



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

UPDATE ON INJUNCTION APPLICATION AGAINST HUANG MIN

The Board of Directors ("**Board**") of China Environment Ltd (the "**Company**" and, together with its subsidiaries, the "**Group**") refers to the announcements released on 21 September 2016, 28 September 2016 and 24 October 2016 in relation to the legal proceedings in the Singapore High Court commenced by the Company and its subsidiary Fujian Dongyuan Environmental Protection Co. Ltd ("**FDJY**") against the former Executive Chairman of the Company, Huang Min. The additional defendants to these proceedings are Huang Min's wife and two daughters, Chen Fen Hua, Huang Lu and Huang Wen, respectively.

The Company and FDJY's primary claim is in relation to the defendants' breach of fiduciary duties and/or fraud in relation to alleged false/non-existent trade receivables recorded in FDJY's accounts as due from Anhui Shengyun Mechanical Co. Ltd and Nanning Youji Technology Co Ltd. In addition, the Company and FDJY also claim a sum of RMB 25,000,000 (about SGD 5.1 million) which they say were misappropriated by the defendants from the Company's subsidiary, Xiamen Gongyuan Environmental Protection Technology Co. Ltd, and an account of the various interested party transactions which they and/or their associates concluded with FDJY over the years.

On 4 December 2017, the Singapore High Court granted the Company and FDJY's application for a **Worldwide Mareva Injunction Order** to restrain and prohibit them from in any way using, dealing with, disposing of or diminishing the value of their assets (whether solely or jointly owned, and whether located in Singapore or outside of Singapore) up to the value of **USD7,000,000** (United States Dollars Seven Million).

The Company and FDJY are presently preparing for the full trial of the matter, which is anticipated to take place sometime next year.

The Company will keep the shareholders informed of any further material developments.

BY ORDER OF THE BOARD
China Environment Ltd.

Norman Winata
Executive Chairman
6 December 2017