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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)

VOLUNTARY ANNOUNCEMENT

MEMORANDUM OF UNDERSTANDING WITH GOLDWIN CENTURY REGARDING POTENTIAL COOPERATION

This announcement is made by China Environmental Resources Group Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) on a voluntary basis to update the shareholders (the “**Shareholders**”) and potential investors of the Company on the latest business development of the Group.

THE MOU

The board (the “**Board**”) of directors (the “**Directors**”) of the Company is pleased to announce that, on 21 February 2025, the Company and Goldwin Century Limited (“**Goldwin Century**”) (collectively, the “**Parties**”) entered into a memorandum of understanding (the “**MOU**”) in relation to a potential cooperation (the “**Cooperation**”) for the business development of rare earth-based projects and other ancillary business opportunities in the People’s Republic of China (the “**PRC**”), subject to the terms and conditions of formal and legally binding agreement(s) (the “**Formal Agreement(s)**”) to be entered into separately.

Pursuant to the MOU, for the purpose of assessing the feasibility of the Cooperation, the Company shall conduct a due diligence review (the “**Due Diligence**”) by itself or through its agent(s) on, among others, the intellectual properties, patented products, production equipment, and related production capacity of 四川源萊順稀土新材料有限公司 (“**Sichuan YLS**”) together with any other information the Company required within 180 days upon the signing of the MOU (the “**MOU Period**”). Goldwin Century shall provide all necessary information and documents requested by the Company and shall make every effort to address any queries raised by the Company for such purpose.

Pursuant to the MOU, the Parties agreed to negotiate on the terms and conditions of the Cooperation during the MOU Period on an exclusive basis. Subject to the Company's satisfaction with the Due Diligence results and further negotiations between the Parties on the detailed terms and conditions regarding the Cooperation, the Parties shall enter into the Formal Agreement(s) on or before the expiry date of the MOU Period; otherwise, the MOU shall automatically lapse accordingly.

Save for those provisions relating to exclusivity, confidentiality, legal effects and governing law, the MOU does not impose legally binding obligations on the Parties.

INFORMATION ON GOLDWIN CENTURY AND SICHUAN YLS

Goldwin Century, a company incorporated in the British Virgins Islands with limited liability, is an investment holding company. Goldwin Century, through its wholly owned subsidiaries, controls over, and enjoys the economic benefits generated by, Sichuan YLS through a series of structured contracts.

Sichuan YLS, a company incorporated in the PRC with limited liability, is a national high-tech enterprise specialising in the research and application of high-performance rare earth magnetic materials, as well as the production and sale of rare earth motor magnetic steel for new energy vehicles in the PRC.

To the best of the knowledge, information and belief of the Directors having made all reasonable enquiries, each of Goldwin Century, Sichuan YLS and its ultimate beneficial owner(s) is independent of the Company and its connected persons (as defined in the Rules Governing the Listing of Securities on of The Stock Exchange of Hong Kong Limited (the "**Listing Rules**").

REASONS FOR AND BENEFITS OF THE COOPERATION

The Group is principally engaged in metal recycle business, motor and motor accessories business, car parking spaces rental, money lending business and securities trading and investment business. The Group also maintains the green businesses of research, development and application of technologies and solutions, manufacture, sale and trading of products, materials, systems and services for green market segments including the environmental markets, agricultural markets, organic markets and green technology markets in the PRC and overseas. The Group also has a hotel leasing business in Nepal.

The Directors believe that partnering with Sichuan YLS may expand the Group's product range and enable it to offer a wider array of products, thereby enhancing its trading portfolio and attracting more customers seeking high-performance solutions. Additionally, access to high-quality rare earth magnetic materials can help differentiate the Group from its competitors, particularly in sectors such as electric vehicles and green technologies. By marketing unique products that incorporate these advanced materials, the Group can effectively meet the growing demand for innovative solutions across its diverse business segments, including metal recycling and green market applications.

Based on the above, the Directors are of the view that the Cooperation is in the interests of the Company and the Shareholders as a whole.

The Shareholders and the potential investors of the Company should note that the MOU is non-legally binding in nature and the materialisation of the Cooperation is subject to, among others, the entering into of the Formal Agreement(s). Further announcement(s) will be made by the Company in compliance with the Listing Rules if and when appropriate. The Shareholders and the potential investors of the Company are urged to exercise caution when dealing in the securities of the Company.

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

Hong Kong, 21 February 2025

As at the date of this announcement, the Board comprises six executive Directors, namely Mr. Yeung Chi Hang, Mr. Leung Kwong Choi, Mr. Wong Po Keung, Mr. Chung Siu Wah, Mr. Chik To Pan and Mr. Liu Yafei; and three independent non-executive Directors, namely Mr. Heung Chee Hang, Eric, Mr. Lee Chi Ho and Ms. Lai Pik Chi Peggy.