



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

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**RECEIPT OF STATUTORY DEMAND**

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The Board of Directors of China Environment Ltd (the "Company" and, together with its subsidiaries, the "Group") wishes to make an announcement regarding a claim by Shook Lin & Bok LLP ("Shook Lin & Bok") against the Company. The Company received a letter of demand dated 6 January 2017 from Shook Lin for payment pursuant to Section 254 of the Companies Act (CAP. 50) of the sum of approximately S\$19,676, in respect of tax invoices issued by Shook Lin to the Company for services rendered and disbursements incurred.

The letter stated that it is a statutory demand for payment under Section 254(1)(e) read with 254(2)(a) of the Companies Act (Cap 50), and unless the total sum is full paid within twenty-one days of the demand letter, the Company would be deemed to be unable to pay the debts and Shook Lin & Bok is entitled to present a winding-up application for a winding-up order against the Company.

Given the existing Board of Directors are not involved in the engagement of the services from Shook Lin & Bok, the Company is liaising with Shook Lin & Bok and former directors and management to seek clarifications in relation to this engagement and the invoices payable.

The Directors are of the view that the claim will have no material adverse impact on, inter alia, the financial position and performance of the Group.

The Company will keep the shareholders updated when we establish the matters accordingly.

**BY ORDER OF THE BOARD**

China Environment Ltd.

Norman Winata  
Executive Chairman  
13 January 2017