



CHINA ENVIRONMENT LTD.

(Registration No.: 200301902W)

UPDATE ON CITIC BANK LOAN

The Board of Directors of China Environment Ltd. (the “Company” and together with its subsidiaries, the “Group”) refers to the announcements released by the Company on 9 October 2015, 23 October 2015, 2 November 2015 and 7 December 2015 in relation to the above matter, the Board wishes to announce that Fujian Dongyuan Environmental Protection Co., Ltd (“FJDY”), a wholly-owned subsidiary of the Company, had on 9 December 2015 received an approval-in-principle letter dated 7 December 2015 from Citic Bank Gu Fen Co Ltd Long Yan Branch (中信银行股份有限公司龙岩分行) (“CITIC”) to convert the balance of RMB30 million bank loans from unencumbered to a new mortgage loan (“the Loan”).

Currently CITIC is in the midst of processing the necessary bank facility documents to FJDY for the latter to complete the bank loan application. FJDY is expecting to receive and complete the Loan and other bank documentations within next two weeks.

The loan will be guaranteed by the Executive Chairman of the Group, Mr Huang Min, and his spouse.

Upon successful completion of the said documentations, the credit record of FJDY in the China Credit Bureau System will be back to normal status. This will enable FJDY to explore more banking facilities from both on-shore and off-shore banks for future business developments.

The Board will update the shareholders in due course in regard to this matter.

By Order of the Board

Huang Min
Executive Chairman
9 December 2015