



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

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## **RESULT OF PRC COURT HEARINGS**

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The Board of Directors (the “Board”) of China Environment Ltd. (the “Company”) refers to the Company’s announcement dated 6 February 2017 informing the shareholders of civil suits against the Company’s wholly owned subsidiary Fujian Dongyuan Environmental Protection Co., Ltd (“FJDY”). The Company wishes to update on the following Civil Suit by China Construction Bank (“CCB”) against FJDY as announced on 26 September 2016.

Judgement has been awarded to plaintiff on terms that FJDY is liable for the RMB23 million loan and interest in the sum of RMB104,218, and shall pay the same within 10 days of the effective date of judgement, together with punitive interest at the rate of 8.15625% per annum from 15 April 2017 up to the full settlement date. In the event that FJDY does not make payment of the judgement sum (and interest), CCB has the right to sell off the land use rights and property assets of Fujian Mintai Environmental Protection Co. Ltd (“FJMT”) which had been pledged as security for this loan.

Huang Min, his wife (Chen Fen Hua), Anhui Dongyuan Environmental Protection Co., Ltd (“AHDY”) and Xiamen Gongyuan Environmental Protection Technology Co., Ltd (“XMGY”) shall be jointly liable for the balance amount in the event that the value of the FJMT pledged assets is insufficient to satisfy the amount due to CCB.

The total Court costs for the suit was RMB157,879, but after a 50% reduction the net amount payable is RMB78,939. It was ordered that CCB shall bear RMB2,000 and the remaining of RMB76,939 shall be collectively paid by FJDY, FJMT, XMGY, AHDY, Huang Min and Chen Fen Hua.

It was discovered upon the Company’s investigations that the corporate guarantees given to CCB by AHDY and XMGY had not been notified to or approved by the Board of Directors of the Company.

The Company is continuing its investigations into the matter, and will update the shareholders as and when there are further material developments.

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

Norman Winata  
Executive Chairman  
18 August 2017