



CHINA ENVIRONMENT LTD.

(Registration No.: 200301902W)

ISSUES RAISED BY AUDITORS

The Board of Directors of China Environment Ltd. (the “**Company**” and together with its subsidiaries, the “**Group**”), wishes to announce that its auditors, Baker Tilly TFW LLP (the “**Auditors**”), had identified certain issues with the Group’s invoicing during the course of their interim audit on the Group’s financial statements.

The Audit Committee has directed the Company’s management to provide all necessary explanations and information to the Auditors to address these issues.

The management had also provided the necessary explanation to the Audit Committee.

The Auditors had preliminarily accepted the management’s explanation subject to further verification by the Auditors. The Auditors will be reviewing the information provided by the management and will be conducting the necessary audit procedures to verify the invoices.

The Company will announce any material updates to shareholders on a timely basis. In the meantime, the Board wishes to advise shareholders of the Company and investors to exercise caution when dealing in the shares of the Company.

By Order of the Board

Huang Min
Executive Chairman

4 December 2015