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If you have sold or transferred all your shares in Enviro Energy International Holdings 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.



**Enviro Energy International Holdings Limited**  
**環能國際控股有限公司**

*(Incorporated in the Cayman Islands with limited liability)*

**(Stock Code: 8182)**

**GENERAL MANDATES TO ISSUE AND REPURCHASE SHARES  
AND  
RE-ELECTION OF DIRECTORS  
AND  
SHARE OPTION SCHEME OF TERRAWEST ENERGY CORP.  
AND  
NOTICE OF ANNUAL GENERAL MEETING**

A notice convening the AGM (as defined herein) of Enviro Energy International Holdings Limited to be held at Unit 806, Level 8, Core D, Cyberport 3, 100 Cyberport Road, Hong Kong on Monday, 20 April 2009 at 2:30 p.m. is set out on pages 25 to 30 of this circular. Whether or not shareholders are able to attend the AGM, they are requested to complete the enclosed form of proxy in accordance with the instructions printed thereon and deposit it with the Company's Hong Kong branch share registrar, Tricor Tengis Limited at 26/F., Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong, as soon as possible and in any event not less than 48 hours before the time appointed for holding the AGM. Completion and return of the form of proxy will not preclude shareholders of Enviro Energy International Holdings Limited from attending and voting in person at the AGM (or any adjournment thereof) should they so wish.

*This circular will remain on the GEM website at [www.hkgem.com](http://www.hkgem.com) on the "Latest Company Announcements" page for at least 7 days from the date of posting and on the website of the Company at [www.enviro-energy.com.hk](http://www.enviro-energy.com.hk).*

*Please note that the English text of this circular shall prevail over the Chinese text.*

27 March 2009

## CHARACTERISTICS OF GEM

GEM has been positioned as a market designed to accommodate companies to which a higher investment risk may be attached than other companies listed on the Stock Exchange. Prospective investors should be aware of the potential risks of investing in such companies and should make the decision to invest only after due and careful consideration. The greater risk profile and other characteristics of GEM mean that it is a market more suited to professional and other sophisticated investors.

Given the emerging nature of companies listed on GEM, there is a risk that securities traded on GEM may be more susceptible to high market volatility than securities traded on the Main Board of the Stock Exchange and no assurance is given that there will be a liquid market in the securities traded on GEM.

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## DEFINITIONS

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

“AGM”	means the annual general meeting of the Company to be convened and held at Unit 806, Level 8, Core D, Cyberport 3, 100 Cyberport Road, Hong Kong on Monday, 20 April 2009 at 2:30 p.m.;
“Articles of Association “	means the articles of association of the Company as may be amended from time to time;
“Associates”	bears the same meaning ascribed thereto in the GEM Listing Rules;
“Board”	means the board of Directors;
“Companies Law”	means the Companies Law, Chapter 22 (Law 3 of 1961, as consolidated and revised) of the Cayman Islands;
“Company”	means Enviro Energy International Holdings Limited, a company incorporated in the Cayman Islands with limited liability and the shares of which are listed on GEM;
“Director(s)”	means directors of the Company or the Board, as the context may require;
“GEM”	means the Growth Enterprise Market of the Stock Exchange;
“GEM Listing Rules”	means the Rules Governing the Listing of Securities on GEM as may be amended from time to time;
“Group”	means the Company, its subsidiaries and jointly-controlled entities;
“HK\$”	means Hong Kong Dollars, the lawful currency of Hong Kong;
“Hong Kong”	means the Hong Kong Special Administrative Region of the People’s Republic of China;
“Latest Practicable Date”	means 23 March 2009, being the latest practicable date prior to the printing of this circular for the purpose of ascertaining certain information for inclusion therein;

## DEFINITIONS

“Main Board”	means the stock market operated by the Stock Exchange prior to the establishment of GEM (excluding the option market) and which stock market continues to be operated by the Stock Exchange in parallel with GEM;
“Notice”	means the notice convening the AGM;
“Repurchase Mandate”	means a general mandate proposed to be granted to the Directors to exercise the power of the Company to repurchase Shares on the terms set out in the Notice;
“SFO”	means the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong);
“Share(s)”	means the ordinary share(s) of par value of HK\$0.0025 each in the capital of the Company;
“Shareholder(s)”	means holders of the Shares;
“Stock Exchange”	means The Stock Exchange of Hong Kong Limited;
“subsidiaries”	has the meaning ascribed thereto under the GEM Listing Rules;
“Takeovers Code”	means the Codes on Takeovers and Mergers and Share Repurchases;
“TWE”	means TerraWest Energy Corp., a company incorporated in Canada and owned as to approximately 58.17% of the issued common shares and preferred shares by the Company as at the Latest Practicable Date;
“TWE Scheme”	means the share option scheme of TWE which adoption by TWE’s shareholders proposed to be approved by the Company at the AGM for the benefit of the employees and directors of TWE and its subsidiaries, if any, and other eligible participants specified thereunder;
“TWE Share(s)”	means fully paid common share(s) without par value in the capital of TWE, the rights attaching to which are set out in TWE’s constitution as amended from time to time; and
“%”	means per cent.



**Enviro Energy International Holdings Limited**  
**環能國際控股有限公司**

*(Incorporated in the Cayman Islands with limited liability)*

**(Stock Code: 8182)**

*Executive Directors:*

Mr. Chan Wing Him Kenny  
*(Chairman and Chief Executive officer)*  
Dr. Arthur Ross Gorrell

*Independent Non-executive Directors:*

Mr. David Tsoi  
Mr. Lo Chi Kit  
Mr. Tam Hang Chuen

*Registered Office:*

Cricket Square  
Hutchins Drive  
P.O. Box 2681  
Grand Cayman KY1-1111  
Cayman Islands

*Head Office and Principal Place of  
Business in Hong Kong:*

Unit 806, Level 8  
Core D, Cyberport 3  
100 Cyberport Road  
Hong Kong

27 March 2009

*To Shareholders*

Dear Sir or Madam,

**GENERAL MANDATES TO ISSUE AND REPURCHASE SHARES  
AND  
RE-ELECTION OF DIRECTORS  
AND  
SHARE OPTION SCHEME OF TERRAWEST ENERGY CORP.  
AND  
NOTICE OF ANNUAL GENERAL MEETING**

**INTRODUCTION**

The purpose of this circular is to provide you with information regarding the resolutions to be proposed at the AGM required to be held at Unit 806, Level 8, Core D, Cyberport 3, 100 Cyberport Road, Hong Kong on Monday, 20 April 2009 at 2:30 p.m., which, upon approval, would enable the Company to, among other things:

- (a) repurchase Shares not exceeding 10% of the aggregate nominal value of the Shares in issue as at the date of passing of such resolution;
- (b) issue new Shares not exceeding 20% of the Shares in issue on the date of passing of the relevant resolution and those Shares repurchased by the Company pursuant to the Repurchase Mandate set out in (a) above;

## LETTER FROM THE BOARD

- (c) to approve the adoption by shareholders of TWE of the TWE Scheme; and
- (d) re-elect Directors.

### GENERAL MANDATES TO ISSUE AND REPURCHASE SHARES

On 21 January 2008, general mandates were given to the Directors to exercise the powers of the Company to repurchase Shares and to issue new Shares respectively. Such mandates will lapse at the conclusion of the AGM.

At the AGM, it will be proposed, by way of ordinary resolutions, that the Directors be given a general mandate to (i) repurchase Shares, the aggregate nominal amount of which does not exceed 10% of the aggregate nominal amount of the issued share capital of the Company as at the date of passing of the ordinary resolution; and (ii) allot, issue and otherwise deal with new Shares not exceeding 20% of the aggregate nominal amount of the issued share capital of the Company on the date of the passing of the ordinary resolution and the nominal amount of any Shares repurchased by the Company (up to a maximum of 10% of the aggregate nominal amount of the issued share capital of the Company as at the date of passing of the ordinary resolution). Any issue of new Shares is subject to approval from the Stock Exchange for the listing of, and permission to deal in, such new Shares.

An explanatory statement containing information relating to the Repurchase Mandate as required by Rule 13.08 of the GEM Listing Rules is set out in Appendix I to this circular. This explanatory statement provides the Shareholders with information reasonably necessary to enable them to make an informed decision on whether to vote for or against the resolution relating to the Repurchase Mandate.

### RE-ELECTION OF DIRECTORS

In accordance with the provisions of the Articles of Association, Mr. David Tsoi, an independent non-executive Director, will retire at the AGM pursuant to Article 112 and Mr. Kenny Chan, an executive Director, and Mr. Lo Chi Kit, an independent non-executive Director, will retire by rotation pursuant to Article 108 and, being eligible, will offer themselves for re-election at the AGM. The Board is satisfied that both Mr. David Tsoi and Mr. Lo Chi Kit are persons of integrity and stature, independent in character and judgement. Both Mr. Tsoi and Mr. Lo are independent of management and free from any business or other relationships which would materially interfere with their independent judgement. Consequently, the Board recommends the re-election of Mr. Tsoi and Mr. Lo as independent non-executive Directors at the AGM. Information on such Directors as required to be disclosed under Rule 17.50(2) of the GEM Listing Rules is set out in Appendix II to this circular.

### TWE Scheme

To enable TWE to provide incentive or reward to, among others, employees and directors of TWE, the Directors consider it important that TWE continued to be equipped with the ability to offer such employees and eligible participants options to acquire equity interest in TWE as a reward and additional incentive for their contribution or potential

## LETTER FROM THE BOARD

contribution to the long term success of the business of TWE. A proposal is to be made at the AGM for approving the adoption by TWE's shareholders of the TWE Scheme. Under the TWE Scheme, options to subscribe for TWE Shares may be offered and granted to employees and directors of TWE and its subsidiaries (if any) and other eligible participants specified therein.

A summary of the principal terms of the TWE Scheme is set out in Appendix III to this circular.

### THE AGM

Details of the AGM are set out below:

Date: 20 April 2009

Time: 2:30 p.m.

Venue: Unit 806, Level 8, Core D, Cyberport 3, 100 Cyberport Road, Hong Kong

The Notice is set out on pages 25 and 30 of this circular. A form of proxy for use at the AGM is enclosed. Whether or not the Shareholders intend to attend the AGM, they are requested to complete the enclosed form of proxy in accordance with the instructions printed thereon and deposit it with the Company's Hong Kong branch share registrar, Tricor Tengis Limited, 26/F., Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong, as soon as possible and in any event so as to arrive not less than 48 hours before the time appointed for holding the AGM. Completion and return of the form of proxy will not preclude the Shareholders from attending and voting in person at the AGM (or any adjournment thereof) should they so desire.

To the best of the Directors' knowledge, information and belief and having made all reasonable enquiries, no Shareholders have a material interest in the re-election of Directors and the adoption of the TWE Scheme and therefore required to abstain from voting at the AGM approving, among others, the re-election of Mr. Chan Wing Him Kenny, Mr. David Tsoi and Mr. Lo Chi Kit as Directors and the approval and adoption of the TWE Scheme.

### GEM Listing Rules Requirement

According to the recent amendments to the GEM Listing Rules, voting by poll will be mandatory at all general meetings held on or after 1 January 2009. Therefore, all the resolutions to be proposed at the AGM will be taken by way of poll. Details of the poll procedures are set out in the Notice.



## LETTER FROM THE BOARD

### RESPONSIBILITY STATEMENT

This circular, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the GEM 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: (a) the information contained in this circular is accurate and complete in all material respects and not misleading; (b) there are no other matters the omission of which would make any statement in this circular misleading; and (c) all opinions expressed in this circular have been arrived at after due and careful consideration and are founded on bases and assumptions that are fair and reasonable.

### RECOMMENDATION

The Directors consider that the above proposals in respect of the granting of general mandates to issue and repurchase Shares, the re-election of Directors and the approval of the adoption by TWE's shareholders of the TWE Scheme are in the best interests of the Company and the Shareholders as a whole. Accordingly, the Directors recommend all Shareholders to vote in favour of all the resolutions to be proposed at the AGM.

Yours faithfully,  
For and on behalf of  
**Enviro Energy International Holdings Limited**  
**Chan Wing Him Kenny**  
*Chairman and Chief Executive Officer*

This is an explanatory statement given to all Shareholders relating to a resolution to be proposed at the AGM authorising the Repurchase Mandate.

This explanatory statement contains information required by Rule 13.08 of the GEM Listing Rules which is set out as follows:

### **1. EXERCISE OF THE REPURCHASE MANDATE**

As at the Latest Practicable Date, the issued ordinary share capital of the Company comprised 2,336,880,800 Shares.

Subject to the passing of Resolution No. 2(ii) set out in the Notice at the AGM and on the basis that no further Shares shall be issued or repurchased prior to the AGM nor outstanding options, if any, granted under the share option scheme of the Company being exercised, the authority conferred by Resolution No. 2(ii) will continue in force and the Company shall be allowed under the Repurchase Mandate to repurchase a maximum of 233,688,080 Shares during the period from the date of passing Resolution No. 2(ii) and ending on the earliest of the conclusion of the next annual general meeting, the date by which the next annual general meeting of the Company is required to be held by the Articles of Association or applicable laws of the Cayman Islands and the date upon which Resolution No. 2(ii) is revoked or varied by Shareholders in general meeting.

### **2. REASONS FOR REPURCHASES**

The Directors believe that it is in the best interests of the Company and its Shareholders as a whole for the Directors to have a general authority from Shareholders to enable the Company to repurchase Shares in the market. Such repurchases may, depending on the market conditions and funding arrangements at the time, lead to an enhancement of the net value of the Company and its assets and/or its earnings per share and will only be made when the Directors believe that such repurchases will benefit the Company and the Shareholders as a whole.

### **3. FUNDING OF REPURCHASES**

Any repurchases will only be funded out of funds of the Company legally available for the purposes in accordance with the Company's memorandum of association and Articles of Association and the applicable laws of the Cayman Islands. A listed company may not repurchase its own shares on GEM for a consideration other than cash or for settlement otherwise than in accordance with the trading rules of GEM from time to time.

Under Cayman Islands law, repurchases by the Company may only be made out of profits of the Company or out of proceeds of a fresh issue of Shares made for the purpose, or, if so authorised by its Articles of Association and subject to the provisions of the Companies Law, out of capital. Any premium payable on a redemption or purchase over the par value of the Shares to be repurchased must be provided for out of profits of the Company or out of the Company's share premium account, or, if so authorised by its Articles of Association and subject to the provisions of the Companies Law, out of capital.

#### 4. STATUS OF REPURCHASED SHARES

The GEM Listing Rules provide that the listing of all repurchased shares shall be automatically cancelled and that the certificates for those shares must be cancelled and destroyed. Under the law of the Cayman Islands, a company's repurchased shares shall be treated as cancelled and its issued share capital (but not the authorised share capital) will be reduced accordingly.

#### 5. EFFECT OF EXERCISE OF THE REPURCHASE MANDATE

There might be a material adverse impact on the working capital or gearing position of the Company (as compared with the position disclosed in the audited accounts of the Company for the seventeen months ended 31 December 2008) in the event that the Repurchase Mandate is exercised in full. However, the Directors do not propose to exercise the Repurchase Mandate to such an extent as would, in the circumstances, have a material adverse effect on the working capital requirements of the Company or the gearing levels which in the opinion of the Directors are from time to time appropriate for the Company.

#### 6. DISCLOSURE OF INTERESTS

None of the Directors and, to the best of their knowledge, having made all reasonable enquiries, none of their respective Associates, have any present intention, if the Repurchase Mandate is approved by the Shareholders, to sell any Shares to the Company.

No connected person (as defined in the GEM Listing Rules) has notified the Company that he has a present intention to sell Shares to the Company if the Repurchase Mandate is approved by the Shareholders and neither has any of the connected persons undertaken not to sell his Shares to the Company in the event the Repurchase Mandate is approved by the Shareholders.

#### 7. DIRECTORS' UNDERTAKING

The Directors have undertaken to the Stock Exchange that, so far as the same may be applicable, they will exercise the Repurchase Mandate in accordance with the GEM Listing Rules and the applicable laws of the Cayman Islands.

#### 8. TAKEOVERS CODE CONSEQUENCES

If as a result of a repurchase of Shares, a Shareholder's proportionate interest in the voting rights of the Company increases, such increase will be treated as an acquisition for the purposes of the Takeovers Code. As a result, a Shareholder, or a group of Shareholders acting in concert, depending on the level of increase in the Shareholder's interests, may obtain or consolidate control of the Company and become obliged to make a mandatory offer in accordance with Rules 26 and 32 of the Takeovers Code. The Directors are not aware of any consequences which could arise under the Takeovers Code as a consequence of any repurchases of Shares pursuant to the Repurchase Mandate.

As at the Latest Practicable Date, Colpo Mercantile Inc. ("Colpo") held 1,183,180,000 Shares (representing approximately 50.63% of the existing issued share capital of the Company). Should the power to repurchase Shares pursuant to the Repurchase Mandate be exercised in full and assuming there is no change in the issued share capital of the

Company and the present shareholding of Colpo in the Company, Colpo would then be beneficially interested in approximately 56.26% of the issued ordinary share capital of the Company. Apart from Colpo (including its connected persons and associates within the meaning of the GEM Listing Rules), the Directors are not aware of any single Shareholder who holds 10% or more of the issued Shares.

On the basis of the shareholding held by the controlling shareholder named above and based solely as a result of the exercise of the Repurchase Mandate in full, Colpo would not be obliged to make a mandatory offer under Rule 26 of the Takeovers Code. As at the Latest Practicable Date, so far as is known to the Directors, no other Shareholder may become obliged to make a mandatory offer in accordance with Rule 26 of the Takeovers Code in the event that the Directors exercise the power in full to repurchase the Shares pursuant to the Repurchase Mandate. The Directors have no intention to exercise the Repurchase Mandate to an extent as may result in any mandatory offer to be made under the Takeovers Code.

## 9. SHARE PURCHASE MADE BY THE COMPANY

No repurchases of securities have been made by the Company in the previous six months before the Latest Practicable Date, whether on GEM or otherwise.

The Company will not repurchase any Shares if that repurchase would result in the number of Shares which are in the hands of the public falling below 25% of the issued share capital of the Company.

## 10. SHARE PRICES

The highest and lowest prices of the Shares as traded on GEM in each of the previous twelve months before the Latest Practicable Date were as follows:

Month	Shares Price	
	Highest HK\$	Lowest HK\$
<b>2008</b>		
March	1.060	0.260
April	0.375	0.241
May	0.340	0.245
June	0.310	0.207
July	0.455	0.260
August	0.335	0.224
September	0.255	0.155
October	0.162	0.060
November	0.092	0.069
December	0.101	0.068
<b>2009</b>		
January	0.140	0.073
February	0.137	0.078
March (up to the Latest Practicable Date)	0.108	0.090

Details of the Directors who are required to retire at the AGM according to the Articles of Association and who, being eligible, offer themselves for re-election at the AGM are as follows:

**(1) Mr. Chan Wing Him Kenny (“Mr. Chan”)**

Mr. Chan, aged 58, joined the Group in November 2006 as an executive Director and the Chairman and Chief Executive Officer of the Group. In addition, Mr. Chan is the chairman and a member of the remuneration committee of the Company. He is responsible for the Group’s overall strategy and execution.

Mr. Chan is a director and co-chairman of Petromin Resources Limited (“Petromin”), a connected person of the Company and which shares are listed on the TSX Venture Exchange (“TSX”). In addition, he is a director of Hollingport Venture Inc., a company listed on TSX. Save as disclosed above, Mr. Chan did not hold any directorship in any other public listed companies in Hong Kong or overseas in the last three years. Mr. Chan is a member of The Hong Kong Institute of Directors and vice president of China Energy World Executive Committee. His experience in international finance coupled with his deep understanding of the up-stream natural resource industry spans over 30 years.

As at the Latest Practicable Date, Mr. Chan had corporate interests in 1,183,180,000 Shares, representing 50.63% of the issued share capital of the Company and personal interests in 18,347,200 underlying Shares, representing 0.79% of the issued share capital of the Company within the meaning of Part XV of the SFO. Mr. Chan is not connected with any Directors, senior management, management shareholders, substantial or controlling shareholders of the Company.

Pursuant to the service contract between Mr. Chan and the Company, the length of service of Mr. Chan with the Company is for a term of three years and is subject to retirement by rotation and re-election in accordance with the Articles of Association. The remuneration of Mr. Chan is HK\$7,560,000 per annum (which includes basic salary and allowances) and such amount of discretionary bonus which the Company may decide to pay. Such remuneration was determined with reference to the prevailing market conditions and his respective roles and responsibilities.

**(2) Mr. David Tsoi (“Mr. Tsoi”)**

Mr. Tsoi, aged 61, joined the Group in July 2008 as an independent non-executive Director and is the chairman and a member of the audit committee of the Company. Mr. Tsoi is currently the managing director of Alliot, Tsoi CPA Limited and an independent non-executive director of MelcoLot Limited (which shares are listed on GEM Board) and China South Locomotive & Rolling Stock Corporation Limited (which shares are listed on the Main Board). Save as disclosed above, Mr. Tsoi did not hold any directorship in any other public listed companies in Hong Kong or overseas in the last three years.

Mr. Tsoi holds a master's degree in business administration from the University of Macau. He is a fellow member of the Hong Kong Institute of Certified Public Accountants, the Association of Chartered Certified Accountants and the Taxation Institute of Hong Kong. He is also a member of the Institute of Chartered Accountants of England and Wales, the Society of Chinese Accountants and Auditors, the Certified General Accountants' Association in Canada and Macau Society of Certified Practising Accountants.

Mr. Tsoi is active in public service. He is a member of the Selection Committee for the Government of the Hong Kong Special Administrative Region and the First Hong Kong Special Administrative Region Legislative Council Election Committee. He is the honorary treasurer of the Craigengower Cricket Club, a director and the accountancy consultant of New Territories General Chamber of Commerce, a director of the Travel Industry Council of Hong Kong, and a senator of Jaycees International. In addition, Mr. Tsoi is also a member of various associations in the People's Republic of China, namely, Guangdong Fengkai Xian Political Consultative Committee, an honorary principal of Guangdong Ruyuan Xian Primary School and a director of Guangdong Overseas Association. Mr. Tsoi was the honorary treasurer of the Hong Kong Society for the Deaf and a member of Guangdong Ruyuan Xian Political Consultative Committee.

Pursuant to the service contract between Mr. Tsoi and the Company, the length of service of Mr. Tsoi with the Company is for a term of two years and is subject to retirement by rotation and re-election in accordance with the Articles of Association. The remuneration of Mr. Tsoi is HK\$120,000 per annum which was determined with reference to the prevailing market conditions and his respective roles and responsibilities.

Mr. Tsoi is not interested in any Shares within the meaning of Part XV of the SFO and is not connected with any Directors, senior management, management shareholders, substantial or controlling shareholders of the Company.

**(3) Mr. Lo Chi Kit ("Mr. Lo")**

Mr. Lo, aged 48, joined the Group in December 2006 as an independent non-executive Director and a member of the audit committee and the remuneration committee of the Company, respectively. He is a businessman who has extensive experience in senior management and business operations, in particular, in the waste chemical treatment and the import and export of fruits and vegetables business. He has extensive connection throughout the Pacific Rim and Asian region. Save as disclosed above, Mr. Lo did not hold any directorship in any other public listed companies in Hong Kong or overseas in the last three years.

Pursuant to the service contract between Mr. Lo and the Company, the length of service of Mr. Lo with the Company is for a term of two years and is subject to retirement by rotation and re-election in accordance with the Articles of Association. The remuneration of Mr. Lo is HK\$120,000 per annum, which was determined with reference to the prevailing market conditions and his respective roles and responsibilities with the Group.

Mr. Lo is not interested in any Shares within the meaning of Part XV of the SFO and is not connected with any Directors, senior management, management shareholders, substantial or controlling shareholders of the Company.

As at the Latest Practicable Date, to the best of the Directors' knowledge, information and belief and having made reasonable enquiry, there were no other matters in relation to the re-election of Mr. Chan, Mr. Tsoi and Mr. Lo as Directors that needed to be brought to the attention of the Shareholders or were required to be disclosed pursuant to Rule 17.50(2)(h) to Rule 17.50(2)(v) of the GEM Listing Rules.

## APPENDIX III SUMMARY OF THE PRINCIPAL TERMS OF THE TWE SCHEME

*In this appendix, unless otherwise defined or the context otherwise requires, the following expressions have the following meanings:*

“AGM”	the annual general meeting of the Company to be convened and held at Unit 806, Level 8, Core D, Cyberport 3, 100 Cyberport Road, Hong Kong on Monday, 20 April 2009 at 2:30 p.m.;
“Affiliate”	any company which is a subsidiary of, or a company controlled by, TWE;
“associate(s)”	has the meaning ascribed thereto under the GEM Listing Rules;
“Auditors”	the auditors for the time being of TWE or an independent financial adviser appointed by the TWE Board;
“Board”	the board of directors of the Company;
“business day”	any day on which securities are traded on the Stock Exchange;
“CAD”	Canadian dollars, the lawful currency of Canada;
“Company”	Enviro Energy International Holdings Limited, a company which shares are listed on GEM, which holds approximately 58.17% of the issued common shares and preferred shares of the capital of TWE;
“Effective Date”	the date on which the adoption of the TWE Scheme by TWE Shareholders is approved by an ordinary resolution of the Shareholders, which is expected to be the date on which the AGM is held;
“Eligible Person”	(a) any executive, employee or director of TWE or any Affiliate; and (b) any consultant, adviser, agent, business partner, joint venture partner, service provider, contractor who, as determined at the sole discretion of the TWE Board, has or may have contribution to TWE or any Affiliate, provided that such person is a person described in section 2.4(2) of National Instrument 45-106-Prospectus and Registration Exemptions of British Columbia;
“GEM”	the Growth Enterprise Market of the Stock Exchange;
“GEM Listing Rules”	the Rules Governing the Listing of Securities on GEM;



APPENDIX III	SUMMARY OF THE PRINCIPAL TERMS OF THE TWE SCHEME
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“Grantee”	any Eligible Person who accepts an Offer in accordance with the terms of the TWE Scheme or (where the context so permits) a person entitled, in accordance with the laws of succession applicable, to exercise any Option in consequence of the death of the original Grantee;
“Group”	the Company, its subsidiaries and jointly-controlled entities;
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong;
“Main Board”	the stock market operated by the Stock Exchange prior to the establishment of GEM (excluding the option market) and which stock market continues to be operated by the Stock Exchange in parallel with GEM;
“Offer”	an offer to grant an Option;
“Offer Date”	(save as modified in the context of particular rules) the date on which an Offer is made to an Eligible Person;
“Option”	an option to subscribe for TWE Shares granted pursuant to the TWE Scheme and for the time being subsisting;
“Option Holder”	a person holding an Option;
“Option Period”	the period during which an Option may be exercised as notified by the TWE Board to an Eligible Person in the Offer, provided that such period shall not be longer than 10 years from the Offer Date and the TWE Board may also provide restrictions on the exercise of an Option during the period an Option may be exercised;
“Option Price”	the amount of CAD1.00 (or foreign currency equivalent) payable for each acceptance of an Offer;
“Relevant Event”	any variation in the share capital of TWE arising from any reduction, sub-division or consolidation of share capital, any rights issue or the issue of any share capital (including any securities convertible into share capital or warrants or options to subscribe for any share capital but excluding any Option granted pursuant to the TWE Scheme or other share option schemes of TWE) by way of capitalisation of profits or reserves or in connection with an offer made pro rata to the TWE Shareholders except where share capital is issued as consideration or part consideration in a transaction;

APPENDIX III	SUMMARY OF THE PRINCIPAL TERMS OF THE TWE SCHEME
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“Scheme Period”	the period commencing on the Effective Date and expiring at the close of business on the business day immediately preceding the tenth anniversary thereof;
“Shareholder(s)”	shareholder(s) of the Company;
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“Subscription Price”	the price at which each TWE Share subject to an Option may be subscribed for on the exercise of the Option as set out in paragraph 5 and subject to paragraph 14;
“subsidiaries”	has the meaning ascribed thereto under the GEM Listing Rules;
“Supplementary Guidance”	the supplementary guidance attached to the letter from the Stock Exchange dated 5 September 2005 and any guidance and interpretation issued from time to time by the Stock Exchange relating to share option schemes;
“TWE”	TerraWest Energy Corp., a company incorporated in Canada, an indirect non wholly-owned subsidiary of the Company;
“TWE Board”	the board of directors of TWE for the time being;
“TWE Scheme”	TWE’s share option scheme in the form approved and adopted by TWE Shareholders and by Shareholders on the Effective Date, or any form amended by TWE Shareholders and by Shareholders;
“TWE Shareholder”	a registered holder of issued TWE Shares from time to time; and
“TWE Share(s)”	common shares without par value (or, where applicable, such other amount as such common shares may be divided or consolidated or converted into) in the share capital of TWE.

The following is a summary of the principal terms of the TWE Scheme proposed to be approved by the Shareholders at the AGM.

**1. PURPOSE OF THE TWE SCHEME**

The purpose of the TWE Scheme is to enable TWE to grant Options to selected Eligible Persons as incentives or rewards for their contribution or potential contribution to TWE and/or the Affiliates to encourage them to work towards enhancing the value of TWE and/or the Affiliates and their respective shares for the benefit of TWE and the TWE Shareholders as a whole.

**2. ADMINISTRATION OF THE TWE SCHEME**

The TWE Scheme shall be administered by the TWE Board whose decisions shall be final and binding on all persons who may be affected thereby. The TWE Board may delegate some or all of its authority under the TWE Scheme to an individual or individuals who may either be one or more of the members of the TWE Board or one or more of the officers of TWE or its subsidiaries, if any.

As the TWE Board has discretion to determine the terms of the Offer, including without limitation, the Option Period, Subscription Price and performance target of each Eligible Person, the TWE Board believes that the terms of the TWE Scheme will serve the purpose of the TWE Scheme set out above.

**3. CONDITION**

The TWE Scheme is conditional on the Shareholders approving the adoption of the TWE Scheme at the AGM.

**4. ELIGIBLE PERSONS**

Subject to the terms of the TWE Scheme and for so long as TWE remains a subsidiary of the Company, subject also to the GEM Listing Rules, the TWE Board may, at its absolute discretion (subject to any terms and conditions as it may think fit) during the Scheme Period (i.e. the period commencing on the Effective Date and expiring at the close of business on the business day immediately preceding the tenth anniversary thereof), make Offers to any Eligible Persons to take up Options. The eligibility of the Eligible Persons is determined by the TWE Board with reference to the Eligible Persons' past and expected commitment and contribution to TWE and/or the Affiliates.

Offers may be accepted by returning a duly signed copy of the Offer document or other instrument in writing to TWE by 5:00 p.m. on the date specified in the Offer as the latest date for acceptance, together with remittance of the Option Price (i.e. CAD1.00 (or foreign currency equivalent)) by way of consideration for the grant thereof.

An Option shall be personal to the Grantee to whom it was granted and shall not be transferable or assignable, and no Grantee shall in any way sell, transfer, charge, mortgage, encumber or create any interest (legal or beneficial) in favour of any third party over or in relation to any Option.

**5. SUBSCRIPTION PRICE AND OPTION PERIOD**

The Subscription Price shall be determined by the TWE Board on a fair and reasonable basis, taking into consideration the prevailing market condition, performance of TWE and after having assessed the efforts, performance and/or future potential contribution of the Eligible Person to the success of the business and operations of TWE (and the Affiliates from time to time), which shall be determined by the TWE Board from time to time or no less than (where applicable) the nominal value of the TWE Share on the Offer Date.

The Subscription Price in respect of any Option granted after the Company has resolved to seek a separate listing of TWE on the Main Board or GEM or an overseas stock exchange and up to the listing date of TWE must be not less than the new issue price (if any) of the TWE Shares on listing. Without prejudice to the foregoing, any Option granted during the period commencing six months before the lodgement of Form 5A (or its equivalent for listing on the Main Board or any overseas exchange) up to the listing date of TWE is subject to the above requirement. The exercise price of any Option granted during such period shall be adjusted to a price not lower than the new issue price as the TWE Board may deem appropriate; or (where applicable) such price as from time to time adjusted pursuant to the TWE Scheme.

The Option Period will be notified by the TWE Board to an Eligible Person in the Offer, which shall not be longer than 10 years from the Offer Date.

**6. MAXIMUM NUMBER OF TWE SHARES IN RESPECT OF WHICH OPTIONS MAY BE GRANTED**

For so long as TWE remains a subsidiary of the Company:

- (a) The total number of TWE Shares which may be issued upon exercise of all Options to be granted under the TWE Scheme and any other share option schemes of TWE must not in aggregate exceed 10% of the TWE Shares in issue as at the Effective Date (the "Limit"), unless further Shareholders' approval and approval of the TWE Shareholders have been obtained pursuant to sub-paragraph (b) or (c) below, provided that Options lapsed in accordance with the terms of the TWE Scheme will not be counted for the purpose of calculating the Limit.
- (b) The Company may, after issuing a circular to its Shareholders in accordance with the GEM Listing Rules, seek approval of Shareholders and TWE Shareholders in general meetings to refresh the Limit provided that the Limit as refreshed shall not exceed 10% of the TWE Shares in issue as at the date of approval from the Shareholders of the refreshed Limit. Options previously granted (including those outstanding, cancelled, lapsed or exercised in accordance with the TWE Scheme and any other share option schemes of TWE) will not be counted for the purpose of calculating the Limit as refreshed.

- (c) The Company may seek separate Shareholders' approval and TWE may seek separate approval of the TWE Shareholders in general meetings to grant Options beyond the Limit or the refreshed Limit provided that the Options in excess of the Limit or refreshed Limit are granted only to such Eligible Persons specifically identified by TWE before such approval is sought, and a circular containing a generic description of the specified Eligible Persons, the number and terms of the Options to be granted, the purpose of granting Options to the specified Eligible Persons and how these Options serve such purpose shall be despatched to the Shareholders together with the notice of the relevant general meeting.
- (d) The total number of TWE Shares which may be issued upon exercise of all outstanding Options granted and yet to be exercised under the TWE Scheme and any other share option schemes of TWE shall not in any event exceed 30% of the TWE Shares in issue from time to time.
- (e) Unless approved by the Shareholders and TWE Shareholders in the manner set out in the rest of this paragraph, the total number of TWE Shares issued and to be issued upon the exercise of the Options granted and to be granted to any Eligible Person (including both exercised and outstanding Options) in any 12-month period up to and including the Offer Date shall not exceed 1% of the TWE Shares in issue as at the Offer Date. Where any further grant of Options to an Eligible Person would result in this limit being exceeded, such further grant must be separately approved by the Shareholders and TWE Shareholders in general meetings with such Eligible Person and his associates abstaining from voting. The Company must also send a circular to Shareholders disclosing, inter alia, the identity of such Eligible Person, the number and terms of the Options to be granted (and Options previously granted to such Eligible Person). The number and terms (including the exercise price) of Options to be granted must be fixed before Shareholders' approval and TWE Shareholders' approval and the date of the meeting of the TWE Board for proposing such further grant should be taken as the Offer Date for the purpose of calculating the minimum Subscription Price.

## 7. RESTRICTIONS ON GRANT OF OPTIONS

For so long as TWE remains a subsidiary of the Company:

- (a) An Offer must not be made after a price sensitive development concerning the Group has occurred or a price sensitive matter concerning the Group has been the subject of a decision, until such price sensitive information has been announced in accordance with the GEM Listing Rules. In particular, during the period commencing one month immediately preceding the earlier of (i) the date of the Board meeting (as such date is first notified to the Stock Exchange in accordance with Rule 17.48 of the GEM Listing Rules) for the approval of any quarterly, interim or annual results of the Company; and (ii) the deadline for the Company to publish any quarterly, interim or annual results

announcement under the GEM Listing Rules, and ending on the date of the relevant results announcement of the Company, no Option shall be granted. The period during which no Option may be granted will cover any period of delay in the publication of results announcement.

- (b) Any proposed grant of Options to a director, chief executive, management shareholder or substantial shareholder (as such terms are defined in the GEM Listing Rules) of the Company or any of their respective associates, must be approved by all independent non-executive directors (excluding any independent non-executive Director who is proposed to be a grantee of such Options) of the Company.
  
- (c) Where any proposed grant of Options to a substantial shareholder (as such term is defined in the GEM Listing Rules) of the Company, or an independent non-executive director of the Company or any of their respective associates, will result in the total number of TWE Shares issued and to be issued upon exercise of Options granted and to be granted (including Options exercised, cancelled and outstanding) to such person in the 12-month period up to and including the Offer Date:
  - (i) representing in aggregate over 0.1% of the TWE Shares in issue; and
  
  - (ii) having an aggregate value, assuming such Options were exercised and based on the adjusted net asset value per TWE Share in accordance with the latest audited accounts of TWE, in excess of HK\$5 million (or its equivalent),

such further grant of Options, and any change in the terms of Options granted, shall be subject to the issue of a circular in compliance with Rule 23.04 of the GEM Listing Rules by the Company to the Shareholders, the approval of TWE in general meeting and the approval of the Company in general meeting at which all connected persons of the Company must abstain from voting, except that any connected person may vote against the relevant resolution at the general meeting provided that his intention to do so has been stated in the circular. The date of the meeting of the TWE Board proposing such further grant shall be taken as the Offer Date for the purpose of calculating the minimum Subscription Price.

## **8. EXERCISE OF OPTIONS**

Subject to paragraph 10, Options may be exercised in accordance with the terms of the TWE Scheme at any time during the Option Period provided that the TWE Board may determine the Option Period. The TWE Board has the discretion to fix any minimum period(s) for which an Option or any part thereof has to be held before the exercise of the subscription rights attaching thereto. An Option Holder shall not be treated as a TWE Shareholder until the registration of the Option Holder as the holder of the TWE Shares. TWE Shares allotted upon the exercise of an Option shall rank *pari passu* in all respects with the TWE Shares in issue on the date of the exercise.

Unless otherwise determined by the TWE Board and specified in the Offer at the time of the Offer Date, the Grantee is not required to achieve any performance targets. Notwithstanding the above, an Option may be exercised by the Grantee (or his personal representatives) at any time during the Option Period, subject to paragraph 9.

**9. TAKEOVER OFFERS, LIQUIDATION AND RECONSTRUCTION**

- (a) If a general offer (other than by way of scheme of arrangement pursuant to sub-paragraph (b) below) is made to all TWE Shareholders or, for so long as TWE remains a subsidiary of the Company, to all Shareholders (other than the offeror and/or any person controlled by the offeror and/or any person acting in association or concert with the offeror), TWE shall forthwith give notice thereof (the "Notice of General Offer") to all Option Holders who may at any time after such offer becomes or is declared unconditional during the Option Period of the relevant Option, be entitled to exercise the Option in full or in part regardless of any vesting period requirements (if any) at any time thereafter and up to the close of such offer (or any revised offer). All outstanding Offers and unexercised Options shall lapse upon the close of such offer (or any revised offer) unless TWE has specified in the Notice of General Offer that all outstanding Offers and unexercised Options shall remain valid notwithstanding the general offer. Any outstanding Offer or unexercised Option surviving such general offer (or revised offer) shall continue to be bound by the terms of the relevant Offer and the TWE Scheme.
- (b) If a general offer by way of scheme of arrangement is made to all TWE Shareholders or, for so long as TWE remains a subsidiary of the Company, to all Shareholders, and has been approved by the necessary number of TWE Shareholders or Shareholders (as the case may be) at the requisite meetings, TWE shall forthwith give notice thereof (the "Notice of Scheme of Arrangement") to all Option Holders who may at any time thereafter and until such time as specified by TWE in such notice exercise their unexercised Options to its full extent regardless of any vesting period requirements (if any) or to the extent notified by TWE. All outstanding Offers and unexercised Options shall lapse upon expiry of the period specified by TWE in the Notice of Scheme of Arrangement unless TWE has specified in such notice that all outstanding Offers and unexercised Options shall remain valid notwithstanding the scheme of arrangement. Any outstanding Offer or unexercised Option surviving such scheme of arrangement shall continue to be bound by the terms of the relevant Offer and the TWE Scheme.
- (c) If notice is duly given by TWE to all TWE Shareholders to convene a general meeting at which a resolution will be proposed to voluntarily wind up TWE, TWE shall give notice thereof to all Option Holders on the same date (containing an extract of this provision) as it despatches such notice to each TWE Shareholder, and thereupon each Option Holder or his personal representative(s) shall be entitled to exercise all or any of his unexercised Options either to its full extent regardless of any vesting period requirements (if any) or to the extent specified in such notice at any time not later than two



business days prior to the proposed general meeting of TWE. If the resolution to wind up TWE is duly passed, all Options shall, to the extent that they have not been exercised, thereupon cease and determine and all outstanding Offers shall lapse.

- (d) If under the companies law of TWE's place of incorporation, a compromise or arrangement between TWE and the TWE Shareholders or between TWE and its creditors is proposed for the purposes of or in connection with a scheme for the reconstruction of TWE or its amalgamation with any other company or companies, TWE shall give notice thereof to all Option Holders on the same date as it despatches the notice which is sent to each TWE Shareholder or creditor of TWE summoning the meeting to consider the compromise or arrangement, and thereupon each Option Holder (or where permitted his personal representative(s)) shall be entitled to exercise all or any of his unexercised Options either to its full extent regardless of any vesting period requirements (if any) or to the extent specified in such notice at any time not later than two business days prior to the proposed general meeting of TWE. All outstanding Offers and unexercised Options shall lapse upon the compromise or arrangement becoming effective unless TWE has specified in such notice that all outstanding Offers and unexercised Options shall remain valid notwithstanding the compromise or arrangement. Any outstanding Offer or unexercised Option surviving such compromise or arrangement shall continue to be bound by the terms of the relevant Offer and the TWE Scheme.

**10. LAPSE OF OPTIONS**

An Option shall lapse (to the extent not already exercised) automatically on the earliest of:

- (a) expiry of the Option Period;
- (b) the date of termination of employment by the Option Holder's employing company for serious misconduct or in accordance with the termination provisions of his contract of employment (otherwise than by reason of redundancy);
- (c) expiry of the 30-day period from the date of voluntary resignation of the Option Holder other than by reason of the circumstances set out in sub-paragraph (d) hereof;
- (d) the date of termination of such other contract or agreement constituting the Option Holder an Eligible Person for his breach of the terms thereof or in accordance with the termination provisions of such contract or agreement by any contracting party;
- (e) expiry of the six-month period following the occurrence of an event which causes the Option Holder to cease to be an Eligible Person, including ill-health, injury, disability, death or retirement (including expiration of term of directorship);



- (f) expiry of the periods referred to in paragraphs 9(a) and 9(b) above;
- (g) the date on which the resolution to voluntarily wind up TWE is passed; and
- (h) save as otherwise provided in the above paragraph 9, the date of the commencement of winding up of TWE.

**11. IF EXERCISE OF AN OPTION IS UNLAWFUL**

If at the time an Option Holder wishes to exercise an Option, the exercise of the Option in respect of the TWE Shares or the consequences of such exercise is not permitted by the applicable laws, the Option shall not entitle the Option Holder to subscribe for the TWE Shares, but shall entitle the Option Holder to receive the amount by which the net proceeds of sale of the TWE Shares, the subject of the Option shall exceed the subscription price for such TWE Shares, the TWE Shares shall be sold in the market by TWE, and the subscription price for such TWE Shares shall be credited to TWE's share capital and capital reserves.

**12. CANCELLATION OF OPTIONS**

Any Options granted but not exercised may be cancelled by the TWE Board if the Option Holder agrees in writing. Issuance of new Options to the same Option Holder may only be made if there are unissued Options available under the TWE Scheme (excluding the cancelled Options) and in compliance with the terms of the TWE Scheme in force from time to time.

**13. VOTING AND DIVIDEND RIGHTS**

TWE Shares issued upon the exercise of an Option shall not carry voting rights until such TWE Shares are entered in the register of members of TWE. The TWE Shares to be allotted and issued upon the exercise of an Option will rank *pari passu* with the fully paid TWE Shares in issue and accordingly will entitle the Option Holder to participate in all dividend or other distributions paid or made on or after the date when such TWE Shares are entered in the register of members of TWE other than any dividend or other distributions previously declared or recommended or resolved to be paid or made if the record date therefor shall be before the date when such TWE Shares are entered in the register of members of TWE, provided always that when the date of exercise of the Option falls on a date upon which the register of members of TWE is closed then the exercise of the Option shall become effective on the first business day in Canada on which the register of members of TWE is re-opened.

#### **14. ALTERATIONS TO CAPITAL**

Upon the occurrence of any Relevant Event, the number or (where applicable) nominal amount of TWE Shares comprised in each Option and/or the Subscription Price thereunder and/or the Limit (as refreshed from time to time) may be adjusted in any manner as the TWE Board (having received a confirmation in writing from the Auditors, acting as experts and not as arbitrators, that in their opinion the proposed adjustments satisfy the requirements set out in Rule 23.03(13) of the GEM Listing Rules and the note thereto and the Supplementary Guidance for so long as TWE remains a subsidiary of the Company) may deem appropriate provided always that:

- (a) any adjustments should give an Option Holder the same proportion of the share capital of TWE (as interpreted in accordance with the Supplementary Guidance) as that to which he was previously entitled prior to such adjustments;
- (b) no adjustments shall be made which will enable a TWE Share to be issued at less than (where applicable) its nominal value;
- (c) any adjustment so made shall be in compliance with the GEM Listing Rules and such applicable guidance and/or interpretation of the GEM Listing Rules from time to time issued by the Stock Exchange (including, without limitation, the Supplementary Guidance); and
- (d) where the Relevant Event arises from an issue of TWE Shares, references to Options shall include references to Options that have been exercised prior to the date of the adjustment in respect of TWE Shares which otherwise do not rank and are not entitled to participate in the issue by reason of the Option Holder not having been then registered as the holder of the relevant TWE Shares.

#### **15. ALTERATION OF THE TERMS OF THE TWE SCHEME**

No amendments to the TWE Scheme shall be made which would have the effect of abrogating or altering adversely any of the subsisting rights of Option Holders except with any consent on their part as would be required under the provisions of TWE's constitutional documents as if the Options constituted a separate class of share capital and as if the relevant provisions are applied *mutatis mutandis*.

Subject to the above, the TWE Board may from time to time in its absolute discretion waive or amend any of the rules of the TWE Scheme as it deems desirable, provided that, except with the prior sanction of the Company in general meeting:

- (a) no alteration to any of the matters set out in Rule 23.03 of the GEM Listing Rules shall be made to the advantage of Option Holders or Eligible Persons;

- (b) no alteration to the definition of “Eligible Persons”; and
- (c) no alteration to the terms and conditions of the TWE Scheme which are of a material nature or any change to the terms of Options granted may be made, except where the alterations take effect automatically under the existing terms of the TWE Scheme,

provided that for so long as TWE remains a subsidiary of the Company, the amended terms must still comply with the relevant requirements of Chapter 23 of the GEM Listing Rules.

Any change to the authority of the TWE Board in relation to any alteration to the terms of the TWE Scheme must be approved by the TWE Shareholders and the Shareholders (for so long as TWE remains a subsidiary of the Company) in general meetings.

#### **16. TERMINATION OF THE TWE SCHEME**

Subject to earlier termination by TWE by an ordinary resolution of the TWE Shareholders and an ordinary resolution of the Shareholders (so long as TWE remains a subsidiary of the Company) in general meeting, the TWE Scheme shall be valid for the Scheme Period. Upon the termination of the TWE Scheme, no further Offers will be made but Options granted prior to such termination shall continue to be valid and exercisable in accordance with the rules of the TWE Scheme.



**Enviro Energy International Holdings Limited**  
**環能國際控股有限公司**

*(Incorporated in the Cayman Islands with limited liability)*

**(Stock Code: 8182)**

**NOTICE OF ANNUAL GENERAL MEETING**

**NOTICE IS HEREBY GIVEN THAT** an Annual General Meeting (“AGM”) of Enviro Energy International Holdings Limited (“Company”) will be held at Unit 806, Level 8, Core D, Cyberport 3, 100 Cyberport Road, Hong Kong on Monday, 20 April 2009 at 2:30 p.m. for the following purposes:

1. As ordinary business, to consider and if thought fit, pass the following resolutions as ordinary resolutions of the Company:

**ORDINARY RESOLUTIONS**

- (i) to receive and consider the audited consolidated financial statements and reports of the directors and the independent auditor for the seventeen months ended 31 December 2008;
- (ii) to re-elect Mr. Chan Wing Him Kenny as an executive director of the Company;
- (iii) to re-elect Mr. David Tsoi as an independent non-executive director of the Company;
- (iv) to re-elect Mr. Lo Chi Kit as an independent non-executive director of the Company;
- (v) to authorise the board of directors to fix the remuneration of the directors and any committee of directors of the Company; and
- (vi) to re-appoint SHINEWING (HK) CPA Limited as an independent auditor of the Company for the ensuing year and authorise the board of directors of the Company to fix its remuneration.

## NOTICE OF AGM

2. As special business, to consider and, if thought fit, pass with or without amendments, the following resolutions as ordinary resolutions of the Company:

### ORDINARY RESOLUTIONS

- (i) **“THAT:**
- (a) subject to paragraph (c) below, the exercise by the board of directors of the Company during the Relevant Period (as hereinafter defined) of all the powers of the Company to allot, issue and deal with, otherwise than pursuant to (i) a Rights Issue (as hereinafter defined); or (ii) the grant or exercise of any option under any share option scheme of the Company or any other option scheme or similar arrangement for the time being adopted for the grant or issue to officers and/or employees and other consultants and/or advisers of the Company and/or any of its subsidiaries of shares in the Company or rights to acquire shares in the Company; or (iii) any scrip dividend or similar arrangement providing for the allotment of shares in lieu of the whole or part of a dividend on shares in the Company in accordance with the articles of association of the Company (the “Articles of Association”) in force from time to time; or (iv) any issue of shares in the Company upon exercise of rights of subscription or convertible into shares in the Company, unissued shares in the capital of the Company and to make or grant offers, agreements and options which would or might require the exercise of such powers be and is hereby generally and unconditionally approved;
  - (b) the approval in paragraph (a) above shall authorise the directors of the Company (“Directors”) during the Relevant Period to make or grant offers, agreements and options which would or might require the exercise of such powers after the end of the Relevant Period;
  - (c) the aggregate nominal amount of share capital allotted, issued or dealt with or agreed conditionally or unconditionally to be allotted, issued or dealt with (whether pursuant to options or otherwise) and issued by the Directors pursuant to the approval in paragraph (a) above, shall not exceed 20% of the aggregate nominal amount of the share capital of the Company in issue on the date of the passing of this resolution and the authority pursuant to paragraph (a) above shall be limited accordingly; and

## NOTICE OF AGM

- (d) for the purpose of this resolution, “Relevant Period” means the period from the date of the passing of this resolution until whichever is the earliest of:
- (i) the conclusion of the next annual general meeting of the Company;
  - (ii) the expiration of the period within which the next annual general meeting of the Company is required by the Articles of Association or any applicable law of the Cayman Islands to be held; or
  - (iii) the passing of an ordinary resolution by the shareholders of the Company (“Shareholders”) in general meeting revoking or varying the authority given to the Directors by this resolution.

“Rights Issue” means an offer of shares in the Company, or offer or issue of warrants, options or other securities giving rights to subscribe for shares open for a period fixed by the Directors to holders of shares in the Company on the register on a fixed record date in proportion to their then holdings of such shares (subject to such exclusions or other arrangements as the Directors may deem necessary or expedient in relation to fractional entitlements, or having regard to any restrictions or obligations under the laws of, or the requirements of, or the expense or delay which may be involved in determining the existence or extent of any restrictions or obligations under the laws of, or the requirements of, any jurisdiction applicable to the Company, or any recognised regulatory body or any stock exchange in any territory applicable to the Company).”

- (ii) **“THAT:**
- (a) subject to paragraph (b) below, the exercise by the Directors during the Relevant Period (as hereinafter defined) of all the powers of the Company to repurchase shares in the capital of the Company on the Growth Enterprise Market (“GEM”) of The Stock Exchange of Hong Kong Limited (“Stock Exchange”) or any other stock exchange on which the shares in the Company may be listed and recognised by the Securities and Futures Commission (“SFC”) and the Stock Exchange for such purpose, subject to and in accordance with the rules and regulations of the SFC, the Stock Exchange, the Companies Law, Cap. 22 (Law 3 of 1961, as consolidated and revised) of the Cayman Islands and all other applicable laws in this regard, be and the same is hereby generally and unconditionally approved;

## NOTICE OF AGM

- (b) the aggregate nominal amount of shares in the Company which the Company is authorised to repurchase pursuant to the approval in paragraph (a) above during the Relevant Period shall not exceed 10% of the aggregate nominal amount of the issued share capital of the Company as at the date of the passing of this resolution and the authority pursuant to paragraph (a) above shall be limited accordingly; and
- (c) for the purpose of this resolution, “Relevant Period” means the period from the date of the passing of this resolution until whichever is the earliest of:
  - (i) the conclusion of the next annual general meeting of the Company;
  - (ii) the expiration of the period within which the next annual general meeting of the Company is required by the Articles of Association or any applicable law of the Cayman Islands to be held; or
  - (iii) the passing of an ordinary resolution by the Shareholders in general meeting revoking or varying the authority given to the Directors by this resolution.”

(iii) **“THAT:**

conditional upon resolution nos. 2(i) and 2(ii) above being passed, the general mandate granted to the Directors to allot, issue and deal with additional shares in the Company pursuant to the said resolution no. 2(i) be and is hereby extended by the addition thereto of an amount representing the aggregate nominal amount of shares in the capital of the Company which are repurchased by the Company under the authority granted to the Directors pursuant to the said resolution no. 2(ii), provided that the amount of shares so repurchased by the Company shall not exceed 10% of the aggregate nominal amount of the issued share capital of the Company on the date of this resolution.”

(iv) **“THAT:**

with effect from the conclusion of the meeting at which this resolution is passed, the rules of the share option scheme of TerraWest Energy Corp. (a non wholly-owned subsidiary of the Company) (a copy of which has been produced to the meeting and marked “A”) (the “TWE Scheme”), be and are hereby approved and adopted and that the Directors, acting together, individually or by committee, be and are hereby authorised to approve any amendments to the rules of the TWE Scheme as may be acceptable or not objected to by The Stock Exchange of Hong Kong

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Limited, execute all such documents and to take all such steps as may be necessary, desirable or expedient to carry into effect the TWE Scheme subject to and in accordance with the terms thereof and Chapter 23 of the Rules Governing the Listing of Securities on GEM with effect from the conclusion of the meeting at which this resolution is passed.”

By Order of the Board  
**Enviro Energy International Holdings Limited**  
**Chan Wing Him Kenny**  
*Chairman and Chief Executive Officer*

Hong Kong, 27 March 2009

*Registered Office:*

Cricket Square  
Hutchins Drive  
P.O. Box 2681  
Grand Cayman KY1-1111  
Cayman Islands

*Head Office and Principal Place*

*of Business in Hong Kong:*  
Unit 806, Level 8  
Core D, Cyberport 3  
100 Cyberport Road  
Hong Kong

As at the date of this notice, the Directors are:

*Executive Directors:*

Mr. Chan Wing Him Kenny  
Dr. Arthur Ross Gorrell

*Independent Non-executive Directors:*

Mr. David Tsoi  
Mr. Lo Chi Kit  
Mr. Tam Hang Chuen

*Notes:*

1. Any Shareholder entitled to attend and vote at the AGM is entitled to appoint one or more than one proxy to attend and vote in his stead in accordance with the Articles of Association. A proxy need not be a Shareholder.
2. Where there are joint registered holders of any share, any one of such persons may vote at the meeting, either personally or by proxy, in respect of such share as if he were solely entitled thereto; but if more than one of such joint holders shall be present at the meeting personally or by proxy, that one of the holders so present whose name stands first on the register of Shareholders in respect of such share shall alone be entitled to vote in respect thereof.
3. The form of proxy and the power of attorney or other authority, if any, under which it is signed or a notarially certified copy of such power of attorney or authority must be deposited at the Company's Hong Kong branch share registrar, Tricor Tengis Limited, at 26/F, Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong not less than 48 hours before the time appointed for holding the AGM, and in default the form of proxy shall not be treated as valid. The completion and return of the form of proxy shall not preclude Shareholders from attending and voting in person at the AGM (or any adjourned meeting thereof) should they so wish.
4. Pursuant to Article 72 of the Articles of Association, at any general meeting a resolution put to the vote of the meeting shall be decided on a show of hands unless a poll is (before or on the declaration of the result of the show of hands or on the withdrawal of any other demand for a poll) demanded:
  - (a) by the chairman of such meeting; or
  - (b) by at least three Shareholders present in person (or, in the case of a Shareholder being a corporation, by its duly authorised representative) or by proxy for the time being entitled to vote at the meeting; or



## NOTICE OF AGM

- (c) by any Shareholder or Shareholders present in person (or, in the case of a Shareholder being a corporation, by its duly authorised representative) or by proxy and representing not less than one-tenth of the total voting rights of all the Shareholders having the right to vote at the meeting; or
- (d) by any Shareholder or Shareholders present in person (or, in the case of a Shareholder being a corporation, by its duly authorised representative) or by proxy and holding shares conferring a right to vote at the meeting being shares on which an aggregate sum has been paid up equal to not less than one-tenth of the total sum paid up on all the shares conferring that right; or
- (e) if required by the GEM Listing Rules, by any Director or Directors who, individually or collectively, hold proxies in respect of shares representing five % or more of the total voting rights at such meeting.