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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**”, 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 board of directors of the Company (the “**Board**”) wishes to update the shareholders of the Company (the “**Shareholders**”) and potential investors that, based on the latest information currently available to the Board and the latest consolidated management accounts of the Group, it is expected that the Group’s audited consolidated loss for the year ended 30 June 2024 will increase by not less than 100% as compared to the loss for the corresponding year in 2023 of approximately HK\$35.2 million.

The Board considers that such increase in loss was attributable to the combined effects of the followings during the year ended 30 June 2024: (i) increase in gross profit to approximately HK\$17.7 million mainly due to the change in revenue and products; (ii) decrease in other income to approximately HK\$1.9 million; (iii) decrease in administrative and operating expenses to approximately HK\$40.9 million; (iv) increase in fair value loss on investment properties to approximately HK\$17.3 million; (v) increase in loss arising from changes in fair value less costs to sell of biological assets to approximately HK\$38.6 million; (vi) increase in gain on fair value changes in investments at fair value through profit or loss to approximately HK\$1.6 million; (vii) decrease in provision for impairment loss of receivables to approximately HK\$0.3 million; (viii) increase in finance costs to approximately HK\$6.8 million; and (ix) increase in income tax credit to approximately HK\$10.6 million.

As the Company is still in the process of finalizing the audited annual results for the year ended 30 June 2024, the information contained in this announcement is only based on the preliminary assessment by the Board in accordance with the latest information currently available and the latest consolidated management accounts of the Group, which are subject to finalization. Such information has not been reviewed or audited by the auditors of the Company nor reviewed by the members of the audit committee of the Company and may be different from the audited consolidated results of the Group for the year ended 30 June 2024.

Shareholders and potential investors are advised to read carefully the announcement for the audited annual results of the Group for the year ended 30 June 2024 which is expected to be published on 30 September 2024.

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, 20 September 2024

As at the date of this announcement, the Board comprises six executive Directors, namely, Mr. Yeung Chi Hang, Mr. Leung Kwong Choi, Mr. Wong Po Keung, Mr. Chung Siu Wah, Mr. Chik To Pan and Mr. Liu Yafei; and three independent non-executive Directors, namely Mr. Wong Kwai Sang, Mr. Heung Chee Hang, Eric and Mr. Lee Chi Ho.