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## THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

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**If you are in any doubt** as to any aspect of this circular or as to the action you should take, you should consult your licensed securities dealer or registered institution in securities, bank manager, solicitor, professional accountant or other professional adviser.

**If you have sold or transferred** all of your shares in China Environmental Energy Investment Limited, you should at once hand this circular and the accompanying form of proxy to the purchaser or transferee, or to the bank, licensed securities dealer or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

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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)**

### **(1) PROPOSED SHARE CONSOLIDATION AND PROPOSED CHANGE IN BOARD LOT SIZE AND (2) NOTICE OF SPECIAL GENERAL MEETING**

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Capitalised terms used in this cover page shall have the same meaning as those defined in this circular.

A notice convening the SGM to be held on Thursday, 20 October 2016 at 10:00 a.m. at Falcon Room I, Gloucester Luk Kwok Hong Kong, 72 Gloucester Road, Wanchai, Hong Kong is set out on pages 11 to 12 of this circular. A form of proxy for use at the SGM is enclosed with this circular. Such form of proxy is also published on the websites of the Stock Exchange ([www.hkexnews.hk](http://www.hkexnews.hk)) and the Company ([www.986.com.hk](http://www.986.com.hk)).

Whether or not you are able to attend the SGM, please complete and sign the accompanying form of proxy in accordance with the instructions printed thereon and return it to the branch share registrar of the Company in Hong Kong, Tricor Tengis Limited, at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong as soon as possible but in any event not less than 48 hours before the time appointed for the holding of the SGM or any adjournment thereof. Completion and return of the form of proxy will not preclude shareholders from attending and voting in person at the meeting if they so wish and, in such event, the form of proxy shall be deemed to be revoked.

\* For identification purposes only

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## DEFINITIONS

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*In this circular, the following expressions shall have the following meanings unless the context otherwise requires:*

“Board”	the board of Directors
“Business Day(s)”	a day (other than a Saturday, Sunday or public holiday) on which licensed banks are generally open for business in Hong Kong throughout their normal business hours
“CCASS”	the Central Clearing and Settlement System established and operated by HKSCC
“CCASS Operational Procedures”	the Operational Procedures of HKSCC in relation to CCASS, containing the practices, procedures and administrative requirements relating to operations and functions of CCASS, as from time to time
“Change in Board Lot Size”	the proposed change in board lot size of the Shares for trading on the Stock Exchange from 20,000 Existing Shares to 2,000 Consolidated Shares
“Company”	China Environmental Energy Investment Limited (中國環保能源投資有限公司*), a company incorporated in Bermuda whose shares are listed on the Stock Exchange
“Consolidated Share(s)”	ordinary share(s) of HK\$0.10 each in the share capital of the Company after the Share Consolidation becoming effective
“Director(s)”	director(s) of the Company
“Existing Share(s)”	ordinary share(s) of HK\$0.01 each in the share capital of the Company before the Share Consolidation becoming effective
“General Rules of CCASS”	the terms and conditions regulating the use of CCASS, as may be amended or modified from time to time and where the context so permits, shall include the CCASS Operational Procedures
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollar, the lawful currency of Hong Kong
“HKSCC”	the Hong Kong Securities Clearing Company Limited
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC

\* For identification purposes only

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## DEFINITIONS

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“Latest Practicable Date”	26 September 2016, being the latest practicable date prior to the printing of this circular for the purpose of ascertaining certain information contained in this circular
“Listing Committee”	has the meaning ascribed thereto under the Listing Rules
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“SGM”	the special general meeting of the Company to be convened and held to consider and, if thought fit, approve the Share Consolidation
“Share(s)”	the Existing Share(s) and/or the Consolidated Share(s), as the case may be
“Share Consolidation”	the proposed consolidation of every ten (10) issued and unissued Shares into one (1) Consolidated Share
“Shareholder(s)”	the holder(s) of the Share(s) or the Consolidated Share(s), as the case may be
“Stock Exchange”	The Stock Exchange of Hong Kong Limited

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## EXPECTED TIMETABLE

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*Set out below is the expected timetable in relation to the Share Consolidation and the Change in Board Lot Size:*

**2016**

Latest date and time for lodging the proxy form  
for the SGM . . . . . 10:00 a.m. on Tuesday, 18 October

Date and time of the SGM . . . . . 10:00 a.m. on Thursday, 20 October

Publication of the announcement of results of the SGM . . . . . Thursday, 20 October

**The following events are conditional upon the fulfilment of the conditions for the implementation of the Share Consolidation as set out in the section headed “Conditions of the Share Consolidation” in this circular.**

Effective date of the Share Consolidation . . . . . Friday, 21 October

First day of free exchange of existing share certificates  
for new share certificates. . . . . Friday, 21 October

Dealings in Consolidated Shares commence . . . . . 9:00 a.m. on Friday, 21 October

Original counter for trading in Existing Shares in  
board lots of 20,000 Shares (in the form of  
existing share certificates) temporarily closes . . . . . 9:00 a.m. on Friday, 21 October

Temporary counter for trading in Consolidated  
Shares in board lot of 2,000 Consolidated  
Shares (in the form of existing share  
certificates) opens . . . . . 9:00 a.m. on Friday, 21 October

Original counter for trading in Consolidated  
Shares in board lot of 2,000 Consolidated  
Shares (in the form of new share  
certificates) re-opens . . . . . 9:00 a.m. on Friday, 4 November

Parallel trading in Consolidated Shares (in the  
form of existing share certificates and new  
share certificates) commences . . . . . 9:00 a.m. on Friday, 4 November

Designated broker starts to stand in the market to  
provide matching services for odd lots of  
Consolidated Shares . . . . . 9:00 a.m. on Friday, 4 November

Temporary counter for trading in Consolidated  
Shares in board lot of 2,000 Consolidated  
Shares (in the form of existing share  
certificates) closes. . . . . 4:00 p.m. on Thursday, 24 November

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## EXPECTED TIMETABLE

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**2016**

Parallel trading in Consolidated Shares (in the form of existing share certificates and new share certificates) ends. . . . . 4:00 p.m. on Thursday, 24 November

Designated broker ceases to stand in the market to provide matching services for odd lots of Consolidated Shares. . . . . 4:00 p.m. on Thursday, 24 November

Last day for free exchange of existing share certificates for new share certificates. . . . . Monday, 28 November

*All times stated in this circular refer to Hong Kong times. Dates stated in this circular for events in the timetable are indicative only and may be extended or varied. Any changes to the anticipated timetable for the Share Consolidation and the Change in Board Lot Size will be announced as appropriate.*

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## LETTER FROM THE BOARD

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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)**

*Executive Directors:*

Ms. Chen Tong (*Chairman*)  
Mr. Xiang Liang

*Independent non-executive Directors:*

Ms. Zhang Ruisi  
Mr. Tse Kwong Chan  
Ms. Zhou Jue

*Registered office:*

Clarendon House  
2 Church Street  
Hamilton HM11  
Bermuda

*Head Office and principal  
place of business:*

Room 910, 9/F  
Harbour Centre  
25 Harbour Road, Wanchai  
Hong Kong

3 October 2016

*To the Shareholders*

Dear Sir or Madam,

**(1) PROPOSED SHARE CONSOLIDATION AND  
PROPOSED CHANGE IN BOARD LOT SIZE  
AND  
(2) NOTICE OF SPECIAL GENERAL MEETING**

#### INTRODUCTION

As disclosed in the announcement of the Company dated 12 September 2016, the Board proposes to put forward a proposal to the Shareholders to effect the Share Consolidation on the basis that every ten (10) issued and unissued Existing Shares of HK\$0.01 each be consolidated into one (1) Consolidated Share of HK\$0.10 each. Subject to the Share Consolidation becoming effective, it is also proposed that the board lot size for trading on the Stock Exchange be changed from 20,000 Existing Shares to 2,000 Consolidated Shares.

The purpose of this circular is to provide you with further information regarding, among other things, (a) the Share Consolidation; (b) the Change in Board Lot Size; and (c) the notice of SGM.

\* For identification purposes only

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## LETTER FROM THE BOARD

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### SHARE CONSOLIDATION

The Company proposes to implement the Share Consolidation by consolidating every ten (10) issued and unissued Shares of HK\$0.01 each in the share capital of the Company into one (1) Consolidated Share of HK\$0.10 each.

#### Effect of the Share Consolidation

As at the Latest Practicable Date, the authorised share capital of the Company is HK\$1,000,000,000 divided into 100,000,000,000 Shares of HK\$0.01 each, of which 3,742,286,406 Shares had been allotted and issued as fully paid or credited as fully paid. Upon the Share Consolidation becoming effective, on the basis that the Company does not allot, issue or repurchase any Shares prior thereto, the authorised share capital of the Company will be HK\$1,000,000,000 divided into 10,000,000,000 Consolidated Shares of HK\$0.10 each, of which 374,228,640 Consolidated Shares will be in issue.

As at the Latest Practicable Date, the Company has no outstanding options, warrants or other securities in issue which are convertible into or giving rights to subscribe for, convert or exchange into, any Existing Shares or Consolidated Shares, as the case may be.

All Consolidated Shares will rank pari passu with each other in all respects and the rights attached to the Consolidated Shares will not be affected by the Share Consolidation.

Other than the expenses to be incurred in relation to the Share Consolidation, the implementation thereof will not alter the underlying assets, business operations, management or financial position of the Company or the interests or rights of the Shareholders, save for any fractional Consolidated Shares to which the Shareholders may be entitled.

#### Conditions of the Share Consolidation

The Share Consolidation is conditional upon:

- (a) the passing by the Shareholders of an ordinary resolution to approve the Share Consolidation at the SGM; and
- (b) the Listing Committee of the Stock Exchange granting the listing of, and permission to deal in, the Consolidated Shares upon the Share Consolidation becoming effective.

As at the Latest Practicable Date, none of the conditions above had been fulfilled.

The Share Consolidation will become effective on the next Business Day immediately following the fulfillment of the above conditions.



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## LETTER FROM THE BOARD

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### **Dealings of the Consolidated Shares**

The Consolidated Shares will be identical in all respects and rank pari passu in all respects with each other as to all future dividends and distributions which are declared, made or paid.

Subject to the granting of the listing of, and permission to deal in, the Consolidated Shares on the Stock Exchange, the Consolidated Shares will be accepted as eligible securities by HKSCC for deposit, clearance and settlement in CCASS with effect from the commencement date of dealings in the Consolidated Shares on the Stock Exchange or such other date as determined by HKSCC. Settlement of transactions between participants of the Stock Exchange on any trading day is required to take place in CCASS on the second trading day thereafter. All activities under CCASS are subject to the General Rules of CCASS and CCASS Operational Procedures in effect from time to time.

### **Listing Application**

Application has been made to the Stock Exchange for the listing of, and permission to deal in, the Consolidated Shares to be issued upon the Share Consolidation becoming effective.

None of the Shares are listed or dealt in on any other stock exchange other than the Stock Exchange, and at the time the Share Consolidation becomes effective, the Consolidated Shares in issue will not be listed or dealt in on any stock exchange other than the Stock Exchange, and no such listing or permission to deal is being or is proposed to be sought.

### **Fractional Consolidated Shares**

Fractional Consolidated Shares (if any) arising from the Share Consolidation will not be issued to the Shareholders otherwise entitled thereto but will be aggregated and sold if possible, for the benefit of the Company.

### **CHANGE IN BOARD LOT SIZE**

The Board also proposes that, subject to the Share Consolidation becoming effective, the board lot size for trading on the Stock Exchange be changed from 20,000 Existing Shares to 2,000 Consolidated Shares with effect from 9:00 a.m. on 21 October 2016.

Based on the closing price of the Shares as quoted on the Stock Exchange as at the Latest Practicable Date of HK\$0.064 per Share, the current board lot value amounts to HK\$1,280. The proposed new board lot of 2,000 Consolidated Shares, together with the Share Consolidation, will effectively maintain the current board lot value of HK\$1,280 (based on the closing price of the Shares as quoted on the Stock Exchange as at the Latest Practicable Date and adjusted for the effect of the Share Consolidation).

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## LETTER FROM THE BOARD

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### OTHER ARRANGEMENTS

#### Exchange of share certificates

Subject to the Share Consolidation becoming effective, which is expected to be on 21 October 2016, the Shareholders may, during a period between 21 October 2016 and 28 November 2016 (both dates inclusive), submit existing share certificates for the Shares, which are in orange colour, to the Hong Kong branch share registrar of the Company, Tricor Tengis Limited at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong, to exchange, at the expense of the Company, for new share certificates for the Consolidated Shares, which will be in purple colour. It is expected that new share certificates for the Consolidated Shares will be available for collection within 10 business days from the date of submission for the exchange. Thereafter, the existing share certificates for the Shares will be accepted for exchange only on payment of a fee of HK\$2.50 (or such higher amount as may be from time to time be specified by the Stock Exchange) for each new share certificate for the Consolidated Shares to be issued or each existing share certificate for the Shares cancelled, whichever the number of certificates issued or cancelled is higher.

Nevertheless, the existing share certificates for the Shares will continue to be good evidence of legal title and may be exchanged for new share certificates for the Consolidated Shares at any time but will not be accepted for trading, settlement and registration upon completion of the Share Consolidation.

#### Odd lots arrangement and matching services

In order to facilitate the trading of odd lots of the Consolidated Shares (if any) arising from the Share Consolidation, the Company has appointed C.P. Securities International Limited to stand in the market to provide matching services regarding the sale and purchase of the odd lots of the Consolidated Shares at the relevant market price per Consolidated Share, on a best effort basis, to those Shareholders who wish to acquire odd lots of the Consolidated Shares to make up a full board lot, or to dispose of their holding of odd lots of Consolidated Shares, from 4 November 2016 to 24 November 2016 (both dates inclusive). Holders of odd lots of the Consolidated Shares may contact Mr. John Pao of C.P. Securities International Limited at Room 2707, China Resources Building, 26 Harbour Road, Wanchai, Hong Kong at (852) 37090555 during office hours in the aforesaid period.

**Holders of odd lots of the Consolidated Shares should note that successful matching of the sale and purchase of odd lots of the Consolidated Shares is not guaranteed. If any Shareholder is in doubt about the odd lot trading arrangements, such Shareholder should consult his/her/its own professional advisers.**

### REASONS FOR THE SHARE CONSOLIDATION

The Share Consolidation will increase the nominal value of the Shares and will reduce the total number of Shares currently in issue. As such, it is expected that the Share Consolidation will bring about a corresponding upward adjustment in the trading price of the Shares. The Company believes that the adjusted Share price of the Company upon completion of the Share Consolidation will enhance its corporate image and make investing in the Consolidated Shares more attractive to a broader range of institutional and professional investors to support its ongoing and long term financing activities and business development.

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## LETTER FROM THE BOARD

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Pursuant to Rule 13.64 of the Listing Rules, where the market price of the securities of an issuer approaches the extremities of HK\$0.01 or HK\$9,995.00, the issuer may be required either to change the trading method or to proceed with a consolidation or splitting of its securities. In view of the recent trading price of the Shares, the Directors consider that the Share Consolidation will enable the Company to comply with the trading requirements under the Listing Rules.

Accordingly, the Board is of the view that the Share Consolidation and the Change in Board Lot Size are beneficial to the Company and the Shareholders as a whole.

### **EQUITY FUND RAISING PLAN OF THE COMPANY**

As at the Latest Practicable Date, the Company has no imminent funding need. Nevertheless, the Company does not obviate the possibility of conducting equity fund raising activities in the future to finance its business development and expansion as and when necessary.

### **GENERAL**

A notice convening the SGM to be held on Thursday, 20 October 2016 at 10:00 a.m. at Falcon Room I, Gloucester Luk Kwok Hong Kong, 72 Gloucester Road, Wanchai, Hong Kong is set out on pages 11 to 12 of this circular. A form of proxy for use at the SGM is enclosed with this circular. Such form of proxy is also published on the websites of the Stock Exchange ([www.hkexnews.hk](http://www.hkexnews.hk)) and the Company ([www.986.com.hk](http://www.986.com.hk)).

Whether or not you are able to attend the SGM, please complete and sign the accompanying form of proxy in accordance with the instructions printed thereon and return it to the branch share registrar of the Company in Hong Kong, Tricor Tengis Limited, at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong as soon as possible but in any event not less than 48 hours before the time appointed for the holding of the SGM or any adjournment thereof. Completion and return of the form of proxy will not preclude shareholders from attending and voting in person at the meeting if they so wish and, in such event, the form of proxy shall be deemed to be revoked.

The SGM will be convened and held for the Shareholders to consider and, if thought fit, approve the Share Consolidation. To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, no Shareholder is required to abstain from voting on the resolution(s) in relation to the Share Consolidation at the SGM.

**Shareholders and potential investors should note that the Share Consolidation is conditional upon satisfaction of the conditions set out in the paragraph headed "Conditions of the Share Consolidation" in this circular, and the Change in Board Lot Size is conditional upon the Share Consolidation becoming effective. Accordingly, the Share Consolidation and the Change in Board Lot Size may or may not proceed. Shareholders and potential investors are advised to exercise caution when dealing in the Shares, and if they are in any doubt about their position, they should consult their professional advisers.**

The English text of this circular shall prevail over the Chinese text for the purpose of interpretation.

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## LETTER FROM THE BOARD

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### RESPONSIBILITY STATEMENT

This circular, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this circular is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this circular misleading.

### RECOMMENDATION

The Directors are of the opinion that the Share Consolidation and the Change in Board Lot Size are in the interests of the Company and the Shareholders as a whole. Accordingly, the Directors recommend the Shareholders to vote in favour of the relevant resolution(s) to be proposed in the SGM.

By order of the Board  
**China Environmental Energy Investment Limited**  
**Chen Tong**  
*Chairman*

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## NOTICE OF SPECIAL GENERAL MEETING

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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)

## NOTICE OF SPECIAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that a special general meeting (the “SGM”) of China Environmental Energy Investment Limited (the “Company”) will be held on Thursday, 20 October 2016 at 10:00 a.m. at Falcon Room I, Gloucester Luk Kwok Hong Kong, 72 Gloucester Road, Wanchai, Hong Kong for the purpose of considering and, if thought fit, passing the following resolution:

### ORDINARY RESOLUTION

“THAT subject to and conditional upon, among other things, the granting by The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) the listing of, and permission to deal in, the Consolidated Shares (as defined below) to be in issue upon the Share Consolidation (as defined below) becoming effective:

- (a) with effect from the first business day immediately following the date on which this resolution is passed, being a day on which shares of the Company are traded on the Stock Exchange, every ten (10) issued and unissued ordinary shares of HK\$0.01 each in the share capital of the Company be consolidated (the “Share Consolidation”) into one (1) share of HK\$0.10 each (the “Consolidated Share(s)”), such Consolidated Shares shall rank pari passu in all respects with each other and have the rights and privileges and be subject to the restrictions in respect of ordinary shares contained in the bye-laws of the Company;
- (b) all fractional Consolidated Shares resulting from the Share Consolidation will be disregarded and will not be issued to holders of the same but all such fractional Consolidated Shares will be aggregated and, if possible, sold and retained for the benefit of the Company in such manner and on such terms as the directors of the Company (the “Directors”) may think fit; and

\* For identification purposes only

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## NOTICE OF SPECIAL GENERAL MEETING

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- (c) any one of the Directors be and is hereby authorised to do all such acts, deeds and things and to sign and execute all such documents, including under seal where applicable, on behalf of the Company, as he may, in his absolute discretion, consider necessary, desirable or expedient to implement and give effect to any or all of the foregoing.”

Yours faithfully  
By order of the Board  
**China Environmental Energy Investment Limited**  
**Chen Tong**  
*Chairman*

Hong Kong, 3 October 2016

*As at the date of this notice, the board of Directors of the Company comprises two executive Directors, namely Ms. Chen Tong (Chairman) and Mr. Xiang Liang; and three independent non-executive Directors, namely Ms. Zhang Ruisi, Mr. Tse Kwong Chan and Ms. Zhou Jue.*

*In the case of inconsistency, the English text of this notice shall prevail over the Chinese text.*

*Notes:*

1. A form of proxy for use at the SGM is enclosed herewith.
2. The instrument appointing a proxy shall be in writing under the hand of the appointor or of his attorney duly authorised in writing or, if the appointor is a corporation, either under its seal or under the hand of any officer or attorney duly authorised.
3. Any shareholder of the Company entitled to attend and vote at the SGM convened by the above notice shall be entitled to appoint another person as his proxy to attend and vote instead of him. A proxy need not be a shareholder of the Company. A shareholder of the Company who is the holder of two or more shares of the Company may appoint more than one proxy to represent him/her/it to attend and vote on his/her/its behalf. If more than one proxy is so appointed, the appointment shall specify the number and class of shares in respect of which each such proxy is so appointed.
4. In order to be valid, the form of proxy, together with the power of attorney or other authority (if any) under which it is signed, or a certified copy of such power of attorney or authority, must be deposited at the Hong Kong branch share registrar of the Company, Tricor Tengis Limited at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong not less than 48 hours before the time appointed for holding of the above SGM or any adjournment thereof at which the person named in the form of proxy proposes to vote or, in the case of a poll taken subsequently to the date of the SGM or any adjournment thereof, not less than 24 hours before the time appointed for the taking of the poll and in default the form of proxy shall not be treated as valid.
5. Completion and return of the form of proxy will not preclude a shareholder of the Company from attending and voting in person at the SGM convened or at any adjourned meeting (as the case may be) and in such event, the form of proxy will be deemed to be revoked.
6. Where there are joint holders of any share of the Company, any one of such joint holders may vote, either in person or by proxy, in respect of such share as if he/she/it were solely entitled thereto, but if more than one of such joint holders are present at the SGM, whether in person or by proxy, priority shall be determined by the order in which the names stand on the register of members of the Company in respect of the joint holding.