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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 THE VERY SUBSTANTIAL ACQUISITION IN RELATION TO ACQUISITION OF THE ENTIRE ISSUED SHARE CAPITAL OF CLEAR WISDOM LIMITED

Reference is made to (i) the announcement of China Environmental Resources Group Limited (the “**Company**”) dated 30 December 2013 in respect of, among others, the Company’s proposed acquisition of entire issued share capital of Clear Wisdom Limited; and (ii) announcement dated 28 May 2014 in respect of extension of the Long Stop Date of the Acquisition to 30 September 2014, (collectively, the “**Announcements**”). Unless otherwise expressly indicated, the capitalized terms used herein shall have the same meaning as those defined in the Announcements.

TERMINATION OF THE ACQUISITION

Since certain conditions precedent of the Acquisition will not have been satisfied by the Long Stop Date on 30 September 2014, the Board has decided not to further extend the Long Stop Date and will serve a notice of termination to the Vendor to terminate the Acquisition on 30 September 2014 to request the Vendor to return the Deposit to the Purchaser within 14 days, without any interest, pursuant to the Sale and Purchase Agreement (as supplemented by the Supplemental Agreement and the Second Supplemental Agreement).

The Board considers the termination of the Acquisition shall have no material adverse impact on the existing business operation and financial position of the Group. The Company will continue to explore other suitable investment opportunities to further develop business of the Group.

By Order of the Board
China Environmental Resources Group Limited
Kwok Wai, Wilfred
Executive Director

Hong Kong, 30 September 2014

As at the date of this announcement, the Board comprises five executive Directors, namely Mr. Kwok Wai, Wilfred, Mr. Leung Kwong Choi, Mr. Wong Po Keung, Mr. Yeung Chi Hang and Mr. Chung Siu Wah; and three independent non-executive Directors, namely Mr. Wong Kwai Sang, Mr. Chan Ka Yin and Mr. Ong Chi King.