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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 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 of the Company (the “Board”) wishes to inform the shareholders of the Company (the “Shareholders”) and potential investors that, based on the latest information currently available to the Board, it is expected that the Group’s audited consolidated loss for the year ended 30 June 2021 will decrease by not less than 10% compared to the loss for the corresponding period in 2020 of approximately HK\$55.8 million.

The Board considers that such decrease was attributable to the combined effects of the (i) increase in gross profit to approximately HK\$19.9 million mainly due to the change in product mix; (ii) increase in other income to approximately HK\$2.7 million mainly due to the receipt of government subsidies and increase in sponsorship income; (iii) decrease in general and administrative and operating expenses to approximately HK\$41.2 million mainly due to decrease in staff cost and expenses related to short-term leases/operating lease; and (iv) increase in fair value gain on investment properties to approximately HK\$1.9 million during the year ended 30 June 2021.

As the Company is still in the process of finalizing the annual results, this announcement is only based on preliminary assessment by the Board in accordance with the information currently available and the latest consolidated management accounts of the Group, which are subject to finalization and are not based on any figures or information reviewed or audited by the Company's auditors. Shareholders and potential investors are advised to exercise caution when dealing in the shares of the Company.

Shareholders and potential investors are advised to read carefully the announcement for the annual results of the Group for the year ended 30 June 2021 which is expected to be published on 30 September 2021.

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

Hong Kong, 20 September 2021

*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. Chik To Pan; and three independent non-executive Directors, namely Mr. Wong Kwai Sang, Mr. Ong Chi King and Mr. Heung Chee Hang, Eric.*