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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)

**RESULTS OF THE RIGHTS ISSUE
ON THE BASIS OF ONE (1) RIGHTS SHARE FOR EVERY
ONE (1) SHARE HELD ON THE RECORD DATE
AND
ADJUSTMENT TO THE SHARE OPTIONS UNDER
THE SHARE OPTION SCHEME**

Reference is made to the prospectus of China Environmental Energy Investment Limited (the “**Company**”) dated 18 August 2021 (the “**Prospectus**”), the circular of the Company dated 16 July 2021, the announcements of the Company dated 16 June 2021 and 9 July 2021 and the announcement of the Company dated 8 September 2021 (the “**Announcement**”) in relation to the Rights Issue on the basis of one (1) Rights Share for every one (1) Share held on the Record Date on a non-underwritten basis. Unless otherwise defined, capitalised terms used herein have the same meanings as defined in the Prospectus.

RESULTS OF THE RIGHTS ISSUE

As disclosed in the Announcement, a total of 26 valid applications and acceptances under the PAL in respect of a total of 60,926,970 Rights Shares had been received, representing approximately 9.8% of the total number of Rights Shares available for subscription under the Rights Issue. There will be no fractional entitlements to the Rights Shares arising under the Rights Issue. Based on the subscription results, the Rights Issue was under-subscribed by 563,710,780 Rights Shares, representing approximately 90.2% of the total number of the Rights Shares available for subscription under the Rights Issue.

As at the Record Date, there was one Excluded Shareholder. As such, the number of the ES Unsold Rights Shares is 4,371,386 Shares.

**PLACING ARRANGEMENT OF THE UNSUBSCRIBED RIGHTS SHARES AND THE ES
UNSOLD RIGHTS SHARES AND COMPENSATORY ARRANGEMENTS**

As disclosed in the Announcement, the 563,710,780 Unsubscribed Rights Shares (the “**Placing Shares**”), representing approximately 90.2% of the total number of the Rights Shares available for subscription under the Rights Issue, were subject to the Placing Arrangement.

* *For identification purpose only*

The Board is pleased to announce that as at 6:00 p.m. on Thursday, 16 September 2021, being the latest time of placing of the Unsubscribed Rights Shares by the Placing Agent, a total of 563,710,780 Placing Shares, representing approximately 45.1% of the Company's issued Shares immediately upon completion of the Rights Issue, had been successfully placed at the placing price of HK\$0.10 per Placing Share, representing nil premium over the Subscription Price. Accordingly, the amount of the Net Gain per Unsubscribed Rights Share and the ES Unsold Rights Share under the Compensatory Arrangements is nil and no Net Gain were realised and to be received by any No Action Shareholder and Excluded Shareholder on Wednesday, 13 October 2021.

To the best of the Directors' knowledge, information and belief after having made all reasonable enquiries, (i) each of the placees and where appropriate, their respective ultimate beneficial owners, is independent of and not connected with the Company and its connected persons and not a connected person of the Company; and (ii) none of the placees has become a substantial Shareholder (as defined under the Listing Rules) upon completion of the Placing.

Based on the subscription results of the Rights Issue and the placing results of the Compensatory Arrangements, the Rights Shares to be allotted and issued amounted to 624,637,750 Rights Shares, representing 100% of the total number of Rights Shares offered for subscription under the Rights Issue.

THE RIGHTS ISSUE AND THE PLACING BECOMING UNCONDITIONAL

All conditions with respect to the Rights Issue and the placing of the Unsubscribed Rights Shares and ES Unsold Rights Shares set out in the Prospectus have been fulfilled and the Rights Issue and the placing of the Unsubscribed Rights Shares and ES Unsold Rights Shares became unconditional at 6:00 p.m. on Thursday, 16 September 2021. The gross proceeds raised from the Rights Issue (including the Placing) are approximately HK\$62.46 million before expenses.

EFFECT OF THE RIGHTS ISSUE ON THE SHAREHOLDINGS IN THE COMPANY

Set out below is the shareholding structure of the Company immediately before and after completion of the Rights Issue.

Shareholders	Immediately before completion of the Rights Issue		Immediately after completion of the Rights Issue	
	<i>Number of Shares</i>	<i>Approximate %</i>	<i>Number of Shares</i>	<i>Approximate %</i>
Ms. Guo Sha	47,000,000	7.52	47,000,000	3.76
Ms. Dong Qian	40,000,000	6.40	40,000,000	3.20
Ms. Zhou Yaying	4,371,386	0.70	4,371,386	0.35
Public Shareholders	533,266,364	85.38	594,193,334	47.56
Independent placees	–	–	563,710,780	45.13
Total	624,637,750	100.00	1,249,275,500	100.00

DESPATCH OF SHARE CERTIFICATES FOR THE RIGHTS SHARES

Share certificates in respect of valid acceptance of the Rights Shares under the PAL and the Placing Shares are expected to be despatched to those entitled thereto by ordinary post to their respective registered address at their own risks on Monday, 20 September 2021.

COMMENCEMENT OF DEALINGS OF THE RIGHTS SHARES IN FULLY-PAID FORM

Dealings in the Rights Shares, in their fully-paid form, are expected to commence on the Stock Exchange at 9:00 a.m. on Tuesday, 21 September 2021.

ADJUSTMENT TO THE SHARE OPTIONS UNDER THE SHARE OPTION SCHEME

Pursuant to the terms of the Share Option Scheme, adjustments may be required to be made to the exercise prices of and/or the number of the Shares falling to be issued upon exercise of the outstanding Share Options granted by the Company under the Share Option Scheme respectively as a result of the Rights Issue.

Date of grant	Immediately prior to the adjustments as a result of completion of the Rights Issue		Immediately after the adjustments as a result of completion of the Rights Issue	
	<i>Number of Shares falling to be issued upon exercise of the Outstanding Share Options</i>	<i>Exercise price per Share (HK\$)</i>	<i>Adjusted number of Shares falling to be issued upon exercise of the Outstanding Share Options</i>	<i>Exercise price per Share (HK\$)</i>
13 May 2020	53,150,994	0.133	58,418,210	0.121
20 August 2020	<u>5,905,666</u>	<u>0.370</u>	<u>6,490,912</u>	<u>0.337</u>

The auditors of the Company appointed by the Company has confirmed to the Directors in writing that the calculations with respect to the above adjustments are in compliance with (i) the terms of the Share Option Scheme; (ii) the requirements set out in Rule 17.03(13) of the Listing Rules; and (iii) the supplementary guideline regarding the adjustments to share options issued by the Stock Exchange.

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

Hong Kong, 17 September 2021

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