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**CHINA ENVIRONMENTAL RESOURCES GROUP LIMITED**

**中國環境資源集團有限公司**

*(incorporated in the Cayman Islands with limited liability)*

**(Stock code: 1130)**

**ADJUSTMENTS TO THE OUTSTANDING SHARE OPTIONS**

As a result of the Share Consolidation having become effective, the exercise prices and the number of Shares to be allotted and issued upon full exercise of the subscription right attaching to the outstanding share options have been adjusted with effect from 1 March 2013. Details of the adjustments have been disclosed in this announcement.

Reference is made to the Company's circular dated 12 March 2012 ("Circular") relating to the proposed Share Consolidation and change in board lot size and the Company's announcement dated 28 February 2013 relating to the Share Reorganization and Share Consolidation and change in board lot size. Terms used in the Circular shall have the same meanings when used in this announcement unless otherwise stated.

Immediately before the Share Consolidation becoming effective, the Company had an aggregate of 32,140,000 outstanding share options entitling the holders thereof to subscribe for an aggregate of 32,140,000 Shares. As a result of the Share Consolidation become effective, the exercise prices and the number of Shares to be allotted and issued upon full exercise of the subscription right attaching to the outstanding share options have be adjusted with effect from 1 March 2013 in accordance with the Share Option Scheme in the following manner:

	Before adjustment		After adjustment	
	Number of Shares to be issued upon the exercise of the outstanding share options	Exercise price per share (HK\$)	Number of Consolidated Shares to be issued upon the exercise of the outstanding share options	Exercise price per Consolidated share (HK\$)
<b>Date of grant</b>				
26 May 2010	3,140,000	0.3750	157,000	7.500
20 July 2011	11,000,000	0.1346	550,000	2.692
18 August 2011	18,000,000	0.1126	900,000	2.252

The Company's auditor, Lau & Au Yeung C.P.A. Limited, had reviewed the adjustments and confirmed in writing that the adjustments are in accordance with the note to Rule 17.03(13) of the Listing Rules and the supplementary guidance issued by the Stock Exchange and in accordance with the terms of the Share Option Scheme.

By order of the Board  
**China Environmental Resources Group Limited**  
**Zhou Hongbo**  
*Chairman and Chief Executive Officer*

Hong Kong, 11 March 2013

*As at the date of this announcement, the Board comprises three executive directors, namely Mr. Zhou Hongbo (Chairman and Chief Executive Officer), Mr. Kwok Wai, Wilfred and Mr. Leung Kwong Choi; and three independent non-executive directors, namely Mr. Wong Kwai Sang, Mr. Christopher David Thomas and Mr. Chan Ka Yin.*