



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

RESULT OF PRC COURT HEARING ON LABOR DISPUTE

The Board of Directors ("**Board**") of China Environment Ltd (the "**Company**" and, together with its subsidiaries, the "**Group**") refers to the announcement released on 25 September 2017 in relation to the labor dispute between its subsidiary Fujian Dongyuan Environmental Protection Co. Ltd ("**FJDY**") and 25 ex-employees of FJDY ("**Ex-Employees**").

The original decision by the Longyan Labor Dispute Arbitration Committee ("**Committee**") is that the salaries due to the Ex-Employees should cover only the months September 2016 and October 2016 which amount to RMB168,176. The Committee also find that the Employees employment relationship with FJDY is terminated as of 25 July 2017 and severance payment of RMB 645,598 is due to the employees. The Company has contested the decision by the Committee and has appealed the Committee's decision in the Longyan People's Court ("**PRC Court**").

The final result of the PRC Court is that the salaries due to the Ex-Employees should cover only the months September 2016 and October 2016 which amount to RMB159,445. The PRC Court find that the Employees employment relationship with FJDY is terminated as of 25 July 2017 and severance payment of RMB 670,594 is due to the employees. The PRC Court also find that the Company is additionally liable for talent referral subsidy of RMB120,000. FJDY shall pay the Ex-Employees within 15 days of effective date of judgement.

The Company accept the PRC Court judgement.

BY ORDER OF THE BOARD

China Environment Ltd.

Norman Winata
Executive Chairman
1 June 2018