



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

FINDINGS OF PRC LEGAL FIRM

The Board of Directors of China Environment Ltd (the "Company") wishes to announce the findings of a PRC Legal firm appointed by the Company to investigate into the existence of trade receivables due from Anhui Shengyun Mechanical Co. Ltd and Nanning Youji Technology Co Ltd. The Company has previously announced on 12 August 2016 the impairment of these trade receivables in its Half Yearly Results Announcement.

The PRC Legal firm is of the opinion that the trade receivables due from Anhui Shengyun Mechanical Co. Ltd and Nanning Youji Technology Co Ltd are non-existent.

The Company is reviewing the above findings with a professional legal firm in Singapore.

The Company will keep the shareholders informed on any further material developments.

BY ORDER OF THE BOARD

China Environment Ltd.

Norman Winata
Executive Chairman
21 September 2016