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CHINA ENVIRONMENTAL INVESTMENT HOLDINGS LIMITED

中國環保投資股份有限公司

(Incorporated in Hong Kong with limited liability)

(Stock Code: 260)

LAPSE OF AN ACQUISITION AGREEMENT IN RELATION TO A DISCLOSEABLE TRANSACTION

This announcement is made by China Environmental Investment Holdings Limited (the “**Company**”) pursuant to Rule 14.36 of the Listing Rules.

References are made to the announcements of the Company dated 24 December 2013 (the “**Announcement**”) and 25 February 2014 in relation to, among other things, the proposed acquisition of the entire issued share capital of 上海勻盛國際貿易有限公司 (Shanghai Yunsheng International Trading Company Limited*) by 上海商聚實業有限公司 (Shanghai Shangju Enterprise Company Limited*), a wholly-owned subsidiary of the Company. Unless the context otherwise requires, capitalised terms used herein shall have the same meanings as those defined in the Announcement.

Pursuant to the Acquisition Agreement as supplemented by the supplemental agreement dated 25 February 2014, Completion is subject to the satisfaction of the conditions precedent on or before 17 April 2014, failing which the Acquisition Agreement will lapse. One of the conditions precedent is the Vendor having injected capital into the Target Company by means of transferring the Properties to the Target Company and completed the relevant title transfer procedures such that the Target Company owns 100% interest of the Properties. The Purchaser is advised by the Vendor that extended time may be required to complete the transfer of the Properties to the Target Company and the Vendor cannot ascertain when the transfer could be completed. Accordingly, the Acquisition cannot be completed by 17 April 2014 and the Acquisition Agreement has lapsed. The parties to the Acquisition Agreement have been released from their rights and obligations thereunder.

In accordance with the Acquisition Agreement, the Instalments in escrow are to be refunded to the Purchaser in full within two business days after the Purchaser notifying the escrow agent.

The Board considers that the lapse of the Acquisition Agreement will not have any material adverse effect on the business operation and financial position of the Group.

By order of the Board
China Environmental Investment Holdings Limited
Ji Hui
Chief Executive Officer

Hong Kong, 17 April 2014

As of the date of this announcement, the Board comprises nine Directors, of which Mr. Ji Guirong (Chairman) is the non-executive Director; Mr. Ji Hui (Chief Executive Officer), Mr. Zang Zheng, Mr. Zhang Chuanjun, Mr. Zhang Ning (Chief Financial Officer) and Mr. Xiao Wei are the executive Directors; Mr. Wang Zhonghua, Mr. Zhong Qiang and Mr. Hu Xiaowen are the independent non-executive Directors.

* *For identification purpose only*