



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

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**DIFFERENCES BETWEEN UNAUDITED AND AUDITED REVISED FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2013**

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The Board of Directors (the “Board”) of China Environment Ltd. (the “Company”) refers to the unaudited full year financial results announcements for the financial year ended 31 December 2013 (“FY2013”) released via the SGXNet on 26 February 2014 (the “Unaudited Financial Statements”).

Further reference is made to the Audited Revised Financial Statements of the Company for FY2013 (the “Audited Financial Statements”) in the Auditor Comments for the Accounts for FY2013 released via SGXNet on 26 April 2019.

Pursuant to Rule 704(6) of the Listing Manual, the Board wishes to highlight and clarify the material differences between the Unaudited Financial Statements and Audited Revised Financial Statements for FY2013. The material differences and the reasons for such material differences are set out in the explanatory notes below.

**IN RESPECT OF THE CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**

Group	Audited Revised	Based on Announced Results	Difference	Note
	RMB'000	RMB'000	RMB'000	
<b>Revenue</b>	276,225	524,080	(247,855)	A
Cost of sales	(205,118)	(395,448)	190,330	A
<b>Gross profit</b>	71,107	128,632	(57,525)	A
Exceptional Gain	42,589	-	42,589	A
Profit before tax	63,117	78,053	(14,936)	A
<b>Net profit for the year</b>	59,738	74,674	(14,936)	A
<b>Total comprehensive income</b>	56,860	71,796	(14,936)	A

**IN RESPECT OF THE STATEMENTS OF FINANCIAL POSITION**

Group	Audited Revised	Based on Announced Results	Difference	Note
	RMB'000	RMB'000	RMB'000	
<b>CURRENT ASSETS</b>				
Trade and bills receivables	292,791	491,520	(198,729)	A
<b>TOTAL ASSETS</b>	915,280	1,114,009	(198,729)	A
<b>NET ASSETS</b>	594,973	793,702	(198,729)	A
<b>EQUITY</b>				
Revenue reserve	159,787	358,516	(198,729)	A

**IN RESPECT OF THE CONSOLIDATED STATEMENT OF CASH FLOWS**

<b>Group</b>	<b>Audited Revised</b>	<b>Based on Announced Results</b>	<b>Difference</b>	<b>Note</b>
	<b>RMB'000</b>	<b>RMB'000</b>	<b>RMB'000</b>	
<b>Cash flows from operating activities</b>				
Profit before tax	63,117	78,053	(14,936)	A
Exceptional Gain	42,589	-	42,589	A
<b>Operating cash flow before movements in working capital</b>	115,001	87,348	27,653	A
Trade and other receivables	(211,336)	(183,683)	(27,653)	A

Explanation for the variance (A):

Arising from the incoming Auditor's findings of those 5 major trade receivables from their 1st Site Visit and 2nd Site Visit as disclosed in Note 37(v) and (vi) of the Audited Revised Financial Statements, the New Board had concluded that the instances of severe non-compliance as stated in ACRA's Advisory Letter dated 23 October 2015 were a result of these non-existent trade receivables as at 31 December 2015, 31 December 2014 and 31 December 2013

As disclosed in Note 37(i), in view of the Advisory Letter received from the Accounting And Corporate Regulatory Authority, management has performed a revision for the current and prior year's consolidated statement of profit or loss and other comprehensive income, statements of financial position, consolidated statement of changes in equity and consolidated statement of cash flows, the effects of which are disclosed in Note 37(i).

The resultant exceptional gain arising from this revision relates to a net unreconciled difference due to the loss of partial accounting books, records and supporting documents.

**BY ORDER OF THE BOARD**

China Environment Ltd

Norman Winata  
Executive Chairman  
26 April 2019