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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)

PROFIT WARNING

This announcement is made by the Company pursuant to Rule 13.09 of the Listing Rules and the Inside Information Provisions under Part XIVA of the SFO.

The Board wishes to inform the Shareholders and potential investors that, based on information currently available, the Group is expected to record a significant increase in losses for the six month ended 31 December 2015 as compared to the interim results for the corresponding period in 2014. This is the combined effects of (i) increase in net loss on fair value changes on financial assets at fair value through profit or loss; (ii) loss from changes in fair value less costs to sell of biological assets; and (iii) increase in general and administrative expenses due to the commencement of a new car distribution business during the six months ended 31 December 2015.

Shareholders and potential investors are advised to exercise caution when dealing in the shares of the Company.

This announcement is made by China Environmental Resources Group Limited (the “**Company**”) and together with its subsidiaries (the “**Group**”) pursuant to Rule 13.09 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”) and the Inside Information Provisions (as defined in the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) (the “**SFO**”).

The board of directors (the “**Board**”) of the Company wishes to inform the shareholders of the Company (the “**Shareholders**”) and the potential investors that, based on information currently available, the Group is expected to record a significant increase in losses for six month ended 31 December 2015 as compared to the interim results for the corresponding period in 2014. This is the combined effects of (i) increase in net loss on fair value changes on financial assets at fair value through profit or loss; (ii) loss from changes in fair value less costs to sell of biological assets; and (iii) increase in general and administrative expenses due to the commencement of a new car distribution business during the six months ended 31 December 2015.

The information contained in this announcement is only a preliminary review of information currently available in preparation of the unaudited consolidated interim results of the Group for the six month ended 31 December 2015, which have not yet been finalized and will be subject to the review of the Company.

The interim results of the Group for the six months ended 31 December 2015 is expected to be announced on 23 February 2016. Shareholders and potential investors are advised to read the interim results announcement of the Group when it is published.

Shareholders and potential investors are advised to exercise caution when dealing in the shares of the Company.

By order of the Board
China Environmental Resources Group Limited
Yeung Chi Hang
Chairman and Chief Executive Officer

Hong Kong, 19 February 2015

As at the date of this announcement, the Board comprises five executive Directors, namely, Mr. Yeung Chi Hang, Mr. Leung Kwong Choi, Mr. Wong Po Keung, Mr. Chung Siu Wah and Mr. Chen Yuyang; and three independent non-executive Directors namely Mr. Wong Kwai Sang, Mr. Ong Chi King and Mr. Heung Chee Hang, Eric.