
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 stockbroker, a licensed dealer in securities, bank manager, solicitor, professional accountant or other professional adviser.

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

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this circular, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this circular.



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)

**(1) PROPOSED SHARE CONSOLIDATION AND
CHANGE IN BOARD LOT SIZE;
AND
(2) NOTICE OF EXTRAORDINARY GENERAL MEETING**

Financial adviser to the Company



Capitalised terms used in this cover page shall have the same meanings as those defined in this circular, unless the context requires otherwise.

A letter from the Board is set out on pages 5 to 12 of this circular. A notice convening the EGM to be held at Orchid Room, 2/F, The Royal Garden, 69 Mody Road, Tsim Sha Tsui East, Kowloon, Hong Kong on Friday, 5 April 2024 at 11:00 a.m. is set out on pages EGM-1 to EGM-3 of this circular. A form of proxy for use by the Shareholders at the EGM or any adjournment thereof (as the case may be) is enclosed with this circular.

Whether or not you intend to attend the EGM, you are requested to complete and return the accompanying form of proxy in accordance with the instructions printed thereon to the Hong Kong branch share registrar and transfer office of the Company, 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 holding the EGM or any adjournment thereof (as the case may be). Completion and return of the form of proxy shall not preclude you from attending and voting in person at the EGM or any adjournment thereof (as the case may be) should you so wish, and in such case, the form of proxy previously submitted shall be deemed to be revoked.

The Chinese translation of this circular is for reference only and, in case of any inconsistency, the English version shall prevail.

14 March 2024

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DEFINITIONS

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

“Board”	the board of Directors
“Business Day”	any day (excluding Saturdays, Sundays, public holidays and days on which a tropical cyclone warning No. 8 or above or a “black rainstorm warning signal” is hoisted in Hong Kong, or “extreme conditions” are announced by the Hong Kong Government at any time between 9:00 a.m. and 5:00 p.m.) on which licensed banks are generally open for banking business in Hong Kong
“CCASS”	the Central Clearing and Settlement System established and operated by HKSCC
“CCASS Operational Procedures”	the Operational Procedures of HKSCC in relation to CCASS, containing the practices, procedures and administrative requirements relating to operations and functions of CCASS, as amended from time to time
“Change in Board Lot Size”	the proposed change in board lot size of the Shares for trading on the Stock Exchange from 4,000 Existing Shares to 20,000 Consolidated Shares upon the Share Consolidation becoming effective
“Company”	China Environmental Resources Group Limited (Stock Code: 1130), a company incorporated in the Cayman Islands with limited liability, the Shares of which have a primary listing on the Main Board of the Stock Exchange and a secondary listing on the SGX-ST
“Consolidated Share(s)”	the issued and unissued ordinary share(s) of HK\$0.1 each in the share capital of the Company upon the Share Consolidation becoming effective
“Directors”	directors of the Company
“EGM”	the extraordinary general meeting of the Company to be held at 11:00 a.m. on Friday, 5 April 2024, for the Shareholders to consider and, if thought fit, approve the Share Consolidation and the matters contemplated thereunder
“Existing Share(s)”	the issued and unissued ordinary share(s) of HK\$0.02 each in the existing share capital of the Company before the Share Consolidation becoming effective

DEFINITIONS

“General Rules of CCASS”	the terms and conditions regulating the use of CCASS, as may be amended or modified from time to time and where the context so permits, shall include the CCASS Operational Procedures
“Group”	the Company and its subsidiaries
“HKSCC”	Hong Kong Securities Clearing Company Limited
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Latest Practicable Date”	8 March 2024, being the latest practicable date prior to the printing of this circular for the purpose of ascertaining certain information included in this circular
“Listing Committee”	has the meaning ascribed to it in the Listing Rules
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“PRC”	the People’s Republic of China which, for the purpose of this circular, excludes Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan
“Registrar”	the Hong Kong branch share registrar and transfer office of the Company, Union Registrars Limited at Suites 3301–04, 33/F., Two Chinachem Exchange Square, 338 King’s Road, North Point, Hong Kong
“SGX-ST”	the Singapore Exchange Securities Trading Limited
“Share(s)”	the Existing Share(s) and/or the Consolidated Share(s), as the case may be, whether issued or unissued
“Share Consolidation”	the proposed consolidation of every five (5) issued and unissued Existing Shares of HK\$0.02 each into one (1) Consolidated Share of HK\$0.1 each
“Share Option(s)”	the share option(s) granted under the Share Option Scheme to subscribe for new Shares
“Share Option Scheme”	the share option scheme adopted by the Company on 11 November 2015
“Shareholder(s)”	holder(s) of the Shares
“Stock Exchange”	The Stock Exchange of Hong Kong Limited

EXPECTED TIMETABLE

Set out below is the expected timetable for the Share Consolidation and the Change in Board Lot Size. The expected timetable is subject to the results of the EGM and is therefore for indicative purpose only. Any change to the expected timetable will be announced in a separate announcement by the Company as and when appropriate. All times and dates in this circular refer to Hong Kong local times and dates.

Event	Date and time
Latest date and time for lodging transfer documents in order to qualify for attending and voting at the EGM	4:00 p.m. on Wednesday, 27 March 2024
Closure of register of members of the Company for determining the identity of the Shareholders entitled to attend and vote at the EGM	Thursday, 28 March 2024 to Friday, 5 April 2024 (both days inclusive)
Latest time for lodging proxy forms for the EGM	11:00 a.m. on Wednesday, 3 April 2024
Record date for attendance and voting at the EGM	Friday, 5 April 2024
Date and time of the EGM	11:00 a.m. on Friday, 5 April 2024
Publication of the announcement of the poll results of the EGM	Friday, 5 April 2024
The following events are conditional on the fulfilment of all the conditions for the implementation of the Share Consolidation as set out in this circular.	
Effective date of the Share Consolidation	Tuesday, 9 April 2024
Dealing in the Consolidated Shares commences	9:00 a.m. on Tuesday, 9 April 2024
First day of free exchange of existing share certificates for new share certificates for the Consolidated Shares	Tuesday, 9 April 2024
Original counter for trading in the Existing Shares in board lots of 4,000 Existing Shares (in the form of existing share certificates) temporarily closes	9:00 a.m. on Tuesday, 9 April 2024
Temporary counter for trading in the Consolidated Shares in board lots of 800 Consolidated Shares (in the form of existing share certificates) opens	9:00 a.m. on Tuesday, 9 April 2024

EXPECTED TIMETABLE

Original counter for trading in the Consolidated Shares in new board lots of 20,000 Consolidated Shares (in the form of new share certificates for the Consolidated Shares) re-opens	9:00 a.m. on Tuesday, 23 April 2024
Parallel trading in the Consolidated Shares (in the form of new share certificates for the Consolidated Shares and existing share certificates) commences	9:00 a.m. on Tuesday, 23 April 2024
Designated broker starts to stand in the market to provide matching services for odd lots of the Consolidated Shares	9:00 a.m. on Tuesday, 23 April 2024
Designated broker ceases to stand in the market to provide matching services for odd lots of the Consolidated Shares	4:00 p.m. on Tuesday, 14 May 2024
Temporary counter for trading in the Consolidated Shares in board lots of 800 Consolidated Shares (in the form of existing share certificates) closes	4:10 p.m. on Tuesday, 14 May 2024
Parallel trading in the Consolidated Shares (in the form of new share certificates for the Consolidated Shares and existing share certificates) ends	4:10 p.m. on Tuesday, 14 May 2024
Last day and time for free exchange of existing share certificates for new share certificates for the Consolidated Shares	4:00 p.m. on Friday, 17 May 2024



CHINA ENVIRONMENTAL RESOURCES GROUP LIMITED

中國環境資源集團有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1130)

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

Mr. Lee Chi Ho

Registered office:

Ugland House

P.O. Box 309

Grand Cayman, KY1-1104

Cayman Islands

*Head office and principal place
of business in Hong Kong:*

Room 2608, 26/F

Greenfield Tower

Concordia Plaza

No. 1 Science Museum Road

Tsim Sha Tsui East

Kowloon, Hong Kong

14 March 2024

To the Shareholders

Dear Sir or Madam,

**(1) PROPOSED SHARE CONSOLIDATION AND
CHANGE IN BOARD LOT SIZE;
AND
(2) NOTICE OF EXTRAORDINARY GENERAL MEETING**

INTRODUCTION

Reference is made to the announcement of the Company dated 29 February 2024 in relation to the Share Consolidation and the Change in Board Lot Size.

The purpose of this circular is to provide the Shareholders with (i) further information regarding the Share Consolidation and the Change in Board Lot Size; and (ii) the notice of the EGM.

LETTER FROM THE BOARD

PROPOSED SHARE CONSOLIDATION

The Board proposes to implement the Share Consolidation on the basis that every five (5) issued and unissued Existing Shares of HK\$0.02 each will be consolidated into one (1) Consolidated Share of HK\$0.1 each.

Effects of the Share Consolidation

As at the Latest Practicable Date, the authorised share capital of the Company is HK\$300,000,000 divided into 15,000,000,000 Existing Shares of par value of HK\$0.02 each, of which 2,443,845,736 Existing Shares have been issued and are fully paid or credited as fully paid. Assuming that there will be no change in the issued share capital of the Company from the Latest Practicable Date up to the effective date of the Share Consolidation, immediately upon the Share Consolidation becoming effective, the authorised share capital of the Company will remain at HK\$300,000,000 divided into 3,000,000,000 Consolidated Shares of par value of HK\$0.1 each, of which 488,769,147 Consolidated Shares will be in issue and fully paid or credited as fully paid.

Upon the Share Consolidation becoming effective, the Consolidated Shares shall rank *pari passu* in all respects with each other.

Other than the expenses to be incurred in relation to the Share Consolidation and the Change in Board Lot Size, the implementation of the Share Consolidation will have no effect on the consolidated net asset value of the Group, nor alter the underlying assets, business operations, management or financial position of the Company or the proportionate interests or rights of the Shareholders, save that any fractional Consolidated Shares will not be allocated to the Shareholders who may otherwise be entitled.

The Board believes that the Share Consolidation will not have any material adverse effect on the financial position of the Group and that on the date the Share Consolidation is to be effected, there are no reasonable grounds for believing that the Company is, or after the Share Consolidation would be, unable to pay its liabilities as they become due. The Share Consolidation will not involve any diminution of any liability in respect of any unpaid capital of the Company or the repayment to the Shareholders of any unpaid capital of the Company nor will it result in any change in the relative rights of the Shareholders.

Conditions of the Share Consolidation

The implementation of the Share Consolidation is conditional upon:

- (i) the passing of an ordinary resolution by the Shareholders at the EGM to approve the Share Consolidation and the matters contemplated thereunder;
- (ii) the Listing Committee granting the approval for the listing of, and permission to deal in, the Consolidated Shares in issue and to be issued upon the Share Consolidation becoming effective; and

LETTER FROM THE BOARD

- (iii) the compliance with all relevant procedures and requirements under the applicable laws of the Cayman Islands and the Listing Rules to effect the Share Consolidation.

As at the Latest Practicable Date, none of the conditions above had been fulfilled.

Subject to the fulfilment of all the above conditions of the Share Consolidation, the effective date of the Share Consolidation is expected to be on Tuesday, 9 April 2024, being the second Business Day immediately following the date of the EGM.

Listing application

An application has been made by the Company to the Listing Committee for the grant of approval for the listing of, and permission to deal in, the Consolidated Shares in issue and to be issued upon the Share Consolidation becoming effective.

Subject to the granting of listing of, and permission to deal in, the Consolidated Shares on the Stock Exchange upon the Share Consolidation becoming effective, as well as compliance with the stock admission requirements of the HKSCC, the Consolidated Shares will be accepted as eligible securities by HKSCC for deposit, clearance and settlement in CCASS with effect from the commencement date of dealings in the Consolidated Shares on the Stock Exchange or such other date as determined by HKSCC. Settlement of transactions between participants of the Stock Exchange on any trading day is required to take place in CCASS on the second settlement day thereafter. All activities under CCASS are subject to the General Rules of CCASS and the CCASS Operational Procedures in effect from time to time. All necessary arrangements will be made for the Consolidated Shares to be admitted into CCASS established and operated by HKSCC.

None of the Existing Shares are listed or dealt in on any other stock exchange other than the Stock Exchange and the SGX-ST, and at the time the Share Consolidation becomes effective, the Consolidated Shares in issue will not be listed or dealt in on any stock exchange other than the Stock Exchange and the SGX-ST, and no such listing or permission to deal is being or is proposed to be sought.

Adjustments in relation to other securities of the Company

As at the Latest Practicable Date, there are a total of 79,471,268 outstanding Share Options granted under the Share Option Scheme entitling the holders thereof to subscribe for up to an aggregate of 79,471,268 Existing Shares.

According to the rules of the Share Option Scheme, in the event of any alteration in the capital structure of the Company whilst any Share Option remains exercisable or the Share Option Scheme remains in effect, and such event arises from a capitalisation of profits or reserves, rights issue, consolidation, sub-division or reduction of the share capital of the Company or otherwise howsoever, then, in any such case the Company shall instruct the auditors or independent financial adviser to the Company to certify in writing the adjustment, if any, to the number of Shares to which the Share Option Scheme or any Share Option(s) relates and the subscription price of any unexercised Share Option. Any such

LETTER FROM THE BOARD

adjustment shall be made on the basis that the aggregate subscription price payable by a grantee on the full exercise of any Share Option shall remain as nearly as possible the same (but shall not be greater than) as it was before such event. No such adjustment shall be made the effect of which would be to enable a Share to be issued at less than its nominal value.

The expected adjustments to be made in respect of the outstanding Share Options as a result of the Share Consolidation are set out as follows:

Date of grant	Before adjustment		After adjustment	
	Exercise price per outstanding Share Option granted	Number of Existing Shares to be allotted and issued upon full exercise of the outstanding Share Options granted	Exercise price per outstanding Share Option granted	Number of Consolidated Shares to be allotted and issued upon full exercise of the outstanding Share Options granted
22 April 2016	HK\$0.2064	56,571,268	HK\$1.032	11,314,252
5 June 2018	HK\$0.3170	<u>22,900,000</u>	HK\$1.585	<u>4,580,000</u>
		Total: <u>79,471,268</u>		Total: <u>15,894,252</u>

The Company will appoint an auditor or an independent financial adviser to certify the above adjustments in accordance with the requirements of the Listing Rules and the terms of the Share Option Scheme, and will make further announcement in this regard as and when appropriate.

Save as disclosed above, as at the Latest Practicable Date, the Company has no outstanding convertible securities, debt securities, derivatives, options, warrants or other similar securities which are convertible or exchangeable into Shares.

PROPOSED CHANGE IN BOARD LOT SIZE

As at the Latest Practicable Date, the Existing Shares are traded on the Stock Exchange in board lot size of 4,000 Existing Shares. The Board proposes to change the board lot size for trading on the Stock Exchange from 4,000 Existing Shares to 20,000 Consolidated Shares subject to and upon the Share Consolidation becoming effective.

Based on the closing price of HK\$0.039 per Existing Share (equivalent to HK\$0.195 per Consolidated Share) as quoted on the Stock Exchange on the Latest Practicable Date, the market value of each board lot of 20,000 Consolidated Shares, assuming the Share Consolidation and the Change in Board Lot Size becoming effective, would be HK\$3,900.

LETTER FROM THE BOARD

Shareholders whose Shares are quoted on the SGX-ST should note that there will be no change in the board lot size of the Shares quoted on the SGX-ST, which will remain at 100 Shares per board lot, both before and after the Share Consolidation.

OTHER ARRANGEMENTS

Fractional entitlement to the Consolidated Shares

Fractional Consolidated Shares arising from the Share Consolidation, if any, will be disregarded and will not be issued to the Shareholders but all such fractional Consolidated Shares will be aggregated and, if possible, sold and retained for the benefit of the Company. Fractional Consolidated Shares will only arise in respect of the entire shareholding of a holder of the Existing Shares regardless of the number of share certificates held by such holder.

Free exchange of share certificates for the Consolidated Shares

Subject to the Share Consolidation becoming effective, which is currently expected to be on Tuesday, 9 April 2024, being the second Business Day immediately following the date of the EGM, the Shareholders may submit their existing share certificates in brown colour for the Existing Shares on or after Tuesday, 9 April 2024 and until Friday, 17 May 2024 (both days inclusive) to the Registrar, Union Registrars Limited, at Suites 3301-04, 33/F., Two Chinachem Exchange Square, 338 King's Road, North Point, Hong Kong in exchange for new share certificates on the basis of every five (5) Existing Shares for one (1) Consolidated Share without any fractional Consolidated Share, in blue colour for the Consolidated Shares at the expenses of the Company. It is expected that the new share certificates for the Consolidated Shares will be available for collection within ten (10) Business Days after submission of the existing share certificates to the Registrar for exchange. Thereafter, a fee of HK\$2.50 (or such other amount as may from time to time be allowed by the Stock Exchange) will be payable by the Shareholders to the Registrar for each share certificate for the Consolidated Shares issued or each share certificate for the Existing Shares submitted for cancellation, whichever is higher.

After 4:10 p.m. on Tuesday, 14 May 2024, trading will only be in Consolidated Shares which share certificates will be issued in blue colour. Share certificates in brown colour for the Existing Shares will cease to be valid for trading, settlement and registration purpose, but will remain valid and effective as documents of title.

Arrangement on odd lot trading

In order to facilitate the trading of odd lots (if any) of the Consolidated Shares arising from the Share Consolidation and the Change in Board Lot Size, the Company has appointed Get Nice Securities Limited as its agent to provide matching services, on a best effort basis, to those Shareholders who wish to acquire odd lots of the Consolidated Shares to make up a full board lot, or to dispose of their holding of odd lots of the Consolidated Shares during the period from Tuesday, 23 April 2024 to Tuesday, 14 May 2024 (both days inclusive). Shareholders who wish to take advantage of this facility may contact Mr. Larry Ng of Get Nice Securities Limited at G/F-3/F, Cosco Tower, Grand Millennium Plaza, 183

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Queen's Road Central, Hong Kong or at telephone number (+ 852) 2526-7738 during office hours (9:00 a.m. to 4:00 p.m.) on working days (excluding Saturdays, Sundays and public holidays) within such period.

Holders of odd lots of the Consolidated Shares should note that the matching of the sale and purchase of odd lots of the Consolidated Shares is not guaranteed. Shareholders who are in any doubt about the odd lots matching arrangement are recommended to consult their own professional advisers.

REASONS FOR THE SHARE CONSOLIDATION AND THE CHANGE IN BOARD LOT SIZE

Pursuant to Rule 13.64 of the Listing Rules, where the market price of the securities of an issuer approaches the extremities of HK\$0.01 or HK\$9,995.00, the issuer may be required either to change the trading method or to proceed with a consolidation or splitting of its securities. Further, the "Guide on Trading Arrangements for Selected Types of Corporate Actions" (the "**Guide**") issued by Hong Kong Exchanges and Clearing Limited on 28 November 2008 and last updated on 1 October 2020 states that (i) market price of the shares at a level less than HK\$0.10 will be considered as trading at extremity as referred to under Rule 13.64 of the Listing Rules; and (ii) taking into account the minimum transaction costs for a securities trade, the expected market value per board lot should be greater than HK\$2,000.

The Existing Shares have been trading below HK\$0.10 and the value of each board lot has remained below HK\$2,000 during the past six months. In view of the above, the Board considers that the Share Consolidation and the Change in Board Lot Size will (i) bring about a corresponding upward adjustment in the trading price of the Consolidated Shares on the Stock Exchange and the board lot value of the Consolidated Shares, thereby enabling the Company to comply with the trading requirements under the Listing Rules as well as the Guide; (ii) reduce the overall transaction and handling costs of dealings in the Shares as a proportion of the market value of each board lot since most of the banks or securities firms will charge a minimum transaction fee for each securities trade; and (iii) maintain the trading amount for each board lot at a reasonable level and attract a broader range of investors, and therefore further broaden the shareholder base of the Company.

Other than the expenses to be incurred in relation to the Share Consolidation and the Change in Board Lot Size, the implementation of the Share Consolidation and the Change in Board Lot Size will have no effect on the consolidated net asset value of the Group, nor alter the underlying assets, business operations, management or financial position of the Company or the proportionate interests or rights of the Shareholders, save that any fractional Consolidated Shares will not be allocated to the Shareholders who may otherwise be entitled. Moreover, the Company considers that the proposed consolidation ratio under the Share Consolidation and the new board lot size are fair and reasonable and in the interests of the Company and the Shareholders as a whole, having taken into account that (i) the proposed new board lot size together with the proposed consolidation ratio represents an integral multiple of the existing board lot size, which will cause minimum impact on the creation of odd lots; (ii) the share price per Consolidated Share will increase,

LETTER FROM THE BOARD

with a buffer for any future price fluctuations, for the purpose of fulfilling the relevant trading requirements under the Listing Rules and the Guide; and (iii) any higher ratio for share consolidation and/or larger board lot size may result in greater impact on the creation of odd lots and/or fractional Shares. To alleviate the difficulties caused by the creation of odd lots of the Shares, the Company has appointed a securities firm as its agent to provide matching services for odd lots of Shares for a period of not less than three weeks. In view of the above, the Board considers that the Share Consolidation and the Change in Board Lot Size are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

As at the Latest Practicable Date, the Company has no intention to carry out other corporate actions in the next twelve months which may have an effect of undermining or negating the intended purpose of the Share Consolidation and the Change in Board Lot Size, and the Company does not have any concrete plan to conduct any fundraising activities in the next twelve months. However, the Board will not rule out the possibility of any fundraising activities it may consider when it is reasonably necessary for the Group to raise fund to meet its operational needs or for future development of the Group. The Company will make further announcement(s) in this regard in accordance with the Listing Rules as and when appropriate.

EGM

The EGM will be held at Orchid Room, 2/F, The Royal Garden, 69 Mody Road, Tsim Sha Tsui East, Kowloon, Hong Kong on Friday, 5 April 2024 at 11:00 a.m., the notice of which is set out on pages EGM-1 to EGM-3 of this circular.

A form of proxy for use at the EGM is enclosed. Whether or not you intend to attend the EGM, you are requested to complete and return the accompanying form of proxy in accordance with the instructions printed thereon to the Hong Kong branch share registrar and transfer office of the Company, 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 holding the EGM or any adjournment thereof (as the case may be). Completion and return of the form of proxy shall not preclude you from attending and voting in person at the EGM or any adjournment thereof (as the case may be) should you so wish and, in such case, the instrument appointing a proxy shall be deemed to be revoked.

To the best knowledge, information and belief of the Directors having made all reasonable enquiries, no Shareholder has a material interest in the Share Consolidation and accordingly, no Shareholder will be required to abstain from voting on the resolution in relation to the Share Consolidation at the EGM.

Pursuant to Rule 13.39(4) of the Listing Rules, any vote of the Shareholders at a general meeting must be taken by poll except for purely procedural or administrative matters. Accordingly, the proposed ordinary resolution in approving the Share Consolidation will be put to vote by way of poll at the EGM.

LETTER FROM THE BOARD

CLOSURE OF REGISTER OF MEMBERS

The register of members of the Company will be closed from Thursday, 28 March 2024 to Friday, 5 April 2024 (both days inclusive) for determining the identity of the Shareholders entitled to attend and vote at the EGM, during which period no transfer of the Shares will be effected. All transfers, accompanied by the relevant share certificates, must be lodged with the Hong Kong branch share registrar and transfer office of the Company, Union Registrars Limited at Suites 3301–04, 33/F., Two Chinachem Exchange Square, 338 King's Road, North Point, Hong Kong, not later than 4:00 p.m. on Wednesday, 27 March 2024.

RECOMMENDATION

The Directors are of the opinion that the Share Consolidation and Change in Board Lot Size are in the interests of the Company and the Shareholders as a whole and accordingly recommend the Shareholders to vote in favour of the ordinary resolution to be proposed in approving the Share Consolidation and the matters contemplated thereunder at the EGM.

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 Group. 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.

MISCELLANEOUS

The English text of this circular shall prevail over the Chinese text for the purpose of interpretation.

WARNING

The Shareholders should note that the Share Consolidation and the Change in Board Lot Size are conditional upon the fulfilment of their respective conditions. Therefore, the Share Consolidation and the Change in Board Lot Size may or may not proceed. The Shareholders and potential investors of the Company are advised to exercise caution when dealing in the securities of the Company and should consult their professional advisers if in doubt.

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



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 OF EXTRAORDINARY GENERAL MEETING

NOTICE IS HEREBY GIVEN that an extraordinary general meeting (the “EGM”) of China Environmental Resources Group Limited (the “Company”) will be held at Orchid Room, 2/F, The Royal Garden, 69 Mody Road, Tsim Sha Tsui East, Kowloon, Hong Kong on Friday, 5 April 2024 at 11:00 a.m. for the purpose of considering and, if thought fit, passing with or without amendments, the following resolution as an ordinary resolution of the Company:

ORDINARY RESOLUTION

1. **“THAT** subject to and conditional upon, among other things, the Listing Committee of The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) granting the approval for the listing of, and permission to deal in, the Consolidated Shares (as defined below), and the compliance with all relevant procedures and requirements under the applicable laws of the Cayman Islands and the Rules Governing the Listing of Securities on the Stock Exchange (the “**Listing Rules**”) to effect the Share Consolidation, with effect from the second business day immediately following the day of passing of this resolution:
 - (a) every five (5) issued and unissued ordinary shares with a par value of HK\$0.02 each (each an “**Existing Share**”) in the existing share capital of the Company be consolidated into one (1) ordinary share with a par value of HK\$0.1 each (each a “**Consolidated Share**”) and such Consolidated Share shall rank *pari passu* in all respects with each other and have the rights and privileges and be subject to the restrictions contained in the memorandum of association and articles of association of the Company (the “**Share Consolidation**”) so that following the Share Consolidation, the authorised share capital of the Company will be changed from HK\$300,000,000 divided into 15,000,000,000 Existing Shares with a par value of HK\$0.02 each to HK\$300,000,000 divided into 3,000,000,000 Consolidated Shares with a par value of HK\$0.1 each;

NOTICE OF EXTRAORDINARY GENERAL MEETING

- (b) all fractional Consolidated Shares resulting from the Share Consolidation will be disregarded and will not be issued to holders of the same but all such fractional Consolidated Shares will be aggregated and, if possible, sold for the benefit of the Company in such manner and on such terms as the directors of the Company (the “**Directors**”) may think fit; and
- (c) the Directors be and are hereby authorised to do all such acts, deeds and things and to effect all necessary actions as they may consider necessary or desirable in order to effect, implement and complete any and all of the foregoing.”

By order of the Board
China Environmental Resources Group Limited
Yeung Chi Hang
Chairman and Chief Executive Officer

Hong Kong, 14 March 2024

Registered Office:

Ugland House
P.O. Box 309
Grand Cayman, KY1-1104
Cayman Islands

Head office and principal place of business

in Hong Kong:
Room 2608, 26/F
Greenfield Tower
Concordia Plaza
No. 1 Science Museum Road
Tsim Sha Tsui East
Kowloon, Hong Kong

Notes:

1. The EGM will be held in the form of a physical meeting. Any shareholder of the Company (the “**Shareholder**”) entitled to attend and vote at the EGM shall be entitled to appoint another person as his/her proxy to attend and vote instead of him/her. A Shareholder who is the holder of two or more shares of the Company (the “**Shares**”) may appoint more than one proxy to represent him/her and vote on his/her behalf. A proxy need not to be a shareholder of the Company.
2. In order to be valid, a form of proxy together with the power of attorney or other authority (if any) under which it is signed or a notarially certified copy thereof, must be deposited at the Hong Kong branch share registrar and transfer office of the Company, 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 EGM (or any adjournment thereof).
3. Completion and delivery of a form of proxy shall not preclude a Shareholder from attending and voting in person at the EGM and in such case, the instrument appoint a proxy shall be deemed to be revoked.

NOTICE OF EXTRAORDINARY GENERAL MEETING

4. Where there are joint holders of any Shares, any one of such joint holder may vote, either in person or by proxy in respect of such Shares as if he/she was solely entitled hereto; but if more than one of such joint holders be present at the EGM, 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 of the Company.
5. Any voting at the EGM shall be taken by poll.
6. The register of members of the Company will be closed from Thursday, 28 March 2024 to Friday, 5 April 2024 (both days inclusive) for determining the entitlement of the Shareholders to attend and vote at the EGM. In order to be eligible for attending and voting at the EGM, all transfers of shares of the Company accompanied by the relevant share certificates must be lodged with the Hong Kong branch share registrar and transfer office of the Company, Union Registrars Limited, at Suites 3301-04, 33/F., Two Chinachem Exchange Square, 338 King's Road, North Point, Hong Kong for registration no later than 4:00 p.m. on Wednesday, 27 March 2024.
7. The form of proxy must be in writing under the hand of the appointer or his attorney duly authorized in writing or, if the appointer is a corporation, either under its common seal or under the hand of an officer, attorney or other person duly authorized to sign the same.
8. The Chinese translation of this notice is for reference only and in case of any inconsistency, the English version shall prevail.
9. If Typhoon Signal No. 8 or above, or a "black" rainstorm warning or "extreme conditions after super typhoons" announced by the Hong Kong Government is/are in effect any time after 8:00 a.m. on the date of the EGM, the EGM will be postponed. The Company will publish an announcement on the websites of (i) the Company at www.cergroup.com.hk; (ii) the HKExnews at www.hkexnews.hk; and (iii) the SGX-ST at www.sgx.com, respectively to notify the Shareholders of the date, time and venue of the rescheduled meeting.

As at the date of this notice, the Board comprises 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 three independent non-executive Directors, namely Mr. Wong Kwai Sang, Mr. Heung Chee Hang, Eric and Mr. Lee Chi Ho.