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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)**

### **PROPOSED SHARE CONSOLIDATION**

#### **PROPOSED SHARE CONSOLIDATION**

The Board proposes to put forward to the Shareholders for consideration of the implementation of Share Consolidation on the basis that every twenty (20) issued and unissued Existing Shares of HK\$0.0025 each in the share capital of the Company be consolidated into one (1) Consolidated Share of HK\$0.05 each in the share capital of the Company. The Share Consolidation is conditional upon, among other things, the approval of the Shareholders at the AGM.

As at the date of this announcement, there are 9,047,844,141 Existing Shares of HK\$0.0025 each in issue and fully paid and credited as fully paid. As disclosed in the announcement of the Company dated 4 April 2019, the Board will issue and allot up to 1,809,568,828 new Subscription Shares. In the event that the Subscription has been completed and all the Subscription Shares are fully subscribed, the number of Existing Shares will become 10,857,412,969.

Assuming (i) all the Subscription Shares are fully subscribed, (ii) no additional Existing Shares will be issued (save and except the Subscription Shares) or repurchased between the date of this announcement and the date of the AGM, there will be 542,870,648 Consolidated Shares of HK\$0.05 each in issue and fully paid or credited as fully paid following the completion of the Share Consolidation. On the other hand, if (i) none of the Subscription Shares are subscribed and (ii) no additional Existing Shares will be issued or repurchased from the date of this announcement up to the date of the AGM, there will be 452,392,207 Consolidated Shares of HK\$0.05 each in issue and full paid or credited as fully paid following the completion of the Share Consolidation.

The Share Consolidation is conditional upon, among other things, the approval of Shareholders at the AGM. To the best knowledge, information and belief of the Directors having made all reasonable enquiries, no Shareholder will be required to abstain from voting on the resolution in relation to the Share Consolidation at the AGM.

The Existing Shares are currently traded on Main Board of the Stock Exchange in board lots of 2,000 Existing Shares. Upon the Share Consolidation becoming effective, the Consolidated Shares will continue to be traded in board lots of 2,000 Consolidated Shares.

#### **GENERAL**

The AGM Circular containing, among other things, further details of the proposed Share Consolidation and the notice convening the AGM is expected to be despatched to the Shareholders on or around 27 May 2019.

#### **PROPOSED SHARE CONSOLIDATION**

The Board proposes to implement the Share Consolidation on the basis that every twenty (20) Existing Shares of HK\$0.0025 each in the share capital of the Company be will be consolidated into one (1) Consolidated Share of HK\$0.05 each in the share capital of the Company.

As at the date of this announcement, there are 9,047,844,141 Existing Shares of HK\$0.0025 each in issue and fully paid and credited as fully paid. As disclosed in the announcement of the Company dated 4 April 2019, subject to the completion of the Subscription, the Board will issue and allot up to 1,809,568,828 new Subscription Shares. In the event that the Subscription has been completed and all the Subscription Shares are fully subscribed, the number of Existing Shares will become 10,857,412,969.

Assuming (i) all the Subscription Shares are fully subscribed, (ii) no further Existing Shares will be issued (save and except the Subscription Shares) or repurchased between the date of this announcement and the date of the AGM, there will be 542,870,648 Consolidated Shares of HK\$0.05 each in issue and fully paid or credited as fully paid following the completion of the Share Consolidation. On the other hand, if (i) none of the Subscription Shares are subscribed and (ii) no further Existing Shares will be issued or repurchased from the date of this announcement up to the date of the AGM, there will be 452,392,207 Consolidated Shares of HK\$0.05 each in issue and full paid or credited as fully paid following the completion of the Share Consolidation.

Upon the Share Consolidation becoming effective, the Consolidated Shares shall rank pari passu in all respects with each other in accordance with the articles of association of the Company.

Other than the expenses to be incurred in relation to the Share Consolidation, the implementation thereof will not alter the underlying assets, business operations, management or financial position of the Company or the proportionate interests or rights of the Shareholders, save for any fractional Consolidated Shares to which the Shareholders may be entitled.

### **Conditions of the Share Consolidation**

The Share Consolidation is conditional upon the following conditions:

- (i) the passing of an ordinary resolution by the Shareholders to approve the Share Consolidation at the AGM;
- (ii) the Listing Committee of the Stock Exchange granting the approval for the listing of, and the permission to deal in, the Consolidated Shares upon the Share Consolidation becoming effective; and
- (iii) the compliance with all relevant procedures and requirements under the laws of the Cayman Islands to effect the Share Consolidation.

### **Listing Application**

An application will be made by the Company to the Listing Committee of the Stock Exchange for the listing of, and the permission to deal in, the Consolidated Shares in issue and to be in issue upon the Share Consolidation becoming effective.

Subject to the granting of the listing of, and permission to deal in, the Consolidated Shares on the Stock Exchange upon the Share Consolidation becoming effective, as well as compliance with the stock admission requirements of the HKSCC, the Consolidated Shares will be accepted as eligible securities by HKSCC for deposit, clearance and settlement in CCASS with effect from the commencement date of dealings in the Consolidated Shares on the Stock Exchange or such other date as determined by HKSCC. Settlement of transactions between participants of the Stock Exchange on any trading day is required to take place in CCASS on the second settlement day thereafter. All activities under CCASS are subject to the General Rules of CCASS and CCASS Operational Procedures in effect from time to time. All necessary arrangements will be made for the Consolidated Shares to be admitted into CCASS.

None of the Existing Shares are listed or dealt in any other stock exchange other than the Stock Exchange, and at the time the Share Consolidation becoming effective, the Consolidated Shares in issue will not be listed or dealt in on any stock exchange other than the Stock Exchange, and no such listing or permission to deal is being or is proposed to be sought.

## **Board Lot Size**

Currently, the Existing Shares are traded on the Main Board of the Stock Exchange in the board lot size of 2,000 Existing Shares. Upon the Share Consolidation becoming effective, the board lot size for trading in the Consolidated Shares will remain as 2,000 Consolidated Shares.

Based on the closing price of HK\$0.058 per Existing Share (equivalent to the theoretical closing price of HK\$1.16 per Consolidated Share) as quoted on the Stock Exchange as at the Last Trading Day, the value of each board lot of the Existing Shares is HK\$116 and the theoretical market value of each board lot of the Consolidated Shares, assuming the Share Consolidation had already been effective, would be HK\$2,320.

## **Reasons for the Share Consolidation**

Pursuant to Rule 13.64 of the Listing Rules, where the market price of the securities of an issuer approaches the extremities of HK\$0.01 or HK\$9,995.00, the Stock Exchange reserves the right to require the issuer either to change the trading method or proceed with a consolidation or splitting of securities. In this regard, the Share Consolidation would enable the Company to comply with the trading requirements of the Listing Rules.

In view that the Share had been traded at around or below HK\$0.01 at certain times in the past 12 months (based on the closing price per Share as quoted on the Stock Exchange), the Board proposes to implement the Share Consolidation.

The proposed Share Consolidation will increase the par value of the Existing Shares and decrease the total number of Existing Shares currently in issue. It is expected that the Share Consolidation would bring about a corresponding upward adjustment in the trading price per board lot of the Consolidated Shares on the Stock Exchange. Furthermore, as the theoretical market value of each board lot of the Consolidated Shares upon the Share Consolidation becoming effective will be higher than the market value of each board lot of the Existing Shares, the transaction cost as a proportion of the market value of each board lot will be lower. It is also expected that the liquidity in trading of the Existing Shares will increase accordingly.

With a higher trading price of the Consolidated Shares and the reduction of the transaction and handling costs as a proportion of the market value of each board lot, the Company believes that the Share Consolidation will make investing in Existing Shares more attractive to a broader range of institutional and professional investors and other members of the investing public. As a result, the Board believes that the Share Consolidation may attract more investors and extend the shareholders' base of the Company.

As at the date of this announcement, the Company has no intention to conduct any fundraising activities in the next 12 months. As such, the Board considers that the basis of the Share Consolidation is reasonable and sufficient. Further, as at the date of the announcement, the Company has no intention to carry out any corporate actions in the next 12 months, including share consolidation, share subdivision and change in board lot size, which would offset the effect of the Share Consolidation.

Accordingly, the Directors consider that the Share Consolidation is beneficial to and in the interests of the Company and the Shareholders as a whole.

## **OTHER ARRANGEMENTS**

### **Adjustments in relation to the other securities of the Company**

#### *Share Options*

As at the date of this announcement, the Company has outstanding Share Options entitling the holders thereof to subscribe for a total of 253,347,975 Existing Shares. Under the terms and conditions of the Share Option Schemes, the Share Consolidation may lead to adjustments to the number of shares of the Company available for issue under the scheme limit, which has not yet been utilised, of the Share Option Schemes, and/or the exercise price and/or the number of shares of the Company falling to be issued upon the exercise of the Share Options. The Company will make further announcement(s) on such adjustment(s) as and when appropriate.

Save as disclosed above, the Company does not have any other outstanding derivatives, options, warrants, conversion rights, securities in issue, or other similar rights which are convertible or exchangeable into, any Existing Shares or Consolidated Shares, as at the date of this announcement.

### **Fractional entitlement to Consolidated Shares**

Fractional Consolidated Shares, arising from the Share Consolidation, if any, will be disregarded and will not be issued by the Company to the Shareholders. Any fractional entitlement to the Consolidated Shares will be aggregated and, if possible, sold for the benefits of the Company. Fractional Consolidated Shares will only arise in respect of the entire shareholding of a holder of the Existing Shares regardless of the number of share certificates held by such holder.

Shareholders concerned about losing out on any fractional entitlement are recommended to consult their licensed securities dealer, bank manager, solicitor, professional accountant or other professional adviser and may wish to consider the possibility of buying or selling Existing Shares in a number sufficient to make up an entitlement to receive a whole number of Consolidated Shares.

### **Arrangement on odd lot trading**

In order to facilitate the trading of odd lots (if any) of the Consolidated Shares arising from the Share Consolidation, the Company will appoint a securities firm as an agent to arrange for matching service regarding the sale and purchase of odd lots of Consolidated Shares at the relevant market price per Consolidated Share for Shareholders, on a best effort basis, to those Shareholders who wish to acquire odd lots of the Consolidated Shares to make up a full board lot, or to dispose of their holding of odd lots of the Consolidated Shares.

Holders of odd lots of the Consolidated Shares should note that the matching of the sale and purchase of odd lots of the Consolidated Shares is not guaranteed. Shareholders who are in any doubt about the odd lots matching arrangement are recommended to consult their own professional advisers.

Further details of the odd lot arrangement will be set out in the AGM Circular to be despatched to the Shareholders.

### **Exchange of share certificates**

Subject to the Share Consolidation becoming effective, Shareholders may, on or after 2nd day, July 2019 until 7th day, August 2019 (both days inclusive), submit Existing Share Certificates to the Company's Hong Kong branch share registrar, Tricor Tengis Limited at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong, to exchange, at the expense of the Company, for New Share Certificates. Thereafter, Existing Share Certificates will be accepted for exchange only on payment of a fee of HK\$2.50 (or such other amount as may from time to time be specified by the Stock Exchange) by the Shareholders for each Existing Share Certificate submitted for cancellation or each New Share Certificate issued, whichever the number of share certificates cancelled/issued is higher.

After 9:00 a.m. on 8th day, August 2019, trading will only be in Consolidated Shares. Existing Share Certificates will then only remain effective as good evidence of legal title and may be exchanged for New Share Certificates at any time, at stated above, but will cease to be valid for delivery, trading and settlement purposes.

## Expected timetable

Set out below is the expected timetable for the implementation of the Share Consolidation:

**2019**

Despatch of AGM Circular with notice and form of proxy of the AGM. . . . . 27 May 2019

Latest date for publication of announcement for closure of register of members. . . . . 6 June 2019

Latest date and time for lodging transfer documents in order to qualify for attending and voting at the AGM . . . . . 4:30 p.m. on 24 June 2019

Closure of register of members . . . . . 25 June 2019 – 28 June 2019  
(both dates inclusive)

Latest date and time for lodging forms of proxy for the AGM . . . . . 3:00 p.m. on 26 June 2019

Date and time of the AGM . . . . . 3:00 p.m. on 28 June 2019

Publication of the announcement of poll results of the AGM. . . . . 28 June 2019

### *The following events are conditional on the fulfilment of the conditions for the implementation of the Share Consolidation*

Effective date of the Share Consolidation . . . . . 2 July 2019

First day of free exchange of Existing Share Certificates for New Share Certificates. . . . . 2 July 2019

Dealings in the Consolidated Shares commences. . . . . 9:00 a.m. on 2 July 2019

Original counter for trading in board lots of 2,000 Existing Shares (in the form of Existing Share Certificates) temporarily closes . . . . . 9:00 a.m. on 2 July 2019

Temporary counter for trading in board lots of 100 Consolidated Shares (in the form of Existing Share Certificates) opens. . . . . 9:00 a.m. on 2 July 2019

Original counter for trading in board lots of 2,000 Consolidated Shares (in the form of New Share Certificates) re-opens . . . . . 9:00 a.m. on 16 July 2019

Parallel trading in the Consolidated Shares  
(in the form of New Share Certificates and  
Existing Share Certificates) commences . . . . . 9:00 a.m. on 16 July 2019

Designated broker starts to stand in the market to provide  
matching services for odd lots of the Consolidated Shares. . . 9:00 a.m. on 16 July 2019

Temporary counter for trading in board lots of 100  
Consolidated Shares (in the form of Existing Share  
Certificates) closes . . . . . 4:00 p.m. on 5 August 2019

Parallel trading in the Consolidated Shares  
(in the form of New Share Certificates and  
Existing Share Certificates) ends . . . . . 4:00 p.m. on 5 August 2019

Designated broker ceases to stand in the market  
to provide matching services for odd lots of  
the Consolidated Shares. . . . . 4:00 p.m. on 5 August 2019

Last day for free exchange of Existing  
Share Certificates for New Share Certificates . . . . . 7 August 2019

All times and dates stated in this announcement refer to Hong Kong local times and dates. Dates stated in this announcement for events in the timetable are indicative only and may be extended or varied. Any changes to the anticipated timetable for the Share Consolidation will be announced in a separate announcement by the Company as and when appropriate.

**GENERAL**

The Share Consolidation will be subject to, among other things, Shareholders' approval at the AGM. The AGM will be convened and held for the Shareholders to consider and, if thought fit, approve the Share Consolidation. The Share Consolidation is conditional upon, among other things, the approval of Shareholders at the AGM. To the best knowledge, information and belief of the Directors having made all reasonable enquiries, no Shareholder will be required to abstain from voting on the resolution in relation to the Share Consolidation at the AGM.

The AGM Circular containing, among other things, further details of the Share Consolidation with the notice of AGM will be despatched to the Shareholders on or around 27 May 2019.

Shareholders are recommended to consult their licensed securities dealer, bank manager, solicitor, professional accountant or other professional adviser if they are in doubt about any of the above matters.



## 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:

“AGM”	the annual general meeting of the Company to be convened for the purpose of, amongst others, considering and, if thought fit, approving the Share Consolidation;
“AGM Circular”	the circular of the Company to be despatched to the Shareholders to provide, among other things, further details regarding the Share Consolidation;
“Board”	the board of Directors;
“CCASS”	the Central Clearing and Settlement System established and operated by HKSCC;
“Company”	Enviro Energy International Holdings Limited (Stock Code: 1102), a company incorporated in the Cayman Islands with limited liability, the Existing Shares of which are listed on the Main Board of the Stock Exchange;
“Consolidated Share(s)”	ordinary share(s) of HK\$0.05 each in the issued share capital of the Company immediately after the Share Consolidation becoming effective;
“Director(s)”	the director(s) of the Company;
“Existing Share(s)”	ordinary share(s) of HK\$0.0025 each in the share capital of the Company prior to the Share Consolidation having become effective;
“Existing Share Certificate”	existing share certificate(s) in the colour of green for the Existing Shares;
“HK\$”	Hong Kong Dollar, the lawful currency of Hong Kong.
“HKSCC”	Hong Kong Securities Clearing Company Limited;
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC;

“Last Trading Day”	2 May 2019, being the last trading day immediately before the publication of this announcement;
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange;
“New Share Certificate(s)”	new share certificate(s) in the colour of blue for the Consolidated Shares;
“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 People’s Republic of China and Taiwan;
“Share Consolidation”	the proposed consolidation of every twenty (20) Existing Shares into one (1) Consolidated Share;
“Share Option(s)”	option(s) to subscribe for new shares of the Company granted under the Share Option Schemes;
“Share Option Schemes”	the share option schemes adopted by the Company on 25 January 2003 and 12 May 2011;
“Shareholder(s)”	the holder(s) of the Existing Share(s) and/or the Consolidation Share(s), as the case may be;
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“Subscriber”	Honor Reliance International Limited 順誠國際有限公司, a limited company incorporated in the British Virgin Islands;
“Subscription”	the proposed issue of Subscription Shares by the Company and the proposed subscription of Subscription Shares by the Subscriber pursuant to the Subscription Agreement as announced by the Company in its announcement dated 4 April 2019;
“Subscription Agreement”	the subscription agreement dated 4 April 2019, entered into between the Company and the Subscriber in respect of the Subscription;
“Subscription Shares”	1,809,568,828 new shares of the Company to be issued by the Company to the Subscriber pursuant to the Subscription Agreement; and

“%”

per cent.

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

Hong Kong, 2 May 2019

*As at the date of this announcement, the Board comprises three Executive Directors, namely Mr. Li Sen (Chairman), Mr. Zhou Xuesheng (Chief Executive Officer) and Mr. Wei Junqing and three Independent Non-executive Directors, namely Mr. Wen Guangwei, Dr. Hou Chaohui and Mr. Jiang Maolin.*

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