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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)**

## CLARIFICATION ANNOUNCEMENT IN RELATION TO MAJOR TRANSACTION

References are made to the announcements of China Environmental Resources Group Limited (the “**Company**”) dated (i) 31 March 2023 (the “**Announcement**”) in relation to the disposal (the “**Disposal**”) of the entire equity interest of and the assignment of the shareholder’s loan owing by First Rank Corporation, a direct wholly-owned subsidiary of the Company; and (ii) 28 April 2023 in relation to the delay in despatch of the circular regarding the Disposal. Capitalised terms used herein shall have the same meanings as those defined in the Announcement unless the context requires otherwise.

### CLARIFICATION

The Company wishes to clarify that the unaudited gain on the Disposal as disclosed under the section headed “FINANCIAL EFFECT OF THE DISPOSAL” on page 7 of the Announcement shall be amended as follows (the amendments are shown in bold and underline for easy reference):

For illustrative purpose, assuming the Completion has taken place on 31 December 2022, it is estimated that the Company would realise an unaudited gain on the Disposal of approximately **HK\$6.9** million, being the difference between the Transaction Consideration of HK\$59.0 million and the adjusted unaudited consolidated net assets of the Disposal Group attributable to the Company of approximately **HK\$51.0** million as at 31 December 2022, taking into account the assignment of the Sale Loan **and excluding the non-controlling interests of the Disposal Group**, after deducting the expenses attributable to the Disposal of approximately HK\$1.1 million.

Save as disclosed above, all other information in the Announcement shall remain unchanged and shall continue to be valid for all purposes.

It has been brought to the Board's attention that the disparity on the estimated net gain on the Disposal was primarily due to an inadvertent sharing 20% of gain on waiver of the Sale Loan of approximately HK\$59.2 million (i.e. approximately HK\$12.0 million) to the holder of the non-controlling interests of the Disposal Group whereas the Disposal Company is wholly-owned by the Company which should have accounted for 100% of such gain on waiver of the Sale Loan. Accordingly, the adjusted unaudited consolidated net assets of the Disposal Group attributable to the Company, taking into consideration the assignment of the Sale Loan and excluding the non-controlling interests of the Disposal Group, should be approximately HK\$51.0 million (instead of approximately HK\$38.9 million as disclosed in the Announcement) and the estimated net gain on the Disposal, being the difference between the Transaction Consideration and the adjusted unaudited consolidated net assets of the Disposal Group attributable to the Company after deducting the expenses attributable to the Disposal of approximately HK\$1.1 million, should be approximately HK\$6.9 million (instead of approximately HK\$19.0 million as disclosed in the Announcement). The above calculation basis together with the amended figures in arriving at the amended estimated net gain on the Disposal have been confirmed by the auditors of the Company.

This clarification announcement is supplemental to the Announcement and should be read in conjunction with it. For details of the financial effect of the Disposal, the Shareholders and the potential investors of the Company are advised to read the circular regarding the Disposal to be despatched on or before 25 May 2023.

**Completion of the Disposal is conditional upon the satisfaction or, if applicable, waiver of the conditions set out in the SPA, including the approval of the SPA and the transactions contemplated thereunder by the Shareholders at the EGM. Accordingly, the Disposal may or may not proceed. Shareholders and the potential investors of the Company are therefore advised to exercise caution when dealing in the Shares.**

By Order of the Board  
**China Environmental Resources Group Limited**  
**Yeung Chi Hang**  
*Chairman and Chief Executive Officer*

Hong Kong, 2 May 2023

*As at the date of this announcement, the Board comprises five executive Directors, namely Mr. Yeung Chi Hang, Mr. Leung Kwong Choi, Mr. Wong Po Keung, Mr. Chung Siu Wah and Mr. Chik To Pan; and three independent non-executive Directors, namely Mr. Wong Kwai Sang, Mr. Ong Chi King and Mr. Heung Chee Hang, Eric.*