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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)**

### **INSIDE INFORMATION**

This announcement is made pursuant to Rule 13.09(2)(a) of the Listing Rules and Part XIVA of the Securities and Futures Ordinance (Cap. 571 of the Laws of Hong Kong).

Reference is made to the announcements of China Environmental Resources Group Limited (the “**Company**”) dated 30 December 2013, 21 January 2014, 28 February 2014, 25 April 2014, 28 May 2014, 31 July 2014 and 10 September 2014 in respect of, among others, the Company’s proposed acquisition of entire issued share capital of Clear Wisdom Limited (the “**Announcements**”). Unless otherwise expressly indicated, the capitalized terms used herein shall have the same meaning as those defined in the Announcements.

Reference is further made to the announcement of the Company dated 30 September 2014 and 14 October 2014 whereby the Company announced that it would serve a notice of termination to the Vendor to terminate the Acquisition.

### **TERMINATION OF THE ACQUISITION**

On 28 October 2014 (after trading hours), the Purchaser and the Vendor entered into a termination agreement (the “**Termination Agreement**”) to terminate the Acquisition.

Pursuant to the Termination Agreement, all the terms and conditions of the Sale and Purchase Agreement have ceased to be of any effect and all rights and obligations of the parties thereto (except for the return of Deposit, release of the Share Mortgage and confidentiality obligations under the Sale and Purchase Agreement) have terminated.

As at the date of the Termination Agreement, the Purchaser has paid to the Vendor the Deposit in the sum of HK\$150,000,000 and the Target has executed the Share Mortgage in favour of the Company in respect of the charge of the entire issued share capital of the HK Subsidiary held by the Target to the Company to secure the full refund of the Deposit in accordance with the terms and conditions of the Sale and Purchase Agreement.

Pursuant to the Termination Agreement, the Purchaser and the Vendor have agreed that the Deposit shall be refunded to the Purchaser in the following manner:–

- (i) HK\$60,000,000 shall be repaid on or before 10 November 2014;
- (ii) HK\$45,000,000 shall be repaid on or before 27 January 2015; and
- (iii) HK\$45,000,000 shall be repaid on or before 27 April 2015.

If the Vendor shall fail to effect repayment of the Deposit or any part of it on their due dates as provided by the Termination Agreement, default interest on all overdue sum at the prime rate quoted by The Hongkong and Shanghai Banking Corporation Limited for the time being shall be charged on the amount unpaid from the date due for payment to the date of actual payment (as well as after any judgment).

After the Deposit has been refunded in full to the Purchaser, but in any event no later than 10 business days thereafter, the Purchaser shall procure the Company to release the Share Mortgage.

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.

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

Hong Kong, 28 October 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.*