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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)

Clarification Announcement

Reference is made to the announcement of China Environmental Resources Group Limited (the “Company”) dated 21 November 2013 (the “Announcement”). Capitalised terms used herein shall have the same meanings as those defined in the Announcement unless the context otherwise requires.

In the Announcement, the Board announced, among other things, the shareholding structure of the Company immediately before and after completion of the Open Offer. Due to inadvertently error, the shareholding of Mr. Yeung Chi Hang and Mr. Cheng Tun Nei was mistakenly stated.

The Board would like to replace the whole paragraph headed “SHAREHOLDING STRUCTURE OF THE COMPANY” on page 3 of the Announcement by the following in its entirety:

SHAREHOLDING STRUCTURE OF THE COMPANY

To the best of the Directors’ knowledge, information and belief having made all reasonable enquiry, set out below is the shareholding structure of the Company immediately before and after completion of the Open Offer:

	Immediately before completion of the Open Offer		Immediately after completion of the Open Offer	
	No. of Shares	%	No. of Shares	%
Mr. Yeung Chi Hang (“Mr. Yeung”) (<i>Note 1</i>)	—	—	125,000,000	15.91
Mr. Cheng Tun Nei (“Mr. Cheng”) (<i>Note 1</i>)	—	—	80,378,816	10.23
Public Shareholders	—	—		
Other subscriber procured by the Underwriter	—	—	70,000,000	8.91
Other Public Shareholders	<u>182,723,748</u>	<u>100.00</u>	<u>510,333,274</u>	<u>64.95</u>
	<u>182,723,748</u>	<u>100.00</u>	<u>785,712,090</u>	<u>100.00</u>

Notes:

1. Save as Mr. Cheng is the ultimate beneficial owner of the Underwriter, Mr. Yeung and Mr. Cheng are businessmen and each of them does not have any relationship, either personal or business, directly or indirectly with the Group. To the best of the Directors’ knowledge, information and belief, immediately before completion of the Open Offer, each of Mr. Yeung and Mr. Cheng is an Independent Third Party. Immediately after completion of the Open Offer and as a result of taking up 125,000,000 untaken Offer Shares by Mr. Yeung and 80,378,816 untaken Offer Shares by Mr. Cheng, Mr. Yeung and Mr. Cheng will be interested in 125,000,000 Shares and 80,378,816 Shares respectively, representing approximately 15.91% and 10.23% of the issued share capital of the Company as enlarged by the Offer Shares respectively, and each of them will become a substantial Shareholder.
2. The Underwriter has confirmed that the subscriber and its ultimate beneficial owners are Independent Third Parties and holds less than 10% of the issued share capital of the Company as enlarged by the Offer Shares.

The Board apologize for any inconvenience caused.

By order of the Board
China Environmental Resources Group Limited
Kwok Wai, Wilfred
Executive Director

Hong Kong, 26 November 2013

As at the date of this announcement, the Board comprises three executive Directors, namely Mr. Kwok Wai, Wilfred, Mr. Leung Kwong Choi and Mr. Wong Po Keung; and three independent non-executive Directors, namely Mr. Wong Kwai Sang, Mr. Christopher David Thomas and Mr. Chan Ka Yin.