



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

RECEIPT OF LEGAL LETTER

The Board of Directors of China Environment Ltd (the "Company" and, together with its subsidiaries, the "Group") wishes to announce that the Company's wholly-owned subsidiary, Fujian Dongyuan Environmental Protection Co., Ltd ("FJDY") has received a letter dated 24 October 2016 from the solicitor of Chen Bing (Brother-in-law of Group's former Executive Chairman Mr Huang Min) on an alleged amount of RMB 5,000,000 due to him. In the letter, the solicitor of Chen Bing informed FJDY that he shall take litigation action should this amount not be paid to him by 4 November 2016.

The Company is investigating the veracity of this alleged amount and is currently reviewing the Legal letter with its legal advisors

The Company will keep the shareholders informed on material developments.

BY ORDER OF THE BOARD

China Environment Ltd.

Norman Winata
Executive Chairman
1 November 2016