



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

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## RESULT OF PRC COURT HEARINGS

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The Board of Directors (the "Board") of China Environment Ltd. (the "Company") refers to the Company's announcement dated 6 February 2017 informing the shareholders of civil suits against the Company's wholly owned subsidiary Fujian Dongyuan Environmental Protection Co., Ltd ("FJDY"). The Company has updates on the following civil suits announced on 6 February 2017:

- (i) Civil Suit by Longyan Dongxiao Construction Engineering Co. Ltd announced on 6 December 2016 against the Company's wholly-owned subsidiary Fujian Dongyuan Environmental Protection Co., Ltd ( "FJDY" ) for a construction contract dispute

Judgement has been awarded to plaintiff in default of FJDY appearing, FJDY is liable for the RMB1.27million contract and shall pay within 10 days of the effective date of judgement specified by the Court with interest from 3 November 2015 calculated at the bank rate until the date of repayment. In the event of failure to make payment within time specified in this judgement, double interest shall accrue for the period of delay. The Court costs for this case of RMB8,465 shall be paid by FJDY. The Company did not have notice of the Court hearing as its premises were locked up by Fujian Mintai Environmental Co. Please refer to the Company's announcement on 25 October 2016.

- (ii) Civil Suit by Fujian Tongyong Hengxin Electrical Engineering Co. Ltd announced on 6 December 2016 against FJDY for a construction contract dispute

Judgement has been awarded to plaintiff in default of FJDY appearing, FJDY is liable for the RMB53,000 contract and shall pay within 10 days of the effective date of judgement together with interest from 7 November 2014 calculated at the rate of 6% per annum until the date of repayment. In the event of failure to make payment within time specified in this judgement, double interest shall accrue for the period of delay. The Court costs for this case of RMB562 shall be paid by FJDY. The Company did not have notice of the Court hearing as its premises were locked up by Fujian Mintai Environmental Co. Please refer to the Company's announcement on 25 October 2016.

- (iii) Civil Suit by Chen Bing against FJDY for alleged loan of RMB5,000,000 owing announced on 1 November 2016

Judgement was awarded to plaintiff in the absence of FJDY. FJDY also did not receive the judgment until after the timeline for appeal had passed. The judgment provides that FJDY shall pay RMB5,000,000 within 20 days of the effective date of judgement together with interest from 15 November 2015 at the rate of 2% per month until the date of repayment. In the event of failure to make payment within time specified in this judgement, double interest shall accrue for the period of delay. The Court also ordered that costs of RMB27,880 shall be paid by FJDY. FJDY denies the validity of this claim and is considering its options. The Company did not have notice of the Court hearing as its premises were

locked up by Fujian Mintai Environmental Co. Please refer to the Company's announcement on 25 October 2016.

- (iv) Civil Suit by Chen Wenzhong against FJDY for an alleged loan of RMB490,000 owing announced on 9 November 2016

Judgement was awarded to plaintiff in the absence of FDJY. FDJY also did not receive the judgment until after the timeline for appeal had passed. The judgment provides that FJDY shall pay within 15 days of the effective date of judgement together with interest from 23 November 2016 at the rate of 6% per annum until the date of repayment. In the event of failure to make payment within time specified in this judgement, double interest shall accrue for the period of delay. The Court also ordered that costs of RMB4,325 shall be paid by FJDY. FDJY denies the validity of this claim and is considering its options. The Company did not have notice of the Court hearing as its premises were locked up by Fujian Mintai Environmental Co. Please refer to the Company's announcement on 25 October 2016.

The Company will update the shareholders as and when there are further material developments

**BY ORDER OF THE BOARD**  
China Environment Ltd.

Norman Winata  
Executive Chairman  
2 May 2017