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## **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)**

### **PROPOSALS FOR REFRESHMENT OF GENERAL MANDATE, SUBDIVISION OF SHARES AND CHANGE OF BOARD LOT SIZE**

#### **PROPOSED REFRESHMENT OF GENERAL MANDATE**

The Board proposes to refresh the General Mandate. If approved by the Independent Shareholders at the EGM, the Refreshed General Mandate will authorise the Board to allot and issue securities up to 20% of the shares then in issue on the date of the EGM.

Pursuant to Rule 17.42(A)(1) of the GEM Listing Rules, the proposed Refreshed General Mandate requires the approval of the Independent Shareholders by poll at the EGM. An Independent Board Committee will be constituted to advise the Independent Shareholders on the proposed Refreshed General Mandate. The Company will appoint an independent financial advisor to advise the Independent Board Committee on the proposed Refreshed General Mandate.

#### **PROPOSED SUBDIVISION OF SHARES AND CHANGE OF BOARD LOT SIZE**

The Board proposes that each of the existing issued and unissued Shares of par value of HK\$0.005 each in the share capital of the Company be subdivided into two shares of par value of HK\$0.0025 each. The Share Subdivision will become effective upon (i) the passing of an ordinary resolution by the Shareholders at the EGM; and (ii) the GEM Listing Committee granting the listing of, and permission to deal in, the Subdivided Shares.

The Shares are currently traded in board lots of 9,000 Shares. Upon the Share Subdivision becoming effective, the Subdivided Shares will be trade in board lots of 2,000 Subdivided Shares.

## **GENERAL INFORMATION**

A circular containing, amongst other things, further information on the refreshment of the General Mandate, the Share Subdivision, the trading arrangements in respect of the Subdivided Shares, the details of the Agent and the procedure for the free exchange of Existing Share Certificates, together with a letter of recommendation from the Independent Board Committee, a letter of advice from an independent financial advisor on the refreshment of the General Mandate and a notice convening the EGM will be dispatched to the Shareholders as soon as practicable.

## **PROPOSED REFRESHMENT OF GENERAL MANDATE**

The Board announces that, on 10 July 2007, the General Mandate was given to the Directors to exercise the powers of the Company to issue up to 179,091,000 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 placing of and subscription for Shares by Colpo on 16 July 2007 and 24 July 2007 respectively, was fully utilized. 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 resolution that the Directors be given the proposed Refreshed General Mandate. If approved by the Independent Shareholders at the EGM, such Refreshed General Mandate will authorize the Directors to allot and issue securities up to 20% of the shares then in issue on the date of the EGM.

As of the date of this announcement, the number of Shares in issue was 1,074,546,000 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 date of this announcement and the date of the EGM, up to 214,909,200 new Shares or 429,818,400 Subdivided Shares after the Share Subdivision has been approved and become effective, representing 20% of the existing 1,074,546,000 issued Shares as of the date of this announcement or 2,149,092,000 Subdivided Shares after the Share Subdivision has been approved and become effective, 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 GEM 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 55.03% of the issued share capital of the Company as of the date of this announcement, 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 resolution to be proposed at the EGM in respect of the approval of the Refreshed General Mandate. An Independent Board Committee will be constituted to advise the Independent Shareholders on the proposed Refreshed General Mandate. The Company will appoint an independent financial advisor to advise the Independent Board Committee on the proposed Refreshed General Mandate.

## **PROPOSED SUBDIVISION OF SHARES AND CHANGE OF BOARD LOT SIZE**

The Board proposes that each of the existing issued and unissued Shares of par value of HK\$0.005 each in the share capital of the Company be subdivided into two shares of par value of HK\$0.0025 each.

The Shares are currently traded in board lots of 9,000 Shares. Upon the Share Subdivision becoming effective, the Subdivided Shares will be traded in board lots of 2,000 Subdivided Shares. The change of board lot size will not result in any change in the relevant rights of the Shareholders.

### **Conditions of the Share Subdivision**

The Share Subdivision is conditional, amongst other things, upon:

- (i) the passing of an ordinary resolution by the Shareholders at the EGM for approving the Share Subdivision; and
- (ii) the GEM Listing Committee granting the listing of, and permission to deal in, the Subdivided Shares.

### **Reason for the Share Subdivision**

The Board believes that the Share Subdivision will improve the liquidity in trading of shares of the Company, thereby enabling the Company to attract more investors and widen the Company's shareholder base. Given the prevailing market conditions, a more liquid market will provide more flexibility for investors to buy and sell shares of the Company. Accordingly, the Board considers the Share Subdivision to be in the best interests of the Company and its Shareholders as a whole.

Save for the costs to be incurred by the Company in implementing the Share Subdivision, the Share Subdivision will not alter the underlying assets, business operations, management or financial position of the Company or the proportional interests of the Shareholders. The Board considers that the Share Subdivision will not have any adverse effect on the financial position of the Company.

## Shareholding Structure

As at the date of this announcement, the authorized share capital of the Company is HK\$50,000,000 divided into 10,000,000,000 Shares, of which 1,074,546,000 Shares are in issue and fully paid. Assuming that no further Shares will be issued or repurchased after the date of this announcement, the effect of the Share Subdivision on the share capital of the Company is set out as follows:

	<b>Before Share Subdivision (assuming no Share is issued or repurchased after the date hereof)</b>	<b>After Share Subdivision (assuming no Share is issued or repurchased after the date hereof)</b>
Par value of each share	HK\$0.005	HK\$0.0025
Number of authorized shares	10,000,000,000	20,000,000,000
Authorised share capital	HK\$50,000,000	HK\$50,000,000
Number of shares in issue	1,074,546,000	2,149,092,000
Issued share capital	HK\$5,372,730	HK\$5,372,730
Number of unissued shares	8,925,454,000	17,850,908,000
Unissued share capital	HK\$44,627,270	HK\$44,627,270
Number of shares to be issued under the Refreshed General Mandate	214,909,200	429,818,400

The Subdivided Shares will rank pari passu in all respects with each other and the Share Subdivision will not result in any change in the relevant rights of the Shareholders.

## Arrangement on odd lot trading

In order to facilitate the trading of odd lots of Subdivided Shares as a result of the Share Subdivision and the change of board lot size, the Company will appoint the Agent, details of which will be included in the circular to be dispatched to the Shareholders, to provide a matching service to the Shareholders who wish to top-up or sell their holdings of odd lots of the Subdivided Shares.

The Agent will provide the service to match the sale and purchase of odd lots of the Subdivided Shares during the period from 12 September 2007 to 5 October 2007, both days inclusive. Holders of the Subdivided Shares in odd lots who wish to take advantage of this facility either to dispose of or top-up their odd lots to a board lot of 2,000 Subdivided Shares may, directly or through their brokers, contact the Agent during such period. Further details of this service will be provided in the circular to be dispatched to the Shareholders as soon as practicable. Shareholders should note that successful matching of the sale and purchase of odd lots of the Subdivided Shares is not guaranteed and will depend on there being adequate amounts of odd lots of the Subdivided Shares available for such matching.

Shareholders are recommended to consult their professional advisers if they are in any doubt about the matching facility described above.

## Expected timetable

It is currently expected that the Share Subdivision will become effective on 29 August 2007. The expected timetable for the implementation of the Share Subdivision and the associated trading arrangement are set out as follows:

	<b>Time</b>	<b>Date (2007)</b>
Latest time for lodging forms of proxy for the EGM	3:00 p.m.	Sunday, 26 August 2007
EGM	3:00 p.m.	Tuesday, 28 August 2007
Publication of further announcement for the effectiveness of the Share Subdivision		Wednesday, 29 August 2007
Effective date of the Share Subdivision		Wednesday, 29 August 2007
Dealings in the Subdivided Shares commence	9:30 a.m.	Wednesday, 29 August 2007
Original counter for trading in existing Shares in board lots of 9,000 Shares temporarily closes	9:30 a.m.	Wednesday, 29 August 2007
Temporary counter for trading in board lots of 18,000 Subdivided Shares (in the form of the Existing Share Certificates) opens	9:30 a.m.	Wednesday, 29 August 2007
First day of free exchange of Existing Share Certificate for the New Share Certificates		Wednesday, 29 August 2007
Original counter for trading in Subdivided Shares in board lots of 2,000 Subdivided Shares (in the form of New Share Certificates) re-opens	9:30 a.m.	Wednesday, 12 September 2007
Parallel trading in Subdivided Shares (in the form of New Share Certificates and Existing Share Certificates) commences	9:30 a.m.	Wednesday, 12 September 2007
Matching service for the sale and purchase of odd lots of Subdivided Shares		from Wednesday, 12 September 2007 to Friday, 5 October 2007

	<b>Time</b>	<b>Date (2007)</b>
Temporary counter for trading in board lots of 18,000 Subdivided Shares (in the form of Existing Share Certificates) closes	4:00 p.m.	Friday, 5 October 2007
Parallel trading in Subdivided Shares (in the form of New Share Certificates and Existing Share Certificates) ends	4:00 p.m.	Friday, 5 October 2007
Last day for free exchange of Existing Share Certificates for New Share Certificates		Friday, 12 October 2007

### **Exchange of certificates**

The Existing Share Certificates will only be valid for delivery, trading and settlement purposes for the period up to 4:00 p.m. on 5 October 2007 and thereafter they will not be accepted for delivery, trading and settlement purposes. However, the Existing Share Certificates will continue to be good evidence of legal title to the Subdivided Shares on the basis of one Share for two Subdivided Shares and may be exchanged free of charge for the New Share Certificates for Subdivided Shares at any time between 29 August 2007 and 12 October 2007, both days inclusive, and on payment of a prescribed fee at any time after 12 October 2007. It is expected that the New Share Certificates will be available for collection within a period of 10 business days after the submission of the Existing Share Certificates. The New Share Certificates will be green in color so as to be distinguished from the Existing Share Certificates which are yellow in color.

### **Adjustments to share options**

As at the date of this announcement, there are outstanding share options for subscription of up to 66,188,000 Shares under the Share Option Scheme. The Share Subdivision may lead to adjustments to the exercise price and the number of Shares which may fall to be issued upon exercise of the outstanding share options. The Company will ascertain the required adjustments to the share options of which will be reviewed by the auditors or independent financial advisor of the Company pursuant to Rule 23.03 (13) of the GEM Listing Rules and Paragraph 9 of the rules of the Share Option Scheme, and the holders of the share options will be informed of the required adjustments as soon as practicable.

### **GENERAL**

An application will be made to the GEM Listing Committee of the Stock Exchange for the listing of, and permission to deal in, the Subdivided Shares.

A circular containing, amongst other things, further information on the refreshment of the General Mandate, the Share Subdivision, the trading arrangements in respect of the Subdivided Shares, the details of the Agent, and the procedure for the free exchange of Existing Share Certificates, together with a letter of recommendation from the Independent Board Committee, a letter of advice from an independent financial advisor on the refreshment of the General Mandate and a notice convening the EGM will be dispatched to the Shareholders as soon as practicable.

## DEFINITIONS

In this announcement, unless the context requires otherwise, the following expressions have the meanings as set out below:

“Agent”	the agent to be appointed for providing matching services to those Shareholders who wish to top-up or sell their holdings of odd lots of the Subdivided Shares
“Associate(s)”	has the meaning ascribed thereto under the GEM Listing Rules
“Board”	the board of Directors
“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 55.03% of the issued share capital of the Company as of the date of this announcement
“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
“EGM”	the extraordinary general meeting of the Company to be convened and held at 3:00 p.m., on Tuesday, 28 August 2007 at Conference Room, Unit A, 7th Floor, Guangdong Investment Tower, 148 Connaught Road Central, Hong Kong
“Existing Share Certificate(s)”	existing form of certificates of the Shares
“GEM”	the Growth Enterprise Market of the Stock Exchange
“GEM Listing Committee”	the listing sub-committee of the board for GEM
“GEM Listing Rules”	the Rules Governing the Listing of Securities on GEM
“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 extraordinary general meeting of the Company held on 10 July 2007
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China

“Independent Board Committee”	an independent committee of the Board comprising Mr. Poon Lai Yin, Michael, Mr. Lo Chi Kit and Mr. Tam Hang Chuen, the independent non-executive Directors, to be formed for the purpose of advising 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
“Mr. Kenny Chan”	Mr. Chan Wing Him Kenny, the chairman and an executive director of the Company
“New Share Certificate(s)”	form of certificates of the Subdivided Shares
“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
“Share(s)”	existing ordinary share(s) of par value of HK\$0.005 each in the share capital of the Company
“Shareholder(s)”	registered holder(s) of issued share(s) of the Company
“Share Option Scheme”	the post-IPO share option scheme adopted by the Company on 25 January 2003
“Share Subdivision”	subdivision of every issued or unissued Share into two Subdivided Shares
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subdivided Share(s)”	share(s) of par value of HK\$0.0025 each in the share capital of the Company upon completion of the Share Subdivision
“HK\$”	Hong Kong Dollars, the lawful currency in Hong Kong
“%”	per cent

By order of the Board  
**Chan Wing Him Kenny**  
*Chairman*

Hong Kong, 26 July 2007

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



*This announcement, 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: (1) the information contained in this announcement is accurate and complete in all material respects and not misleading; (2) there are no other matters the omission of which would make any statement in this announcement misleading; and (3) all opinions expressed in this announcement have been arrived at after due and careful consideration and are founded on bases and assumptions that are fair and reasonable.*

*This announcement 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 its posting and the website of the Company at [www.enviro-energy.com.hk](http://www.enviro-energy.com.hk).*