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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)

INTERIM RESULTS FOR THE SIX MONTHS ENDED 30 JUNE 2025

The Board of Directors (the “**Board**”) of Enviro Energy International Holdings Limited (the “**Company**”) hereby announces the unaudited condensed consolidated results of the Company and its subsidiaries (collectively referred to as the “**Group**”) for the six months ended 30 June 2025 together with comparative figures as follows:

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the six months ended 30 June 2025

		Six months ended 30 June	
		2025	2024
	<i>Notes</i>	HK\$'000	HK\$'000
		(Unaudited)	(Unaudited)
<i>Continuing operations</i>			
Revenue	5	209,612	227,274
Cost of sales		(198,786)	(211,842)
Gross profit		10,826	15,432
Other income and gains		–	99
Administrative and operating expenses		(4,269)	(5,960)
Interest income		157	194
Profit from operations from continuing operations		6,714	9,765
Loss on debt capitalisation arrangement		–	(80,730)
Finance costs	6	(254)	(309)

		Six months ended 30 June	
		2025	2024
	<i>Notes</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
		(Unaudited)	(Unaudited)
Profit/(loss) before income tax from continuing operations	7	6,460	(71,274)
Income tax expenses	8	<u>(2,556)</u>	<u>(3,706)</u>
Profit/(loss) for the period from continuing operations		3,904	(71,980)
<i>Discontinued operations</i>			
Loss for the period from discontinued operations		<u>—</u>	<u>(12,960)</u>
Profit/(loss) for the period		<u>3,904</u>	<u>(87,940)</u>
Profit/(loss) for the period attributable to:			
— Owners of the Company		850	(92,387)
— Non-controlling interests		<u>3,054</u>	<u>4,447</u>
		<u>3,904</u>	<u>(87,940)</u>
Profit/(loss) for the period attributable to the owners of the Company arising from:			
— Continuing operations		850	(79,427)
— Discontinued operations		<u>—</u>	<u>(12,960)</u>
		<u>850</u>	<u>(92,387)</u>
Earning/(loss) per share:			
Basic and diluted (in HK cent)	10		
— Continuing operations		0.06	(11.68)
— Discontinued operations		<u>—</u>	<u>(1.90)</u>
		<u>0.06</u>	<u>(13.58)</u>

CONDENSED CONSOLIDATED STATEMENT OF OTHER COMPREHENSIVE INCOME

For the six months ended 30 June 2025

	Six months ended 30 June	
	2025	2024
	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)
Profit/(loss) for the period	3,904	(87,940)
Other comprehensive income/(loss)		
<i>Item that may be reclassified to profit or loss:</i>		
Exchange differences arising from translation of foreign operations	1,979	(309)
Other comprehensive income/(loss) for the period, net of tax	1,979	(309)
Total comprehensive income/(loss) for the period	5,883	(88,249)
Total comprehensive income/(loss) for the period attributable to:		
— Owners of the Company	2,114	(92,585)
— Non-controlling interests	3,769	4,336
	5,883	(88,249)
Total comprehensive income/(loss) for the period attributable to owners of the Company arising from:		
— Continuing operations	2,114	(80,506)
— Discontinued operations	—	(12,079)
	2,114	(92,585)

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 June 2025

		As at 30 June 2025 HK\$'000 (Unaudited)	As at 31 December 2024 HK\$'000 (Audited)
	Notes		
Non-current assets			
Right-of-use assets		530	—
Deposits	12	120	—
		<u>650</u>	<u>—</u>
Current assets			
Inventories		18,333	9,818
Trade and bills receivables	11	95,535	53,447
Deposits, prepayments and other receivables	12	2,280	4,685
Bank and cash balances		32,749	37,702
		<u>148,897</u>	<u>105,652</u>
Current liabilities			
Trade and other payables	13	77,041	43,915
Contract liabilities		9,713	9,443
Lease liabilities		250	—
Amount due to a director		6,412	4,612
Shareholders' loans		3,600	—
Loans from fellow subsidiaries		2,851	—
Loans from related parties		549	—
Income tax payable		2,260	2,355
		<u>102,676</u>	<u>60,325</u>
Net current assets		<u>46,221</u>	<u>45,327</u>

	As at 30 June 2025 <i>HK\$'000</i> (Unaudited)	As at 31 December 2024 <i>HK\$'000</i> (Audited)
<i>Notes</i>		
Non-current liabilities		
Other borrowings	4,662	4,281
Lease liabilities	280	–
Shareholders' loans	–	1,600
Loans from fellow subsidiaries	–	2,851
Loans from related parties	–	549
	4,942	9,281
Net assets	41,929	36,046
Capital and reserves		
Equity attributable to the owners of the Company		
Share capital	71,969	71,969
Reserves	(57,113)	(59,227)
	14,856	12,742
Non-controlling interests	27,073	23,304
Total equity	41,929	36,046

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

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 Room 2201B, 22/F, Harbour Centre, 25 Harbour Road, Wanchai, 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 sale of materials business and properties investment in the People’s Republic of China (the “**PRC**”).

2. BASIS OF PREPARATION

This condensed consolidated interim financial information for the six months ended 30 June 2024 have been prepared in accordance with Hong Kong Accounting Standard (“**HKAS**”) 34 “Interim financial reporting” issued by the Hong Kong Institute of Certified Public Accountants (“**HKICPA**”) and the applicable disclosures required by the Rules Governing the Listing of Securities (the “**Listing Rules**”) on the Stock Exchange.

This condensed consolidated interim financial information does not include all the notes of the type normally included in annual consolidated financial statements. Accordingly, this condensed consolidated interim financial information should be read in conjunction with the annual consolidated financial statements for the year ended 31 December 2024, which have been prepared in accordance with HKFRS Accounting Standards.

The preparation of condensed consolidated interim financial information in conformity with HKAS 34 requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses on a year-to-date basis. Actual results may differ from these estimates.

The condensed consolidated interim financial information have been prepared under the historical cost convention. The condensed consolidated interim financial information are presented in thousands of Hong Kong dollars (HK\$’000), unless otherwise stated.

The condensed consolidated interim financial information are unaudited, but have been reviewed by the audit committee of the Company.

3. ACCOUNTING POLICIES

The accounting policies applied are consistent with those of the annual consolidated financial statements for the year ended 31 December 2024, as described in those annual consolidated financial statements, except for adoption of the new and amended standards as set out below.

3.1 New and amended standards adopted by the Group

A number of new or amended standards became applicable for the current reporting period. The adoption of these new and amended HKFRS Accounting Standards did not result in significant impact to the Group's accounting policies, presentation of the Group's consolidated financial statements and amounts reported for the current period and prior years.

3.2 Impact of standards issued but not yet applied by the Group

The Group has not applied the new and amended standards, interpretations and accounting guidelines that have been issued but are not yet effective. The Group has already commenced an assessment of the impact of these new and revised HKFRS Accounting Standards but is not yet in a position to state whether these new and revised HKFRS Accounting Standards would have a material impact on its results of operations and financial position. The Group does not intend to early adopt these standards before their respective effective dates.

4. 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 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**”). EECIHK Group and EEML Group are collectively referred to as the “Disposal Group”. The whole properties investment business is engaged by the Disposal Group. During the six months ended 30 June 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 condensed consolidated interim financial information 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 condensed consolidated interim financial information.

Information about geographical areas:

For the six months ended 30 June 2025 and 2024, the Group's revenue from external customers by location of the delivery destination of the goods was solely from the operation in the PRC.

As at 30 June 2025, the non-financial assets classified as non-current assets amounted to approximately HK\$650,000 (31 December 2024: Nil) was solely located in Hong Kong.

5. REVENUE

	Six months ended 30 June	
	2025	2024
	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)
Continuing operations		
Revenue from contracts with customers		
— Sales of materials	<u>209,612</u>	<u>227,274</u>

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

6. FINANCE COSTS

	Six months ended 30 June	
	2025	2024
	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)
Continuing operations		
Unwinding of discount on other borrowings	254	228
Interest expenses on:		
— Loans from related parties	—	47
— Loans from fellow subsidiaries	—	17
— Shareholders' loans	<u>—</u>	<u>17</u>
	<u>254</u>	<u>309</u>

7. PROFIT/(LOSS) BEFORE INCOME TAX

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

	Six months ended 30 June	
	2025	2024
	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)
Continuing operations		
Cost of inventories sold	198,521	211,591
Rental expenses related to short-term leases	131	292
Exchange loss/(gain), net	472	(203)
Staff costs (including directors' emoluments)		
— Salaries, allowances and other benefits	1,693	2,628
— Retirement benefit scheme contributions	<u>126</u>	<u>157</u>

8. INCOME TAX EXPENSES

	Six months ended 30 June	
	2025	2024
	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)
Continuing operations		
Current income tax		
— PRC Corporate Income Tax ("CIT")	<u>2,556</u>	<u>3,706</u>

For the six months ended 30 June 2025 and 2024, the Hong Kong Profits Tax of the qualifying group entity is calculated at 8.25% on the first HK\$2.0 million of the estimated assessable profits and at 16.5% on the estimated assessable profits above HK\$2.0 million. The profits of group entities not qualified for the two-tiered profits tax rates regime continue to be taxed at a flat rate of 16.5%.

CIT is provided on the assessable income of entities within the Group incorporated in the Mainland China. For the six months ended 30 June 2025, the applicable CIT tax rate is 25% unless preferential tax rates were applicable (six months ended 30 June 2024: same).

There were no material unrecognised deferred tax assets and liabilities as at 30 June 2025 (31 December 2024: Nil).

9. DIVIDENDS

The Board has resolved not to declare of any interim dividend for the six months ended 30 June 2025 (Six months ended 30 June 2024: Nil).

10. EARNING/(LOSS) PER SHARE

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

	Six months ended 30 June	
	2025	2024
	(Unaudited)	(Unaudited)
Profit/(loss) attributable to the owners of the Company (HK\$'000)		
— Continuing operations	850	(79,427)
— Discontinued operations	<u>—</u>	<u>(12,960)</u>
	<u>850</u>	<u>(92,387)</u>
Weighted average number of ordinary shares in issue (thousand shares)	<u>1,439,386</u>	<u>680,391</u>
Basic earning/(loss) per share (HK cents)	<u>0.06</u>	<u>(13.58)</u>

- (b) For the six months ended 30 June 2025 and 2024, diluted earning/(loss) per share is the same as the basic earning/(loss) per share as there was no potential dilutive ordinary shares in existence.

11. TRADE AND BILLS RECEIVABLES

	As at 30 June 2025 HK\$'000 (Unaudited)	As at 31 December 2024 HK\$'000 (Audited)
Trade receivables	95,535	45,257
Bills receivables	—	8,190
	<u>95,535</u>	<u>53,447</u>

The Group's credit terms to trade debtors range generally from 30 to 90 days.

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

	As at 30 June 2025 HK\$'000 (Unaudited)	As at 31 December 2024 HK\$'000 (Audited)
Within 30 days	77,798	37,306
31–60 days	—	1,942
61–90 days	2,311	—
91–120 days	689	14,199
121–365 days	14,737	—
	<u>95,535</u>	<u>53,447</u>

12. DEPOSITS, PREPAYMENTS AND OTHER RECEIVABLES

	As at 30 June 2025 HK\$'000 (Unaudited)	As at 31 December 2024 HK\$'000 (Audited)
Non-current		
Rental deposits	<u>120</u>	<u>—</u>
Current		
Prepayments for purchase of building materials	982	2,879
Prepayments: others	27	—
Other receivables	931	768
Other tax recoverable	<u>340</u>	<u>1,038</u>
	<u>2,280</u>	<u>4,685</u>
Total	<u>2,400</u>	<u>4,685</u>

13. TRADE AND OTHER PAYABLES

	As at 30 June 2025 HK\$'000 (Unaudited)	As at 31 December 2024 HK\$'000 (Audited)
Trade payables (<i>Note (i)</i>)	68,590	35,277
Accrued liabilities	6,093	8,270
Other payables	2,358	368
	<u>77,041</u>	<u>43,915</u>

Note:

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

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

	As at 30 June 2025 HK\$'000 (Unaudited)	As at 31 December 2024 HK\$'000 (Audited)
Within 30 days	68,112	28,004
30–60 days	–	6,174
61–90 days	–	137
91–120 days	–	841
121–365 days	398	43
Over 365 days	80	78
	<u>68,590</u>	<u>35,277</u>

14. EVENTS AFTER THE REPORTING PERIOD

On 28 July 2025, the Company entered into a conditional sale and purchase agreement to acquire 60% equity interest in a target company, which principally engaged in the provision of renovation services in the PRC, at the consideration of HK\$68 million. The consideration will be satisfied by way of issue and allotment of 1,360,000,000 consideration shares by the Company at the issue price of HK\$0.05 per consideration share.

The completion of the acquisition is subject to the fulfillment of certain conditions as set out in the conditional sale and purchase agreement.

MANAGEMENT DISCUSSION AND OUTLOOK

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 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**”). Accordingly, Hangzhou Junheng become a subsidiary of the Company. Leveraging on the construction and renovation services provided by Hangzhou Zhongji, the Group benefits from the introduction of customers for downstream expansion, the financial result of the Group was substantially improved since then.

During the six months ended 30 June 2025 (the “**Period**”), the sales of materials contributed a revenue of approximately HK\$209.6 million (six months ended 30 June 2024 (the “**Previous Period**”): HK\$227.3 million).

Properties investment

The Group’s investment properties comprise certain commercial units and lands situated in Yingkou city, Liaoning province, the PRC. In September 2024, the Group completed the disposal of the property investment business, no rental income was therefore recognised during the Period (Previous Period: HK\$0.1 million).

BUSINESS PROSPECTS AND FUTURE PLANS

Notwithstanding the challenges of the inflation and price instability in building materials in recent years, 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 is 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 networks including property developers in the PRC. The Company is of the view that the establishment of Hangzhou Junheng allows 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.

The first half of 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, strengthen its management of operational team. In September 2024, the Group completed the disposal of the entire equity interests of two wholly-owned subsidiaries of the Company, which principally engaged in property investment business in the PRC, at an aggregate consideration of HK\$2 (the “**Disposal**”) and the Group’s properties investment business was discontinued since then.

On 28 July 2025, the Company entered into a conditional sale and purchase agreement with Amethyst Asia Limited and Ruby Asia Limited (the “**Vendors**”) to acquire 60% equity interest in Sapphire Asia Limited, which principally engaged in the provision of renovation services in the PRC, at the consideration of HK\$68 million (the “**Acquisition**”). The consideration will be satisfied by way of issue and allotment of 1,360,000,000 consideration shares by the Company at the issue price of HK\$0.05 per consideration share to the Vendors.

Up to the date of this announcement, the completion of the Acquisition is subject to the fulfillment of certain conditions as set out in the conditional sale and purchase agreement.

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 Group is confident for its sustainable growth and believes that its management team with extensive industry experience and its agile operations team are able to adjust the business strategy in accordance with market trends.

FINANCIAL REVIEW

Revenue

The Group's revenue mainly represented sales of building materials to construction and renovation projects in the PRC. The Group has the advantage of sourcing building materials at a competitive price and favourable credit terms, the Group's revenue generated from supply of building materials have substantially improved since the establishment of Hangzhou Junheng in 2022.

During the Period, the Group recorded a revenue from continuing operations of approximately HK\$209.6 million (Previous Period: HK\$227.3 million), representing a decrease by 7.8% when compared with the Previous Period which was mainly due to intense competition.

Gross profit

The Group's gross profit from continuing operations for the Period decreased by HK\$4.6 million to approximately HK\$10.8 million (Previous Period: HK\$15.4 million). The overall gross profit margin decreased from 6.8% for the Previous Period to 5.2% for the Period, which mainly due to the lower gross profit margin for sales of building materials in the Period for the purpose of expanding the Group's client portfolio.

Administrative and operating expenses

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

Administrative and operating expenses from continuing operations decreased from HK\$6.0 million for the Previous Period to HK\$4.3 million for the Period which mainly due to decrease in legal and professional fee by HK\$1.7 million.

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 finance costs remained relatively stable at HK\$0.3 million for the Period and the Previous Period.

Loss on debt capitalisation

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\$80.7 million during the Previous Period.

Profit/(loss) for the Period

As a result of the foregoing, the Group recorded a profit from continuing operations for the Period amounted to HK\$3.9 million (Previous Period: loss of HK\$79.4 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 mandatory conditional cash offer, there is no material change in the capital structure of the Company during the Period. The capital of the Company comprises only ordinary shares.

As at 30 June 2025, all other borrowings, shareholders' loans, loans from fellow subsidiaries and loans from related parties of the Group bore fixed interest rates, the maturity and currency profile are set out as follows:

	Within 1 year <i>HK\$'000</i>	2nd to 5th years <i>HK\$'000</i>	Total <i>HK\$'000</i>
Hong Kong Dollar	7,000	–	7,000
Renminbi	–	4,662	4,662
	<u>7,000</u>	<u>4,662</u>	<u>11,662</u>

The Group monitors capital on the basis of the gearing ratio. This ratio is calculated as net debts 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 as shown on the condensed consolidated statement of financial position of the Group. The gearing ratios as at 30 June 2025 and 31 December 2024 were as follows:

	As at 30 June 2025 <i>HK\$'000</i>	As at 31 December 2024 <i>HK\$'000</i>
Other borrowings	4,662	4,281
Shareholders' loans	3,600	1,600
Loans from a fellow subsidiaries	2,851	2,851
Loans from related parties	549	549
Less: Bank and cash balances	(32,749)	(37,702)
Net debts	<u>(21,087)</u>	<u>(28,421)</u>
Total equity	41,929	36,046
Total capital	<u>20,842</u>	<u>7,625</u>
Gearing ratio	<u>Net cash</u>	<u>Net cash</u>

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 30 June 2025 and 31 December 2024. Thus, the gearing ratio was not applicable as at 30 June 2025 and 31 December 2024.

As at 30 June 2025, the total equity attributable to the owners of the Company was approximately HK\$14.9 million (31 December 2024: HK\$12.7 million), the increase was mainly contributed by the operating profits during the Period. As at 30 June 2025, the Group's current assets and current liabilities amounted to approximately HK\$148.9 million and HK\$102.7 million respectively (31 December 2024: HK\$105.7 million and HK\$60.3 million), of which approximately HK\$32.7 million (31 December 2024: HK\$37.7 million) was bank and cash balances.

As at 30 June 2025, the Group had bank and cash balances of approximately HK\$32.7 million (31 December 2024: HK\$37.7 million), of which approximately 96.4% and 3.6% (31 December 2024: 98.0% and 2.0%) 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 1.5 at 30 June 2025 (31 December 2024: 1.8).

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.

Charge on Assets

The Group did not have any charges on its assets as at 30 June 2025 and 31 December 2024.

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 Period. However, the management will monitor the Group's foreign currency exposure should the need arise.

Capital Commitments

As at 30 June 2025, the Group did not have significant capital commitments (31 December 2024: Nil).

Contingent Liabilities

The Group did not have significant contingent liabilities as at 30 June 2025 (31 December 2024: Nil).

Employees and Remuneration Policies

As at 30 June 2025, the Group had a total of 20 employees in Hong Kong and the PRC (31 December 2024: 23 employees). Staff costs (including directors' emoluments) from continuing operations amounted to approximately HK\$1.8 million for the Period (Previous Period: HK\$2.8 million). The Group implements remuneration policy, bonus and share options schemes to ensure that pay scales of its employees are rewarded on performance-related basis within the general framework of the Group's remuneration strategy.

Debt Capitalisation

On 25 January 2024, the Company entered into the settlement agreement with certain creditors, pursuant to which the Company has conditionally agreed to capitalise the aggregate indebted amount of approximately HK\$44.9 million owed to these creditors, 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 Group had difficulties in seeking debt or equity financing to finance its business development as a result of the recent cautious investment sentiment and the prevailing high interest rate in the debt market. 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. The Directors considered that the terms of the settlement agreement were fair and reasonable and the debt capitalisation was in the interests of the Company and the Shareholders as a whole.

On 3 June 2024, 896,993,536 capitalisation shares were allotted and issued, the indebted amount of approximately HK\$44.9 million is fully settled and all obligations of the Company under the respective loan agreement are fulfilled.

SIGNIFICANT INVESTMENT HELD, MATERIAL ACQUISITIONS AND DISPOSALS OF SUBSIDIARIES AND AFFILIATED COMPANIES

There were no material acquisitions or disposals of subsidiaries and affiliated companies during the Period.

As at 30 June 2025 and 31 December 2024, the Group did not hold any significant investment, with a value of over 5% of the total assets of the Group.

INTERIM DIVIDEND

The Board has resolved not to declare any interim dividend for the Period (Previous Period: Nil).

MATERIAL EVENTS

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, 3 March, 11 March and 25 March 2025; and the composite offer and response document dated 3 March 2025.

EVENT AFTER THE END OF THE REPORTING PERIOD

Proposed Acquisition

On 28 July 2025, the Company entered into a conditional sale and purchase agreement to acquire 60% equity interest in Sapphire Asia Limited (the “**Target Company**”, together with its subsidiaries the “**Target Group**”) at the consideration of HK\$68 million.

The consideration will be satisfied by way of issue and allotment of 1,360,000,000 consideration shares by the Company at the issue price of HK\$0.05 per consideration share (the “**Consideration Shares**”). The Consideration Shares will be allotted and issued under the specific mandate to be approved by the independent Shareholders at the extraordinary general meeting. The Consideration Shares, when allotted and issued, will rank pari passu in all respects among themselves and with the Shares in issue.

Upon completion, the Target Company will become a subsidiary of the Company and financial results of the Target Group will be consolidated into the financial statements of the Company.

The Company considers that the Acquisition strategically aligns with the Group’s business plan to expand its business in the building and renovation industry to broaden its revenue stream, which may represent a further enhancement for its turnover and profitability. Furthermore, settlement of the consideration by way of issuing the Consideration Shares may allow the Group to maintain a healthy cash flow balance for working capital and business development.

Up to the date of this announcement, the completion of the Acquisition is subject to the fulfillment of certain conditions as set out in the conditional sale and purchase agreement.

For further details, please refer to the announcement of the Company dated 28 July 2025.

Save for the above, there were no significant events occurred after the end of the Period and up to the date of this announcement.

PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S LISTED SECURITIES

During the Period, neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of the Company's listed securities (including sale of treasury shares). As at 30 June 2025, no treasury shares were held by the Company.

CORPORATE GOVERNANCE

The Company complied with all 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 Period, save for the code provision 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 Period, Mr. Wu Wei (appointed on 22 April 2025) and Mr. Li Gang (resigned on 22 April 2025) served as the chairman of the Board and the Company has not appointed a chief executive officer. Accordingly, the duties of the chief executive officer 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

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the “**Model Code**”) as set out in Appendix C3 to the Listing Rules as the Group's code of conduct regarding Directors' securities transactions. Specific enquiry have been made by the Company with all the Directors and the Directors have confirmed that they have complied with the Model Code during the Period.

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 Ms. Xie Jiayang (Chairlady), Mr. Zhang Xiaoqiang and Mr. Pan Yongye (with Ms. Xie Jiayang possessing the appropriate professional qualifications or accounting or related financial management expertise as required under Rule 3.10(2) of the Listing Rules).

The condensed consolidated interim financial information of the Company for the Period has not been audited, but has been reviewed by the Audit Committee and is duly approved by the Board under the recommendation of the Audit Committee.

PUBLICATION OF INTERIM RESULTS ANNOUNCEMENT AND INTERIM REPORT

This interim results announcement is published on the websites of the Company (www.enviro-energy.com.hk) and The Stock Exchange of Hong Kong Limited (www.hkexnews.hk). The interim report of the Company for the Period will be dispatched to the Shareholders and made available on the above websites in due course.

By Order of the Board
Enviro Energy International Holdings Limited
Wu Wei
Chairman and executive Director

Hong Kong, 29 August 2025

As at the date of this announcement, the Board comprises three executive Directors, namely Mr. Wu Wei (Chairman), Mr. Lai Dexing and Mr. Cao Zhongshu; one non-executive Director, namely Mr. Jiang Senlin; and three independent non-executive Directors, namely Ms. Xie Jiayang, Mr. Zhang Xiaoqiang and Mr. Pan Yongye.

* *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.*