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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 POTENTIAL ACQUISITION

This is a voluntary announcement made by China Environmental Energy Investment Limited (the "**Company**") to provide shareholders (the "**Shareholders**") and potential investors with the latest information on the Group's latest business developments.

THE MEMORANDUM OF UNDERSTANDING

The board (the "**Board**") of directors of the Company (the "**Directors**") is pleased to announce that on 21 August 2024 (after trading hours), the Company entered into an non-legally binding memorandum of understanding (the "**MOU**") with a vendor (the "**Vendor**"), pursuant to which the Company will acquire and the Vendor will sell part or entire of its equity interest in Shandong Ju Futang Biotechnology Co., Ltd.*（山東菊福堂生物科技股份有限公司）(the "**Target Company**") (the "**Possible Acquisition**").

Shandong Ju Futang Biotechnology Co., Ltd.*, established in 2009 in the People's Republic of China, is a modernized comprehensive enterprise that integrates special species cultivation, eco-tourism, Traditional Chinese Medicine (TCM) healthcare, biotechnology and healthy aging. Under the leadership of Cai Chunzhi（蔡淳治）, the chairman of the board, the company aims to "carry forward the concept of health culture and provide quality products", and has been successively awarded as a National High-tech Enterprise（國家高新技術企業）, a Specialized, Sophisticated, and Innovative SME of Shandong Province（山東省專精特新中小企業）, an Innovative SME in Shandong Province（山東省創新型中小企業）and a Gazelle Enterprise of Yantai City（煙臺市瞪羚企業）, etc. Taking the snake industry as the foundation, the company combines the traditional healthcare ideology with modern science and technology, it has given full play to the role of snake raw materials in TCM in preventing and fighting cancer. The company comprises of 4 partner hospitals, 12 Ju Futang TCM Centers and 52 branches/flagship stores, with its business footprint nationwide.

After reaching the acquisition intention, both parties will give full play to their advantages in the big health TCM sector, carry out the R&D and production of anti-tumor or analgesic drugs using snake venom and other biomedical products. The Directors are of the view that our Group could benefit from the Potential Acquisition in order to enlarge our Group's supplier and customer base and diversify our Group's business profile.

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, 21 August 2024

As at the date of this announcement, the Board comprises three executive Directors, namely Ms. Zhou Yaying, Mr. Wei Liang and Mr. Liu Jun; and three independent non-executive Directors, namely Mr. Yiu To Wa, Mr. Lau Leong Yuen and Mr. Hong Hui Lung.

* *For identification purposes only*