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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)

COMPLETION OF THE MAJOR AND CONNECTED TRANSACTION AND ISSUE OF PROMISSORY NOTE

References are made to the announcements of China Environmental Resources Group Limited (the “**Company**”) dated 26 March 2015, 30 April 2015, 29 May 2015 and 15 June 2015 respectively and the circular of the Company dated 15 June 2015 (the “**Circular**”) in relation to, among other things, the Acquisition. Unless otherwise specified, capitalised terms used in this announcement shall have the same meanings as those defined in the Circular.

The Board is pleased to announce that all the conditions precedent under the SPA have been fulfilled or waived, and the Completion took place on 3 July 2015. Pursuant to the terms of the SPA, the Transaction Consideration is subject to the adjustment for the difference in the audited Completion Accounts and the draft Completion Accounts as set out in the SPA. The final Transaction Consideration has been fixed at HK\$138,255,775. The balance of the final Transaction Consideration of HK\$96,255,775 (calculated with reference to the Apportionment Account and the draft Completion Accounts delivered by the Vendors pursuant to the SPA) has been satisfied by the Company upon Completion as to (i) HK\$60,000,000 by issue of the Promissory Note; and (ii) the remaining balance has been paid by the Company in cash.

Upon Completion, the Target Company becomes an indirect wholly-owned subsidiary of the Company and the financial results of the Target Company will be consolidated into the accounts of the Group.

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

Hong Kong, 3 July 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.