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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)

VOLUNTARY ANNOUNCEMENT

COMPLETION OF ACQUISITION OF THE ENTIRE ISSUED SHARE CAPITAL OF THE TARGET COMPANY AND THE SALE LOAN

Reference is made to the announcement of China Environmental Resources Group Limited (the “**Company**”) dated 2 May 2018 (the “**Announcement**”) in relation to, among other things, the Acquisition. This announcement is made by the Company on a voluntary basis to provide updated information on the progress of the Acquisition. Unless otherwise specified, capitalised terms used in this announcement shall have the same meanings as those defined in the Announcement.

The Board is pleased to announce that Completion took place on 31 May 2018, which (i) the Purchaser completed acquisition of the Sale Share and the Sale Loan from the Vendor; and (ii) the Purchaser (instead of the Target Company) has entered into the Formal Exclusive Sale Representative Agreement with the PRC Company. The final aggregate amount of consideration in respect of the Acquisition and the entering into of the Formal Exclusive Sale Representative Agreement was HK\$24,115,000 and such amount has been fully paid by the Purchaser.

Upon Completion, the Target Company has become an indirect wholly-owned subsidiary of the Company. Mr. Chan Chi Hung, a consultant appointed by the Group, will be primarily responsible for sales and marketing activities for the Golden Flower Tea Business. Mr. Chan possesses extensive business and political connections. Mr. Chan is the honorary chairman of CCH Group Co., Limited (“CCH”). CCH and its subsidiaries participate in media and cultural sectors. Mr. Chan has over 20 years of experience in various aspects, such as project investments, merger and acquisition, fund raising exercises and administrative management in both Hong Kong and the PRC.

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

Hong Kong, 31 May 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.