

香港聯合交易所有限公司

(香港交易及結算所有限公司全資附屬公司)

THE STOCK EXCHANGE OF HONG KONG LIMITED

(A wholly-owned subsidiary of Hong Kong Exchanges and Clearing Limited)

Failure by a director to comply with the directions of the Listing Committee demonstrates a lack of character and integrity. The Exchange takes breaches of directions made by the Committee seriously and will, where appropriate, take further action for such breaches, including seeking a direction from the Committee that an individual is not suitable to be a director of an issuer listed, or to be listed, on the Exchange.

The Listing Committee of The Stock Exchange of Hong Kong Limited (“Committee”)

CENSURES:

Mr Xiang Liang (“Mr Xiang”), former executive director of **China Environmental Energy Investment Limited (“Company”)** (Stock Code: 986)

for a breach of a settlement agreement dated 31 July 2017 (“**Settlement Agreement**”), under which he agreed to a direction made by the Committee to attend 24 hours of training on Exchange Listing Rules compliance and director’s duties (including 4 hours of training on notifiable and connected transactions) (“**Training**”) within 90 days from the publication of the news release in respect of the Settlement Agreement (“**Committee’s Direction**”),

AND STATES THAT:

in the Exchange’s opinion, Mr Xiang does not satisfy the suitability requirements under Rule 3.09 to act as a director of any issuer listed, or to be listed, on the Exchange.

HEARING

On 21 August 2019, the Committee conducted a hearing (“**Hearing**”) into the conduct of Mr Xiang in relation to his breach of the Settlement Agreement and the Committee’s Direction.

.../2

FACTS

On 21 June 2017, the Listing Department (“**Department**”) commenced disciplinary proceedings against the Company and two of its directors, including Mr Xiang. On 31 July 2017, the Department entered into the Settlement Agreement for the settlement of the disciplinary proceedings.

As part of the Settlement Agreement, Mr Xiang agreed to accept (i) a public statement involving criticism for a breach of his Declaration and Undertaking with regard to Directors given to the Exchange in the form set out in Appendix 5B to the Exchange Listing Rules, and (ii) the Committee’s Direction. The Committee endorsed the Settlement Agreement and the News Release was published on 29 September 2017. Mr Xiang resigned as executive director of the Company with effect from 10 October 2017, following which he sought and obtained two extensions of time (until 30 November 2018) to comply with the Committee’s Direction. On 6 December 2018, Mr Xiang, through his lawyers, informed the Department that he would not complete the Training. Despite the prospect of further disciplinary action, Mr Xiang continues to refuse to complete the Training without any valid reason.

COMMITTEE’S FINDINGS OF BREACH

Mr Xiang failed to respond to communications from the Exchange, file written submissions to the Exchange and attend the Hearing. The Committee considered the written and oral submissions of the Department and concluded that Mr Xiang breached the Settlement Agreement and the Committee’s Direction.

The Committee agreed with the submissions of the Department and concluded that Mr Xiang’s refusal to undertake the Training without any valid reason shows a blatant disregard for the Committee’s Direction and the Settlement Agreement, and demonstrates that Mr Xiang does not have the character or integrity to perform the duties of a director of a listed issuer, in breach of the suitability requirements under Rule 3.09. The Committee is therefore of the view that Mr Xiang does not fulfil the requirements under Rule 3.09 and is thus unsuitable to act as a director of any issuer listed, or to be listed, on the Exchange.

REGULATORY CONCERN

The Committee regards Mr Xiang’s breaches of the Settlement Agreement and the Committee’s Direction as egregious and a clear message must be conveyed to the market that such conduct will not be tolerated and that there are consequences following such breaches.

SANCTION AND DIRECTION IMPOSED

Having made the findings of breach stated above, and having concluded that the breaches are serious, the Committee:

- (1) censures Mr Xiang for his breach of the Settlement Agreement and the Committee's Direction; and
- (2) makes a statement, that in the Exchange's opinion, Mr Xiang does not satisfy the suitability requirements under Rule 3.09 to act as a director of any issuer listed, or to be listed, on the Exchange.

For the avoidance of doubt, the Exchange confirms that the sanction and direction in this news release apply only to Mr Xiang, and not to any other past or present members of the board of directors of the Company.

Hong Kong, 20 September 2019