



**CHINA ENVIRONMENT LTD.**  
(Registration No.: 200301902W)

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**Application to ACRA for Sect 202A –**

- (a) Relief From Requirements on Additional Information by Directors in Revised Financial Statements (Regulation 6(1)) / Requirements in New Directors' Statement (Regulation 6(2)),**
- (b) Application for Extension Of Time To Send / Lay (Regulation 7) / File (Regulation 13) Revised Financial Statements,**
- (c) Exemption from Compliance with the Accounting Standards (Regulation 8),**
- (d) Relief From Requirements On The Form And Content Of The Revised Financial Statements (Other Than Requirements Of The Accounting Standards) And New Directors' Statement (Regulation 9)**

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Reference is made to, inter alia, the following announcements by China Environment Ltd ("Company" or "CEL"):

- (a) the announcement dated 16 June 2016, Restating And Re-Filing Of Financial Statements For FY2013 And FY2014; and
- (b) the announcement dated 6 January 2017 and 13 January 2017, Site Visits by Auditors and 2<sup>nd</sup> Site Visits by Auditors respectively; and
- (c) the announcement dated 18 August 2017 on the Update on Landlord Lockout; and
- (d) the announcement dated 18 May 2018 on the Rejection of Application to Extend Deadline to Hold AGM; and
- (e) the announcement dated 13 December 2018 on Request for Attendance before an Officer pursuant to Section 31 of the ACRA Act, Cap. 2A

**1. APPLICATION TO ACRA FOR RELIEFS**

**1.1 Background**

Trading of the Company's shares on the SGX-ST was suspended on 24 June 2016. Pursuant to the Accounting And Corporate Regulatory Authority ("ACRA")'s Financial Reporting Surveillance Programme, ACRA has requested the Company to restate and re-file the Company's audited financial statement for the financial year ended 31 December 2013 ("FY2013") and financial year ended 31 December 2014 ("FY2014").

In this regard, the Company have made an application to seek a relief from the following requirements under Sect 202A of the Companies Act:

**Section 202A – Relief From Requirements on Additional Information by Directors in Revised Financial Statements (Regulation 6(1)) / Requirements in New Directors’ Statement (Regulation 6(2))**

Regulation 6(1) b

A statement that the revised financial statements are taken as having been prepared on the date of the original financial statements and accordingly, do not deal with events occurring after the date of the original financial statements;

Regulation 6(2) d

A statement that the new directors’ statement is taken as having been prepared on the date of the original directors’ statement and accordingly does not deal with events after the date of the original directors’ statement.

Regulation 4 (2)(c)(ii)A

A statement that states whether, in the opinion of the directors, the revised Financial Statements, are drawn up so as to give a true and fair view of the financial position and performance of the company and, if applicable, of the financial position and performance of the group, for the period covered by the original Financial Statements.

**Section 202A – Application for Extension Of Time To Send / Lay (Regulation 7) / File (Regulation 13) Revised Financial Statements**

Regulation 7(1)(a)

Application for extension of time to send revised Financial Statements to members of the company.

Regulation 13(1)

Application for extension of time to file revised Financial Statements.

**Section 202A – Exemption from Compliance with the Accounting Standards (Regulation 8)**

Findings from ACRA Review of the FY2013 Financial Statements announced in the announcement dated 16 June 2016, Restating And Re-Filing Of Financial Statements For FY2013 And FY2014;

**Section 202A – Relief From Requirements On The Form And Content Of The Revised Financial Statements (Other Than Requirements Of The Accounting Standards) And New Directors’ Statement (Regulation 9)**

Regulation 7(1)(a)

Application for extension of time to send revised Financial Statements to members of the Company.

(collectively, “Reliefs”).

## **1.2 Reasons for seeking the Reliefs**

Since the suspension of trading of the Company's shares on 24 June 2016, the Directors have been endeavouring to restate the original financials for FY2013 & FY2014 and hold Annual General Meetings required under the Companies Act.

There were ongoing civil proceedings against the Company's former Executive Chairman which concluded in a settlement announced on 30 July 2018. The Company faces difficulty in preparing revised financial statements of the Group due to the findings from the 1<sup>st</sup> and 2<sup>nd</sup> Site visits by Auditors and Landlord lockout as announced on 6 January 2017, 13 January 2017 and 18 August 2017 respectively.

### **Section 202A – Relief From Requirements on Additional Information by Directors in Revised Financial Statements (Regulation 6(1)) / Requirements in New Directors' Statement (Regulation 6(2))**

It will not be meaningful for the Company to revise the financial statements without taking in events occurring after the date of the original financial statements for FY2013 & FY2014. It will be difficult for the current Board of directors to opine that the revised financial statements for FY2013 & 2014 are true and fair due to the events occurring after the date of the original financial statements issued for FY2013 & FY2014.

### **Section 202A – Application for Extension Of Time To Send / Lay (Regulation 7) / File (Regulation 13) Revised Financial Statements**

It will be difficult for the company to comply with the requirements to send out the revised financial statements and filed them with the registrar within 30 days after the date of revision as the company will need time to layout, typeset, print the revised financial statements and give 14 days' notice for shareholders general meeting, as the company will be releasing the financials for FY2013, FY2014 & FY2015 together. The number of financial statements to be printed and sent out will be considerable due to the number of shareholders for each respective FY.

### **Section 202A – Exemption from Compliance with the Accounting Standards (Regulation 8)**

Pursuant to the announcement from the 1<sup>st</sup> and 2<sup>nd</sup> Site visits by Auditors and Landlord lockout announced on 6 January 2017, 13 January 2017 and 18 August 2017 respectively, it will be unduly burdensome for the Company to comply with the Accounting standards referred in ACRA Advisory Letter to the then Board of Directors of the Company on 23 October 2015.

### **Section 202A – Relief From Requirements On The Form And Content Of The Revised Financial Statements (Other Than Requirements Of The Accounting Standards) And New Directors' Statement (Regulation 9)**

Under Regulation 7(1)(a), The company has to take reasonable steps to ensure that, within 30 days after the date of revision, send out the revised Financial Statements (i) to all persons to whom a copy of to all persons to whom a copy of the original Financial Statements had been sent, (ii) to all persons to whom a copy of a summary financial statement, instead of a copy of the original Financial Statements, had been sent under section 203A of the Act, (iii) to all persons entitled, as at date of revision, to receive notice of general meetings of the company.

The number of financial statements to be printed and sent out will be considerable due to the number of shareholders for each respective FY. The costs will be exponential, and the Company

has limited funds. It will not be meaningful for FY2013 & FY2014 shareholders to receive the revised financial statements if they are no longer shareholders in FY2015.

As such, the Relief Requirements would allow the Company to save unnecessary costs, revise the financial statements for FY2013 & FY2014 and hold the annual general meetings required under the Companies Act;

Further announcements will be made by the Company to keep its shareholders updated on any material developments as and when appropriate.

**BY ORDER OF THE BOARD**

China Environment Ltd.

Norman Winata  
Executive Chairman  
8 January 2019