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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)**

### **(1) TERMINATION OF PREVIOUS SUBSCRIPTION AGREEMENT**

### **(2) SUBSCRIPTION OF NEW SHARES**

### **UNDER GENERAL MANDATE**

**AND**

### **(3) RESUMPTION OF TRADING**

#### **1. TERMINATION OF PREVIOUS SUBSCRIPTION AGREEMENT**

The Company has announced on 2 April 2019 that the Company has entered into the Previous Subscription Agreement with the Previous Subscriber. As the terms of the Previous Subscription Agreement has to comply with the requirement under Rule 13.36(5) of the Listing Rules in particular that the Previous Subscription Price cannot represent a discount of 20% or more of the closing price of HK\$0.062 per Share on the date of the Previous Subscription Agreement, the Company and the Previous Subscriber, after careful consideration of all the circumstances surrounding the subscription of Shares under the Previous Subscription Agreement, agreed not to proceed with the Previous Subscription Agreement and on 4 April 2019 entered into the Termination Agreement to terminate the Previous Subscription Agreement.

As a result of the termination of the Previous Subscription Agreement, the General Mandate is not utilized.

**2. SUBSCRIPTION OF NEW SHARES UNDER GENERAL MANDATE**

The Board is pleased to announce that on 4 April 2019, the Company and the Subscriber entered into the Subscription Agreement, pursuant to which the Company has conditionally agreed to issue and the Subscriber has conditionally agreed to subscribe the Subscription Shares at the Subscription Price of HK\$0.05022 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 6 June 2018, i.e. 1,809,568,828 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 Shareholders' approval.

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

**3. RESUMPTION OF TRADING**

At the request of the Company, trading in the Shares has been halted from 9:00 a.m. on 3 April 2019 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 April 2019.

**4. GENERAL**

**Shareholders and potential investors should note that completion of the Subscription is subject to fulfillment of the condition 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.**

## **I. TERMINATION OF PREVIOUS SUBSCRIPTION AGREEMENT OF NEW SHARES UNDER GENERAL MANDATE**

Reference is made to the announcement of the Company dated 2 April 2019 in relation to the subscription of new Shares under General Mandate by the Previous Subscriber pursuant to the Previous Subscription Agreement entered into by the Company and the Previous Subscriber. As the terms of the Previous Subscription Agreement has to comply with the requirement under Rule 13.36(5) of the Listing Rules in particular that the Previous Subscription Price cannot represent a discount of 20% or more of the closing price of HK\$0.062 per Share on the date of the Previous Subscription Agreement, the Company and the Previous Subscriber, after careful consideration of all the circumstances surrounding the subscription of Shares under the Previous Subscription Agreement, agreed not to proceed with the Previous Subscription Agreement. On 4 April 2019, the Company and the Previous Subscriber entered into the Termination whereby the Company and the Previous Subscriber have mutually agreed to terminate the Previous Subscription Agreement and to release and discharge each other from its respective obligations under the Previous Subscription Agreement with effect from the date of the Termination Agreement.

As a result of the termination of the Previous Subscription Agreement, the General Mandate is not utilized.

## **II. SUBSCRIPTION OF NEW SHARES UNDER GENERAL MANDATE**

### **1. SUBSCRIPTION OF NEW SHARES**

On 4 April 2019, the Company entered into the Subscription Agreement with the Subscriber, pursuant to which the Company has conditionally agreed to issue and the Subscriber has conditionally agreed to subscribe the Subscription Shares at the Subscription Price of HK\$0.05022 per Subscription Share.

Date : 4 April 2019

Parties : Issuer : The Company

Subscriber : Honor Reliance International Limited  
順誠國際有限公司

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 has conditionally agreed to subscribe 1,809,568,828 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\$0.05022 per Subscription Share, representing:

- (a) a discount of approximately 19.00% to the closing price of HK\$0.062 per Share as quoted on the Stock Exchange on the Last Trading Day; and
- (b) a discount of approximately 18.47% to the average of the closing prices of HK\$0.0616 per Share as quoted on the Stock Exchange for the last five consecutive trading days immediately prior to the Last Trading Day.

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.

**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 6 June 2018, i.e. 1,809,568,828 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 Shareholders' approval.

Application will be made by the Company to 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 Fulfilment 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 five (5) 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 9,047,844,141 Shares in issue. The shareholding structure of the Company as at (i) the date of this announcement; and (ii) immediately upon the issue and allotment of the Subscription Shares are as follows:

Shareholders	As at the date of this announcement		Immediately upon the issue and allotment of the Subscription Shares	
	<i>Number of Shares</i>	<i>Approx.%</i>	<i>Number of Shares</i>	<i>Approx.%</i>
<b>Substantial Shareholders</b>				
Able Victory Enterprises Limited ( <i>Note 1</i> )	2,207,485,423	24.40	2,207,485,423	20.33
Hua Shang Consumer Premium Selection Investment Fund	1,459,396,000	16.13	1,459,396,000	13.44
<b>Public Shareholders</b>				
Subscriber	–	–	1,809,568,828	16.67
Other public Shareholders	5,380,962,718	59.47	5,380,962,718	49.56
<b>Total</b>	<b>9,047,844,141</b>	<b>100.00</b>	<b>10,857,412,969</b>	<b>100.00</b>

*Notes:*

1. Mr. Li Sen is an executive Director and chairman of the Company. These interests are held by Able Victory Enterprises Limited, which is wholly owned by Mr. Li Sen. Accordingly, Mr. Li is deemed to be interested in 2,207,485,423 Shares of the Company under the Securities and Futures Ordinance.

The above shareholdings of the Company set out in the above table are for illustration purposes only.

### **3. INFORMATION OF THE SUBSCRIBER**

As advised by the Subscriber, the Subscriber is a company with limited liability incorporated in the British Virgin Islands. As advised by the Subscriber, the principal activity of the Subscriber is, among others, trading of building materials, medical appliances and equity investment. 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 and trading of building materials 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 1,809,568,828 Shares are successfully subscribed, the net proceeds of approximately HK\$90,576,546 from the issue of the Subscription Shares will be used to finance the expansion of the investment holding business, facilitate future projects of properties 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 in the interests of the Company and its shareholders as a whole.

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

Save as disclosed in (i) the announcement of the Company dated 31 January 2019 in relation to the entering into of the subscription agreement dated 31 January 2019 by the Company regarding the issue of the convertible bond, which has been lapsed; and (ii) the announcement of the Company dated 2 April 2019 in relation to the Previous Subscription Agreement, which has now been terminated, 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.

**Shareholders and potential investors should note that completion of the Subscription is subject to fulfilment 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.**

## **III. RESUMPTION OF TRADING**

Reference is made to the announcement of the Company dated 3 April 2019 in relation to the trading halt.

At the request of the Company, trading in the Shares has been halted from 9:00 a.m. on 3 April 2019 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 April 2019.

## **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 6 June 2018
“associate(s)”	has the meaning ascribed to it under the Listing Rules
“Board”	the board of Directors
“Business Day”	means 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 Fulfilment Date”	on or before 31 May 2019 or such later time or date as may be agreed between the Subscriber and the Company in writing
“connected persons”	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”	2 April 2019, being the last trading day before the publication of this announcement
“Listing Committee”	has the same meaning ascribed thereto in the Listing Rules
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“PRC”	the People’s Republic of China which, for the purpose of this announcement, excludes Hong Kong, the Macau Special Administrative Region and Taiwan



“Previous Subscriber”	Shenzhen Xin Lang Tong Technology Company Limited* (深圳市新朗通科技有限公司), a limited company incorporated in the PRC
“Previous Subscription Agreement”	the subscription agreement dated 2 April 2019, entered into between the Company and the Previous Subscriber as disclosed in the announcement of the Company dated 2 April 2019
“Previous Subscription Price”	HK\$0.0496 per subscription share
“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”	Honor Reliance International Limited 順誠國際有限公司, a limited company incorporated in the British Virgin Islands, wholly owned by Ms. Tse Man Na (謝文娜), a business woman and resident of Hong Kong
“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 4 April 2019, entered into between the Company and the Subscriber in respect of the Subscription
“Subscription Price”	HK\$0.05022 per Subscription Share
“Subscription Shares”	1,809,568,828 new Shares to be issued by the Company to the Subscriber pursuant to the Subscription Agreement
“Termination Agreement”	the termination agreement dated 4 April 2019, entered into between the Company and the Previous Subscriber to terminate the Previous 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, 4 April 2019

\* *In this announcement, translated English names of Chinese entities for which no official English translation exists are unofficial translations for identification purposes only, and in the event of any inconsistency between the Chinese names and their English translation, the Chinese names shall prevail.*

*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.*