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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)

**FURTHER INFORMATION ON THE DISTRIBUTION IN SPECIE  
OUT OF THE SHARE PREMIUM ACCOUNT  
AND  
RESUMPTION OF TRADING**

Reference is made to the announcement of the Company on 24 November 2014.

This announcement is to provide further information to the Shareholders regarding the Distribution in Specie and is made pursuant to Rule 13.09 of the Listing Rules and the Inside Information Provisions (as defined in the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

Although the Distribution in Specie does not constitute a transaction under Chapter 14 of the Listing Rules, the Company will take additional measures in order to protect the interests of Independent Shareholders and the Circular will contain information comparable to those required for a very substantial disposal under Chapter 14 of the Listing Rules. The EGM will be held for the purpose of considering and, if thought fit, approving the relevant resolution(s) in respect of the Distribution in Specie by Independent Shareholders, by way of poll at the EGM. Since Mr. Chan is expected to be the sole director of the Privateco and will hold approximately 42.13% of the Privateco, Mr. Chan, his associates and parties acting in concert with him (including Colpo) will voluntarily abstain from voting on the relevant resolution(s) approving the Distribution in Specie.

The Circular containing, among other things, details of the Distribution in Specie, the relevant financial and other information relating to the Privateco Group, the recommendation of the Independent Board Committee in relation to the Distribution in Specie, a letter from the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders in respect of the Distribution in Specie, a summary of the memorandum and articles of association of the Privateco as well as certain aspects of BVI company law, a notice of the EGM, and the related proxy form, will be sent to Shareholders as soon as practicable.

## **RESUMPTION OF TRADING**

Trading in the Shares was suspended with effect from 9:54 a.m. on 24 November 2014 pending the release of this announcement. Application has been made by the Company to the Stock Exchange for the resumption of trading in the Shares with effect from 9:00 a.m. on 8 December 2014.

Reference is made to the announcement of Enviro Energy International Holdings Limited (“**Company**”) dated 24 November 2014 (“**Announcement**”) in relation to the proposed Distribution in Specie out of the Share Premium Account. Terms defined in the Announcement shall have the same meanings when used herein, unless the context requires otherwise.

This announcement is to provide further information to the Shareholders regarding the Distribution in Specie and is made pursuant to Rule 13.09 of the Listing Rules and the Inside Information Provisions (as defined in the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

## **BOARD MEETING HELD ON 4 DECEMBER 2014**

A meeting of the Board was held on 4 December 2014 and the Board approved the payment of a special dividend by way of the Distribution in Specie.

## **INTENTION OF THE PRIVATECO**

As disclosed in the Announcement, the only outcome from the arbitration, if successful, would be a cash settlement from CNPC, and it is the current intention of TWE to distribute all settlement proceeds, after payment of all relevant tax and expenses, to its shareholders. Upon receipt of such dividends (if any) from TWE, it is the current intention of Aces Diamond International Ltd. and Chavis International Ltd., being the shareholders of TWE and wholly-owned subsidiaries of the Privateco upon completion of the Group Restructuring, to distribute such dividends, after payment of all relevant tax and expenses, to the Privateco. Similarly, it is the current intention of the Privateco to distribute such dividends, after payment of all relevant tax and expenses, to its shareholders. Details of the procedures regarding such possible payments will be set out in the circular to be issued by the Company (“**Circular**”).

As at the date hereof, the only asset TWE holds is the PSC. In the event that the arbitration is not successful, TWE will be dissolved, and correspondingly the Privateco, Aces Diamond International Limited and Chavis International Limited will be dissolved as well, all in accordance with their constitutional documents and applicable law.

## **MANAGEMENT OF THE PRIVATECO**

The sole director of the Privateco is expected to be Mr. Chan Wing Him Kenny (“**Mr. Chan**”), an executive Director, Chairman and Chief Executive Officer of the Company, and the controlling Shareholder (as defined under the Listing Rules). As at the date hereof, Mr. Chan, through Colpo Mercantile Inc. (which is beneficially wholly-owned by Mr. Chan) (“**Colpo**”) and his personal interests, hold approximately 42.13% of the issued share capital of the Company. Mr. Chan will hold approximately 42.13% of the Privateco upon completion of the Distribution in Specie on a pro rata basis.

As at the date hereof, Aces Diamond International Limited and Chavis International Limited are both wholly-owned subsidiaries of the Company, and Mr. Chan is the sole director of these two companies. Upon completion of the Distribution in Specie and the Group Restructuring, Aces Diamond International Limited and Chavis International Limited will become wholly-owned subsidiaries of the Privateco, and Mr. Chan will continue to be the sole director of these two companies.

#### **MANAGEMENT OF TWE**

As at the date hereof, the board of directors of TWE comprises four directors, namely Mr. Chan (also an executive Director), Dr. Arthur Ross Gorrell (also an executive Director), Mr. Donald O. Downing and Mr. Chan Wan Tsun Adrian Alan. Upon completion of the Distribution in Specie, TWE will continue to be managed by these four directors and their main responsibility will be to manage matters in relation to the arbitration since TWE does not and does not intend to have any other operations.

#### **FURTHER INFORMATION ABOUT THE PRIVATECO**

To safeguard the ongoing interests of the shareholders of the Privateco, the articles of association of the Privateco will be comparable to the existing memorandum and articles of association of the Company and will contain provisions comparable to the rules governing connected transactions and notifiable transactions contained in the Listing Rules, so that certain transactions will be subject to independent shareholders' approval and independent advice. Details of which will be provided in the Circular.

#### **EXPECTED TIMETABLE**

Since additional time is required to prepare the Circular, the timetable of the Distribution in Specie will be delayed. The Company will make an announcement on the revised timetable of the Distribution in Specie as and when the Circular is dispatched to the Shareholders.

#### **GENERAL**

Although the Distribution in Specie does not constitute a transaction under Chapter 14 of the Listing Rules, the Company will take additional measures in order to protect the interests of independent Shareholders ("**Independent Shareholders**") and the Circular will contain information comparable to those required for a very substantial disposal under Chapter 14 of the Listing Rules. The EGM will be held for the purpose of considering and, if thought fit, approving the relevant resolution(s) in respect of the Distribution in Specie by Independent Shareholders, by way of poll at the EGM. Since Mr. Chan is expected to be the sole director of the Privateco and will hold approximately 42.13% of the Privateco, Mr. Chan, his associates and parties acting in concert with him (including Colpo) will voluntarily abstain from voting on the relevant resolution(s) approving the Distribution in Specie. An independent board committee comprising all of the three independent non-executive Directors ("**Independent Board Committee**") will be formed to advise the Independent Shareholders on the Distribution in Specie. An independent financial adviser ("**Independent Financial Adviser**") will be appointed to advise the Independent Board Committee and the Independent Shareholders on the Distribution in Specie.

The Circular containing, among other things, details of the Distribution in Specie, the relevant financial and other information relating to the Privateco Group, the recommendation of the Independent Board Committee in relation to the Distribution In Specie, a letter from the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders in respect of the Distribution in Specie, a summary of the memorandum and articles of association of the Privateco as well as certain aspects of BVI

company law, a notice of the EGM, and the related proxy form, will be sent to Shareholders as soon as practicable.

**Shareholders should note that the Distribution in Specie is subject to the approval by the Independent Shareholders as described in this announcement. Shareholders and / or potential investors in the Company should be aware that implementation of the Distribution in Specie may or may not become effective. There is no assurance that the Distribution in Specie will be approved or will materialise as a result thereof. Meanwhile, the Shareholders and prospective investors are advised to exercise caution in dealing in the Shares.**

#### **RESUMPTION OF TRADING**

Trading in the Shares was suspended with effect from 9:54 a.m. on 24 November 2014 pending the release of this announcement. Application has been made by the Company to the Stock Exchange for the resumption of trading in the Shares with effect from 9:00 a.m. on 8 December 2014.

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

Hong Kong, 5 December 2014

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