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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 Agents



References are made to the announcements of China Environmental Resources Group Limited (the “**Company**”) dated 12 March 2018 (the “**Announcement**”) and 15 March 2018 in relation to, amongst others, the placing of new shares under general mandate. Unless otherwise stated, capitalised terms used herein shall have the same meanings as those defined in the Announcement.

COMPLETION OF PLACING OF NEW SHARES UNDER GENERAL MANDATE

The Board is pleased to announce that all the conditions set out in the Placing Agreement have been fulfilled and the Completion took place on 6 April 2018. An aggregate of 339,400,000 Placing Shares have been successfully placed by the Placing Agents to not less than six Places at the Placing Price of HK\$0.255 per Placing Share pursuant to the terms and conditions of the Placing Agreement. To the best of the Directors’ knowledge, information and belief, having made all reasonable enquiries, the Places and their ultimate beneficial owners are Independent Third Parties.

The net proceeds from the Placing, after deducting the placing commissions and other expenses in connection with the Placing from the gross proceeds, are approximately HK\$84.13 million, which is intended to apply as to (i) approximately HK\$24.13 million for operating expenses including salaries, office and shops rental expenses, forest plantation maintenance fee and expenses for one year; (ii) approximately HK\$5 million for the payables overdue; (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 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.

EFFECTS ON SHAREHOLDING STRUCTURE

The 339,400,000 Placing Shares represent approximately 20% of the issued share capital immediately before the Completion and approximately 16.67% of the issued share capital of the Company immediately upon the Completion. Set out below is the shareholding structure of the Company immediately before and upon the Completion:

	Immediately before Completion		Immediately upon Completion	
	<i>No. of Shares</i>	<i>Approx. %</i>	<i>No. of Shares</i>	<i>Approx. %</i>
Shareholders				
Yeung Chi Hang	187,500,000	11.05	187,500,000	9.21
Li Xiao Wu	186,318,000	10.98	186,318,000	9.15
Placees and other public Shareholders	<u>1,323,320,114</u>	<u>77.97</u>	<u>1,662,720,114</u>	<u>81.64</u>
Total	<u>1,697,138,114</u>	<u>100.00</u>	<u>2,036,538,114</u>	<u>100.00</u>

Notes: The percentages are subject to rounding error, if any.

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

Hong Kong, 6 April 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.