

Monthly Return of Equity Issuer on Movements in Securities

For the month ended (dd/mm/yyyy) :28/2/2011

To : Hong Kong Exchanges and Clearing Limited

| Name of Issuer | China Environmental Resources Group Limited |
|----------------|---|
| Date Submitted | 04/03/ 2011 |

I. Movements in Authorised Share Capital

| 1. Ordinary Shares | | | |
|--------------------------------------|------------------------|----------------------------------|---|
| (1) Stock code : <u>1130</u> Descrip | ption : | | |
| | No. of ordinary shares | Par value (HK\$) | Authorised share capital (HK\$) |
| Balance at close of preceding month | 6,000,000,000 | 0.05 | 300,000,000 |
| Increase/(decrease) | | | |
| Balance at close of the month | 6,000,000,000 | 0.05 | 300,000,000 |
| (2) Stock code :Descrip | ption : | | |
| | No. of ordinary shares | Par value (State currency) | Authorised share capital (State currency) |
| Balance at close of preceding month | N/A | | |
| Increase/(decrease) | | | |
| Balance at close of the month | | | |

2. Preference Shares

| Stock code :Descr | ription : | | |
|-------------------------------------|--------------------------|----------------------------------|---|
| | No. of preference shares | Par value (State currency) | Authorised share capital (State currency) |
| Balance at close of preceding month | N/A | | |
| Increase/(decrease) | | | |
| Balance at close of the month | . <u> </u> | | |

3. Other Classes of Shares

| Stock code :Description : | | | | | |
|-------------------------------------|--------------------------------|----------------------------------|---|--|--|
| | No. of other classes of shares | Par value (State currency) | Authorised share capital (State currency) | | |
| Balance at close of preceding month | N/A | | | | |
| Increase/(decrease) | | | | | |
| | | | | | |
| Balance at close of the month | | | | | |

Total authorised share capital at the end of the month (*State currency*) : [H]

HK\$300,000,000

II. Movements in Issued Share Capital

| | No. of ordinary shares | | No of preference | No. of other classes |
|--|------------------------|-----|------------------|----------------------|
| | (1) | (2) | shares | of shares |
| Balance at close of preceding month | 2,119,051,800 | N/A | N/A | N/A |
| Increase/ (decrease) during the month | N/A | N/A | N/A | <u>N/A</u> |
| Balance at close of the month | 2,119,051,800 | N/A | N/A | N/A |

III. Details of Movements in Issued Share Capital

| Particulars of share option scheme including EGM | | | | | No. of new shares of issuer issued during the month pursuant | No. of new shares of issuer which may be issued pursuant thereto |
|--|--------------|-------------------|----------------|--------------|--|--|
| approval date | | Movement duri | ng the month | | thereto | as at close of the mont |
| (dd/mm/yyyy) and - | | Wovement dur | ing the month | | - | |
| class of shares | | | | | | |
| issuable | Granted | Exercised | Cancelled | Lapsed | | |
| 1. Share Option | | | | | | |
| Scheme | | | | | | |
| granted on | | | | | | |
| 07/08/2009 | | | | | | |
| Exercise price: | | | | | | |
| HK\$0.585 | | | | | | |
| (16/12/2005) | | | | | | |
| ordinary shares | Nil | Nil | Nil | Nil | Nil | 79,212,000 |
| (Note 1) | | | | | | |
| 2. Share Option | | | | | | |
| Scheme | | | | | | |
| granted on | | | | | | |
| 19/01/2010 | | | | | | |
| Exercise price: | | | | | | |
| HK\$0.435 | | | | | | |
| (16/12/2005) | | | | | | 20 100 000 |
| ordinary shares | Nil | Nil | Nil | Nil | Nil | 39,100,000 |
| (Note 1) | | | | | | |
| 3. Share Option | | | | | | |
| Scheme | | | | | | |
| granted on | | | | | | |
| 26/05/2010 | | | | | | |
| Exercise price: HK\$0.375 | | | | | | |
| (16/12/2005) | | | | | | |
| | | | | | | 60,264,000 |
| ordinary shares | Nil | Nil | Nil | Nil | Nil | |
| (Note 1) | | Т | otal A. (Ordin | ary shares) | N/A | |
| | | 10 | | nce shares) | | |
| | | | | Other class) | | |
| otol fundo | ing the mart | from or | | Julei (1855) | 11/12 | |
| otal funds raised dur ptions (State currenc | | i from exercise o | of N/A | | | |

| Description of warra (Date of expiry - dd/ | | nominal | Nominal valu close of preceding mo | du | tercised ring the nonth | Nominal value at close of the month | No. of new shares of issuer issued during the month pursuant thereto | No. of new shares of issuer which may be issued pursuant thereto as at close of the month |
|---|---------|---------|--|----------|-------------------------------|---|--|--|
| <u>1. N/A</u> | , | | | | | | | |
| | | | | | | | | |
| (/ /) Stock code (if Class of shares issuable (<i>Note</i> Subscription pr | listed) | | | | | | | |
| EGM approval (if applicable) | date | | | | | | | |
| (dd/mm/yyyy) | | (/ / |) | | | | | |
| <u>2. N/A</u> | | | | | | | | |
| (/ /) Stock code (if) Class of shares issuable (Note | listed) | | | | | | | |
| Subscription pr EGM approval (if applicable) (dd/mm/yyyy) 3. N/A | | (/ / |) | | | | | |
| | | | | | | | | |
| (/ /) Stock code (if) Class of shares issuable (Note | listed) | | | | | | | |
| Subscription pa EGM approval (if applicable) (dd/mm/yyyy) | | (/ / |) | | | | | |
| <u>4. N/A</u> | | | | | | | | |
| (/ /) Stock code (if Class of shares issuable (<i>Note</i> | listed) | | | | | | | |
| Subscription pr EGM approval (if applicable) (dd/mm/yyyy) | | (/ / |) | | | | | |
| | | | 1 | Fotal B. | (Prefere | nary shares) <u>Nil</u> ence shares) <u>N/A</u> Other class) <u>N/A</u> | | - - - |

For Main Board and GEM listed issuers

| Class and description | Currency of amount | Amount | | | Amount at close of the month | No. of new shares of issuer issued during the month pursuant thereto | No. of new shares of issuer which may be issued pursuant thereto as at close of the month |
|---|---|----------|---------|----------|---|--|---|
| 1. Convertible notes | Nil | HK\$16,4 | 469,120 | Nil | HK\$16,469,120 | Nil | 51,466,000 |
| Stock code (if listed) Class of shares issuable (<i>Note 1</i>) Subscription price EGM approval date (if applicable) (dd/mm/yyyy)) 2. N/A Stock code (if listed) Class of shares | <u>N/A</u> Ordinary s HK\$0.320 (20/10/2 |) | | | | | |
| issuable (<i>Note 1</i>) Subscription price EGM approval date (if applicable) (dd/mm/yyyy) 3. N/A | (/ / |) | | | | | |
| Stock code (if listed) Class of shares issuable (<i>Note 1</i>) Subscription price EGM approval date (if applicable) (dd/mm/yyyy) 4. N/A | |) | | | | | |
| Stock code (if listed) Class of shares issuable (<i>Note 1</i>) Subscription price EGM approval date (if applicable) (dd/mm/yyyy) | |) | | (Prefere | nary shares) <u>N/A</u> ence shares) <u>N/A</u> Other class) <u>N/A</u> | | |

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| Full particulars including EGM approval date (dd/mm/yyyy), if applicable, and class of shares issuable: | No. of new shares of issuer issued during the month pursuant thereto | No. of new shares of issuer which may be issued pursuant thereto as at close of the month |
|--|---|--|
| (/ /) shares (Note 1) | | |
| 2 | | |
| | | |
| (/ /) shares (Note 1) Total D. (Ordinary shares) (Preference shares) | Nil N/A | |
| (Other class) | N/A | |

Any other Agreements or Arrangements to Issue Shares of the Issuer which are to be Listed, including Options (other than under Share Option Schemes)

| 1) per instact Class of shares issuable | issuer which may be issued pursuant thereto as at close of | shares of issuer issued during | | | ssued Share Capital | | |
|--|---|-----------------------------------|------|------------------------------------|---------------------|---------------|----|
| I. Rights issue At price : State currency Issue and allotment date : (dd/mm/yyyy) $(///)$ EGM approval date: (dd/mm/yyyy) $(///)$ N/A 2. Open offer At price : State currency Class of shares issuable (Note 1) 2. Open offer At price : State currency Issue and allotment date : (dd/mm/yyyy) 3. Placing At price : State currency Class of shares issuable (Note 1) 3. Placing At price : State currency Class of shares issuable (Note 1) 4. Bonus issue Class of shares issuable currency 4. Bonus issue Issue and allotment date : (dd/mm/yyyy) | the month | | | | | Type of Issue | |
| 1. Rights issue At price : currency date : (dd/mm/yyyy) EGM approval date: (/ /) (dd/mm/yyyy) N/A 2. Open offer At price : State currency Issue and allotment (Mote 1) Issue and allotment (dd/mm/yyyy) N/A 2. Open offer At price : State currency Issue and allotment (dd/mm/yyyy) N/A Same Class of shares issuable (Mote 1) N/A Class of shares issuable N/A (dd/mm/yyyy) N/A 3. Placing At price : State (dd/mm/yyyy) Issue and allotment (dd/mm/yyyy) N/A GM approval date: (/ /) (dd/mm/yyyy) N/A 4. Bonus issue Issue and allotment (/ /) 4. Bonus issue Issue and allotment (/ /) date : (dd/mm/yyyy) (/ /) (/ /) | | | | | | | |
| 2. Open offer At price : State currency Class of shares issuable (Note 1) | | | (//) | | At price : State | Rights issue | 1. |
| NA | | | (//) | | | | |
| 2. Open offer At price : State currency Issue and allotment date : (dd/mm/yyyy) $(///)$ Begin approval date: (dd/mm/yyyy) N/A N/A Class of shares issuable (Note 1) Issue and allotment date : (dd/mm/yyyy) N/A 3. Placing At price : State currency Issue and allotment date : (dd/mm/yyyy) N/A Begin approval date: (dd/mm/yyyy) Issue and allotment date : (dd/mm/yyyy) N/A N/A 4. Bonus issue Issue and allotment date : (dd/mm/yyyy) (///) N/A | · | N/A | | | | | |
| 2. Open offer At price : State currency Issue and allotment date : (dd/mm/yyyy) (/ /) EGM approval date: (/ /) Begins At price : State currency Class of shares issuable (Note 1) N/A 3. Placing At price : State currency Issue and allotment date : (dd/mm/yyyy) (/ /) Begins At price : Class of shares issuable currency N/A Class of shares issuable (dd/mm/yyyy) N/A Class of shares issuable (Note 1) N/A Class of shares issuable (Note 1) N/A 4. Bonus issue Issue and allotment date : (dd/mm/yyyy) (/ /) (/ /) | | | | | | | |
| 2. Open other At price : currency Insert (dd/mm/yyyy) date : (dd/mm/yyyy) EGM approval date: (/ /) N/A 3. Placing At price : State currency Issue and allotment (/ /) N/A 3. Placing At price : State currency Issue and allotment (/ /) N/A Glass of shares issuable (/ /) N/A N/A 3. Placing At price : State currency Issue and allotment (/ /) N/A Glass of shares issuable (/ /) N/A N/A 4. Bonus issue Issue and allotment (/ /) (/ /) 4. Bonus issue Issue and allotment (/ /) (/ /) (Note 1) Issue and allotment (/ /) (/ /) (Note 1) Issue and allotment (/ /) (/) (Note 1) Issue and allotment (/) (/) (Note 1) Issue and allotment (/) (/) | | | (//) | | State | | |
| (dd/mm'yyyy) N/A $(dd/mm'yyyy) $ N/A $(dd/mm'yyyy) $ $(dd/mm'yyyy) $ $(dd/mm/yyyy) $ $(dd/mm/yyyy) $ $EGM approval date: (dd/mm/yyyy) $ N/A $(dd/mm/yyyy) $ N/A $(dd/mm/yyyy) $ $(dd/mm/yyyy)$ | | | | | At price : currency | Open offer | 2. |
| 3. Placing At price : State currency Issue and allotment (///) date : (dd/mm/yyyy) Bonus issue Class of shares issuable (///) (//) date : (dd/mm/yyyy) 4. Bonus issue Issue and allotment (///) Issue and allotment (///) (//) date : (dd/mm/yyyy) | | | (//) | EGM approval date: (dd/mm/yyyy) | | | |
| 3. Placing At price : State currency Issue and allotment date : (dd/mm/yyyy) (/ /) date : (dd/mm/yyyy) Bonus issue Class of shares issuable (/ / /) N/A 4. Bonus issue Issue and allotment date : (dd/mm/yyyy) (/ /) | · | N/A | | | | | |
| 3. Placing At price : State currency Issue and allotment date : (dd/mm/yyyy) (/ /) EGM approval date: (dd/mm/yyyy) N/A N/A 4. Bonus issue Issue and allotment (1 / /) Issue and allotment (1 / /) 4. Bonus issue Issue and allotment (1 / /) Issue and allotment (1 / /) | | | | | | | |
| (dd/mm/yyyy) N/A Class of shares issuable | | | (//) | Issue and allotment | At price : State | Placing | 3. |
| A. Bonus issue Class of shares issuable | | | (//) | | | | |
| 4. Bonus issue (Note 1) 4. Bonus issue Issue and allotment date : (dd/mm/yyyy) | · | N/A | | (dd/mm/yyyy) | | | |
| 4. Bonus issue Issue and allotment (/ /) date : (dd/mm/yyyy) | | | | | | | |
| | | | (//) | Issue and allotment | | Bonus issue | 4. |
| (dd/mm/yyyy) | | | (//) | EGM approval date: | | | |
| <u>N/A</u> | | <u>N/A</u> | | | | | |

| | Type of Issue | | H | For Main I | Boar | d and GEM liste No. of new shares of issuer issued during the month pursuant thereto | d issuers No. of new shares of issuer which may be issued pursuant thereto as at close of the month |
|----|----------------------|------------------------------|--|------------|------|--|--|
| | | - | Class of shares issuable (Note 1) | (/ / | | | |
| 5. | Scrip dividend | At price : State | Issue and allotment date : (dd/mm/yyyy) EGM approval date: (dd/mm/yyyy) | (/ / | | N/A | |
| | | | Class of shares repurchased (<i>Note 1</i>) | | | | |
| 6. | Repurchase of shares | | Cancellation date : (dd/mm/yyyy) EGM approval date: | (/ / | | | |
| | | | (dd/mm/yyyy) | | | N/A | |
| | | | Class of shares redeemed (Note 1) | | | | |
| 7. | Redemption of shares | | Redemption date : (dd/mm/yyyy) | (/ / |) | | |
| | | | EGM approval date: (dd/mm/yyyy) | (/ / |) | N/A | |
| | | | Class of shares issuable (Note 1) | | | | |
| 8. | Consideration issue | At price : State currency | Issue and allotment date : (dd/mm/yyyy) | (/ / |) | | |
| | | | EGM approval date: (dd/mm/yyyy) | (/ / |) | N/A | |
| | | | | | | | |

| | | | H | For Main Boa | ard and GEM liste | d issuers |
|-----|---------------------------|------------------|---|--|---|---|
| | Type of Issue | | | | No. of new shares of issuer issued during the month pursuant thereto | No. of new shares of issuer which may be issued pursuant thereto as at close of the month |
| | | | Class of shares issuable (<i>Note 1</i>) | | | |
| 9. | Capital reorganisation | | Issue and allotment date : (dd/mm/yyyy) | (/ /) | | |
| | | | EGM approval date: (dd/mm/yyyy) | (/ /) | N/A | |
| | | | | | | |
| | | | Class of shares issuable (<i>Note 1</i>) | | | |
| 10. | Other (Please specify) | At price : State | Issue and allotment date : (dd/mm/yyyy) | (/ /) | | |
| | | | EGM approval date: (dd/mm/yyyy) | (/ /) | N/A | |
| | | | | Ordinary shar eference shar (Other cla | res) N/A | - |

| Total increase / (decrease) in ordinary shares during the month (i.e. Total of A to E): | (1) | N/A |
|---|--------|-----------------|
| | (2) | N/A |
| Total increase / (decrease) in preference shares during the month (i.e. Total of A to E): | | N/A |
| Total increase / (decrease) in other classes of shares during the month (i.e. Total of A to E): | - | N/A |
| (These figures should be the same as the relevant figures under II above ("Movements in Iss | ued Sh | are Capital").) |

| Remarks | (if | any) |): |
|---------|-----|------|----|
|---------|-----|------|----|

| Submitted by: Kam Yuen |
|--|
| Sublitted by. <u>Kan Tuen</u> |
| |
| Title: Director |
| |
| (Director, Secretary or other duly authorised officer) |
| |
| |
| |
| |
| |
| Notes : |
| |

- 1. State the class of shares (e.g. ordinary, preference or other).
- 2. If there is insufficient space, please append the prescribed continuation sheet.