
THIS PROSPECTUS IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

If you are in any doubt as to any aspect of this prospectus or as to the action to be taken, you should consult your licensed securities dealer, registered institution in securities, bank manager, solicitor, professional accountant or other professional advisers.

If you have sold or transferred all your shares in China Environmental Resources Group Limited, you should at once hand the Prospectus Documents to the purchaser, the transferee or to the bank, licensed securities dealer, registered institution in securities, or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

A copy of each of the Prospectus Documents, together with copies of documents specified in the paragraph headed "Documents delivered to the Registrar of Companies" in Appendix III to this prospectus, have been registered with the Registrar of Companies in Hong Kong as required by Section 342C of the Companies (Winding Up and Miscellaneous Provisions) Ordinance. Neither the Securities and Futures Commission nor the Registrar of Companies in Hong Kong takes any responsibility as to the contents of any of these documents.

Subject to the granting of the listing of and permission to deal in the Offer Shares on the Stock Exchange as well as compliance with the stock admission requirements of HKSCC, the Offer Shares will be accepted as eligible securities by HKSCC for deposit, clearance and settlement in CCASS with effect from the commencement date of dealings in the Offer Shares on the Stock Exchange or such other dates as determined by HKSCC. Settlement of transactions between participants of the Stock Exchange on any trading day is required to take place in CCASS on the second trading day thereafter. All activities under CCASS are subject to the General Rules of CCASS and CCASS Operational Procedures in effect from time to time. You should consult your licensed securities dealer, registered institution in securities, bank manager, solicitor, professional accountant or other professional advisers for details of the settlement arrangements and how such arrangements may affect your rights and interests.

Hong Kong Exchanges and Clearing Limited, The Stock Exchange of Hong Kong Limited and Hong Kong Securities Clearing Company Limited take no responsibility for the contents of any of the Prospectus Documents, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of any of the Prospectus Documents.

The Company has a primary listing on The Stock Exchange of Hong Kong Limited and a secondary listing on the SGX-ST (as defined herein). Shareholders should take note that the Company is not required to observe the continuing listing requirements of the SGX-ST, provided that it undertakes to (i) release all information and documents in English to the SGX-ST at the same time as they are released to The Stock Exchange of Hong Kong Limited; (ii) inform the SGX-ST of any issue of additional securities in a class already listed on the SGX-ST and the decision of The Stock Exchange of Hong Kong Limited; and (iii) comply with such other listing rules as may be applied by the SGX-ST from time to time (whether before or after listing).



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)

**OPEN OFFER OF 471,427,254 OFFER SHARES
AT THE SUBSCRIPTION PRICE OF HK\$0.29 EACH
ON THE BASIS OF ONE OFFER SHARE FOR
EVERY TWO EXISTING SHARES HELD ON THE RECORD DATE**

Underwriter of the Open Offer and financial adviser to the Company



Terms used in this cover page have the same meanings as defined in this prospectus.

It should be noted that the Underwriting Agreement contains provisions granting the Underwriter the right to terminate the obligations of the Underwriter thereunder on the occurrence of certain events. These certain events are set out in the section headed "Termination of the Underwriting Agreement" on page 8 of this prospectus. If the Underwriting Agreement is terminated by the Underwriter or does not become unconditional by 4:00 p.m. on Friday, 28 August 2015, the Open Offer will not proceed.

The latest time for acceptance of and payment for the Offer Shares is at 4:00 p.m. on Wednesday, 26 August 2015. The procedure for application and payment for the Offer Shares are set out on pages 13 and 14 of this prospectus.

It should be noted that the Shares have been dealt in on an ex-entitlement basis from Wednesday, 5 August 2015, and that dealings in Shares will take place whilst the conditions to which the Open Offer is subject remain unfulfilled. Any Shareholder or other person dealing in the Shares up to the date on which all the conditions to which the Open Offer is subject are fulfilled which is expected to be on Friday, 28 August 2015, will accordingly bear the risk that the Open Offer may not become unconditional or may not proceed. Any Shareholder or other person contemplating dealing in the Shares during such period who is in any doubt about his or her position is advised to consult his or her professional advisers.

12 August 2015

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DEFINITIONS

In this prospectus, unless the context otherwise requires, the following expressions have the following meanings:

“acting in concert”	has the meaning ascribed thereto under the Takeovers Code
“Announcement”	the announcement of the Company dated 17 July 2015 in relation to the Open Offer and the Underwriting Agreement
“Application Form(s)”	the form(s) of application in respect of the Open Offer issued to the Qualifying Shareholders to apply for the Offer Shares
“associate(s)”	has the same meaning ascribed to it in the Listing Rules
“Board”	the board of the Directors
“Business Day”	a day (excluding Saturday and other general holidays in Hong Kong and any day on which a tropical cyclone warning no. 8 or above or a “black” rainstorm warning is hoisted or remains hoisted or in effect between 9:00 a.m. and 12:00 noon and is not lowered or discontinued at or before 12:00 noon) on which licensed banks in Hong Kong are generally open for business
“CCASS”	the Central Clearing and Settlement System established and operated by HKSCC
“CDP”	the Central Depository (Pte) Limited, which is the securities clearing and depository house of the SGX-ST
“CDP Depositor(s)”	persons named in the CDP Register maintained by CDP and to whose securities accounts Share(s) have been credited
“CDP Register”	the depository register of CDP Depositors maintained by CDP in respect of book entry securities
“Companies Ordinance”	the Companies Ordinance, Chapter 622 of the Laws of Hong Kong (as amended from time to time)

DEFINITIONS

“Companies (Winding Up and Miscellaneous Provisions) Ordinance”	the Companies (Winding Up and Miscellaneous Provisions) Ordinance, Chapter 32 of the Laws of Hong Kong (as amended from time to time)
“Company”	China Environmental Resources Group Limited (Stock Code: 1130), a company incorporated in Cayman Islands with limited liability and the Shares of which have a primary listing on the main board of the Stock Exchange and a secondary listing on the SGX-ST
“connected person(s)”	has the same meaning ascribed to it in the Listing Rules
“Director(s)”	director(s) of the Company whereupon “Executive Director(s)”, “Independent Non-Executive Director(s)”, etc. shall be construed accordingly
“Group”	the Company and its subsidiaries
“HKSCC”	Hong Kong Securities Clearing Company Limited
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Last Trading Day”	17 July 2015, being the last trading day of the Shares on the Stock Exchange before the release of the Announcement
“Latest Practicable Date”	5 August 2015, being the latest practicable date prior to the date of this prospectus for the purpose of ascertaining certain information referred to in this prospectus
“Latest Time for Acceptance”	4:00 p.m. on 26 August 2015 (or such other time and/or date as the Underwriter may agree in writing with the Company) as the latest date for acceptance of, and payment for, the Offer Shares
“Latest Time for Termination”	4:00 p.m. on 28 August 2015 (or such other time and/or date as the Underwriter may agree in writing with the Company) being the latest time for the Underwriter to terminate the Underwriting Agreement

DEFINITIONS

“Listing Committee”	has the meaning attributed to that term in the Listing Rules
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Newly Acquired Subsidiary”	Harvest Top Development Limited (潤昇發展有限公司) a company incorporated under the laws of Hong Kong whose registered office is situate at Room 2608, 26th Floor, China Resources Building, 26 Harbour Road, Wanchai, Hong Kong
“Non-Qualifying Shareholder(s)”	those Overseas Shareholder(s), and CDP Depositor(s) whose Share(s) are being traded on the SGX-ST and whose name(s) appear(s) on the CDP Register at the close of business on the Record Date, to whom the Board, based on legal opinions provided by legal advisers to the Company and on account of either of the legal restrictions under the laws of the relevant place or requirements of the relevant regulatory body or stock exchange in that place, and/or the time and costs involved in it if the Open Offer were to be offered to such persons, considers it unduly burdensome to, or otherwise necessary or expedient not to, offer the Offer Shares
“Offer Share(s)”	471,427,254 new Shares to be allotted and issued pursuant to the Open Offer
“Open Offer”	the proposed issue by way of an open offer, subject to the fulfillment of certain conditions, of 471,427,254 Offer Shares for subscription by the Qualifying Shareholders on the basis of one (1) Offer Share for every two (2) existing Shares held by the Qualifying Shareholders at the close of business on the Record Date for the Offer Shares at the Subscription Price payable in full on application and otherwise on the terms and subject to the conditions set out in the Underwriting Agreement and the Prospectus Documents
“Overseas Letter”	a letter from the Company to the Non-Qualifying Shareholders explaining the circumstances in which the Non-Qualifying Shareholders are not eligible to participate in the Open Offer

DEFINITIONS

“Overseas Shareholder(s)”	Shareholder(s) whose name(s) appear(s) on the Register of Members at the close of business on the Record Date and whose address(es) as shown on such register is (are) outside Hong Kong at the close of business on the Record Date
“PRC”	The People’s Republic of China
“Prospectus Documents”	this prospectus and the Application Form
“Qualifying Shareholder(s)”	Shareholder(s), other than the Non-Qualifying Shareholder(s), whose name(s) appear(s) on the Register of Members at the close of business on the Record Date
“Record Date”	11 August 2015, being the date by reference to which entitlements to the Open Offer are determined
“Register of Members”	the register of members of the Company maintained by the Registrar from time to time by which the members of the Company (i.e. the Shareholders) and their particulars (including their respective name(s), address(es) and number of Shares held) are registered
“Registrar”	Union Registrars Limited at A18/F., Asia Orient Tower, Town Place, 33 Lockhart Road, Wanchai, Hong Kong
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“SGX-ST”	Singapore Exchange Securities Trading Limited
“Share(s)”	ordinary share(s) of HK\$0.02 each in the issued and unissued capital of the Company
“Shareholder(s)”	holder(s) of the Share(s)

DEFINITIONS

“Shortfall Underwritten Shares”	any Underwritten Shares not accepted by the Qualifying Shareholders or for which duly completed Application Form(s) (accompanied by cheques or banker’s cashier orders for the full amount payable on application which are honoured on first or, at the discretion of the Underwriter, subsequent presentation) have not been lodged for acceptance, or received, as the case may be, on or before the Latest Time for Acceptance
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subscription Price”	HK\$0.29 per Offer Share
“Substantial Shareholder(s)”	has the meaning ascribed thereto under the Listing Rules
“Sub-Underwriter(s)”	the sub-underwriter(s) who has agreed to act as a sub-underwriter in relation to the Offer Shares pursuant to the sub-underwriting agreement with the Underwriter
“Takeovers Code”	the Codes on Takeovers and Mergers and Share Buy-backs published by Securities and Futures Commission
“Underwriter”	Get Nice Securities Limited, a licensed corporation to carry out business in type 1 (dealing in securities), type 4 (advising on securities), type 6 (advising on corporate finance) and type 9 (asset management) regulated activities under the SFO
“Underwriting Agreement”	the underwriting agreement dated 17 July 2015 entered into between the Company and the Underwriter in relation to the Open Offer
“Underwritten Shares”	471,427,254 Offer Shares, being all the Offer Shares, which are fully underwritten by the Underwriter pursuant to the terms of the Underwriting Agreement
“HK\$”	Hong Kong dollar, the lawful currency of Hong Kong
“%” or “per cent.”	percentage or per centum

EXPECTED TIMETABLE

The expected timetable for the Open Offer set out below is indicative only. The expected timetable is subject to change, and any such change will be announced in a separate announcement by the Company as and when appropriate.

Event	2015 (Hong Kong time)
Despatch of the Prospectus Documents to the Qualifying Shareholders and despatch of this prospectus, together with the Overseas Letter, to the Non-Qualifying Shareholders for information only	Wednesday, 12 August
Latest time for acceptance of and payment for the Offer Shares	4:00 p.m. on Wednesday, 26 August
Latest time for Termination of the Underwriting Agreement by the Underwriter and the Open Offer becomes unconditional	4:00 p.m. on Friday, 28 August
Announcement of results of acceptance of the Open Offer	Wednesday, 2 September
Despatch of share certificates for Offer Shares	Friday, 4 September
Despatch of refund cheques if the Open Offer is terminated	Friday, 4 September
Commencement of dealings in Offer Shares on the Stock Exchange	Monday, 7 September
Designated broker starts to stand in the market to provide matching services for odd lot of Shares	Monday, 7 September
Last day for the designated broker to stand in the market to provide matching services for odd lot of Shares	Friday, 25 September

EXPECTED TIMETABLE

EFFECT OF BAD WEATHER ON THE LATEST TIME FOR ACCEPTANCE OF AND PAYMENT FOR THE OFFER SHARES

The latest time for acceptance of and payment for Offer Shares will not take place if there is a tropical cyclone warning signal no. 8 or above, or a “black” rainstorm warning:

- i. in force in Hong Kong at any local time before 12:00 noon and no longer in force after 12:00 noon on Wednesday, 26 August 2015. Instead the latest time for acceptance of and payment for the Offer Shares will be extended to 5:00 p.m. on the same Business Day;
- ii. in force in Hong Kong at any local time between 12:00 noon and 4:00 p.m. on Wednesday, 26 August 2015. Instead the latest time of acceptance of and payment for the Offer Shares will be rescheduled to 4:00 p.m. on the following Business Day which does not have either of those warnings in force at any time between 9:00 a.m. and 4:00 p.m.

If the latest time for acceptance of and payment for the Offer Shares does not take place on Wednesday, 26 August 2015, the dates mentioned in the section headed “Expected Timetable” in this prospectus may be affected. The Company will notify shareholders by way of announcements on any change to the expected timetable as soon as practicable.

TERMINATION OF THE UNDERWRITING AGREEMENT

Notwithstanding anything contained in the Underwriting Agreement, the Underwriter may terminate the arrangement set out in the Underwriting Agreement by notice in writing to the Company at any time prior to the Latest Time for Termination (i.e. 4:00 p.m. on Friday, 28 August 2015 pursuant to the expected timetable), if it becomes aware of the fact that there shall develop, occur, exist or come into effect:

- (1) any new law or regulation or any change in existing laws or regulations in Hong Kong or in which the Company conducts or carries on business; or
- (2) any significant change (whether or not permanent) in local, national or international economic, financial, political or military conditions; or
- (3) any significant change (whether or not permanent) in local, national or international securities market conditions (any moratorium, suspension or material restriction on trading in shares or securities generally on the Stock Exchange due to exceptional financial circumstances or otherwise) or exchange controls; or
- (4) any material adverse change in relation to the business or the financial or trading position or prospects of the Company or any members of the Group which in the sole and absolute opinion of the Underwriter will adversely affect the prospects of the Company or the Open Offer; or
- (5) any event of force majeure including, without limiting the generality thereof, any act of God, war, riot, public disorder, civil commotion, fire, flood, explosion, epidemic, terrorism, strike or lock-out,

and in the reasonable opinion of the Underwriter, such change has or would have a direct, material and adverse effect on the business, financial or trading position or prospects of the Company as a whole.

If, at any time prior to the Latest Time for Termination, the Company commits any breach of or omits to observe any of the obligations or undertakings expressed to be assumed by it under the Underwriting Agreement which breach or omission will have a material and adverse effect of its business, financial or trading position, the Underwriter shall be entitled (but not bound) by notice in writing to the Company to elect to treat such matter or event as releasing and discharging the Underwriter from its obligations under the Underwriting Agreement.

Upon giving of notice of termination pursuant to the Underwriting Agreement, all obligations of the Underwriter under the Underwriting Agreement shall cease and determine and save as provided in the Underwriting Agreement, the obligations of the parties to the Underwriting Agreement shall terminate forthwith provided that the Company shall remain liable to pay to the Underwriter such indemnities, fees and expenses (but not the underwriting commission) referred to in the Underwriting Agreement. If the Underwriter exercises such right, the Open Offer will not proceed.

If the Underwriting Agreement is terminated by the Underwriter or does not become unconditional on or before the Latest Time for Termination, the Open Offer will not proceed. An announcement will thereafter be made by the Company.



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)

Executive Directors:

Mr. Yeung Chi Hang (*Chairman and
Chief Executive Officer*)
Mr. Leung Kwong Choi
Mr. Wong Po Keung
Mr. Chung Siu Wah
Mr. Chen Yuyang

Independent Non-Executive Directors:

Mr. Wong Kwai Sang
Mr. Ong Chi King
Mr. Heung Chee Hang, Eric

Registered office:

Ugland House
South Church Street, P.O. Box 309
George Town, Grand Cayman
Cayman Islands
British West Indies

*Head office and principal place of
business in Hong Kong:*

2/F., Shui On Centre
6-8 Harbour Road
Wanchai
Hong Kong

12 August 2015

To the Qualifying Shareholders and, for information only, the Non-Qualifying Shareholder(s)

Dear Sir or Madam,

**OPEN OFFER OF 471,427,254 OFFER SHARES
AT THE SUBSCRIPTION PRICE OF HK\$0.29 EACH
ON THE BASIS OF ONE OFFER SHARE FOR
EVERY TWO EXISTING SHARES HELD ON THE RECORD DATE**

INTRODUCTION

Reference is made to the Announcement in relation to the proposed Open Offer in the proportion of one (1) Offer Share for every two (2) existing Shares held by Qualifying Shareholders at the close of business on the Record Date.

The purpose of this prospectus is to provide you with further information on the Open Offer, including the Underwriting Agreement, information on procedures for application and payment, and certain financial information and other information in respect of the Group.

LETTER FROM THE BOARD

TERMS OF THE OPEN OFFER

Issue statistics

Basis of the Open Offer	One (1) Offer Share for every two (2) existing Shares held at the close of business on the Record Date
Subscription Price	HK\$0.29 per Offer Share
Number of Shares in issue as at the Record Date	942,854,508 Shares
Number of Offer Shares	471,427,254 Offer Shares
Amount to be raised by the Open Offer	Approximately HK\$136.71 million (before expenses)
Basis of entitlement	Offer Shares will be allotted in proportion of one (1) Offer Share for every two (2) existing Shares held by the Qualifying Shareholders at the close of business on the Record Date. No Offer Share will be offered to the Non-Qualifying Shareholders
Right of excess application	No Qualifying Shareholder is entitled to apply for any Offer Shares in excess to his/her/its entitlement
Underwriter	Get Nice Securities Limited
Number of Underwritten Shares	471,427,254 Offer Shares, being all the Offer Shares, which are fully underwritten by the Underwriter pursuant to the terms of the Underwriting Agreement
Number of Shares in issue upon completion of the Open Offer	1,414,281,762 Shares

As at the Latest Practicable Date, the Company has no outstanding convertible securities, options or warrants in issue which confer any right to subscribe for, convert or exchange into Shares as at the Latest Practicable Date. The 471,427,254 Offer Shares proposed to be allotted and issued represent 50.00% of the Company's issued share capital as at the Latest Practicable Date and approximately 33.33% of the Company's issued share capital as enlarged by the allotment and issue of the 471,427,254 Offer Shares immediately after completion of the Open Offer.

LETTER FROM THE BOARD

Basis of Assured Allotment

The basis of the assured allotment shall be one (1) Offer Share for every two (2) existing Shares held by the Qualifying Shareholders at the close of business on the Record Date at the Subscription Price. Application for all or any part of a Qualifying Shareholder's assured allotment should be made by completing the Application Form and lodging the same with a remittance for the Offer Shares being applied for.

Qualifying Shareholders

The Open Offer is only available to the Qualifying Shareholders. To qualify for the Open Offer, a Shareholder must have been registered as a member of the Company at the close of business on the Record Date and not be a Non-Qualifying Shareholder.

In order to be registered as members on the Register of Members at the close of business on the Record Date, Shareholders must have lodged any transfers of the Shares (with the relevant share certificate(s)) with the Registrar at A18/F, Asia Orient Tower, Town Place, 33 Lockhart Road, Wanchai, Hong Kong on or before 4:30 p.m. on Thursday, 6 August 2015.

The invitation to subscribe for the Offer Shares to be made to the Qualifying Shareholders will not be transferable or capable of renunciation and there will not be any trading in the assured entitlements on the Stock Exchange.

Non-Qualifying Shareholders

The Prospectus Documents are not intended to be registered or filed under the applicable securities legislation of any jurisdiction other than Hong Kong. If there are any Non-Qualifying Shareholders at the close of business on the Record Date, such Non-Qualifying Shareholders may not be eligible to take part in the Open Offer.

Based on the Register of Members on the Latest Practicable Date, the shareholdings of the Non-Qualifying Shareholders comprised of the Overseas Shareholders in the United States of America, the PRC and Singapore and the CDP Depositors, with an aggregate shareholding representing approximately 0.77% of the then issued share capital of the Company. Pursuant to Rule 13.36(2) of the Listing Rules, the Board has made enquiries regarding the legal restrictions with respect to the issue of the Offer Shares to such Non-Qualifying Shareholders.

Having made enquiries regarding the legal restrictions with respect to the issue of the Offer Shares to the Non-Qualifying Shareholders, the Board has formed the view that it is inexpedient to extend the Open Offer to such Non-Qualifying Shareholders due to the time and costs involved in the registration of this prospectus and/or compliance with the applicable legal or regulatory requirements or special formalities if the Open Offer were to be lawfully made to such Non-Qualifying Shareholder(s). The Company will send this prospectus together with the Overseas Letter (but not the Application Form), for information only, to such Non-Qualifying Shareholder(s).

LETTER FROM THE BOARD

Subscription Price

The subscription price of HK\$0.29 per Offer Share is payable in full upon application. The subscription price per Offer Share represents:

- (i) a discount of approximately 41.41% to the closing price of HK\$0.495 per Share as quoted on the Stock Exchange on the Last Trading Day;
- (ii) a discount of approximately 43.03% to the average closing price of HK\$0.509 per Share for the last five consecutive trading days ended on the Last Trading Day;
- (iii) a discount of approximately 32.08% to the theoretical ex-entitlement price of approximately HK\$0.427 per Share based on the closing price of HK\$0.495 per Share as quoted on the Stock Exchange on the Last Trading Day; and
- (iv) a discount of approximately 35.56% to the closing price of HK\$0.45 per Share as quoted on the Stock Exchange on the Latest Practicable Date.

The Subscription Price was determined after arm's length negotiation between the Company and the Underwriter with reference to the prevailing market price of the Shares, the business development and financial position of the Group and the absence of excess application arrangement to the Qualifying Shareholders. The Directors consider that under the Open Offer, each Qualifying Shareholder is entitled to subscribe for the Offer Shares at the same price in proportion to his/her/its existing shareholding in the Company and that the discount of the Subscription Price will lower the further investment cost of the Qualifying Shareholders and encourages them to participate in the Open Offer. The Directors consider that the terms of the Open Offer, including the Subscription Price, are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

Status of the Offer Shares

The Offer Shares, when allotted, issued and fully paid, shall rank *pari passu* in all respects with the then existing Shares in issue on the date of allotment of the Offer Shares, including the right to receive all dividends and distributions which may be declared, made or paid on or after such date.

No application for excess Offer Shares and fractions of the Offer Shares

No application for excess Offer Shares will be available to any Qualifying Shareholders to apply for any Offer Share in excess of their respective assured entitlements since each Qualifying Shareholder will be given equal and fair opportunities to participate in the Company's future development by subscribing for his/her/its assured entitlements under the Open Offer and if an application for excess Offer Shares is arranged, the Company would be required to put in additional efforts and costs to administer the excess application procedures, which is not cost-effective.

LETTER FROM THE BOARD

In order to alleviate the difficulties arising from the existence of odd lots of Shares arising from the Open Offer, the Company has appointed Get Nice Securities Limited to provide matching services for the sale and purchase of odd lots of Shares on a best effort basis during the period between Monday, 7 September 2015 to Friday, 25 September 2015 (both days inclusive). Shareholders who wish to take advantage of this facility should contact Mr. Larry Ng of Get Nice Securities Limited at 10th Floor, Cosco Tower, 183 Queen's Road Central, Hong Kong at telephone number (852) 2970 8000 during office hours of such period. Shareholders should note that successful matching of the sale and purchase of odd lots of the Shares is not guaranteed. Shareholders who are in doubt about this facility are recommended to consult their professional adviser.

Fractional entitlements to the Offer Shares will not be issued to the Qualifying Shareholders but will be aggregated, underwritten and taken up by the Underwriter. The Company will not allot any fractions of the Offer Shares.

Any Shortfall Underwritten Shares, any Offer Shares created by aggregation of fractional Offer Shares and any Offer Shares which the Non-Qualifying Shareholders would otherwise have been entitled (if any) will be underwritten and taken up by the Underwriter.

Procedures for acceptance of and payment for the Offer Shares

For each Qualifying Shareholder, an Application Form is enclosed with this prospectus which entitles the Qualifying Shareholder(s) to whom it is addressed to subscribe for the number of Offer Shares shown thereon. If the Qualifying Shareholder(s) wish(es) to exercise his/their rights to subscribe for all the Offer Shares provisionally allotted to him/them, he/they must lodge the Application Form(s) in accordance with the instructions printed thereon, together with the remittance for the full amount payable on acceptance, with the Registrar, Union Registrars Limited at A18/F., Asia Orient Tower, Town Place, 33 Lockhart Road, Wanchai, Hong Kong, by no later than 4:00 p.m. on Wednesday, 26 August 2015 or such later time and/or date as may be agreed between the Company and the Underwriter.

All remittance(s) must be made in Hong Kong dollars and cheques must be drawn on an account with or banker's cashier orders must be issued by, a licensed bank in Hong Kong and made payable to **"CHINA ENVIRONMENTAL RESOURCES GROUP LIMITED – OPEN OFFER ACCOUNT"** and crossed **"Account Payee only"**.

It should be noted that unless the duly completed and signed Application Form, together with the appropriate remittance, have been lodged with the Registrar by not later than 4:00 p.m. on Wednesday, 26 August 2015, that assured allotments and all rights thereunder will be deemed to have been declined and will be cancelled.

The Application Form contains full information regarding the procedures to be followed if you wish to apply for a number of Offer Shares which is less than your assured allotments. The Application Form is for use only by the person(s) named therein and is not transferable.

LETTER FROM THE BOARD

All cheques or banker's cashier orders will be presented for payment upon receipt and all interests earned on such monies (if any) will be retained for the benefit of the Company. Any application in respect of which the cheque or banker's cashier order is dishonoured on first presentation is liable to be rejected, and in that event the assured allotments and all rights thereunder will be deemed to have been declined and will be cancelled. No receipt will be issued in respect of any Application Form and of any application monies received.

If the conditions of the Open Offer are not fulfilled and/or the Underwriting Agreement is terminated in accordance with its terms by the Latest Time for Termination, the application monies will be refunded, without interest, by sending a cheque made out to the applicant (or in the case of joint applicants, to the first named applicant) and crossed "Account Payee Only", to be despatched by ordinary post to their registered addresses and, in the case of joint applicants, to the registered address of the applicant whose name first appears on the Register of Members at the risk of such applicants on or before Friday, 4 September 2015.

Qualifying Shareholders who do not take up the Offer Shares in full to which they are entitled and the Non-Qualifying Shareholders should note that their shareholdings in the Company will be diluted.

Certificates of the Offer Shares and refund cheques

Subject to the fulfillment of the conditions as set out in the paragraph headed "Conditions of the Open Offer" in this prospectus, share certificates for all fully-paid Offer Shares are expected to be posted on or before Friday, 4 September 2015 by ordinary mail to the Qualifying Shareholders who have validly accepted and applied for (where appropriate), and paid for the Offer Shares by 4:00 p.m. on Wednesday, 26 August 2015 at their own risk. If the Open Offer is terminated, refund cheques will be despatched on or before Friday, 4 September 2015 by ordinary post at the respective Shareholders' own risk.

Applicants(s) will receive one share certificate for all the Offer Shares issued to him/her/it/them.

The dealings in the Offer Shares on the Stock Exchange is expected to commence on Monday, 7 September 2015.

Application for listing

The Company has applied to the Listing Committee of the Stock Exchange for the listing of, and permission to deal in, the Offer Shares. Dealings in the Offer Shares will be subject to the payment of stamp duty, Stock Exchange trading fee and any other applicable fees and charges in Hong Kong.

Subject to the granting of listing of, and permission to deal in, the Offer Shares on the Stock Exchange, the Offer Shares will be accepted as eligible securities by HKSCC for deposit, clearance and settlement in CCASS with effect from the commencement date of dealings in the Offer Shares on the Stock Exchange or such other date as determined by HKSCC. Settlement of transactions between participants of the Stock Exchange on any trading day is required to take place in CCASS on the second trading day thereafter. All activities under CCASS are subject to the General Rules of CCASS and CCASS Operational Procedures in effect from time to time.

LETTER FROM THE BOARD

Conditions of the Open Offer

The Open Offer is subject to the Underwriting Agreement having become unconditional and not being terminated in accordance with its terms on or before the Latest Time for Termination. In addition, the Open Offer is conditional upon the following conditions precedent being fulfilled:

- (i) the Listing Committee of the Stock Exchange granting or agreeing to grant in principle (subject to allotment of Offer Shares) and not having withdrawn or revoked the listing of and permission to deal in all the Offer Shares (in their fully-paid form);
- (ii) the filing and registration of all documents relating to the Open Offer, which are required to be filed or registered with the Registrar of Companies in Hong Kong in accordance with the Companies (Winding Up and Miscellaneous Provisions) Ordinance;
- (iii) the posting of the Prospectus Documents to the Qualifying Shareholders;
- (iv) compliance with and performance of all the undertakings and obligations of the Company and the Underwriter under the terms of the Underwriting Agreement.

In the event that any of the conditions has not been satisfied and/or waived (where applicable) in whole or in part by the Underwriter pursuant to the terms of the Underwriting Agreement and being no later than the Latest Time for Termination (or such other time and/or date as the Company and the Underwriter may determine in writing), the Underwriting Agreement shall determine (save in respect of any rights and obligations which may accrue under the Underwriting Agreement) and no party thereto shall have any claim against the other parties save as provided in the Underwriting Agreement.

If the Underwriting Agreement is terminated, the Open Offer will not proceed.

As at the Latest Practicable Date, none of the above conditions have been fulfilled or waived.

Taxation

Qualifying Shareholders are recommended to consult their professional advisers if they are in any doubt as to the taxation implications of holding or dealing in the Offer Shares. It is emphasized that none of the Company, its Directors or any other parties involved in the Open Offer accept responsibility for any tax effects or liability of holders of the Offer Shares resulting from holding or disposal of, or dealing in of the Offer Shares.

LETTER FROM THE BOARD

UNDERWRITING AGREEMENT

Date	17 July 2015
Underwriter	Get Nice Securities Limited, to the best of the Directors' knowledge, information and belief having made all reasonable enquires, the Underwriter and its ultimate beneficial owners are third parties independent of and not connected with the Company and its connected persons
Number of Shares to be underwritten	The Underwriter has conditionally agreed pursuant to the Underwriting Agreement to underwrite any Shortfall Underwritten Shares, any Offer Shares created by aggregation of fractional Offer Shares and any Offer Shares which the Non-Qualifying Shareholders would otherwise have been entitled (if any) on a fully underwritten basis, being 471,427,254 Offer Shares, subject to the terms and conditions of the Underwriting Agreement
Commission	2% of the aggregate Subscription Price of the Underwritten Shares

The commission rate was determined after arm's length negotiation between the Company and the Underwriter by reference to the existing financial position of the Group, the size of the Open Offer, and the current and expected market conditions. The Board considers the terms of the Underwriting Agreement including the commission rate are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

The Open Offer will be fully underwritten by the Underwriter. Upon completion of the Open Offer in accordance with the terms of the Underwriting Agreement, the public float requirement under the Listing Rules will be complied with.

REASONS FOR THE OPEN OFFER AND USE OF PROCEEDS

The Group is principally engaged in the green businesses of research, development and application of technologies and solutions, manufacture, sale and trading of products, materials, systems and services for green market segments including the environmental markets, agricultural markets, organic markets, green medical markets, green technology markets in the PRC and overseas, money lending business and property investment in Hong Kong.

Based on the Subscription Price of HK\$0.29 per Offer Share and 471,427,254 Offer Shares to be allotted and issued, the gross proceeds to be raised by the Company from the Open Offer will amount to approximately HK\$136.71 million (before expenses). The net proceeds to be raised by the Company from the Open Offer will amount to approximately HK\$131.88 million (after expenses). The Group intends to apply the net proceeds from the Open Offer as to (i) approximately HK\$60 million for the repayment of a promissory note; (ii) approximately HK\$62 million for the expansion of existing money lending business, setting up new business and funding future investment opportunities; and (iii) the remaining balance as general working

LETTER FROM THE BOARD

capital. Reference is made to the circular dated 15 June 2015 (the “Circular”) of the Company in relation to, among other things, the acquisition of the entire issued share capital and shareholder’s loan of the Newly Acquired Subsidiary. It was stated in the Circular that the Board had no concrete plan or intention to (i) repay in full or part of the principal amount of the promissory note before the maturity; and (ii) carrying out any equity fund raising activities for the repayment of the promissory note. However, after the completion of the acquisition and issuance of the promissory note, opportunities for equity fund raising arose and the Board considers that the Open Offer represents a good opportunity to raise funds as the terms of the Open Offer, including the Subscription Price, are fair and reasonable. Besides, the Board is of the view that the repayment of the promissory note will reduce the Company’s gearing level and interest burden which will in turn improve the financial position. Accordingly, the Board considers that the repayment of the promissory note with the proceeds from the Open Offer is in the interest of the Company and its shareholder as a whole.

The Board considers that it is prudent to finance the Group’s long-term growth by long-term financing, preferably in the form of equity. The Board also believes that the Open Offer will enable the Group to strengthen its capital base and to enhance its financial position. The Open Offer will give the Qualifying Shareholders the opportunity to maintain their respective pro-rata shareholding interests in the Company and to continue to participate in the future development of the Group. Accordingly, the Board considers that fund raising through the Open Offer is in the interests of the Company and the Shareholders as a whole.

The Board has considered other fund raising alternatives, including rights issue and bank borrowings. If compared to an open offer, (i) a rights issue would involve extra administrative work and costs for the trading arrangements in relation to nil-paid rights; and (ii) bank borrowings would result in additional interest burden and higher gearing ratio of the Group. As such, the Board is of the view that an open offer is more costs effective and efficient.

Furthermore, the Board considers that the Open Offer is in the interest of the Company and the Shareholders as a whole as it offers all the Qualifying Shareholders an equal opportunity to participate in the enlargement of the capital base of the Company and to allow Qualifying Shareholders an equal opportunity to maintain their proportionate interests in the Company and continue to participate in the future development of the Group should they wish to do so.

WARNING OF THE RISKS OF DEALING IN SHARES

The Open Offer is conditional upon, inter alia, the fulfillment of the conditions as set out under the paragraph headed “Conditions of the Open Offer” in this prospectus. Therefore, the Open Offer may or may not proceed. Any dealings in the Shares up to the date on which all such conditions are fulfilled will accordingly bear the risk that the Open Offer may not become unconditional or may not proceed. Any Shareholders or other persons contemplating dealings in the Shares are recommended to consult their own professional advisers. Shareholders and potential investors of the Company should therefore exercise extreme caution when dealing in the Shares.

LETTER FROM THE BOARD

CHANGES IN SHAREHOLDING STRUCTURE

Set out below is the shareholding structure of the Company assuming that there is no change in the shareholding structure of the Company from the Latest Practicable Date to immediately before completion of the Open Offer:

Name of Shareholders	As at the Latest Practicable Date		Immediately after completion of the Open Offer assuming all Qualifying Shareholders take up their respective entitlements under the Open Offer in full		Immediately after completion of the Open Offer assuming no Qualifying Shareholder takes up any of the Offer Shares and the Underwriter takes up the Offer Shares to the maximum extent	
	Number of Shares	%	Number of Shares	%	Number of Shares	%
	<i>(approx.)</i>		<i>(approx.)</i>		<i>(approx.)</i>	
Mr. Yeung Chi Hang ("Mr. Yeung") <i>(Note 1)</i>	125,000,000	13.26	187,500,000	13.26	125,000,000	8.84
Mr. Cheng Tun Nei	80,378,816	8.53	120,568,224	8.53	80,378,816	5.68
Mr. Chu Ying Man	70,000,000	7.42	105,000,000	7.42	70,000,000	4.95
Public Shareholders						
Other Shareholders	667,475,692	70.79	1,001,213,538	70.79	667,475,692	47.20
The Underwriter <i>(Note 2)</i>	-	-	-	-	471,427,254	33.33
Total	942,854,508	100.00	1,414,281,762	100.00	1,414,281,762	100.00

Notes:

- Mr. Yeung is an executive Director of the Company.
- This scenario is for illustration purpose only. The Underwriter has sub-underwritten or will sub-underwrite its underwriting obligations under and subject to the terms of the Underwriting Agreement to Sub-Underwriters such that each of the Underwriter and the Sub-Underwriters (together with their respective parties acting in concert as defined in the Takeovers Code) will not subscribe, for their own account, for such number of Offer Shares not taken up by the Qualifying Shareholders which will result in their shareholding in the Company to exceed 10.00% of the then issued share capital of the Company. Each of the Underwriter and the Sub-Underwriters (and their respective ultimate beneficial owners) (i) is not a party acting in concert with each other; and (ii) is not a party acting in concert with the Company, any of the Directors, chief executive and substantial Shareholders of the Company, the Company's subsidiaries, and their respective associates.

In the event that the Underwriter or any of the Sub-Underwriters is required to take up the Offer Shares pursuant to its underwriting obligations under the Underwriting Agreement, the Underwriter or such Sub-Underwriter will procure independent placees to take up such number of Offer Shares as may be necessary to ensure that the public float requirements under Rule 8.08 of the Listing Rules are complied with.

LETTER FROM THE BOARD

As at the Latest Practicable Date, the Board noted that Mr. Yeung Chi Hang, an Executive Director and also a Substantial Shareholder of the Company, had indicated that he would take up all the Offer Shares to be provisionally allotted or offered to him.

Save as disclosed above, the Board had not received any information from any Substantial Shareholders of their intention to take up the Offer Shares to be provisionally allotted or offered to them under the Open Offer.

The Company will take all reasonable steps to monitor the public float of the Company from time to time.

Shareholders and public investors should note that the above shareholding changes are for illustration purposes only and the actual changes in the shareholding structure of the Company upon completion of the Open Offer are subject to various factors including the results of the acceptance of the Open Offer. Further announcement will be made by the Company in accordance with the Listing Rules following the completion of the Open Offer upon which the Offer Shares are allotted and issued.

FUND RAISING ACTIVITIES OF THE COMPANY WITHIN TWELVE MONTHS TO THE LATEST PRACTICABLE DATE

The Company has not conducted any fund raising activities in the past twelve months immediately before the Latest Practicable Date.

IMPLICATIONS UNDER THE LISTING RULES

Since the Open Offer will not increase the issued share capital or the market capitalization of the Company by more than 50% within the twelve-month period immediately preceding the Latest Practicable Date and the Open Offer is offered to the Qualifying Shareholders in proportion to their existing shareholdings in the Company and the Open Offer is fully underwritten by the Underwriter who is not a director, chief executive or substantial shareholder of the Company (or an associate of any of them), there is no requirement under the Listing Rules for the Open Offer to be approved by the Shareholders in a general meeting.

ADDITIONAL INFORMATION

Your attention is drawn to the information set out in the appendices to this prospectus.

On behalf of the Board
China Environmental Resources Group Limited
Yeung Chi Hang
Chairman and Chief Executive Officer

1. THREE YEARS' SUMMARY OF FINANCIAL RESULTS

Financial information of the Group for each of the three years ended 30 June 2012, 30 June 2013 and 30 June 2014 and six months ended 31 December 2014 are disclosed in the following documents which have been published on the website of the Stock Exchange (<http://www.hkexnews.hk>) and the website of the Company (<http://www.greencer.com/>):

- annual report of the Company for the year ended 30 June 2012 published on 18 October 2012 (page 32 to 113).
- annual report of the Company for the year ended 30 June 2013 published on 24 October 2013 (page 30 to 100).
- annual report of the Company for the year ended 30 June 2014 published on 17 October 2014 (page 40 to 95).
- Interim report of the Company for the six month ended 31 December 2014 published on 2 March 2015 (page 4 to 25).

Financial information of the Newly Acquired Subsidiary for each of the three years ended 31 December 2012, 31 December 2013 and 31 December 2014 have been disclosed in the accountants' report as contained in the circular of the Company dated 15 June 2015. The said circular has been published on the website of the Stock Exchange (<http://www.hkexnews.hk>) and the website of the Company (<http://www.greencer.com/>).

2. INDEBTEDNESS STATEMENT

Borrowings

As at the close of business on 30 June 2015, being the latest practicable date for the purpose of ascertaining the indebtedness of the Group prior to the printing of this Prospectus, the Group had no bank and other borrowings.

Operating commitment

The Group entered into non-cancellable operating lease arrangements for (i) office premises with fixed rental for an average term of 2 to 3 years; and (ii) contracted to use and operate certain plantation land with an initial lease term of thirty years with fixed annual concession fee. The following table sets forth the future minimum lease payments under non-cancellable operating leases of which the Group acts as lessee as at the close of business on 30 June 2015:

	<i>HK\$'000</i>
Within one year	1,948
In the second to fifth year inclusive	150
After five years	<u>675</u>
	<u><u>2,773</u></u>

Off balance sheet arrangements

Save as disclosed above and apart from intra-group liabilities and normal trade payables in the ordinary course of business, as at the close of business on 30 June 2015, the Group did not have any other outstanding mortgages, charges, debentures or other loan capital, bank overdrafts or loans, other similar indebtedness, finance lease or hire purchase commitments, liabilities under acceptance or acceptance credits, guarantees or other material contingent liabilities.

3. WORKING CAPITAL

The Directors are of the opinion that, taking into account the cash flows generated from the operating activities, the financial resources available to the Group including internally generated funds, the available credit facilities and the estimated net proceeds from the Open Offer, the Group has sufficient working capital for its present requirements, that is for at least the next twelve months from the date of this prospectus.

4. MATERIAL ADVERSE CHANGE

As the Latest Practicable Date, the Directors were not aware of any material adverse change in the financial or trading position of the Group since 30 June 2014, being the date to which the latest published audited consolidated financial statements of the Group were made up.

5. MATERIAL ACQUISITIONS AFTER THE LATEST FINANCIAL STATEMENTS

Subsequent to the latest published audited financial statements for the year ended 30 June 2014, the Company engaged in the following material acquisition:

Acquisition of the entire issued share capital of Newly Acquired Subsidiary and a shareholder's loan

On 3 July 2015, Prima Choice Limited, a wholly-owned subsidiary of the Company, completed its acquisition of the entire issued share capital of Newly Acquired Subsidiary and a shareholder's loan from Fortune Group Investment Limited and Winbo Property Limited, both connected persons of the Company, for a consideration of HK\$138,255,775, which was satisfied as to (i) HK\$60,000,000 by the issue of a promissory note; and (ii) the remaining consideration in cash. Newly Acquired Subsidiary is a property holding company and the registered owner of the property which comprises (i) 72 car parking spaces located at Harbour View Garden, Nos. 2-2F and 4-4C Catchick Street and No. 1B Sands Street, Kennedy Town, Hong Kong; and (ii) 23 car parking spaces located at Harbour View Garden Tower III, Nos. 6-6C Catchick Street and No. 21 North Street, Kennedy Town now known as No. 2 Catchick Street, Hong Kong. For further information of Newly Acquired Subsidiary, please refer to the "Letter from the Board" set out in the circular of the Company dated 15 June 2015. Following the completion of the acquisition, Newly Acquired Subsidiary became an indirect wholly-owned subsidiary of the Company.

Please refer to the announcements of the Company 26 March 2015, 30 April 2015, 29 May 2015, 15 June 2015 and 3 July 2015 and the circular of the Company dated 15 June 2015 in relation to the above acquisition.

No variation in the remuneration payable to and benefits in kind receivable by the Directors was involved in relation to the above acquisition.

Save for the material acquisition disclosed above, the Group does not have any material acquisitions after the latest published audited financial statements.

6. BUSINESS REVIEW

The Group is principally engaged in the green businesses of research, development and application of technologies and solutions, manufacture, sale and trading of products, materials, systems and services for green market segments including the environmental markets, agricultural markets, organic markets, green medical markets, green technology markets in the PRC and overseas, money lending business and property investment in Hong Kong.

As mentioned in the interim report of the Company for the six months ended 31 December 2014, the turnover of the Group decreased by 47% to HK\$2,700,000 (2013: HK\$5,142,000) and gross profit of HK\$900,000 (2013: HK\$2,980,000) was recorded. Loss for the six months ended 31 December 2014 arrived at HK\$11,007,000 as compared to loss of HK\$18,388,000 of corresponding period of last year.

Plantation Materials

The trading business of plantation materials recorded no turnover for the six months ended 31 December 2014 (2013: approximately HK\$530,000).

Plantation Products

Considering the risks and uncertainties involved with unprecedented varieties and scale of natural disasters in the world and in PRC, the Group scaled down its original plan of herbal crops plantation of approximately 10,000 Chinese Mu Unplanted Land to approximately 1,450 Chinese Mu for organic herbal crops of Chinese wolfberry. The revised plantation plan reduced the risks and uncertainties of the adverse impact on the newly grown saplings which are highly vulnerable to natural disasters and availed more resources for protection of the Group's existing poplar trees assets on the Plantation Land Zone D against weather natural disasters.

There was no turnover on the sale of plantation products for the six months period ended 31 December 2014 (2013: Nil).

Green Technology

The green technology segment comprises the research and development, project establishment, application and sale of green and environmental product, technology, service and related products for sustainable development. The green technology segment commanded higher gross profit margin of about 33% for the period and contributed the major turnover and profit for the Group. For the six months ended 31 December 2014, technology income recorded approximately HK\$2,700,000 (2013: HK\$4,612,000), representing the Group's major source of revenue.

Money Lending Business

On 18 December 2014, the Group obtained the money lenders license. The Directors consider it will be beneficial to the Company to explore new opportunities in the money lending business to broaden its source of income and expand the business operations in order to generate profits and return for the Company and the Shareholders.

Property Investment in Hong Kong

On 3 July 2014, the Group completed a major and connected transaction, namely, the acquisition of the entire issued share capital and shareholder's loan of the Newly Acquired Subsidiary which directly holds, inter alia, 95 car parking spaces located in Kennedy Town, Hong Kong in a total consideration of HK\$138,255,775. The Directors consider that it is beneficial for the Group to seek suitable investment opportunities from time to time to diversify its existing business portfolio into new line of business with growth potential and to broaden its source of income.

7. FINANCIAL AND TRADING PROSPECTS

As at the Latest Practicable Date, the Group is principally engaged in the green businesses of research, development and application of technologies and solutions, manufacture, sale and trading of products, materials systems and services for green market segments including the environmental markets, agricultural markets, organic markets, green medical markets and green technology markets in the PRC and overseas, money lending business and property investment in Hong Kong.

In coming year, the Group will continue to develop its existing businesses. Business development of the Group will continue to be monitored by the management of the Group where periodic business performance review will be conducted. Based on the results of the business review, the Group will allocate appropriate resources to different business segments of the Group depending on the then business environment and performance of each segment with the view of improving its business performance.

Concurrently, the Group will continue its business growth strategy in exploring suitable investment opportunities from time to time for diversifying and expanding the business scope of the Group for enhancing its earnings and maximizing its Shareholders' value.

As mentioned in the interim report of the Company for the six months ended 31 December 2014, during the period under review, the Group recorded a loss attributable to owners of the Company of approximately HK\$10.9 million as compared to approximately HK\$18.5 million in corresponding period in 2013. The loss per share for the six months ended 31 December 2014 was approximately HK\$1.17 cents.

China has a population of approximately 1.3 billion, which is accounted for 22% of the world's population. In contrast, the cultivable land in China is only 1.826 billion Chinese mu, which is accounted for 7% of world's total cultivable land. The PRC Government continuously placed strategic importance on the "Three Rural Issues". The <Twelfth Five-Year Plan for National Economic and Social Development> (the "12th Five-Year Plan"), formulating the next phase of economic growth for 2011-2015, reiterated the modernization of agriculture and accelerated establishment of modern agricultural village. Regarding environmental aspect, the average growth rate of energy consumption were approximate 10% per annum for last five years. The Chinese government would continue to commit to environmental improvements for energy saving and low-carbon economy. The 12th Five-Year Plan targeted to achieve 16% decrease in energy consumption of production by 2015 as compared to 2010.

Having based on the above sectors blessed by China' prioritized policies, the Group will continue to capitalize the green business opportunities stimulated by supportive government policies and uprising green markets. However, the sluggish economies of most developed countries' economies, global financial markets turbulences and slowing PRC economic growth will continue to cloud the economic development of PRC in next few years. In addition, the scale, intensity, frequency and related economic loss of natural disasters in the world as well as in PRC caused by the global climate change will continue to become extreme uncertainties and risks for the Group's operating activities.

With regard to property investment in Hong Kong, the Directors view that the said acquisition of the Newly Acquired Subsidiary which holds, *inter alia*, 95 car parking spaces located in Kennedy Town, Hong Kong completed on 3 July 2015 will diversify the income source and will result in an enlarged asset portfolio of the Group. Under prevailing economic environment, the Directors consider that investing in the property market in Hong Kong is a relatively prudent investment option for providing the Group with a steady income stream and for capturing capital appreciation potential in Hong Kong property market.

As at the Latest Practicable Date, the remaining balance of a refundable deposit in the sum of HK\$70 million in relation to a terminated acquisition proposal of a hotel business (the "Remaining Deposit") is still outstanding and yet to be refunded to the Group. It should be noted that the Remaining Deposit has been charged over the entire equity interest of a Hong Kong company which directly holds the said hotel business. The Remaining Deposit would be refunded to the Group on 19 November 2015 pursuant to a supplemental termination agreement entered into by the relevant parties on 18 June 2015.

I. UNAUDITED PRO FORMA STATEMENT OF ADJUSTED CONSOLIDATED NET TANGIBLE ASSETS OF THE GROUP

A. Introduction

The following is the unaudited pro forma statement of adjusted consolidated net tangible assets of the Group as at 31 December 2014 (the “Unaudited Pro Forma Financial Information”) which has been prepared by the Directors in accordance with paragraph 4.29 of the Listing Rules to illustrate the effects of the Open Offer on the unaudited consolidated net tangible assets of the Group attributable to owners of the Company as if the Open Offer had taken place on 31 December 2014.

The Unaudited Pro Forma Financial Information is prepared based on the unaudited net tangible assets of the Group attributable to owners of the Company as at 31 December 2014, as extracted from the published interim report of the Group for the six months ended 31 December 2014, and is adjusted for the effect of the Open Offer.

The Unaudited Pro Forma Financial Information of the Group has been prepared for illustrative purpose only, based on the judgements, estimates and assumptions of the Directors, and because of its hypothetical nature, it may not give a true picture of the financial position of the Group had the Open Offer actually been completed as at 31 December 2014 or at any future date.

B. Unaudited Pro Forma Financial Information

	Unaudited consolidated net assets of the Group attributable to owners of the Company as at 31 December 2014	Adjustment for intangible asset of the Group attributable to owners of the Company as at 31 December 2014	Adjusted unaudited consolidated net tangible assets of the Group attributable to owners of the Company as at 31 December 2014	Estimated net proceeds from the Open Offer	Adjusted unaudited pro forma consolidated net tangible assets of the Group attributable to the Owners of the Company upon completion of the Open Offer
	HK\$'000 (Note 1)	HK\$'000 (Note 2)	HK\$'000	HK\$'000 (Note 3)	HK\$'000
Based on 471,427,254 Offer Shares to be issued at subscription price of HK\$0.29 per Offer Share	832,784	(126,807)	705,977	131,880	837,857

HK\$

Adjusted unaudited consolidated net tangible assets per Share attributable to the owners of the Company as at 31 December 2014 prior to the completion of the Open Offer (*Note 4*)

0.75

Adjusted unaudited pro forma consolidated net tangible assets per Share attributable to the owners of the Company as at 31 December 2014 after completion of the Open Offer (*Note 5*)

0.59

Notes to the unaudited pro forma statement of adjusted consolidated net tangible assets of the Group

1. The unaudited consolidated net assets of the Group attributable to owners of the Company as at 31 December 2014 is extracted from the published unaudited condensed consolidated financial statements of the Group for the six months ended 31 December 2014.
2. The intangible asset represents the Group's operating right in respect of the favorable aspect of the right to use and operate the plantation land of a subsidiary of the Company of approximately HK\$126,807,000, which is extracted from the published unaudited condensed consolidated financial statement of the Group for the six months ended 31 December 2014.
3. The estimated net proceeds from the Open Offer of approximately HK\$131,880,000 are based on 471,427,254 Offer Shares to be issued and on the basis of 1 Offer Share for every 2 existing Shares held at the Record Date at a subscription price of HK\$0.29 per Offer Share assuming all Offer Shares would be accepted, after deduction of the estimated expenses attributable to the Open Offer of approximately HK\$4,834,000 and the differences attributable to rounding.
4. The calculation of the adjusted unaudited consolidated net tangible assets of the Group attributable to owners of the Company as at 31 December 2014 before Open Offer per Share is determined based on the adjusted unaudited consolidated net tangible assets of the Group attributable to owners of the Company as at 31 December 2014 of approximately HK\$705,977,000, divided by the number of Shares in issue as at 31 December 2014, i.e. 942,854,508 Shares.
5. The calculation of the adjusted unaudited pro forma consolidated net tangible assets per Share after completion of the Open Offer is based on the adjusted unaudited pro forma consolidated net tangible assets of the Group attributable to the owners of the Company of approximately HK\$837,857,000, divided by 1,414,281,762 Shares which represents the sum of 942,854,508 Shares in issue as at 31 December 2014 and 471,427,254 Offer Shares (*note 3*).

II. REPORT ON THE UNAUDITED PRO FORMA CONSOLIDATED NET TANGIBLE ASSETS OF THE GROUP

The following is the text of a report, prepared for the purpose of inclusion in this prospectus, received from ZHONGHUI ANDA CPA Limited, Certified Public Accountants, Hong Kong:

ACCOUNTANT'S REPORT ON UNAUDITED PRO FORMA FINANCIAL INFORMATION OF THE GROUP

12 August 2015

The Board of Directors
China Environmental Resources Group Limited
2/F., Shui On Centre, 6-8 Harbour Road,
Wanchai, Hong Kong

Dear Sirs,

We have completed our assurance engagement to report on the compilation of unaudited pro forma financial information of China Environmental Resources Group Limited (the "Company") and its subsidiaries (hereinafter collectively referred to as the "Group") by the directors of the Company for illustrative purposes only. The unaudited pro forma financial information consists of the pro forma statement of adjusted consolidated net tangible assets at 31 December 2014 (the "Unaudited Pro Forma Financial Information") as set out on pages II-1 to II-2 of the prospectus issued by the Company dated 12 August 2015 (the "Prospectus"). The applicable criteria on the basis of which the Directors have compiled the Unaudited Pro Forma Financial Information are described on page II-1 of the Prospectus.

The Unaudited Pro Forma Financial Information has been compiled by the Directors to illustrate the impact of the open offer on the basis of an allotment of one offer share for every two existing shares held on the record date at the subscription price of HK\$0.29 per offer share (the "Open Offer") on the Group's financial position as at 31 December 2014 as if the proposed Open Offer had taken place as at 31 December 2014. As part of this process, information about the Group's financial position has been extracted by the Directors from the Group's unaudited financial statements for the six months ended 31 December 2014, on which an interim report has been published.

Directors' Responsibility for the Unaudited Pro Forma Financial Information

The Directors are responsible for compiling the Unaudited Pro Forma Financial Information in accordance with paragraph 4.29 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules") and with reference to Accounting Guideline 7 "Preparation of Pro Forma Financial Information for Inclusion in Investment Circulars" ("AG 7") issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA").

Reporting Accountant's Responsibilities

Our responsibility is to express an opinion, as required by paragraph 29(7) of Chapter 4 of the Listing Rules, on the Unaudited Pro Forma Financial Information and to report our opinion to you. We do not accept any responsibility for any reports previously given by us on any financial information used in the compilation of the Unaudited Pro Forma Financial Information beyond that owed to those to whom those reports were addressed by us at the dates of their issue.

We conducted our engagement in accordance with Hong Kong Standard on Assurance Engagements 3420 "Assurance Engagements to Report on the Compilation of Pro Forma Financial Information Included in a Prospectus" issued by the HKICPA. This standard requires that the reporting accountant comply with ethical requirements and plan and perform procedures to obtain reasonable assurance about whether the directors have compiled the Unaudited Pro Forma Financial Information in accordance with paragraph 29 of Chapter 4 of the Listing Rules and with reference to AG 7 "Preparation of Pro Forma Financial Information for Inclusion in Investment Circulars" issued by the HKICPA.

For purposes of this engagement, we are not responsible for updating or reissuing any reports or opinions on any historical financial information used in compiling the Unaudited Pro Forma Financial Information, nor have we, in the course of this engagement, performed an audit or review of the financial information used in compiling the Unaudited Pro Forma Financial Information.

The purpose of the Unaudited Pro Forma Financial Information included in an investment circular is solely to illustrate the impact of a significant event or transaction on unadjusted financial information of the Group as if the event had occurred or the transaction had been undertaken at an earlier date selected for purposes of the illustration. Accordingly, we do not provide any assurance that the actual outcome of the event or transaction at 31 December 2014 would have been as presented.

A reasonable assurance engagement to report on whether the Unaudited Pro Forma Financial Information has been properly compiled on the basis of the applicable criteria involves performing procedures to assess whether the applicable criteria used by the directors in the compilation of the Unaudited Pro Forma Financial Information provide a reasonable basis for presenting the significant effects directly attributable to the event or transaction, and to obtain sufficient appropriate evidence about whether:

- The related pro forma adjustments give appropriate effect to those criteria; and
- The Unaudited Pro Forma Financial Information reflects the proper application of those adjustments to the unadjusted financial information.

The procedures selected depend on the reporting accountant's judgment, having regard to the reporting accountant's understanding of the nature of the Group, the event or transaction in respect of which the Unaudited Pro Forma Financial Information has been compiled, and other relevant engagement circumstances.

The engagement also involves evaluating the overall presentation of the Unaudited Pro Forma Financial Information.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Opinion

In our opinion:

- (a) the Unaudited Pro Forma Financial Information has been properly compiled on the basis stated;
- (b) such basis is consistent with the accounting policies of the Group; and
- (c) the adjustments are appropriate for the purposes of the Unaudited Pro Forma Financial Information as disclosed pursuant to paragraph 29(1) of Chapter 4 of the Listing Rules.

Yours faithfully,

ZHONGHUI ANDA CPA Limited

Certified Public Accountants

Sze Lin Tang

Practising Certificate Number P03614

Hong Kong

1. RESPONSIBILITY STATEMENT

This prospectus, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief, the information contained in this prospectus is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this prospectus misleading.

2. SHARE CAPITAL

The issued share capital of the Company (i) as at the Latest Practicable Date and (ii) immediately following completion of the Open Offer are as follows:

<i>Authorised:</i>		<i>HK\$</i>
<u>15,000,000,000</u>	shares of HK\$0.02 each	<u>300,000,000</u>
<i>Issued and fully paid:</i>		
942,854,508	Shares in issue as at the Latest Practicable Date	18,857,090.16
<u>471,427,254</u>	Offer Shares to be issued pursuant to the Open Offer	<u>9,428,545.08</u>
<u>1,414,281,762</u>	Shares in issue immediately after completion of the Open Offer	<u>28,285,635.24</u>

All the issued Shares rank pari passu with each other in all respects including the rights as to voting, dividends and return of capital. The Offer Shares to be allotted and issued will, when issued and fully paid, rank pari passu in all respects with the existing Shares.

The Shares in issue are primarily listed on the Stock Exchange and secondarily listed on the SGX-ST. Other than the Stock Exchange and the SGX-ST, no part of the share capital or any other securities of the Company is listed or dealt in on any stock exchange and no application is being made or is currently proposed or sought for the Shares or any other securities of the Company to be listed or dealt in on any other stock exchange.

As at the Latest Practicable Date, there was no arrangement under which future dividends are/will be waived or agreed to be waived.

As at the Latest Practicable Date, the Company had no outstanding derivatives, options, warrants and conversion rights or other similar rights which were convertible or exchangeable into Shares.

3. DISCLOSURE OF INTERESTS BY DIRECTORS

As at the Latest Practicable Date, the interests and short positions of the Directors in the Shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which were required (i) to be notified to the Company and the Stock Exchange pursuant to the Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they were taken or deemed to have under such provisions of the SFO); or (ii) pursuant to section 352 of the SFO, to be entered in the register referred to therein; or (iii) pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers contained in the Listing Rules, to be notified to the Company and the Stock Exchange were as follows:

Long positions in the Shares

Name of Director	Type of interests	Number of Shares/underlying Shares held	Approximate percentage of shareholding of the Company
Mr. Yeung Chi Hang	Beneficial owner	125,000,000	13.26% (<i>Note</i>)

Note:

The percentage of shareholding was calculated on the basis of the Company's issued share capital of 942,854,508 shares as at Latest Practicable Date.

Save as disclosed above, as at the Latest Practicable Date, none of the Directors and chief executive of the Company had any interests or short positions in the Shares, underlying Shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which were required (i) to be notified to the Company and the Stock Exchange pursuant to the Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they were taken or deemed to have under such provisions of the SFO); or (ii) pursuant to section 352 of the SFO, to be entered in the register referred to therein; or (iii) pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers contained in the Listing Rules, to be notified to the Company and the Stock Exchange.

4. INTERESTS OF SUBSTANTIAL SHAREHOLDERS

As at the Latest Practicable Date, so far as is known to the Directors or chief executive of the Company, the following persons (other than a Director or chief executive of the Company) had interests or short positions in the Shares or underlying Shares which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or who was, directly or indirectly, interested in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any other member of the Group:

Long positions in the Shares

Name of Shareholder	Type of interests	Number of Shares/underlying Shares held	Approximate percentage of shareholding of the Company
Mr. Cheng Tun Nei	Beneficial owner	80,378,816	8.53% (Note 1)
Mr. Chu Ying Man	Beneficial owner	70,000,000	7.42% (Note 1)
Get Nice Holdings Limited	Interest of controlled corporation	479,489,672 (Note 3)	33.90% (Note 4)
Get Nice Incorporated	Interest of controlled corporation	479,489,672 (Note 3)	33.90% (Note 4)
Underwriter	Beneficial owner	471,427,254 (Note 2)	33.33% (Note 4)

Notes:

- The percentage of shareholding was calculated on the basis of the Company's issued share capital of 942,854,508 shares as at Latest Practicable Date.
- These are the Offer Shares which the Underwriter has underwritten pursuant to the Underwriting Agreement. The Underwriter is wholly-owned by Get Nice Incorporated ("GNI") which in turn is wholly-owned by Get Nice Holdings Limited ("GNHL").
- These comprise (i) the Offer Shares which the Underwriter (as the subsidiary of GNI and GNHL) has underwritten pursuant to the Underwriting Agreement; and (ii) 8,062,418 Shares held by Prime Pacific Investments Limited, a company wholly-owned by GNI which in turn is wholly owned by GNHL.
- The percentage of shareholding was calculated by reference to the number of Shares in issue as enlarged by the issue of the 471,427,254 Offer Shares immediately after completion of the Open Offer.

Save as disclosed above, as at the Latest Practicable Date, so far as is known to the Directors or chief executive of the Company, no person (other than a Director or chief executive of the Company) had interests or short positions in the Shares or underlying Shares which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or who was, directly or indirectly, interested in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any other member of the Group or any options in respect of such capital.

5. DIRECTORS' INTERESTS IN ASSETS/CONTRACTS AND OTHER INTERESTS

On 3 July 2015, the Group completed a major and connected transaction, namely, the acquisition of the entire issued share capital and shareholder's loan of the Newly Acquired Subsidiary which directly holds, inter alia, 95 car parking spaces located in Kennedy Town, Hong Kong in a total consideration of HK\$138,255,775. In the said transaction, Ms. Ma Shu Chin (alias Ms. Ma Shuk Kam), mother of Mr. Yeung Chi Hang, an executive Director, owned 60% of each of the two vendors therein at the material time, and therefore both vendors in the said transaction were connected persons of the Company. The said transaction was approved by the Shareholders in an extraordinary general meeting of the Company held on 2 July 2015 during which Mr. Yeung Chi Hang had abstained from voting given his material interest in the said transaction.

Save as disclosed above, as at the Latest Practicable Date, none of the Directors had any direct or indirect interest in any assets which have been, since 30 June 2014 (being the date up to which the latest published audited accounts of the Group were made up), (i) acquired or disposed of by; or (ii) lease to; or (iii) proposed to be acquired or disposed of by; or (iv) proposed to be leased to, any member of the Group.

As at the Latest Practicable Date, there was no contract or arrangement subsisting in which any Director was materially interested and which was significant in relation to the business of the Group.

6. SERVICE CONTRACTS

As at the Latest Practicable Date, none of the Directors had any existing or proposed service contract with any member of the Group which does not expire or is not terminable by such member of the Group within one year without payment of compensation (other than statutory compensation).

7. COMPETING INTEREST

As at the Latest Practicable Date, none of the Directors and his respective associates was interested in any business apart from the Group's business which competes or is likely to compete, either directly or indirectly, with the Group's businesses pursuant to Rule 8.10 of the Listing Rules.

8. LITIGATION

As at the Latest Practicable Date, no member of the Group was engaged in any litigation or arbitration of material importance and no litigation or claim of material importance known to the Directors to be pending or threatened against any member of the Group.

9. EXPERT AND CONSENT

The following is the qualification of the expert who has been named in this prospectus or has given opinion or letter contained in this prospectus:

Name	Qualification
ZHONGHUI ANDA CPA Limited ("Zhonghui Anda")	Certified Public Accountant

Zhonghui Anda has given and has not withdrawn its written consent to the issue of this prospectus with the inclusion therein of its letter and/or references to its name, in the form and context in which it appears.

As at the Latest Practicable Date, Zhonghui Anda was not beneficially interested in the share capital of any member of the Group nor has any right, whether legally enforceable or not, to subscribe for or to nominate persons to subscribe for securities in any member of the Group. In addition, Zhonghui Anda does not have any interest, either directly or indirectly, in any assets which have been, since 30 June 2014 (being the date to which the latest published audited consolidated financial statements of the Group were made up), acquired or disposed of by or leased to or are proposed to be acquired or disposed of by or leased to any member of the Group.

10. EXPENSES

The expenses in connection with the Open Offer, including financial advisory fees, underwriting commission, printing, registration, translation, legal and accountancy charges are estimated to be approximately HK\$4.83 million, which are payable by the Company.

11. MATERIAL CONTRACT

The following contracts (not being contracts in the ordinary course of business) have been entered into by the members of the Group within the two years immediately preceding the Latest Practicable Date:

- (i) the underwriting agreement dated 12 August 2013 entered into between the Company and China Rise Securities Company Limited relating to the subscription of maximum 607,773,342 new shares at HK\$0.27 per placing share;

- (ii) the sale and purchase agreement and supplemental agreement entered into between Prima Choice Limited, a wholly owned subsidiary of the Company as purchaser and Grand Keen Limited as vendor on 27 November 2013 and 16 December 2013 respectively relating to the acquisition of the entire issued share capital of Clear Wisdom Limited at a total consideration of HK\$300 million and subsequently terminated by a termination agreement entered into between Prima Choice Limited and Grand Keen Limited on 28 October 2014 as amended and/or supplemented by a supplemental termination agreement entered into between the same parties on 18 June 2015;
- (iii) the placing agreement dated 26 March 2014 entered into between the Company and Get Nice Securities Limited relating to the placing of 157,142,418 new shares at HK\$0.375 per placing share;
- (iv) the sale and purchase agreement dated 26 March 2015 entered into among Prima Choice Limited, a wholly owned subsidiary of the Company, as purchaser, Fortune Group Investment Limited and Winbo Property Limited as vendors, and the Newly Acquired Subsidiary as target company, in respect of the acquisition of the entire issued share capital of the Newly Acquired Subsidiary and all amounts owing by the Newly Acquired Subsidiary to Fortune Group Investment Limited and Winbo Property Limited in a total consideration of HK\$140,000,000 (to be adjusted according to the terms as therein contained);
- (v) the placing agreement dated 22 June 2015 entered into between the Company and Get Nice Securities Limited relating to the placing of up to 188,570,901 placing shares at a placing price of HK\$0.63 per placing shares on an best-effort basis and terminated by a termination agreement entered between the Company and Get Nice Securities Limited on 10 July 2015; and
- (vi) the Underwriting Agreement.

12. CORPORATE INFORMATION OF THE COMPANY AND THE PARTIES INVOLVED IN THE OPEN OFFER

Board of Directors	Executive Director	Address
	Mr. Yeung Chi Hang	2/F., Shui On Centre 6-8 Harbour Road Wanchai, Hong Kong
	Mr. Leung Kwong Choi	2/F., Shui On Centre 6-8 Harbour Road Wanchai, Hong Kong
	Mr. Wong Po Keung	2/F., Shui On Centre 6-8 Harbour Road Wanchai, Hong Kong
	Mr. Chung Siu Wah	2/F., Shui On Centre 6-8 Harbour Road Wanchai, Hong Kong
	Mr. Chen Yuyang	2/F., Shui On Centre 6-8 Harbour Road Wanchai, Hong Kong
	Independent Non-Executive Director	
	Mr. Wong Kwai Sang	Unit 1411, 14/F., CC Wu Building, 302-308 Hennessy Road, Hong Kong
	Mr. Ong Chi King	Flat A, 3/F. Yat Ming Mansion 43 Tai Hong Street Lei King Wan Sai Wan Ho H.K.
	Mr. Heung Chee Hang, Eric	26/F, C.M.A. Building 64 Connaught Road Central Hong Kong

Board of Directors	Executive Director	Address
Authorized Representatives	Mr. Wong Po Keung	2/F., Shui On Centre 6-8 Harbour Road Wanchai, Hong Kong
	Mr. Leung Kwong Choi	2/F., Shui On Centre 6-8 Harbour Road Wanchai, Hong Kong
Company Secretary	Mr. Lo Tai On, Certified Public Accountant	Unit B, 1/F, Netch Tower 128 Gloucester Road Wanchai, Hong Kong
Registered Office	Ugland House South Church Street, P.O. Box 309 George Town, Grand Cayman Cayman Islands British West Indies	
Head office and principal place of business in Hong Kong	2/F., Shui On Centre 6-8 Harbour Road Wanchai Hong Kong	
Principal share registrar and transfer office in the Cayman Islands	Maples Fund Services (Cayman) Limited P.O. Box 1093, Boundary Hall Cricket Square, Grand Cayman KY1-1102, Cayman Islands	
Branch share registrar and transfer office in Hong Kong	Union Registrars Limited A18/F Asia Orient Tower Town Place 33 Lockhart Road Wanchai Hong Kong	
Underwriter and financial adviser to the Company relating to the Open Offer	Get Nice Securities Limited 10/F, Cosco Tower Grand Millennium Plaza 183 Queen's Road Central Hong Kong	
Auditors	ZHONGHUI ANDA CPA Limited Unit 701, 7/F., Citicorp Centre 18 Whitfield Road Causeway Bay Hong Kong	

Principal banker	The Hongkong and Shanghai Banking Corporation Limited 1 Queen's Road Central Hong Kong
Website	http://www.greencer.com/
Legal advisers to the Company in relation to the Open Offer	<i>As to Hong Kong law:</i> Tony Kan & Co. Suite 1808, 18th Floor World-Wide House No. 19 Des Voeux Road Central Hong Kong <i>As to Cayman Island law:</i> Conyers Dill & Pearman 2901 One Exchange Square 8 Connaught Place Central, Hong Kong

13. BIOGRAPHY OF DIRECTORS

Executive Directors

Mr. Leung Kwong Choi, aged 59, was appointed as Executive Director on 6 October 2008. He is also the Chairman of the investment committee of the Company. Mr. Leung holds a Bachelor of Social Science Degree from the Chinese University of Hong Kong. He worked for about 10 years in the marketing department of Hang Lung Development Ltd. after graduation. Also, Mr. Leung was once appointed as executive director of Top Glory Holdings Ltd., China Food Ltd. and Cheung Tai Hong Holdings Ltd., all of which were at the material time companies with shares listed on The Stock Exchange of Hong Kong Limited. Mr. Leung has over 28 years of real estate and business experience in Hong Kong and the PRC concentrating on property investment and development, acquisition and merger, deal marking and investment projects arrangement.

Mr. Wong Po Keung, aged 44, was appointed as Executive Director on 30 September 2013. He is also a director of certain subsidiaries of the Company the financial controller and a member of the investment committee of the Company. Mr. Wong holds a Master degree in business administration from the University of South Australia. He is a fellow member of both the Association of Chartered Certified Accountants and the Hong Kong Institute of Certified Public Accountants. He has ample experience in auditing, accounting, financial management and company secretarial practices in respect of listed companies.

Mr. Yeung Chi Hang, aged 36, was appointed as Executive Director on 16 January 2014. He is also a Substantial Shareholder of the Company. Mr. Yeung studied at Camosun College, Canada. He has over 10 years of experience in investment, hotel management and in operating entertainment businesses.

Mr. Chung Siu Wah, aged 58, was appointed as Executive Director on 14 August 2014. Mr. Chung started his career in 1976 by joining the Hong Kong Government as a Customs Inspector. He obtained his law degree with honour at the University of London in 1986 and further obtained his Postgraduate Certificate in Laws at The University of Hong Kong in 1987. He resigned from the Customs and Excise Department in 1987 and started his legal career. He has been a solicitor practicing in Hong Kong since 1989. He joined Messer. Tony Kan & Co. in 1987 and became a partner in 1992. He retired from the partnership in 2004 but continues to associate with the law firm as a consultant till now. Mr. Chung has over 8 years of experience in the hotel, gaming and entertainment industry. Mr. Chung is also experienced in the management of listed company in Hong Kong. He was appointed as an executive director of Daido Group Limited (Hong Kong stock code: 544) for the period from 9 September 2011 to 5 August 2013.

Mr. Chen Yuyang, Mr. Chen, aged 36, is a Certified Public Accountant admitted to The Chinese Institute of Certified Public Accountants and also a Certified Internal Auditor admitted to China Institute of Internal Auditors. Mr. Chen received a bachelor's degree in Power Engineering from Shanghai University of Electric Power. He has more than 10 years of experience in accounting and financial control. He was the financial manager of Air

Liquide (China) Holding Co., Ltd. from 2004 to 2007 and was the chief financial officer of Videojet Technologies Inc., a subsidiary of Danaher Corporation, from 2007 to 2013.

Independent Non-Executive Directors

Mr. Wong Kwai Sang, aged 63, was appointed as an Independent Non-Executive Director on 2 March 2009. He is also a member of the audit committee, remuneration committee and nomination committee of the Company. Mr. Wong had been an Independent Non-Executive Director, member of audit committee and member of remuneration committee of the Company since 3 July 2002 prior to his subsequent resignation on 4 July 2008 in view of his long-term personal assignment stationed in Shanghai at that time. Mr. Wong later completed his assignment in Shanghai and returned to Hong Kong and took up the present appointment. He holds a Bachelor of Social Sciences degree from The University of Hong Kong. He is a property consultant and also a fellow member of the Hong Kong Institute of Real Estate Administrators and the Australian Institute of Building respectively.

Mr. Ong Chi King, aged 42, was appointed as Independent Non-Executive Director on 27 January 2014. He is also the Chairman of the audit committee, nomination committee and remuneration committee of the Company. Mr. Ong is a member of the Hong Kong Institute of Certified Public Accountants and also a fellow member of the Association of Chartered Certified Accountants. Mr. Ong received a bachelor's degree in business administration from The Hong Kong University of Science and Technology and a master's degree in corporate finance from The Hong Kong Polytechnic University. Mr. Ong has more than 20 years of experience in accounting, finance and company secretarial fields and held senior positions in finance and company secretarial departments in various listed companies listed on the main board of the Stock Exchange. Mr. Ong is currently an independent non-executive director of Capital VC Limited (stock code: 2324), Hong Kong Education (Int'l) Investments Limited (stock code: 1082), King Force Security Holdings Limited (stock code: 8315); Larry Jewelry International Company Limited (stock code: 8351); KSL Holdings Limited (stock code: 8170) and WLS Holdings Limited (stock code: 8021); and the Company Secretary of Yue Da Mining Holdings Limited (stock code: 629).

Mr. Ong was a director of Fitness Concept International Holdings Limited prior to its dissolution. The said company was incorporated in the Cayman Islands and was dissolved on 30 June 2005 by striking off due to cessation of business.

Mr. Heung Chee Hang, Eric, aged 47, is a qualified solicitor admitted to the Supreme Court of Hong Kong and a Civil Celebrant of Marriages. Mr. Heung received a bachelor's degree in Law from University of Leicester, England. He has more than 20 years of experience in the legal profession. Mr. Heung is presently a partner of Messrs. Tung, Ng, Tse & Heung, an independent non-executive director of Zhong Fa Zhan Holding Limited (stock code: 475), director of Lions Education Foundation, director of Lions Clubs of Kwai Tsing HKSAR and committee legal adviser of the Association of the Hong Kong Members of Shandong's Chinese People's Political Consultative Conference. He has resigned as the independent non-executive director of Gold Tat Group International Limited (stock code: 8266) with effect from 3 March 2015.

14. LEGAL EFFECT

The Prospectus Documents and all acceptance of any offer or application contained in such documents are governed by and shall be construed in accordance with the laws of Hong Kong. Where an application is made in pursuance of any such documents, the relevant document(s) shall have the effect of rendering all persons concerned bound by the provisions, other than the penal provisions, of Sections 44A and 44B of the Companies (Winding Up and Miscellaneous Provisions) Ordinance.

15. MISCELLANEOUS

- (i) The registered office of the Company is situated at Uglan House, South Church Street, P.O. Box 309, George Town, Grand Cayman, Cayman Islands, British West Indies and the head office and principal place of business of the Company is situated at 2/F, Shui On Centre, 6-8 Harbour Road, Wanchai, Hong Kong.
- (ii) The principal share registrar and transfer office of the Company in the Cayman Islands is Maples Fund Services (Cayman) Limited at P.O. Box 1093, Boundary Hall, Cricket Square, Grand Cayman, KY1-1102, Cayman Islands.
- (iii) The Hong Kong branch share registrar and transfer office of the Company is Union Registrars Limited at A18/F., Asia Orient Tower, Town Place, 33 Lockhart Road, Wanchai, Hong Kong.
- (iv) Mr. Lo Tai On, the company secretary of the Company, is a member of the Hong Kong Institute of Certified Public Accountants. He has over 20 years of experience in the field of company secretarial services.
- (v) As at the Latest Practicable, there was no restriction affecting the remittance of profits or repatriation of capital of the Company into Hong Kong from outside of Hong Kong.
- (vi) The English text of the Prospectors Documents shall prevail over their respective Chinese texts in the case of inconsistency.

16. DOCUMENTS DELIVERED TO THE REGISTRAR OF COMPANIES

A copy of each of the Prospectus Documents and the written consent referred to in the paragraph headed "Expert and Consent" in this appendix have been delivered to the Registrar of Companies of Hong Kong pursuant to Section 342C of the Companies (Winding Up and Miscellaneous Provisions) Ordinance.

17. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents are available for inspection at the principal place of business of the Company at 2/F, Shui On Centre, 6-8 Harbour Road, Wanchai, Hong Kong during normal business hours on any weekday other than public holidays, up to and including Wednesday, 26 August 2015:

- (i) the memorandum and articles of association of the Company;
- (ii) the annual reports of the Company for the three years ended 30 June 2012, 2013 and 2014;
- (iii) the interim report of the Company for the six months ended 31 December 2014;
- (iv) the letter from ZHONGHUI ANDA CPA Limited regarding the unaudited proforma financial information on the Group as set out in Appendix II to this prospectus;
- (v) the written consent referred to in the paragraph headed “Expert and Consent” in this appendix;
- (vi) the material contract(s) referred to in the paragraph headed “Material Contract” to this appendix;
- (vii) the circular of the Company dated 15 June 2015 in relation to the acquisition of the entire issued share capital of Newly Acquired Subsidiary and a shareholder’s loan;
- (viii) the announcement of the Company dated 22 June 2015 in relation to a discloseable transaction as a result of a supplemental termination agreement;
- (ix) the announcement of the Company dated 22 June 2015 in relation to a placing agreement;
- (x) the announcement of the Company dated 10 July 2015 in relation to the termination of the placing agreement referred to in (ix) above; and
- (xi) this prospectus.