



China Environment Ltd.
(Registration No.: 200301902W)

REPAYMENT OF BANKING FACILITIES

1. Pursuant to Rule 704(32) of the Listing Manual of the Singapore Exchange Securities Trading Limited, the Board of Directors of China Environment Ltd. (the “**Company**” and together with its subsidiaries, the “**Group**”) wishes to announce that Fujian Dongyuan Environmental Protection Co., Ltd (“**FJDY**”), a wholly-owned subsidiary of the Company, had on 7 September 2015 received a repayment reminder letter (the “**Reminder Letter**”) from the solicitors of Citic Bank Gu Fen Co Ltd Long Yan Branch (中信银行股份有限公司龙岩分行) (“**CITIC**”) in relation to two bank loans from CITIC (the “**Loans**”).
2. Under the terms of the Loan agreements, the Loans are guaranteed personally by Mr. Huang Min, the Executive Chairman of the Group, and his spouse.
3. The outstanding loans amount payable to CITIC by the repayment date of 30 September 2015 (“**Repayment Date**”) comprised an aggregate principal amount of RMB 43,559,002.07 and an aggregate accrued interest of RMB 617,827.13 (the “**Outstanding Loans**”).
4. Upon receipt of the Reminder Letter, the management of the Group (“**Management**”) had been in negotiations with CITIC to extend the Repayment Date beyond 30 September 2015. From 1 October 2015 to 7 October 2015, CITIC was closed for business due to national holidays in the People’s Republic of China. On 8 October 2015, CITIC notified the Management that the Repayment Date would not be extended, and accordingly, the Outstanding Loans remain due and owing.
5. The Management will continue to negotiate with CITIC on the repayment terms of the Outstanding Loans, and is also exploring the possible methods of fund raising or financing such repayment. Meanwhile, the business operations of the Group will continue as usual. The Board will update the shareholders in due course in regard to this matter.

By Order of the Board

Huang Min
Executive Chairman

9 October 2015