

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.

This announcement appears for information purposes only and does not constitute an invitation or offer to acquire, purchase or subscribe for securities.



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)

Website : www.cergreen.com

(Stock Code: 1130)

SUPPLEMENTAL AGREEMENT IN RELATION TO THE CONDITIONAL ACQUISITION OF THE ENTIRE ISSUED SHARE CAPITAL OF ALLY GOAL LIMITED AND COMPLETION

The Board wishes to announce that on 30 September 2010, the Company and the Vendors entered into a Supplemental Agreement to revise certain terms of the Acquisition Agreement and the Completion of the Acquisition has taken place on 30 September 2010.

Reference is made to the announcement (the “**Announcement**”) of the Company dated 11 June 2010 in relation to the acquisition of the 100% equity interest in Ally Goal Limited. Unless otherwise defined herein, terms used in this announcement shall have the same meanings as those defined in the Announcement.

Pursuant to the Acquisition Agreement, the total consideration for the Acquisition is HK\$70,400,000 and shall be satisfied by the Group in full as follows:

1. cash of HK\$20,000,000 is payable upon the Completion Date or such other dates as the parties may agree.
2. the balance of HK\$50,400,000 shall be satisfied by the issue of 700,000,000 Consideration Shares at the price of HK\$0.072 per Consideration Share by the Company to the Vendor (or its nominee(s)) upon the Completion Date or such other dates as the parties may agree.

SUPPLEMENTAL AGREEMENT

On 30 September 2010, the Company and the Vendor entered into a supplemental agreement (“Supplemental Agreement”) to the Acquisition Agreement, pursuant to which the Company shall:

1. pay to the Vendor cash of HK\$20,000,000 on or before 30 November 2010;
2. issue 200,000,000 Consideration Shares at the price of HK\$0.072 per Consideration Share to the Vendor upon obtaining the Listing Committee of the Stock Exchange’s granting the listing of, and permission to deal in the Consideration Shares;
3. the balance of 500,000,000 Consideration Shares shall be issued to the Vendor upon the Target Company’s achievement of the relevant Profit Guarantee(s) during the Profit Guarantee Period(s), the relevant calculation remains unchanged. The Company’s issuance of Consideration Shares shall not be more than 700,000,000 shares in aggregate.

Apart from the aforesaid matters, there is no change to any other terms and conditions of the Acquisition Agreement.

The Group dedicates to develop renewable, sustainable and high value green environmental resources business for the mankind and for the environment, including research and development, manufacture, sale and distribution of plantation, plantation materials, environmental system and biotechnological application.

The Vendor is a company operating in the PRC and principally engaged in the research and development, application and sale of herbal plantation product, biotechnology, green medical application and related products. The management of the Vendor includes Professor Zeng Yi. Professor Zeng is a Distinguished Chinese Scientists who is the internationally reputed expert in medical and virology arenas, presently the Chief Scientist of the National Center for Prevention and Control of AIDS of Ministry of Health of the People’s Republic, the Academician of Chinese

Academy of Sciences, Foreign Member of France National Academy of Medical Sciences and Foreign Member of Russian Academy of Medical Sciences, the Dean of College of Life Science and Bioengineering, Beijing University of Technology, Member of World Health Organization Expert Advisory Panel on Cancer, and Member of Steering Committee of Asia Pacific Leadership Forum on HIV/AIDS and Development (APLF).

The Vendor has the research and management team of international standards in herbal medicinal plants, biotechnology and green medical applications, proprietary technology and intellectual property rights and clientele for related products sale. It will assist the Group's vertical integration of the green business, from the organic waste treatment by environmental system, bio-technological production of microbial organic fertilizer for plantation of organic medicinal herbs, further processing the organic medicinal herbs to high-value green medical and pharmaceutical products.

Having considered the above factors, the Directors are in the view that the Supplemental Agreement is in the interests of the Group and the Shareholders. As the other condition precedents in Acquisition Agreement have been completed, the Board is pleased to announce that Completion of the Acquisition has been taken place on 30 September 2010.

By Order of the Board
China Environmental Resources Group Limited
Kam Yuen
Chairman

Hong Kong, 30 September 2010

As at the date of this announcement, the Board comprises three executive directors, namely Ms. Kam Yuen (Chairman and Chief Executive Officer), Mr. Kwok Wai, Wilfred and Mr. Leung Kwong Choi; and three independent non-executive directors, namely Mr. Cheung Ngai Lam, Mr. Wong Kwai Sang and Mr. Christopher David Thomas.