



## **CHINA ENVIRONMENT LTD.**

(Registration No.: 200301902W)

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### **PROFIT GUIDANCE DUE TO NON-CASH IMPAIRMENTS ON THE UNAUDITED FINANCIAL RESULTS FOR THE FULL YEAR ENDED 31 DECEMBER 2015**

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The Board of Directors (“Board”) of China Environment Ltd (the “Company”, and together with its subsidiaries, collectively the “Group”) wishes to inform shareholders that following a preliminary review of the Group’s unaudited financial results for the financial year ended 31 December 2015 (“FY2015”), the Group expects to report a loss in FY2015.

The Group assesses at the end of each reporting period whether there is any objective evidence that financial asset and non-financial asset are impaired. The Company advised that it expects it’s the Group Full Year Results to include recognition of non-cash impairments on its property, plant and equipment and trade and bill receivables.

The impairment made for property, plant and equipment is mainly due to lower fair market value of its properties in both Fujian’s and Anhui’s province as compared to net book values of its properties. Whereas, the allowance for impairment made for trade and bill receivables is mainly due to significant delay in payment by customers as a result of slower economic growth in the Peoples’ Republic of China.

The Group is still in the process of finalizing its unaudited financial results for FY2015. Further details of the Group’s financial results will be disclosed when the Group finalizes and announces its unaudited financial results for FY2015.

The Company is due to release its Full Year Results and financial report on Monday, 29 February 2016. In the meantime, shareholders and investors are advised to exercise caution when dealing in the shares of the Company.

#### **BY ORDER OF THE BOARD**

Huang Min  
Executive Chairman  
22 February 2016