



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

CIVIL ACTION IN RELATION TO CONTRACTUAL 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 Notices for the following:

- (i) Civil Suit by Longyan City Dongxiao Construction Engineering Co. Ltd against FJDY for construction contract dispute
 - (a) The Company's Notice of court hearing was dated 30 Nov 2016.
 - (b) The People's Court will hear the civil suit on 20 Dec 2016.
- (ii) Civil Suit by Fujian Tongyong Hengxin Electrical Engineering Co. Ltd against FJDY for construction contract dispute
 - (a) The Company's Notice of court hearing was dated 21 Nov 2016.
 - (b) The People's Court will hear the civil suit on 16 Dec 2016.

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 December 2016