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CHINA ENVIRONMENTAL RESOURCES GROUP LIMITED

中國環境資源集團有限公司

(formerly known as “Benefun International Holdings Limited 奮發國際控股有限公司⁴³¹)

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1130)

DELAY IN DESPATCH OF CIRCULAR

Reference is made to the announcement of China Environmental Resources Group Limited (the “**Company**”) dated 23 December 2009 (the “**Announcement**”) in relation to, a very substantial acquisition involving acquisition of 70% interests in the Beijing Jianong Yongxing Agricultural Production Materials Company Limited, Fuxin Branch and Tongliao Branch. Capitalized terms used herein shall have the same meanings as defined in the Announcement unless the context requires otherwise.

As disclosed in the Announcement, a circular (the “**Circular**”) containing, amongst other things, (i) further details on the Acquisition Agreement and the Supplemental Agreement, (ii) information on the Target Branches, (iii) accountant’s reports on the Target Branches, and (iv) notice of the EGM will be despatched to the Shareholder as soon as practicable and in accordance with the Listing Rules.

Pursuant to Rule 14.38A and 14.48 of the Listing Rules, the Company is required to send the Circular to the Shareholders within 21 days after publication of the Announcement, i.e. on or before 13 January 2010.

The Company is undergoing due diligent investigations on the Target Branches. Unfortunately, the progress of the due diligent investigation has been impeded by the previous Christmas and New Year Holidays. Meanwhile, the Vendor is applying to the PRC authorities for setting up the Target Company, the accountant’s report of which can only be prepared upon successful incorporation. As all these job duties are time intensive and not under the control of the Company, additional time is expected. An application has been made to the Stock Exchange for a waiver from strict compliance with Rule 14.38A and 14.48 of the Listing Rules and the despatch date of the Circular has been extended to 4 March 2010, which is also the long stop date of the Acquisition Agreement and the Supplemental Agreement. The Company may consider alternative means to acquire the Target Branches

should the conditions precedent to the Acquisition Agreement are not fulfilled by 4 March 2010. Further announcement will be published to inform the investor in this regard when appropriate.

By Order of the Board
**China Environmental Resources
Group Limited**
Kam Yuen
*Chief Executive Officer
and Executive Director*

Hong Kong, 15 January 2010

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