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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: 8182)**

### **CHEUNG KONG INFRASTRUCTURE AND THE COMPANY CLOSED STRATEGIC FINANCIAL INITIATIVE VIA HK\$176 MILLION EXCHANGEABLE NOTE AND RESUMPTION OF TRADING**

This announcement is made by the Company pursuant to Rule 17.10 of the GEM Listing Rules.

The Board was notified after close of trading on 12 April 2010 by Mr. Chan, an executive Director, the Chairman and Chief Executive Officer of the Company and the Company's controlling shareholder, that, through Colpo, his investment vehicle, Colpo as issuer and he as issuer's guarantor have executed an exchangeable note instrument dated 12 April 2010 entitling Green Island, a subsidiary of CKI which shares are listed on the Main Board of the Stock Exchange, to exchange for up to 200,000,000 Sale Shares (representing up to approximately 8.2% of the issued share capital of the Company) at an exercise price of HK\$0.88 per Share, subject to adjustment, within an exercise period of three (3) years commencing from 12 April 2010 to 12 April 2013. The aggregate consideration payable by Green Island upon full exercise of its right under the Note shall be HK\$176 million, subject to adjustment.

Commenting on the transaction, Mr. Chan said the Group welcomes this financial initiative and the cooperation with CKI. The business case for environmental sustainability is imperative and this transaction serves as an endorsement of the Group's corporate business model and long-term strategic plan which further validates the underlying value of the Company. The Group is delighted to commence this relationship with CKI through the Note investment which sees the Company entering an exciting new chapter of value creation for shareholders. The transaction results in an alignment of strengths within each company, namely CKI's operational capabilities, financial capacity and global scale with the Company's proven skills of project identification, development along the energy value chain and advancement of environmental technology. Together with its partners, the Group looks forward to building the leading clean energy company in this market.

Commenting on the investment, Mr. Edmond Ip, Deputy Chairman of CKI said Enviro Energy is one of the active investors in conventional petroleum production and an early mover in unconventional natural gas exploration in Mainland China. Enviro Energy has also been focusing on enhanced hydrocarbon extraction potential in its projects including the utilisation of CO<sub>2</sub> which has the added benefit of underground sequestration and storage of this important greenhouse gas. CKI is particularly excited to have this opportunity to participate in the development of carbon capture initiatives to help combat global climate change. CKI looks forward to exploring more cooperation between Enviro Energy and Green Island, the unit of CKI that has always been closely involved with environmental initiatives.

**In view of the fact that Green Island may or may not exercise its right under the Note, shareholders and potential investors of the Company are advised to exercise caution when dealing in the Shares.**

At the request of the Company, trading in the Shares on the Stock Exchange was suspended from 9:39 a.m. on 13 April 2010 pending for the release of this announcement. Application has been made to the Stock Exchange for the resumption of trading in the Shares with effect from 2:30 p.m. on 13 April 2010.

This announcement is made by the Company pursuant to Rule 17.10 of the GEM Listing Rules.

## **THE AGREEMENT**

The Board was notified after close of trading on 12 April 2010 by Mr. Chan, an executive Director, the Chairman and Chief Executive Officer of the Company and the Company's controlling shareholder, that, through Colpo, his investment vehicle, Colpo as issuer and he as issuer's guarantor have executed an exchangeable note instrument ("**Note**") dated 12 April 2010 entitling Green Island, a subsidiary of Cheung Kong Infrastructure Holdings Limited ("**CKI**") which shares are listed on the Main Board of the Stock Exchange, to exchange for up to 200,000,000 Shares ("**Sale Shares**", representing up to approximately 8.2% of the issued share capital of the Company) at an exercise price of HK\$0.88 per Share, subject to adjustment, within an exercise period of three (3) years commencing from 12 April 2010 to 12 April 2013. The aggregate consideration payable by Green Island upon full exercise of its right under the Note shall be HK\$176 million, subject to adjustment.

The Sale Shares are held directly by Colpo, an investment-holding company wholly-owned by Mr. Chan.

## **STRATEGIC COOPERATION BETWEEN THE COMPANY AND CKI**

Commenting on the transaction, Mr. Chan said the Group welcomes this financial initiative and the cooperation with CKI. The business case for environmental sustainability is imperative and this transaction serves as an endorsement of the Group's corporate business model and long-term strategic plan which further validates the underlying value of the Company.

Mr. Chan continued that the Group is delighted to commence this relationship with CKI through the Note investment which sees the Company entering an exciting new chapter of value creation for shareholders. The transaction results in an alignment of strengths within each company, namely CKI's operational capabilities, financial capacity and global scale with the Company's proven skills of project identification, development along the energy value chain and advancement of environmental technology. Together with its partners, the Group looks forward to building the leading clean energy company in this market.

## **INFORMATION ON THE GROUP**

The Group is principally engaged in investment holding and developing clean energy projects focusing on upstream hydrocarbons. The current investment and project portfolio aims directly at the energy-hungry market of China while new prospects are located in Asia Pacific, North America and elsewhere globally.

Projects include conventional oil and unconventional natural gas utilising both primary and enhanced production methods as well as state-of-the-art oil and gas related environmental technologies. The focus on enhanced hydrocarbon production is combined with a corporate objective of reducing the environmental impact of hydrocarbon use and the Company has targeted projects that have the potential for sequestration and storage of CO<sub>2</sub>. The Group's position in unconventional natural gas exploration in the highly prospective far west of China and in enhanced coalbed methane production utilising CO<sub>2</sub> are reflective of both the Company's scope and skill at selecting superior value generating projects.

With corporate leadership well-steeped in energy resource exploration, development and production as well as corporate finance, the Company has assembled a unique team of executives, engineers and scientists to take the organisation forward.

## **INFORMATION ON CKI**

CKI is the largest publicly listed infrastructure company in Hong Kong with diversified investments in energy infrastructure, transportation infrastructure, water infrastructure and infrastructure related businesses. Operating in Hong Kong, Mainland China, Australia, New Zealand, the United Kingdom, Canada and the Philippines, CKI is a leading player in the global infrastructure arena.

## **EXCITED TO INITIATE COOPERATION WITH ENVIRO ENERGY**

Commenting on the investment, Mr. Edmond Ip, Deputy Chairman of CKI, said Enviro Energy is one of the active investors in conventional petroleum production and an early mover in unconventional natural gas exploration in Mainland China. Enviro Energy has also been focusing on enhanced hydrocarbon extraction potential in its projects including the utilisation of CO<sub>2</sub> which has the added benefit of underground sequestration and storage of this important greenhouse gas. CKI is particularly excited to have this opportunity to participate in the development of carbon capture initiatives to help combat global climate change. CKI looks forward to exploring more cooperation between Enviro Energy and Green Island, the unit of CKI that has always been closely involved with environmental initiatives.

## **GENERAL**

To the best of the Board's knowledge, information and belief having made all reasonable enquiries, Green Island and CKI are third parties independent of and not connected with the Company and the connected persons of the Company and their respective associates.

If Green Island exercises its right under the Note in full, CKI, through Green Island, will hold 200,000,000 Sale Shares, representing approximately 8.2% of the issued share capital of the Company. Mr. Chan, through Colpo, will retain 985,680,000 Shares and his personal interest of 1,756,000 Shares, representing approximately 40.53% and 0.07% of the issued share capital of the Company, respectively.

**In view of the fact that Green Island may or may not exercise its right under the Note, shareholders and potential investors of the Company are advised to exercise caution when dealing in the Shares.**

## **RESUMPTION OF TRADING**

At the request of the Company, trading in the Shares on the Stock Exchange was suspended from 9:39 a.m. on 13 April 2010 pending for the release of this announcement. Application has been made to the Stock Exchange for the resumption of trading in the Shares with effect from 2:30 p.m. on 13 April 2010.

## **DEFINITIONS**

In this announcement, the following expressions shall have the following meanings, unless the context requires otherwise:

“associates”	has the meaning ascribed thereto under the GEM Listing Rules
“Board”	the Board of Directors of the Company for the time being
“CO <sub>2</sub> ”	carbon dioxide
“Colpo”	Colpo Mercantile Inc., a company incorporated in the British Virgin Islands with limited liability, the controlling shareholder of the Company

“Company” or “Enviro Energy”	Enviro Energy International Holdings Limited, a company incorporated in the Cayman Islands with limited liability, which Shares are listed on GEM
“connected persons”	has the meaning ascribed thereto under the GEM Listing Rules
“Directors”	the Directors of the Company for the time being
“GEM”	the Growth Enterprise Market of the Stock Exchange
“GEM Listing Rules”	the Rules Governing the Listing of Securities on GEM
“Green Island”	Green Island Cement Company, Limited, a company incorporated in Hong Kong with limited liability
“Group”	the Company, its subsidiaries and jointly-controlled entity
“Hong Kong”	The Hong Kong Special Administrative Region of the People’s Republic of China
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Mr. Chan”	Mr. Chan Wing Him Kenny, an executive Director, the Chairman and Chief Executive Officer of the Company
“Share(s)”	ordinary share(s) of HK\$0.0025 each in the share capital of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited

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

Hong Kong, 13 April 2010

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

*This announcement, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the GEM Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that, to the best of their knowledge and belief: (1) the information contained in this announcement is accurate and complete in all material respects and not misleading; (2) there are no other matters the omission of which would make any statement in this announcement misleading; and (3) all opinions expressed in this announcement have been arrived at after due and careful consideration and are founded on bases and assumptions that are fair and reasonable.*

*This announcement will remain on the website of GEM at [www.hkgem.com](http://www.hkgem.com) on the “Latest Company Announcements” page for at least 7 days from the date of publication and the website of the Company at [www.enviro-energy.com.hk](http://www.enviro-energy.com.hk).*