



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

RECEIPT OF LETTER OF DEMAND

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 has received a letter of demand dated 2 November 2016 ("Letter of Demand") from Zhongxin Bank ("Lender") claiming the repayment of RMB386,973 in overdue interest for a working capital loan.

Notice is given in the Letter of Demand that, the Bank expects the Company to repay the overdue interest within 2 weeks upon receipt of the Letter of Demand,

The Company is currently reviewing the Letter of Demand 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
9 November 2016