



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

NOTIFICATION OF DELISTING

The Board of Directors of China Environment Ltd (the "Company" and, together with its subsidiaries, the "Group") wishes to inform shareholders of the Company that it had on 21 September 2021 received a Notification of Delisting ("Notification") from the Singapore Exchange Regulation Pte. Ltd. ("SGX RegCo").

In the Notification, SGX RegCo stated that:

1. On 24 June 2016, trading in shares of the Company was suspended on SGX-ST, due to (i) ACRA's requirement to restate and refile the financial statements for the financial year ended 31 December 2013 ("FY2013") and 31 December 2014 ("FY2014"), and (ii) resignation of 2 executive directors of the Company on 23 June 2016. The Company was informed by ACRA on 23 October 2015 of accounting standard compliance issues and was required to restate its FY2013 and FY2014 financial statements. The Company was the subject of ACRA's Financial Statements Surveillance Programme and was issued an advisory letter for non-compliances with SFRS 11: Construction Contracts relating to recognition of revenue and trade receivables. On 16 June 2016, the Company announced that ACRA had rejected its appeal from having to restate financial statements for FY2013 and FY2014.

2. On 26 April 2019, the Company announced the Independent Auditor's Reports issued by RT LLP on the Company's restated financial statements for FY2013 and FY2014 ("Independent Auditor's Reports"). Based on the Independent Auditor's Reports, SGX RegCo noted instances of non-compliances with Listing Rule 703(1)(a).

Listing Rule 703(1)(a) requires an issuer to announce any information known to the issuer concerning it or any of its subsidiaries or associated companies which is necessary to avoid the establishment of a false market in the issuer's securities. Appendix 7.1 paragraph 3 clarifies that a false market may exist if information is not made available that would, or would be likely to, influence persons who commonly invest in securities in deciding whether or not to subscribe for, or buy or sell the securities.

The Company's Annual Reports dated 13 March 2014 and 1 April 2015 contained false and misleading financial statements due to non-existent trade receivables. The Company also failed to disclose a corporate guarantee of RMB 20M extended by a wholly-owned subsidiary to a bank for a loan granted to a third party ("Undisclosed Corporate Guarantee") in June 2015.

3. In addition, the Company did not comply with its continuing obligations under the Listing Rules. Amongst others, the Company failed to announce its financial statements pursuant to Listing Rule 705 since 12 August 2016. The Company's latest announcement of unaudited financial statements under Listing Rule 705 relates to the financial period ended 30 June 2016. The Company also did not hold its annual general meetings for its financial years ended 31 December from 2015 till 2020 as required under Listing Rule 707(1).

4. Listing Rule 1304(1) states that if the trading of the listed securities of 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 (i.e. by 23 June 2017). 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.

5. The deadline for the Company to submit a trading resumption proposal has expired on 23 June 2017 pursuant to Listing Rule 1304. The Company did not submit any resumption proposal with a view to resume trading nor valid application for an extension of time to meet the requirements under Listing Rule 1304. Having regard to the above, we regret to inform you that the Company will be delisted pursuant to Listing Rule 1304.

6. Pursuant to Listing Rule 1306, the Company or its controlling shareholder(s) must comply with Listing Rule 1309 which requires the Company or its controlling shareholder(s) to provide a fair and reasonable exit offer to shareholders. Please let us know your exit offer proposal as soon as practicable and no later than one month from the date of this letter. Please provide updates via SGXNET on the status of the Company's exit offer proposal.

7. We note that trading in the Company's securities has been suspended since 24 June 2016 (the "Trading Suspension"). This Trading Suspension shall remain in effect until completion of the exit offer, following which the Company will be delisted.

8. Please make an immediate SGXNET announcement to inform shareholders of this delisting notification, and the requirement for a fair and reasonable exit offer.

The Board is currently reviewing the Notification and intends to make an appeal to SGX RegCo.

The Company will make further announcement of any material development on the above matter as and when appropriate.

BY ORDER OF THE BOARD

China Environment Ltd.
22 September 2021