



China Environment Ltd.

CHINA ENVIRONMENT LTD.

(Incorporated in Singapore)

Company Registration No.: 200301902W

CLARIFICATION ON REPAYMENT OF BANKING FACILITIES

AND

MINIMUM TRADING PRICE

CLARIFICATION ON REPAYMENT OF BANKING FACILITIES

The Board of Directors (the “Board”) of China Environment Ltd. (the “Company” and together with its subsidiaries, the “Group”) refers to the Company’s announcements dated 9 October 2015 and 23 October 2015 in relation to the Loans (as defined therein), and 12 October 2015 in relation to the Proposed Placement (as defined therein).

The Board is of the opinion that, after taking into account the Group’s present bank facilities and the net proceeds of the Proposed Placement, the working capital available to the Group is sufficient to meet its present requirements. However, in view of the current prevailing tight credit situation and slow work progression, the collection of the Group’s trade receivables from its customers may be slow or not on time as and when they fall due, and the Group may require to seek fresh funds either from existing shareholders, new private placements, or other debt financing methods such as issue of preference shares, notes or bonds.

MINIMUM TRADING PRICE

The Monetary Authority of Singapore and the SGX-ST have introduced a minimum trading price for Mainboard-listed issuers of S\$0.20 as a continuing listing requirement (the “MTP Requirement”) on 2 March 2015.

The MTP Requirement will take effect after a one-year transition period ending on 1 March 2016, with the first review based on the volume weight average price (“VWAP”) for the 6 month period from 1 September 2015 to 29 February 2016. From 1 March 2016, Main-board listed issuers who do not comply with the MTP Requirement will be placed on a watch-list

In order to comply with the MTP Requirement, the Directors had discussed and are considering the following options that available to the Company:

- a. share consolidation;
- b. transfer to the Catalist board;
- c. acquisition of new businesses to improve shareholders’ value;
- d. reverse takeover; or
- e. a combination of any of the above.

The Board will continue to monitor the Company's VWAP and to take the necessary action to ensure that the Company is compliance with the MTP Requirement. However, if the Company does not comply with the MTP Requirement at the end of the transition period, the Company will be placed on the watch-list on or after 1 March 2016. The Company will have a 36-month period to exit from the watch-list. If the Company fails to exit from the watch-list, it will be subject to delisting in accordance with the SGX-ST's listing rules.

The Board will update the shareholders in due course in regard to the abovementioned matters.

BY ORDER OF THE BOARD
China Environment Ltd.

Huang Min
Executive Chairman

02 November 2015