8 July 2022
“HC Environmental”	Laizhou Hongcheng Mining Environmental Protection Development Co., Ltd. (萊州市鴻鉞礦業環保開發有限公司), a limited liability company established under the laws of the PRC on 12 February 2014 and an indirect wholly owned subsidiary of the Company

DEFINITIONS

“HC Mining”	Shandong Hongcheng Mining (Group) Co., Ltd. (山東鴻承礦業(集團)有限公司) (formerly known as Shandong Hongcheng Mining Co., Ltd. (山東鴻鉞礦業有限公司) and Shandong Hongcheng Mining Co., Ltd. (山東鴻承礦業有限公司)), a limited liability company established under the laws of the PRC on 28 April 2011 and an indirect wholly owned subsidiary of the Company
“HKD”	Hong Kong dollars and cents respectively, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Issue Mandate”	a general and unconditional mandate proposed to be granted to the Directors at the AGM to exercise the power of the Company to allot, issue and/or deal with Shares of not exceeding 20% of the aggregate number of issued Shares as at the date of passing of the relevant resolution granting the Issue Mandate
“Latest Practicable Date”	20 April 2022, being the latest practicable date prior to the printing of this circular for the purpose of ascertaining certain information for inclusion in this circular
“Listing”	the listing of the Shares on the Main Board
“Listing Date”	12 November 2021, on which the Shares are listed and from which dealings therein are permitted to take place on the Main Board
“Listing Rules”	Rules Governing the Listing of Securities on the Stock Exchange
“Main Board”	the stock market (excluding the option market) operated by the Stock Exchange which is independent from and operated in parallel with GEM of the Stock Exchange
“New Articles of Association”	the second amended and restated articles of association of the Company to be considered and approved by special resolution at the AGM
“Nomination Committee”	the nomination committee of the Board
“PRC” and “China”	the People’s Republic of China
“Remuneration Committee”	the remuneration committee of the Board

DEFINITIONS

“Repurchase Mandate”	a general and unconditional mandate to be granted to the Director at the AGM to exercise the powers of the Company to repurchase Shares of not exceeding 10% of the aggregate number of the issued Shares as at the date of passing of the relevant resolution granting the Repurchase Mandate
“RMB”	Renminbi, the lawful currency of the PRC
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), as amended, supplemented and modified from time to time
“Share(s)”	ordinary share(s) in the share capital of the Company with a nominal value of HKD0.01 each
“Shareholder(s)”	holder(s) of the Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“substantial shareholder(s)”	has the meaning ascribed to it under the Listing Rules
“Takeovers Code”	the Codes on Takeovers and Mergers and Share Buy-backs issued by the Securities and Futures Commission in Hong Kong, as amended from time to time
“we”, “us”, “our”, “Group”	the Company and its subsidiaries
“%”	per cent

LETTER FROM THE BOARD



HONGCHENG ENVIRONMENTAL TECHNOLOGY COMPANY LIMITED

鴻承環保科技有限公司

(incorporated in the Cayman Islands with limited liability)

(Stock Code: 2265)

Executive Directors:

Mr. Liu Zeming (*Chairman*)

Mr. Zhan Yirong

Mr. Sheng Haiyan

Registered office in Cayman Islands:

Cricket Square, Hutchins Drive

PO Box 2681, Grand Cayman

KY1-1111, Cayman Islands

Independent Non-Executive Directors:

Mr. Zhang Shijun

Ms. Liu Ye

Mr. Lau Chung Wai

Principal Place of Business

in Hong Kong:

Unit 1304, 13/F

OfficePlus@Wan Chai

303 Hennessy Road

Wan Chai

Hong Kong

29 April 2022

To the Shareholders

Dear Sir or Madam,

PROPOSALS FOR
(i) RE-ELECTION OF DIRECTORS
(ii) RE-APPOINTMENT OF AUDITOR
(iii) GRANT OF GENERAL MANDATES TO ISSUE,
REPURCHASE SHARES AND EXTENSION MANDATE
(iv) DECLARATION OF FINAL DIVIDEND AND
(v) AMENDMENTS TO THE
ARTICLES OF ASSOCIATION AND
THE ADOPTION OF THE NEW ARTICLES OF ASSOCIATION
AND
NOTICE OF ANNUAL GENERAL MEETING

LETTER FROM THE BOARD

1. INTRODUCTION

The purposes of this circular are to give you notice of the AGM and to provide you with information relating to the proposals for (i) the re-election of Directors; (ii) the re-appointment of the auditor of the Company; (iii) the grant of the Issue Mandate, the Repurchase Mandate and the Extension Mandate; (iv) the declaration of the Final Dividend; and (v) amendments to the Articles of Association and the adoption of the New Articles of Association.

2. PROPOSED RE-ELECTION OF DIRECTORS

In accordance with articles 84.(1) and 84.(2) of the Articles of Association, Mr. Liu Zeming and Mr. Zhan Yirong, both being executive Directors, will retire by rotation and being eligible, will offer themselves for re-election at the AGM.

The re-election of retiring Directors has been reviewed by the Nomination Committee which recommended to the Board that the re-election be proposed for Shareholders' approval at the AGM. The nominations were made in accordance with the nomination policy of the Company and the objective criteria for the nominations including but not limited to, gender, age, cultural and educational background, experience (professional or otherwise), skills, knowledge and length of service, with due regard for the benefits of diversity as set out under the board diversity policy of the Company. The Board is of the view that Mr. Liu and Mr. Zhan are able to continue to fulfil their role as required of executive Director and contribute to maintain the diversity in the Board's composition. Therefore, with the recommendation of the Nomination Committee, the Board has proposed that Mr. Liu and Mr. Zhan stand for re-election as executive Directors at the AGM.

In compliance with the requirements of code provision F.2.1 of the Corporate Governance Code set out in Appendix 14 to the Listing Rules, a separate resolution will be proposed at the AGM for the re-election of each individual Director whether such Director is an executive Director or an independent non-executive Director.

The particulars (as required under the Listing Rules) of the Directors who are proposed to be re-elected at the AGM are set out in Appendix I to this circular.

3. PROPOSED RE-APPOINTMENT OF AUDITOR

The Board proposes to re-appoint PricewaterhouseCoopers as the auditor of the Company for the year ending 31 December 2022 and hold the office until the conclusion of the next annual general meeting of the Company. A resolution will also be proposed to authorise the Board to fix the auditor's remuneration for the ensuing year. PricewaterhouseCoopers has indicated their willingness to be re-appointed as auditor of the Company for the said period.

LETTER FROM THE BOARD

4. PROPOSED GRANT OF THE ISSUE MANDATE, REPURCHASE MANDATE AND EXTENSION MANDATE

The existing general mandates to issue and repurchase Shares will expire at the conclusion of the AGM. To ensure flexibility and give discretion to the Directors in the event that it becomes desirable for the Company to issue any new Shares, approval is to be sought from the Shareholders, pursuant to the Listing Rules, for the Issue Mandate to issue Shares. At the AGM, an ordinary resolution will be proposed to give the Directors the Issue Mandate to exercise the power of the Company to allot, issue and/or deal with Shares of not exceeding 20% of the aggregate number of issued Shares as at the date of passing of the relevant resolution granting the Issue Mandate.

As at the Latest Practicable Date, the Directors have not exercised any existing general mandates to issue and repurchase Shares and a total of 1,000,000,000 Shares were in issue. Subject to the passing of the proposed resolution granting the Issue Mandate and the Repurchase Mandate at the AGM and on the basis that no Shares will be issued or repurchased by the Company after the Latest Practicable Date and prior to the AGM, the Company will be allowed under the Issue Mandate to issue a maximum of 200,000,000 new Shares and under the Repurchase Mandate to repurchase to a maximum of 100,000,000 Shares.

At the AGM, an ordinary resolution will also be proposed to give the Directors the Repurchase Mandate to exercise the powers of the Company to repurchase Shares of not exceeding 10% of the aggregate number of the issued Shares as at the date of passing of the relevant resolution granting the Repurchase Mandate. Pursuant to the Listing Rules, the Company is required to give the Shareholders all information which is reasonably necessary to enable the Shareholders to make an informed decision as to whether to vote in favour of or against the resolution regarding the Repurchase Mandate at the AGM. An explanatory statement for such purpose is set out in Appendix II to this circular.

In addition, an ordinary resolution regarding the Extension Mandate will be proposed at the AGM providing that any Shares repurchased under the Repurchase Mandate (up to a maximum of 10% of the issued Shares as at the date of the grant of the Repurchase Mandate) will be added to the total number of Shares which may be allotted and issued under the Issue Mandate.

The Issue Mandate and the Repurchase Mandate, if approved by the Shareholders at the AGM, will expire on the earliest of: (a) the conclusion of the next annual general meeting of the Company; or (b) the expiration of the period within which the next annual general meeting of Company is required by the Companies Act or any other applicable laws or the Articles of Association to be held; or (c) the revocation or variation of such authority by ordinary resolution(s) by the Shareholders in a general meeting prior to the next annual general meeting of the Company.

LETTER FROM THE BOARD

With reference to the Issue Mandate and the Repurchase Mandate, the Directors wish to state that they have no immediate plan to issue any new Shares or repurchase any Shares pursuant thereto. The Directors will not exercise the Repurchase Mandate to such an extent that the public holding of Shares would be reduced below the minimum public float requirement pursuant to the Listing Rules.

5. PROPOSED DECLARATION OF FINAL DIVIDEND

As stated in the announcement issued by the Company dated 31 March 2022 relating to the annual results of the Group for the year ended 31 December 2021, the Board recommended a final dividend of HKD0.0189 per ordinary share totalling approximately HKD18.9 million for the year ended 31 December 2021 to be paid out of the Company's share premium account.

Following the payment of the Final Dividend, there will be a remaining balance of approximately RMB518.7 million standing to the credit of the Company's share premium account.

Conditions of the Payment of the Final Dividend

The payment of the Final Dividend is conditional upon the satisfaction of the following conditions:

- (a) the passing of an ordinary resolution by the Shareholders declaring and approving the payment of the Final Dividend pursuant to Article 134 of the Articles; and
- (b) the Directors being satisfied that there are no reasonable grounds for believing that the Company is, immediately following the date on which the Final Dividend is paid, unable to pay its debts as they fall due in the ordinary course of business.

Subject to the fulfilment of the above conditions, it is expected the Final Dividend will be payable to shareholders whose names appear on the register of members of the Company on Friday, 8 July 2022. The Final Dividend is subject to the approval of the Shareholders at the AGM, and is expected to be paid by cash on or around Friday, 22 July 2022.

The conditions set out above cannot be waived. If the conditions set out above are not satisfied, the Final Dividend will not be paid.

Reasons for and effect of the payment of the Final Dividend

To reward the Shareholders, the Board considers it appropriate to distribute the Final Dividend to repay the Shareholders' support.

LETTER FROM THE BOARD

After taking into account a number of factors including cash flow and financial condition of the Company, the Board considers it is appropriate and proposes that the Final Dividend are in accordance with Article 134 of the Articles and the Companies Act.

The Board believes that the payment of the Final Dividend will not have any material adverse effect on the operations or financial position of the Group and does not involve any reduction in the authorised or issued share capital of the Company or reduction in the nominal value of the Shares or result in any change in the trading arrangements in respect of the Shares.

6. PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION AND THE ADOPTION OF THE NEW ARTICLES OF ASSOCIATION

Reference is made to the announcement of the Company dated 28 April 2022.

The Board proposes to (i) make certain amendments to the Articles of Association for the purpose of, among others, reflecting the core shareholder protection standards as set out in the revised Appendix 3 to the Listing Rules which took effect on 1 January 2022 (the “**Proposed Amendments**”); and (ii) adopt the New Articles of Association incorporating and consolidating all the Proposed Amendments.

Details of the Proposed Amendments are set out in Appendix III to this circular. Save for the Proposed Amendments, the other provisions of the Articles of Association will remain unchanged.

The legal advisers to the Company as to Hong Kong laws and the Cayman Islands laws have respectively confirmed that the Proposed Amendments comply with the applicable requirements of the Listing Rules and are not inconsistent with the laws of the Cayman Islands. The Company also confirms that there is nothing unusual in the Proposed Amendments from the perspective of a Cayman Islands company listed on the Stock Exchange.

The Proposed Amendments as well as the adoption of the New Articles of Association are subject to the Shareholders’ approval by way of special resolution at the AGM.

7. ANNUAL GENERAL MEETING

A notice convening the AGM is set out on pages 28 to 33 of this circular to consider the resolutions relating to, *inter alia*, (i) the proposed re-election of Directors; (ii) the proposed re-appointment of the auditor of the Company; (iii) the proposed grant of the Issue Mandate, the Repurchase Mandate and the Extension Mandate; (iv) the proposed declaration of the Final Dividend; and (v) the proposed amendments to the Articles of Association and the adoption of the New Articles of Association.

LETTER FROM THE BOARD

8. ACTIONS TO BE TAKEN

A form of proxy for use at the AGM is enclosed with this circular and such form of proxy is also published on the website of the Stock Exchange at www.hkexnews.hk and the website of the Company at www.sdhcgroup.cn. Whether or not you are able to attend the AGM, you are encouraged to complete the form of proxy and return it to the Hong Kong share registrar of the Company, Tricor Investor Services Limited, at Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong in accordance with the instructions printed thereon not less than 48 hours before the time fixed for holding the AGM or any adjournment thereof. Completion and return of the form of proxy will not preclude you from attending and voting at the AGM or any adjourned meeting if you so wish, and in such event the form of proxy shall be deemed to be revoked.

9. CLOSURE OF REGISTER OF MEMBERS

(a) For determining the entitlement to attend and vote in the AGM

The AGM is expected to be held on Friday, 24 June 2022. For determining the entitlement to attend and vote at the AGM, the register of members of the Company will be closed from Tuesday, 21 June 2022 to Friday, 24 June 2022, both days inclusive, during which period no transfer of shares of the Company will be registered. In order to be eligible to attend and vote at the AGM, all share transfer documents accompanied by the relevant share certificates must be lodged with the Company's Hong Kong Branch Share Registrar, Tricor Investor Services Limited, at Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong, for registration not later than 4:30 p.m. on Monday, 20 June 2022.

(b) For determining the entitlement to the proposed final dividend

Upon obtaining approval of the Shareholders at the forthcoming AGM, for the purpose of determining the Shareholders' entitlement to the Final Dividend for the year ended 31 December 2021, the register of members of the Company will be closed from Wednesday, 6 July 2022 to Friday, 8 July 2022 (both days inclusive), during which period no transfer of shares of the Company will be registered. For the purpose of determining the entitlement to the Final Dividend for the year ended 31 December 2021, all transfer documents accompanied by the relevant share certificates must be lodged with the Company's Hong Kong Branch Share Registrar, Tricor Investor Services Limited, at Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong, for registration not later than 4:30 p.m. on Tuesday, 5 July 2022.

10. VOTING BY WAY OF POLL

Pursuant to Rule 13.39(4) of the Listing Rules, all votes at the AGM will 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 and the Company will announce the results of the poll in the manner prescribed under Rule 13.39(5) of the Listing Rules.

LETTER FROM THE BOARD

11. RESPONSIBILITY STATEMENT

This circular, 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 Company. The Directors having made all reasonable enquiries, confirm that to the best of their knowledge and belief, the information contained in this circular 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 circular misleading.

12. RECOMMENDATION

The Directors believe that, (i) the proposed re-election of Directors; (ii) the proposed re-appointment of the auditor of the Company; (iii) the proposed grant of the Issue Mandate, the Repurchase Mandate and the Extension Mandate; (iv) the proposed declaration of the Final Dividend; and (v) the proposed amendments to the Articles of Association and the adoption of the New Articles of Association are in the interests of the Company and the Shareholders. Accordingly, the Directors recommend all Shareholders to vote in favour of the relevant resolutions to be proposed at the AGM.

Yours faithfully,

By order of the Board

**HONGCHENG ENVIRONMENTAL TECHNOLOGY
COMPANY LIMITED**

Liu Zeming

Chairman and Executive Director

APPENDIX I DETAILS OF DIRECTORS PROPOSED FOR RE-ELECTION

The particulars (as required under the Listing Rules) of the Directors proposed to be re-elected at the AGM are set out as follows:

Mr. Liu Zeming (劉澤銘) (formerly known as Liu Zeming (劉澤明)) (“Mr. Liu”), aged 45

Mr. Liu is an executive Director and chairman of the Board who is responsible for the overall management of the business operations and strategic and corporate development of the Group. He is also a member of the Remuneration Committee and chairman of the Nomination Committee. He was appointed as Director on 12 January 2021 and re-designated as executive Director on 8 April 2021. Mr. Liu is a founder of the Group and the Controlling Shareholder. Mr. Liu has over 10 years of experience in operation and management business of metal ore waste processing. Mr. Liu has been an executive director and general manager of HC Mining since April 2011. He has obtained the qualification of PRC Intermediate Assistant Economist (中級助理經濟師) from Yantai Engineering & Technical Position Intermediate Evaluation Committee (煙臺市工程技術職務中級評審委員會) in February 2003. He was appointed as a member of the standing committee of Shandong People’s Political Consultative Conference (中國人民政治協商會議山東省委員會) in January 2013 and January 2018, respectively.

Prior to joining the Group, Mr. Liu worked for Laizhou Jinshan Stone Raw Materials Trading Co., Ltd. (萊州市金山石材銷售有限公司), which principally engaged in the trading of stone raw materials, from September 2003 to April 2011 holding his last position as sales manager. He worked as a manager at Laizhou Property Development Company Limited (萊州房地產開發有限公司) from July 1997 to August 2003. He also worked at the former People’s Government of Xiyou Town, Laizhou City (萊州市西由鎮人民政府), and was primarily responsible for clerical works from September 1995 to July 1997.

Mr. Liu has received various awards with social impact throughout the years. He was awarded a certificate of honour for his personal contribution in fighting the COVID-19 in Shandong Province (「山東省抗擊新冠病毒肺炎疫情先進個人」榮譽證書) issued by the Shandong Provincial Committee of the China Peasants’ and Workers’ Democratic Party (中國農工民主黨山東省委員會) in December 2020; the title of “Model Worker of Yantai” (「煙臺市勞動模範」) jointly issued by the Yantai Municipal Committee of the Communist Party of China and the Yantai Municipal People’s Government (中共煙臺市委和煙臺市人民政府) in April 2019; the “Economic Development Progress Award” for the year 2018 (2018年度「經濟發展進步獎」) jointly issued by the Laizhou Municipal Committee of the Communist Party of China and the Laizhou Municipal People’s Government (中共萊州市委員會及萊州市人民政府) in February 2019; the 13th “Ten Outstanding Youth Nomination Award of Yantai City (「煙臺十大傑出青年」)” jointly issued by the Yantai Municipal Committee of the Communist Youth League and the Yantai Youth Federation (共青團煙臺市委及煙臺市青年聯合會) in October 2015; and the honorary title of “Model Youth of Laizhou” (「萊州市模範青年」) jointly issued by the Organisation Department of the Laizhou Municipal Committee of the Communist Party of China (中共萊州市委組織部) and other four departments in December 2012.

APPENDIX I DETAILS OF DIRECTORS PROPOSED FOR RE-ELECTION

Mr. Liu completed the tertiary education program in business administration from Shandong Agricultural Management College (山東省農業管理幹部學院) (currently known as 山東農業工程學院) in July 1999. He further completed a post-graduate education program in modern Chinese history from Shandong Normal University (山東師範大學) in July 2000. Mr. Liu is currently pursuing a doctorate's degree in Business Administration at North Borneo University College in Malaysia by way of distance learning.

Mr. Liu was a legal representative of the following company which was incorporated in the PRC and was subsequently dissolved:

Name of Company	Mr. Liu's position	Nature of business	Methods of dissolution	Date of dissolution	Reason of dissolution
Hanzhong Dingcheng Mining Co., Ltd (漢中鼎誠礦業有限公司) ("Dingcheng")	Legal representative	Management, construction and sales of mining projects	revoked	6 June 2014	failure to attend to the annual SAIC filings

As confirmed by Mr. Liu, Dingcheng failed to attend to the annual filings of the State Administration for Industry and Commerce of the PRC because after its cessation of business in 2011, the then staff of the local shareholder, Hanzheng Geological Team of Shaanxi Geology and Mineral Exploration and Development Bureau (陝西省地質礦產勘查開發局32中地質大隊), who was in charge of the daily operation, failed to realise that pursuant to the relevant PRC laws and regulations, a company needed to attend to proper annual SAIC filings before it could be duly dissolved. Mr. Liu, in his capacity as a legal representative, has confirmed that the aforementioned failure was not caused by his mistake or fault.

As further advised by Mr. Liu, he was a director or supervisor of the following companies which were incorporated in the PRC and were subsequently dissolved voluntarily by shareholders' resolutions or simplified deregistration procedure due to the reason that these companies did not conduct business since their respective date of incorporation:

Name of company	Mr. Liu's position	Date of dissolution
Laizhou Puyuan Mineral Processing Co., Ltd (萊州市普元選礦有限公司)	executive director	4 September 2012
Laizhou Jiaxin Mining Co., Ltd. (萊州市嘉鑫礦業有限公司)	executive director and general manager	25 December 2009
Laizhou Beihai Garden Engineering Co., Ltd (萊州市北海園林工程有限公司)	executive director and general manager	25 December 2009
Laizhou Sanyi Stone Co., Ltd (萊州市三一石子有限公司)	supervisor	11 November 2019

APPENDIX I DETAILS OF DIRECTORS PROPOSED FOR RE-ELECTION

Name of company	Mr. Liu's position	Date of dissolution
Zhaoyuan Hongcheng Technology Consulting Co., Ltd (招遠市鴻承技術諮詢有限公司)	executive director and general manager	17 February 2020
Shandong Aorunlai Shuangchuang Industrial Park Co., Ltd (山東澳潤萊雙創產業園有限公司)	supervisor	25 March 2020
Shandong Hongcheng Smelting Co., Ltd. (山東鴻承冶煉有限公司)	executive director and general manager	23 February 2021

As at the Latest Practicable Date, Mr. Liu had the following interest in the shares of the Company or its associated corporation within the meaning of Part XV of the SFO:

(i) Interest in the Company

Name of Shareholder	Capacity/Nature of interest	Number of Shares	Approximate shareholding percentage (%)
Mr. Liu	Interest of a controlled corporation ⁽²⁾	589,500,000	58.95%
Ms. Li Liyan (李麗豔)	Interest of spouse ⁽³⁾	589,500,000	58.95%

- All interests stated are long position.
- 589,500,000 Shares are registered in the name of Zeming International Investment Co., Ltd., the entire issued capital of which is legally and beneficially owned by Mr. Liu. By virtue of the SFO, Mr. Liu is taken to be interested in the Shares held by Zeming International Investment Co., Ltd.
- Ms. Li Liyan is the spouse of Mr. Liu. Under the SFO, Ms. Li Liyan is taken to be interested in the same number of Shares in which Mr. Liu is interested.

(ii) Interest in associated corporation

Name of Shareholder	Name of associated corporation	Capacity/Nature	Approximate shareholding percentage (%)
Mr. Liu	Zeming International Investment Co., Ltd	Beneficial owner	100%

APPENDIX I DETAILS OF DIRECTORS PROPOSED FOR RE-ELECTION

Save as disclosed above, Mr. Liu was not interested or deemed to be interested in any Shares or underlying Shares of the Company or its associated corporations pursuant to Part XV of the SFO.

Mr. Liu has entered into a service contract with the Company pursuant to which they agreed to act as executive Directors for an initial term of three years with effect from the Listing Date which may be terminated by either party by giving not less than three months' written notice. The term of service contract shall be renewed and extended automatically for successive terms of one year upon expiry of the then current term until terminated by either party by giving not less than three months' written notice to the other.

Mr. Liu is subject to retirement by rotation and re-election at the annual general meeting of the Company and vacation of office in accordance with the Articles of Association.

For the year ended 31 December 2021, Mr. Liu received remuneration of approximately RMB350,000 (comprising (i) salaries of approximately RMB241,000 and (ii) welfare, medical and other expenses of approximately RMB109,000), which is determined by the Board with regard to his duties and responsibilities within the Group and the recommendation made by the Remuneration Committee.

Save as disclosed above, Mr. Liu (i) does not hold any other positions with the Group; (ii) has not held any other directorships in listed public companies in Hong Kong or overseas for the last three years; (iii) has not held other major appointments and professional qualifications; and (iv) does not have any relationships with any Directors, senior management or substantial or controlling shareholders of the Company.

Save as disclosed above, as at the Latest Practicable Date, the Board was not aware of any other matters relating to Mr. Liu that need to be brought to the attention of the Shareholders in relation to his re-election as a Director and any other information in relation to Mr. Liu required to be disclosed pursuant to any of the requirements of Rule 13.51(2) of the Listing Rules.

Mr. Zhan Yirong (戰乙榮) (formerly known as Mr. Zhan Dongtang (戰冬棠)) (“Mr. Zhan”), aged 32

Mr. Zhan is an executive Director and the chief executive officer of the Company who is responsible for the overall administrative and operational management of the Group. He was appointed as an executive Director on 8 April 2021. Mr. Zhan has more than ten years of experience in corporate management in the gold mine hazardous waste treatment industry. He joined the Group in March 2012 and worked as purchasing manager of HC Mining. During the years, he worked as deputy manager and manager of business administration department, general manager assistant and deputy general manager of HC Mining and acquired experiences in sales and business administration. Mr. Zhan has been the general manager of HC Mining and HC Environmental concurrently since January 2017.

APPENDIX I DETAILS OF DIRECTORS PROPOSED FOR RE-ELECTION

Mr. Zhan obtained a bachelor's degree in mechanical design, manufacturing and automation from Qingdao Binhai University (青島濱海學院) in July 2012. He obtained the PRC Cartographer at Senior Skill Level qualification from Shandong Vocational Skills Identification and Guidance Center (山東省職業技能鑒定中心) in February 2011.

As advised by Mr. Zhan, he was a director and/or supervisor or general manager of the following companies which were incorporated in the PRC and were subsequently dissolved voluntarily by shareholders' resolutions due to the reason that these companies did not conduct business since their respective dates of incorporation:

Name of company	Mr. Zhan's position	Date of dissolution
Laizhou Beijia Aquaculture Co., Ltd. (萊州倍佳水產養殖有限公司)	supervisor	17 March 2017
Yantai City Jingwei Elderly Care Services Limited (煙臺市璟煒養老服務 有限公司)	executive director and general manager	4 December 2020

As at the Latest Practicable Date, Mr. Zhan did not have any interest in the shares of the Company or its associated corporation within the meaning of Part XV of the SFO.

Mr. Zhan has entered into a service contract with the Company pursuant to which they agreed to act as executive Directors for an initial term of three years with effect from the Listing Date which may be terminated by either party by giving not less than three months' written notice. The term of service contract shall be renewed and extended automatically for successive terms of one year upon expiry of the then current term until terminated by either party by giving not less than three months' written notice to the other.

Mr. Zhan is subject to retirement by rotation and re-election at the annual general meeting of the Company and vacation of office in accordance with the Articles of Association.

For the year ended 31 December 2021, Mr. Zhan received remuneration of approximately RMB326,000 (comprising (i) salaries of approximately RMB266,000 and (ii) welfare, medical and other expenses of approximately RMB60,000), which is determined by the Board with regard to his duties and responsibilities within the Group and the recommendation made by the Remuneration Committee.

Save as disclosed above, Mr. Zhan (i) does not hold any other positions with the Group; (ii) has not held any other directorships in listed public companies in Hong Kong or overseas for the last three years; (iii) has not held other major appointments and professional qualifications; and (iv) does not have any relationships with any Directors, senior management or substantial or controlling shareholders of the Company.

APPENDIX I DETAILS OF DIRECTORS PROPOSED FOR RE-ELECTION

Save as disclosed above, as at the Latest Practicable Date, the Board was not aware of any other matters relating to Mr. Zhan that need to be brought to the attention of the Shareholders in relation to his re-election as a Director and any other information in relation to Mr. Zhan required to be disclosed pursuant to any of the requirements of Rule 13.51(2) of the Listing Rules.

APPENDIX II EXPLANATORY STATEMENT FOR THE REPURCHASE MANDATE

This Appendix serves as an explanatory statement, as required by the Listing Rules, to provide the requisite information to enable you to make an informed decision whether to vote in favour of or against the resolution to approve the grant of the Repurchase Mandate to the Directors.

THE REPURCHASE MANDATE

As at the Latest Practicable Date, the number of issued Shares was 1,000,000,000 Shares of nominal value of HKD0.01 each of which had been fully paid. Subject to the passing of the resolution granting the Repurchase Mandate and on the basis that no further Shares are issued or repurchased before the AGM, the Company will be allowed to repurchase a maximum of 100,000,000 Shares which represent 10% of the issued Shares during the period ending on the earliest of (i) the conclusion of the next annual general meeting of the Company; or (ii) the expiration of the period within which the next annual general meeting of the Company is required by the Companies Act or any other applicable laws or the Articles of Association to be held; or (iii) the revocation or variation by ordinary resolution(s) by the Shareholders in a general meeting prior to the next annual general meeting of the Company.

REASONS FOR, FUNDING AND IMPACT OF REPURCHASES

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

Repurchases of Shares will be financed out of funds legally available for the purpose and in accordance with the Articles of Association, the Listing Rules and the applicable laws and regulations of the Cayman Islands. The Directors may not repurchase the Shares on the Stock Exchange for a consideration other than cash or for settlement otherwise than in accordance with the trading rules of the Stock Exchange. Subject to the foregoing, the Directors may make repurchases with profits of the Company or out of a new issuance of shares made for the purpose of the repurchase or, if authorised by the Articles of Association and subject to the Companies Act, out of capital and, in the case of any premium payable on the repurchase, out of profits of the Company or from sums standing to the credit of the share premium account of the Company or, if authorised by the Articles of Association and subject to the Companies Act, out of capital.

The Directors have no present intention to repurchase any Shares and they would only exercise the power to repurchase in circumstances where they consider that the repurchase would be in the best interests of the Company. As compared with the financial position of the Company as at 31 December 2021 (being the date to which the latest published audited financial statements of the Company have been made up), the Directors consider that there may be a material adverse impact on the working capital and the gearing position of the Company in the event that the proposed repurchases were to be carried out in full during

APPENDIX II EXPLANATORY STATEMENT FOR THE REPURCHASE MANDATE

the proposed repurchase period. The Directors confirm that no repurchase would be made to such extent as would have a material adverse impact on the working capital or gearing position of the Company.

GENERAL

As at the Latest Practicable Date and, none of the Directors nor, to the best of their knowledge having made all reasonable enquiries, their respective close associates (as defined in the Listing Rules) had a present intention to sell any of the Shares to the Company or its subsidiaries, if the Repurchase Mandate is approved by the Shareholders.

The Directors have undertaken to the Stock Exchange that, so far as the same may be applicable, they will exercise the Repurchase Mandate in accordance with the Listing Rules and the applicable laws of the Cayman Islands.

As at the Latest Practicable Date, no core connected person (as defined in the Listing Rules) of the Company had notified the Company that he/she/it had a present intention to sell any Shares, or had undertaken not to do so, if the Repurchase Mandate is approved by the Shareholders.

TAKEOVERS CODE

If as a result of a repurchase of Shares pursuant to the Repurchase Mandate, a Shareholder's proportionate interest in the voting rights of the Company increases, such increase will be treated as an acquisition for the purposes of Rule 32 of the Takeovers Code. Accordingly, a Shareholder, or a group of Shareholders acting in concert (within the meaning of the Takeovers Code), depending on the level of increase of the Shareholder's interest, could obtain or consolidate control of the Company and become obliged to make a mandatory offer in accordance with Rule 26 of the Takeovers Code.

To the best knowledge and belief of the Directors, as at the Latest Practicable Date, the Controlling Shareholders, was taken to have an interest under the SFO in the same block of 589,500,000 Shares, representing 58.95% of the total number of Shares in issue. In the event that the Directors exercise the proposed Repurchase Mandate in full, the shareholding of each of the Controlling Shareholders would be increased to approximately 65.5% of the total number of Shares in issue.

The Directors are aware of any consequences which may give rise to an obligation to make a mandatory offer under Rule 26 of the Takeovers Code. The Directors have no intention to exercise the Repurchase Mandate to such an extent as may result in the public shareholding falling below the minimum public float requirement and will ensure that the Company shall comply with the requirements of the Listing Rules, including the minimum percentage of Shares being held in public hands.

APPENDIX II EXPLANATORY STATEMENT FOR THE REPURCHASE MANDATE

SHARE REPURCHASE MADE BY THE COMPANY

The Company had not repurchased any of the Shares (whether on the Stock Exchange or otherwise) from the Listing Date up to the Latest Practicable Date.

SHARE PRICES

The highest and lowest prices at which the Shares were traded on the Stock Exchange during the period from the Listing Date to and including the Latest Practicable Date were as follows:

Month	Highest HKD	Lowest HKD
2021		
November (from the Listing Date)	1.05	0.80
December	0.93	0.80
2022		
January	0.98	0.90
February	0.92	0.80
March	0.80	0.75
April (up to and including the Latest Practicable Date)	0.81	0.77

Source: the Stock Exchange's website

Details of the Proposed Amendments are as follows:

Articles of Association currently in force		Proposed to be amended as	
No.	Articles of Association	No.	Proposed Amended Articles of Association
Article 2(1)	“business day” shall mean a day on which the Designated Stock Exchange generally is open for the business of dealing in securities in Hong Kong. For the avoidance of doubt, where the Designated Stock Exchange is closed for the business of dealing in securities in Hong Kong on a business day for the reason of a number 8 or higher typhoon signal, black rainstorm warning or other similar event, such day shall for the purposes of these Articles be counted as a business day.	—	<i>Removed.</i>
Article 8	(1) Subject to the provisions of the Act and the Company’s Memorandum and Articles of Association and to any special rights conferred on the holders of any shares or class of shares, any share in the Company (whether forming part of the present capital or not) may be issued with or have attached thereto such rights or restrictions whether in regard to dividend, voting, return of capital or otherwise as the Board may determine.	Article 8	Subject to the provisions of the Act and the Company’s Memorandum and Articles of Association and to any special rights conferred on the holders of any shares or class of shares, any share in the Company (whether forming part of the present capital or not) may be issued with or have attached thereto such rights or restrictions whether in regard to dividend, voting, return of capital or otherwise as the Board may determine.
Article 8	(2) Subject to the provisions of the Act, the rules of any Designated Stock Exchange and the Memorandum and Articles of Association of the Company, and to any special rights conferred on the holders of any shares or attaching to any class of shares, shares may be issued on the terms that they may be, or at the option of the Company or the holder are, liable to be redeemed on such terms and in such manner, including out of capital, as the Board may deem fit.	Article 9	Subject to the provisions of the Act, the rules of any Designated Stock Exchange and the Memorandum and Articles of Association of the Company, and to any special rights conferred on the holders of any shares or attaching to any class of shares, shares may be issued on the terms that they may be, or at the option of the Company or the holder are, liable to be redeemed on such terms and in such manner, including out of capital, as the Board may deem fit.
Article 9	Where the Company purchases for redemption a redeemable share, purchases not made through the market or by tender shall be limited to a maximum price as may from time to time be determined by the Company in general meeting, either generally or with regard to specific purchases. If purchases are by tender, tenders shall be available to all Members alike.	—	<i>Removed.</i>

Articles of Association currently in force		Proposed to be amended as	
No.	Articles of Association	No.	Proposed Amended Articles of Association
Article 56	An annual general meeting of the Company shall be held in each year other than the year of the Company’s adoption of these Articles (within a period of not more than fifteen (15) months after the holding of the last preceding annual general meeting or not more than eighteen (18) months after the date of adoption of these Articles, unless a longer period would not infringe the rules of the Designated Stock Exchange, if any) at such time and place as may be determined by the Board. A meeting of Members or any class thereof may be held by means of such telephone, electronic or other communication facilities as to permit all persons participating in the meeting to communicate with each other simultaneously and instantaneously, and participation in such a meeting shall constitute presence at such meeting.	Article 56	An annual general meeting of the Company shall be held in each financial year other than the financial year of the Company’s adoption of these Articles and such annual general meeting must be held within six (6) months after the end of the Company’s financial year (unless a longer period would not infringe the rules of the Designated Stock Exchange, if any) at such time and place as may be determined by the Board. A meeting of Members or any class thereof may be held by means of such telephone, electronic or other communication facilities as to permit all persons participating in the meeting to communicate with each other simultaneously and instantaneously, and participation in such a meeting shall constitute presence at such meeting.
Article 58	The Board may whenever it thinks fit call extraordinary general meetings. Any one or more Members holding at the date of deposit of the requisition not less than one-tenth of the paid up capital of the Company carrying the right of voting at general meetings of the Company shall at all times have the right, by written requisition to the Board or the Secretary of the Company, to require an extraordinary general meeting to be called by the Board for the transaction of any business specified in such requisition; and such meeting shall be held within two (2) months after the deposit of such requisition. If within twenty-one (21) days of such deposit the Board fails to proceed to convene such meeting the requisitionist(s) himself (themselves) may do so in the same manner, and all reasonable expenses incurred by the requisitionist(s) as a result of the failure of the Board shall be reimbursed to the requisitionist(s) by the Company.	Article 58	The Board may whenever it thinks fit call extraordinary general meetings. Any one or more Member(s) holding at the date of deposit of the requisition not less than one-tenth of the paid up capital of the Company carrying the right of voting at general meetings of the Company shall at all times have the right, by written requisition to the Board or the Secretary of the Company, to require an extraordinary general meeting to be called by the Board for the transaction of any business or resolution specified in such requisition; and such meeting shall be held within two (2) months after the deposit of such requisition. If within twenty-one (21) days of such deposit the Board fails to proceed to convene such meeting the requisitionist(s) himself (themselves) may do so in the same manner, and all reasonable expenses incurred by the requisitionist(s) as a result of the failure of the Board shall be reimbursed to the requisitionist(s) by the Company.

Articles of Association currently in force		Proposed to be amended as	
No.	Articles of Association	No.	Proposed Amended Articles of Association
Article 59.(1)	An annual general meeting must be called by Notice of not less than twenty-one (21) clear days and not less than twenty (20) clear business days. All other general meetings (including an extraordinary general meeting) must be called by Notice of not less than fourteen (14) clear days and not less than ten (10) clear business days but if permitted by the rules of the Designated Stock Exchange, a general meeting may be called by shorter notice, subject to the Act, if it is so agreed:	Article 59.(1)	An annual general meeting must be called by Notice of not less than twenty-one (21) clear days. All other general meetings (including an extraordinary general meeting) must be called by Notice of not less than fourteen (14) clear days but if permitted by the rules of the Designated Stock Exchange, a general meeting may be called by shorter notice, subject to the Act, if it is so agreed:
Article 73	... (2) Where the Company has knowledge that any Member is, under the rules of the Designated Stock Exchange, required to abstain from voting on any particular resolution of the Company or restricted to voting only for or only against any particular resolution of the Company, any votes cast by or on behalf of such Member in contravention of such requirement or restriction shall not be counted.	Article 73	... (2) All Members have the right to (a) speak at a general meeting; and (b) vote at a general meeting except where a Member is required, by the rules of the Designated Stock Exchange, to abstain from voting to approve the matter under consideration. (3) Where the Company has knowledge that any Member is, under the rules of the Designated Stock Exchange, required to abstain from voting on any particular resolution of the Company or restricted to voting only for or only against any particular resolution of the Company, any votes cast by or on behalf of such Member in contravention of such requirement or restriction shall not be counted.
Article 84 (3)	The Directors shall have the power from time to time and at any time to appoint any person as a Director either to fill a casual vacancy on the Board or as an addition to the existing Board. Any Director appointed by the Board to fill a casual vacancy shall hold office until the first general meeting of Members after his appointment and be subject to re-election at such meeting and any Director appointed by the Board as an addition to the existing Board shall hold office only until the next following annual general meeting of the Company and shall then be eligible for re-election.	Article 84 (3)	The Directors shall have the power from time to time and at any time to appoint any person as a Director either to fill a casual vacancy on the Board or as an addition to the existing Board. Any Director so appointed shall hold office until the next following annual general meeting of the Company and shall then be eligible for re-election.

Articles of Association currently in force		Proposed to be amended as	
No.	Articles of Association	No.	Proposed Amended Articles of Association
Article 100.(1)	<p>...</p> <p>(i) any contract or arrangement for the giving to such Director or his close associate(s) any security or indemnity in respect of money lent by him or any of his close associate(s) or obligations incurred or undertaken by him or any of his close associate(s) at the request of or for the benefit of the Company or any of its subsidiaries;</p> <p>(ii) any contract or arrangement for the giving of any security or indemnity to a third party in respect of a debt or obligation of the Company or any of its subsidiaries for which the Director or his close associate(s) has himself/themselves assumed responsibility in whole or in part whether alone or jointly under a guarantee or indemnity or by the giving of security;</p>	Article 100.(1)	<p>...</p> <p>(i) the giving of any security or indemnity either:-</p> <p>(a) to the Director or his close associate(s) in respect of money lent or obligations incurred or undertaken by him or any of them at the request of or for the benefit of the Company or any of its subsidiaries; or</p> <p>(b) to a third party in respect of a debt or obligation of the Company or any of its subsidiaries for which the Director or his close associate(s) has himself/themselves assumed responsibility in whole or in part and whether alone or jointly under a guarantee or indemnity or by the giving of security;</p> <p>(ii) any proposal concerning an offer of shares or debentures or other securities of or by the Company or any other company which the Company may promote or be interested in for subscription or purchase, where the Director or his close associate(s) is/are or is/are to be interested as a participant in the underwriting or sub-underwriting of the offer;</p>

Articles of Association currently in force		Proposed to be amended as	
No.	Articles of Association	No.	Proposed Amended Articles of Association
	<p>(iii) any contract or arrangement concerning an offer of shares or debentures or other securities of or by the Company or any other company which the Company may promote or be interested in for subscription or purchase, where the Director or his close associate(s) is/are or is/are to be interested as a participant in the underwriting or sub-underwriting of the offer;</p> <p>(iv) any contract or arrangement in which the Director or his close associate(s) is/are interested in the same manner as other holders of shares or debentures or other securities of the Company by virtue only of his/their interest in shares or debentures or other securities of the Company; or</p> <p>(v) any proposal or arrangement concerning the adoption, modification or operation of a share option scheme, a pension fund or retirement, death or disability benefits scheme or other arrangement which relates both to Directors or his close associate(s) and to employees of the Company or of any of its subsidiaries and does not provide in respect of any Director, or his close associate(s), as such any privilege or advantage not accorded generally to the class of persons to which such scheme or fund relates.</p>		<p>(iii) any proposal or arrangement concerning the benefit of employees of the Company or its subsidiaries including:</p> <p>(a) the adoption, modification or operation of any employees' share scheme or any share incentive or share option scheme under which the Director or his close associate(s) may benefit; or</p> <p>(b) the adoption, modification or operation of a pension fund or retirement, death or disability benefits scheme which relates to the Director, his close associate(s) and employee(s) of the Company or any of its subsidiaries and does not provide in respect of any Director, or his close associate(s), as such any privilege or advantage not generally accorded to the class of persons to which such scheme or fund relates;</p> <p>(iv) any contract or arrangement in which the Director or his close associate(s) is/are interested in the same manner as other holders of shares or debentures or other securities of the Company by virtue only of his/their interest in shares or debentures or other securities of the Company.</p>
Article 152.(2)	The Members may, at any general meeting convened and held in accordance with these Articles, by special resolution remove the Auditor at any time before the expiration of his term of office and shall by ordinary resolution at that meeting appoint another Auditor in his stead for the remainder of his term.	Article 152.(2)	The Members may, at any general meeting convened and held in accordance with these Articles, by ordinary resolution remove the Auditor at any time before the expiration of his term of office and shall by ordinary resolution at that meeting appoint another Auditor in his stead for the remainder of his term.

Articles of Association currently in force		Proposed to be amended as	
No.	Articles of Association	No.	Proposed Amended Articles of Association
Article 155	If the office of auditor becomes vacant by the resignation or death of the Auditor, or by his becoming incapable of acting by reason of illness or other disability at a time when his services are required, the Directors shall fill the vacancy and fix the remuneration of the Auditor so appointed.	Article 155	The Directors may fill any casual vacancy in the office of Auditor but while any such vacancy continues the surviving or continuing Auditor or Auditors, if any, may act. The remuneration of any Auditor appointed by the Directors under this Article may be fixed by the Board. Subject to Article 152(2), an Auditor appointed under this Article shall hold office until the next following annual general meeting of the Company and shall then be subject to appointment by the Members under Article 152(1) at such remuneration to be determined by the Members under Article 154.
Article 162	<p>(1) The Board shall have power in the name and on behalf of the Company to present a petition to the court for the Company to be wound up.</p> <p>(2) A resolution that the Company be wound up by the court or be wound up voluntarily shall be a special resolution.</p>	Article 162	<p>(1) Subject to Article 162(2), the Board shall have power in the name and on behalf of the Company to present a petition to the court for the Company to be wound up.</p> <p>(2) A resolution that the Company be wound up by the court or to be wound up voluntarily shall be a special resolution.</p>

Note: The New Articles of Association is prepared in English with no official Chinese version. Chinese translation is for reference only. In the event of any inconsistency, the English version shall prevail.

NOTICE OF ANNUAL GENERAL MEETING



HONGCHENG ENVIRONMENTAL TECHNOLOGY COMPANY LIMITED

鴻承環保科技有限公司

(incorporated in the Cayman Islands with limited liability)

(Stock Code: 2265)

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the annual general meeting (the “**AGM**”) of HONGCHENG ENVIRONMENTAL TECHNOLOGY COMPANY LIMITED (the “**Company**”) will be held at Meeting Room, 2/F, Shandong Qiaoshang Shuangchuang Industrial Park, 317 Beiyuan Road, Laizhou City, Shandong Province, PRC on Friday, 24 June 2022 at 2:00 p.m. for the following purposes. Unless the context otherwise requires, terms used in this notice shall have the same meaning as those defined in the circular of the Company dated 29 April 2022 (the “**Circular**”).

ORDINARY RESOLUTIONS

1. To receive and consider the audited consolidated financial statements of the Company and its subsidiary for the year ended 31 December 2021, the report of the directors (the “**Director(s)**”) and the independent auditor’s report of the Company for the year ended 31 December 2021.
2. (a) To consider and approach, each as a separate resolution, the following resolutions in relation to the re-election of the Directors:
 - (1) to re-elect Mr. Liu Zeming as an executive Director; and
 - (2) to re-elect Mr. Zhan Yirong as an executive Director.
- (b) To authorise the board of Directors (the “**Board**”) to fix the Directors’ remuneration.
3. To re-appoint PricewaterhouseCoopers as the auditor of the Company and to authorise the Board to fix their remuneration.
4. To declare a final dividend of HKD0.0189 per share out of the Company’s share premium account for the year ended 31 December 2021.

NOTICE OF ANNUAL GENERAL MEETING

5. To consider and, if thought fit, pass, with or without modifications, the following resolution as an ordinary resolution:

(A) “**THAT:**

- (i) subject to paragraph (iii) below, pursuant to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”), the exercise by the Directors during the Relevant Period (as defined below) of all the powers of the Company to allot, issue or otherwise deal with additional shares of HK\$0.01 each in the capital of the Company (the “**Shares**”) and to make or grant offers, agreements and options, including warrants to subscribe for Shares, which might require the exercise of such powers be and the same is hereby generally and unconditionally approved;
- (ii) the approval in paragraph (i) above shall authorise the Directors during the Relevant Period (as defined below) to make or grant offers, agreements and options which might require the exercise of such powers during or after the end of the Relevant Period (as defined below);
- (iii) the aggregate number of Shares allotted and issued or agreed conditionally or unconditionally to be allotted and issued (whether pursuant to options or otherwise) by the Directors pursuant to the approval in paragraph (i) above, otherwise than pursuant to
 - (1) a Rights Issue (as defined below); or
 - (2) the exercise of any options granted under any share option scheme of the Company adopted from time to time in accordance with the Listing Rules; or
 - (3) any scrip dividend or similar arrangement providing for the allotment and issue 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 (the “**Articles of Association**”) in force from time to time; or
 - (4) any issue of Shares upon the exercise of rights of subscription or conversion under the terms of any existing convertible notes issued by the Company or any existing securities of the Company which carry rights to subscribe for or are convertible into Shares,

shall not in total exceed 20% of the aggregate number of issued Shares as at the date of passing this resolution; and the approval in paragraph (i) shall be limited accordingly; and

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- (iv) for the purposes of this resolution, “**Relevant Period**” means the period from the date of the passing of this resolution until whichever is the earliest of:
- (a) the conclusion of the next annual general meeting of the Company;
 - (b) the expiration of the period within which the next annual general meeting of the Company is required by the Articles of Association, the Companies Act or any other applicable law of the Cayman Islands to be held; and
 - (c) the passing of an ordinary resolution by the shareholders of the Company in general meeting revoking or varying the authority given to the Directors by this resolution;

“**Rights Issue**” means an offer of Shares, or offer or issue of warrants, options or other securities giving rights to subscribe for Shares in the Company open for a period fixed by the Directors to holders of Shares on the Company’s register of members on a fixed record date in proportion to their then holdings of Shares (subject to such exclusion or other arrangements as the Directors may deem necessary or expedient in relation to fractional entitlements, or having regard to any restrictions or obligations under the laws of, or the requirements of, or the expense or delay which may be involved in determining the existence or extent of any restrictions or obligations under the laws of, or the requirements of any recognised regulatory body or any stock exchange in, any jurisdiction applicable to the Company).”

(B) “**THAT:**

- (i) subject to paragraph (ii) below, the exercise by the Directors during the Relevant Period (as defined below) of all powers of the Company to repurchase Shares on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) or any other stock exchange on which Shares may be listed and recognised by the Securities and Futures Commission of Hong Kong and the Stock Exchange for such purpose, and otherwise in accordance with the rules and regulations of the Securities and Futures Commission of Hong Kong, the Listing Rules, the Companies Act of the Cayman Islands and all other applicable laws in this regard, be and the same is hereby generally and unconditionally approved;
- (ii) the aggregate number of Shares which may be repurchased or agreed to be repurchased by the Company pursuant to the approval in paragraph (i) shall not exceed 10% of the aggregate number of issued Shares as at the date of the passing of this resolution (subject to adjustment in the case of subdivision or consolidation of Shares), and the authority pursuant to paragraph (i) of this resolution shall be limited accordingly; and

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- (iii) subject to the passing of each of the paragraphs (i) and (ii) of this resolution, any prior approvals of the kind referred to in paragraphs (i) and (ii) of this resolution which had been granted to the Directors and which are still in effect be and are hereby revoked; and
- (iv) for the purposes of this resolution, “**Relevant Period**” means the period from the date of the passing of this resolution until whichever is the earliest of:
 - (a) the conclusion of the next annual general meeting of the Company;
 - (b) the expiration of the period within which the next annual general meeting of the Company is required by the Articles of Association, the Companies Law or any other applicable law of the Cayman Islands to be held; and
 - (c) the passing of an ordinary resolution by the shareholders of the Company in general meeting revoking or varying the authority given to the Directors by this resolution;
- (C) “**THAT** conditional on the passing of resolutions no. 5(A) and 5(B), the general mandate granted to the Directors pursuant to resolution no. 5(A) be and it is hereby extended by the addition to the aggregate number of Shares which may be allotted or agreed conditionally or unconditionally to be allotted by the Directors pursuant to or in accordance with such general mandate of an amount representing the aggregate number of Shares repurchased by the Company pursuant to or in accordance with the authority granted under resolution no. 5(B), provided that such extended number shall not exceed 10% of the aggregate number of Shares in issue as at the date of the passing of this resolution (such aggregate number to be subject to adjustment in the case of subdivision or consolidation of Shares).”

SPECIAL RESOLUTION

- 6. To consider and, if thought fit, pass, with or without modifications, the following resolution as a special resolution:

“**THAT:**

- (a) the proposed amendments to the amended and restated articles of association of the Company (the “**Proposed Amendments**”), the details of which are set out in Appendix III to the Circular, be and are hereby approved;

NOTICE OF ANNUAL GENERAL MEETING

- (b) the second amended and restated articles of association of the Company (the “**Second Amended and Restated Articles of Association**”), which contains all the Proposed Amendments and a copy of which has been produced to this meeting and marked “A” and initialled by the chairman of the meeting, be and are hereby approved and adopted in substitution for and to the exclusion of the existing amended and restated articles of association of the Company with immediate effect; and
- (c) any Director or company secretary of the Company be and is hereby authorised to do all such acts, deeds and things and execute all such documents and make all such arrangements that he/she shall, in his/her absolute discretion, deem necessary or expedient to give effect to the Proposed Amendments and the adoption of the Second Amended and Restated Articles of Association, including without limitation, attending to the necessary filings with the Registrar of Companies in Hong Kong and the Cayman Islands.”

By order of the Board
**HONGCHENG ENVIRONMENTAL TECHNOLOGY
COMPANY LIMITED**
Liu Zeming
Chairman and Executive Director

Hong Kong, 29 April 2022

Notes:

1. Any member entitled to attend and vote at the AGM shall be entitled to appoint another person as his proxy to attend and vote instead of him. A member of the Company who is a holder of two or more shares may appoint one or more proxies to represent him to attend and vote in his stead. A proxy need not be a member of the Company. Completion and return of the form of proxy will not preclude Shareholders from attending and voting in person at the AGM if they so wish, and in such event, the instrument appointing a proxy shall be deemed to be revoked.
2. Where there are joint registered holders of any share of the Company, any one of such persons may vote at the AGM, either personally or by proxy, in respect of such share as if he was solely entitled thereto; but if more than one of such joint holders be present at the AGM personally or by proxy, that one of the said persons so present whose name stands first on the register of members of the Company in respect of such share shall stand alone be entitled to vote in respect thereof.
3. A form of proxy for the AGM is enclosed. In order to be valid, the form of proxy together with the power of attorney or other authority, if any, under which it is signed, or a certified copy of such power or authority, must be deposited at the Company’s branch share registrar in Hong Kong, Tricor Investor Services Limited at Level 54, Hopewell Centre, 183 Queen’s Road East, Hong Kong, as soon as possible and in any event not later than 48 hours before the time for holding the AGM or any adjourned meeting thereof.

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4. For determining the entitlement to attend and vote at the AGM, the register of members of the Company will be closed from Tuesday, 21 June 2022 to Friday, 24 June 2022, both days inclusive, during which period no transfer of shares of the Company will be registered. In order to be eligible to attend and vote at the AGM, all share transfer documents accompanied by the relevant share certificates must be lodged with the Company's Hong Kong Branch Share Registrar, Tricor Investor Services Limited, at Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong, for registration not later than 4:30 p.m. on Monday, 20 June 2022.
5. For determining the Shareholders' entitlement to the final dividend for the year ended 31 December 2021, the register of members of the Company will be closed from Wednesday, 6 July 2022 to Friday, 8 July 2022 (both days inclusive), during which period no transfer of shares of the Company will be registered. For the purpose of determining the entitlement to the final dividend for the year ended 31 December 2021, all transfer documents accompanied by the relevant share certificates must be lodged with the Company's Hong Kong Branch Share Registrar, Tricor Investor Services Limited, at Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong, for registration not later than 4:30 p.m. on Tuesday, 5 July 2022.
6. Pursuant to Rule 13.39(4) of the Listing Rules, all votes at the meeting will 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 and the Company will announce the results of the poll in the manner prescribed under Rule 13.39(5) of the Listing Rules.
7. With regard to resolution no. 2 above, the particulars (as required under the Listing Rules) of the Directors who are proposed to be re-elected are set out in Appendix I to the Circular.
8. In respect of the resolution no. 5(A) above, the Directors wish to state that they have no immediate plans to issue any new Shares referred therein. Approval is being sought from the shareholders of the Company as a general mandate for the purposes of the Listing Rules.
9. In respect of resolution no. 5(B) above, the Directors wish to state that they will exercise the powers conferred by the Repurchase Mandate in circumstances which they deem appropriate and for the benefits of Shareholders. The explanatory statement containing the information necessary to enable Shareholders to make an informed decision on whether to vote for or against the resolution to approve the repurchase by the Company of its own shares, as required by the Listing Rules, is set out in Appendix II to the Circular.
10. Due to the recent development of the COVID-19 pandemic situation in Hong Kong and China and the travel restriction currently imposed on the border between Hong Kong and China, shareholders of the Company are reminded to refer to "Special Arrangements for the Annual General Meeting" on pages 1 and 2 of the Circular for details.
11. As at the date of this notice, the Board comprises Mr. Liu Zeming, Mr. Zhan Yirong and Mr. Sheng Haiyan as the executive Directors; and Mr. Zhang Shijun, Ms. Liu Ye and Mr. Lau Chung Wai as the independent non-executive Directors.