



CHINA ENVIRONMENT LTD.

(Registration No.: 200301902W)

PLACEMENT OF NEW ORDINARY SHARES AND WARRANTS – COMPLETION

The Board of Directors of China Environment Ltd. (the “**Company**” and together with its subsidiaries, the “**Group**”) refers to the Company’s announcements dated 12 December 2014, 2 January 2015 and 5 January 2015 relating to the Placement (the “**Placement Announcements**”). Unless otherwise defined, all terms and references used herein shall bear the same meaning ascribed to them in the Placement Announcements.

Further to the Placement Announcements, the Board is pleased to announce that the completion of the Placement has taken place in accordance with the terms of the Subscription Agreement and the Warrant Deed. 72,500,000 Placement Shares and 72,500,000 Warrants were allotted and issued to the Subscriber. As such, the Subscriber has become a substantial shareholder of the Company.

Following the completion of the Placement, the total number of issued Shares of the Company has increased from 735,520,646 to 808,020,646 Shares. The Placement Shares will rank in all respects *pari passu* with the existing issued Shares and were issued free from all claims, charges, liens and other encumbrances whatsoever, save that they will not rank for any dividend, rights, allotments or other distributions, the Record Date of which falls on or before 7 January 2015.

The Placement Shares are expected to be listed and quoted on the Official List of the SGX-ST from 9.00 a.m. on 9 January 2015.

The Company will continue to keep Shareholders updated and will release announcements relating to the Placement (including the exercise of the Warrants and any other material developments) as may be appropriate from time to time.

BY ORDER OF THE BOARD

Huang Min
Executive Chairman
7 January 2015