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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)

TERMINATION OF PLACING AGREEMENT

Reference is made to the announcement of China Environmental Resources Group Limited (the “**Company**”) dated 16 February 2012 (the “**Announcement**”) in relation to the placing of the Convertible Notes of an aggregate principal amount of HK\$20 million by the Placing Agent. The capitalised terms used herein have the same meanings as defined in the Announcement unless otherwise specified.

Pursuant to the terms of the Placing Agreement, the Placing Agreement will terminate and the respective obligations of the parties to the Placing Agreement shall forthwith cease and terminate if the conditions precedent to the Placing Agreement are not fulfilled by 4:00 p.m. on or before 31 March 2012. As certain conditions precedent to the Placing Agreement have not been fulfilled and the Company and the Placing Agent have not agreed to extend the aforesaid long stop date, the Placing Agreement was terminated immediately after 4:00 p.m. on 31 March 2012. Accordingly, no Convertible Notes will be issued by the Company under the Placing Agreement.

The Directors are of the view that the termination of the Placing Agreement would not have any material adverse effect on the financial position and business operation of the Group.

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

Hong Kong, 2 April 2012

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