

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 IN RELATION TO PROPOSED SUBSCRIPTION OF CONVERTIBLE BONDS

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 18 January 2017 (after trading hours), the Company and the Issuer entered into the MOU in relation to the Proposed Subscription. The Proposed Subscription, if materializes, may constitute notifiable transaction for the Company under the Listing Rules.

The MOU is not legally binding with regard to the Proposed Subscription, it may or may not proceed. Shareholders and investors are advised to exercise caution when dealing in the Shares.

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 18 January 2017 (after trading hours), the Company and the Issuer (collectively, the “**Parties**”) entered into the MOU relating to the proposed subscription for convertible bonds (the “**Convertible Bonds**”) issued by the Issuer in such principle amount as may be agreed by the Parties under which the Company shall be entitled to subscribe for 20% share capital of the Issuer at the time of conversion (the “**Proposed Subscription**”).

Subject to the Company’s satisfaction of the due diligence inspection as prescribed in the MOU, the Company may subscribe the Convertible Bonds in such 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 three (3) months after the signing of the MOU (“**Inspection Period**”), the Company will commence, carry on and complete the due diligence inspection;

“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 People’s Republic of China
“Independent Third Party(ies)”	third party(ies) independent of the Company and its connected persons
“Issuer”	a company incorporated in England, the United Kingdom with limited liability
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“MOU”	the memorandum of understanding dated 18 January 2017 entered into between the Issuer and the Company in relation to the proposed subscription for convertible bonds issued by the Issuer
“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, 18 January 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.