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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)

COMPLETION OF PLACING OF NEW SHARES UNDER GENERAL MANDATE

Placing Agent



The Board announces that all conditions of the Placing have been fulfilled and the completion of the Placing took place on 13 May 2016. A total of 282,856,352 Placing Shares have been successfully placed by the Placing Agent to not less than six Places at the Placing Price of HK\$0.165 per Placing Share pursuant to the terms and conditions of the Placing Agreement.

Reference is made to the announcement of China Environmental Resources Group Limited (the “**Company**”) dated 26 April 2016 in respect of the Placing (the “**Announcement**”). Unless defined otherwise, capitalised terms used herein have the same meanings as those defined in the Announcement.

COMPLETION OF THE PLACING

The Board announces that all conditions of the Placing have been fulfilled and the completion of the Placing took place on 13 May 2016. A total of 282,856,352 Placing Shares have been successfully placed by the Placing Agent to not less than six Places at the Placing Price of HK\$0.165 per Placing Share pursuant to the terms and conditions of the Placing Agreement.

To the best of the Director's knowledge, information and belief, having made all reasonable enquiries, the Placees and their ultimate beneficial owners are third parties independent of, not acting in concert (as defined in the Takeovers Code) with and not connected with the Company and its connected persons. None of the Placees becomes a substantial shareholder (as defined under the Listing Rules) of the Company upon completion of the Placing. The net proceeds from the Placing, after deducting relevant expenses incurred in relation to the Placing, amount to approximately HK\$45.62 million which is presently expected to be used for (i) setting up new business and funding future investment opportunities; and (ii) general working capital of the Group.

SHAREHOLDING STRUCTURE OF THE COMPANY

The 282,856,352 Placing Shares represent approximately (i) 20.00% of the issued share capital of the Company immediately before completion of the Placing and (ii) approximately 16.67% of the issued share capital of the Company as enlarged by the allotment and issue of the Placing Shares.

Set out below is the shareholding structure of the Company immediately before and after completion of the Placing:

Shareholder	Immediately before completion of the Placing		Immediately after completion of the Placing	
	<i>Number of Shares</i>	<i>Approximate %</i>	<i>Number of Shares</i>	<i>Approximate %</i>
Mr. Yeung Chi Hang ("Mr. Yeung") (Note)	187,500,000	13.26	187,500,000	11.05
Public Shareholders:				
Placees	–	–	282,856,352	16.67
Others	<u>1,226,781,762</u>	<u>86.74</u>	<u>1,226,781,762</u>	<u>72.28</u>
Total	<u>1,414,281,762</u>	<u>100.00</u>	<u>1,697,138,114</u>	<u>100.00</u>

Note:

Mr. Yeung is an executive Director of the Company

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

Hong Kong, 13 May 2016

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.