

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)

MEMORANDUM OF UNDERSTANDING

This announcement is made by the Company pursuant to Rule 13.09 of the Listing Rules and Inside Information Provisions under Part XIVA of the SFO.

The Board is pleased to announce that on 21 September 2017 (after trading hours), the Company and the Issuer (collectively, the “**Parties**”) entered into the MOU relating to the proposed subscription for new shares (the “**New Shares**”) to be issued by the Issuer in such subscription amount (the “**Subscription Amount**”) as may be agreed by the Parties under which the Company shall be entitled to subscribe for 70% of the enlarged issued share capital of the Issuer upon completion of the issue of the New Shares (the “**Proposed Subscription**”).

A refundable deposit in the amount of HK\$5,000,000 has been paid by the Company to the Issuer upon signing of the MOU (the “**Deposit**”) as earnest money. In the event that the Definitive Agreement (as defined below) is not entered into prior to the Long Stop Date (as defined below), or the MOU is terminated, the Deposit shall be refunded to the Company (or it may direct) in full without interest and without deduction by the Issuer within seven days of such date. In the event of entering into of the Definitive Agreement (as defined below) by the Parties, the Deposit will be applied towards satisfaction of the Subscription Amount or part thereof.

Subject to the Company’s satisfaction of the due diligence inspection as prescribed in the MOU, the Company may subscribe the New Shares in the Subscription Amount and on such terms as may be agreed by the Parties.

Insofar as is practicable, the Parties agree to proceed with the Proposed Subscription in accordance with the following timetable:

- (i) within six (6) months after the signing of the MOU (“**Inspection Period**”), the Company will commence, carry on and complete the due diligence inspection;
- (ii) within seven (7) days after the end of Inspection Period, the Company will notify the Issuer in writing as to whether it will proceed with the Proposed Subscription or any part thereof. For the avoidance of doubt, the Company shall not be required to assign any reason for the decision not to enter into the Proposed Subscription (“**Notice**”); and

“Company”	China Environmental Resources Group Limited (Stock Code: 1130), a company incorporated in the Cayman Islands with limited liability and the Shares of which have a primary listing on the main board of the Stock Exchange and a secondary listing on the Singapore Exchange Securities Trading Limited
“connected person(s)”	has the meaning ascribed thereto under the Listing Rules
“Director(s)”	director(s) of the Company
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Independent Third Party(ies)”	third party(ies) independent of the Company and its connected persons
“Issuer”	a company incorporated in Hong Kong with limited liability
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“MOU”	the memorandum of understanding dated 21 September 2017 entered into between the Issuer and the Company in relation to the proposed subscription for New Shares issued by the Issuer
“PRC”	the People’s Republic of China
“SFO”	Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Share(s)”	ordinary share(s) of HK\$0.02 each in the share capital of the Company
“Shareholder(s)”	holder(s) of Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“%”	per cent.

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

Hong Kong, 21 September 2017

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. Chik To Pan; and three independent non-executive Directors, namely Mr. Wong Kwai Sang, Mr. Ong Chi King and Mr. Heung Chee Hang, Eric.