



**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., Ltd has received a letter of demand dated 14 October 2016 ( "Letter of Demand" ) from Fujian Mintai Environmental Protection Co., Ltd (wholly-owned by the Group's Major Shareholder Mr Huang Min and his spouse, "Landlord" ) claiming the repayment of RMB 3,209,712 in alleged overdue rental arrears.

Notice is given in the Letter of Demand that, unless the overdue rental arrears are paid to the Landlord by 20 October 2016, the Landlord shall take litigation action through its lawyer

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  
19 October 2016