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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)

CLARIFICATION ANNOUNCEMENT

Reference is made to the announcement of the grant of share options of the Company dated 20 July 2011 (the "Announcement"). Terms, unless otherwise defined herein, shall have the same meaning as defined in the Announcement.

It was stated in the Announcement that the exercise price of share options granted is HK\$0.132 per Share and the closing price on the date of grant is HK\$0.124 per Share. We hereby clarify that the exercise price of share options granted is **HK\$0.1346** per Share, being the highest of (i) the closing price of **HK\$0.125** per Share as stated in the Stock Exchange's daily quotations sheet on the date of grant; (ii) the average closing price of HK\$0.1346 per Share as stated in the daily quotation sheets issued by the Stock Exchange for the five business days immediately preceding the date of grant; and (iii) the nominal value of HK\$0.05 per Share.

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

Hong Kong, 21 July 2011

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