



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

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## **UPDATE ON LANDLORD LOCKOUT**

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The Board of Directors of China Environment Ltd (“the Company”) write to provide an update to the shareholders further to their announcement on 15 November 2016 that Fujian Mintai Environmental Protection Co. Ltd had locked up the office premises of the Company’s Chinese subsidiary, Fujian Dongyuan Environmental Protection Co. Ltd (“FJDY”) on 11 November 2016.

Pursuant to the judgment obtained by the China Construction Bank (“CCB”) against the Company’s wholly owned subsidiary Fujian Dongyuan Environmental Protection Co., Ltd (“FJDY”) announced on 18 August 2017, CCB is entitled to sell off the land use rights and property assets of Fujian Mintai Environmental Protection Co. Ltd (“FJMT”) pledged as security for this loan. As part of the handover requirements of the Longyan People Court in this regard, the Company’s personnel were allowed to gain access to FJDY’s office premises on 26 July 2017 to pack up and retrieve FJDY’s documents from the office premises.

Upon gaining entry to the FJDY premises, it was discovered that the office was in a state of disarray, with evidence of ransacking.

The Company is in the process of reviewing the documents retrieved from the premises. On preliminary review, documents appear to be missing, and the records of the FJDY’s various departments are therefore likely incomplete.

The Company is currently taking advice from its legal advisors in China in this regard.

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

Norman Winata  
Executive Chairman  
18 August 2017