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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)**

**FURTHER DELAY IN DESPATCH OF CIRCULAR  
REGARDING MAJOR TRANSACTION  
IN RELATION TO  
ACQUISITION OF A FOREST PLANTATION BUSINESS**

Reference is made to (a) the Company's announcement dated 7 December 2011 (the "Announcement") relating to the Acquisition; and (b) the announcement of the Company dated 6 January 2012 (the "Delay Despatch Announcement") in relation to the delay in despatch of the Circular. Capitalised terms used herein shall have the same meanings as defined in the Announcement unless otherwise stated.

As stated in the Delay Despatch Announcement, a circular (the "Circular") containing, among other things, (i) further information on the Sale and Purchase Agreement and the transactions contemplated thereunder; (ii) accountants' report of the Target Group; (iii) pro forma financial information on the Group upon Completion; (iv) valuation report on the Target; (v) the letters from the financial adviser of the Company and the auditors of the Company in respect of the valuation of the Target and (vi) notice of the EGM will be despatched to the Shareholders on or before 12 March 2012.

As additional time is required for collection of information from the Target to finalise certain information, including further information on the Sale and Purchase Agreement and the transactions contemplated thereunder, the financial information of the Target Group and the valuation report on the Target for inclusion in the Circular, the despatch date of the Circular will be further postponed to a date on or before 12 June 2012.

By the order of the Board  
**China Environmental Resources Group Limited**  
**Kam Yuen**  
*Chairman*

Hong Kong, 12 March 2012

*As at the date of this announcement, the Board comprises three executive directors, namely Ms. Kam Yuen (Chairman and Chief Executive Officer), Mr. Kwok Wai, Wilfred and Mr. Leung Kwong Choi; and three independent non-executive directors, namely Mr. Cheung Ngai Lam, Mr. Wong Kwai Sang and Mr. Christopher David Thomas.*