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CHINA ENVIRONMENTAL INVESTMENT HOLDINGS LIMITED

中國環保投資股份有限公司

(incorporated in Hong Kong with limited liability)

(Stock Code: 260)

PROFIT WARNING

This announcement is made by the Company pursuant to Rule 13.09 of the Listing Rules and the Inside Information Provisions under Part XIVA of the SFO.

The Board wishes to inform the Shareholders and potential investors that the Group, based on the information currently available, is expected to record a loss for the year ended 31 December 2012 as compared to a profit for the year 2011.

Shareholders and potential investors are advised to exercise caution when dealing in the shares of the Company.

This announcement is made by China Environmental Investment Holdings Limited (the “**Company**” and together with its subsidiaries, the “**Group**”) pursuant to Rule 13.09 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”) and the Inside Information Provisions under Part XIVA of the Securities and Futures Ordinance (Cap. 571, Laws of Hong Kong) (the “**SFO**”).

The board of directors (the “**Board**”) of the Company wishes to inform the shareholders of the Company (the “**Shareholders**”) and potential investors that, based on the information currently available, the Group is expected to record a loss for the year ended 31 December 2012 as compared to a profit for the year 2011. The Group recorded a loss of HK\$8,703,000 in the first half of 2012 and the loss for the Group in the second half of 2012 is expected to be higher than the first half of 2012. The

expected loss is mainly attributable to, inter alia, (i) impairment of trade receivables; (ii) increase in finance costs; and (iii) increase in gross profit is less than increase in expenses.

The Company is still in the process of finalizing the Group's audited annual results for the year ended 31 December 2012. The information contained in this announcement is only based on the Board's preliminary assessment in accordance with the unaudited consolidated management accounts of the Group and other information currently available to the Company and is not based on any financial data or information that has been audited or reviewed by the Company's auditors. Details of the financial data to be disclosed in the Company's annual results announcement for the year ended 31 December 2012 which is expected to be published on or about 18 March 2013 shall prevail over the information contained herein.

Shareholders and potential investors are advised to exercise caution when dealing in the shares of the Company.

By order of the Board
China Environmental Investment Holdings Limited
Ji Hui
Chief Executive Officer

Hong Kong, 6 March 2013

As at the date of this announcement, the Board comprises nine Directors, of which Mr. Ji Guirong (Chairman) is the non-executive Director; Mr. Ji Hui (Chief Executive Officer), Mr. Zang Zheng, Mr. Zhang Chuanjun, Mr. Zhang Ning (Chief Financial Officer) and Mr. Xiao Wei are the executive Directors; Mr. Wang Zhonghua, Mr. Zhong Qiang and Mr. Hu Xiaowen are the independent non-executive Directors.