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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)

Website: <http://www.enviro-energy.com.hk>

(Stock Code: 1102)

DISCLOSEABLE TRANSACTION ACQUISITION OF 95% OF HUGO LINK GLOBAL INVESTMENTS LTD.

The Board wishes to announce that on 31 March 2012, the Purchaser has entered into the Agreement with the Vendor pursuant to which the Purchaser has conditionally agreed to acquire the Sale Shares, representing a 95% interest in Hugo Link, for a total consideration of US\$18.0 million (equivalent to approximately HK\$140.4 million).

As the applicable percentage ratios under the Listing Rules is more than 5% and less than 25%, the Acquisition constitutes a discloseable transaction for the Company under Chapter 14 of the Listing Rules.

The Board wishes to announce that on 31 March 2012, the Purchaser has entered into the Agreement with the Vendor, details of which are set out below.

THE SALE AND PURCHASE AGREEMENT

Date: 31 March 2012

Parties: the Purchaser and the Vendor. To the best knowledge, information and belief of the Board and after making all reasonable enquiry, the Vendor and its ultimate beneficial owner are third parties independent of the Company and its connected persons within the meaning of the Listing Rules.

Assets to be acquired

Pursuant to the Agreement, the Purchaser has conditionally agreed to acquire the Sale Shares, representing a 95% interest in Hugo Link.

As at the date of this announcement, Hugo Link holds 90% of PT. Bara Hugo Energy which in turn holds 37.5% of PT. Grasada Multinational. PT. Bara Hugo Energy also holds warrants in PT. Grasada Multinational which upon exercise will bring its shareholding in PT. Grasada Multinational to 60%.

Consideration

The total Consideration for the Acquisition shall be US\$18.0 million (equivalent to approximately HK\$140.4 million), which shall be payable to the Vendor in the following manner:

- (a) US\$3.5 million (equivalent to approximately HK\$27.3 million) to be paid by the Purchaser to the Vendor in cash on or prior to Completion; and
- (b) US\$14.5 million (equivalent to approximately HK\$113.1 million) shall be satisfied by the allotment and issuance of 452,400,000 new shares at HK\$0.25 per Consideration Share on the Allotment Date.

The Consideration was determined after arm's length negotiations between the parties to the Agreement with reference to (1) the Group's internal assessment on the Target Group taking into account the potential value of, among others, the mining permit it possesses; (2) the future business prospects of the Target Group; (3) the potential cash flows that will be generated from the Target Group; and (4) the potential business opportunities that can be provided to the Group. The Directors are of the view that the Consideration is fair and reasonable.

Consideration Shares

The issue price of HK\$0.25 per Consideration Share represents (i) a premium of approximately 22.0% to the closing price of HK\$0.205 per Share as quoted on the Stock Exchange on the Last Trading Day; and (ii) a premium of approximately 18.5% to the 5-day average closing price of approximately HK\$0.211 per Share as quoted on the Stock Exchange for the last five trading days up to and including the Last Trading Day. The total market value of the Consideration Shares amounted to approximately HK\$92.7 million based on the closing price of HK\$0.205 per Share as quoted on the Stock Exchange on the Last Trading Day.

The Consideration Shares comprise 452,400,000 new Shares, which represent approximately 16.3% of the Company's existing issued share capital as of the date of this announcement and approximately 14.0% of the Company's enlarged issued share capital after the allotment and issuance of the Consideration Shares on the Allotment Date.

The Consideration Shares will be issued, credited as fully paid, to the Vendor on the Allotment Date pursuant to the existing general mandate granted to the Directors by the Shareholders at the annual general meeting of the Company held on 12 May 2011 under

which up to 20% of the aggregate nominal amount of the share capital of the Company in issue on that date can be allotted and issued (the “**General Mandate**”). As of 12 May 2011, the number of issued Shares were 2,777,458,800. Therefore the Directors were authorised to allot and issue up to 555,491,760 Shares under the General Mandate. As of the date of this announcement, 100% of the General Mandate (representing 555,491,760 Shares) has not been utilised and is therefore sufficient to cover the Consideration Shares to be allotted and issued on the Allotment Date.

The Consideration Shares, when issued, will rank pari passu with the existing issued fully-paid Shares including the right to receive in full all dividends and other distributions declared after the date of allotment of the Consideration Shares.

The Company will apply to the Listing Committee for the listing of, and permission to deal in, the Consideration Shares on the Stock Exchange.

Restrictions on the sale of the Consideration Shares

The Consideration Shares shall be subject to a lock-up period of 12 months from the Allotment Date, during which the Consideration Shares shall not be transferred, sold, lent, charged, mortgaged, otherwise used as security or otherwise encumbered.

Conditions precedent

Completion is subject to the fulfillment or waiver of the following conditions:

- (a) the Purchaser’s satisfaction as to the due diligence in respect of the financial, corporate and taxation positions of the Target Group;
- (b) the Purchaser being satisfied with a legal opinion by qualified lawyers in the British Virgin Islands on matters relating to the Vendor and Hugo Link;
- (c) the Purchaser being satisfied with a legal opinion by qualified lawyers in Indonesia on matters relating to PT. Bara Hugo Energy and PT. Grasada Multinational;
- (d) the Purchaser being satisfied with a tax opinion by qualified tax adviser in Indonesia on the tax liability, if any, to the Purchaser and the Vendor under the law of Indonesia in respect of the sale and purchase of the Sale Shares and the transactions as contemplated in the Agreement;
- (e) the delivery by the Vendor to the Purchaser of a copy of the Accounts as defined in the Agreement (certified as true and accurate by the Vendor);
- (f) the passing of the relevant resolutions of the Board for approving, among others, (i) the Agreement and transactions contemplated therein and (ii) the allotment and issuance of the Consideration Shares to the Vendor;
- (g) the passing of the relevant resolutions of the boards of directors of the Purchaser and its holding company for approving, among others, the Agreement and transactions contemplated therein;

- (h) save and except other payables and accrued liabilities disclosed in the said Accounts, all liabilities of the Target Group having been settled by the Vendor (not sourced from any asset within the Target Group) and the Target Group will be free of any liability upon Completion;
- (i) the approval for the listing of, and permission to deal in, the Consideration Shares having been granted by the Listing Committee; and
- (j) if required, the relevant authorities in the BVI or Indonesia approving the transactions contemplated in the Agreement.

Completion

Completion will take place on the next Business Day on which the last of the outstanding conditions above has been fulfilled or waived or such other date being not later than 30 June 2012 or such other date as is agreed in writing by the parties.

Change in shareholding structure of the Company

Assuming no further Shares are issued and/or repurchased by the Company before the Allotment Date, the shareholding structure of the Company as of the date of this announcement and immediately after the Allotment Date is as follows:

Name of Shareholders	As at the date of this announcement		Immediately after the Allotment Date	
Colpo Mercantile Inc. <i>(Note)</i>	1,188,680,000	42.79%	1,188,680,000	36.80%
Chan Wing Him Kenny	8,834,000	0.32%	8,834,000	0.27%
The Vendor	—	—	452,400,000	14.00%
Public Shareholders	<u>1,580,444,800</u>	<u>56.89%</u>	<u>1,580,444,800</u>	<u>48.93%</u>
	<u><u>2,777,958,800</u></u>	<u><u>100.00%</u></u>	<u><u>3,230,358,800</u></u>	<u><u>100.00%</u></u>

Note: The entire issued share capital of Colpo Mercantile Inc., the substantial shareholder of the Company, is beneficially owned by Mr. Chan Wing Him Kenny, the Chairman and Chief Executive Officer and an executive Director of the Company, who is therefore deemed to be interested in approximately 42.79% of the issued share capital of the Company as at the date of this announcement.

INFORMATION ON THE GROUP

We are principally engaged in investment holding and development of the full range of energy-related projects involving conventional oil, unconventional natural gas, state-of-the-art oil and gas related environmental technologies and other high return natural resource projects.

Reasons for the Acquisition

Asian economies remain among the strongest in the world in terms of sustained growth and demand for resource commodities across a broad spectrum also remains high, creating extraordinary opportunities for value creation and corporate growth on the supply side.

In particular, China, which has become the second largest economy in the world after that of the United States and which has successfully evolved to a market-oriented economy with a rapidly growing private sector, represents a significant target market. China's gross domestic product has expanded approximately 8% over the past 12 months, a pace greater than the entire Organisation for Economic Cooperation and Development (OECD), and has maintained an incredible rate of new demand for a range of precious, base and industrial minerals. Identifying new supply for this and other growth markets is a major challenge and opportunity.

While the Group remains focused on the development of upstream hydrocarbons and natural resources, senior management has been reviewing and evaluating opportunities to generate cash and create value in niche resources markets, and to seize the opportunity represented by the increased demand for specialised products in China and throughout Asia Pacific.

Indonesia has been one target area for new business development based on the recognised wealth of natural resources in the country and its proximity to high demand markets. The Group's management has extensive business relationships across the Indonesian resource business sector and has been able to gain access to superior investment opportunities in multiple resource categories.

The Acquisition represents an investment opportunity for the Group to secure a position in Indonesia's wealth of natural resources. In addition, the Target Group is expected to contribute strong profits and cash flow, accelerate the pace of the Group's business expansion and augment the Group's current activities in energy resources.

The Directors believe that the terms of the Agreement are fair and reasonable and in the best interest of the Shareholders and the Company as a whole.

INFORMATION ON THE VENDOR

The Vendor is wholly-owned by Mr. Charles Sing Tjay Thio, an Indonesian Chinese businessman independent of the Company and its connected persons within the meaning of the Listing Rules.

INFORMATION ON HUGO LINK, PT. BARA HUGO ENERGY AND PT. GRASADA MULTINATIONAL

Hugo Link is an investment holding company incorporated in the British Virgin Islands.

PT. Bara Hugo Energy is a company established in Indonesia principally engaged in investments in upstream resources businesses including precious, base and industrial minerals.

PT. Grasada Multinational is a company established in Indonesia, principally engaged in marble rock mining and related business, and having a mining permit covering approximately 33 hectares at Desa Selenrang, Kecamatan Bontoa, Maros Regency, Indonesia.

PT. Bara Hugo Energy was established on 11 February 2011. Based on the unaudited accounts of PT. Bara Hugo Energy, the net assets of PT. Bara Hugo Energy amounted to approximately HK\$4.0 million as at 31 December 2011. The net loss of PT. Bara Hugo Energy for the period ended 31 December 2011 amounted to approximately HK\$1.0 million.

GENERAL

As the applicable percentage ratios under the Listing Rules is more than 5% and less than 25%, the Acquisition constitutes a discloseable transaction for the Company under Chapter 14 of the Listing Rules.

DEFINITIONS

In this announcement, unless the context otherwise requires, the following expressions shall have the following meanings when used herein:

“Acquisition”	the acquisition of the Sale Shares by the Purchaser pursuant to the Agreement
“Agreement”	the conditional agreement relating to the sale and purchase of the Sale Shares entered into between the Purchaser and the Vendor on 31 March 2012
“Allotment Date”	when the Consideration Shares shall be allotted and issued to the Vendor pursuant to the Agreement
“Board”	the board of Directors
“Company”	Enviro Energy International Holdings Limited, incorporated in the Cayman Islands with limited liability, the issued Shares of which are listed on the Main Board of the Stock Exchange
“Completion”	completion of the Acquisition in accordance with the terms and conditions of the Agreement
“Consideration”	the consideration for the Acquisition pursuant to the Agreement
“Consideration Shares”	being 452,400,000 new Shares to be allotted and issued at an issue price of HK\$0.25 per Consideration Share, credited as fully paid, to satisfy part of the Consideration, on the Allotment Date and “Consideration Share” shall be construed accordingly
“Directors”	the directors of the Company
“Group”	the Company, its subsidiaries and jointly-controlled entity
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong

“Hugo Link”	Hugo Link Investments Ltd., a company incorporated in the British Virgin Islands
“Last Trading Day”	30 March 2012, being the last trading day before the publication of this announcement
“Purchaser”	CCST Singapore Pte. Ltd., an indirect wholly-owned subsidiary of the Company
“Sale Shares”	95 issued shares in the capital of Hugo Link
“Share(s)”	the share(s) of HK\$0.0025 each in the capital of the Company
“Shareholder(s)”	holder(s) of the Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Target Group”	includes Hugo Link, PT. Bara Hugo Energy and PT. Grasada Multinational
“US\$”	United States dollars, the lawful currency of the United States of America
“Vendor”	Cool Legend Limited, a company incorporated in the British Virgin Islands with limited liability
“%”	per cent.

Unless otherwise specified in this announcement, translation of US\$ into HK\$ is made in this announcement, for illustration purpose only, at the rate of US\$1.0 to HK\$7.8.

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

Hong Kong, 2 April 2012

As at the date of this announcement, 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