



# CHINA ENVIRONMENT LTD.

(Registration No.: 200301902W)

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## PLACEMENT OF NEW ORDINARY SHARES AND WARRANTS

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### 1. Receipt of Approval-in-Principle from the SGX-ST

The Board of Directors of China Environment Ltd. (the “**Company**” and together with its subsidiaries, the “**Group**”) refers to the Company’s announcement dated 12 December 2014 relating to the Placement (the “**Placement Announcement**”). Unless otherwise defined, all terms and references used herein shall bear the same meaning ascribed to them in the Placement Announcement.

Further to the Placement Announcement, the Board is pleased to announce that the Company has, on 2 January 2015, received the approval-in-principle from the SGX-ST for the listing and quotation of an aggregate of 145,000,000 new ordinary shares in the capital of the Company on the Mainboard of the SGX-ST, comprising 72,500,000 Placement Shares and 72,500,000 Warrant Shares (the “**AIP**”).

The AIP granted by the SGX-ST is subject to the following conditions:

- (a) compliance with the Exchange’s listing requirements;
- (b) announcement of the conditions under which the Warrant Price may be adjusted and the salient terms of the Warrants; and
- (c) submission of:-
  - i. A written confirmation from the Company that it will comply with Rule 704(30) and Rule 1207(20) of the Listing Manual in relation to the use of the proceeds from the Placement and where proceeds are to be used for working capital purposes, the Company will disclose a breakdown with specific details on the use of proceeds for working capital in the Company’s announcements on use of proceeds and in the annual report;
  - ii. A written confirmation from the Company that it will comply with Rule 803 of the Listing Manual. Based on the Company’s representations, the Exchange is of the view that the Placement will not result in a transfer of controlling interest to the Subscriber, GlobalWin International Consultants Limited;
  - iii. A written confirmation from the Company that it will not place the Placement Shares and Warrants to persons prohibited under Rule 812(1) of the Listing Manual;

- iv. A written confirmation from the Company that the terms of the Warrants comply with Listing Rule 829(1);
- v. A written confirmation from the Company to announce any adjustment made pursuant to Listing Rule 829(1); and
- vi. A written confirmation from the Company that it will comply with Listing Rule 831.

The AIP granted by the SGX-ST is not to be taken as an indication of the merits of the Placement, the Placement Shares, the Warrant Shares, the Company and/or its subsidiaries.

**2. Salient terms of the Warrants and conditions under which the Warrant Price may be adjusted**

In addition to the above, pursuant to the AIP granted by the SGX-ST, the Board refers to the Company's announcement dated 12 December 2014, where the salient terms of the Warrants are set out in paragraph 2.2. Further, the conditions under which the Warrant Price may be adjusted are set out in Condition 5 of the Terms and Conditions of the Warrants, an extract of which is set out in Annex A of this announcement.

**BY ORDER OF THE BOARD**

Huang Min  
Executive Chairman  
2 January 2015