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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)

SUBSCRIPTION OF NEW SHARES UNDER GENERAL MANDATE

SUBSCRIPTION AGREEMENT

On 25 October 2017 (after trading hours), the Company entered into the Subscription Agreement with the Subscriber, pursuant to which the Company has conditionally agreed to issue and the Subscriber have conditionally agreed to subscribe the Subscription Shares at the Subscription Price of HK\$0.13 per Subscription Share.

The Subscription Shares, which will be issued under the General Mandate, represent (a) approximately 20.00% of the issued share capital of the Company as at the date of this Announcement; and (b) approximately 16.67% of the issued share capital of the Company as enlarged by the issue and allotment of the Subscription Shares.

By a resolution of the Shareholders passed at the AGM, the Company granted the General Mandate to the Directors to allot and issue up to 20% of the then total number of Shares of the Company in issue as at 15 June 2017, i.e. 1,507,988,828 Shares. As the Subscription Shares will be allotted and issued under the General Mandate, the Subscription and the issue of Subscription Shares are not subject to any Shareholders' approval.

An application will be made by the Company to the Listing Committee of the Stock Exchange for the grant of listing of, and permission to deal in the Subscription Shares.

GENERAL

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

1. SUBSCRIPTION AGREEMENT

On 25 October 2017 (after trading hours), the Company entered into the Subscription Agreement with the Subscriber, pursuant to which the Company has conditionally agreed to issue and the Subscriber have conditionally agreed to subscribe the Subscription Shares at the Subscription Price of HK\$0.13 per Subscription Share.

Date : 25 October 2017 (after trading hours)

Parties : Issuer : The Company

Subscriber : Hua Shang Consumer Premium Selection
Investment Fund

To the best of the knowledge, information and belief of the Directors, and having made all reasonable enquiries, the Subscriber and its ultimate beneficial owner(s) are Independent Third Parties.

Number of Subscription Shares to be subscribed for:

Subject to the terms and conditions of the Subscription Agreement, the Company has conditionally agreed to issue and the Subscriber have conditionally agreed to subscribe 1,507,900,000 new Shares, representing (a) approximately 20.00% of the issued share capital of the Company as at the date of this Announcement; and (b) approximately 16.67% of the issued share capital of the Company as enlarged by the issue and allotment of the Subscription Shares.

Subscription Price:

The Subscription Price of HK\$0.13 per Subscription Share, representing:

- (a) a discount of approximately 19.95% to the closing price of HK\$0.16 per Share as quoted on the Stock Exchange on the date of the Subscription Agreement; and
- (b) a discount of approximately 18.75% over the average of the closing prices of HK\$0.1624 per Share as quoted on the Stock Exchange for the last five consecutive trading days immediately to and including the Last Trading Date.

The Subscription Price was negotiated on an arm's length basis between the Company and Subscriber and is determined with reference to the prevailing market price of the Shares. The aggregate nominal value of the Subscription Shares will be HK\$3,769,750.

The estimated expenses for the Subscription are approximately HK\$450,000. Assuming that all the Subscription Shares are successfully subscribed, the net price to the Company of each Subscription Share is approximately HK\$0.1297 per Subscription Share.

Issue the Subscription Shares under the General Mandate:

By a resolution of the Shareholders passed at the AGM, the Company granted the General Mandate to the Directors to allot and issue up to 20% of the then total number of Shares of the Company in issue as at 15 June 2017, i.e. 1,507,988,828 Shares. As at the date of this announcement, no Shares have been issued pursuant to the General Mandate. As the Subscription Shares will be allotted and issued under the General Mandate, the Subscription and the issue of Subscription Shares are not subject to any Shareholders' approval.

An application will be made by the Company to the Listing Committee of the Stock Exchange for the grant of listing of, and permission to deal in the Subscription Shares.

Ranking:

The Subscription Shares, when issued and fully paid, will rank *pari passu* among themselves and with all other Shares presently in issue and at the time of issue and allotment of the Subscription Shares.

Conditions of the Subscription:

The Subscription is conditional upon the following conditions being fulfilled on or before Conditions Fulfillment Date:–

- (a) the Listing Committee of the Stock Exchange granting the listing of, and permission to deal in, the Subscription Shares; and
- (b) the completion of the subscription of the entire amount of the Subscription Shares to take place simultaneously.

Completion of Subscription:

Within fifteen (15) Business Days after the date on which the last condition of the Subscription has been fulfilled. The aggregate sum of the Subscription Price for the Subscription Shares shall be payable by the Subscriber to the Company in cash or by way of cashier order on the Completion Date.

2. EFFECT ON SHAREHOLDING STRUCTURE OF THE COMPANY

As at the date of this announcement, the Company has 7,539,944,141 Shares in issue. The shareholding structure of the Company as at (a) the date of this announcement and (b) immediately upon the issue and allotment of the Subscription Shares are as follows:

Shareholders	Note	As at the date of this announcement		Immediately upon the issue and allotment of the Subscription Shares	
		Number of Shares	Approx. %	Number of Shares	Approx. %
Able Victory					
Enterprises Limited	1	2,207,485,423	29.28	2,207,485,423	24.40
Cool Legend Limited	2	452,400,000	6.00	452,400,000	5.00
Subscriber		–	–	1,507,900,000	16.67
Public Shareholders		<u>4,880,058,718</u>	<u>64.72</u>	<u>4,880,058,718</u>	<u>53.93</u>
Total		<u><u>7,539,944,141</u></u>	<u><u>100.00</u></u>	<u><u>9,047,844,141</u></u>	<u><u>100.00</u></u>

Notes:

1. Mr. Li Sen, the executive Director and the chairman of the Company, holds 100% interest in Able Victory Enterprises Limited and is deemed to be interested in 2,207,485,423 Shares held by Able Victory Enterprises Limited.
2. Mr. Li, Stephen Hing Yue holds 100% interest in Cool Legend Limited and is deemed to be interested in 452,400,000 Shares held by Cool Legend Limited.

3. INFORMATION OF THE SUBSCRIBER

As advised by the Subscriber, the Subscriber is an exempted company with limited liability incorporated in the Cayman Islands. As advised by the Subscriber, the principal activity of Subscriber is operation as a private investment fund, which is managed by CEFC International Asset Management Company, an exempted company with limited liability incorporated in the Cayman Islands. As at the date of this announcement, to the best knowledge, information and belief of the Directors and having made all reasonable enquiries, the Subscriber and its ultimate beneficial owner(s) are Independent Third Parties.

4. REASONS FOR THE SUBSCRIPTION AND USE OF NET PROCEEDS

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

In view of the current market, the Directors considered that the Subscription represents an ideal opportunity for the Company to raise additional capital for its future business developments, to enhance its capital base and broaden its shareholders' base at a reasonable cost. Assuming all Subscription Shares are successfully subscribed, the net proceeds of approximately HK\$195,577,000 from the issue of the Subscription Shares will be used to finance the expansion of the investment holding business, facilitate future projects or investment and as the general working capital of the Group.

The Directors considered that the Subscription Agreement is entered into upon normal commercial terms following arm's length negotiations between the Company and the Subscriber, and that the terms of the Subscription Agreement are fair and reasonable and are in the interest of the Company and its shareholders as a whole.

5. FUND RAISING ACTIVITY DURING THE PAST 12 MONTHS FROM THE DATE OF THIS ANNOUNCEMENT

The Company did not conduct any other fundraising on issue of equity securities in the last 12 months immediately preceding the date of this announcement.

6. GENERAL

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

7. DEFINITIONS

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

“AGM”	the annual general meeting of the Company held on 15 June 2017
“associate(s)”	has the meaning ascribed to it under the Listing Rules
“Board”	the board of Directors
“Business Day”	a day on which licensed banks in Hong Kong are open for general banking business, other than (i) a Saturday or a Sunday; or (ii) a day on which a tropical cyclone warning signal no. 8 or above or a black rainstorm warning signal is hoisted in Hong Kong at any time between 9:00 a.m. and 5:00 p.m.
“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

“Conditions Fulfillment Date”	30 November 2017 or such later time or date as may be agreed between the Subscriber and the Company in writing
“connected person(s)”	has the meaning as defined in the Listing Rules
“Director(s)”	director(s) of the Company
“General Mandate”	the general mandate granted to the Directors at the AGM to allot, issue and deal with up to 20% of the aggregate number of issued Shares as at the date of passing of the relevant resolution at the AGM
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Independent Third Party(ies)”	the independent third party who is, to the best of the Directors’ knowledge, information and belief having made all reasonable enquiry, independent of and not connected with the Company and the connected person(s) (as defined in the Listing Rules) of the Company
“Last Trading Day”	24 October 2017, being the last trading day for the Shares before the publication of this announcement
“Listing Committee”	the listing committee of the Stock Exchange
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Share(s)”	ordinary share(s) of HK\$0.0025 each in the share capital of the Company

“Shareholder(s)”	holder(s) of Shares of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subscriber”	Hua Shang Consumer Premium Selection Investment Fund, an exempted company incorporated in Cayman Islands with limited liability
“Subscription”	the proposed issue of Subscription Shares by the Company and the proposed subscription of the Subscription Shares by the Subscriber
“Subscription Agreement”	the subscription agreement dated 25 October 2017 and entered into between the Company and the Subscriber in respect of the Subscription
“Subscription Price”	HK\$0.13 per Subscription Share
“Subscription Shares”	1,507,900,000 new Shares to be issued by the Company to the Subscriber pursuant to the Subscription Agreement
“HK\$”	Hong Kong dollar(s), the lawful currency of Hong Kong
“%”	per cent

By Order of the Board
Enviro Energy International Holdings Limited
Li Sen
Chairman and Executive Director

Hong Kong, 25 October 2017

As at the date of this announcement, the Board comprises four Executive Directors, namely Mr. Li Sen (Chairman), Mr. Zhang Yuanqing (Co-chief Executive Officer), Mr. Pu Wei (Co-chief Executive Officer) and Mr. Wei Junqing and three Independent Non-executive Directors, namely Mr. Wen Guangwei, Mr. Chiang Bun and Ms. Leung Pik Har, Christine.