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 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 AND
(iii) GRANT OF GENERAL MANDATES TO ISSUE, REPURCHASE SHARES AND EXTENSION MANDATE
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, 7/F, Shandong Hongcheng Shuang Chuang Building, 399 Beiyuan Road, Laizhou City, Shandong Province, PRC on Friday, 26 June 2026 at 2:30 p.m. is set out on pages 18 to 23 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 17/F, Far East Finance Centre, 16 Harcourt Road, 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. For the avoidance of doubt, holders of treasury Shares (if any) shall abstain from voting at the Company's general meeting.

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

30 April 2026

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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.

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
"Articles of Association" or "Articles"	the second amended and restated articles of association of our Company, adopted at a general meeting held on 24 June 2022
"Audit Committee"	the audit committee of the Board
"Board"	the board of Directors
"Companies Act"	the Companies Act (As Revised) of the Cayman Islands, as amended 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 Zeming 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
"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. (山東鴻鋮礦業有限公司) 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 our Company
"HKD"	Hong Kong dollars, the lawful currency of Hong Kong
"Hong Kong"	the Hong Kong Special Administrative Region of the PRC

"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 (including any sale or transfer of treasury Shares) of not exceeding 20% of the aggregate number of issued Shares (excluding treasury Shares) as at the date of passing of the relevant resolution
"Latest Practicable Date"	23 April 2026, 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"	the Rules Governing the Listing of Securities on the Stock Exchange, as amended from time to time
"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
"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
"Repurchase Mandate"	a general and unconditional mandate to be granted to the Directors 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 (excluding treasury Shares) as at the date of passing of the relevant resolution
"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
"treasury Shares"	has the meaning ascribed to it under the Listing Rules
"we", "us", "our", "Group"	the Company and its subsidiaries
"%"	per cent

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

Independent Non-Executive Directors:
Mr. Zhang Shijun
Ms. Liu Ye
Mr. Lau Chung Wai

Registered office in Cayman Islands:
Cricket Square
Hutchins Drive PO Box 2681
Grand Cayman KY1–1111
Cayman Islands

Principal Place of Business in Hong Kong:
Room 4351, 43/F,
Champion Tower,
3 Garden Road,
Central, Hong Kong

30 April 2026

To the Shareholders

Dear Sir or Madam,

PROPOSALS FOR (i) RE-ELECTION OF DIRECTORS (ii) RE-APPOINTMENT OF AUDITOR AND (iii) GRANT OF GENERAL MANDATES TO ISSUE, REPURCHASE SHARES AND EXTENSION MANDATE AND NOTICE OF ANNUAL GENERAL MEETING

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, *inter alia*, (i) the re-election of Directors; (ii) the re-appointment of the auditor of the Company; and (iii) the grant of the Issue Mandate, the Repurchase Mandate and the Extension Mandate.

2. PROPOSED RE-ELECTION OF DIRECTORS

In accordance with articles 84. (1) and 84. (2) of the Articles of Association, Mr. Sheng Haiyan ("**Mr. Sheng**"), being executive Director and Mr. Lau Chung Wai ("**Mr. Lau**"), being independent non-executive Director, 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. Sheng and Mr. Lau are able to continue to fulfil their role as required of executive Director and independent non-executive Director, respectively 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. Sheng stand for re-election as executive Director and Mr. Lau stand for re-election as independent non-executive Director at the AGM.

In compliance with the requirements of code provision F.1.2 of the Corporate Governance Code set out in Appendix C1 to the Listing Rules, a separate resolution will be proposed at the AGM for the re-election of each individual 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

A resolution will be proposed at the AGM to re-appoint PricewaterhouseCoopers as the auditor of the Company for the year ending 31 December 2026 and hold the office until the conclusion of the next annual general meeting of the Company, and 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.

After discussion with PricewaterhouseCoopers, and having considered, among other things, the nature and complexity of the Group's business operations, the audit scope that is currently contemplated based on the audit work performed on the Company's consolidated financial statements for the year ended 31 December 2025, the expected audit timetable and the auditor resources required, and assuming that there is no material variation on the scope of the audit work for the year ending 31 December 2026, the Board expects that the fees of the audit services to be performed by PricewaterhouseCoopers would be in the range of RMB1,770,000 to RMB1,980,000.

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 (including any sale or transfer of treasury 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 (including any sale or transfer of treasury Shares) of not exceeding 20% of the aggregate number of issued Shares (excluding treasury 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 (excluding any treasury 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 (or transfer out of treasury) 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 (excluding treasury 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 (excluding treasury 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 (or transferred out of treasury) 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.

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 (including any sale or transfer of treasury 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. ANNUAL GENERAL MEETING

A notice convening the AGM is set out on pages 18 to 23 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; and (iii) the proposed grant of the Issue Mandate, the Repurchase Mandate and the Extension Mandate.

6. 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 17/F, Far East Finance Centre, 16 Harcourt Road, 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.

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@vistra.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 with 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.

Shareholders having completed registration and identity verification can submit questions to the Board in advance of the AGM via this email address: **is-enquiries@vistra.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 Directors during the AGM.

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.

If any Shareholder has any question on the arrangements of the AGM, please contact the Company's branch share registrar in Hong Kong, Tricor Investor Services Limited, at the following:

Address:	17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong
Email:	is-enquiries@vistra.com
Telephone:	(852) 2980-1333 from 9:00 a.m. to 5:00 p.m. (Monday to Friday, excluding Hong Kong public holidays).

7. CLOSURE OF REGISTER OF MEMBERS

The AGM is expected to be held on Friday, 26 June 2026. For determining the entitlement to attend and vote at the AGM, the register of members of the Company will be closed from Tuesday, 23 June 2026 to Friday, 26 June 2026, both days inclusive, during which period no transfer of shares of the Company will be registered. The record date will be Friday, 26 June 2026. 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, on 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong, for registration not later than 4:30 p.m. on Monday, 22 June 2026.

8. 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.

Holders of treasury Shares (if any) shall abstain from voting on matters that require Shareholders' approval at the Company's general meetings.

9. 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.

10. RECOMMENDATION

The Directors believe that, (i) the proposed re-election of Directors; (ii) the proposed re-appointment of the auditor of the Company; and (iii) the proposed grant of the Issue Mandate, the Repurchase Mandate and the Extension Mandate 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

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. Sheng Haiyan (盛海燕) ("Mr. Sheng"), aged 59

Mr. Sheng is an executive Director and chief technical officer of our Company who is responsible for the overall research and development and technical management of the Group. He was appointed as an executive Director on 8 April 2021. He has more than 30 years of experience in chemical related industry. He joined the Group in December 2012. Mr. Sheng was the technical research and development engineer of HC Environmental from December 2012 to December 2017. He has been the technical research and development engineer of HC Mining since January 2018. Prior to joining our Group, Mr. Sheng worked at Laizhou Jinxing Chemicals Co., Ltd. (萊州金興化工有限責任公司), which principally engaged in, among other things chemicals manufacturing and processing from August 1991 to November 2012 holding his last position as chief engineer.

Mr. Sheng obtained a bachelor's degree in organic chemistry from Jiangxi University (江西大學) (currently known as Nanchang University (南昌大學)) in July 1991. He obtained the qualification of intermediate engineer from Yantai Chemical Engineering and Technical Evaluation Committee (煙臺市化工工程技術職務中級評審委員會) in October 1998.

As advised by Mr. Sheng, he was a 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 date of incorporation:

Name of company	Mr. Sheng's position	Date of dissolution
Yantai Xinsaier Trading Co., Ltd (煙臺市新賽爾商貿有限公司)	Manager	11 January 2007
Laizhou Jinxing Mining Co., Ltd. (萊州金興礦業有限公司)	Manager	11 June 2009

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

Interest in the Company

Name of Shareholder	Capacity/ Nature of interest	Number of Shares	Approximate shareholding percentage (%)
Mr. Sheng Haiyan	Beneficial owner	1,000,000	0.1

1. All interests stated are long position.

Save as disclosed above, Mr. Sheng 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. Sheng has entered into a service contract with the Company pursuant to which he agreed to act as an executive Director 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. Sheng 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 2025, Mr. Sheng received remuneration of approximately RMB457,000 (comprising (i) salaries of approximately RMB369,000 and (ii) pension and other benefits of approximately RMB88,000), 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. Sheng (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. Sheng 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. Sheng required to be disclosed pursuant to any of the requirements of Rule 13.51(2) of the Listing Rules.

Mr. Lau Chung Wai (劉仲緯) ("Mr. Lau"), aged 44

Mr. Lau is an independent non-executive Director who is responsible for supervising and providing independent judgement to the Board. He is also the chairman of the Audit Committee and a member of the Remuneration Committee. He was appointed as an independent non-executive Director on 23 October 2021. He is the independent non-executive Director who has the qualifications and experience to meet the requirements under Rule 3.10(2) of the Listing Rules.

Mr. Lau has over 19 years of experience in accounting and finance and is currently the sole practitioner of Yanten (Hong Kong) CPA & Co.. He has been serving as company secretary of Kwung's Aroma Holdings Limited, a company listed on the Main Board (stock code:1925), since March 2019. Mr. Lau has also been working as an independent non-executive director of Fufeng Group Limited, a company listed on the Main Board (stock code:

546), and Metropolis Capital Holdings Limited, a company listed on the GEM of the Stock Exchange (stock code: 8621), since June 2019 and November 2018, respectively. He has been working as a company secretary of Omnibridge Holdings Limited, a company listed on the GEM of the Stock Exchange (stock code: 8462), Hygieia Group Limited, a company listed on the Main Board (stock code: 1650) and MaxWin International Holdings Limited, a company listed on the GEM of the Stock Exchange (stock code: 8513), since April 2022, December 2019 and August 2017, respectively. He worked as chief financial officer of Kwung's Aroma Holdings Limited, a company listed on the Main Board (stock code: 1925), from March 2019 to April 2022. Mr. Lau worked as company secretary and chief financial officer of Da Sen Holdings Group Limited, a company listed on the Main Board (stock code: 1580), from August 2015 to March 2019. He worked as group financial controller of Passion Art International Holdings Limited, a company primarily engaged in manufacture and sale of furniture and home decoration products, from May 2013 to July 2015. Mr. Lau worked as financial manager of Starcom Worldwide, a media agency company which is a subsidiary of Publicis Groupe SA, a company listed on the Euronext Paris (stock code: PUB), from September 2011 to April 2013. He worked at the Hong Kong office of Ernst & Young from September 2004 to September 2011, holding his last position as manager in the assurance department.

Mr. Lau graduated from the Hong Kong University of Science and Technology with a degree of bachelor of business administration in accounting in November 2004. He was admitted as a certified public accountant of HKICPA in January 2008 and a fellow member of HKICPA in May 2015.

As at the Latest Practicable Date, Mr. Lau 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. Lau has been appointed as independent non-executive Directors for an initial term of three years commencing from 23 October 2021 which may be terminated by either party by giving not less than three months' written notice. The term of appointment shall be renewed and extended automatically for successive terms of two years upon expiry of the then current term until terminated by either party giving not less than three months' written notice to the other.

Mr. Lau 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 2025, Mr. Lau received remuneration of approximately RMB130,000 as salaries, 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. Lau (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. Lau 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. Lau required to be disclosed pursuant to any of the requirements of Rule 13.51(2) of the Listing Rules.

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 (excluding treasury 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 2025 (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 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 will exercise the Repurchase Mandate in accordance with the Listing Rules and the applicable laws of the Cayman Islands.

The Directors confirm that neither this explanatory statement nor the proposed repurchase of Shares under the Repurchase Mandate has any unusual features.

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.

USE OF SHARES REPURCHASED

The Company may cancel any repurchased Shares and/or hold them as treasury Shares subject to, among others, market conditions and its capital management needs at the relevant time of the repurchases, which may change due to evolving circumstances.

For any treasury Shares deposited with CCASS pending resale on the Stock Exchange, the Company shall, upon approval by the Board, implement the below interim measures:

(i) the Company shall procure its broker not to give any instructions to HKSCC to vote at general meetings for the treasury Shares deposited with CCASS;

(ii) in the case of dividends or distributions (if any and where applicable), the Company shall withdraw the treasury Shares from CCASS, and either re-register them in its own name as treasury Shares or cancel them, in each case before the relevant record date for the dividend or distributions; or

(iii) the Company shall take any other measures to ensure that it will not exercise any shareholders' rights or receive any entitlements which would otherwise be suspended under the applicable laws if those Shares were registered in its own name as treasury Shares.

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 were taken to have an interest under the SFO in the same block of 624,230,000 Shares, representing 62.42% 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 69.36% 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.

SHARE REPURCHASE MADE BY THE COMPANY

The Company had not repurchased any of the Shares (whether on the Stock Exchange or otherwise) during the six months immediately preceding the Latest Practicable Date.

SHARE PRICES

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

Month	Highest *HKD*	Lowest *HKD*
2025		
April	0.84	0.78
May	0.97	0.82
June	1.13	0.91
July	1.16	1.01
August	1.10	1.04
September	1.11	0.99
October	1.07	1.00
November	1.06	1.01
December	1.09	1.02
2026		
January	1.09	1.03
February	1.64	1.04
March	1.80	1.55
April (up to and including the Latest Practicable Date)	1.62	1.46

Source: the Stock Exchange's website

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, 7/F, Shandong Hongcheng Shuang Chuang Building, 399 Beiyuan Road, Laizhou City, Shandong Province, PRC on Friday, 26 June 2026 at 2:30 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 30 April 2026 (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 2025, the report of the directors (the "**Director(s)**") and the independent auditor's report of the Company for the year ended 31 December 2025.

2. (a) To consider and approve, each as a separate resolution, the following resolutions in relation to the re-election of the Directors:

   (1) to re-elect Mr. Sheng Haiyan as an executive Director; and

   (2) to re-elect Mr. Lau Chung Wai as an independent non-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 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**") (including any sale or transfer of treasury Shares (as defined under the Listing Rules)) 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 (excluding any treasury Shares (as defined under the Listing Rules)) as at the date of passing this resolution; and the approval in paragraph (i) shall be limited accordingly; 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 Act of the Cayman Islands (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).

Any reference to an allotment, issue, grant, offer or disposal of Shares of the Company shall include the sale or transfer of treasury Shares out of the treasury of the Company (including to satisfy any obligation upon the conversion or exercise of any convertible securities, warrants, options or similar rights to subscribe for Shares in the Company) to the extent permitted by, and subject to the provisions of, the Listing Rules and applicable laws and regulations."

(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 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 (excluding any treasury Shares (as defined under the Listing Rules)) 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;

(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 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."

(C) "**THAT** conditional on the passing of resolutions no. 4(A) and 4(B), the general mandate granted to the Directors pursuant to resolution no. 4(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. 4(B), provided that such extended number shall not exceed 10% of the aggregate number of Shares (excluding any treasury Shares (as defined under the Listing Rules)) 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)."

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

Hong Kong, 30 April 2026

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. For the avoidance of doubt, holders of treasury Shares (as defined under the Listing Rules), if any, are not entitled to vote at the AGM.

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 standalone 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 17/F, Far East Finance Centre, 16 Harcourt Road, 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.

4. For determining the entitlement to attend and vote at the AGM, the register of members of the Company will be closed from Tuesday, 23 June 2026 to Friday, 26 June 2026, both days inclusive, during which period no transfer of shares of the Company will be registered. The record date will be Friday, 26 June 2026. 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, on 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong, for registration not later than 4:30 p.m. on Monday, 22 June 2026.

5. 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.

6. 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.

7. In respect of the resolution no. 4(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.

8. In respect of resolution no. 4(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.

9. 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.