



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

LEGAL ACTION IN RESPONSE TO CIVIL CASES

The Board of Directors of China Environment Ltd (the "Company" and, together with its subsidiaries, the "Group") wishes to announce that the Company's has engaged a PRC legal firm to handle the following:

- (i) Civil Suit by Longyan Dongxiao Construction Engineering Co. Ltd announced on 6 December 2016 against the Company's wholly-owned subsidiary Fujian Dongyuan Environmental Protection Co., Ltd ("FJDY") for a construction contract dispute
- (ii) Civil Suit by Fujian Tongyong Hengxin Electrical Engineering Co. Ltd announced on 6 December 2016 against FJDY for a construction contract dispute
- (iii) Civil Suit by Chen Bing against FJDY for alleged loan of RMB5,000,000 owing announced on 1 November 2016
- (iv) Civil Suit by Chen Wenzhong against FJDY for an alleged loan of RMB490,000 owing announced on 9 November 2016
- (v) Civil Suit by Wuyi Jiufeng Anzhuang Engineering Co. Ltd against the Company's wholly-owned subsidiary, Anhui Dongyuan Environmental Protection Co., Ltd ("AHDY") for a payment dispute announced on 1 November 2016
- (vi) Civil Suit by Fujian Mintai Environmental Protection Co., Ltd against FJDY for alleged rental arrears outstanding announced on 19 October 2016
- (vii) Civil Suit by Bank of China Bengbu against FJDY announced on 24 August 2016
- (viii) Civil Suit by Bank of China Longyan against FJDY announced on 19 October 2016
- (ix) Civil Suit by China Construction Bank against FJDY announced on 26 September 2016
- (x) Civil Suit by Zhongxin Bank against FJDY announced on 9 November 2016

and to file a report in the PRC with the PRC authorities on former Executive Chairman Huang Min's alleged fraud against the Company,

and also, to pursue legal action against customers whose outstanding trade receivables owing to FJDY are genuine.

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

BY ORDER OF THE BOARD
China Environment Ltd.

Norman Winata
Executive Chairman
6 February 2017