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If you have sold or transferred all your shares in China Environmental Resources Group Limited, you should at once hand this circular, together with the accompanying form of proxy to the purchaser(s) or transferee(s) or to the bank, licensed securities dealer or other agent through whom the sale or transfer was effected for transmission to the purchaser(s) or transferee(s).

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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: 01130)

**DISCLOSEABLE TRANSACTION
CONDITIONAL ACQUISITION OF
THE ENTIRE ISSUED SHARE CAPITAL OF TRIPLE HARVEST
AND
ISSUE OF CONSIDERATION SHARES
AND
NOTICE OF EXTRAORDINARY GENERAL MEETING**

A notice convening an extraordinary general meeting ("EGM") of China Environmental Resources Group Limited to be held at 4th Floor, Opulent Building, 402-406 Hennessy Road, Wanchai, Hong Kong on Tuesday, 9 March 2010 at 10:30 a.m. is set out on pages 18 to 19 of this circular. A form of proxy for the EGM is enclosed with this circular. Such form of proxy is also published on the website of The Stock Exchange of Hong Kong Limited at www.hkex.com.hk.

Whether or not you are able to attend the EGM, you are requested to complete the accompanying form of proxy, in accordance with the instructions printed thereon and deposit the same at the Company's branch share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong as soon as possible and in any event not less than 48 hours before the time appointed for the holding of the EGM or any adjournment thereof. Completion and return of the form of proxy will not preclude you from attending and voting in person at the special general meeting or any adjournment thereof should you so wish.

9 February 2010

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DEFINITIONS

In this circular, unless the context otherwise requires, the following expressions have the following meanings when used herein:

“Acquisition”	the acquisition of the entire issued share capital of the Triple Harvest
“Agreement”	the share sale agreement dated 28 December 2009 entered into between Cathay and the Company with respect to the conditional Acquisition Agreement
“Announcement”	the announcement of the Company dated 28 December 2009
“Associates”	has the meaning ascribed to this term under the Listing Rules
“Board”	the board of Directors
“Cathay”	The Cathay Investment Fund, Limited, a company incorporated under the laws of the Cayman Islands and having its registered office at the offices of Fortis Prime Fund Solutions (Cayman) Limited, 802 West Bay Road, Grand Pavilion Commercial Centre, PO Box 2003, Grand Cayman KY1-1104, Cayman Islands.
“Company”	China Environmental Resources Group Limited, a company incorporated under the laws of the Cayman Islands with limited liability, the issued Shares of which are listed on the Stock Exchange
“Completion”	completion of the Acquisition pursuant to the terms and conditions of the Agreement
“Consideration Shares”	the 1,425,000,000 new Share(s) to be allotted and issued to the Cathay or its nominee(s) credited as fully paid at the Issue Price in accordance with the term of the Agreement.
“Directors”	the directors of the Company
“EGM”	an extraordinary general meeting of the Company to be convened and held to approve, among other matters, the Agreements and the transactions contemplated thereunder, including but not limited to the allotment and issue of the Consideration Shares
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Independent Third Party(ies)”	any person(s) or company(ies) and their respective ultimate beneficial owner(s) whom, to the best of the Directors’ knowledge, information and belief having made all reasonable enquiries, are third parties independent of the Company and its connected persons of the Company in accordance with the Listing Rules

DEFINITIONS

“Issue Price”	the price of HK\$0.08 per Consideration Share
“Latest Practicable Date”	5 February 2010, being the latest practicable date prior to the printing of this circular ascertaining certain information referred to in this circular
“Listing Committee”	the listing committee of the Stock Exchange for considering applications for listing and the granting of listing
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“LOI”	a non-legally binding letter of intent entered into on 30 July 2009 and 30 October 2009 between the Company and Cathay in relation to the Acquisition
“LOI Announcement”	the announcement of the Company dated 9 April 2009, 30 July 2009 and 30 October 2009 relating to the Letter of Intent with Cathay in respect of the possible acquisition of the entire issued share capital of Target Company
“Patents”	technologies and PRC patents in relation to fertilizer manufacturing
“PRC”	the People’s Republic of China
“Sale Share”	1 issued share of par value of US\$1 each, representing the entire issued share capital of Triple Harvest
“Share(s)”	ordinary share(s) of HK\$0.01 each in the share capital of the Company
“Shareholder(s)”	holder(s) of the Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Share Sale Agreement”	Share Sale Agreement entered between the Company and The Cathay Investment Fund, Limited on 28 December 2009
“Specific Mandate”	the specific mandate proposed to be granted to the Board by the Shareholders at the EGM, to issue new Shares on the terms and conditions as set out in this circular
“Triple Harvest”	Triple Harvest Holdings Limited, a company incorporated under the laws of the British Virgin Islands with limited liability on 20 April 2009
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“%”	per cent.

LETTER FROM THE BOARD



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: 01130)

Executive Directors:

Mr. Tan Sim Chew (Chairman)
Ms. Kam Yuen (Chief Executive Officer)
Mr. Leung Kwong Choi
Mr. Kwok Wai, Wilfred

Registered Office:

Ugland House
South Church Street, P.O. Box 309
George Town, Grand Cayman
Cayman Islands
British West Indies

Independent Non-executive Directors:

Mr. Cheung Ngai Lam
Mr. Wong Kwai Sang
Mr. Christopher David Thomas

*Head Office and Principal Place of
Business in Hong Kong:*

Room 3501, Bank of America Tower
12 Harcourt Road Central
Hong Kong

9 February 2010

To the Shareholders

Dear Sir or Madam,

DISCLOSEABLE TRANSACTION

**CONDITIONAL ACQUISITION OF
THE ENTIRE ISSUED SHARE CAPITAL OF TRIPLE HARVEST
AND
ISSUE OF CONSIDERATION SHARES
AND
NOTICE OF EXTRAORDINARY GENERAL MEETING**

1. INTRODUCTION

Reference is made to the LOI Announcement and the announcement of the Company dated 28 December 2009 in which Cathay as the vendor and the Company as the purchaser entered into the Agreement, pursuant to which Cathay has conditionally agreed to sell the Sale Share and the Company has conditionally agreed to purchase the Sale Share at an aggregate consideration of HK\$114,700,000.

The aggregate consideration in the sum of HK\$114,700,000 will be satisfied as to (i) HK\$700,000 by cash and (ii) HK\$114,000,000 by the issue to Cathay of the Consideration Shares (at HK\$0.08 per Share) by the Company upon Completion.

LETTER FROM THE BOARD

Completion is conditional upon fulfillment of a number of conditions.

The transactions contemplated in the Agreement constitute discloseable transactions for the Company under Rule 14.06(2) of the Listing Rules, on the basis that the calculation of the consideration ratio is within the range of 2% and 25%.

The purpose of this circular is to provide the Shareholders, among other things, (i) details of the terms of the Agreement in accordance with the requirements of the Listing Rules; and (ii) the proposed Specific Mandate to issue Consideration Shares.

THE AGREEMENT

Date

28 December 2009

Parties

- (1) Cathay as vendor
- (2) the Company as purchaser

To the best of the Directors' knowledge, information and belief and having made all reasonable enquiries, Cathay and the ultimate beneficial owner of Cathay are third parties independent of the Company and connected persons of the Company.

The Sale Share

The Sale Share represent the entire issued share capital of Triple Harvest as at the date of this announcement. The Sale Share will be acquired free from any encumbrance and together with all rights and benefits attaching or accruing to it on or after the date of Completion (including the right to receive all dividends and other distributions declared, made or paid on or after the date of Completion).

Cathay is the legal and beneficial owner of the entire issued share capital of Triple Harvest, indirectly holds 100% of the equity in interest of a wholly foreign-owned enterprise, Xinjiang Protech Bio-Technology Co., Limited, which in turn hold the Patents.

Consideration

The aggregate consideration for the Acquisition is HK\$114,700,000 comprising (i) the Consideration Shares at HK\$0.08 per Share; and (ii) the cash sum of HK\$700,000 for the Acquisition.

The atmosphere of advocating invention and creation and respecting intellectual property in China is still weak. It is reported that, only 3% of the domestic enterprises own proprietary intellectual property registration, merely 1.1% enterprises were granted with patents of which only 0.17% obtain invention patents. Accordingly, cognizance registered patents are scarce and valuable in the market.

LETTER FROM THE BOARD

The consideration was agreed on arm's length negotiations by both parties. At the beginning stage of negotiation made around April 2009, the consideration requested by the vendor is approximately HK\$200 million, the Company had tried its best endeavours to negotiate and reduced the consideration to HK\$114.7 million.

The consideration was substantially to be settled by way of issue and allotment of Consideration Shares, there will be no major cash outflow from the Company. The mechanism envisaged under the Agreement essentially allows the Company to obtain the Patents without major outlay of cash and overcome significantly the cost barrier normally associated with the capital-intensive research and development and bypass the risk of technological incubation failure.

The Directors consider that it is a good opportunity to invest in the Target at its embryo stage. Once the Patents is being utilised by other competing company, the Company may no longer be able to acquire the Sale Shares at current price and may requires more resources and time to catch up the technological edges. The Directors consider the Acquisition to be in normal commercial terms and within the ordinary and usual course of business of the Company.

The source of funding of the Company for the acquisition of the Sale Share will be generated from internal resources.

Conditions

Completion of the sale and purchase of the Sale Share is conditional upon fulfilment of the following conditions:

- (i) Triple Harvest has undergone a corporate reorganization. Upon completion of the said reorganization, Triple Harvest will indirectly hold 100% of the equity interest of a wholly foreign-owned enterprise, which in turn will hold the Patents;
- (ii) Cathay's warranties remaining true and accurate and not misleading in any material respect as given as of the date of the Agreement and as of Completion and as if given at all times between the date of the Agreement and Completion;
- (iii) the Company's warranties remaining true and accurate and not misleading in any material respect as given as of the date of the Agreement and as of Completion and as if given at all times between the date of the Agreement and Completion;
- (iv) Cathay having duly performed and observed all of the obligations, undertakings and covenants required to be performed and observed by them under the Agreement, on or prior to Completion;
- (v) the Company having duly performed and observed all of the obligations, undertakings and covenants required to be performed and observed by them under the Agreement, on or prior to Completion;
- (vi) all necessary approvals, authorisations, consents, licences, certificates, permits, concessions, agreements or other permissions of any kind, from or by all relevant

LETTER FROM THE BOARD

governmental or regulatory authorities, agencies or bodies, or any other third party (including banks and/or relevant regulatory authorities of the relevant jurisdictions (if required)), required for the implementation of the transactions contemplated in the Agreement being obtained and maintained;

(vii) where applicable, having complied to the satisfaction of the Stock Exchange and the SFC with all requirements under the Listing Rules and, where applicable, the Takeovers Code in relation to (i) the purchase of the Sale Share; (ii) the allotment and issue of the Consideration Shares to the Vendor and/or its nominee(s); and (iii) other transactions contemplated herein;

(viii) listing of and permission to deal in the Consideration Shares having been granted by the Listing Committee of the Stock Exchange (and such listing and permission not subsequently being revoked prior to Completion);

Cathay will use their respective best endeavours to render such assistance to each other as may be required or expedient or necessary to facilitate the fulfillment of all the conditions. If any of the conditions as set out in the Agreement is not fulfilled (or waived by the vendor or the purchaser as the case may be) on or before 30 April 2010 (“the Long Stop Date”) (or such earlier or later date as may be agreed by the purchaser and the vendor in writing) or any party fails to proceed to completion of the sale and purchase of the Sale Share and the Agreement will terminate. None of the parties to the Agreement will have any claim against any other in respect of the Agreement.

Completion

Subject to the fulfillment of the conditions set out in the Agreement, Completion will take place on the third business day after the day on which Cathay has received confirmation from the Company that all the conditions have been fulfilled and/or waived (as the case may be) (or such other date as may be agreed by Cathay and the Company in writing) but in any event no later than 30 April 2010 (or such other date as may be agreed by Cathay and the Company in writing) at the offices of the solicitors for the Company in Hong Kong.

Consideration Shares

A total of 1,425,000,000 Consideration Shares will be allotted and issued to Cathay pursuant to the Agreement.

The Issued Price of HK\$0.08 per Consideration Share represents:

- (i) a discount of approximately 33.88% over the closing price of HK\$0.121 per Share as quoted on the Stock Exchange on the last trading day of the Shares immediately before the date of the Announcement;
- (ii) a discount of approximately 36.71% over the average closing price of HK\$0.1264 per Share as quoted on the Stock Exchange for the last five trading days of the Shares immediately before the date of the Announcement;

LETTER FROM THE BOARD

- (iii) a discount of approximately 35.85% over the average closing price of HK\$0.1247 per Share as quoted on the Stock Exchange for the last ten trading days of the Shares immediately before the date of the Announcement; and
- (iv) a discount of approximately 37.69 per cent. over the net asset value of HK\$0.1284 per Share as stated in the audited consolidated accounts of the Company for the year ended 30 June 2009.

The Issued Price was agreed after arm's length negotiations by reference to historical performance of the prices of the Shares and the net assets value of the Group as at 30 June 2009. The Issued Price represents approximately 35% discount to the market prices of the Shares as disclosed in the Announcement on 28 December 2009.

However, the Directors note that the price of the Shares has increased from the low range of HK\$0.056 per Share closing on 9 April 2009 (date of the Company's voluntary announcement in respect of possible acquisition with Cathay) to the closing price of HK\$0.116 per Share (date of entering into Letter of Intent with Cathay) and to the closing price of HK\$0.074 per Share on 5 February 2010, which the Latest Practicable Date.

The Directors are not aware of the reasons for such surge/fluctuation in Share price, but consider that the surge/fluctuation could be speculative due to the prevailing high liquidity of the stock market and the announcements including the entering of Letter of Intent with Cathay. In the circumstances, the Company considers the Issued Price is fair and reasonable taking into account the closing price of the Shares of HK\$0.056 per Share on 9 April 2009 (date of the Company's voluntary announcement in respect of possible acquisition with Cathay) and the closing price per Share of HK\$0.074 as at 5 February 2010. The Directors (including independent non-executive Directors) consider the terms of the Agreement to be fair and reasonable as far as the Shareholders are concerned and that the Agreement is in the interests of the Company and its Shareholders as a whole.

The Consideration Shares will be allotted and issued pursuant to the specific mandate to be sought at the EGM and will be allotted and issued on the date of Completion.

The Consideration Shares represent approximately 19.85% of the existing issued share capital of the Company and 16.56% of the enlarged issued share capital of the Company upon issue of the Consideration Shares.

The Consideration Shares, when allotted and issued, will rank *pari passu* in all respects with each other and with the Shares then in issue on the date of allotment and issue of the Consideration Shares. There are no provisions contained in the Agreements restricting the dealings in the Consideration Shares by Cathay.

Application will be made by the Company to the Stock Exchange for the listing of, and permission to deal in the Consideration Shares.

INFORMATION ABOUT CATHAY

Cathay is a company incorporated in the Cayman Islands with limited liability. The principal business activity of Cathay is investment holding.

LETTER FROM THE BOARD

INFORMATION ABOUT TRIPLE HARVEST

Triple Harvest is a company incorporated in the British Virgin Islands with limited liability on 20 April, 2009. Accordingly, no financial information is available. As at the latest Practicable Date, Triple Harvest has an authorized capital of US\$50,000 divided into 50,000 shares of US\$1.00 each, of which 1 share was issued, allotted and credited as fully paid and Cathay is legal and beneficial owner of the Sale Share.

Triple Harvest will undergo a corporate reorganization. Upon completion of the said reorganization, the Triple Harvest will indirectly hold 100% of the equity interest of a wholly foreign-owned enterprise, which in turn will be the registered beneficial owner of the Patents in the PRC. The Patents cover the technologies and processes in relation to the production of fertilizers. Upon completion of the Acquisition, the Company will acquire the unique technologies in relation to the production of fertilizers to cater for the market demand for plantation materials.

REASONS AND BENEFITS OF THE ACQUISITION

The Group engages in the green business of plantation, research and development of plantation related technologies, manufacture, sale and distribution of plantation products and materials. The Group developed the waste-to-value “O-Live Organic Waste Treatment System” (“O-Live System”) which is an automatic machine utilizing high temperature micro-organisms technology for environmental treatment of animal manures of livestock farms. Within 24 hours, O-Live System kills animal influenza and common disease bacteria and converts animal manures into raw materials for producing microbial organic fertilizer.

The PRC has a population of approximately 1.3 billion and cultivable land of 1.98 billion acre and 1.5 acre per capita, that is 7% of the cultivable land of the world to feed 22% of the world population. According to forecasts by the Population Division, Department of Economic and Social Affairs of the United Nations, the PRC population will be more than 1.45 billion by 2030. The PRC State Council suggested in “the Summary of the Ninth-Five Plan on national economic and social development and the future targets for 2010 (國民經濟和社會發展“九五”計劃和2010年遠景目標綱要)” to “support the production technology demonstration and fertilizer technology demonstration of compound fertilizers, specialized fertilizers, biological fertilizers and organic fertilizers with technological characteristics and features”.

Food supply and quality are crucial to the political and economic stability of the PRC, and fertilizer products affect the supply and quality of food and crop to a great extent. The promulgation of “No. 1 Central Document” (“一號中央文件”) in 2010 clearly manifested the PRC central government’s strategic intention to place solving food problems in agriculture as its utmost priority. The PRC government continued to increase its support to agriculture related areas, and the encouragement in the development of agriculture-related areas continued to grow, establishing a good development trend for the industry.

Eyeing on the increasing share of organic fertilizer in total fertilizer market, the Group established self-operated production bases to utilize the raw materials from its O-Live System, to serve increasing orders and to enhance operating profit. With the Patents, the Group is capable of producing specialized products to accommodate diversified market orders and to enhance operating profit. The Directors consider that it is a good opportunity to invest in the Triple Harvest to acquire

LETTER FROM THE BOARD

its comprehensive range of technologies. In view of the Patents and technologies to be owned by Triple Harvest, the Directors are of the view that the upside potential for the Patents will be promising. In addition, as the consideration for the Acquisition is substantially to be settled by way of issue and allotment of Consideration Shares, there will no major cash outflow from the Company.

The Directors (including independent non-executive Directors) consider the terms and conditions of the Acquisition, including but not limited to the allotment and issue of the Consideration Shares, are fair and reasonable and are in the interests of the Company and the Shareholders as a whole. The Directors consider the Acquisition to be in normal commercial terms and within the ordinary and usual course of business of the Company.

CHANGES IN SHAREHOLDING STRUCTURE OF THE COMPANY

The changes in the shareholding structure of the Company as a result of the allotment and issue of the Consideration Shares are as follows:

Shareholders	Issued share capital as at the Latest Practicable Date		Issued share capital immediately after allotment and issue of the Consideration Shares	
	No. of Shares	Approximate Percentage	No. of Shares	Approximate Percentage
Capital Master International Limited (Note)	1,520,520,000	21.18%	1,520,520,000	17.68%
Kam Yuen (Note)	1,520,520,000	21.18%	1,520,520,000	17.68%
Edmond de Rothschild Asset Management	607,400,000	8.46%	607,400,000	7.06%
The Cathay Investment Fund, Limited	—	—	1,425,000,000	16.56%
Other public shareholders	<u>5,049,959,000</u>	<u>70.35%</u>	<u>5,049,959,000</u>	<u>58.70%</u>
	<u>7,177,879,000</u>	<u>100.00%</u>	<u>8,602,879,000</u>	<u>100.00%</u>

Note : The entire issued share capital of Capital Master International Limited is beneficially owned by Mr. Choy Ping Fai, whom is the spouse of Ms. Kam Yuen. Ms. Kam Yuen is deemed to be interested in the shares held by her spouse.

LISTING RULES IMPLICATION

The Acquisition constitutes a discloseable transaction on the part of the Company under the Listing Rules and the issue of Consideration Shares under Specific Mandate is subject to the approval of the Shareholders at the EGM. To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, no Shareholders have material interest in the Acquisition and are required to abstain from voting at the EGM approving the Acquisition and the transactions contemplated thereunder.

LETTER FROM THE BOARD

Pursuant to Rule 13.39(4) of the Listing Rules, all resolutions at the EGM will be taken by poll.

EGM

A notice convening the EGM to be held at 4th Floor, Opulent Building, 402-406 Hennessy Road, Wanchai, Hong Kong on Tuesday, 9 March 2010 at 10:30 a.m. is set out on pages 18 to 19 of this circular. A form of proxy for use at the EGM is enclosed with this circular. Whether or not you intend to attend and vote at such meeting, you are requested to complete and return the enclosed form of proxy to the Company's branch share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong in accordance with the instructions printed thereon as soon as possible and in any event not less than 48 hours before the time appointed for holding the EGM or any adjournment thereof. Completion and return of the form of proxy will not preclude you from attending and voting in person at the EGM or any adjournment thereof should you so wish.

To the best of the Directors' knowledge, information and belief having making all reasonable enquiries, no Shareholders have a material interest in the Acquisition and therefore required to abstain from voting at the EGM approving the Agreements and the transactions contemplated thereunder.

RECOMMENDATION

The Board considers that the terms of the Acquisition are fair and reasonable and are in the interests of the Company and the Shareholders as a whole. Accordingly, the Board recommends the Shareholders to vote in favour of the resolution approving the Acquisition as set out in the notice of the EGM.

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

INTELLECTUAL PROPERTY RIGHTS TO BE ACQUIRED BY THE GROUP

The Company has performed (i) legal due diligence on the existence and title of the Patents; (ii) operational due diligence on the application and execution of the technologies; (iii) technical due diligence on the test and trial performance on application of the technologies. The technical application of the Patents perform 3 major functions: (i) increasing crop yield; (ii) decreasing plantation cost; and (iii) enhancing crop quality.

As at the Latest Practicable Date, 30 Patents will be acquired by the Group upon Completion of the Acquisition, details of which are as follows:

Patent*	Registrant*	Place of Registration	Application Date (Notes 1&2)	Application Number	Application Details
Eucalypt Specialty Fertilizer 桉樹專用肥	Protech 普德士	PRC	6 Jul 2007	200710074909.1	Applied to eucalypt plantation, to improve the soil structure and provide adequate moisture, oxygen and nutrition, increasing the crop yield and quality.
Ginger Organic Specialty Fertilizer 大薑有機專用肥	Protech 普德士	PRC	6 Jul 2007	200710074797.X	Applied to organic ginger plantation, to improve the soil structure and provide adequate moisture, oxygen and nutrition, increasing the crop yield and quality.
Hardened Soil Specialty Liquid Fertilizer 板結土專用液肥	Protech 普德士	PRC	6 Jul 2007 on hardened soil to improve	200710076329.6	Applied to Crop plantation the soil structure and provide adequate moisture, oxygen and nutrition, increasing the crop yield and quality.
Organic Fertilizer 有機肥	Protech 普德士	PRC	6 Jul 2007	200710074913.8	Applied to general crop plantation, to improve the soil structure and provide adequate moisture, oxygen and nutrition, increasing the crop yield and quality.

Patent*	Registrant*	Place of Registration	Application Date (Notes 1&2)	Application Number	Application Details
Organic Liquid Fertilizer 有機液肥	Protech 普德士	PRC	6 Jul 2007	200710074902.X	Applied to general crop plantation to improve the soil structure and provide adequate moisture, oxygen and nutrition, increasing the crop yield and quality.
Pitaya Specialty Liquid Fertilizer 火龍果專用液肥	Protech 普德士	PRC	6 Jul 2007	200710076326.2	Applied to pitaya plantation, to improve the soil structure and provide adequate moisture, oxygen and nutrition, increasing the crop yield and quality.
Saline-alkali Soil Specialty Liquid Fertilizer 鹽鹼土專用肥	Protech 普德士	PRC	6 Jul 2007	200710074931.6	Applied to crop plantation on saline-alkali soil, to improve the soil structure and provide adequate moisture, oxygen and nutrition, increasing the crop yield and quality.
Tea Tree Specialty Fertilizer 茶樹專用肥	Protech 普德士	PRC	6 Jul 2007	200710076328.1	Applied to tea tree plantation, to improve the soil structure and provide adequate moisture, oxygen and nutrition, increasing the crop yield and quality.
Tobacco Specialty Fertilizer 煙草專用肥	Protech 普德士	PRC	6 Jul 2007	200710076315.4	Applied to tobacco plantation, to improve the soil structure and provide adequate moisture, oxygen and nutrition, increasing the crop yield and quality.

Patent*	Registrant*	Place of Registration	Application Date (Notes 1&2)	Application Number	Application Details
Citrus Specialty Fertilizer 柑桔專用肥	Protech 普德士	PRC	3 Feb 2010	201010104708.3	Applied to citrus plantation, to improve soil structure and provide adequate moisture, oxygen and nutrition, increasing the crop yield and quality.
Grapes Specialty Fertilizer 葡萄專用肥	Protech 普德士	PRC	3 Feb 2010	201010104716.8	Applied to grapes plantation, to improve soil structure and provide adequate moisture, oxygen and nutrition, increasing the crop yield and quality.
Landscaping Gardening Specialty Fertilizer 園景花卉專用肥	Protech 普德士	PRC	3 Feb 2010	201010104707.9	Applied to landscape, to improve soil structure and provide adequate moisture, oxygen and nutrition, increasing the crop yield and quality.
Leafy Vegetable Specialty Fertilizer 葉菜專用肥	Protech 普德士	PRC	3 Feb 2010	201010104709.8	Applied to leafy vegetable products, to improve the soil structure and provide adequate moisture, oxygen and nutrition, increasing the crop yield and quality.
Legumes Specialty Fertilizer 豆類專用肥	Protech 普德士	PRC	3 Feb 2010	201010104721.9	Applied to legumes plantation, to improve soil structure and provide adequate moisture, oxygen and nutrition, increasing the crop yield and quality.

Patent*	Registrant*	Place of Registration	Application Date (Notes 1&2)	Application Number	Application Details
Melon Fertilizer 瓜果專用肥	Protech 普德士	PRC	3 Feb 2010	201010104722.3	Applied to melon plantation, to improve the soil structure and provide adequate moisture, oxygen and nutrition, increasing the crop yield and quality.
Radish Specialty Fertilizer 蘿蔔專用肥	Protech 普德士	PRC	3 Feb 2010	201010104719.1	Applied to radish plantation, to improve soil structure and provide adequate moisture, oxygen and nutrition, increasing the crop yield and quality.
Strawberry Specialty Fertilizer 草莓專用肥	Protech 普德士	PRC	3 Feb 2010	201010104710.0	Applied to strawberry plantation, to improve soil structure and provide adequate moisture, oxygen and nutrition, increasing the crop yield and quality.
Sweet Corn Specialty Fertilizer 甜玉米專用肥	Protech 普德士	PRC	3 Feb 2010	201010104720.4	Applied to sweet corn plantation, to improve soil structure and provide adequate moisture, oxygen and nutrition, increasing the crop yield and quality.
Tomato Specialty Fertilizer 西紅柿專用肥	Protech 普德士	PRC	3 Feb 2010	201010104718.7	Applied to tomato plantation, to improve the soil structure and provide adequate moisture, oxygen and nutrition, increasing the crop yield and quality.

Patent*	Registrant*	Place of Registration	Application Date (Notes 1&2)	Application Number	Application Details
Tuber Crops Specialty Fertilizer 塊根作物專用肥	Protech 普德士	PRC	3 Feb 2010	201010104717.2	Applied to tuber crop plantation, to improve soil structure and provide adequate moisture, oxygen and nutrition, increasing the crop yield and quality.
Bulb Specialty Fertilizer 葱蒜專用肥	Protech 普德士	PRC	4 Feb 2010	201010105193.9	Applied to bulb plantation, to improve soil structure and provide adequate moisture, oxygen and nutrition, increasing the crop yield and quality.
Cotton Specialty Fertilizer 棉花專用肥	Protech 普德士	PRC	4 Feb 2010	201010105188.8	Applied to cotton plantation, to improve the soil structure and provide adequate moisture, oxygen and nutrition, increasing the crop yield and quality.
Coffee Specialty Fertilizer 咖啡專用肥	Protech 普德士	PRC	4 Feb 2010	201010105150.0	Applied to coffee plantation, to improve soil structure and provide adequate moisture, oxygen and nutrition, increasing the crop yield and quality.
Coconut Specialty Fertilizer 椰樹專用液肥	Protech 普德士	PRC	4 Feb 2010	201010105165.7	Applied to coconut plantation, to improve soil structure and provide adequate moisture, oxygen and nutrition, increasing the crop yield and quality.

Patent*	Registrant*	Place of Registration	Application Date (Notes 1&2)	Application Number	Application Details
Golf-grass Specialty Liquid Fertilizer 高爾夫草坪專用液肥	Protech 普德士	PRC	4 Feb 2010	201010105186.9	Applied to golf-grass, to improve soil structure and provide adequate moisture, oxygen and nutrition, improving the grass quality.
Lemon Specialty Fertilizer 檸檬專用液肥	Protech 普德士	PRC	4 Feb 2010	201010105156.8	Applied to lemon plantation, to improve soil structure and provide adequate moisture, oxygen and nutrition, increasing the crop yield and quality.
Longan Specialty Fertilizer 龍眼專用液肥	Protech 普德士	PRC	4 Feb 2010	201010105199.6	Applied to longan plantation, to improve soil structure and provide adequate moisture, oxygen and nutrition, increasing the crop yield and quality.
Lychee Specialty Fertilizer 荔枝專用液肥	Protech 普德士	PRC	4 Feb 2010	201010105195.8	Applied to lychee plantation, to improve soil structure and provide adequate moisture, oxygen and nutrition, increasing the crop yield and quality.
Mango Specialty Fertilizer 芒果專用液肥	Protech 普德士	PRC	4 Feb 2010	201010105191.X	Applied to mango plantation, to improve soil structure and provide adequate moisture, oxygen and nutrition, increasing the crop yield and quality.

Patent*	Registrant*	Place of Registration	Application Date (Notes 1&2)	Application Number	Application Details
Rice Specialty Fertilizer 稻米專用肥	Protech 普德士	PRC	4 Feb 2010	201010105163.8	Applied to rice plantation, to improve soil structure and provide adequate moisture, oxygen and nutrition, increasing the crop yield and quality.

* English translation for reference only

Notes:

- (1) The validity period of the patents is 10 years from the date of application.
- (2) The certificates of registration have not yet been granted. According to the PRC legal advisers, the time required for completion of the registration procedures cannot be ascertained as it depends on the progress of the examination and approval procedures of 中華人民共和國國家知識產權局 (the State Intellectual Property Office of the PRC). The PRC legal advisers have also advised that the subject designs must not be identical with or similar to any design which, before the date of filing, has been publicly disclosed in publications in the country or abroad or has been publicly used in the country, and must not be in conflict with any prior right of any other person. Subject to the examination of 中華人民共和國國家知識產權局 (the State Intellectual Property Office of the PRC) in relation to the above, the compliance of the application procedures by the Group as required under 中華人民共和國專利法 (the Patent Law of the PRC) and the payment of the relevant fees involved in the applications, the PRC legal advisers have advised that there would be no legal impediments for the Group to obtain the approval for the registration of such patents.

NOTICE OF EXTRAORDINARY GENERAL MEETING



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: 01130)

NOTICE IS HEREBY GIVEN that an extraordinary general meeting (the “EGM”) of China Environmental Resources Group Limited (the “Company”) will be held at 4th Floor, Opulent Building, 402-406 Hennessy Road, Wanchai, Hong Kong on Tuesday, 9 March 2010 at 10:30 a.m. for the purpose of considering and, if thought fit, passing the following resolutions with or without amendments as ordinary resolutions of the Company:

ORDINARY RESOLUTION

“**THAT**

- (a) the conditional share sale agreement (the “**Agreement**”) dated 28 December 2009 entered into between the Company (the “**Purchaser**”) and The Cathay Investment Fund, Limited (the “**Vendor**”) in relation to, among other matters, the sale and purchase of 1 share of US\$1.00 each in the issued share capital of Triple Harvest Holdings Limited (a copy of which is marked “A” and produced to the EGM and signed by the chairman of the EGM for identification purpose) be and is hereby ratified, confirmed and approved and the directors (the “**Directors**”) of the Company be and are hereby authorised to do all such acts and things and execute all such documents which they consider necessary, desirable or expedient for the implementation of and giving effect to the Agreement and the transactions contemplated thereunder;
- (b) the allotment and issue of 1,425,000,000 ordinary shares (the “**Consideration Shares**” and each a “**Consideration Share**”) of HK\$0.01 each in the share capital of the Company credited as fully paid at an issue price of HK\$0.08 per Consideration Share to the Vendor pursuant to the Agreement be and is hereby approved and any Director be and is hereby authorised to allot and issue the Consideration Shares in accordance with the terms of the Agreement and to take all steps necessary, desirable or expedient in his opinion to implement or give effect to the allotment and issue of the Consideration Shares.”

By Order of the Board
China Environmental Resources Group Limited
LO King Fat, Lawrence
Company Secretary

Hong Kong, 9 February 2010

NOTICE OF EXTRAORDINARY GENERAL MEETING

Registered Office:

Ugland House
South Church Street
Post Office Box 309
George Town, Grand Cayman
Cayman Islands
British West Indies

***Head office and principal place of
business in Hong Kong:***

Room 3501, Bank of America Tower
12 Harcourt Road
Central
Hong Kong

Notes:

1. Any member entitled to attend and vote at the meeting convened by the above notice is entitled to appoint one or more proxies to attend and, in the event of a poll, vote in his/her stead. A proxy needs not be a member of the Company.
2. In order to be valid, the form of proxy must be duly lodged at the Company's branch registrar in Hong Kong, Computershare Hong Kong Investor Services Limited at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong together with a power of attorney or other authority, if any, under which it is duly signed or a notarially certified copy of that power of attorney or authority, not less than 48 hours before the time for holding the meeting or any adjourned meeting.
3. Completion and return of a form of proxy will not preclude a member from attending in person and voting at the above meeting or any adjournment thereof, should he so wish, and in such event, the form of proxy shall be deemed to be revoked.