

The Intermediate People's Court of Jiujiang City of Jiangxi Province
Civil Judgment

(2019) Gan 04 Min Chu No. 201

Plaintiff: People's Government of Jiujiang City. Address: No.166, Balihu Avenue, Xunyang District, Jiujiang City, Jiangxi Province. Unified Social Credit Code: 11360400014582152J.

Legal Representative: XIE Yiping, Mayor.

Authorized Agent: WANG Huiming, ZHENG Xiaomei, Lawyers of Jiangxi Weimin Law Firm.

Lawsuit Filing Supporter: The People's Procuratorate of Jiujiang City.

Legal Representative: XIONG Shaojian, Chief Procurator.

Person Appearing in Court: WU Mouyong, LI Pingyang, Procurators.

Defendant: Jiangxi Zhengpeng Environmental Protection Technology Co., Ltd., Address: No.8, Fanzheng Street, Fan Town, Ruichang City, Jiujiang City, Jiangxi Province. Unified Social Credit Code: 91360406MA362B017N.

Legal Representative: YAO Min, Manager.

Defendant: Hangzhou Lianxin Building Materials Co., Ltd., Address: No.3 Bridge, No.9 Bay, Xiaoshan District, Zhejiang Province. Unified Social Credit Code: 91330109710978812Q.

Legal Representative: LIAN Guijin, Chairman

Authorized Agent: LIU Hui, LI Yunyun, Lawyers of Jiangxi Chaisang Law Firm.

Defendant: ZHANG Yongliang, male, Han, born on April 15, 1968, resides in Xiaoshan District, Hangzhou City, Zhejiang Province.

Defendant: LI De, male, Han, born on September 16, 1980, resides in Jiashan City, Zhejiang Province.

Defendant: SHU Zhengfeng, male, Han, born on January 1, 1978, resides in Chaisang District, Jiujiang City, Jiangxi Province.

Defendant: HUANG Yong (“永”), formerly HUANG Yong (“勇”), male, Han, born on January 13, 1970, resides in Wenling City, Taizhou City, Zhejiang Province.

Defendant: XIA Jiping, male, Han, born on September 29, 1978, resides in Qingyuan District, Ji'an City, Jiangxi Province.

Authorized Agent: LIU Junwen, LUO Yin, Lawyers of Jiangxi Qintian Law Firm.

Defendant: CHEN Shishui, male, Han, born on March 27, 1962, resides in Development

Zone, Jiujiang City, Jiangxi Province.

Authorized Agent: DENG Yiqing, Lawyer of Jiangxi Weimin Law Firm.

Defendant: MA Zuxing, male, Han, born on February 26, 1974, resides in Gongqing City, Jiangxi Province.

Authorized Agent: LIU Tangyin, Lawyer of Jiangxi Kaihe Law Firm.

The ecological and environmental damage compensation case between Plaintiff Jiujiang Municipal People's Government with Defendants Jiangxi Zhengpeng Environmental Technology Co., Ltd. (hereinafter referred to as "Zhengpeng Company"), Hangzhou Lianxin Building Material Co., Ltd. (hereinafter referred to as "Lianxin Company"), ZHANG Yongliang, LI De, SHU Zhengfeng, HUANG Yong, XIA Jiping, CHEN Shishui, and MA Zuxing was accepted by this Court on September 19, 2019. After the People's Procuratorate of Jiujiang City filed an opinion supporting the prosecution, a collegial bench was formed in accordance with the law for the hearing. Plaintiff's attorneys WANG Huiming and ZHENG Xiaomei, the Lawsuit Filing Supporter's chief prosecutor XIONG Shaojian, the prosecutors WU Mouyong, Li Pingyang, Li Yunyun, the attorney of Defendant Lianxin Company, Defendant ZHANG Yongliang, SHU Zhengfeng, Huang Yong, Defendant XIA Jiping's attorney LIU Junwen, Defendant CHEN Shishui and his attorney DENG Yiqing, Defendant MA Zuxing and his attorney LIU Tangyin appeared in court for this litigation, while Defendants Zhengpeng Company and LI De failed to appear in court upon summons according to law. The case has now been concluded.

During the trial of this case, this Court approved Plaintiff's application to withdraw the charges against Defendant SHEN Xiaojun because the joint restoration fee which shall be borne by SHEN has been paid in full by non-party Hangzhou Tangqi Thermal Power Co. Ltd.

The plaintiff requested the Court to: 1. order Defendants Zhengpeng Company, Lianxin Company, ZHANG Yongliang, LI De, SHU Zhengfeng, HUANG Yong, XIA Jiping, CHEN Shishui and MA Zuxing to jointly undertake the ecological and environmental restoration obligations for the plot at Zhengjia Bay, Wufeng Village, Shayan Road, Jiujiang Economic and Technology Development Zone, and the plot around Jiusongshanhe Longyuan in Yongxiu County, Jiujiang; if such restoration obligations are not fulfilled, the aforementioned Defendants shall be ordered to jointly pay 7,186,098 Yuan for ecological and environmental restoration (including direct engineering costs of 5,375,800 Yuan, indirect costs of 938,958 Yuan, basic reserve costs of 381,340 Yuan, environmental emergency monitoring costs of 290,000 Yuan and assessment report

preparation costs of 200,000 Yuan); 2. order Defendants Zhengpeng Company, LI De, SHU Zhengfeng, HUANG Yong, XIA Jiping, CHEN Shishui, MA Zuxing to jointly undertake the ecological and environmental restoration obligations for the plot at the depression near Shayan Road, Jiujiang Economic and Technology Development Zone, if such restoration obligations are not fulfilled, the aforementioned Defendants shall be ordered to jointly pay 2,803,395.5 Yuan for ecological and environmental restoration (including direct engineering costs of 2,128,500 Yuan, indirect costs of 374,615.5 Yuan, basic reserve costs of 170,280 Yuan and environmental emergency monitoring costs of 130,000 Yuan); 3. order that the Defendants jointly bear the attorney's fees of 40,000 Yuan of this case; 4. order the Defendants to make public apologies; 5. order the Defendants to jointly bear all litigation costs of this case.

Facts and grounds: 1. The connection between the Defendants in this case. Defendant Zhengpeng Company was registered and established by the Defendant LI De in the former Jiujiang City Administration for Industry and Commerce on June 22, 2017. The de facto person in charge of Zhengpeng Company is Defendant LI De. Defendants LI De, SHU Zhengfeng, HUANG Yong and others all obtained sludge from Tangqi Company and Defendant Lianxin Company in the name of Defendant Zhengpeng Company. ZHANG Yongliang was responsible for the sludge transfer business of Lianxin Company among the Defendants. The non-party Fengcheng Zhihe New Materials Co., Ltd. (hereinafter referred to as "Zhihe Company", not listed as the Defendant because it has been deregistered) was one of the collaborators of Defendant Zhengpeng Company for the illegal transport and disposal activities. Upon investigation, Zhihe Company has no factory address or office location and has been deregistered. Defendant XIA Jiping is the de facto person in charge of Zhihe Company, who cooperated with LI De, HUANG Yong and others to engage in sludge disposal business in the name of Zhihe Company and profited from such activities. During the illegal transport of sludge, the specific roles of Defendants are as follows: Defendant HUANG Yong or XIA Jiping obtains the sludge from Tangqi Company and Defendant ZHANG Yongliang; Defendant LI De arranges the transfer of the sludge; when the sludge arrives at the corresponding location, Defendants SHU Zhengfeng, CHEN Shishui, MA Zuxing and others then dispose the sludge illegally.

2. The background of this case. On August 17, 2017, Defendants LI De, SHU Zhengfeng and HUANG Yong signed the Agreement for Comprehensive Utilization of Resources of Sludge (General Solid Waste) with Tangqi Company in the name of Zhengpeng Company and Jiujiang

Xinqiang Building Materials Co., Ltd. (hereinafter referred to as "Xinqiang Company"). The Agreement stipulates that Tangqi Company will provide sludge to Xinqiang Company for comprehensive utilization of resources, and Zhengpeng Company will be responsible for transport. On September 1, 2017, Defendant LI De went on to sign the Agreement for Comprehensive Utilization of Resources of Sludge (General Solid Waste) with Tangqi Company in the name of Defendant Zhengpeng Company and Hengfeng Building Material Factory in Yongxiu County (hereinafter referred to as "Hengfeng Building Material Factory"). The content of the Agreement remains basically the same with the previous one. Defendant ZHANG Yongliang engaged in the sludge (general solid waste) transport business in the name of Defendant Lianxin Company. On September 12, 2017, Defendant ZHANG Yongliang signed the General Solid Waste Sludge Treatment Agreement with Defendant Zhengpeng Company in the name of Defendant Lianxin Company. According to the Agreement, Zhengpeng Company will accept the sludge from the sewage treatment process of Lianxin Company at a treatment cost of 110 Yuan per ton. Zhengpeng Company is responsible for the transport of the sludge to the sludge treatment project acceptance system in Zhengpeng Company with the freight borne by Zhengpeng Company. On September 15, 2017, Defendant Zhengpeng Company and Zhihe Company entered into a cooperation agreement which stipulates that Zhengpeng Company and Zhihe Company will cooperate in the business of sludge and coal gangue renewable fuels. From August 2017 to early 2018, Defendants LI De, HUANG Yong, SHU Zhengfeng, CHEN Shishui, MA Zuxing and others dumped the sludge from Tangqi Company and the sludge transported from Lianxin Company by Defendant ZHANG Yongliang directly to the place where the incident occurred in Jiujiang. In response to reports from the public, the Jiujiang Municipal Ecology and Environment Bureau initiated an investigation of the aforementioned illegal activities on October 30, 2017. Upon investigation, Jiujiang Municipal Ecology and Environment Bureau transferred this case to Jiujiang Municipal Public Security Bureau on February 5, 2018 due to the suspected criminal offence in this case. On July 23, 2019, the Primary People's Court of Xunyang District issued the (2019) Gan 0403 Xing Chu No. 31 criminal judgment. Defendants SHU Zhengfeng, HUANG Yong, CHEN Shishui, ZHANG Yongliang, MA Zuxing and SHEN Xiaojun were all sentenced to corresponding terms of imprisonment for environmental pollution. Defendants LI De and XIA Jiping were dealt with in a separate case, and have also been prosecuted in accordance with the law.

3. The facts and the damage results of the case in which the Defendants illegally transferred

and dumped sludge across provinces. (1) In August 2017, Defendants LI De and HUANG Yong successively loaded 6 ships of sludge from Tangqi Thermal Power Port with a total of around 4,800 tons in the name of Defendants Zhengpeng Company and Xinqiang Company. Defendant LI De arranged ships to transport the sludge to Dongyi Port in Lushan City, Jiujiang, Defendants SHU Zhengfeng and LI De arranged tandem axle trailers in Lushan City to transport three and a half ships of the sludge of about 2,800 tons to Wujiazui, Donglin Town, near the Donglin Buddha in Lushan City for dumping. The other half ship of the sludge of about 400 tons was dumped in Hukouchong Village, Donglin Town. The other two ships of sludge of about 1,600 tons were transported by Defendant LI De to the Shunxin Port of the Second Yangtze River Bridge in Jiujiang in September 2017. Defendant SHU Zhengfeng then delivered the aforementioned sludge from the two ships to Defendant CHEN Shishui for treatment at a price of 45 Yuan per ton. The sludge was dumped randomly by Defendant CHEN Shishui in Zhengjia Bay, Wufeng Village, Shayan Road, near the Second Yangtze River Bridge in Jiujiang. (2) In October 2017, Defendant HUANG Yong obtained four ships of sludge of about 3,200 tons from Defendant ZHANG Yongliang. LI De then transported four ships of sludge to Jiujiang Shunxin Port. The four ships of sludge were handled to CHEN Shishui for treatment after Defendant SHU Zhengfeng paying CHEN 20,000 Yuan in cash. Defendant CHEN Shishui dumped one and a half ships sludge of about 1,200 tons at Zhengjia Bay, Wufeng Village, Shayan Road, Jiujiang Economic and Technology Development Zone. Because such dumping was reported, LI De transported the remaining two and a half ships of sludge to other places for disposal. (3) In November 2017, Defendant LI De transported five ships of sludge of about 4,000 tons from Defendant ZHANG Yongliang to the Qiligang Port in Nanchang, which was arranged by Defendant MA Zuxing. Defendant MA Zuxing arranged LIU Mingming and other truck owners to directly dump three ships of sludge of about 2,400 tons at a villa south of Jiusongshanhe Longyuan, Yongxiu County, and helped Defendant LI De to pay for such sludge; Defendant LI De then transported the remaining 2 ships of sludge from Qiligang Port to a villa south of Jiusongshanhe Longyuan and dumped it directly. (4) In January 2018, Defendant HUANG Yong and Defendant SHU Zhengfeng cooperated in the sludge transport business. Defendant HUANG Yong contacted Defendant ZHANG Yongliang to transport the sludge at a price of 108 Yuan per ton. Defendant HUANG Yong then obtained two ships of sludge of about 1,600 tons from ZHANG Yongliang and transported it to Jiujiang to Defendant SHU Zhengfeng for treatment. Defendant SHU Zhengfeng paid Defendant CHEN Shishui 20,000 Yuan and handled

the two ships of sludge to CHEN Shishui for treatment. CHEN Shishui directly dumped the two ships of sludge at Zhengjia Bay, Wufeng Village, Shayan Road, Jiujiang Economic and Technology Development Zone. (5) In January 2018, Defendant LI De took over 6 ships of sludge of about 4,800 tons from multiple companies on the Yangtze River and handed it to Defendant HUANG Yong for disposal. Defendant HUANG Yong and defendant SHU Zhengfeng then transported four ships of such sludge of about 3,200 tons to Saicheng Lake Port and handed it over to Defendant CHEN Shishui for disposal. CHEN Shishui then dumped the four ships of sludge near the depression at Shayan Road.

Tests by relevant entrusted agency revealed that the sludge piled in Hukouchong Village, Hualin Town, Lushan City, and Aikou Village, Wenquan Town contains heavy metals such as zinc, bronze and arsenic; the solid waste dumped in the depression of Zhengjia Bay, Wufeng Village, Shayan Road, Jiujiang contains heavy metal bronze and zinc. The sludge extracted by the police department in Huahong Port contains heavy metals such as arsenic, copper, lead, zinc, cadmium, nickel, chromium that exceeds limit. At the same time, the Jiangxi Environmental Protection Research Institute of Ecological and Environmental Damage Forensic Investigation Center issued the Environmental Damage Assessment Report for the Sludge Illegal Dumping Incident by Jiangxi Zhengpeng Environmental Protection Technology Co. which clarifies that all the detection points of the above five plots contain zinc and complex elements that exceed the background value (baseline) by over 20%, and satisfies the requirements of "the air, surface water, sediment, soil, groundwater and other environmental media characteristic pollutant liquid skin of the assessment area exceeds the baseline by over 20%, by which the sludge illegal dumping incident by Zhengpeng Company can be identified to have caused damage to the soil, water environment and air."

The aforementioned Defendants' division of work in the cooperation and arbitrary illegal dumping of toxic substances caused extremely serious damage to the ecological environment of Jiujiang City which also caused extremely bad influence to the society; thus, the Defendants shall bear the ecological damage compensation responsibility according to law. In addition, Defendant ZHANG Yongliang obtained solid waste from Defendant Lianxin Company and illegally transported it to LI De and others without getting proper approvals required and made profits therein. Defendant Lianxin Company, knowing that Defendant ZHANG Yongliang was engaged in the illegal transport activities, still provided him with a blank, sealed 'General Solid Waste

Sludge Treatment Agreement', took a permissive attitude towards ZHANG Yongliang's behavior, and failed to fulfill the basic duty of care towards the other party to the contract, i.e. the sludge treatment company. Thus, Defendant ZHANG Yongliang and Lianxin Company should be jointly liable with LI De and others for ecological damage compensation.

4. The scope and form of responsibility of each Defendant

The Defendants in this case illegally dumped sludge in a total of 14,800 tons, of which about 2,800 tons of sludge was dumped in Wujiazui, Donglin Town near Donglin Buddha (Plot 1), about 400 tons was dumped in Hukouchong Village of Donglin Town (Plot 2), about 3,200 tons was dumped in the depression near Shayan Road in the city, about 4,400 tons was dumped at Zhengjia Bay, Wufeng Village on Shayan Road in the city (Plot 4), and about 4,000 tons was dumped in a villa directly south of Jiusongshanhe Longyuan in Yongxiu County (Plot 5). In December 2018, the Jiujiang Municipal Ecology and Environment Bureau entrusted the Jiangxi Environmental Protection Research Institute of Ecological and Environmental Damage Forensic Investigation Center to assess the extent of damage caused to the environment by illegal sludge dumping of each Defendant and the cost for restoration.

According to the Environmental Damage Assessment Report for the Sludge Illegal Dumping Incident by Jiangxi Zhengpeng Environmental Protection Technology Co. issued by the forensic investigation center, as well as the Description of the Corrections on the Restoration fee for the Environmental Damaged Land by Jiangxi Zhengpeng Environmental Protection Technology Co., Ltd.'s Illegal Dumping of Sludge. The total cost of the polluted land restoration project in this case is 14,462,880 Yuan, including direct engineering costs of 10,480,000 Yuan, indirect costs of 2,044,480 Yuan, basic reserve costs of 838,400 Yuan, environmental emergency monitoring costs of 700,000 Yuan and assessment report preparation costs of 400,000 Yuan. In addition, the direct engineering costs of the five plots involved in this case are as follows: 1,701,000 Yuan for Wujiazui, Donglin Town, near Donglin Buddha, 314,700 Yuan for Hukouchong Village, Donglin Town, 2,128,500 Yuan for the depression near Shayan Road, 2,889,000 Yuan for Zhengjia Bay, Wufeng Village, Shayan Road, and 3,446,800 Yuan for the plot near Jiusongshanhe Longyuan, Yongxiu County. After previous negotiations, Tangqi Company voluntarily assumes the responsibility for the damage compensation for all the damage caused to the plot at Wujiazui, Donglin Town, near Donglin Buddha (Plot 1), Hukouchong Village, Donglin Town (Plot 2), and part of the damages caused to the plot at Zhengjia Bay, Wufeng Village, Shayan Road (Plot 3) at a

total of 4,872,387 Yuan.

Plaintiff believes that: in addition to the aforementioned compensation voluntarily borne by Tangqi company after negotiation, most of the sludge at Zhengjia Bay, Wufeng Village, Shayan Road of Jiujiang City (Plot 4) and the sludge near Jiusongshanhe Longyuan, Yongxiu County (Plot 5) was from Lianxin company, which was directly dumped by Defendant LI De, SHU Zhengfeng, HUANG Yong, XIA Jiping, CHEN Shishui and MA Zuxing. Thus, Defendant Lianxin Company, ZHANG Yongliang, LI De, SHU Zhengfeng, HUANG Yong, XIA Jiping, CHEN Shishui and MA Zuxing shall jointly be responsible for the restoration fee for the two plots in a total of 7,186,098 Yuan. The sludge at the depression near Shayan Road, Jiujiang City (Plot 3) was obtained by LI De from multiple companies on the Yangtze River and was directly dumped by Defendant HUANG Yong, SHU Zhengfeng and CHEN Shishui. The restoration for the plot shall cost 2,803,396 Yuan, which should be jointly borne by Defendant LI De, SHU Zhengfeng, HUANG Yong, XIA Jiping, CHEN Shishui and MA Zuxing. In addition, Plaintiff's lawyer's fee paid for filling this case is also reasonable expense which should be jointly borne by the Defendants. In summary, Plaintiff brought this lawsuit to the Court for the protection of social public interest and for the defense of the dignity of the law and requested the Court to support such requests.

The opinion of the People's Procuratorate of Jiujiang City, who supports the filing of this case, is as follows: According to Plaintiff People's Government of Jiujiang City's application, the People's Procuratorate of Jiujiang City reviewed this case in accordance with the law and decided to support the filing of this case. The facts verified by such review are consistent with the facts in the Plaintiff's lawsuit. The People's Procuratorate of Jiujiang City believes that Defendants Zhengpeng Company, Lianxin Company, ZHANG Yongliang, LI De, SHU Zhengfeng, HUANG Yong, XIA Jiping, CHEN Shishui, MA Zuxing and Shen Xiaojun illegally transported and dumped sludge, causing ecological and environmental pollution which harmed the public interest, and shall bear the ecological and environmental damage compensation responsibilities. Plaintiff People's Government of Jiujiang City filed an ecological and environmental damage compensation lawsuit, which complied with the law. The reasons are as follows:

I . This case falls within the scope of an ecological and environmental damage compensation lawsuit which the Plaintiff People's Government of Jiujiang City is competent for.

1. The "Plan for the Reform of the Ecological and Environmental Damage Compensation System" of the General Office of the Central Committee of the Chinese Communist Party and the

State Council General Office stipulates that ecological and environmental damage refers to the adverse changes in environmental elements such as atmosphere, surface water, groundwater, soil, forests and biological elements such as plants, animals and microorganisms due to pollution of the environment and ecological damage, as well as the degradation of ecosystem functions composed of the above elements. The "Scope of Application" of the Plan clearly stated that "In case of other serious consequences affecting the ecological environment, ecological and environmental damage compensation liabilities shall be assumed according to the requirements of the Plan. Each region shall comprehensively take factors such as actual environmental pollution, ecological damage degree and social impact into consideration and clarify such applicable situations." The "Jiangxi Province Ecological and Environmental Damage Compensation System Reform Implementation Plan" and "Jiujiang City Ecological and Environmental Damage Compensation System Reform Implementation Plan" stipulate that in case of a larger ecological and environmental damage incident, ecological and environmental damage compensation liabilities shall be assumed. They also established the standard for "larger ecological and environmental damage (level III)", which shall result in direct economic loss of more than five million Yuan but less than twenty million Yuan. In this case, the defendants illegally transported and dumped the sludge to various locations in this city. Identification showed that the total cost of ecological and environmental restoration is 14,462,880 Yuan, which qualified as larger ecological environmental damage and fell within the scope of the ecological and environmental damage compensation litigation.

2. The "Plan for the Reform of the Ecological and Environmental Damage Compensation System" of the General Office of the Central Committee of the Chinese Communist Party and the State Council General Office clarified the ecological environment damage indemnified person as: the provincial and municipal government authorized by the State Council (including district and county governments under the jurisdiction of municipalities) as the indemnified person for ecological and environmental damage within the administrative region. Provincial governments shall have jurisdiction over ecological and environmental damage cases across municipalities within the province. The provincial governments shall decide other work scope according to the actual situation in the region. Provincial and municipal governments may designate relevant departments or agencies responsible for specific ecological and environmental damage compensation work. Provincial and municipal governments and their designated departments or agencies are competent to file lawsuits. Article 1 of *the Several Provisions of the Supreme People's Court on the Trial of*

Cases on Compensation for Damage to the Ecological Environment (for Trial Implementation) also stipulates that "in the event of other serious ecological and environmental results, the provincial or municipal people's government may bring a lawsuit for ecological and environmental damage as the plaintiff." Therefore, the Jiujiang Municipal People's Government is competent as the plaintiff to bring the ecological environmental damage lawsuit.

II. The defendant's illegal transport and dumping of solid waste caused ecological and environmental pollution which harmed the public interest, and shall bear the ecological and environmental damage compensation responsibilities in accordance with the law.

The behavior of the Defendants in this case violated Article 17 and Article 23 of *the Law of the People's Republic of China on the Prevention and Control of Environmental Pollution of Solid Wastes*. Such behavior constitutes illegal transporting and dumping of solid waste, which caused environmental pollution and ecological damage results. After entrusted investigation, Jiangxi Environmental Protection Research Institute issued the Environmental Damage Assessment Report for the Sludge Illegal Dumping Incident by Jiangxi Zhengpeng Environmental Protection Technology Co. (including the Description of the Corrections) which clarified that all the detection points of the Plot 2, 3, 4 and 5 contain zinc and chromium elements that exceed the background value (baseline) by over 20%, which can be identified that Zhengpeng Company's illegal dumping of sludge have caused damage to the soil, water environment and air with a total of 14,462,880 Yuan for restoration project. Article 64 of *the Environmental Protection Law of the People's Republic of China* which stipulates that those who cause damage by polluting the environment and damaging the ecology shall bear tort liability in accordance with the provisions of *the Tort Liability Law of the People's Republic of China*. Article 65 of *the Tort Liability Law of the People's Republic of China* stipulates that those who cause damage by polluting the environment shall bear tort liability. The abundant evidence provided by Plaintiff is sufficient to prove that: 1. Defendants committed activities that polluted the environment and damaged the ecology; 2. Defendants' behavior caused the ecological damage and the specific amount of restoration fee required; 3. The causal link between Defendants' behavior which polluted the environment and the ecological and environmental damage was established. Plaintiff's corresponding burden of proof in accordance with the provisions of Article 6 of *the Several Provisions of the Supreme People's Court on the Trial of Cases on Compensation for Damage to the Ecological Environment (for Trial Implementation)* has been fulfilled. The Defendant shall be liable for the ecological environment

pollution caused by its illegal transport and dumping of solid waste.

III. Plaintiff's claim has sufficient factual basis which is in accordance with the law and shall be supported in accordance with the law.

Plaintiff has five litigation requests. Based on the source of the sludge and the division of labor among the Defendants during the illegal transporting and dumping of the sludge, Plaintiff distinguished the ecological environment restoration costs by each dumping plot, making the first two litigation requests. The two litigation requests are supported by abundant factual basis and are scientific and reasonable, and fully embodies the principle of "the person who pollutes shall restore". Plaintiff also made the last three litigation requests with corresponding legal basis. In accordance with the relevant provisions of *the Tort Liability Law of the People's Republic of China* and *the Several Provisions of the Supreme People's Court on the Trial of Cases on Compensation for Damage to the Ecological Environment (for Trial Implementation)*, Plaintiff may request the Defendants who pollute the environment and damage the ecology to undertake civil liabilities such as to restore the ecological environment, stop the infringement, eliminate danger, compensate for the damages and apologize. According to Article 15 of *the Tort Liability Law of the People's Republic of China* and Article 11, Article 12, and Article 14 of *the Several Provisions of the Supreme People's Court on the Trial of Cases on Compensation for Damage to the Ecological Environment (for Trial Implementation)*, the aforementioned litigation requests made by Plaintiff complies with the law and shall be supported in accordance with the law.

In summary, Plaintiff People's Government of Jiujiang City filed this ecological and environmental damage compensation lawsuit, which is in accordance with the provisions of the law. The facts of this case on which the litigation requests are based are clear and supported by sufficient evidence. According to the provisions of Paragraph 2, Article 55 of *the Civil Procedure Law of the People's Republic of China*, Plaintiff People's Government of Jiujiang City's lawsuit against Defendant Zhengpeng Company and others is supported. Please make judgment according to law.

Defendants Zhengpeng Company and LI De contended that they have no objection to the facts of Plaintiff's lawsuit, but they had nothing to do with the approximately 1,600 tons of sludge obtained by HUANG Yong in cooperation with SHU Zhengfeng from ZHANG Yongliang on January 2018. Because Zhengpeng Company and LI De did not cooperate with them at that time.

Defendant Lianxin Company contended that, first of all, no matter what liability Lianxin

Company had in this case, Lianxin Company deeply regrets the serious environmental pollution damage caused by the illegal dumping of sludge involved in the case. Lianxin Company realizes the serious environmental pollution damage caused by the illegal dumping of sludge, will not avoid its gross negligence in the case, and is willing to compensate for the environmental pollution damage to the best of its abilities. Lianxin Company has voluntarily paid 1,000,000 Yuan to the court account for ecological restoration. Secondly, the evidence provided by Plaintiff is sufficient to prove that ZHANG Yongliang not only obtained sludge from Lianxin Company, but also obtained sludge from Jiefeng Company and others. The origin of the sludge illegally treated by ZHANG Yongliang is not clear. Plaintiff's identification that ZHANG Yongliang's sludge involved in the case came from Lianxin Company lacks sufficient factual basis. Lastly, Plaintiff's finding that Lianxin Company had the intention to illegally dump the sludge lacks sufficient evidence, Lianxin Company only had the responsibility of negligent supervision.

Defendant ZHANG Yongliang contended that while he has no objection over Plaintiff's accusation for the fact of sludge dumping, he thinks that he had already paid 600,000 Yuan to the public security authorities, of which 100,000 shall be deducted as illegal income, the rest 500,000 Yuan should be counted as the ecological restoration fund in this case.

Defendants HUANG Yong and SHU Zhengfeng replied that they have no objection over Plaintiff's accusation for the fact of sludge dumping and deeply apologize for the damage they have caused to the ecological environment of Jiujiang City and they were willing to accept any punishment applicable.

Defendant XIA Jiping contended that 1. XIA Jiping is the de facto person in charge of Zhihe Company. From July 2017, XIA began to purchase general solid waste because the general solid waste from the power company is needed as the raw materials to manufacture bricks. In order to solve the transport problems, XIA signed a cooperation agreement on September 14, 2017 with Zhengpeng Company. During such cooperation, Zhengpeng Company also transported general solid waste purchased by other company and dumped them at will. XIA Jiping was not aware of this. 2. XIA Jiping is currently under criminal investigation due to the suspected environmental pollution charges. Based on the principle of criminal cases priority, this case shall be heard after XIA Jiping's criminal case is concluded.

Defendant CHEN Shishui contended that: 1. The scope of the subject of the Plaintiff's request for compensation is inappropriate. According to *the Tort Liability Law*, the polluter shall take the

tort liabilities for any damages caused by environmental pollution, regardless of whether such polluter is at fault or not. The current Defendants in this case only consist of people who implement such pollution activities that shall take criminal responsibilities, instead of all the participants who resulted in environmental pollution damage. If Plaintiff exempts the responsibilities of other participants, CHEN Shishui's responsibility should also be exempted. 2. Plaintiff's request for joint and several liabilities of the Defendant is inappropriate. According to illegal gains identified in the criminal proceedings of this case, Defendant CHEN Shishui's illegal profit was labor income for his work, which was the least among the illegal profits. According to the principle of fairness, even if CHEN should be responsible for his own illegal activities, his responsibility shall be divided according to the proportion of his illegal gains, rather than taking the same kind of joint and several liability with other Defendants without distinguishing their division of labor. 3. The scope of liability to be bore by Defendant in Plaintiff's request is incorrect as CHEN Shishui did not participate in the dumping of the sludge at Plot 5, and thus shall not be responsible for the restoration fee for such plot.

Defendant MA Zuxing contended that during the unloading of the sludge from Qiligang Port and dumping at a villa in Jiusongshanhe Longyuan, he was employed by Defendant LI De and only helped LI De contacted the shipping port and transport truck drivers. The actual sludge dumping location was directly arranged and decided by LI De without MA doing any direct dumping of sludge. MA shall not bear the responsibility for environmental restoration of the polluted land. The civil liability for compensation in this case should be borne by Defendant LI De.

To support the litigation requests, Plaintiff submitted the following evidentiary materials to the Court:

Evidence I: 1. The uniform credit code certificate and the legal representative's ID card of Plaintiff People's Government of Jiujiang City; 2. The enterprise registration information and personal identification information of each Defendant. Purpose of Proof: Plaintiff and Defendants are competent for this case.

Evidence II: 1. Relevant approval from People's Government of Jiujiang City; 2. Environmental Damage Assessment Report for the Sludge Illegal Dumping Incident by Jiangxi Zhengpeng Environmental Protection Technology Co. issued by Jiangxi Environmental Protection Research Institute; 3. Statement on Inability to Conduct Negotiation issued by Jiujiang Municipal

Ecology and Environment Bureau. Purpose of Proof: 1. Commissioned by People's Government of Jiujiang City, Jiujiang Municipal Ecology and Environment Bureau negotiated with relevant Defendants involved in this case. Such negotiation terminated because no agreement was reached. 2. This case is a serious ecological and environmental damage case, which qualifies for the legal requirements for filling of the case.

Evidence III: 1. (2019) Gan 0403 Xing Chu No. 31 Criminal Judgment by the Primary People's Court of Xunyang District of Jiujiang City; (2019) Gan 04 Xing Zhong No.38 Criminal Judgment by Jiujiang Intermediate People's Court; 2. The interrogation records of Defendants LI De, SHU Zhengfeng, HUANG Yong, XIA Jiping, ZHANG Yongliang, MA Zuxing and CHEN Shishui; 3. Record of inquiry of witnesses CHEN X1 (the person in charge of Lianxin Company), Chen X2 (girlfriend of LI De), WANG X, HUANG X and LIU Mingming; 4. General Solid Waste Sludge Treatment Agreement signed between Zhengpeng Company and Lianxin Company. Purpose of proof: 1. Defendant LI De is the de facto person in charge of Defendant Zhengpeng Company, who, together with SHU Zhengfeng, HUANG Yong, CHEN Shishui and MA Zuxing, engaged in illegal sludge disposal business in the name of Zhengpeng Company in a distributed collaboration; 2. Defendant Lianxin Company is one of the sludge source companies, who provided ZHANG Yongliang with blank and sealed General Solid Waste Sludge Treatment Agreement knowing that Defendant ZHANG Yongliang was engaged in illegal transport activities. Lianxin Company has fault in the environmental pollution damage results and shall bear the compensation liabilities; 3. Defendant ZHANG Yongliang illegally transported sludge across provinces in the name of Lianxin Company and transported the sludge to companies without disposal qualification at an obviously low price; 4. Zhihe Company is one of the companies that Zhengpeng Company cooperated with in the illegal sludge disposal activities, and XIA Jiping was the de facto person in charge of it and one of the main participants in the illegal sludge dumping case; 5. The details of illegal sludge transfer and disposal and the specific locations and quantities of sludge transferred and dumped by each Defendant.

Evidence IV: 1. The Investigation Commission Letter issued by Jiujiang Municipal Ecology and Environment Bureau to Jiangxi Environmental Protection Research Institute on November 2, 2018; 2. Environmental Damage Assessment Report for the Sludge Illegal Dumping Incident by Jiangxi Zhengpeng Environmental Protection Technology Co. Ltd. issued by Jiangxi Environmental Protection Research Institute on December 2018; 3. Description of the Corrections

on the Restoration fee for the Environmental Damaged Land by Jiangxi Zhengpeng Environmental Protection Technology Co., Ltd.'s Illegal Dumping of Sludge on August 8, 2019; 4. Cost Details by Each Plot of the Land Environment Emergency Investigation Project of Jiujiang Zhengpeng Company Pollution Case on August 8, 2019. Purpose of Proof: 1. Jiujiang Municipal Ecology and Environment Bureau has commissioned investigation agency with professional qualifications for the ecological damage involved in this case; 2. According to the identification results, the total cost of the contaminated land restoration project is 14,462,880 Yuan, including direct engineering costs of 10,480,000 Yuan, indirect costs of 2,044,480 Yuan, basic reserve costs of 838,400 Yuan, environmental emergency monitoring costs of 700,000 Yuan and assessment report preparation costs of 400,000 Yuan; 3. The ecological and environmental restoration fee for most part of the plot at Zhengjia Bay, Wufeng Village, Shayan Road and the plot near Jiusongshanhe Longyuan, Yongxiu County is 7,186,098 Yuan (including direct engineering costs of 5,375,800 Yuan, indirect costs of 938,958 Yuan, basic reserve costs of 381,340 Yuan, environmental emergency monitoring costs of 290,000 Yuan and assessment report preparation costs of 200,000 Yuan); 4. The ecological and environmental restoration fee for the depression near Shayan Road is 2,803,395.5 Yuan (including direct engineering costs of 2,128,500 Yuan, indirect costs of 374,615.5 Yuan, basic reserve costs of 170,280 Yuan and environmental emergency monitoring costs of 130,000 Yuan).

Evidence V: 1. The Ecological and Environmental Compensation Negotiation Agreement between Jiujiang Municipal Ecology and Environment Bureau and Tangqi Company on September 5, 2019 (Jiu Huan Cuo Zi (2019) No. 1); 2. Application to the people's court for judicial confirmation. Purpose of proof: 1. According to the negotiation between Plaintiff and Tangqi Company, the ecological and environmental restoration fee for all the plot at Wujiazui, Donglin Town, near Donglin Buddha, Hukouchong Village, Donglin Dacheng Townnd part of the plot at Zhengjia Bay, Wufeng Village, Shayan Road of 4,872,387 Yuan has been borne by Tangqi company, and the above fee has been deducted during the filing of this case; 2. The relevant negotiation agreement has been submitted to the people's court for judicial confirmation.

Evidence VI: The entrustment agreement signed between Jiujiang Municipal Ecology and Environment Bureau and Jiangxi Weimin Law Firm and invoice. Purpose of proof: Jiujiang Municipal Ecology and Environment Bureau has entrusted Jiangxi Weimin Law Firm to represent it in this litigation, and has already paid the lawyer's agency fee of 60,000 Yuan.

After Court investigation, Defendants Zhengpeng Company and LI De had no objection to

the evidence submitted by Plaintiff.

Defendants HUANG Yong and SHU Zhengfeng's examination opinions on evidence are: There is no objection to the authenticity, legality and relevance of the evidence submitted by Plaintiff, nor did they object to the purpose of proof.

Defendant ZHANG Yongliang's examination opinions on evidence are: There is no objection to the authenticity and legality of the evidence submitted by Plaintiff, but ZHANG believes that his act was conducted in the name of Lianxin Company, not in his own name.

Defendant Lianxin Company's examination opinions on evidence are: There is no objection to the authenticity, legality and relevance of Evidence I, II, IV, V, VI, but Evidence IV only contains entrustment agreement and an invoice, which cannot prove that such fee is actually paid. There is no objection to the authenticity of Evidence III, but there is objection to the purpose of proof of Evidence III. Evidence III cannot prove that the sludge came from from Lianxin Company, nor can it prove that Lianxin Company knew ZHANG Yongliang's illegal dumping of the sludge.

Defendant XIA Jiping's examination opinions on evidence are: there is no objection to the authenticity of Evidence I, but there is objection to whether Defendant XIA Jiping's is competent in this case. XIA Jiping is under criminal investigation of suspected criminal offences. The civil litigation shall be filed against XIA after the criminal case is concluded. There is no objection to the authenticity of Evidence III, but there is objection to its purpose of proof. None of the records mentioned XIA Jiping's involvement in the dumping of sludge and XIA Jiping was aware of such behavior. There is no objection to the authenticity, legality and relevance of other evidence.

Defendant CHEN Shishui's examination opinions on evidence are: There is no objection to the authenticity and legality of Evidence I and III, but there is objection to the relevance of Evidence I and III. CHEN Shishui only participated in the dumping of sludge as an employee of LI De, and he should not be liable for compensation. There is no objection to the authenticity, legality and relevance of other evidence.

Defendant MA Zuxing's examination opinions on evidence are: There is objection to the relevance of Evidence III. He was merely helping LI De and should not be liable for compensation. There is no objection to the authenticity, legality and relevance of other evidence.

This Court's confirmation of the aforementioned evidence submitted by Plaintiff is as follows: The court confirms the evidence where there is no objection from both parties. Evidence I is confirmed because there is no objection as to its authenticity from both parties and it can prove the

true identity of all Defendants. The authenticity of Evidence III is confirmed because Defendant Lianxin Company, XIA Jiping, CHEN Shishui and MA Zuxing has no objection to its authenticity, but has objection to its purpose of proof. As the facts to be proved by Evidence III can be proved by the effective criminal judgment, this Court thereby confirms such facts. This court will comprehensively determine the Plaintiff's purpose of proof with other valid evidence.

Defendant Lianxin Company submitted a transfer receipt to the court, proving that it had transferred 1,000,000 Yuan to the ecological restoration fund account of this Court.

Plaintiff People's Government of Jujiang City and the lawsuit filing supporter the People's Procuratorate of Jiujiang City have no objection to this evidence.

To support his defense, Defendant XIA Jiping submitted the following evidence to the Court:

1. A copy of Defendant XIA Jiping's ID card, proving XIA Jiping is competent as the subject of this case;
2. JiuGong (Zhi) SuZi 《2019》 0147 prosecution opinion, detention letter, proving that the criminal prosecution process of Defendant XIA Jiping's environmental pollution case has not been concluded yet.
3. The business licenses of Tangqi Company and Zhihe Company and the Agreement for Comprehensive Utilization Of Resources Of Sludge (General Solid Waste), proving that the agreement signed by XIA Jiping and Tangqi Company in the name of Zhihe Company stipulates that "the sludge provided by Party A (Tangqi Company) must be general industrial solid waste which is approved for disposed by the local environmental protection department without any dangerous solid waste allowed within. Party A will be responsible in case of any dangerous solid waste mixed."

Plaintiff's examination opinions on evidence are: There is no objection to Evidence I and II, or the authenticity of Evidence III, IV and V, but there is objection to the relevance and legality of Evidence III, IV and V. For the two agreements, there are differences between the agreement and the actual performance of the agreements. Evidence submitted by Plaintiff is sufficient to prove that XIA Jiping is one of the joint participants for the environmental damage, who shall bear the corresponding ecological and environmental damage compensation liabilities, and Defendant XIA Jiping's evidence cannot achieve its purpose of proof.

This Court certifies the above evidence submitted by Defendant XIA Jiping as follows. The plaintiff has no objection to the authenticity of the above evidence. This Court confirms its authenticity. However, the contract or agreement signed by XIA Jiping with Tangqi Company and Zhengpeng Company cannot ruled out that he did not participate in the dumping of the sludge

involved in the case, so this Court will not accept it for the purpose of proof.

Upon investigation, this Court found Defendant LI De registered and established Zhengpeng Company with Jiujiang Industrial and Commercial Bureau with CHEN X2 listed as the legal representative. The legal representative of the company was changed to SHU Zhengfeng on September 4, 2017 and then changed to MA Zuxing on October 26 that year. On January 25, 2018, the legal representative of the company was changed to YAO Min with LI De as the de facto person in charge. On August 17, 2017, Defendants LI De, SHU Zhengfeng and HUANG Yong signed the Agreement for Comprehensive Utilization of Resources of Sludge (General Solid Waste) with Tangqi Company in the name of Zhengpeng Company and Jiujiang Xinqiang Company. The Agreement stipulates that Tangqi Company will provide sludge to Xinqiang Company for comprehensive utilization of resources, and Zhengpeng Company will be responsible for transport. The price for the comprehensive utilization for resources of sludge (general solid waste) is 140 Yuan per ton. On September 1, 2017, Defendant LI De continued entering into the Agreement for Comprehensive Utilization of Resources of Sludge (General Solid Waste) with Tangqi Company in the name of Zhengpeng Company and Hengfeng Building Material Factory (upon investigation, Hengfeng Building Material Factory does not exist), the contents of which are the same with the aforementioned contracts, with the price being 140 Yuan per ton. Between September and December 2017, Defendant ZHANG Yongliang signed General Solid Waste Disposal Agreements with Zhejiang Bailida Solar Power Company, Zhejiang Guanglong Energy Company, Zhejiang Jinghaoneng New Energy Company and accepted the sludge from the aforementioned companies to the sludge treatment project in Lianxin Company at the price of 350 Yuan per ton, 217 Yuan per ton or 290 Yuan per ton. On September 12, 2017, Defendant ZHANG Yongliang signed the General Solid Waste Sludge Treatment Agreement with Defendant Zhengpeng Company in the name of Defendant Lianxin Company and Jiefeng Company (business discontinued due to acquisition in 2018). The agreement stipulates that the treatment fee for the sludge received by Zhengpeng Company from the treatment process of Lianxin Company is 110 Yuan per ton. Zhengpeng Company is responsible to transport the sludge to its sludge treatment project acceptance system with the transport fee borne by Zhengpeng Company. The term of the agreement is from September 12, 2017 to September 11, 2018. ZHANG Yongliang and LI De both signed and sealed on the agreement. On September 15, 2017, Defendant Zhengpeng Company signed cooperation agreement with Zhihe Company (deregistered, no factory address or office

location upon investigation with XIA Jiping as the actual person in charge). The agreement stipulates that Zhengpeng Company and Zhihe Company cooperate in the sludge, coal gangue renewable fuel business and agreed to share profits from such cooperation. The term of cooperation is from September 15, 2017 to September 14, 2020. Between August 2017 to the early 2018, Defendant LI De, HUANG Yong, SHU Zhengfeng, CHEN Shishui, MA Zuxing and others directly dumped the sludge from Tangqi Company and the sludge transported by ZHANG Yongliang in the name of Lianxin Company to the place where the incidents happened in Jiujiang. The details of the facts of this case are as follows:

1. In August 2017, Defendants LI De and HUANG Yong successively loaded 6 ships of sludge from Tangqi Thermal Power Port with a total of around 4,800 tons in the name of Defendants Zhengpeng Company and Xinqiang Company. Defendant LI De arranged ships to transport the sludge to Dongyi Port in Lushan City, Jiujiang, Defendants SHU Zhengfeng and LI De arranged tandem axle trailers in Lushan City to transport three and a half ships of the sludge of about 2,800 tons to Wujiazui, Donglin Town, near the Donglin Buddha in Lushan City for dumping. The other half ship of the sludge of about 400 tons was dumped in Hukouchong Village, Donglin Town. The other two ships of sludge of about 1,600 tons were transported by Defendant LI De to the Shunxin Port of the Second Yangtze River Bridge in Jiujiang in September 2017. Defendant SHU Zhengfeng then delivered the aforementioned sludge from the two ships to Defendant CHEN Shishui for treatment at a price of 45 Yuan per ton. The sludge was dumped randomly by Defendant CHEN Shishui in Zhengjia Bay, Wufeng Village, Shayan Road, near the Second Yangtze River Bridge in Jiujiang.
2. In October 2017, Defendant HUANG Yong obtained four ships of sludge of about 3,200 tons from Defendant ZHANG Yongliang. LI De then transported four ships of sludge to Jiujiang Shunxin Port. The four ships of sludge were handled to CHEN Shishui for treatment after Defendant SHU Zhengfeng paying CHEN 20,000 Yuan in cash. Defendant CHEN Shishui dumped one and a half ships sludge of about 1,200 tons at Zhengjia Bay, Wufeng Village, Shayan Road, Jiujiang Economic and Technological Development Zone. Because such dumping was reported, LI De transported the remaining two and a half ships of sludge to other places for disposal.
3. In November 2017, Defendant LI De transported five ships of sludge of about 4,000 tons from Defendant ZHANG Yongliang to the Qiligang Port in Nanchang, which was arranged by Defendant MA Zuxing. Defendant MA Zuxing arranged LIU Mingming and other truck owners to directly dump three ships of sludge of about 2,400 tons at a villa south of Jiusongshanhe

Longyuan, Yongxiu County, and helped Defendant LI De to pay for such sludge; Defendant LI De then transported the remaining 2 ships of sludge from Qiligang Port to a villa south of Jiusongshanhe Longyuan and dumped it directly. 4. In January 2018, Defendant HUANG Yong and Defendant SHU Zhengfeng cooperated in the sludge transport business. Defendant HUANG Yong contacted Defendant ZHANG Yongliang to transport the sludge at a price of 108 Yuan per ton. Defendant HUANG Yong then obtained two ships of sludge of about 1,600 tons from ZHANG Yongliang and transported it to Jiujiang to Defendant SHU Zhengfeng for treatment. Defendant SHU Zhengfeng paid Defendant CHEN Shishui 20,000 Yuan and handled the two ships of sludge to CHEN Shishui for treatment. CHEN Shishui directly dumped the two ships of sludge at Zhengjia Bay, Wufeng Village, Shayan Road, Jiujiang Development Zone. 5. In January 2018, Defendant LI De took over 6 ships of sludge of about 4,800 tons from multiple companies on the Yangtze River and handed it to Defendant HUANG Yong for disposal. Defendant HUANG Yong and defendant SHU Zhengfeng then transported four ships of such sludge of about 3,200 tons to Saicheng Lake Port and handed it over to Defendant CHEN Shishui for disposal. CHEN Shishui then dumped the four ships of sludge near the depression at Shayan Road. Zhihe Company and Zhengpeng Company were involved in the illegal dumping of sludge at Zhengjia Bay, Wufeng Village, Shayan Road and around Jiusongshanhe Longyuan, Yongxiu County. In addition, XIA Jiping, the de facto person in charge of Zhihe Company obtained a share of the profit in such cooperation.

The Defendants in this case illegally dumped sludge in a total of 14,800 tons, of which about 2,800 tons of sludge was dumped in Wujiazui, Donglin Town near Donglin Buddha (Plot 1), about 400 tons was dumped in Hukouchong Village of Donglin Town (Plot 2), about 3,200 tons was dumped in the depression near Shayan Road in downtown, about 4,400 tons was dumped in Zhengjiawan, Wufeng Village on Shayan Road in downtown (Plot 4), and about 4,000 tons was dumped in a mountain village directly south of Jiusong Shanhe Long Park in Yongxiu County (Plot 5). As to the aforementioned sludge dumped, Jiujiang Municipal Ecology and Environment Bureau entrusted Jiangxi Environmental Protection Research Institute to assess the environmental damage status and the environmental restoration costs caused by the sludge involved in this case and identified that the illegal dumping of sludge caused damage to the soil, water environment and air. It is also clarified that the total cost of the contaminated land restoration project in this case is 14,462,880 Yuan, including direct engineering costs of 10,480,000 Yuan, indirect costs of

2,044,480 Yuan, basic reserve costs of 838,400 Yuan, environmental emergency monitoring costs of 700,000 Yuan and assessment report preparation costs of 400,000 Yuan. In addition, the direct engineering costs of the five plots involved in this case are as follows: 1,701,000 Yuan for Wujiazui, Donglin Town, near Donglin Buddha, 314,700 Yuan for Hukouchong Village, Donglin Town, 2,128,500 Yuan for the depression near Shayan Road, 2,889,000 Yuan for Zhengjia Bay, Wufeng Village, Shayan Road, and 3,446,800 Yuan for the plot near Jiusongshanhe Longyuan, Yongxiu County.

This court also find that the Ecological and Environmental Compensation Negotiation Agreement was reached by Plaintiff and Tangqi Company on September 5, 2019 upon previous negotiation. The agreement stipulates that Tangqi Company shall pay 4,872,387 Yuan for compensation, which includes all the compensation fees assessed for the plot at Wujiazui, Donglin Town, near Donglin Buddha (Plot 1) and at Hukouchong Village, Donglin Town (Plot 2), part of the fees for the plot at Zhengjia Bay, Wufeng Village, Shayan Road (Plot 4, including direct engineering costs of 1,209,000 Yuan, indirect costs of 275,544 Yuan, basic reserve costs of 125,524 Yuan), environmental emergency monitoring costs of 410,000 Yuan in other assessment reports, 50% of the assessment report preparation costs of 200,000 Yuan and attorney's fee during the negotiation process of 20,000 Yuan. Tangqi Company has fulfilled the payment responsibility for the aforementioned costs. Plaintiff and Tangqi Company applied for judicial confirmation on such negotiation agreement, which this Court confirms according to the law.

In addition to the compensation voluntarily borne by Tangqi company after negotiation. No agreement was made through negotiation as to the ecological restoration fee for the plot at the depression near Shayan Road, Jiujiang City (Plot 3) of 2,803,396 Yuan (including direct engineering costs of 2,118,500 Yuan, indirect costs of 374,616 Yuan, basic reserve costs of 170,280 Yuan, environmental emergency monitoring costs of 130,000 Yuan), the ecological restoration fee for the plot at Zhengjia Bay, Wufeng Village, Shayan Road, Jiujiang (Plot 4) of 2,018,515 Yuan (including direct engineering costs of 1,680,000 Yuan, indirect costs of 232,920 Yuan, basic reserve costs of 105,595 Yuan) and the ecological restoration fee for the plot near Jiusongshanhe Longyuan, Yongxiu County (Plot 5) of 4,889,180.8 Yuan (including direct engineering costs of 3,446,800 Yuan, indirect costs of 606,637 Yuan, basic reserve costs of 275,744 Yuan, environmental emergency monitoring costs of 160,000 Yuan).

In addition, the preparation fee for the assessment report in the appraisal report of 200,000

Yuan, the risk assessment project fee of 100,000 Yuan has not been compensated yet. Jiujiang Municipal Ecology and Environment Bureau signed the entrustment agreement with Jiangxi Weimin Law Firm on March 5, 2019. Jiujiang Municipal Ecology and Environment Bureau paid Jiangxi Weimin Law Firm 60,000 Yuan for attorney's fee.

During the trial of this case, Defendant Lianxin Company has voluntarily paid 1,000,000 Yuan to this Court for ecological restoration fund, and Defendant SHU Zhengfeng has voluntarily paid 100,000 Yuan to this Court for ecological restoration.

This Court held that, according to the prosecution and defense from both sides, the focus of disputes between the parties are: whether each Defendant shall bear the responsibility of compensation for damage to the ecological environment; if such responsibility exists, what is the form of such responsibility and the degree of responsibility?

Defendants Zhengpeng Company, Lianxin Company, ZHANG Yongliang, LI De, SHU Zhengfeng, HUANG Yong, XIA Jiping, CHEN Shishui, MA Zuxing and SHEN Xiaojun illegally transported and dumped sludge, causing ecological and environmental pollution which harmed the public interest, and shall bear the ecological and environmental damage compensation responsibilities. In this case, as the sludge from each plot dumped by the Defendants is mixed and the sludge from the same plot cannot be repaired separately, the Defendants should, according to the principle of joint liability for joint environmental infringement case, assume the joint liability for repair of the same parcel of land. In this case, Plaintiff and the non-party Tangqi Company have reached an agreement by themselves through negotiation regarding the sludge dumped at Wujiazui, Donglin Town, near Donglin Buddha (Plot 1), Hukouchong Village, Donglin Town (Plot 2) and part of the sludge dumped at Zhengjia Bay, Wufeng Village, Shayan Road (Plot 4) and judicial confirmation is applied for such agreement. Tangqi Company has fulfilled its responsibilities according to the agreement. Also, Plaintiff People's Government of Jiujiang City did not file this lawsuit against Tangqi Company, so this Court does not need to hear on the environment infringement of Tangqi Company. In addition to the aforementioned compensation voluntarily borne by Tangqi company after negotiation, the sludge at the depression near Shayan Road, Jiujiang City (Plot 3) was obtained by LI De from multiple companies on the Yangtze River and was directly dumped by Defendant HUANG Yong, SHU Zhengfeng and CHEN Shishui in a coordinated manner. The restoration for the plot shall cost 2,803,396 Yuan, which should be jointly borne by aforementioned defendants. Part of the sludge at Zhengjia Bay, Wufeng Village, Jiujiang

City came from Lianxin Company (obtained by ZHANG Yongliang in the name of Lianxin Company) and directly dumped by LI De, HUANG Yong, SHU Zhengfeng and CHEN Shishui in a coordinated manner. The restoration fee left for this plot is 2,018,515 Yuan, which shall be borne by the aforementioned Defendants. The sludge around Jiusongshanhe Longyuan in Yongxiu County (Plot 5) came from ZHANG Yongliang and was dumped by Defendant LI De and MA Zuxing in a coordinated manner. The restoration for the plot shall cost 4,489,181 Yuan, which should be jointly borne by aforementioned Defendants. Defendant LI De, as the de facto person in charge of Defendant Zhengpeng Company, participated in the illegal dumping of sludge in the name of Zhengpeng Company while Zhengpeng Company had no qualification or ability to handle such sludge, shall be jointly responsible for ecological restoration along with Defendant Zhengpeng Company. In the illegal dumping of sludge in the aforementioned Plot 4 and 5, Defendant XIA Jiping participated in the sludge treatment in the name of Zhihe Company in cooperation with Defendant Zhengpeng Company, and obtained a share of the profits, thus Defendant XIA Jiping shall be jointly liable for the ecological restoration responsibilities over the aforementioned plots. In addition, the assessment report preparation fee for the environmental damage assessment report of 200,000 Yuan, the risk assessment plan fee of 100,000 Yuan and attorney's fee of 40,000 Yuan are the reasonable expenses of this case. This Court supports the aforementioned expenses requested by Plaintiff. According to the judicial interpretation on the trial of ecological and environmental damage compensation cases, the way of taking the responsibility for the ecological environment damage compensation case includes an apology. Plaintiff People's Government of Jiujiang City's request for Defendants' apology to the society on media at the provincial level or above is based on the law and this Court supports it.

As for Defendant Lianxin Company's argument that the sludge came from ZHANG Yongliang does not mean the sludge came from Lianxin Company, and that Lianxin Company shall not bear the responsibility of ecological and environmental damage compensation. According to the facts identified in the trial, during its process of the sludge involved in this case, Defendant Lianxin Company handed over the official seal and blank contract to ZHANG Yongliang. Also, during ZHANG Yongliang's process of dumping of part of the sludge at Zhengjia Bay, Wufeng Village, Shayan Road, Jiujiang, testimony from ZHANG Yongliang and witness HUANG X can prove that the sludge came from Lianxin Company. Thus, Defendant Lianxin company shall take joint restoration responsibility of such plot. Plaintiff did not submit sufficient evidence to prove whether

the sludge of the plot near Jiusongshanhe Longyuan in Yongxiu County (Plot 5) came from Defendant Lianxin Company. According to the civil rules of proof, Plaintiff should bear the adverse consequences of failure to prove. As a result, this Court cannot confirm that the sludge of the plot came from Lianxin Company, and Lianxin Company does not need to bear the responsibility of ecological restoration of the plot. In this case, Defendant Lianxin Company, with limited sludge processing capacity, handed over the company's official seal and blank contract to Defendant ZHANG Yongliang for sludge processing without tracking the process of sludge treatment by ZHANG Yongliang according to the law. Lianxin Company has obvious supervisory negligence and shall bear the joint responsibility for the illegal dumping of sludge from Lianxin Company according to the principle of no-fault civil imputation of environmental joint infringement.

As to XIA Jiping's argument that the evidence submitted by Plaintiff cannot prove that he knew that Defendant Zhengpeng company's illegal dumping of sludge, and thus he shall not bear the responsibility for ecological restoration. This Court held that according to evidence such as the cooperation agreement between Zhengpeng Company and Zhihe Company (with XIA Jiping as the person in charge), bank statements and the confession of Defendant LI De, XIA Jiping and ZHANG Yongliang, testimony from witness Wang X and transport records, it is sufficient to prove that Zhihe Company and Zhengpeng Company both participate in the sludge dumping activities after their cooperation after September 14, 2017. Thus, XIA Jiping's argument is not accepted by this Court. As for the argument that XIA Jiping's criminal case of his suspected environment pollution criminal offences shall take precedence over the trial of this case, because the trial of criminal cases is not always prior to the trial of civil cases, this civil case is supported by relevant evidence and is not inappropriate.

As for Defendant CHEN Shishui's argument that he was an employee of LI De and had gained little from and done little in the illegal dumping activities. The employer LI De should bear the liability for compensation or CHEN should bear the minor liability for compensation. This Court believes that Defendant CHEN Shishui's argument that he was an employee of LI De has no relevant evidence to support. According to the facts ascertained, CHEN Shishui and the other Defendants illegally dumped the sludge in a cooperative manner. In a joint environmental infringement case, environmental restoration responsibility shall be jointly borne by Defendants, not calculated by their gain or their role in the illegal activities. This Court will not accept

Defendant CHEN Shishui's argument because it lacks factual or legal basis. As for Defendant CHEN Shishui's argument that he did not participate in the sludge dumping around Jiusongshanhe Longyuan in Yongxiu County (Plot 5) and should not bear the responsibility of ecological restoration of the plot. According to the facts identified by this Court, CHEN Shishui did not participate in the sludge dumping of the plot, and there is factual basis that CHEN Shishui shall not bear the responsibility of ecological restoration of the plot. This Court hereby accepts this argument.

As for MA Zuxing's argument that he was only doing LI De a favor and should not be held liable for ecological damage compensation, according to the facts identified in the trial, in the illegal dumping process of sludge around the plot of Jiusongshanhe Longyuan in Yongxiu County (Plot 5), MA Zuxing contacted the port to receive and send the sludge, arranged truck drivers and issued the relevant fees, so MA Zuxing was jointly at fault for the illegal dumping of sludge on the plot, and shall be held joint liable for the restoration of the plot. This Court will not accept MA Zuxing's argument.

In summary, in accordance with Article 64 of *the Environmental Protection Law of the People's Republic of China*, Articles 8, 15, 65 and 66 of *the Tort Liability Law of the People's Republic of China*, Articles 2 and 13 of *the Interpretation of the Supreme People's Court of Several Issues on the Application of Law in the Trial of Disputes over Liability for Environmental Torts*, Article 1, Article 3, Article 4, Article 6, Article 8, Article 10, Article 11, Article 12, Article 14 of *the Several Provisions of the Supreme People's Court on the Trial of Cases on Compensation for Damage to the Ecological Environment (for Trial Implementation)* and Article 64, Article 142 and Article 144 of *the Civil Procedure Law of the People's Republic of China*, the judgment is as follows:

I . Defendant Jiangxi Zhengpeng Environmental Protection Technology Co., Ltd., LI De, HUANG Yong, SHU Zhengfeng and CHEN Shishui shall jointly undertake the ecological restoration obligation of the sludge in the depression near Shayan Road in Jiujiang Economic and Technological Development Zone (Plot 3) within three months after the effective date of this judgment. If such restoration obligation is not fulfilled, the aforementioned defendants shall be ordered to jointly pay 2,803,396 Yuan for ecological and environmental restoration within ten days after the expiration of the period. (Defendant SHU Zhengfeng has voluntarily paid 100,000 Yuan for ecological restoration to the court account).

II. Defendant Jiangxi Zhengpeng Environmental Protection Technology Co., Ltd., Hangzhou Lianxin Building Materials Co., Ltd., ZHANG Yongliang, LI De, HUANG Yong, SHU Zhengfeng, XIA Jiping and CHEN Shishui shall jointly undertake the ecological restoration obligation of the sludge at Zhengjia Bay, Wufeng Village, Shayan Road in Jiujiang Economic and Technological Development Zone (Plot 4) within three months after the effective date of this judgment. If such restoration obligation is not fulfilled, the aforementioned defendants shall be ordered to jointly pay 2,018,515 Yuan for ecological and environmental restoration within ten days after the expiration of the period. (Defendant Hangzhou Lianxin Building Materials Co., Ltd. has voluntarily paid 100,000 Yuan for ecological restoration to the court account.)

III. Defendant Jiangxi Zhengpeng Environmental Protection Technology Co., Ltd., ZHANG Yongliang, LI De, XIA Jiping and MA Zuxing shall jointly undertake the ecological restoration obligation of the sludge around Jiusongshanhe Longyuan in Yongxiu County, Jiujiang (Plot 5) within three months after the effective date of this judgment. If such restoration obligation is not fulfilled, the aforementioned defendants shall be ordered to jointly pay 4,489,181 Yuan for ecological and environmental restoration within ten days after the expiration of the period.

IV. Defendants shall jointly pay 200,000 Yuan for the preparation of the environment assessment report, 100,000 Yuan for the risk assessment program and 40,000 Yuan for the attorney's fee within ten days after the effective date of this judgment.

V. Defendants shall make public apologies to the society on media at the provincial level or above within ten days after the effective date of this judgment.

VI. Plaintiff People's Government of Jiujiang City's other litigation requests are hereby rejected.

If the payment obligation is not fulfilled within the period specified in this judgment, the interest on the debt during the period of delayed performance shall be doubled in accordance with the provisions of Article 253 of *the Civil Procedure Law of the People's Republic of China*.

The case acceptance fee of 81,977 Yuan and the property preservation fee of 5,000 Yuan shall be jointly borne by each defendant and shall be paid to the Court within seven days from the effective date of this judgment.

In case of refusal to accept this Judgment, either party can submit an appeal petition to this Court within fifteen days as of the served date of this Judgment and submit one counterpart of the petition to each person or representative from the Opposite Parties for appealing to Jiangxi High

People's Court.

Presiding Judge YAN Qingyuan

Judge SHEN Shuangwu

Judge SHI Longxi

People's Assessor QIAN Zhenhua

People's Assessor SHEN Ai

People's Assessor ZHOU Hui

People's Assessor XU Jun

November 4, 2019

Clerk DAI Kunli

Clerk WANG Hui

Note: The judgment of first instance has come into effect.