
THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

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

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

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CHINA ENVIRONMENTAL RESOURCES GROUP LIMITED

中國環境資源集團有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1130)

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

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 Monday, 4 December 2023 at 11:00 a.m. is set out on pages 14 to 18 of this circular.

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

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DEFINITIONS

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

“AGM”	the annual general meeting of the Company to be held at Orchid Room, 2/F, The Royal Garden, 69 Mody Road, Tsim Sha Tsui East, Kowloon, Hong Kong on Monday, 4 December 2023 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”	10 October 2023, 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

DEFINITIONS

“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\$0.02 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

Independent Non-executive Directors:

Mr. Wong Kwai Sang

Mr. Heung Chee Hang, Eric

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 2023

To the Shareholders

Dear Sir or Madam,

**PROPOSALS FOR
RE-ELECTION OF RETIRING DIRECTORS,
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.

LETTER FROM THE BOARD

2. RE-ELECTION OF RETIRING DIRECTORS

Pursuant to 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, the number nearest to but not less than one-third) shall retire from office by rotation. A retiring Director shall be eligible for re-election. The Directors to retire by rotation shall include (so far as necessary to ascertain the number of Directors to retire by rotation) any Director who wishes to retire and not to offer himself for re-election. Any further Directors so to retire shall be those of the other Directors subject to retirement by rotation who have been longest in office since their last re-election or appointment and so that as between persons who became or were last re-elected Directors on the same day those to retire shall (unless they otherwise agree between themselves) be determined by lot.

As announced by the Company on 25 September 2023, Mr. Ong Chi King has resigned as an independent non-executive Director, the chairman of each of the audit committee, the remuneration committee and the nomination committee of the Company effective from 25 September 2023 in order to devote more time to his other business commitments.

The Board currently has seven Directors, comprising five executive Directors namely Mr. Yeung Chi Hang, Mr. Leung Kwong Choi, Mr. Wong Po Keung, Mr. Chung Siu Wah and Mr. Chik To Pan and two independent non-executive Directors namely Mr. Wong Kwai Sang and Mr. Heung Chee Hang, Eric who have served as independent non-executive Directors for approximately 14 years and 8 years respectively.

Pursuant to the Articles, Mr. Leung Kwong Choi, Mr. Chik To Pan and Mr. Heung Chee Hang, Eric (the “**Retiring Directors**”), being the existing Directors longest in office since their last re-election, will retire by rotation at the AGM. All these Retiring Directors, being eligible, offer themselves for re-election.

The nomination committee of the Board had reviewed, with reference to nomination policy adopted by the Company, the overall contribution and service to the Company of the Retiring Directors. The nomination committee also reviewed their expertise and professional qualifications and considered that the Retiring Directors 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 independent non-executive Directors for the year ended 30 June 2023 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 and recommended the Board to appoint a female director before end of 2024.

The nomination committee considered and nominated the Retiring Directors to the Board for it to propose to the Shareholders for re-election at the AGM.

LETTER FROM THE BOARD

The Board is of the view that the Retiring Directors 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.

Accordingly, with the recommendation of the nomination committee, the Board has proposed that each of the Retiring Directors, namely Mr. Leung Kwong Choi, Mr. Chik To Pan and Mr. Heung Chee Hang, Eric, 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 annual general meeting of the Company held on Monday, 3 April 2023, an ordinary resolution was passed for 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. 407,307,622 Shares) (the “**Existing Issuance Mandate**”) and to repurchase Shares not exceeding 10% of the number of the issued Shares of the Company as at that date (i.e. 203,653,811 Shares) (the “**Existing Repurchase Mandate**”).

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 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 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 407,307,622 new Shares, representing 20% of the number of issued Shares of the Company, shall be allotted, issued and dealt with under the Issuance Mandate.

LETTER FROM THE BOARD

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, 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.

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.

LETTER FROM THE BOARD

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

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

1. Mr. Leung Kwong Choi, aged 67, was appointed as Executive Director on 6 October 2008. Mr. Leung holds a Bachelor of Social Science Degree from the Chinese University of Hong Kong. He had been working for 10 years in the marketing department of Hang Lung Development Ltd. since graduation. Mr. Leung had also served the positions of executive director of Top Glory International Holdings Limited, China Foods Limited, Cheung Tai Hong Holdings Limited, and an independent non-executive director of Top Spring International Holdings Limited (stock code: 3688), all of which are companies with shares listed on the Stock Exchange. Mr. Leung has over 28 years of real estate and business experience in Hong Kong and Mainland China concentrating in property investment and development, acquisition and merger, deal marking and investment projects arrangement. He was appointed as an independent non-executive director of Rainbow Digital Commercial Co., Ltd. (stock code: 002419SZ) and Smartac International Holdings Limited (former stock code: 395 and listing cancelled on 20 February 2023) with effect from 19 September 2019 and 31 March 2022 respectively.

Save as disclosed above, Mr. Leung does not hold any other positions in the Company or any subsidiaries of the Company and did not hold any directorships in any listed public companies in the last three years.

Mr. Leung has entered into an appointment letter with the Company for a term of three years commencing from 6 October 2023. He is subject to retirement by rotation at the annual general meeting of the Company and re-election under the provision of the Articles. For the year ended 30 June 2023, Mr. Leung received emoluments in a total sum of HK\$360,000 which comprised director's fees 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.

Mr. Leung does not have any relationships with the Directors, senior management of the Company, Substantial Shareholders or controlling Shareholders.

As at the Latest Practicable Date, Mr. Leung has a personal interest in share options granted under the Company's Share Option Scheme to subscribe for 1,500,000 Shares. Save as disclosed above, Mr. Leung does not have any interests in the Shares within the meaning of Part XV of the SFO.

Save as disclosed above, the Board is not aware of any other information in relation to Mr. Leung which is required to be disclosed pursuant to Rule 13.51(2)(h) to 13.51(2)(v) of the Listing Rules and there is no other matter that needs to be brought to the attention of the Shareholders.

2. Mr. Chik To Pan, aged 44, was appointed as Executive Director on 15 April 2016. He is a director of certain subsidiaries of the Company. Mr. Chik has wide experience in licensing of karaoke music products, operating entertainment businesses and wedding service business. Mr. Chik has also experience in the management of listed company in Hong Kong. He was appointed as an executive director of United Power Investment Limited (now named as China Tangshang Holdings Limited) (a company listed on the main board of the Stock Exchange) (stock code: 674) for the period from 8 March 2005 to 24 January 2008.

Save as disclosed above, Mr. Chik does not hold any other positions in the Company or any subsidiaries of the Company and did not hold any directorships in any listed public companies in the last three years.

Mr. Chik has entered into an appointment letter with the Company for a term of three years commencing from 15 April 2022. He is subject to retirement by rotation at the annual general meeting of the Company and re-election under the provision of the Articles. For the year ended 30 June 2023, Mr. Chik received emoluments in a total sum of HK\$498,000 which comprised director's fees 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.

Mr. Chik does not have any relationships with the Directors, senior management of the Company, Substantial Shareholders or controlling Shareholders.

As at the Latest Practicable Date, Mr. Chik has a personal interest in share options granted under the Company's Share Option Scheme to subscribe for 16,942,817 Shares. Save as disclosed above, Mr. Chik does not have any interests in the Shares within the meaning of Part XV of the SFO.

Save as disclosed above, the Board is not aware of any other information in relation to Mr. Chik which is required to be disclosed pursuant to Rule 13.51(2)(h) to 13.51(2)(v) of the Listing Rules and there is no other matter that needs to be brought to the attention of the Shareholders.

3. Mr. Heung Chee Hang, Eric, aged 55, was appointed as Independent Non-executive Director on 16 January 2015. He is also a member of audit committee, remuneration committee and nomination committee. He is a qualified solicitor admitted to the Supreme Court of Hong Kong and a Civil Celebrant of Marriages. Mr. Heung received a bachelor's degree in Law from University of Leicester England. He has more than 22 years of experience in the legal profession. Mr. Heung is presently a partner of Messrs. Wong Heung Sum & Lawyers, consultant of Messrs. Tung, Ng, Tse & Lam, Solicitors, director of Lions Clubs of Kwai Tsing HKSAR, committee legal adviser of the Association of

the Hong Kong Members of Shandong's Chinese People's Political Consultative Conference, executive committee member of Basic Law Institute Limited, Honorary President of Hong Kong Guangxi Beihai City Friendship Association Limited Standing Council and committee member of USRC Standing Disciplinary. He was appointed as an independent non-executive director of Gold Tat Group International Limited (now known as Zhuoxin International Holdings Limited) (stock code: 8266) for the period from 18 August 2000 to 3 March 2015.

Save as disclosed above, Mr. Heung does not hold any other positions in the Company or any subsidiaries of the Company and did not hold any directorships in any listed public companies in the last three years.

Mr. Heung has entered into an appointment letter with the Company for a term of three years commencing from 16 January 2021. 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 2023, Mr. Heung received emoluments in a total sum of HK\$120,000 which comprised director's fees 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.

Mr. Heung does not have any relationships with the Directors, senior management of the Company, Substantial Shareholders or controlling Shareholders.

As at the Latest Practicable Date, Mr. Heung has a personal interest in share options granted under the Company's Share Option Scheme to subscribe for 1,000,000 Shares. Save as disclosed above, Mr. Heung does not have any interests in the Shares within the meaning of Part XV of the SFO.

Save as disclosed above, the Board is not aware of any other information in relation to Mr. Heung which is required to be disclosed pursuant to Rule 13.51(2)(h) to 13.51(2)(v) of the Listing Rules and there is no other matter that needs to be brought to the attention of the Shareholders.

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 2023 (being the date to which the latest audited financial statements of the Company have been made up), the Directors consider that there would be a material adverse impact on the working capital and on the gearing position of the Company in the event that the proposed repurchases were to be carried out in full during the proposed repurchase period.

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

3. REASONS FOR REPURCHASES

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

4. SHARE CAPITAL

As at the Latest Practicable Date, the issued share capital of the Company comprised 2,036,538,114 Shares.

Subject to the passing of the relevant ordinary resolutions to approve the general mandates to issue and 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 203,653,811 Shares.

5. UNDERTAKING OF THE DIRECTORS

The Directors have undertaken to the Stock Exchange to exercise the Repurchase Mandate in accordance with the Listing Rules, the applicable laws of the Cayman Islands, the Memorandum and Articles.

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 of the Takeovers Code. As at the Latest Practicable Date, the following Shareholders are taken to have 5% or more of the issued share capital of the Company:

Name of Shareholders	No. of issued Shares Interested	Percentage of shareholding in the Company	
		As at the Latest Practicable Date	After exercise in full of the Repurchase Mandate
Mr. Yeung Chi Hang	511,236,000	25.10%	27.89%
Mr. Chu Ying Man	135,000,000	6.63%	7.37%

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

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

7. DIRECTORS, THEIR ASSOCIATES AND CONNECTED PERSONS

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

8. SHARE REPURCHASE MADE BY THE COMPANY

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

9. SHARE PRICES

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

	Shares	
	Highest	Lowest
	<i>HK\$</i>	<i>HK\$</i>
2022		
October	0.050	0.035
November	0.059	0.042
December	0.050	0.041
2023		
January	0.058	0.040
February	0.057	0.036
March	0.054	0.034
April	0.045	0.037
May	0.045	0.030
June	0.046	0.038
July	0.041	0.031
August	0.048	0.023
September	0.055	0.023
October (till the Latest Practicable Date)	0.054	0.039



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 Monday, 4 December 2023 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 2023 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. Leung Kwong Choi
 - (ii) Mr. Chik To Pan
 - (iii) Mr. Heung Chee Hang, Eric
- (b) To authorise the board of director of the Company (the “**Board**”) to fix the directors’ remuneration for the year ending 30 June 2024.
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\$0.02 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 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 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 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 2023

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 Wednesday, 29 November 2023 to Monday, 4 December 2023 (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 Tuesday, 28 November 2023.
5. With regard to item no. 2(a) in this notice, the Board proposes Mr. Leung Kwong Choi, Mr. Chik To Pan and Mr. Heung Chee Hang, Eric, the retiring directors, for re-election as directors. Details of the retiring directors are set out in Appendix I to the circular to shareholders of the Company dated 18 October 2023.