



CHINA ENVIRONMENT LTD.

(Registration No.: 200301902W)

CLARIFICATION FOR THE DISCLOSURE IN 2014 ANNUAL REPORT

The Board of Directors of China Environment Ltd. (the “**Company**”) refer to the query raised by the Singapore Securities Exchange Trading Limited (the “**SGX-ST**”) and wishes to clarify as follows:-

SGX-ST’s Query:

Guideline 9.4 of the Code states that for transparency, the annual remuneration report should disclose the details of the remuneration of employees who are immediate family members of a director or the CEO, and whose remuneration exceeds S\$50,000 during the year. This will be done on a named basis with clear indication of the employee’s relationship with the relevant director or the CEO. Disclosure of remuneration should be in incremental bands of S\$50,000. The company need only show the applicable bands.

As required under Listing Rule 1207(12) of the Listing Manual, please make disclosure as recommended in the Code; or otherwise disclose and explain any deviation from the recommendation.

Company’s response to SGX-ST’s Query:

The Company refers to the statements made in section entitled “Principle 9: Every company should provide clear disclosure of its remuneration policies, level and mix of remuneration, and the procedure for setting remuneration, in the company’s Annual Report. It should provide disclosure in relation to its remuneration policies to enable investors to understand the link between remuneration paid to directors and key management personnel, and performance.” on page 39 of its Annual Report and confirms the following statement in compliance with Listing Rule 1207(12):

No employee of the Company and its subsidiaries is an immediate family member of any Director or CEO or a controlling shareholder and whose remuneration has exceeded S\$50,000 during the financial year ended 31 December 2014, except for Ms Huang Wen, the Accounts Executive of the Group, who is the daughter of Mr Huang Min (Executive Chairman and Executive Director), whose remuneration has exceeded S\$50,000 but is below S\$100,000.

BY ORDER OF THE BOARD

Huang Min
Executive Chairman
27 April 2015