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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)

QUARTERLY UPDATE ON RESUMPTION PROGRESS

This announcement is made by Enviro Energy International Holdings Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) pursuant to Rule 13.09 and 13.24A of the Rules Governing the Listing of Securities (the “**Listing Rules**”) on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) and the Inside Information Provisions as defined in the Listing Rules under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

References are made to the announcements of the Company dated 21 October 2021, 14 December 2021, 14 March 2022, 14 June 2022 and 14 September 2022 (collectively, the “**Announcements**”) in relation to, among other things, the guidance for the resumption of trading in the Company’s shares (the “**Shares**”) set by the Stock Exchange (the “**Resumption Guidance**”) and the quarterly update on resumption progress. Capitalised terms used herein shall bear the same meanings as those defined in the Announcements unless otherwise stated.

BUSINESS OPERATIONS

The Group principally engaged in sales of materials businesses and properties investment in Hong Kong and the PRC.

The Group is actively exploring options and strategies to revive its business, with an aim to improve the business operation and financial position of the Group. The Group has also been using its best endeavours to expand its source of income and increase return to the Shareholders by liaising with potential business partners to seek for business and investment opportunities.

Establishment of a joint venture company

Reference is made to the announcement of the Company dated 31 October 2022 in relation to the acquisition of 100% of the issued shares of the Target Company (as defined hereinafter) and establishment of the JV Company (as defined hereinafter).

On 28 June 2022, the Company entered into a sale and purchase agreement (the “**Sale and Purchase Agreement**”) with two independent third parties (the “**Vendors**”), pursuant to which the Company has conditionally agreed to acquire for and the Vendors have conditionally agreed to sell the entire issued shares of a target company, which shall hold the entire equity interests of Hangzhou Zhongji Architectural Decoration Engineering Co., Ltd.* (杭州中機建築裝飾工程有限公司) (the “**Target Company**”), at a consideration of RMB30 million.

As certain conditions precedent under the Sale and Purchase Agreement have not been fulfilled or waived (as the case may be) on or before 30 September 2022, the Sale and Purchase Agreement has lapsed on 30 September 2022 pursuant to the terms of the Sale and Purchase Agreement.

On 20 October 2022, the Group and the Target Company jointly established a joint venture company (the “**JV Company**”) and the Group and the Target Company are interested in 60% and 40% of the registered capital of the JV Company respectively. Accordingly, the JV Company becomes a subsidiary of the Company and the financial results of the JV Company will be consolidated into the financial statements of the Company.

The JV Company is principally engaged in the supply of building materials. Upon its incorporation, it has commenced operation in October 2022. As at the date of this announcement, the JV Company has secured a number of sales contracts for the supply of building materials for various construction and renovation projects in the PRC.

Leveraging on (i) the Group’s experience and network in supply of building materials business in the PRC; and (ii) the construction and renovation services provided by the Target Company, the Board is optimistic that the establishment of the JV Company may allow the Group to expand its sales channels, which will provide more business opportunities to the Group by enhancing its sales networks and customer base in the construction industry in the PRC. Accordingly, the Company will focus on developing the business of the JV Company in the near future.

Update on the business operation of the Company

As the price of materials and aluminum began to stabilise, the Company has resumed the supply of building materials and aluminum related products in the PRC in the fourth quarter of 2022. The Company will continue to adopt a cautious approach in this regard as the Company will carefully monitor the price fluctuations in aluminum.

UPDATE ON PROGRESS OF RESUMPTION

The Company is committed to working towards the resumption of trading in the Shares and has been in discussions with professional advisers of the Group to explore and consider options available to the Company in formulating a viable resumption proposal to address matters set out in the Resumption Guidance. Further announcements will be made as and when appropriate should there be any material development on the Resumption Guidance.

CONTINUED SUSPENSION OF TRADING

At the request of the Company, trading in the Shares has been suspended with effect from 9:00 a.m. on 15 September 2021. Trading in the Shares will remain suspended pending fulfilment of the Resumption Guidance and any supplement or modification thereto.

Shareholders and potential investors of the Company are advised to exercise caution when dealing in the shares of the Company.

By order of the Board
Enviro Energy International Holdings Limited
Li Gang
Chairman and Executive Director

Hong Kong, 14 December 2022

As at the date of this announcement, the Board comprises three Executive Directors, namely Mr. Li Gang (Chairman), Mr. Pan Lihui and Mr. Jiang Senlin and three Independent Non-executive Directors, namely Mr. Zhong Jian, Mr. Du Hongwei and Mr. Liu Qin.

** For identification purpose only and should not be regarded as the official English translation of the Chinese names. In the event of any inconsistency, the Chinese name prevails.*