



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 16 August 2017 (each, a “**SGX Query**”) as follows:

SGX Queries raised on 16 August 2017

SGX Query 1

(i) Did the Company seek further time extension from ACRA with regards to the Restatement of Financial Statement? If yes, please provide details of the further time extension sought and the status of the Company’s application;

Company’s Response to SGX Query 1

The Company had written to ACRA to seek a further time extension with regards to the restatement. ACRA agreed, in consideration of the circumstances, to grant the Company an extension of time to restate and re-audit the FY2013 and FY2014 Financial Statements and table them at the Annual General Meeting (“AGM”) by 30 June 2017, and re-file them within 30 days after the AGM.

However, because of the difficulties faced by the Company in obtaining information for its investigations into the fraud suspected to have been committed by the former management, the Company was unable to complete the restatement by this deadline. The Company has informed ACRA accordingly, and continues to update ACRA on its progress in the investigations to date.

SGX Query 2

(ii) What are the reasons for the further time extension application; if applicable;

Company’s Response to SGX Query 2

(a) The Company has not completed its investigations into the suspected fraud.

SGX Query 3

(iii) Since the Extension granted, what are key milestones that have been achieved by the Company in meeting the timeline for the Restatement of the Financial Statements;

Company's Response to SGX Query 3

The Company has collected more evidence in relation to the suspected fraud, and this is being collated for provision for the restatement audit engagement.

SGX Query 4

(iv) What is the indicative timeline for the Company to meet the requirement of Restatement of Financial Statements.

Company's Response to SGX Query 4

The Company's indicative timeline to meet the requirement of restatement of their financial statements is expected to be 6 months from date of this announcement.

BY ORDER OF THE BOARD

China Environment Ltd.

Norman Winata
Executive Chairman
18 August 2017