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

Reference is made to the Company's announcement dated 7 December 2011 ("Announcement") relating to the Acquisition. The capitalized terms used herein shall have the same meanings as those defined in the Announcement unless otherwise stated.

As stated in the 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 6 January 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 postponed to a date on or before 12 March 2012.

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

Hong Kong, 6 January 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.