

PRESS RELEASE

**CHINA ENVIRONMENT SECURES EIGHT CONTRACTS
WORTH RMB166.8 MILLION FROM SIX CUSTOMERS**

SINGAPORE, 15 May 2014 – China Environment Ltd. (the “Company” and together with its subsidiaries, the “Group”), a comprehensive provider of industrial waste gas treatment solutions in the People’s Republic of China (PRC), is pleased to announce that its wholly-owned subsidiary, Fujian Dongyuan Environmental Protection Co., Ltd. (“**Fujian Dongyuan**”) (福建东源环保有限公司), has secured eight contracts amounting to **RMB166.8 million** in total, comprising the following:

- (1) Three contracts amounting to **RMB61.6 million** from Anhui Shengyun Machinery Co., Ltd. (“**Anhui Shengyun**”) (安徽盛运机械股份有限公司) to supply electrostatic precipitators (“**ESP**”) to an aluminum company in Shanxi province and also to supply hybrid dust collectors (combination of electrostatic precipitator and filter dust collector) to a thermal power plant in Inner Mongolia province and to a heating plant in thermal power group in Shanxi province; and
- (2) Five contracts amounting to **RMB105.2 million** from five new customers, consists of one state-owned enterprise and four large scale private-owned enterprises, to supply hybrid dust collectors to Anhui province, Hebei province, Shandong province and Shanxi Province.

Commenting on its latest contracts won, Mr. Huang Min, Executive Chairman of China Environment Ltd. remarked: **“The rapid pace of contract wins is very encouraging as one of our key priorities is to increase the utilization rate at our Anhui plant. As air pollution continues to be a very serious issue at all levels of the Chinese economy, we are optimistic that our order book momentum will continue unabated in the year ahead.”**

The above-mentioned contracts are scheduled for delivery in 2014 and by the first half of 2015, and are expected to contribute positively to the earnings of the Group for the financial year ending 31 December 2014 and 31 December 2015.

#End of Release#

About China Environment Ltd. (Bloomberg: CENV.SP; Reuters: CHEN.SI)

China Environment Ltd. (中国环保有限公司) is a comprehensive provider of industrial waste gas treatment solutions in the People’s Republic of China (PRC), headquartered in Longyan City, Fujian Province. The Group designs and constructs industrial waste gas treatment systems. Its key products include Electrostatic Precipitators or ESPs, including Electrostatic Lentoid Precipitators or ESLPs, baghouses and hybrid dust collectors.

The Group conforms strictly to international quality standards. China Environment’s commitment to excellence has won it many awards and accreditations including the ISO9001:2000 Quality Management System certification, ISO14001:2004 Environment Management System certification and OHSAS18001:1999 Occupational Health and Safety Management System authentication.

The Group is currently certified and included in the manufacturer recommended list for supplying ESPs for 200mw, 300mw and 600mw thermal power projects. The Group’s wholly owned subsidiary – Fujian Dongyuan Environmental Protection Co., Ltd. is accredited as “High/New Technology Enterprise”, it enjoys preferential income tax rate of 15% instead of standard income tax rate of 25%. The Group was upgraded to a listing on the Singapore Exchange (SGX) Mainboard on 27 August 2009 via a reverse takeover of Gates Electronics Limited.

ISSUED ON BEHALF OF **CHINA ENVIRONMENT LTD.**

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