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If you are in any doubt as to any aspect of this circular or as to the action to be taken, you should consult a licensed securities dealer, bank manager, solicitor, professional accountant or other professional adviser.

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, licenced 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)

REFRESHMENT OF GENERAL MANDATE TO ISSUE SHARES
AND
NOTICE OF EXTRAORDINARY GENERAL MEETING

**Independent Financial Adviser to the Independent Board Committee
and the Independent Shareholders**



VXL FINANCIAL SERVICES LIMITED

卓越企业融资有限公司

This document, for which the directors of Enviro Energy International Holdings Limited collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on the Growth Enterprise Market of The Stock Exchange of Hong Kong Limited for the purpose of giving information with regard to Enviro Energy International Holdings Limited. The directors of Enviro Energy International Holdings Limited, having made all reasonable enquiries, confirm that, to the best of their knowledge and belief:- (a) the information contained in this document 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 document misleading; and (c) all opinions expressed in this document have been arrived at after due and careful consideration and are founded on bases and assumptions that are fair and reasonable.

A letter from the board of directors of Enviro Energy International Holdings Limited is set out on pages 3 and 7 of this circular. A letter from the Independent Board Committee (as defined herein) and a letter from the Independent Financial Adviser (as defined herein) containing their recommendations and advices are set out on page 8 and pages 9 to 14 of this circular, respectively.

A notice convening the EGM (as defined herein) of Enviro Energy International Holdings Limited to be held on Tuesday, 10 July 2007 at 3:00 p.m. at Conference Room, Unit A, 7th Floor, Guangdong Investment Tower, 148 Connaught Road Central, Hong Kong is set out on pages 15 to 18 of this circular. Whether or not shareholders are able to attend the EGM, 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, Tengis Limited at 26/F., Tesbury Centre, 28 Queen's Road East, Hong Kong, as soon as possible and in any event not less than 48 hours before the time appointed for holding the EGM. 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 EGM (or any adjournment thereof) should they so desire.

This circular will remain on the GEM website at www.hkgem.com on the "Latest Company Announcement" page for at least 7 days from the date of posting.

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

25 June 2007

CHARACTERISTICS OF GEM

GEM has been established as a market designed to accommodate companies to which a high investment risk may be attached. In particular, companies may list on GEM with neither a track record of profitability nor any obligation to forecast future profitability. Furthermore, there may be risks arising out of the emerging nature of companies listed on GEM and the business sectors or countries in which the companies operate. 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 and no assurance is given that there will be a liquid market in the securities traded on GEM.

The principal means of information dissemination on GEM is publication on the internet website operated by the Exchange. Listed companies are not generally required to issue paid announcements in gazetted newspapers. Accordingly, prospective investors should note that they need to have access to the GEM website in order to obtain up-to-date information on GEM-listed issuers.

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DEFINITIONS

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

“Articles of Association”	the articles of association of the Company as may be amended from time to time;
“Associate(s)”	has the meaning ascribed thereto under the Listing Rules;
“Colpo”	Colpo Mercantile Inc., a company incorporated in the British Virgin Islands with limited liability, the entire issued share capital of which is solely and beneficially owned by Mr. Kenny Chan and a controlling Shareholder owning approximately 66.03% of the issued share capital of the Company as at the Latest Practicable Date;
“Company”	Enviro Energy International Holdings Limited 環能國際控股有限公司, a company incorporated in the Cayman Islands with limited liability and the shares of which are listed on GEM;
“Director(s)”	directors of the Company or the board of directors of the Company, as the context may require;
“EGM”	the extraordinary general meeting of the Company to be convened and held at 3:00 p.m., on Tuesday, 10 July 2007 at Conference Room, Unit A, 7th Floor, Guangdong Investment Tower, 148 Connaught Road Central, Hong Kong;
“GEM”	the Growth Enterprise Market of the Stock Exchange;
“General Mandate”	the general mandate granted to the Directors to exercise the power of the Company to issue securities up to 20% of the Company’s issued share capital as at the date of the annual general meeting of the Company held on 8 December 2006;
“Group”	the Company and its subsidiaries and associated company;
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China;
“HK\$”	Hong Kong Dollars, the lawful currency of Hong Kong;

DEFINITIONS

“Independent Board Committee”	an independent committee of the board of Directors comprising Mr. Poon Lai Yin, Michael, Mr Lo Chi Kit and Mr. Tam Hang Chuen, the independent non-executive Directors, formed for the purpose of advising the Independent Shareholders in relation to the proposed Refreshed General Mandate;
“Independent Financial Adviser” or “VXLFS”	VXL Financial Services Limited, a corporation licensed to carry out type 6 (advising on corporate finance) regulated activity under the SFO, the independent financial adviser to the Independent Board Committee and the Independent Shareholders in relation to the proposed Refreshed General Mandate;
“Independent Shareholders”	shareholders of the Company other than Colpo and Mr. Kenny Chan and their respective Associates;
“Latest Practicable Date”	22 June 2007, being the latest practicable date prior to the printing of this circular;
“Listing Rules”	the Rules Governing the Listing of Securities on GEM as may be amended from time to time;
“Mr. Kenny Chan”	Mr. Chan Wing Him Kenny, the chairman and an executive director of the Company;
“Notice”	the notice convening the EGM;
“Old Share(s)”	old ordinary share(s) of HK\$0.01 each in the share capital of the Company before the Share Subdivision became effective on 18 April 2007;
“Refreshed General Mandate”	the general mandate which, if approved, would authorise the Directors to exercise the power of the Company to issue securities up to 20% of the Company’s issued share capital as at the date of the EGM;
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong);
“Share(s)”	share(s) of par value of HK\$0.005 each in the capital of the Company;
“Shareholder(s)”	holder(s) of the Shares;
“Share Subdivision”	subdivision of every issued and unissued Old Share into two Shares;
“Stock Exchange”	The Stock Exchange of Hong Kong Limited; and
“%”	per cent.

LETTER FROM THE BOARD OF DIRECTORS



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*)

Mr. Chan Man Ching

Independent Non-executive Directors:

Mr. Poon Lai Yin Michael

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 A, 7th Floor

Guangdong Investment Tower

148 Connaught Road Central

Hong Kong

25 June 2007

To Shareholders

Dear Sir or Madam,

REFRESHMENT OF GENERAL MANDATE TO ISSUE SHARES

AND

NOTICE OF EXTRAORDINARY GENERAL MEETING

INTRODUCTION

The purpose of this circular is to provide you with, among others, (i) information regarding resolutions to be proposed at the EGM to be held at 3:00 p.m. on Tuesday, 10 July 2007 at Conference Room, Unit A, 7th Floor, Guangdong Investment Tower, 148 Connaught Road Central, Hong Kong, which, upon approval, would enable the Company to (a) revoke the General Mandate; and (b) approve the Refreshed General Mandate; (ii) a letter of recommendation from the Independent Board Committee; (iii) a letter of advice from VXLFS on the Refreshed General Mandate; and (iv) a notice of the EGM.

LETTER FROM THE BOARD OF DIRECTORS

The Independent Board Committee, comprising Mr. Poon Lai Yin, Michael, Mr Lo Chi Kit and Mr. Tam Hang Chuen, has been constituted to advise the Independent Shareholders on the proposed Refreshed General Mandate. VXLFS has been appointed to advise the Independent Board Committee and Independent Shareholders on the proposed Refreshed General Mandate.

FUND RAISING ACTIVITIES SINCE THE LAST ANNUAL GENERAL MEETING OF THE COMPANY HELD ON 8 DECEMBER 2006

Set out below is a summary of the fund raising activities of the Company since its last annual general meeting held on 8 December 2006:

Date of Agreement/ Supplemental Deed	Transaction	Approximate net proceeds raised	Completed on	Intended use of proceeds	Actual use of proceeds
22 January 2007	placing of 24,000,000 Old Shares under the General Mandate	HK\$9,400,000	26 February 2007	for general working capital of the Group	fully utilised for payment of a refundable deposit to Global Richland Investment Limited pursuant to an exclusivity agreement and an announcement of the Company dated 10 April 2007, repayment of a director's loan and general working capital
9 May 2007 and 14 May 2007	Placing of 49,995,000 new Shares under the General Mandate (the "Placing")	HK\$39,250,000	28 May 2007	refer to "Use of Proceeds" section below	deposits in bank for intended use as referred to in "Use of Proceeds" section below

USE OF PROCEEDS

The Placing has raised gross proceeds of approximately HK\$39,996,000. Such proceeds (net of expenses of approximately HK\$746,000) will be used as to approximately HK\$10,000,000 for partial payment of the proposed acquisition of Allied Resources Limited as referred to in the Company's announcement dated 10 April 2007 and the balance for general working capital of the Group and funding for future investments or project developments when opportunities are identified.

LETTER FROM THE BOARD OF DIRECTORS

PROPOSAL FOR REFRESHED GENERAL MANDATE

On 8 December 2006, the General Mandate was given to the Directors to exercise the powers of the Company to issue up to 79,236,000 Old Shares, representing 20% of the issued share capital of the Company as at the date thereof. Such mandate has not been refreshed since it was granted and, after completion of the placings of Shares on 26 February 2007 and 28 May 2007 respectively, has been substantially utilized. As at the Latest Practicable Date, the balance of the General Mandate comprised 60,477,000 new Shares. In the circumstances and in order to provide the Company with general working capital and/or flexibility to fund future investments or project developments when opportunities are identified, at the EGM, it will be proposed, by way of ordinary resolutions, that (a) the General Mandate be revoked to the extent not yet exercised prior to the passing of the relevant resolution; and (b) the Directors be given the proposed Refreshed General Mandate.

As at the Latest Practicable Date, the number of Shares in issue was 895,455,000 Shares. If the proposed Refreshed General Mandate is approved and on the basis that no further Shares will be issued and/or repurchased by the Company between the Latest Practicable Date and the date of the EGM, up to 179,091,000 new Shares, representing 20% of the existing 895,455,000 issued Shares as at the Latest Practicable Date, could be allotted and issued by the Company thereunder. 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.

Pursuant to Rule 17.42A(1) of the Listing Rules, the proposed Refreshed General Mandate requires the approval of the Independent Shareholders by poll at the EGM at which any of the controlling Shareholders and their Associates, or, where there are no controlling Shareholders, the Directors (excluding the independent non-executive Directors) and the chief executive of the Company and their respective Associates shall abstain from voting in favour of the Refreshed General Mandate at the EGM. As Colpo is the controlling Shareholder, which beneficially owns approximately 66.03% of the issued share capital of the Company as at the Latest Practicable Date, and Mr. Kenny Chan is the sole beneficial owner of Colpo and the chairman and an executive director of the Company, Colpo, Mr. Kenny Chan and their respective Associates are required to, and will, abstain from voting in favour of the resolutions to be proposed at the EGM in respect of the revocation of the General Mandate and the approval of the Refreshed General Mandate.

THE EGM

The details of the EGM are set out below:–

Date: 10 July 2006

Time: 3:00 p.m.

Venue: Conference Room, Unit A, 7th Floor, Guangdong Investment Tower, 148 Connaught Road Central, Hong Kong

LETTER FROM THE BOARD OF DIRECTORS

As Colpo was the controlling Shareholder and Mr. Mr. Kenny Chan was its sole beneficial and the chairman and an executive director of the Company as at the Latest Practicable Date, voting on the resolutions in relation to the proposed revocation of the General Mandate and the approval of the Refreshed General Mandate will be conducted by way of a poll as required by the Listing Rules and for those matters, Colpo, Mr. Kenny Chan and their respective Associates shall abstain from voting at the EGM.

The Notice is set out on pages 15 to 18 of this circular. A form of proxy for use at the EGM is enclosed. Whether or not the Shareholders intend to attend the EGM, 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, Tengis Limited, 26/F., Tesbury Centre, 28 Queen's Road East, 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 EGM. The return of a form of proxy will not preclude the Shareholders from attending and voting in person at the EGM (or any adjournment thereof) should they so desire.

An announcement will be made by the Company following the conclusion of the EGM to inform the Shareholders of the results thereof.

RIGHT TO DEMAND A POLL

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
- (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 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.

LETTER FROM THE BOARD OF DIRECTORS

RECOMMENDATION

The Directors consider that the revocation of the General Mandate and granting of the Refreshed General Mandate 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 the resolutions to be proposed at the EGM.

Your attention is drawn to the recommendation of the Independent Board Committee (as set out on page 8 of this circular) and advice of VXLFS (as set out on pages 9 to 14 of this circular) regarding the proposed Refreshed General Mandate.

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



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)

25 June 2007

To the Independent Shareholders

Dear Sir or Madam,

REFRESHMENT OF GENERAL MANDATE TO ISSUE SHARES

We refer to the circular of the Company dated 25 June 2007 (the "Circular"), of which this letter forms part. Terms defined in the Circular shall have the same meanings when used herein unless the context otherwise requires.

We have been appointed by the Board to form the Independent Board Committee to consider the terms of the proposed Refreshed General Mandate and to make recommendations to the Independent Shareholders.

We have considered whether the terms of the proposed Refreshed General Mandate are fair and reasonable so far as the Independent Shareholders are concerned. VXLFS has been appointed as the independent financial adviser to advise us in respect of the above matter.

We wish to draw your attention to the letter from the Board and the letter from the Independent Financial Adviser as set out in the Circular.

Having considered the terms of the proposed Refreshed General Mandate and the independent advice of VXLFS as set out on pages 9 to 14 of the Circular, we consider that the terms of the proposed Refreshed General Mandate are fair and reasonable so far as the Company and the Independent Shareholders are concerned and the proposed Refreshed General Mandate is in the interests of the Company and the Shareholders as a whole. On this basis, we recommend that the Independent Shareholders to vote in favour of the resolution be proposed at the EGM to approve the proposed Refreshed General Mandate.

Yours faithfully,

For and on behalf of the Independent Board Committee

Mr. Poon Lai Yin Michael Mr. Lo Chi Kit Mr. Tam Hang Chuen

Independent non-executive

Directors

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

The following is the text of a letter of advice from VXLFS to the Independent Board Committee and the Independent Shareholders in respect of the refreshment of the General Mandate, which has been prepared for the purpose of inclusion in this circular.

VXL Financial Services Limited
Unit 3214, 32nd Floor, Cosco Tower
Grand Millennium Plaza (High Block)
183 Queen's Road Central
Hong Kong



25 June 2007

*To the Independent Board Committee and
the Independent Shareholders*

Dear Sirs,

REFRESHMENT OF GENERAL MANDATE TO ISSUE SHARES

INTRODUCTION

We refer to our appointment as the independent financial adviser to the Independent Board Committee and the Independent Shareholders in respect of the refreshment of the General Mandate. Details of the refreshment of the General Mandate are set out in the letter from the Board (the "**Letter from the Board**") contained in the circular of the Company dated 25 June 2007 (the "**Circular**"), of which this letter forms part. Terms used in this letter shall have the same meanings as defined in the Circular unless the context otherwise requires.

As referred to in the Letter from the Board, the Directors proposed to seek the approval of the Independent Shareholders by way of poll to refresh the General Mandate at the EGM. Pursuant to Rule 17.42A(1) of the Listing Rule, the controlling Shareholders (as defined in the Listing Rules) and their Associates or, where there are no controlling Shareholders, Directors (excluding independent non-executive Directors) and the chief executive of the Company and their respective Associates are required to abstain from voting in favor of the resolutions proposed for the approval of such refreshment. As at the Latest Practicable Date, Colpo is the controlling Shareholder, which beneficially owns approximately 66.03% of the issued share capital of the Company as at the Latest Practicable Date and Mr. Kenny Chan is the sole beneficial owner of Colpo and the chairman and an executive director of the Company. As such, Colpo, Mr. Kenny Chan and their respective Associates are required to, and will, abstain from voting in favour of the resolutions to be proposed at the EGM in respect of the refreshment of the General Mandate.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

The Independent Board Committee, comprising Mr. Poon Lai Yin, Michael, Mr. Lo Chi Kit, and Mr. Tam Hang Chuen, all being independent non-executive Directors, has been formed to advise the Independent Shareholders as to whether the refreshment of the General Mandate is fair and reasonable and in the interests of the Company and the Shareholders as a whole. As the independent financial adviser, our role is to give an independent opinion to the Independent Board Committee and the Independent Shareholders in this regard.

In formulating our advice and recommendation, we have relied on the information, facts and representations contained or referred to in the Circular and provided to us by the Company, its Directors and management. We have assumed that all the statements of beliefs, opinions, assumptions and intentions made by the Directors in the Circular were made reasonably after due and careful enquiry and were based on honestly-held opinion and that all the information, facts, opinions and representations made to us or contained or referred to in the Circular were true, accurate and complete in all respects at the time they were made and continued to be true, accurate and complete in all respects as at the date of the EGM and may be relied upon. We have no reason to doubt the truth, accuracy and completeness of the information, facts, opinions and representations provided to us by the Company, the Directors and its management and have been confirmed by the Directors that no material facts have been withheld or omitted from the information provided and referred to in the Circular.

We have reviewed currently available information and documents, which are available under the present circumstances to enable us to reach an informed view and to justify our reliance on the information provided so as to provide a reasonable basis for our recommendation. We have no reason to suspect that any relevant information or reports have been withheld, nor are we aware of any facts or circumstances which would render the information provided and the representations made to us to be untrue, inaccurate or misleading. We have not, however, carried out any form of independent investigation into the business, affairs, operations, financial position or future prospects of the Group.

PRINCIPAL FACTORS AND REASONS CONSIDERED

In arriving at our opinion and recommendation to the Independent Board Committee and the Independent Shareholders in respect of the refreshment of the General Mandate, we have considered the following principal factors and reasons:

1. Background of and reasons for the refreshment of the General Mandate

The Group is principally engaged in the provision of network infrastructure solutions and services in Hong Kong as well as Shanghai and the Guangdong Province, the People's Republic of China. At present, the Group has also been exploring into resources related projects.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

The General Mandate granted to the Directors to allot, issue and deal in up to a maximum of 79,236,000 Old Shares was approved at the annual general meeting of the Company held on 8 December 2006, being 20% of the total issued share capital of the Company as at the date of such annual general meeting. The Company allotted and issued 24,000,000 Old Shares under the General Mandate upon the completion of the placing which took place on 26 February 2007. The Company has undergone a Share Subdivision which became effective on 18 April 2007. After the Share Subdivision, on 28 May 2007, the Company further allotted and issued 49,995,000 new Shares by way of placing under the General Mandate. As a result of the placings of the aforesaid 24,000,000 Old Shares and 49,995,000 new Shares, the General Mandate has been substantially utilized. As at the Latest Practicable Date, the balance of the General Mandate granted to the Directors allows the Company to allot, issue and deal in 60,477,000 new Shares until the next annual general meeting of the Company, which is expected to be in or around December 2007.

As at the Latest Practicable Date, there were 895,455,000 Shares in issue. Assuming no other Shares will be issued or repurchased whatsoever between the Latest Practicable Date and the date of the EGM, the Refreshed General Mandate (if granted by the Independent Shareholders at the EGM) will empower the Directors to allot, issue or otherwise deal in up to a maximum of 179,091,000 new Shares.

We note from the latest published third quarterly report of the Company for the three months ended 30 April 2007 (the "**Third Quarterly Report 2006/2007**") that the Group is continuously exploring into climate change related technology especially in geological sequestration of CO₂ which has been getting more intensified. The Group has been discussed with China and international parties on future joint venture projects relating to such technology. The Group has an intention to acquire an oilfield for enviro-energy projects and the management of the Group expects a major transaction will be imminent in the upcoming fourth quarter of the financial year ending July 2007. We further understand from the management of the Company that additional financing activities may be required in the upcoming future to provide the Company with adequate resources to fulfill its goal to go into the new enviro-energy sector.

In view of the above, and taking into account the General Mandate has been substantially utilised, the Refreshed General Mandate could give the Company the flexibility and ability to capture any capital raising or investment or business opportunity as and when it arises. The Directors considered that if there is no refreshment of the General Mandate before the next annual general meeting of the Company, which is expected to be held in or around December 2007, the Company may not be able to capture any arising opportunities during the period in a speedily manner. The Directors therefore propose to seek the approval of the Independent Shareholders at the EGM to (i) revoke the General Mandate; and (ii) approve the granting of the Refreshed General Mandate. The Directors consider that the refreshment of the General Mandate is in the interests and for the benefits of the Company and the Shareholders as a whole.

2. Current financial resources

According to the annual report of the Company for the year ended 31 July 2006, the Group had audited bank balances and cash of approximately HK\$0.5 million. We also note from the Letter from the Board that the Company had raised a total net proceeds of approximately HK\$48.65 million from the two placing exercises which had completed on 26 February 2007 and 28 May 2007 respectively. The net proceeds of approximately HK\$9.40 million raised from the first placing which was completed on 26 February 2007 has been fully utilized. The net proceeds of approximately HK\$39.25 million raised from the second placing which was completed on 28 May 2007 has been deposited in bank for future intended use in the proposed acquisition of Allied Resources Limited as referred to in the announcement of the Company dated 10 April 2007 and the balance for general working capital of the Group and funding for future investments or project developments when opportunities are identified.

We have discussed with the Directors and were advised that the Group has sufficient cash resources to meet its present requirements. Save as the proposed acquisition of an adequate oilfield for enviro-energy projects as disclosed in the Third Quarterly Report 2006/2007, the Directors confirmed that the Group did not have any concrete proposal for any other investment or acquisition or any fund raising plan as at the Latest Practicable Date. However, there is still no certainty that such cash level will be adequate for any appropriate investment that may be identified by the Company in the future. We consider that it is prudent and reasonable for the Group to maintain a strong capital base whilst additional funding may be needed for potential business and/or investment opportunities as they may arise from time to time.

3. Financial flexibility

Given that equity financing is interest and security free by nature, the Directors consider that equity financing serves as a cost effective means of capital raising for the Group as general working capital and to fund investments and/or project developments opportunities that may be identified in the future. Given the fact that the General Mandate has been substantially utilised as mentioned above, we are of the view that it is in the interests of the Company and the Shareholders as a whole to refresh the General Mandate in order to maintain the flexibility of raising additional equity capital so as to procure potential business and/or investment opportunities.

4. Other financing alternatives

As advised by the Directors, apart from equity financing, the Group will also consider other financing methods such as bank financing, debt financing and funding through internal resources, in order to meet its financing requirements arising from future development of the Group, depending on the financial position, capital structure and cost of funding of the Group and the then market condition. We consider that it is a sensible consideration to make reference to the then financial

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

position of the Group in order to decide on a financing method for the future development of the Group. Notwithstanding this, the Directors have confirmed that they would exercise due and careful consideration, including but not limited to, the cost and timing of funds, when choosing the best method of financing for the Group.

5. Potential dilution effect to the shareholding of the Shareholders

The table below sets out the shareholding structure of the Company as at the Latest Practicable Date and upon utilization of the Refreshed General Mandate, assuming no share options of the Company will be exercised:

Shareholders	As at the Latest Practicable Date		Assuming full utilization of the Refreshed General Mandate	
	<i>Approximate</i>		<i>Approximate</i>	
	<i>Shares</i>	<i>%</i>	<i>Shares</i>	<i>%</i>
Colpo	591,270,000	66.03%	591,270,000	55.03%
Public Shareholders	304,185,000	33.97%	304,185,000	28.30%
Shares to be issued under the Refreshed General Mandate	0	0.00%	179,091,000	16.67%
	895,455,000	100.00%	1,074,546,000	100.00%

Assuming that no other Shares will be issued or repurchased whatsoever between the Latest Practicable Date and the date of the EGM, upon full utilisation of the Refreshed General Mandate, a total of 179,091,000 new Shares will be issued, representing approximately 16.67% of the total issued share capital of the Company as enlarged. Assuming full utilization of the Refreshed General Mandate, the aggregate shareholdings of the public Shareholders will be diluted from approximately 33.97% to approximately 28.30%. Taking into account the benefits of the refreshment of the General Mandate as discussed above, including inter alia, to provide the Company with the flexibility and the ability to capture any capital raising or investment or business opportunity as and when it arises, and considering that the shareholdings of all Shareholders will be diluted proportionately, we consider such dilution or potential dilution effect to the shareholdings of the Shareholders to be acceptable.

Shareholders should note that the General Mandate will be revoked (to the extent not exercised) upon approval of the refreshment of the General Mandate at the EGM and the Refreshed General Mandate will be and continue to be in force until 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

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

meeting of the Company is required to be held by any applicable laws of the Cayman Islands or the memorandum and articles of the Company; and (iii) its revocation or variation by ordinary resolutions of the Shareholders in general meeting.

RECOMMENDATION

Having taken into account the principal factors and reasons as discussed above, we consider that the refreshment of the General Mandate is fair and reasonable and in the interests of the Company and the Shareholders as a whole.

Accordingly, we recommend the Independent Board Committee to advise the Independent Shareholders to vote in favour of the ordinary resolutions as set out in the notice of EGM to (i) revoke the General Mandate and (ii) approve the Refreshed General Mandate to be proposed at the EGM.

Yours faithfully,
For and on behalf of
VXL Financial Services Limited
Gary Mui
Executive Director
Head of Corporate Finance

NOTICE OF EXTRAORDINARY GENERAL MEETING



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 EXTRAORDINARY GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT an Extraordinary General Meeting (“EGM”) of Enviro Energy International Holdings Limited (the “Company”) will be held at 3:00 p.m. on Tuesday, 10 July 2007 at Conference Room, Unit A, 7th Floor, Guangdong Investment Tower, 148 Connaught Road Central, Hong Kong for the following purposes:–

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

ORDINARY RESOLUTIONS

(1) “**THAT:**–

the general mandate granted to the board of directors of the Company (the “Directors”) to exercise the powers of the Company to allot, issue and deal with the unissued share of HK\$0.005 each in the capital of the Company at the annual general meeting of the Company held on 8 December 2006 be and is hereby revoked to the extent not yet exercised prior to the passing of this resolution provided that any exercise of powers of the Company to allot and issue shares prior to the passing of this resolution shall not in any way be affected or prejudiced.”

(2) “**THAT:**–

(a) subject to paragraph (c), the exercise by the board of Directors during the Relevant Period of all the powers of the Company to allot, issue and deal with, otherwise than pursuant to (i) a Rights Issue; 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 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

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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) shall authorize the 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), shall not exceed 20% of the aggregate nominal amount of the share capital of the Company in issue on the date of the passing this resolution and the authority pursuant to paragraph (a) shall be limited accordingly; and
- (d) for the purpose of this resolution, “Relevant Period” means the period from the date of the passing 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 of the Company 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 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

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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 recognized regulatory body or any stock exchange in any territory applicable to the Company).”

By Order of the Board
Enviro Energy International Holdings Limited
Chan Wing Him Kenny
Chairman

Hong Kong, 25 June 2007

Registered Office:

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

Head Office and Principal Place of

Business in Hong Kong:
Unit A, 7th Floor
Guangdong Investment
148 Connaught Road
Hong Kong

As at the date of this circular, the executive Directors are Mr. Chan Wing Him Kenny and Mr. Chan Man Ching, and the independent non-executive Directors are Mr. Poon Lai Yin, Michael, Mr. Lo Chi Kit and Mr. Tam Hang Chuen.

Notes:

1. Any member entitled to attend and vote at the EGM 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 member of the Company.
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 members of the Company 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, Tengis Limited, 26/F., Tesbury Centre, 28 Queen's Road East, Hong Kong not less than 48 hours before the time for holding the EGM, 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 members from attending and voting in person at the EGM (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 members present in person (or, in the case of a member being a corporation, by its duly authorised representative) or by proxy for the time being entitled to vote at the meeting; or

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- (c) by any member or members present in person (or, in the case of a member 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 members having the right to vote at the meeting; or
- (d) by any member or members present in person (or, in the case of a member being a corporation, by its duly authorized 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 Rules Governing the Listing of Securities on the Growth Enterprise Market of The Stock Exchange of Hong Kong Limited, 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.