



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

REPLY TO SGX QUERY

The Board of Directors (the “**Board**”) of China Environment Ltd. (the “**Company**”, and together with its subsidiaries, collectively the “**Group**”) would like to respond to the following queries raised by the Singapore Exchange Securities Trading Limited (“**SGX-ST**”) on 7 January 2019

SGX Query 1

We refer to the announcements issued by the Company on 29 December 2018 entitled “Resignation of independent non-executive director”. Listing Rule 704(8) states that in the event of any retirement or resignation which renders the audit committee unable to meet the minimum number (not less than three) the issuer should endeavour to fill the vacancy within two months, but in any case not later than three months.

Please disclose the actions taken/to be taken by the Company and the estimated timetable to comply with the requirements under Listing Rule 704(8).

Company’s Response to SGX Query 1

The Company is actively looking for suitable candidates to fill the independent director vacancies and will endeavour to fill the vacancy within 2 months

SGX Query 2

Listing rule 705(1) states that an issuer must announce the financial statements for the full financial year immediately after the figures are available, but in any event not later than 60 days after the relevant financial period.

Please disclose the status of the finalization of restated financial statements for FY2013 and FY2014 as well as financial statements for each of the financial years from 2015 to 2017.

With reference to the Company’s announcement made on 20 April 2018 entitled “Response to SGX Queries”, we noted that the Company’s indicated timeline to meet the requirement is expected to be end of April 2018 and end of May 2018 for restated financial statements for FY2013 & FY2014 & financial statements for FY2015 and financial statements for FY2016 & FY2017, respectively. With reference to the Company’s announcement made on 18 August 2017 entitled “Response to SGX Queries”, we noted that the Company’s previous indicated timeline to meet the requirement is expected to be 6 months from the date of announcement for the restatement of financial statements for FY2013 and FY2014.

Company’s Response to SGX Query 2

The Company has applied on 4 Jan 2019 for Sect 202A - Relief application with ACRA to revise the original financial statements for FY2013 & FY2014. The Company expect to hold AGM for FY2013, 2014 and 2015 within 3 months of ACRA relief approval.

ACRA is still in the process of reviewing the relief application submitted by the Company. The Audit for FY2016 & 2017 has not been started pending FY2013, 2014 & 2015 AGM.

SGX Query 3

Listing rule 1304(1) states that if an issuer is suspended under Rule 1303(3), it must submit a proposal (or proposals) to the Exchange with a view to resuming trading in its securities ("resumption proposals") within 12 months of the date of suspension. If no resumption proposals are received to enable trading to resume within 12 months of the date of suspension, the Exchange may remove the issuer from the Official List. Please disclose the milestones and estimated timetable with a view to resuming trading in its securities.

Company's Response to SGX Query 3

The Company will update further once the timeline required to complete the audit for FY2018 is available.

BY ORDER OF THE BOARD

China Environment Ltd.

Norman Winata
Executive Chairman
9 January 2019