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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)

FURTHER INFORMATION ANNOUNCEMENT IN RELATION TO PLACING OF NEW SHARES UNDER GENERAL MANDATE

Reference is made to the announcement of China Environmental Resources Group Limited (the “**Company**”) dated 12 March 2018 (the “**Announcement**”) in relation to, amongst others, the placing of new shares under general mandate. Unless otherwise stated, capitalised terms used herein shall have the same meaning as those defined in the Announcement.

The Board wishes to provide further information in respect of the use of proceeds from the Placing.

The net proceeds from the Placing of approximately HK\$84.13 million is intended to be utilised as the general working capital of the Group, of which (i) approximately HK\$24.13 million for operating expenses including salaries, office and shops rental expenses, forest plantation maintenance fee and other office expenses for one year; (ii) approximately HK\$5 million for the overdue payables; (iii) approximately HK\$35 million for the purchase of inventories in the next two months; and (iv) approximately HK\$20 million for the development of the metal recycle business in Hong Kong by September 2018 following the establishment of Peak Environmental Resources Limited

(高源環保產業有限公司) and Samuel Environmental Resources (Hong Kong) Limited (森淼環保產業(香港)有限公司) as disclosed in the announcement of the Company dated 3 November 2017.

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

Hong Kong, 15 March 2018

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.