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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)

**DELAY IN EFFECTIVE DATE OF
PROPOSED CAPITAL REORGANIZATION**

Reference is made to the Company's announcement dated 14 October 2011 and circular dated 28 October 2011 ("Circular") relating to the Capital Reorganization. Capitalised terms used in the Circular shall have the same meanings when used in this announcement unless otherwise stated.

It was stated in the Circular that the indicative effective date for the Capital Reorganization is 28 February 2012. The Capital Reorganization is conditional upon, among others, the Court making an order to confirm the Capital Reduction and compliance with any conditions the Court may impose. As at the date hereof, the approval for the Capital Reduction from the Court has not been obtained. It is expected that it will take approximately a further 1-2 months to obtain the Court's approval. Therefore the effective date for the Capital Reorganization will be postponed to a date to be determined upon fulfillment of all the conditions precedent. The Company shall make further announcements on the revised indicative timetable of the Capital Reorganization as soon as the approximate timeline can be ascertained.

By order of the Board

China Environmental Resources Group Limited

Kam Yuen

Chairman

Hong Kong, 28 February 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.