



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

ARBITRATION DECISION ON LABOR DISPUTE

The Board of Directors of China Environment Ltd (the "Company" and, together with its subsidiaries, the "Group") wishes to announce that the Company's wholly-owned subsidiary, Fujian Dongyuan Environmental Protection Co., Ltd ("FJDY") has received Arbitration Decision Letter for the following:

- (i) Labor dispute with 25 Employees of FJDY ("Employees") by the Longyan Labor Dispute Arbitration Committee ("Committee") due to the closure of FJDY

The Committee decision is that the salaries due to the Employees by FJDY 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 disputes the arbitration decision and has engaged a PRC lawyer for the appeal.

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

BY ORDER OF THE BOARD

China Environment Ltd.

Norman Winata
Executive Chairman
25 September 2017