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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)

DISCLOSEABLE TRANSACTION SUBSCRIPTION OF SHARES IN WLS HOLDINGS LIMITED

THE SUBSCRIPTION

The Board is pleased to announce that, on 18 March 2015 (after trading hours), the Subscriber, a wholly-owned subsidiary of the Company, signed the Placing Letter with Tanrich Securities, pursuant to which the Subscriber has agreed to subscribe for the Subscribed Shares for an aggregate consideration of HK\$18,900,000 (exclusive of transaction costs) at the subscription price of HK\$0.3 per WLS Share.

LISTING RULES IMPLICATIONS

As one applicable percentage ratio (as defined under the Listing Rules) in respect of the Subscription exceeds 5% but less than 25%, the Subscription constitutes a discloseable transaction for the Company and is subject to notification and announcement requirements under Chapter 14 of the Listing Rules.

THE SUBSCRIPTION

The Board is pleased to announce that, on 18 March 2015 (after trading hours), the Subscriber, a wholly-owned subsidiary of the Company, signed the Placing Letter with Tanrich Securities, pursuant to which the Subscriber has agreed to subscribe for the Subscribed Shares (i.e. 63,000,000 WLS Shares, representing approximately 9.9% of the entire issued share capital of WLS on the assumption that the Placing Shares shall be fully subscribed) at a subscription price of HK\$0.3 per WLS Share. The aggregate consideration for the Subscribed Shares is HK\$18,900,000 (exclusive of transaction costs) which was paid from the Group's internal resources.

The subscription price of HK\$0.3 per WLS Share represents:

- (i) a discount of 67.40% approximately to the closing price of HK\$0.92 per WLS Share as quoted on the Stock Exchange as at the date of this announcement; and
- (ii) a discount of approximately 65.75% to the average closing price of approximately HK\$0.876 per WLS Share for the five consecutive trading days up to and including the date of this announcement.

To the best knowledge, information and belief of the Directors, having made all reasonable enquiries, Tanrich Securities, WLS and their respective ultimate beneficial owners, are Independent Third Parties.

The principal terms of the Placing Letter are summarized as follows:–

THE PLACING LETTER

Date:	18 March 2015
Placing Agent on behalf of WLS:	Tanrich Securities
Principal:	Subscriber
Shares to be Placed:	Subscribed Shares

Total Consideration: HK\$18,900,000 (exclusive of transaction costs)(at the subscription price of HK\$0.3 per WLS Share)

Subscription Money: An aggregate of HK\$18,901,455.30, being the Total Consideration together with the transaction costs (transaction levy and trading fee)

Governing Law: Hong Kong law

The Subscription is subject to various conditions set forth in the circular of WLS dated and published on 13 February 2015, including, inter alia, the granting by the Listing Division of the Stock Exchange of the listing of, and permission to deal in, the Placing Shares.

INFORMATION OF WLS GROUP

WLS is a company incorporated in the Cayman Islands and continued in Bermuda with limited liability whose shares are listed on the Growth Enterprise Market of the Stock Exchange (stock code: 8021). The WLS Group is principally engaged in the provision of scaffolding and fitting out services, management contracting services, and other services for construction and building works.

The following information is extracted from the annual reports of WLS for the two financial years ended 30 April 2014 and 30 April 2013 respectively:

	Year ended 30 April	
	2014	2013
	<i>HK\$'000</i>	<i>HK\$'000</i>
Revenue	111,961	125,949
Net Loss before taxation	(69,041)	(13,968)
Net Loss after taxation	(61,469)	(14,629)

REASONS FOR AND BENEFITS OF THE SUBSCRIPTION

The Group is principally engaged in the businesses of waste paper, scrap metal and consumable wastes recycling and online products sales, provision of web maintenance services and marketing services.

The Directors are of the view that the Subscription provides the Group with a good investment opportunity to expand investment portfolio with quality assets. Having considered the recent performance of WLS and the subscription price, the Directors also believe that the Subscription is an attractive investment which will provide satisfactory return.

The Directors are of the view that the Subscription will not cause any adverse effects on the gearing ratio.

The Directors are therefore of the view that the terms of the Subscription are fair and reasonable and is in the interests of the Company and the Shareholders as a whole.

IMPLICATIONS UNDER THE LISTING RULES

As one applicable percentage ratio (as defined under the Listing Rules) in respect of the Subscription exceeds 5% but less than 25%, the Subscription constitutes a discloseable transaction for the Company and is subject to notification and announcement requirements under Chapter 14 of the Listing Rules.

DEFINITIONS

In this announcement, unless the context otherwise requires, the following terms shall have the following meanings:

“Board”	the board of Director
“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
“Director(s)”	director(s) of the Company

“Listing Rule”	the Rules Governing the Listing of Securities on the Stock Exchange
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“HK\$”	Hong Kong dollar, the lawful currency of Hong Kong
“Independent Third Party(ies)”	a party(ies) independent of and not connected with the Company and its connected persons
“Placing”	the proposed placing of a maximum of 540,000,000 WLS Shares pursuant to the terms of the Placing Agreement
“Placing Agreement”	the conditional placing agreement dated 21 January 2015 entered into between WLS and Tanrich Securities in relation to Placing
“Placing Share(s)”	a maximum of 540,000,000 WLS Shares to be allotted and issued pursuant to the Placing Agreement
“Placing Letter”	a placing letter dated 16 March 2015 issued by Tanrich Securities as placing agent on behalf of WLS in relation to the Subscription signed to the Subscriber as principal and accepted by the Subscriber on 18 March 2015
“Share(s)”	ordinary share(s) of HK\$0.01 each in the share capital of the Company

“Shareholder(s)”	holder(s) of the Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subscribed Shares”	an aggregate of 63,000,000 WLS Shares, out of the Placing Shares
“Subscriber”	Orient Time Investment Limited, a wholly-owned subsidiary of the Company
“Subscription”	the subscription of Subscribed Shares by the Subscriber
“Subscription Money”	an aggregate of HK\$18,901,455.30, being the Total Consideration with the transaction costs (transaction levy and trading fee)
“Tanrich Securities”	Tanrich Securities Company Limited, a corporation licensed to carry on business in type 1 regulated activity (dealing in securities) and type 4 regulated activity (advising on securities) under the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Total Consideration”	HK\$18,900,000, the aggregate consideration of the Subscribed Shares (exclusive of transaction costs)
“WLS”	WLS Holdings Limited, a company incorporated in the Cayman Islands and continued in Bermuda with limited liability whose shares are listed on the Growth Enterprise Market of the Stock Exchange

“WLS Group”	WLS and its subsidiaries
“WLS Shares”	the ordinary shares with a nominal value of HK\$0.20 each in the share capital of WLS
“%”	percentage

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

Hong Kong, 18 March 2015

As at the date of this announcement, the Board comprises four executive Directors, namely Ms. Chen Tong (Chairman), Ms. Chan Ching Ho, Kitty, Mr. Xiang Liang and Ms. Li Lin; two non-executive Directors, namely Ms. Yao Zhengwei and Mr. Wang Zhenghua; and three independent non-executive Directors, namely Mr. Tse Kwong Chan, Ms. Zhou Jue and Ms. Zhang Ruisi.

* *For identification purposes only*