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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 ACQUISITION OF SECURITIES OF WLS HOLDINGS LIMITED

THE ACQUISITION

The Company acquired on-market a total of 165,010,000 WLS Shares in a series of transactions conducted on 20 July 2016 and 21 July 2016, at the price between HK\$0.31 and HK\$0.32 per WLS Share for an aggregate purchase price of HK\$51,178,850 (exclusive of transaction costs).

The Acquisition constitutes a discloseable transaction of the Company as one of the applicable percentage ratios exceeds 5% but is less than 25%, and is therefore subject to the relevant reporting and announcement requirements under Chapter 14 of the Listing Rules.

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As the Acquisition was made through the market, the Company was not aware of the identities of the sellers of the WLS Shares and accordingly, to the best knowledge, information and belief of the Directors and having made all reasonable enquiries, the sellers of the WLS Shares are Independent Third Parties.

Assets acquired

The Group acquired a total of 165,010,000 WLS Shares, representing approximately 1.29% of the issued share capital of WLS (based on the 12,767,101,072 WLS Shares as at 30 June 2016 according to the monthly return of WLS dated 4 July 2016).

Consideration

The aggregate purchase price of the WLS Shares is HK\$51,178,850 (excluding transaction costs), which was paid in cash on settlement. The consideration for the Acquisition represented the market price of the WLS Shares at the time of the Acquisition.

INFORMATION OF WLS

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). WLS is principally engaged in the provision of scaffolding and fitting out services, management contracting services, and other services for construction and buildings work and money lending business.

The following information is extracted from the 2015 annual report of WLS:

	Year ended 30 April	
	2015	2014
	<i>HK\$'000</i>	<i>HK\$'000</i>
Revenue	136,641	111,961
Loss before taxation	(7,528)	(69,041)
Loss after taxation	(7,734)	(61,469)
Net asset value	298,226	93,169

REASONS FOR AND BENEFITS OF THE ACQUISITION

The Group is principally engaged in the businesses of waste paper, scrap metal and consumable wastes recycling, trading of petrochemical products, online products sales, provision of marketing, web design and maintenance services, trading of gold diamond and money lending.

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

The Directors are of the view that the Acquisition will not cause any adverse effect on the gearing ratio of the Company.

As the Acquisition was made at market price, the Directors are of the view that the Acquisition is fair and reasonable, on normal commercial terms and in the interests of the Company and the Shareholders as a whole.

IMPLICATION UNDER THE LISTING RULES

The Acquisition constitutes a discloseable transaction of the Company as one of the applicable percentage ratios exceeds 5% but is less than 25%, and is therefore subject to the relevant reporting 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:

“Acquisition”	the acquisition by the Company of a total of 165,010,000 WLS Shares on the market on 20 July 2016 and 21 July 2016 for a total consideration of HK\$51,178,850
“Board”	the board of Directors
“Company”	China Environmental Energy Investment Limited (Stock code: 986), a company incorporated in Bermuda with limited liability and the shares of which are listed on the Stock Exchange
“connected person(s)”	has the meaning ascribed thereto under the Listing Rules
“Director(s)”	the director(s) of the Company
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollar(s), the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange

“Share(s)”	ordinary share(s) of HK\$0.01 each in the share capital of the Company
“Shareholder(s)”	holder(s) of the Shares
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“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 (stock code: 8021)
“WLS Share(s)”	ordinary share(s) with a nominal value of HK\$0.01 each in the share capital of WLS
“%”	per cent.

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

Hong Kong, 25 July 2016

As at the date of this announcement, the Board 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 announcement shall prevail over the Chinese text.

* *For identification purposes only*