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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 PUBLICATION OF INTERIM RESULTS
FOR THE SIX MONTHS ENDED 31 DECEMBER 2011
AND
PROFIT WARNING**

The publication of the interim results of the Company for the six months ended 31 December 2011 is expected to be postponed until 14 March 2012.

The Group expects to record a substantial decrease in unaudited consolidated net profit after tax for the six months ended 31 December 2011 as compared to the corresponding period of 2010.

Shareholders of the Company and potential investors should exercise caution when dealing in the shares of the Company. Trading in the shares of the Company has been suspended since 9:00 a.m. on 24 February 2012, and will remain suspended until further notice.

Pursuant to Rule 13.49(6) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, China Environmental Resources Group Limited (the “Company”) is required to publish its interim results for the six months ended 31 December 2011 on a date not later than two months after the end of its first six months of the financial year ends, that is, on or before 29 February 2012.

The board (the “Board”) of directors of the Company wishes to announce that the publication of the interim results of the Company and its subsidiaries (together, the “Group”) for the six months ended 31 December 2011 is expected to be postponed until 14 March 2012, in order to allow additional time for the Company to compile further information necessary for the preparation of the unaudited consolidated interim financial statements.

The Board also wishes to inform the shareholders of the Company that the Group expects to record a substantial decrease in unaudited consolidated net profit after tax for the six months ended 31 December 2011 as compared to the corresponding period of 2010. As mentioned in the Chairman’s statement in the Company’s annual report for the financial year ended 30 June 2011, drastic turbulences in global financial markets will cloud the economic development of the PRC in the next few years and coupled with the increasing natural disasters on huge scale and damage, the Group expected to face extreme uncertainties and risks in the agricultural sector which accounted for more than 80% of its total turnover. In view of this the Group adopted a prudent business approach including tighter control on credit and restructuring certain business operations that has resulted in the reduction of the Group’s net profit after tax.

This announcement is only based on a preliminary review of the unaudited consolidated interim financial statements of the Group for the six months ended 31 December 2011, which have not yet been finalised and will be subject to the review of the Company.

Shareholders of the Company and potential investors should exercise caution when dealing in the shares of the Company. Trading in the shares of the Company has been suspended since 9:00 a.m. on 24 February 2012, and will remain suspended until further notice.

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

Hong Kong, 29 February 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.