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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)

ANNUAL RESULTS ANNOUNCEMENT FOR THE YEAR ENDED 31 DECEMBER 2024

The Board of Directors (the “**Board**”) of Enviro Energy International Holdings Limited (the “**Company**”) hereby announces the consolidated results of the Company and its subsidiaries (collectively referred to as the “**Group**”) for the year ended 31 December 2024 together with comparative figures in 2023 as follows:

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the year ended 31 December 2024

	Notes	2024 HK\$'000	2023 HK\$'000 (restated)
Continuing operations			
Revenue	4	461,848	530,328
Cost of sales		<u>(427,497)</u>	<u>(490,259)</u>
Gross profit		34,351	40,069
Other income and gains	5	34	1,588
Administrative and operating expenses		(15,646)	(14,237)
Interest income	6	<u>859</u>	<u>267</u>
Profit from operation from continuing operations		19,598	27,687
Loss on deregistration of subsidiaries		(6)	–
Loss on debt capitalisation arrangement	15(b)	(80,631)	–
Finance costs	7	<u>(551)</u>	<u>(282)</u>

	<i>Notes</i>	2024 HK\$'000	2023 HK\$'000 (restated)
(Loss)/profit before income tax from continuing operations	8	(61,590)	27,405
Income tax expense	9	<u>(6,824)</u>	<u>(9,521)</u>
(Loss)/profit for the year from continuing operations		(68,414)	17,884
Discontinued operations			
Profit/(loss) for the year from discontinued operations	10	<u>52,199</u>	<u>(42,170)</u>
Loss for the year		<u>(16,215)</u>	<u>(24,286)</u>
(Loss)/profit for the year attributable to:			
— Owners of the Company		(24,403)	(35,750)
— Non-controlling interests		<u>8,188</u>	<u>11,464</u>
		<u>(16,215)</u>	<u>(24,286)</u>
(Loss)/profit for the year attributable to the owners of the Company arises from:			
— Continuing operations		(76,602)	6,420
— Discontinued operations		<u>52,199</u>	<u>(42,170)</u>
		<u>(24,403)</u>	<u>(35,750)</u>
(Loss)/earning per share:			
Basic and diluted (in HK cent)	12		
— Continuing operations		(7.21)	1.18
— Discontinued operations		<u>4.91</u>	<u>(7.77)</u>
		<u>(2.30)</u>	<u>(6.59)</u>

CONSOLIDATED STATEMENT OF OTHER COMPREHENSIVE INCOME

For the year ended 31 December 2024

	<i>Notes</i>	2024 HK\$'000	2023 <i>HK\$'000</i> (restated)
Loss for the year		(16,215)	(24,286)
Other comprehensive (loss)/income, after tax:			
<i>Items that may be reclassified subsequently to profit or loss:</i>			
Exchange differences arising on translation of foreign operations		(672)	573
Exchange differences reclassified to profit or loss upon deregistration of subsidiaries		6	—
Exchange differences reclassified to profit or loss upon disposal of subsidiaries	<i>10</i>	(8,768)	—
Other comprehensive (loss)/income for the year, net of tax		(9,434)	573
Total comprehensive loss for the year		(25,649)	(23,713)
Total comprehensive (loss)/income for the year attributable to:			
— Owners of the Company		(33,157)	(35,001)
— Non-controlling interests		7,508	11,288
		(25,649)	(23,713)
Total comprehensive (loss)/income for the year attributable to owners of the Company arising from:			
— Continuing operations		(77,857)	5,315
— Discontinued operations		44,700	(40,316)
		(33,157)	(35,001)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 31 December 2024

	<i>Notes</i>	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Non-current assets			
Property, plant and equipment		–	21
Investment properties		–	94,118
		<u>–</u>	<u>94,118</u>
		–	94,139
Current assets			
Inventories		9,818	16,229
Trade and bills receivables	<i>13</i>	53,447	28,331
Deposits, prepayments and other receivables		4,685	137,878
Bank and cash balances		37,702	28,027
		<u>105,652</u>	<u>210,465</u>
Current liabilities			
Trade and other payables	<i>14</i>	43,915	115,559
Contract liabilities		9,443	5,760
Amount due to a director		4,612	–
Shareholders' loans		–	11,410
Loans from fellow subsidiaries		–	29,570
Loans from related parties		–	3,887
Other borrowings		–	196,682
Income tax payable		2,355	1,671
		<u>60,325</u>	<u>364,539</u>
Net current assets/(liabilities)		<u>45,327</u>	<u>(154,074)</u>

	<i>Notes</i>	2024 HK\$'000	2023 <i>HK\$'000</i>
Non-current liabilities			
Shareholders' loans		1,600	–
Loans from fellow subsidiaries		2,851	–
Loans from related parties		549	–
Other borrowings		4,281	3,949
		<u>9,281</u>	<u>3,949</u>
Net assets/(liabilities)		<u>36,046</u>	<u>(63,884)</u>
Capital and reserves			
Equity attributable to the owners of the Company			
Share capital	<i>15</i>	71,969	27,120
Reserves		(59,227)	(106,800)
		<u>12,742</u>	<u>(79,680)</u>
Non-controlling interests		23,304	15,796
		<u>36,046</u>	<u>(63,884)</u>
Total equity/(deficit)		<u>36,046</u>	<u>(63,884)</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2024

1. GENERAL INFORMATION

Enviro Energy International Holdings Limited (the “**Company**”) was incorporated as an exempted company in the Cayman Islands with limited liability under the Companies Law (Revised) of the Cayman Islands on 3 July 2002. The address of its registered office is Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman KY1-1111, Cayman Islands. The address of its principal place of business is 20/F, No.9 Des Voeux Road West, Sheung Wan, Hong Kong. The Company’s shares are listed on the Main Board of The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”).

The principal activities of the Company and its subsidiaries (collectively referred to as the “**Group**”) engaged in sales of materials business in the People’s Republic of China (the “**PRC**”).

As at 31 December 2024, Wonderland International Investment Holdings Limited (the “**Wonderland Holdings**”), a company incorporated in Hong Kong, was the ultimate holding company of the Company. Amethyst Asia Limited, a limited liability company incorporated in the British Virgin Islands, and its controlling shareholder, Mr. Wu Jianrong, have become the Company’s immediate and ultimate holding company and ultimate controlling party, respectively, since 21 January 2025.

These consolidated financial statements are presented in thousand of Hong Kong dollars (HK\$’000), which is the Company’s functional and the Group’s presentation currency, unless otherwise stated.

On 26 September 2024, the Group completed the disposal of the entire equity interests in two wholly-owned subsidiaries of the Company, namely Enviro Energy Capital Investment (Hong Kong) Limited (“**EECIHK**”) (together with its subsidiaries, the “**EECIHK Group**”) and Enviro Energy Minerals Limited (“**EEML**”) (together with its subsidiaries, the “**EEML Group**”). EECIHK Group and EEML Group are collectively referred to as the “**Disposal Group**”. For the presentation of the consolidated financial statements for the years ended 31 December 2024 and 2023, the Disposal Group was regarded as discontinued operations.

Basis of preparation

The consolidated financial statements have been prepared in accordance with the Hong Kong Financial Reporting Standards (“**HKFRSs**”), which collective term includes all applicable individual HKFRS, Hong Kong Accounting Standards (“**HKAS**”) and Interpretations issued by the Hong Kong Institute of Certified Public Accountants (“**HKICPA**”), accounting principles generally accepted in Hong Kong and the requirements of the Hong Kong Companies Ordinance Cap.622. The consolidated financial statements have been prepared under the historical cost convention, except for the investment properties, which is carried at fair value.

The consolidated financial statements are prepared on a going concern basis.

Certain figures in the consolidated financial statements for the year ended 31 December 2023 related to discontinued operations have been reclassified and restated to conform with the current year presentations and accounting treatment.

2. ADOPTION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS

(a) New and amended standards adopted by the Group

The Group has applied the following new and amended standards, improvements and interpretation for the first time for their annual reporting period commencing 1 January 2024:

Amendments to HKAS 1	Classification of Liabilities as Current or Non-current
Amendments to HKAS 1	Non-current Liabilities with Covenants
Amendments to HKFRS 16	Lease Liability in a Sale and Leaseback
Amendments to HKAS 7 and HKFRS 7	Supplier Finance Arrangements

The amendments listed above did not have any impact on the amounts recognised in prior periods and are not expected to significantly affect the current or future periods.

(b) New and amended standards and interpretations not yet adopted

The following new and amended standards and interpretations have been published that are not mandatory for the current reporting period and have not been early adopted by the Group:

		Effective for annual periods beginning on or after
Amendments to HKAS 21	Lack of Exchangeability	1 January 2025
Amendments to HKFRS 9 and HKFRS 7	Amendments to Classification and Measurement of Financial Instruments	1 January 2026
Amendments to HKFRS 9 and HKFRS 7	Amendments to the Contracts Referencing Nature-dependent Electricity	1 January 2026
Annual Improvements to HKFRS Accounting Standards — Volume 11	Amendments to HKFRS 1, HKFRS 7, HKFRS 9, HKFRS 10 and HKAS 7	1 January 2026
HKFRS 18	Presentation and Disclosure in Financial Statements	1 January 2027
HKFRS 19	Subsidiaries without Public Accountability: Disclosures	1 January 2027
Amendments to HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	To be determined

In July 2024, HKICPA issued HKFRS 18 which is effective for annual reporting periods beginning on or after 1 January 2027, with early application permitted. HKFRS 18 introduces significant changes to the presentation of financial statements, with a focus on information about financial performance present in the statement of profit or loss and other comprehensive income, which will affect how the Group present and disclose financial performance in the consolidated financial statements. The key changes introduced in HKFRS 18 relate to (i) the structure of the statement of profit or loss, (ii) required disclosures for management-defined performance measures (which are referred to alternative or non-GAAP performance measures), and (iii) enhanced requirements for aggregation and disaggregation of information. The directors of the Company are currently assessing the impact of applying HKFRS 18 on the presentation and the disclosures of the consolidated financial statements.

Except from the above, the directors of the Company have assessed the financial impact on the Group of the adoption of the above new standards, amendments to existing standards and interpretations. These standards, amendments and interpretations are not expected to have a material impact on the Group in the future reporting periods and on foreseeable future transactions. The Group is currently revisiting their accounting policy information disclosures to ensure consistency with the requirements. The Group intends to adopt the above new standards, amendments to existing standards and interpretations when they become effective.

3. SEGMENT INFORMATION

The executive Directors, who are chief operating decision-maker (the “**CODM**”) of the Group, review the Group’s internal reporting in order to assess performance and allocate resources. Management has determined the operating segments based on reports reviewed by the executive Directors that are used to make strategic decisions.

On 26 September 2024, the Group completed the disposal of the entire equity interests in EECIHK and EEML. The whole properties investment business is engaged by the Disposal Group. During the year ended 31 December 2024, the results of the properties investment segment are presented as discontinued operations in accordance with HKFRS 5 “Non-current Assets Held for Sale and Discontinued Operations”. As such, the financial performance of the properties investment segment was no longer presented separately.

The CODM regard the Group’s sale of materials business as a single operating segment and review consolidated financial statements accordingly. As the Group has only one operating segment qualified as reporting segment under HKFRS 8 “Operating Segments”, no separate segmental analysis is presented in the consolidated financial statements.

Information about geographical areas:

For the years ended 31 December 2024 and 2023, the Group's revenue from external customers by location of the delivery destination of the goods was solely from the operation on the PRC.

As at 31 December 2023, the non-financial assets classified as non-current assets amounted to approximately HK\$94,118,000 and HK\$21,000 are located in the PRC and Hong Kong, respectively.

Revenue individually generated from the following customers contributed more than 10% of the total revenue from continuing operations of the Group:

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Sale of materials business segment		
Customer A	125,796	—*
Customer B	49,269	—*
Customer C	—*	80,823
Customer D	—*	59,372
Customer E	—*	58,813
Customer F	—*	54,953

* The corresponding revenue did not contribute over 10% of the total revenue of the Group.

4. REVENUE

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i> (restated)
Continuing operations		
Revenue from contracts with customers		
— Sale of materials	<u>461,848</u>	<u>530,328</u>

All revenue from contracts with customers are recognised at a point in time.

Sales of materials

The Group sells building materials to its customers. Sales are recognised when control of the products has transferred, being when the products are delivered to a customer, there is no unfulfilled obligation that could affect the customer's acceptance of the products and the customer has obtained legal titles to the products.

Sales to customers are normally made with credit terms of 30 to 90 days (2023: 30 to 90 days). For new customers, deposits or cash on delivery may be required.

A receivable is recognised when the products are delivered to the customers as this is the point in time that the consideration is unconditional because only the passage of time is required before the payment is due.

5. OTHER INCOME AND GAINS

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i> (restated)
Continuing operations		
Sundry income	34	34
Gain on discount of other borrowings	—	1,554
	<u>34</u>	<u>1,588</u>

6. INTEREST INCOME

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i> (restated)
Continuing operations		
Bank interest income	331	267
Loan interest income (<i>note</i>)	528	—
	<u>859</u>	<u>267</u>

Note: During the year ended 31 December 2024, the Group provided loans to third parties with an aggregate principal amount of RMB8,000,000, bearing an annual interest rate of 8%. These loans principal has been fully repaid during the year.

7. FINANCE COSTS

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i> (restated)
Continuing operations		
Interest expenses on		
— Shareholders' loans	17	24
— Loans from fellow subsidiaries	17	31
— Loans from related parties	47	87
Unwinding interest of discount on other borrowings	470	140
	<u>551</u>	<u>282</u>

8. (LOSS)/PROFIT BEFORE INCOME TAX

The Group's (loss)/profit before tax is arrived at after charging/(crediting) the following:

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i> (restated)
Continuing operations		
Auditor's remuneration		
— Audit services	1,080	1,180
— Non-audit services	112	880
Cost of inventories sold	427,497	490,258
Depreciation of property, plant and equipment	—	1
Exchange loss/(gain), net	1,679	(131)
Rental expenses related to short-term leases	590	354
Staff costs (including directors' emoluments)		
— Salaries, allowances and other benefits	5,438	5,205
— Retirement benefit scheme contributions	59	91
— Social insurance	240	204
	<u>5,737</u>	<u>5,500</u>

9. INCOME TAX EXPENSE

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i> (restated)
Continuing operations		
Current income tax		
— The PRC Enterprise Income Tax	6,824	9,531
Over-provision of prior years		
— Hong Kong Profits Tax	—	(10)
	<u>6,824</u>	<u>9,521</u>

Hong Kong Profits Tax has been provided at the rate of 16.5% (2023: 16.5%) on the estimated assessable profits arising in Hong Kong for the year, except for one group entity operating in Hong Kong which is a qualifying corporate under the two-tiered Profits Tax rate regime. For the qualifying group entity, the first HK\$2 million of assessable profits are taxed at the rate of 8.25% (2023: 8.25%) and the remaining assessable profits are taxed at the rate of 16.5% (2023: 16.5%).

Enterprise Income Tax has been provided at a rate of 25% for a subsidiary in the PRC on its assessable profits during the years ended 31 December 2024 and 2023.

10. DISCONTINUED OPERATION AND DISPOSAL OF SUBSIDIARIES

On 22 July 2024, the Group entered into two sale and purchase agreements, with an independent third party for the disposal of (i) the entire issued shares of EECIHK at a consideration of HK\$1; and (ii) the entire issued shares of EEML at a consideration of HK\$1. The Disposal Group represents the whole properties investment business of the Group, the Group's properties investment business would be discontinued upon completion of the disposal of the Disposal Group.

The disposal of the Disposal Group was completed in September 2024.

The above disposal constituted a discontinued operation under HKFRS 5, and accordingly, properties investment business are reported in the current period as discontinued operations.

	2024	2023
	<i>HK\$'000</i>	<i>HK\$'000</i>
Loss after income tax from discontinued operations (<i>Note (a)</i>)	(26,278)	(42,170)
Gain on disposal of subsidiaries (<i>Note (b)</i>)	<u>78,477</u>	<u>–</u>
Profit/(loss) for the year from discontinued operations	<u><u>52,199</u></u>	<u><u>(42,170)</u></u>

(a) **Financial performance and cash flow information on discontinued operation**

Analysis of the financial performance and cash flow information on the discontinued operations is set out below:

	Properties	
	investment business	
	2024	2023
	HK\$'000	HK\$'000
Revenue	286	1,176
Cost of sales	<u>(37)</u>	<u>–</u>
Gross profit	249	1,176
Other income and gains	5	15
Administrative and operating expenses	(986)	(2,567)
Interest income	–	1
Fair value loss on investment properties	(14,611)	(28,943)
Impairment loss on trade and other receivables, net	<u>–</u>	<u>(133)</u>
Loss from operation from discontinued operations	(15,343)	(30,451)
Finance costs	<u>(10,935)</u>	<u>(11,719)</u>
Loss before income tax from discontinued operations	(26,278)	(42,170)
Income tax expense	<u>–</u>	<u>–</u>
Loss after income tax from discontinued operations	(26,278)	(42,170)
Exchange differences arising on translation of foreign operations	1,269	1,854
Exchange differences reclassified to profit or loss upon disposal of subsidiaries	<u>(8,768)</u>	<u>–</u>
Other comprehensive (loss)/income for the year from discontinued operations	(7,499)	1,854
Cash flows from discontinued operations		
Net cash generated from operating activities	18	67
Exchange difference on cash and cash equivalents	<u>1</u>	<u>–</u>
Net increase in cash and cash equivalents	<u>19</u>	<u>67</u>

(b) Gain on disposal of subsidiaries

An analyses of gain on disposal of subsidiaries is as follows:

	EECIHK Group HK\$'000	EEML Group HK\$'000	Total HK\$'000
Total consideration satisfied by:			
Cash consideration	—*	—*	—
Property, plant and equipment	—	21	21
Investment properties	—	79,906	79,906
Deposits and other receivables	—	131,633	131,633
Bank and cash balances	—	87	87
Amounts due to the Group	(353)	(258,950)	(259,303)
Trade and other payables	(1)	(83,223)	(83,224)
Other borrowings	—	(198,132)	(198,132)
Net liabilities disposed of	(354)	(328,658)	(329,012)
Release of foreign currency translation reserve	298	(9,066)	(8,768)
Waiver of balances with the Disposal Group (<i>Note i</i>)	353	258,950	259,303
	(297)	78,774	78,477
Gain on disposals	(297)	78,774	78,477

Note:

- (i) Under the sale and purchase agreements, the Group agreed to waive the current account balances with the Disposal Group upon the completion of the disposal.

Capital reserve of approximately HK\$19,980,000 were released to the accumulated losses of the Group upon the completion of disposal of the Disposal Group. Such release of reserve was not included in the gain on disposal as those equity accounts were arising from transactions with the owners of the company.

(c) Net cash outflow on disposal

Analysis of net cash outflow arising from the disposal:

	EECIHK Group HK\$'000	EEML Group HK\$'000	Total HK\$'000
Cash consideration received	—*	—*	—
Cash and cash equivalents disposed	—	(87)	(87)
	—	(87)	(87)

* Amount less than HK\$1,000

11. DIVIDENDS

No dividend was paid or declared for the year ended 31 December 2024 (2023: nil).

12. (LOSS)/EARNING PER SHARE

(a) Basic

Basic (loss)/earning per share is calculated by dividing the (loss)/profit attributable to the owners of the Company by the weighted average number of ordinary shares in issue during the years ended 31 December 2024 and 2023.

The calculation of the basic (loss)/earning per share attributable to the owners of the Company is based on the following data:

	2024	2023
(Loss)/profit for the year attributable to the owners of the Company (<i>HK\$'000</i>)		
— Continuing operations	(76,602)	6,420
— Discontinued operations	52,199	(42,170)
	<u>(24,403)</u>	<u>(35,750)</u>
Weighted average number of ordinary shares in issue (<i>thousand shares</i>)	<u>1,061,962</u>	<u>542,392</u>

(b) Diluted

For the years ended 31 December 2024 and 2023, diluted (loss)/earning per share is the same as basic loss per share as there was no potential dilutive ordinary shares in existence.

13. TRADE AND BILLS RECEIVABLES

	2024	2023
	<i>HK\$'000</i>	<i>HK\$'000</i>
Trade receivables	45,257	34,389
Bills receivables	8,190	—
	<u>53,447</u>	<u>34,389</u>
Less: Provision for impairment loss	—	(6,058)
	<u>53,447</u>	<u>28,331</u>

The Group' credit terms to trade debtors range generally from 30 to 90 days (2023: 30 to 90 days).

The ageing analysis of trade and bills receivables as at the end of reporting period, based on invoice date, is as follows:

	2024	2023
	<i>HK\$'000</i>	<i>HK\$'000</i>
Within 30 days	37,306	4,821
31–60 days	1,942	6,576
61–90 days	–	6,053
91–120 days	14,199	2,179
121–365 days	–	8,702
	53,447	28,331

14. TRADE AND OTHER PAYABLES

	2024	2023
	<i>HK\$'000</i>	<i>HK\$'000</i>
Trade payables (<i>note (i)</i>)	35,277	30,976
Accrued liabilities	8,270	13,770
Other payables	368	48,598
Received in advance	–	715
Interest payable	–	21,500
	43,915	115,559

Note:

- (i) The amounts are repayable according to normal credit terms of 30 to 60 days (2023: 30 to 60 days).

The ageing analysis of the trade payables as at the end of reporting period, based on invoice date, is as follows:

	2024	2023
	<i>HK\$'000</i>	<i>HK\$'000</i>
Within 30 days	28,004	11,030
30–60 days	6,174	9,448
61–90 days	137	737
91–120 days	841	5,540
121–365 days	43	3,749
Over 365 days	78	472
	35,277	30,976

15. SHARE CAPITAL

	Number of shares '000	Ordinary shares per value of HK\$0.05 each HK\$'000
Authorised:		
At 1 January 2023, 31 December 2023 and 1 January 2024	1,000,000	50,000
Increase in authorised share capital (<i>note (a)</i>)	9,000,000	450,000
	<u>10,000,000</u>	<u>500,000</u>
At 31 December 2024	<u>10,000,000</u>	<u>500,000</u>
Issued and fully paid:		
At 1 January 2023, 31 December 2023 and 1 January 2024	542,392	27,120
Issuance of shares for debt capitalisation arrangement (<i>note (b)</i>)	896,994	44,849
	<u>1,439,386</u>	<u>71,969</u>
At 31 December 2024	<u>1,439,386</u>	<u>71,969</u>

All the shares issued by the Company rank pari passu and do not carry pre-emptive rights.

Notes:

- (a) On 2 May 2024, the Company passed the resolution at the extraordinary general meeting to approve the authorised share capital of the Company be increased from HK\$50,000,000 divided into 1,000,000,000 shares of HK\$0.05 each to HK\$500,000,000 divided into 10,000,000,000 shares by the creation of additional 9,000,000,000 shares.
- (b) On 25 January 2024, the Group entered into a settlement agreement with the Mr. Pan Lihui, Mr. Zhou Lixin, Wonderland International Financial Holdings Limited, Longma International Family Services Group Limited, Wonderland International Finance Limited, Able Plus International Limited and Mr. Tang Zhengbang (together as the “**Creditors**”), pursuant to which the Company has conditionally agreed to allot and issue a total of 896,993,536 shares of the Company (the “**New Shares**”) at the price of HK\$0.05 per share to extinguish the indebted amount with the Creditors of approximately HK\$44,948,000 (the “**Indebted Amount**”). The issuance of the New Shares for the capitalisation of the Indebted Amount took place on 3 June 2024 (the “**Completion Date**”) and the aggregate outstanding principal and the interests were fully settled accordingly.

Based on the closing price of the share of the Company on the Completion Date, the fair value of the New Shares issued by the Company was approximately HK\$125,579,000. The difference between the fair value of the New Shares issued by the Company and the Indebted Amount was recognised as a loss on debt capitalisation arrangement of approximately HK\$80,631,000 in the profit or loss for the year ended 31 December 2024.

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

Enviro Energy International Holdings Limited (the “**Company**”) and its subsidiaries (collectively referred to as the “**Group**”) principally engaged in sales of materials businesses and properties investment in the People’s of Republic of China (the “**PRC**”).

Sales of materials business

In October 2022, the Group has jointly established Hangzhou Junheng Building Materials Company Limited* (杭州峻衡建材有限公司) (“**Hangzhou Junheng**”) with Hangzhou Zhongji Architectural Decoration Engineering Co., Ltd.* (杭州中機建築裝飾工程有限公司) (“**Hangzhou Zhongji**”). Hangzhou Junheng become a subsidiary of the Company. Leveraging on the construction and renovation services provided by Hangzhou Zhongji, the Group benefited for the introduction of customers for downstream expansion, the financial result of the Group was substantially improved since then.

During the year ended 31 December 2024 (the “**Year**”), the sales of materials contributed a revenue of approximately HK\$461.8 million (year ended 31 December 2023 (the “**Previous Year**”): HK\$530.3 million).

Properties investment

The Group’s investment properties comprise certain commercial units and lands situated in Yingkou city, Liaoning province, the PRC. During the Previous Year, the Group’s rental income amounted to approximately HK\$1.2 million were generated from properties investment.

In September 2024, the Group completed the disposal of the property investment business, the results of the properties investment segment are therefore presented as discontinued operations during the Year.

BUSINESS PROSPECTS AND FUTURE PLANS

Notwithstanding the challenge of the inflation and price instability in building materials, the management explored business opportunities based on its existing supply of building material business network in the PRC and identified the significant demand of building materials in the Hangzhou.

In October 2022, the Group and Hangzhou Zhongji jointly established Hangzhou Junheng. The Group responsible for sourcing, procurement, quality control and selection of suppliers for building materials, while Hangzhou Zhongji introduces customers and new projects for construction and renovation services to Hangzhou Junheng by its extensive business network includes property developers in the PRC. The Company is of the view that the establishment of Hangzhou Junheng allow the Group to expand its sales channel, which will provide more business opportunities to the supply of materials business of the Group by enhancing its sales network and customer base in the construction industry in the PRC, the prospect look promising.

2024 was another strong period for the Group as we maintain our focus on growing our business in a consistent and sustainable way since the establishment of Hangzhou Junheng. Our confidence in the long-term future of our sales of materials business remains resolute.

The Group continues to optimise its business segments and management team, and strengthen its management of operational team. In July 2024, the Group entered into two sale and purchase agreements with an independent third party, pursuant to which the Group have conditionally agreed to sell, and the purchaser has conditionally agreed to acquire, the entire equity interests of two wholly-owned subsidiaries of the Company, namely Enviro Energy Capital Investment (Hong Kong) Limited (“**EECIHK**”, together with its subsidiaries, the “**EECIHK Group**”) and Enviro Energy Minerals Limited (“**EEML**”, together with its subsidiaries, the “**EEML Group**”), which principally engaged in property investment business in the PRC and represented the whole properties investment business of the Group, at an aggregate consideration of HK\$2 (the “**Disposal**”). EECIHK Group and EEML Group are collectively referred to as the “**Disposal Group**”. In September 2024, the Disposal was completed and the Group’s properties investment business was discontinued since then.

The Disposal enable the Group to devote its resources on sales of materials business which generate stable income, it also represents an opportunity to allow the Group to (i) settle the loans to reduce indebtedness and improve its gearing ratio; (ii) resolve the audit qualification on the consolidated financial statements of the Group; and (iii) resolve the uncertainty on the provision for repayment obligation to the consolidated financial statements of the Group surrounding the litigation filed by the bank on its subsidiaries and allow the remaining group to be free from the legal encumbrances of such litigation, which is in the interest of the Company and its Shareholders as a whole.

The Board will continue to look out for opportunities to make investments in any business when suitable opportunities arise to diversify revenue streams of the Group and strengthen the Group's financial position, and thereby maximising the benefits of the shareholders as a whole. The Board is fully confident in the future business development of the Group.

FINANCIAL REVIEW

Revenue

During the Year, the Group recorded a revenue from continuing operations of approximately HK\$461.8 million (Previous Year: HK\$530.5 million), representing a decrease by 12.9% when compared with the Previous Year which was mainly attributed to intense competition.

Gross profit

The Group's gross profit from continuing operations for the Year decreased by HK\$5.7 million to approximately HK\$34.4 million (Previous Year: HK\$40.1 million). The overall gross profit margin remained relatively stable from 7.6% for the Previous Year to 7.4% for the Year.

Administrative and operating expenses

The Group's administrative and operating expenses from continuing operations mainly consisted of (i) staff costs; (ii) depreciation; (iii) legal and professional fee; (iv) office and utility expenses; and (v) other administrative expenses.

Administrative and operating expenses increased by HK\$1.4 million from HK\$14.2 million for the Previous Year to HK\$15.6 million for the Year which mainly due to increase in exchange loss of HK\$1.8 million.

Loss on debt capitalisation

As at 31 December 2023, the Group has a net current liabilities and net liabilities of approximately HK\$154.1 million and HK\$63.9 million respectively and coupled with the recent cautious investment sentiment and the prevailing high interest rate in the debt market, the Group had difficulties in seeking debt or equity financing to finance its business development.

On 25 January 2024, the Company entered into the settlement agreement with certain creditors (the “**Creditors**”), pursuant to which the Company has conditionally agreed to capitalise the aggregate indebted amount of approximately HK\$44.9 million owed to the Creditors by the Company, the Creditors has conditionally agreed to subscribe for and the Company has conditionally agreed to allot and issue 896,993,536 capitalisation shares at the issue price of HK\$0.05 per capitalisation share (the “**Debt Capitalisation**”).

The Debt Capitalisation offers the Group with a valuable chance of reaching a full settlement of its outstanding debt without utilising existing financial resources of the Company and exerting pressure on the cashflow position of the Group.

On 2 May 2024, the resolution in relation to grant a specific mandate to the directors to allot and issue the capitalisation shares in the extraordinary general meeting was duly passed. Accordingly, the Company allotted and issued the capitalisation shares on 3 June 2024 and resulted in an one-off loss on debt capitalisation of approximately HK\$80.6 million during the Year.

For further details, please refer to the announcement of the Company dated 7 February, 28 February, 28 March, 8 April, 30 April, 2 May and 3 June 2024; and circular of the Company dated 8 April 2024.

Finance costs

The Group’s finance costs from continuing operations mainly represented interest expenses on other borrowings, shareholders’ loans, loans from fellow subsidiaries and loans from related parties. The increase in finance costs from HK\$0.3 million for the Previous Year to HK\$0.6 million for the Year was mainly due to the increase in average borrowings during the Year.

Gain on disposal of subsidiaries

In September 2024, the Group completed the Disposal at a cash consideration of HK\$2 and resulted in an one-off gain on disposal of subsidiaries of HK\$78.5 million during the Year. The consideration was determined after arm’s length negotiations between the Company and the purchaser. Upon the Disposal, the cumulative exchange reserve of approximately HK\$8.8 million was released to the consolidated statement of profit or loss.

Loss for the year

As a result of the foregoing, loss for the Year from continuing operations attributable to the owners of the Company was approximately HK\$76.6 million (Previous Year: profit of HK\$6.4 million).

Liquidity, Financial Resources and Capital Structure

The primary objective of the Group's capital management is to safeguard the Group's ability to continue as a going concern and to maintain healthy capital ratios in order to support its business and maximize the value of its shareholders (the "Shareholders").

The Group manages its capital structure and makes adjustments to it, in light of changes in economic conditions. To maintain or adjust the capital structure, the Group may adjust the amount of dividend payment to the Shareholders, issue new shares, obtain bank and other borrowings, or sell assets to reduce debt.

Save for the Debt Capitalisation, there is no material change in the capital structure of the Company during the Year. The capital of the Company comprises only ordinary shares.

As at 31 December 2024, all other borrowings, shareholders' loans, loans from fellow subsidiaries and loans from related parties of the Group bore fixed interest rate, the maturity and currency profile are set out as follows:

	2nd to 5th years HK\$'000
Hong Kong Dollar	5,000
Renminbi	4,281
	<hr/>
	9,281
	<hr/> <hr/>

The Group monitors capital on the basis of the gearing ratio. This ratio is calculated as net debt divided by total capital. Net debts is calculated as the sum of other borrowings, shareholders' loans, loans from fellow subsidiaries and loans from related parties, less bank and cash balances. Total capital represents total equity/(deficit) as shown on the consolidated statement of financial position of the Group plus net debts. The gearing ratios as at 31 December 2024 and 2023 were as follows:

	2024	2023
	<i>HK\$'000</i>	<i>HK\$'000</i>
Other borrowings	4,281	200,631
Shareholders' loans	1,600	11,410
Loans from fellow subsidiaries	2,851	29,570
Loans from related parties	549	3,887
Less: Bank and cash balances	(37,702)	(28,027)
	<u>(28,421)</u>	<u>217,471</u>
Net (cash)/debts		
	36,046	(63,884)
Total equity/(deficit)		
Total capital	7,625	153,587
	<u>Net cash</u>	<u>141.6%</u>
Gearing ratio		

Since the amount of bank and cash balances exceeded the sum of other borrowings, shareholders' loans, loans from fellow subsidiaries and loans from related companies, the Group is at net cash position as at 31 December 2024. Thus, the gearing ratio was not applicable as at 31 December 2024.

As at 31 December 2024, the total equity attributable to the owners of the Company was approximately HK\$12.7 million (31 December 2023: total deficit of HK\$79.7 million), the change was mainly contributed by the Debt Capitalisation during the Year. As at 31 December 2024, the Group's current assets and current liabilities amounted to approximately HK\$105.7 million and HK\$60.3 million respectively (31 December 2023: HK\$210.5 million and HK\$364.5 million), of which approximately HK\$37.7 million (31 December 2023: HK\$28.0 million) was bank and cash balances.

As at 31 December 2024, the Group had bank and cash balances of approximately HK\$37.7 million (31 December 2023: HK\$28.0 million), of which approximately 98.0% and 2.0% (31 December 2023: 95.4% and 4.6%) were denominated in Renminbi (“RMB”) and Hong Kong Dollar (“HK\$”) respectively.

The Group's current ratio, calculated based on current assets over current liabilities, was 1.8 at 31 December 2024 (31 December 2023: 0.6).

In managing the liquidity risk, the Group monitors and maintains a level of bank and cash balances deemed adequate by the management to finance the Group's operations and mitigate the effects of fluctuations in cash flows. The Group relies on funds generated from operations and fund raising activities.

With the amount of liquid assets on hand and unutilised loan facility, the management is of the view that the Group has sufficient financial resources to meet its ongoing operational needs.

Investment properties

The Group's investment properties contain offices and retail shops in Mainland China and are leased to third parties under operating leases for rental income. As at 31 December 2023, the Group's investment properties amounted to approximately HK\$94.1 million and were revalued based on valuations performed by an independent professionally qualified valuer. As at 31 December 2024, no investment properties was held by the Group since the completion of the Disposal during the Year.

Charge on Group Assets

As at 31 December 2023, the investment properties of the Group with carrying amount of approximately HK\$94.1 million were pledged to secure certain other borrowings.

As at 31 December 2023, investment properties of the Group is under awaiting seizure (輪候查封) pursuant to civil judgement, please refer to section “Material Events — Litigation” for the details of litigation.

Save for the above, the Group did not have any charges on its assets as at 31 December 2024 and 2023.

Foreign Exchange Exposure

The Group operates mainly in Mainland China and Hong Kong. For the operations in Mainland China, the transactions are mostly denominated in RMB. Minimal exposure to fluctuation in exchange rates is expected. For the operations in Hong Kong, most of the transactions are denominated in HK\$ and US\$. Since the exchange rate of US\$ against HK\$ is pegged to each other under the Linked Exchange Rate System, the exposure to fluctuation in exchange rates will only arise from the translation to the presentation currency of the Group. The Group did not resort to any currency hedging facility for the Year. However, the management will monitor the Group's foreign currency exposure should the need arise.

Capital Commitments

As at 31 December 2024 and 2023, the Group did not have significant capital commitments.

Contingent Liabilities

As at 31 December 2023, the repayment obligations borne by the Group under the civil judgement as disclosed in section "Material Events — Litigation" is subject to the outcome of any court order or actions which are yet to materialise, no contingent liabilities was therefore recognised in this regard.

Save for the above, the Group did not have significant contingent liabilities as at 31 December 2024 and 2023.

Employees and Remuneration Policies

As at 31 December 2024, the Group had a total of 23 employees in Hong Kong and the PRC (31 December 2023: 28 employees). Staff costs (including directors' emoluments) from continuing operations amounted to approximately HK\$5.7 million for the Year (Previous Year: HK\$5.5 million). The Group implements remuneration policy and bonus to ensure that pay scales of its employees are rewarded on performance-related basis within the general framework of the Group's remuneration strategy.

FINAL DIVIDEND

The Board has resolved not to declare a final dividend for the Year (Previous Year: nil).

SIGNIFICANT INVESTMENT HELD, MATERIAL ACQUISITIONS AND DISPOSALS OF SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES

In September 2024, the Group completed the disposal of the entire equity interests in EECIHK and EEML, which carried out the whole Group's properties investment. The whole properties investment business is engaged by the Disposal Group.

For further details, please refer to the announcement of the Company dated 22 July and 13 September 2024; and circular of the Company dated 23 August 2024.

Save for the above, there were no significant investment held and material acquisitions or disposals of subsidiaries, associates and joint ventures during the Year.

MATERIAL EVENTS

Litigation

In 2019, two wholly-owned subsidiaries of the Group (the “**Yingkou Subsidiaries**”) entered into certain loan agreements (the “**Original Loan Agreements**”) with a bank in the PRC (the “**Bank**”), pursuant to which the Bank shall provide loans with an aggregate principal of RMB162.0 million (the “**Original Loan**”) to the Yingkou Subsidiaries which carry interest rate ranging from 9.0045% to 9.5265% per annum and was secured by the investment properties held by the Yingkou Subsidiaries (the “**Yingkou Properties**”). The respective Original Loan and the respective accrued interests became overdue in December 2019 and January 2020 respectively.

On 3 March 2020, the Bank assigned its entire rights over the Original Loan to an independent third party (the “**Lender A**”) at an aggregate consideration of approximately RMB166.6 million (the “**Lender A Receivables**”). On 18 August 2020, Lender A assigned its entire rights over the Lender A Receivables to another independent third party (the “**Lender B**”) at an aggregate consideration of approximately RMB176.8 million.

On 31 August 2020, Yingkou Subsidiaries entered into two agreements with Lender B (the “**Extended Loan Agreements**”), pursuant to which (i) the balance of the Original Loan and accrued interest as at 18 August 2020 shall amount to approximately RMB176.8 million, which the Lender B is entitled to the rights of such receivable from the Yingkou Subsidiaries; (ii) the Lender B shall extend the repayment date of such RMB176.8 million (the “**Extended Loan**”) by the Yingkou Subsidiaries to 17 August 2023, and the Extended Loan shall carry an interest rate of 5%.

As the Group did not repay the Extended Loan and respective accrued interest pursuant to the Extended Loan Agreements, the Extended Loan and the respective accrued interest became overdue on 17 August 2023.

Lender A had pledged its rights to the Lender A Receivables to the Bank and there was a dispute between the Bank and Lender A. The Bank had filed a claim against the Lender A and the Yingkou Subsidiaries and other defendants for the repayment of outstanding loans and interest due to default in certain loan agreements between the Bank and Lender A.

In 2022, the Group received a civil judgment and it was adjudged that (i) Yingkou Subsidiaries are obliged to repay the outstanding balance under the Extended Loan and respective accrued interest to the Bank; and (ii) the Bank or the relevant court in the PRC may have the right to dispose the Yingkou Properties by way of auction or sale. Should the judgement debts borne by the Group less than the aforesaid repayment amount under Extended Loan Agreements, the remaining amount shall be repaid to Lender B.

As at 31 December 2023, the balance of the Extended Loan and respective accrued interest amounted to approximately HK\$218.2 million, being the obligation indebted by the Group to the Bank under the civil judgement, which was fully reflected in the Group's consolidated financial statements.

As at 31 December 2023, the Yingkou Properties with carrying amount of HK\$94.1 million is under awaiting seizure (輪候查封) pursuant to the civil judgement. Transfer of ownership on the Yingkou Properties is restricted.

In September 2024, the Group completed the Disposal, the relevant subsidiaries ceased to be the subsidiaries of the Company since then. As at 31 December 2024, the Group have no repayment obligation or investment properties under awaiting seizure pursuant to the civil judgement.

EVENT AFTER THE END OF REPORTING PERIOD

Mandatory conditional cash offer up to 595,742,780 shares at HK\$0.05 per share

On 21 January 2025, Amethyst Asia Limited (the “**Offeror**”) and certain vendors (the “**Vendors**”) entered into five sale and purchase agreements in relation to the acquisition of an aggregate of 709,045,226 shares of the Company (the “**Shares**”) beneficially owned by the Vendors, representing approximately 49.26% of the entire issued share capital of the Company. Pursuant to Rule 26.1 of the Takeovers Code, the Offeror is required to make mandatory conditional cash offer for all the issued Shares (the “**Offer**”).

Assuming that there is no change in the total issued share capital of the Company up to the close of the Offer, a total of 595,742,780 Shares (representing approximately 41.39% of the total issued share capital of the Company) will be subject to the Offer and the maximum cash consideration payable by the Offeror under the Offer would be approximately HK\$29.8 million based on the offer price of HK\$0.05 per offer share.

On 11 March 2025, the condition set out in the composite document dated 3 March 2025 has been satisfied, and the Offer has become unconditional in all respects. On 25 March 2025, the Offer was closed. Immediately after the close of the Offer, subject to the completion of the transfer of the acceptance shares, the Offeror and parties acting in concert with it are interested in an aggregate of 731,358,376 Shares.

For further details, please refer to the announcements of the Company dated 6 February, 7 February, 27 February, 11 March and 25 March 2025; and the composite offer and response document dated 3 March 2025.

PURCHASE, REDEMPTION OR SALE OF LISTED SECURITIES OF THE COMPANY

Neither the Company nor any of its subsidiaries purchased, redeemed or sold any of the listed securities of the Company (including sale of treasury shares) during the Year. As at 31 December 2024, no treasury shares were held by the Company.

CORPORATE GOVERNANCE

The Company complied with all the applicable code provisions of the Corporate Governance Code (the “**CG Code**”) set out in Part 2 of Appendix C1 to the Listing Rules for the Year, save for the code provisions C.2.1 of the CG Code.

Code Provision C.2.1 of the CG Code

Under the code provision C.2.1 of the CG Code, the roles of chairman and chief executive officer should be separated and should not be performed by the same individual. During the Year, Mr. Li Gang is the chairman of the Board and the Company has not appointed a chief executive officer. Accordingly, the duties of the chief executive office have been undertaken by the executive Directors. The Board will keep reviewing the current structure of the Board and the need of appointment of a suitable candidate to perform the role of the chief executive officer. Appointment will be made to fill the post to comply with the code provision C.2.1 of the CG Code, if necessary.

MODEL CODE FOR SECURITIES TRANSACTIONS OF DIRECTORS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (“**Model Code**“) as set out in Appendix C3 to the Listing Rules as the Group’s code of conduct regarding Directors’ Securities Transaction. Specific enquiries have been made with all the Directors and they have confirmed their compliance with the Model Code during the Year.

AUDIT COMMITTEE

The Company has established an audit committee of the Company (the “**Audit Committee**”) with written terms of reference in compliance with Rule 3.21 of the Listing Rules and paragraph D.3 of the CG Code. As at the date of this announcement, the Audit Committee consists of three independent non-executive Directors, namely Mr. Liu Qin (Chairman), Mr. Zhong Jian and Mr. Pan Yongye (with Mr. Liu Qin possessing the appropriate professional qualifications or accounting or related financial management expertise as required under Rule 3.10(2) of the Listing Rules).

The consolidated financial statements of the Company for the Year have been reviewed by the Audit Committee of the Company and have been duly approved by the Board under the recommendation of the Audit Committee.

SCOPE OF WORK OF INDEPENDENT AUDITOR

The figures in respect of the preliminary announcement of the Group’s consolidated statement of profit or loss, consolidated statement of other comprehensive income, consolidated statement of financial position and the related notes thereto for the year ended 31 December 2024 as set out in the preliminary announcement of the Group’s results for the year ended 31 December 2024 have been agreed by the Group’s independent auditor, ZHONGHUI ANDA CPA Limited (“**ZHONGHUI ANDA**”), to the amounts set out in the Group’s draft consolidated financial statements for the year ended 31 December 2024. The work performed by ZHONGHUI ANDA in this respect did not constitute an assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the Hong Kong Institute of Certified Public Accountants and consequently no assurance has been expressed by ZHONGHUI ANDA on the preliminary announcement.

EXTRACT OF INDEPENDENT AUDITOR’S REPORT

The section below is an extract of the independent auditor’s report by ZHONGHUI ANDA regarding the consolidated financial statements of the Group for the Year:

QUALIFIED OPINION

In our opinion, except for the possible effects of the matters described in the Basis for Qualified Opinion section of our report, the consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 31 December 2024, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with Hong Kong Financial Reporting Standards (“**HKFRSs**”) issued by the Hong Kong Institute of Certified Public Accountants (the “**HKICPA**”) and have been properly prepared in compliance with the disclosure requirements of the Hong Kong Companies Ordinance.

BASIS FOR QUALIFIED OPINION

1. Recoverability of consideration receivables

The Group had consideration receivables of approximately HK\$130,383,000 as at 31 December 2023, attributable to its subsidiaries which were disposed of during the year ended 31 December 2024 (“**Disposed Subsidiaries**”). The management was in the process of taking various actions, including but not limited to legal actions, against the respective debtors. No result from actions was available up to the date of the disposal of the Disposed Subsidiaries (“**Disposal Date**”) to justify the extent of the recoverability of consideration receivables. In the absence of information in relation to the financial status of the debtors when assessing their respective abilities for settlement, the management considered that there was uncertainty on recovering the consideration receivables.

There were no other satisfactory audit procedures that we could adopt to determine whether the above amounts are fairly stated in the consolidated financial statements. As a result of the above, we have been unable to obtain sufficient appropriate audit evidence to satisfy ourselves as to the recoverability of consideration receivables of approximately HK\$130,383,000 as at 31 December 2023 and as at the Disposal Date.

2. Provision for repayment obligations

As disclosed in note 26(ii) to the consolidated financial statements, under the civil judgement therein, the Group had certain repayment obligations arising from the other borrowings indebted by the Disposed Subsidiaries. Due to the uncertainties in relation to the civil judgement, we have been unable to obtain sufficient appropriate audit evidence for us to assess whether no additional provision has been provided concerning the repayment obligations under the civil judgement as at 31 December 2023 and as at the Disposal Date were fairly stated and the profit or loss effect on the additional provision of repayment obligations for the year ended 31 December 2023 and the period up to the Disposal Date are properly reflected.

3. Gain on disposal of subsidiaries under discontinued operations

As disclosed in note 15(b) to the consolidated financial statements, the Group disposed of a group of subsidiaries, including the Disposed Subsidiaries, to an independent third party during the year ended 31 December 2024.

Given the effects of the limitation of scope in relation to the events stated in points 1 and 2 above formed part of the gain on disposal of subsidiaries recorded by the Group, we have been unable to obtain sufficient appropriate audit evidence to satisfy ourselves as to the accuracy of the gain on disposal of subsidiaries of approximately HK\$78,477,000 under discontinued operations for the year ended 31 December 2024.

Any adjustments to the figures as described above points 1 to 3 might have a consequential effect on the Group's financial performance and cash flows for the years ended 31 December 2024 and 2023 and the financial positions of the Group as at 31 December 2023, and the related disclosures thereof in the consolidated financial statements.

We conducted our audit in accordance with Hong Kong Standards on Auditing (“**HKSAs**”) issued by the HKICPA. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the HKICPA's Code of Ethics for Professional Accountants (the “**Code**”), and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified opinion.

PUBLICATION OF INFORMATION ON THE WEBSITES OF THE COMPANY AND THE STOCK EXCHANGE

This announcement is published on the website of the Company (www.enviro-energy.com.hk) and the website of the Stock Exchange (www.hkexnews.hk). The annual report of the Company for the Year will be despatched to the Shareholders (if required) and available on the above websites in due course.

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

Hong Kong, 28 March 2025

As at the date of this announcement, the Board comprises three executive Directors, namely Mr. Li Gang (Chairman), Mr. Pan Lihui and Mr. Cao Zhongshu; two non-executive Directors, namely Mr. Jiang Senlin and Ms. Wu Wenling; and three independent non-executive Directors, namely Mr. Zhong Jian, Mr. Pan Yongye and Mr. Liu Qin.

* The official name of the entities are in Chinese. The English name is for identification purpose only.