**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)**

# PROFIT WARNING AND DATE OF BOARD MEETING

## PROFIT WARNING

This announcement is made by China Environmental Energy Investment Limited (the "**Company**", and together with its subsidiaries, the "**Group**") pursuant to Rules 13.09 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited and the Inside Information Provision under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong). The board of directors (the "**Board**") of the Company wishes to inform the shareholders of the Company (the "**Shareholders**") and potential investors of the Company that based on the unaudited consolidated management accounts of the Group for the year ended 31 March 2020 and the preliminary assessment of the information currently available.

Due to (i) the decline of visitor arrivals to Hong Kong and buyers to the exhibitions in Hong Kong, the weaker consumer sentiment and continuous social incidents in Hong Kong in the second half of 2019, and Hong Kong Tourism Board statistics also revealed that the number of tourist arrivals declined by approximately 39.1% year-on-year, during the second half of 2019; and (ii) the severe outbreak of COVID-19 since January 2020, various regions were under extensive lockdown and various levels of restrictions on public and business activities. These factors have resulted in a decline of revenue of the Group by approximately 30% compare to the last year.

But the Board anticipates that the Group will record a decrease of loss for the current period over 50% compared to the loss for the year ended 31 March 2019 of the Group. Such change is mainly due to, including but not limited the combined effect of followings:

(i) benefiting from discontinued the operation in the provision of financial advisory, intermediary and asset management services (the "**Financial Services**") during the year whereas approximately of HK$8.41 million of operating loss in the Financial Services in the last year;

(ii) the gain on disposal of the assets classified as held for sale was approximately of HK$11.88 million during the year whereas the total loss on the assets classified as held for sale was approximately of HK$22.49 million in the last year; and

(iii) no share options were granted during the year ended 31 March 2020 whereas approximately of HK$10.65 million equity-settled share-based payment expense in relation in the share options were granted in the last year.

The Company is still in the process of finalising the financial results of the Group for the year ended 31 March 2020. The information contained in this announcement is only based on the preliminary assessment made by the Board with reference to the unaudited consolidated management accounts of the Group for the year ended 31 March 2020 and the information currently available to the Board, which may be subject to adjustments, and such information has not been audited nor reviewed by the Company's auditors.

**Shareholders and potential investors are advised to exercise caution when dealing securities of the Company.**

**DATE OF BOARD MEETING**

The Board also announces that the Board meeting will be held on Monday, 29 June 2020 for the purpose of, among other matters, approving the announcement of the annual results of the Group for the year ended 31 March 2020 for publication.

By Order of the Board
**China Environmental Energy Investment Limited**
**Zhou Yaying**
*Chairman*

Hong Kong, 10 June 2020

*As at the date of this announcement, the Board comprises four executive Directors, namely Ms. Zhou Yaying, Mr. Wei Liang, Mr. Tang Wing Cheung Louis and Ms. Hong Jingjuan; and three independent non-executive Directors, namely Mr. Tse Kwong Chan, Mr. Yiu To Wa and Mr. Lau Leong Yuen.*

* *For identification purpose only*