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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)**

## **CHANGE OF AUDITOR**

The Board announces that Zhonglei (HK) CPA Company Limited has resigned as the auditor of the Group with effect from 28 June 2011. The Board has resolved to appoint Lau & Au Yeung C.P.A. Limited as the new auditor of the Group to fill the vacancy following the resignation of Zhonglei (HK) CPA Company Limited, and to hold office until the conclusion of the next annual general meeting of the Company.

The board of directors (the “**Board**”) of China Environmental Resources Group Limited (the “**Company**”) hereby announces that Zhonglei (HK) CPA Company Limited (“**Zhonglei**”) has resigned as auditor of the Company and its subsidiaries (“**the Group**”) with effect from 28 June 2011. The Board has resolved to appoint Lau & Au Yeung C.P.A. Limited as the new auditor of the Group to fill the vacancy following the resignation of Zhonglei, and to hold office until the conclusion of the next annual general meeting of the Company.

The reason for the change of the Group’s auditor is due to the fact that the Company could not reach consensus with Zhonglei on the level of audit fees charged.

Zhonglei has confirmed in its letter of resignation dated 28 June 2011 that there are no matters or circumstances connected with its resignation which it considers should be brought to the attention of the shareholders of the Company. The Board also confirms that there are no matters or circumstances in respect of the change of auditors which they consider should be brought to the attention of the shareholders or creditors of the Company, or its subsidiaries.

The Board would like to take the opportunity to thank Zhonglei for its professional services and support in the past.

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

Hong Kong, 30 June 2011

*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.*