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China Environmental Energy Investment Limited

中國環保能源投資有限公司*

(Incorporated in Bermuda with limited liability)

(Stock code: 986)

DISCLOSEABLE TRANSACTION DISPOSAL OF LISTED SECURITIES

The Group disposed on-market of a total of 17,840,000 Luen Wong Shares in a series of transactions conducted on 28 June 2017, at the price between HK\$0.85 and HK\$1.31 per Luen Wong Share for an aggregate gross sale proceeds of approximately HK\$18.66 million (excluding transaction costs).

The Disposal constitutes a discloseable transaction of the Company as one of the applicable percentage ratios exceeds 5% but is less than 25%, and is therefore subject to the relevant reporting and announcement requirements under Chapter 14 of the Listing Rules.

THE DISPOSAL

The Group disposed on-market of a total of 17,840,000 Luen Wong Shares in a series of transactions on 28 June 2017, at the price between HK\$0.85 and HK\$1.31 per Luen Wong Share for an aggregate gross sale proceeds of approximately HK\$18.66 million (excluding transaction costs).

As the Disposal was made on the market, the Company is not aware of the identities of the purchasers of the Luen Wong Shares. To the best of the knowledge, information and belief of the Directors, having made all reasonable enquiries, each of the purchasers of the Luen Wong Shares and their ultimate beneficial owners are third parties independent of the Company and its connected persons.

Assets disposed of

The Group disposed of a total of 17,840,000 Luen Wong Shares, representing approximately 1.43% of the issued share capital of Luen Wong (based on the 1,248,000,000 Shares as at 31 May 2017 according to the monthly return of Luen Wong dated 1 June 2017). Before the Disposal, the Group held a total of 17,840,000 Luen Wong Shares. After the Disposal, the Group does not hold any Luen Wong Shares.

Consideration

The aggregate gross sale proceeds of the Disposal is approximately HK\$18.66 million (excluding transaction costs), which is receivable in cash on settlement. The consideration for the Disposal represented the market price of the Luen Wong Shares at the time of the Disposal.

INFORMATION OF LUEN WONG

Luen Wong is a company incorporated in the Cayman Islands with limited liability whose shares are listed on the Growth Enterprise Market of the Stock Exchange (stock code: 8217). Luen Wong is principally engaged in the provision of civil engineering works and investment holding.

The following information is extracted from the 2017 annual results announcement of Luen Wong:

	For the year ended 31 March 2017 HK\$'000	For the year ended 31 March 2016 HK\$'000
Revenue	735,330	315,004
Profit before taxation	37,976	12,061
Profit after taxation	30,549	8,391
Net asset value	106,361	27,095

REASONS FOR AND BENEFITS OF THE DISPOSAL

The Group is principally engaged in the businesses of online products sales, provision of marketing, web design and maintenance services, trading of gold and diamond, money lending and financial services.

The Company was aware of the extremely volatile trading prices of the Luen Wong Shares during the trading hours from 27 June 2017 to 28 June 2017. Due to the volatile nature of the trading prices of Luen Wong Shares, the Directors have decided to sell them to cut losses in order to limit a potential loss should the price of the Luen Wong Shares would fall further. As a result of the Disposal, the Group is expected to recognize a loss of approximately HK\$105.81 million which is calculated on the basis of the difference between the acquisition price and the disposal price (exclusive of transaction costs).

The Disposal was made at market price and the Board is of the view that the Disposal will enhance the liquidity of the Company and was fair and reasonable and is on normal commercial terms and is in the interests of the Company and the Shareholders as a whole.

IMPLICATION UNDER THE LISTING RULES

As one of the applicable percentage ratios (as defined in the Listing Rules) in respect of the Disposal is more than 5% but less than 25%, the Disposal constitutes a discloseable transaction of the Company under Chapter 14 of the Listing Rules and is therefore subject to the reporting and announcement requirements of the Listing Rules.

DEFINITIONS

In this announcement, unless the context otherwise requires, the following terms shall have the following meanings:

“Board”	the board of Directors
“Luen Wong”	Luen Wong Group Holdings Limited, a company incorporated in the Cayman Islands with limited liability whose shares are listed on the Growth Enterprise Market of the Stock Exchange (stock code: 8217)
“Luen Wong Share(s)”	ordinary share(s) with a nominal value of HK\$0.01 each in the share capital of Luen Wong
“Company”	China Environmental Energy Investment Limited (Stock code: 986), a company incorporated in Bermuda with limited liability and the shares of which are listed on the Stock Exchange
“connected person(s)”	has the meaning ascribed thereto under the Listing Rules
“Director(s)”	the director(s) of the Company

“Disposal”	the disposal by the Company of a total of 17,840,000 Luen Wong Shares on the market dated 28 June 2017 for a total consideration of approximately HK\$18.66 million
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollar(s), the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“RMB”	Renminbi, the lawful currency of the People’s Republic of China
“Share(s)”	ordinary share(s) of HK\$0.10 each in the share capital of the Company
“Shareholder(s)”	holder(s) of the Shares
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“%”	per cent.

By Order of the Board
China Environmental Energy Investment Limited
Chen Tong
Chairman

Hong Kong, 29 June 2017

As at the date of this announcement, the Board comprises three executive Directors, namely Ms. Chen Tong (Chairman), Mr. Xiang Liang and Ms. Hong Jingjuan; and three independent non-executive Directors, namely Ms. Zhang Ruisi, Mr. Tse Kwong Chan and Ms. Zhou Jue.

In the case of inconsistency, the English text of this announcement shall prevail over the Chinese text.

* *For identification purposes only*