

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.

This announcement is for information purposes only and does not constitute an invitation or offer to acquire, purchase or subscribe for any securities of the Company.



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)

SUBSCRIPTION OF NEW SHARES UNDER GENERAL MANDATE

SUBSCRIBER



CEDRUS INVESTMENTS

Cedrus Investments Limited

Investment Agreement

On 6 May 2013, the Company entered into a conditional Investment Agreement with the Subscriber, pursuant to which the Subscriber has conditionally agreed with the Company to subscribe for 77,500,000 New Shares at the Subscription Price of HK\$0.150 per Share.

The Subscription Price represents the closing price per Share of HK\$0.150 on 3 May 2013 (the last trading day prior to the release of this announcement), a premium of approximately 0.7% to the average closing price per Share of approximately HK\$0.149 as quoted on the Stock Exchange for the last five trading days up to and including 3 May 2013 and a premium of approximately 0.7% to the average closing price per Share of approximately HK\$0.149 as quoted on the Stock Exchange for the last ten trading days up to and including 3 May 2013.

As at the date of this announcement, the New Shares to be issued pursuant to the Subscription represent approximately 2.3% of the existing issued share capital of the Company and approximately 2.2% of the issued share capital of the Company as enlarged by the Subscription.

An application will be made to the Listing Committee for the approval of the listing of, and permission to deal in, the New Shares to be issued pursuant to the Subscription. The gross proceeds and net proceeds from the Subscription are estimated to be approximately HK\$11.6 million and HK\$11.6 million, respectively, which will mainly be used to fund the working program of the unconventional gas project in Liuhuanguo, Xinjiang, for new investment in natural resources, if opportunities arise, and as additional general working capital.

General

Shareholders and potential investors should note that completion of the Subscription is subject to fulfillment of the conditions under the Investment Agreement. As the Subscription may or may not proceed, Shareholders and potential investors are reminded to exercise caution when dealing in the Shares.

1. INVESTMENT AGREEMENT

Date

6 May 2013

Parties

- (a) The Company; and
- (b) the Subscriber.

The Subscriber and its ultimate beneficial owner(s) are independent of the Company and its connected persons. As at the date of this announcement, the Subscriber holds 154,000,000 Shares.

Information on the Subscriber

The Subscriber, Cedrus Investments Limited, is a global boutique investment firm. It specialises in asset management and financial advisory services. The Subscriber's asset management division makes direct investments in public companies with significant growth potential, unique assets, and proven management teams in the areas of natural resources, energy, life sciences and nanotechnology.

New Shares

The Subscriber will subscribe for 77,500,000 New Shares, representing approximately 2.3% of the existing issued share capital of the Company and approximately 2.2% of the issued share capital of the Company as enlarged by the Subscription, at the Subscription Price of HK\$0.150 per New Share .

Subscription Price

The Subscription Price of HK\$0.150 per New Share was arrived at after arm's length negotiation between the Company and the Subscriber. After deducting the costs and expenses in connection with the Subscription, the net price per New Share under the Subscription will be approximately HK\$0.150.

The Subscription Price represents the closing price per Share of HK\$0.150 on 3 May 2013 (the last trading day prior to the release of this announcement), a premium of approximately 0.7% to the average closing price per Share of approximately HK\$0.149 as quoted on the Stock Exchange for the last five trading days up to and including 3 May 2013 and a premium of approximately 0.7% to

the average closing price per Share of approximately HK\$0.149 as quoted on the Stock Exchange for the last ten trading days up to and including 3 May 2013.

The Subscription Price was determined after arm's length negotiation between the Company and the Subscriber which have taken into account recent market price of the Shares as mentioned above and the current market conditions, and the Directors (including the independent non-executive Directors) consider that the Subscription Price to be fair and reasonable and is in the best interest of the Company and Shareholders.

Ranking of the New Shares

The 77,500,000 New Shares to be issued pursuant to the Subscription, when issued and fully paid, will rank equally with the existing Shares in issue as at the date of issuance of the New Shares including the right to receive all future dividends and distributions which may be declared, made or paid.

Mandate to issue New Shares

The 77,500,000 New Shares to be issued pursuant to the Subscription will be allotted and issued pursuant to the General Mandate to issue up to 646,071,760 new Shares. As at the date of this announcement, the Company has issued 154,000,000 Shares pursuant to the General Mandate. As at the date of this announcement, the General Mandate comprised 492,071,760 new Shares. An application will be made to the Listing Committee for the approval of the listing of, and permission to deal in, the New Shares to be issued pursuant to the Subscription.

Conditions of the Subscription

Completion of the Subscription is conditional upon the Listing Committee granting the approval of the listing of, and permission to deal in, the New Shares to be issued pursuant to the Subscription.

Completion of the Subscription

The parties expect that the Subscription will be completed within 14 days after the date of the Investment Agreement, unless mutually extended by both parties.

2. EFFECT ON THE SHAREHOLDINGS FOLLOWING COMPLETION OF THE SUBSCRIPTION

Assuming no Shares will be issued, pursuant to the 2003 Share Option Scheme and the 2011 Share Option Scheme adopted by the Company, or repurchased between the date of this announcement and the completion of the Subscription, the shareholdings in the Company before and after the completion of the Subscription is summarised as follows:

Shareholder	As at the date of this announcement		Immediately after completion of the Subscription	
	Number of Shares	Approx. %	Number of Shares	Approx. %
Colpo (<i>Note 1</i>)	1,188,680,000	34.80	1,188,680,000	34.02
Chan Wing Him Kenny ("Mr. Chan")	24,681,000	0.72	24,681,000	0.70
Arthur Ross Gorrell	2,625,000	0.08	2,625,000	0.08
Tam Hang Chuen	1,000,000	0.03	1,000,000	0.03
Cool Legend Limited (<i>Note 2</i>)	452,400,000	13.24	452,400,000	12.95
Subscriber	154,000,000	4.51	231,500,000	6.63
Public shareholders	1,592,660,000	46.62	1,592,660,000	45.59
Total	3,416,046,000	100.00	3,493,546,000	100.00

Notes:

- 1. The entire issued share capital of Colpo is beneficially wholly-owned by Mr. Chan, the Chairman and Chief Executive Officer of the Company and an executive Director.*
- 2. The entire issued share capital of Cool Legend Limited is beneficially wholly-owned by Mr. Thio Sing Tjay Charles, a director of Hugo Link Global Investments Limited, a subsidiary of the Company.*

The Board considers that the Company can maintain the minimum public float as prescribed by the Listing Rules upon completion of the Subscription.

3. REASONS FOR THE SUBSCRIPTION AND USE OF PROCEEDS

The Group is 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.

The Board considers that the future of the resources related pursuit of the Company will benefit from the expected continuous growth in the resources market. The Group is constantly pursuing business expansion strategy which requires additional capital when opportunities arise. The gross proceeds and net proceeds from the Subscription are estimated to be approximately HK\$11.6 million and HK\$11.6 million, respectively, which will mainly be used to fund the working program of the unconventional gas project in Liuhuanggou, Xinjiang, for new investment in natural resources, if opportunity arise, and as additional general working capital. The Directors consider that equity financing has merits over debt financing to fund its capital needs as the former could broaden the Shareholder base of the Company without creating any interest cost on the Company.

When comparing the various equity financing methods, the Directors perceive that the Subscription would enable the Company to raise funds in a more commercially expedient time-frame.

Moreover, the Directors consider that the Subscription will strengthen the capital base and the financial position of the Company. Hence, the Directors decided to conduct the Subscription to raise fund. In view of the above, the Directors (including the independent non-executive Directors) are of the view that the Subscription and the terms are fair and reasonable and in the interests of the Company and its Shareholders as a whole.

Save for the issue of 154,000,000 Shares on 10 August 2012 at the subscription price of HK\$0.152 per new Share, raising net proceeds of approximately HK\$22.6 million, the Company has not conducted any equity fund-raising activities in the twelve (12) months preceding the date of this announcement.

4. GENERAL

Shareholders and potential investors should note that completion of the Subscription is subject to fulfillment of the conditions under the Investment Agreement. As the Subscription may or may not proceed, Shareholders and potential investors are reminded to exercise caution when dealing in the Shares.

5. DEFINITIONS

“Board”	the board of directors of the Company;
“Business Day”	a day, excluding Saturdays, on which banks in Hong Kong are generally open for business;
“Colpo”	Colpo Mercantile Inc., a company incorporated in the British Virgin Islands with limited liability, the controlling shareholder of the Company;
“Company”	Enviro Energy International Holdings Limited, a company incorporated in the Cayman Islands with limited liability, the Shares of which are listed on Stock Exchange;
“connected persons”	has the meaning as defined in the Listing Rules;
“Director(s)”	the director(s) of the Company;
“General Mandate”	the general mandate granted to the Directors at the annual general meeting of the Company held on 17 May 2012;
“Group”	the Company and its subsidiaries;
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China;
“Investment Agreement”	the investment agreement dated 6 May 2013 between the Company and the Subscriber in respect of the Subscription;
“Listing Committee”	has the meaning ascribed to such term in the Listing Rules;

“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange;
“New Shares”	77,500,000 new Shares for the Subscription;
“Subscriber”	Cedrus Investments Limited;
“Subscription”	subscription of the New Shares pursuant to the Investment Agreement;
“Subscription Price”	price payable for the New Shares at HK\$0.150 per Share;
“Share(s)”	ordinary share(s) of HK\$0.0025 each in the share capital of the Company;
“Shareholder(s)”	holder(s) of the Shares;
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“HK\$”	Hong Kong dollar, the lawful currency of Hong Kong; and
“%”	per cent.

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

Hong Kong, 6 May 2013

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