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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: 1102)

**DISCLOSEABLE TRANSACTIONS
IN RELATION TO THE ACQUISITIONS
OF THE TARGET PROPERTIES A
AND
TARGET PROPERTIES B
BOTH SITUATED IN YINGKOU CITY,
LIAONING PROVINCE IN THE PRC**

THE AGREEMENT A

The Board is pleased to announce that on 29 December 2015 (after trading hour), the Purchaser, an indirect wholly-owned subsidiary of the Company, entered into the Agreement A with Yingkou Liaohai, pursuant to which the Purchaser has conditionally agreed to acquire and Yingkou Liaohai has conditionally agreed to sell the Target Properties A to the Purchaser at the Consideration A of RMB67,226,830 (equivalent to approximately HK\$80,328,000) in cash.

THE AGREEMENT B

The Board is further pleased to announce that on 29 December 2015 (after trading hour), the Purchaser, an indirect wholly-owned subsidiary of the Company, entered into the Agreement B with Mr. Li, pursuant to which the Purchaser has conditionally agreed to acquire and Mr. Li has conditionally agreed to sell the Target Properties B to the Purchaser at the Consideration B of RMB10,774,940 (equivalent to approximately HK\$12,875,000) in cash.

LISTING RULES IMPLICATIONS

As one or more of the applicable percentage ratios (as defined in Rule 14.07 of the Listing Rules) in respect of the Acquisition A are more than 5% but less than 25%, the Acquisition A constitutes a discloseable transaction of the Company under Rule 14.06(2) of the Listing Rules and is subject to the reporting and announcement requirements under the Listing Rules.

As all of the applicable percentage ratios (as defined in Rule 14.07 of the Listing Rules) in respect of the Acquisition B are less than 5%, the Acquisition B does not constitute a discloseable transaction of the Company under Chapter 14 of the Listing Rules.

For the sake of completeness, none of the applicable percentage ratios calculated pursuant to the Chapter 14 of the Listing Rules in respect of the Acquisition A and the Acquisition B on an aggregation basis exceed 25%.

INTRODUCTION

The Board is pleased to announce that on 29 December 2015 (after trading hour), the Purchaser, an indirect wholly-owned subsidiary of the Company, entered into the Agreement A with Yingkou Liaohai, pursuant to which the Purchaser has conditionally agreed to acquire and Yingkou Liaohai has conditionally agreed to sell the Target Properties A to the Purchaser at the Consideration A of RMB67,226,830 (equivalent to approximately HK\$80,328,000) in cash.

The Board is further pleased to announce that on 29 December 2015 (after trading hour), the Purchaser, an indirect wholly-owned subsidiary of the Company, entered into the Agreement B with Mr. Li, pursuant to which the Purchaser has conditionally agreed to acquire and Mr. Li has conditionally agreed to sell the Target Properties B to the Purchaser at the Consideration B of RMB10,774,940 (equivalent to approximately HK\$12,875,000) in cash.

AGREEMENT A

Set out below are the principal terms of the Agreement A:

- Date : 29 December 2015 (after trading hour)
- Parties : (i) Huan Neng International Trading (Yingkou) Co., Ltd* (環能國際貿易(營口)有限公司), as the Purchaser; and
- (ii) Yingkou Liaohai Property Development Co., Ltd* (營口遼海房地產開發有限公司), as the vendor.

As at the date of this announcement, the Purchaser is an indirect wholly-owned subsidiary of the Company.

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, Yingkou Liaohai and its ultimate beneficial owners are Independent Third Parties.

Target Properties A to be acquired

The Target Properties A to be acquired are thirty-four commercial units situated at Yingkou city, Liaoning province in the PRC. As advised by Yingkou Liaohai, the Target Properties A comprises a total floor area of approximately 12,223.06 square meters.

Consideration A

The Consideration A of the Acquisition A is RMB67,226,830 (equivalent to approximately HK\$80,328,000).

Pursuant to the Agreement A, the Company shall pay the Consideration A to Yingkou Liaohai for the Target Properties A within 45 Business Days from the date that the Condition A has been fulfilled.

The Consideration A was arrived at after arm's length negotiations between the Purchaser and Yingkou Liaohai taking into account (i) the total appraised value of the Target Properties A of approximately RMB71,179,700 (equivalent to approximately HK\$85,052,000) based on the preliminary valuation on the Target Properties A as of 21 December 2015 as assessed by an independent valuer and (ii) the market value of the properties in the similar nature in the regions that the Target Properties A situated at.

Based on the above, the Directors are of the view that the Consideration A is fair and reasonable and on normal commercial terms and that the entering into of the Agreement A is in the interests of the Company and the Shareholders as a whole.

Condition A

Completion of the Acquisition A is conditional upon the property certificate of the Target Properties A having been duly registered under the name of the Purchaser to the Purchaser's satisfaction on or before 8 January 2016 (or such later date as the parties to the Agreement A may agree in writing).

If the Condition A has not been fulfilled by 8 January 2016 (or such later date as the parties to the Agreement A may agree in writing), the Agreement A shall lapse and have no further effect. None of the parties to the Agreement A shall make any claims against the other party pursuant to the terms and conditions of the Agreement A.

Completion

Pursuant to the Agreement A, the completion of Acquisition A shall take place on the third Business Day immediately after the fulfillment of the Condition A or such later date as the parties to the Agreement A may agree in writing.

GENERAL INFORMATION ON YINGKOU LIAOHAI

As advised by Yingkou Liaohai, Yingkou Liaohai is a company incorporated in the PRC with limited liability principally engaged in real estate development.

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, Yingkou Liaohai and its ultimate beneficial owners are Independent Third Parties.

AGREEMENT B

Set out below are the principal terms of the Agreement B:

- Date : 29 December 2015 (after trading hour)
- Parties : (i) Huan Neng International Trading (Yingkou) Co., Ltd* (環能國際貿易(營口)有限公司), as the Purchaser; and
- (ii) Mr. Li Yi Jia* (李益家), as the vendor.

As at the date of this announcement, the Purchaser is an indirect wholly-owned subsidiary of the Company.

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, Mr. Li is an Independent Third Party.

Target Properties B to be acquired

The Target Properties B to be acquired are six commercial units situated at Yingkou city, Liaoning province in the PRC. As advised by Mr. Li, the Target Properties B comprises a total floor area of approximately 1,959.08 square meters.

Consideration B

The Consideration B of the Acquisition B is RMB10,774,940 (equivalent to approximately HK\$12,875,000).

Pursuant to the Agreement B, the Company shall pay the Consideration B to Mr. Li for the Target Properties B within 45 Business Days from the date that the Condition B has been fulfilled.

The Consideration B was arrived at after arm's length negotiations between the Purchaser and Mr. Li taking into account (i) the total appraised value of the Target Properties B of approximately RMB11,335,000 (equivalent to approximately HK\$13,544,000) based on the preliminary valuation on the Target Properties B as of 21 December 2015 as assessed by an independent valuer and (ii) the market value of the properties in the similar nature in the regions that the Target Properties B situated at.

Based on the above, the Directors are of the view that the Consideration B is fair and reasonable and on normal commercial terms and that the entering into of the Agreement B is in the interests of the Company and the Shareholders as a whole.

Condition B

Completion of the Acquisition B is conditional upon the property certificate of the Target Properties B having been duly registered under the name of the Purchaser to the Purchaser's satisfaction on or before 8 January 2016 (or such later date as the parties to the Agreement B may agree in writing).

If the Condition B has not been fulfilled by 8 January 2016 (or such later date as the parties to the Agreement B may agree in writing), the Agreement B shall lapse and have no further effect. None of the parties to the Agreement B shall make any claims against the other party pursuant to the terms and conditions of the Agreement B.

Completion

Pursuant to the Agreement B, the completion of Acquisition B shall take place on the third Business Day immediately after the fulfillment of the Condition B or such later date as the parties to the Agreement B may agree in writing.

GENERAL INFORMATION ON MR. LI

As advised by Mr. Li, Mr. Li is a citizen of the PRC.

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, Mr. Li is an Independent Third Party.

GENERAL INFORMATION ON THE PURCHASER AND THE GROUP

The Group is principally engaged in investment holding, natural resources and information technology related businesses.

The Purchaser is incorporated in the PRC and is an indirect wholly-owned subsidiary of the Company principally engaged in investment holding.

REASONS FOR AND BENEFITS OF THE ACQUISITIONS

The Target Properties A and Target Properties B (collectively referred to as the "Target Properties") are located in Yingkou City, Liaoning province, the PRC.

The Group intends to refurbish the Target Properties to enhance the value of the Target Properties for sale and/or lease in the market. The Board is also of the view that the Acquisitions will enable the Group to increase its reserve of commercial properties for sale and/or lease in the future.

Having considered the above, the Directors believe that entering into of the Agreement A and Agreement B will provide a great opportunity to the Group to provide a sustainable growth to the Company's assets and broaden the assets portfolio and income base of the Group, thus potentially greater return for the Shareholders.

The Directors further believe that entering into the Agreement A and Agreement B will not change the nature of the Group's principal business but will diversify the Group's assets portfolio. In view of the above, the Directors consider that the terms of the Agreement A and Agreement B are on normal commercial terms and are fair and reasonable and the Agreement A and Agreement B are in the interests of the Company and the Shareholders as a whole.

LISTING RULES IMPLICATIONS

As one or more of the applicable percentage ratios (as defined in Rule 14.07 of the Listing Rules) in respect of the Acquisition A calculated are more than 5% but less than 25%, the Acquisition A constitutes a discloseable transaction for the Company under Rule 14.06(2) of the Listing Rules and is subject to the reporting and announcement requirements under the Listing Rules.

As all of the applicable percentage ratios (as defined in Rule 14.07 of the Listing Rules) in respect of the Acquisition B are less than 5%, the Acquisition B does not constitute a discloseable transaction of the Company under Chapter 14 of the Listing Rules.

For the sake of completeness, none of the applicable percentage ratios calculated pursuant to the Chapter 14 of the Listing Rules in respect of the Acquisition A and the Acquisition B on an aggregation basis exceed 25%.

TERMS USED IN THIS ANNOUNCEMENT

In this announcement, unless the context otherwise requires, the following words and expressions shall have the meanings given to them as below:

“Acquisition A”	the acquisition in relation to the Target Properties A pursuant to the terms and conditions of the Agreement A;
“Acquisition B”	the acquisition in relation to the Target Properties B pursuant to the terms and conditions of the Agreement B;
“Acquisitions”	collectively, the Acquisition A and the Acquisition B;
“Agreement A”	the conditional agreement dated 29 December 2015, including its amendments or replacement, entered into between Yingkou Liaohai and the Purchaser in relation to the Acquisition A;
“Agreement B”	the conditional agreement dated 29 December 2015, including its amendments or replacement, entered into between Mr. Li and the Purchaser in relation to the Acquisition B;
“Board”	the board of Directors;
“Business Day”	a day (other than a Saturday or a Sunday at any time between 9:00 a.m. to 5:00 p.m.) on which licensed banks in the PRC are open for general banking business throughout their normal business hours;
“Company”	Enviro Energy International Holdings Limited (Stock Code: 1102), a company incorporated in the Cayman Islands with limited liability, the Shares of which are listed on the Main Board of the Stock Exchange;

“Condition A”	the condition of the completion of Acquisition A, details of which are set out in the paragraph headed “Condition A” of this announcement;
“Condition B”	the condition of the completion of Acquisition B, details of which are set out in the paragraph headed “Condition B” of this announcement;
“connected person(s)”	has the meaning ascribed to it under the Listing Rules;
“Consideration A”	the total consideration payable by the Purchaser to Yingkou Liaohai for the Target Properties A, being RMB67,226,830 (equivalent to approximately HK\$80,328,000);
“Consideration B”	the total consideration payable by the Purchaser to Mr. Li for the Target Properties B, being RMB10,774,940 (equivalent to approximately HK\$12,875,000);
“Director(s)”	the director(s) of the Company;
“Group”	the Company and its subsidiaries;
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC;
“Independent Third Party(ies)”	the independent third party(ies) who is/are, to the best of the Directors’ knowledge, information and belief having made all reasonable enquiry, independent of and not connected with the Company and its connected person(s);
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange;
“Mr. Li”	Mr. Li Yi Jia* (李益家), a citizen of the PRC;
“PRC”	the People’s Republic of China and for the sole purpose of this announcement shall exclude Hong Kong, Macau Special Administrative Region of the PRC and Taiwan;
“Purchaser”	Huan Neng International Trading (Yingkou) Co., Ltd* (環能國際貿易(營口)有限公司), a company incorporated in the PRC with limited liability, an indirect wholly-owned subsidiary of the Company;
“Shareholders”	the holders of Shares;
“Shares”	ordinary share(s) of HK\$0.0025 each in the capital of the Company;
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;

“Target Properties A”	Thirty-four commercial units with a total floor area of approximately 12,223.06 square meters situated at Yingkou city, Liaoning province in the PRC;
“Target Properties B”	Six commercial units with a total floor area of approximately 1,959.08 square meters situated at Yingkou city, Liaoning province in the PRC;
“Yingkou Liaohai”	Yingkou Liaohai Property Development Co., Ltd* (營口遼海房地產開發有限公司), a limited liability company established in the PRC;
“%”	per cent;
“HK\$”	Hong Kong Dollar, the lawful currency of Hong Kong; and
“RMB”	Renminbi, the lawful currency of the PRC.

* For identification purposes only.

By Order of the Board
Enviro Energy International Holdings Limited
Zhang Yuanqing
Chief Executive Officer and Executive Director

Hong Kong, 29 December 2015

For the purposes of illustration only, any amount denominated in RMB in this announcement was translated into HK\$ at the rate of HK\$1 = RMB0.8369. Such translations should not be construed as a representation that the amounts in question have been, could have been or could be, converted at any particular rate at all.

As at the date of this announcement, the Board comprises four Executive Directors, namely Mr. Suen Cho Hung, Paul (Chairman), Mr. Zhang Yuanqing (Chief Executive Officer), Mr. Lai Ming Wai, Mr. Zhu Lijia and three Independent Non-executive Directors, namely Mr. David Tsoi, Mr. Chiang Bun and Ms. Leung Pik Har, Christine.

If there is any inconsistency in this announcement between the Chinese and English versions, the English version shall prevail.