



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

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**RECEIPT OF LETTER OF DEMAND**

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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., Pte Ltd has received a letter of demand dated 21 September 2016 ("Letter of Demand") from China Construction Bank ("Lender") claiming the repayment of RMB85,801 in overdue interest for a working capital loan of RMB23,000,000.

Notice is given in the Letter of Demand that, unless the overdue interest and loan principal are paid to the Lender within 3 days of notice, the Lender shall take such further steps as it deems necessary under the law to protect its rights under the loan agreement

The Company is currently reviewing the Letter of Demand with its legal advisors.

The Company will keep the shareholders informed on material developments.

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

Norman Winata  
Executive Chairman  
26 September 2016