

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, 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 announcement.



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)

DISCLOSEABLE TRANSACTION IN RELATION TO SUPPLEMENTAL TERMINATION AGREEMENT

Reference is made to the Company's announcements dated 30 December 2013, 28 May 2014, 30 September 2014, 28 October 2014, 7 November 2014, 30 January 2015 and 18 June 2015 (the "**Announcements**") relating to, among others, the Company's proposed acquisition of entire issued share capital of Clear Wisdom Limited (the "**Proposed Acquisition**"), the termination of the Proposed Acquisition and the Supplemental Termination Agreement. Unless otherwise expressly indicated, the capitalized terms used herein shall have the same meaning as those defined in the Announcements.

As stated in the announcement of the Company dated 18 June 2015 (the "**June 2015 Announcement**"), on 18 June 2015 (after trading hours), the parties to the Termination Agreement entered into the Supplemental Termination Agreement to amend certain terms of the Termination Agreement relating to the refund of the Deposit. Pursuant to the Supplemental Termination Agreement, the Vendor agreed to refund the Deposit in the following manner:

- (i) HK\$60,000,000 has been paid on 7 November 2014;
- (ii) HK\$20,000,000 together with interest shall be repaid on or before 18 June 2015; and
- (iii) the balance of HK\$70,000,000 (the "**Remaining Sum**") together with the interest shall be repaid on or before 19 November 2015.

Save as disclosed above, there are no other change to the Termination Agreement and all other terms and conditions of the Termination Agreement remain unchanged and continue to be in full force and effect.

As disclosed in the June 2015 Announcement, a payment for the sum of HK\$20,000,000 together with interest being the second instalment of the refund of the Deposit mentioned in the Supplemental Termination Agreement has been received by the Company from the Vendor on 18 June 2015.

INFORMATION OF THE VENDOR

The Vendor is an investment holding company and is wholly owned by Mr. Lam Chun. The principal asset of the Vendor is its entire equity interest in the Target, being the Sale Share. Save for the Vendor's interest in the Sale Share, it does not have other significant assets and liabilities and has not carried out any significant business activities since its incorporation. Mr. Lam Chun is a businessman and the president of a real estate development group in the PRC, 聖地集團 (Sheng Di Group), with business projects in commercial property, residential property, retail property and hotels etc. To the best knowledge, information and belief of the Directors after having made all reasonable enquiries, as at the date of this announcement, the Vendor and its ultimate beneficial owners are Independent Third Parties.

REASONS FOR AND BENEFITS OF THE ENTERING INTO THE SUPPLEMENTAL TERMINATION AGREEMENT

The Group is principally engaged in distribution of plantation products, environmental system and plantation materials, provision of green technology services and money lending business.

The Vendor requires additional time to arrange necessary fund flow for the repayment of the Deposit and requests to settle the Remaining Sum on or before 19 November 2015. Taking into account that (i) the Company could receive the Remaining Sum in the amount of HK\$70,000,000 by approximately five months from the date of the Supplemental Termination Agreement; (ii) the Remaining Sum is a substantial amount and it will be reasonable for Vendor to request further time to arrange settlement thereof; (iii) the arrangement that the Deposit will be refunded in full under the Supplemental Termination Agreement; (iv) the interest income under the Supplemental Termination Agreement; and (v) the Share Mortgage has been executed by the Target in favour of the Company in respect of the charge of the entire issued share capital of the HK Subsidiary held by the Target to the Company to secure the full refund of the Deposit, the Directors consider that the terms of the Supplemental Termination Agreement are fair and reasonable and in the interest of the Company and the Shareholders as a whole. The Directors are of the view that the Supplemental Termination Agreement is entered into on normal commercial terms.

LISTING RULES IMPLICATIONS

The settlement of the Remaining Sum pursuant to the Supplemental Termination Agreement constitutes financial assistance provided by the Company within the meaning of the Listing Rules. As certain applicable percentage ratios under Rule 14.07 of the Listing Rules in respect of the settlement of the Remaining Sum under the Supplemental Termination Agreement are more than 5% but less than 25%, the Supplemental Termination Agreement and the transactions contemplated thereunder constitute a discloseable transaction for the Company, and is subject to notification and announcement requirements under Chapter 14 of the Listing Rules.

As the amount of the Remaining Sum does not exceed 8% under the assets ratio as defined under Rule 13.13 of the Listing Rules, the Supplemental Termination Agreement is not subject to the general disclosure obligations under Rule 13.15 of the Listing Rules.

The Company will make further announcement on the receipt of the Remaining Sum under the Supplemental Termination Agreement in due course.

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

Hong Kong, 22 June 2015

As at the date of this announcement, 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. Chen Yuyang; and three independent non-executive Directors, namely Mr. Wong Kwai Sang, Mr. Ong Chi King, and Mr. Heung Chee Hang Eric.