



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

LANDLORD ACTION WITH REGARD TO LETTER OF DEMAND

The Board of Directors of China Environment Ltd (the "Company" and, together with its subsidiaries, the "Group") wishes to announce that pursuant to the Letter of Demand from Fujian Mintai Environmental Protection Co., Ltd (wholly-owned and controlled by the Group's former Executive Chairman Mr Huang Min and his spouse, "Landlord") announced on 19 October 2016, the Landlord has locked the premises of Fujian Dongyuan Environmental Protection Co., Ltd.

Due to the lock-out, the Company is unable to access the office and all the accounting and financial records that are housed in the premises.

In response to the Letter of Demand, the Company has through its Chinese solicitors, sent a reply to Fujian Mintai Environmental Protection Co., Ltd' s solicitors asking for a grace period and to move out its accounting and financial records by 11 November 2016.

Thereafter, the Company has informed its Chinese staff in Fujian Dongyuan Environmental Protection Co., Ltd to pack the accounting and financial records in preparation for the move on 11 November 2016. A logistics mover team was engaged and the logistics team arrived on 11 November 2016 at Fujian Dongyuan Environmental Co Ltd. However, the premises were locked on 11 November 2016 and the Company was unable to retrieve any accounting and financial records.

The Company has tried to contact the building management personnel to unlock the premises but was not able to.

The Company is currently reviewing its options 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
15 November 2016