



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

RECEIPT OF LEGAL LETTER

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, Anhui Dongyuan Environmental Protection Co., Ltd ("AHDY") has received a letter dated 19 October 2016 from the solicitor of Wuyi Jiufeng Anzhuang Engineering Co. Ltd ("WYJF") a subcontractor of AHDY on the alleged outstanding amount of RMB 1,455,590 due to WYJF. In the letter, the solicitor of WYJF informed AHDY that WYJF shall take litigation action should this amount not be paid to WYJF by 20 November 2016.

The Company is currently reviewing the Legal letter 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
1 November 2016