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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)

VOLUNTARY ANNOUNCEMENT

MEMORANDUM OF UNDERSTANDING IN RELATION TO POSSIBLE ACQUISITION

This is a voluntary announcement made by China Environmental Energy Investment Limited (the “**Company**”).

THE MEMORANDUM OF UNDERSTANDING

The board (the “**Board**”) of directors of the Company (the “**Directors**”) is pleased to announce that on 17 August 2020 (after trading hours), the Company entered into a non-legally binding memorandum of understanding (the “**MOU**”) with two vendors (the “**Vendors**”), pursuant to which the Company will acquire and the Vendors will sell its equity interest in Hebei Maia Biotechnology Limited Company* (the “**Target Company**”) (the “**Possible Acquisition**”) which is principally engaged in manufacturing, registration and processing of medical equipment (such as medical air purifier). The Target Company is a company established in the People’s Republic of China with limited liability. As at the date of the MOU, the Vendors hold 70% of registered capital of the Target Company.

To the best knowledge, information and belief of the Directors, having made all reasonable enquiries, the Vendors is third party independent of and not connected with the Company and its connected persons (as defined in the Listing Rules).

Consideration

The consideration for the Possible Acquisition and the manner of payment shall be further negotiated between the Company and the Vendors and be determined in the Formal Agreement (as defined below).

Due Diligence

After the signing of the MOU, the Company (and its representatives and/or advisers) shall be entitled to carry out due diligence investigations on the Target Company and other relevant parties. The Vendors shall, and shall procure the relevant parties, to provide assistance in this regard.

Exclusivity

The Vendors will not, and will procure that the Target Company and its directors, officers, employees, representatives and agents will not, directly or indirectly, within six months from the date of the MOU (or such other dates as may be agreed by the parties thereto) (i) solicit, initiate or encourage inquiries or offers from, or (ii) initiate or continue negotiations or discussions with or furnish any information to, or (iii) enter into any agreement or statement of intent or understanding with, any person or entity other than the Company with respect to the sale or other disposition of the issued share capital of the Target Company or any interests of the Target Company or the sale, subscription, or allotment of any part thereof or any other shares of the Target Company or the sale or transfer of the business and/or operations and/or assets of the Target Company. If the Target Company or the Vendors receive any such inquiry or offer, the Vendors will promptly notify the Company.

Formal Agreement

The Company and the Vendors will proceed with further negotiation for the entering into the formal and binding agreement in respect of the Possible Acquisition (the “**Formal Agreement**”) within six months from the date of the MOU (or such other dates as may be agreed by the parties thereto).

Legal effect

Save for disclosed above and the clauses relating to confidentiality, fee, notification and governing law, the MOU shall create no legal and binding obligations on the parties thereto.

GENERAL

If the Formal Agreement materializes, the Possible Acquisition may constitute a notifiable transaction of the Company under the Listing Rules. Further announcement(s) will be made by the Company in accordance with all applicable requirements of the Listing Rules as and when appropriate.

The Board wishes to emphasize that no binding agreement in relation to the Possible Acquisition has been entered into as at the date of this announcement. As such, the Possible Acquisition may or may not proceed. Shareholders of the Company and potential investors are advised to exercise caution when dealing in the shares of the Company.

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

Hong Kong, 17 August 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.

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

* *For identification purposes only*