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If you have sold or transferred all your shares in Enviro Energy International Holdings Limited, you should at once hand this circular to the purchaser, the transferee or to the bank, stockbroker or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

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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)

**MAJOR TRANSACTION
PROPOSED DISPOSAL OF THE TARGET COMPANIES**

Financial adviser to the Company



Capitalised terms used in this cover page shall have the same meanings as those defined in this circular.

A letter from the Board is set out on pages 5 to 21 of this circular.

A notice convening the EGM to be held at 20/F., No. 9 Des Voeux Road West, Sheung Wan, Hong Kong on Friday, 30 December 2022 at 3:00 p.m. is set out on pages EGM-1 to EGM-2 of this circular.

A form of proxy for use at the EGM is enclosed with this circular. Whether or not you are able to attend the EGM, you are requested to complete the form of proxy in accordance with the instructions printed thereon and return the same to the Company's branch share registrar in Hong Kong, Tricor Tengis Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong as soon as possible but in any event not less than 48 hours before the time appointed for holding of the EGM or any adjournment thereof. Completion and return of the form of proxy will not preclude you from attending and voting in person at the EGM or any adjournment thereof should you so wish, and in such event, the form of proxy shall be deemed to be revoked.

9 December 2022

PRECAUTIONARY MEASURES FOR THE EXTRAORDINARY GENERAL MEETING

In view of the ongoing Novel Coronavirus (COVID-19) epidemic, the Company will implement the following preventive measures at the EGM to protect attending Shareholders, staff and other stakeholders from the risk of infection:

- (a) mandatory body temperature check/screening;
- (b) mandatory health declaration;
- (c) scanning of the “Leave Home Safe” venue QR code or registering contact details in written form;
- (d) mandatory wearing of face masks for each attendee; and
- (e) no refreshments will be served and no corporate gifts will be distributed.

For the health and safety of the attendees at the EGM, the Company reserves the right to deny entry into or require any person to leave the EGM venue if such person:

- (i) refuses to comply with any of the above precautionary measures;
- (ii) is having a body temperature of over 37.4 degree Celsius;
- (iii) is subject to any HKSAR Government prescribed quarantine or has close contact with any person under quarantine; or
- (iv) has any flu-like symptoms.

The Company seeks the understanding and cooperation of all Shareholders to minimize the risk of spreading COVID-19.

Shareholders are reminded that they should carefully consider the risks of attending the EGM, taking into consideration their own personal circumstances.

Subject to the continuing development of COVID-19, the Company may be required to adopt further changes to the EGM arrangements at short notice. Shareholders are advised to check the websites of the Company (<http://www.enviro-energy.com.hk/>) and the Stock Exchange (<http://www.hkexnews.hk>) for any further announcement(s) and information relating to the EGM.

9 December 2022

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DEFINITIONS

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

“associates”	has the meaning ascribed to it under Listing Rules
“Board”	the board of Directors
“Business Day(s)”	a day on which banks are generally open for business in Hong Kong, the PRC and British Virgin Islands, except a Sunday, a Saturday, a public holiday, and a day on which a tropical cyclone warning signal no.8 or above or a “black” rainstorm warning signal is hoisted in Hong Kong, the PRC and British Virgin Islands at any time between 9:00 a.m. and 5:00 p.m.
“Company”	Enviro Energy International Holdings Limited, a company incorporated in the Cayman Islands with limited liability whose the issued Shares are listed and traded on the Main Board of the Stock Exchange (Stock Code: 1102)
“Completion”	completion of the Disposals in accordance with the terms and conditions of each of the Sale and Purchase Agreements
“Completion Date”	three Business Days after the fulfillment or the waiver of the conditions precedent under each of the Sale and Purchase Agreement, or such other day as may be agreed in writing between the Company and the Purchaser
“connected person(s)”	has the meaning as ascribed to it under the Listing Rules
“Director(s)”	the director(s) of the Company
“Disposals”	the Sincere Venture Disposal and Heryd International Disposal
“EGM”	the extraordinary general meeting of the Company to be held to approve, inter alia, the Sale and Purchase Agreements and the transactions contemplated thereunder
“Enviro Financial”	Enviro Energy Financial Group Holdings Limited, an indirect wholly-owned subsidiary of the Company, which holds the entire Heryd International Sale Shares as at the Latest Practicable Date
“Group”	the Company and its subsidiaries

DEFINITIONS

“Heryd International”	Heryd International Trade Co., Limited, a company incorporated in Hong Kong with limited liability and a wholly-owned subsidiary of the Company as at the Latest Practicable Date
“Heryd International Current Accounts”	the current account between the Heryd International Group and the Remaining Group on the Completion Date
“Heryd International Disposal”	the disposal of the Heryd International Sale Share pursuant to the Sale and Purchase Agreement B
“Heryd International Group”	Heryd International and its subsidiary
“Heryd International Sale Shares”	10,000 issued shares of the Heryd International held by Enviro Financial, comprising 100% of the issued share capital of Heryd International
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Independent Third Party(ies)”	person(s) or company(ies) and its (their) respective ultimate beneficial owner(s) which, to the best of the Directors’ knowledge, information and belief having made all reasonable enquiries, is(are) third party(ies) independent of and not connected with the Company and its connected persons (as defined in the Listing Rules)
“Latest Practicable Date”	5 December 2022, being the latest practicable date prior to the printing of this circular for ascertaining certain information contained in this circular
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Long Stop Date”	31 December 2022 or such later date as the Company and the Purchaser may from time to time agree in writing
“PRC”	the People’s Republic of China, which for the purpose of this circular, excludes Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan
“Purchaser”	Hong Kong Headline Big Data Company Limited, a company incorporated in Hong Kong with limited liability and an Independent Third Party

DEFINITIONS

“Qianhai Guoxing”	Qianhai Guoxing Financial Leasing (Shenzhen) Co., Ltd.* (前海國興融資租賃(深圳)有限公司), a limited company incorporated in the PRC and a wholly-owned subsidiary of Heryd International
“Qianhai Shitong”	Qianhai Shitong Supply Chain (Shenzhen) Company Limited* (前海世通供應鏈(深圳)有限公司), a limited company incorporated in the PRC and a wholly-owned subsidiary of Sincere Venture
“Remaining Group”	the Group excluding the Target Groups
“RMB”	Renminbi, the lawful currency of the PRC
“Sale and Purchase Agreements”	the Sale and Purchase Agreement A and Sale and Purchase Agreement B (as supplemented by the Supplemental Agreements)
“Sale and Purchase Agreement A”	the conditional sale and purchase agreement dated 31 October 2022 (as supplemented by the Supplemental Agreement A) entered into between the Purchaser and the Company in relation to the Sincere Venture Disposal
“Sale and Purchase Agreement B”	the conditional sale and purchase agreement dated 31 October 2022 (as supplemented by the Supplemental Agreement B) entered into between the Purchaser and Enviro Financial in relation to the Heryd International Disposal
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Share(s)”	the ordinary share(s) of par value of HK\$0.05 each in the share capital of the Company
“Shareholder(s)”	holder(s) of the Share(s)
“Sincere Venture”	Sincere Venture Limited, a company incorporated in Hong Kong with limited liability and a wholly-owned subsidiary of the Company as at the Latest Practicable Date
“Sincere Venture Current Accounts”	the current account between the Sincere Venture Group and the Remaining Group on the Completion Date
“Sincere Venture Disposal”	the disposal of the Sincere Venture Sale Share pursuant to the Sale and Purchase Agreement A
“Sincere Venture Group”	Sincere Venture and its subsidiaries

DEFINITIONS

“Sincere Venture Sale Shares”	1 issued share of the Sincere Venture held by the Company, comprising 100% of the issued share capital of Sincere Venture
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Supplemental Agreement A”	the supplemental agreement dated 30 November 2022 entered into between the Company and the Purchaser to amend certain terms of the Sale and Purchase Agreement A
“Supplemental Agreement B”	the supplemental agreement date 30 November 2022 entered into between Enviro Financial and the Purchaser to amend certain terms of the Sale and Purchase Agreement B
“Supplemental Agreements”	the Supplemental Agreement A and the Supplemental Agreement B
“Target Companies”	Heryd International and Sincere Venture
“Target Groups”	the Heryd International Group and Sincere Venture Group
“%”	per cent

* *For identification purposes only*



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)

Executive Directors:

Mr. Li Gang (*Chairman*)

Mr. Pan Lihui

Mr. Jiang Senlin

Independent non-executive Directors:

Mr. Zhong Jian

Mr. Du Hongwei

Mr. Liu Qin

Registered office:

Cricket Square

Hutchins Drive

P.O. Box 2681

Grand Cayman KY1-1111

Cayman Islands

*Head office and principal place of
business in Hong Kong:*

20/F

No. 9 Des Voeux Road West

Sheung Wan

Hong Kong

9 December 2022

To the Shareholders

Dear Sir or Madam,

**MAJOR TRANSACTION
PROPOSED DISPOSAL OF THE TARGET COMPANIES**

INTRODUCTION

Reference is made to the announcement of the Company dated 31 October 2022 in relation to the Disposals.

On 31 October 2022, (i) the Company entered into the Sale and Purchase Agreement A with the Purchaser, pursuant to which the Company has conditionally agreed to sell and the Purchaser has conditionally agreed to acquire for the Sincere Venture Sale Shares at a consideration of HK\$1; and (ii) Enviro Financial, an indirect wholly-owned subsidiary of the Company, entered into the Sale and Purchase Agreement B with the Purchaser, pursuant to which Enviro Financial has conditionally agreed to sell and the Purchaser has conditionally agreed to acquire for the Heryd International Sale Shares at a consideration of HK\$1.

LETTER FROM THE BOARD

The completion of the transactions contemplated under the Sale and Purchase Agreements are inter-conditional.

On 30 November 2022, the Company, Enviro Financial and the Purchaser entered into the Supplemental Agreements, pursuant to which the parties agreed that (i) the Purchaser shall not dispose the Sincere Venture Sale Shares within three years from the date of the Sale and Purchase Agreement A without the written consent of the Company; and (ii) the Purchaser shall not dispose the Heryd International Sale Shares within three years from the date of the Sale and Purchase Agreement B without the written consent of Enviro Financial.

The purpose of this circular is to provide you with, among other things, further details of the Sale and Purchase Agreements and the general information of the Group.

THE SALES AND PURCHASE AGREEMENT A

The principal terms of the Sales and Purchase Agreement A are set out as below:

Purchaser:	Hong Kong Headline Big Data Company Limited
Vendor:	The Company
Assets to be acquired:	The Sincere Venture Sale Shares, being 100% of the issued shares of Sincere Venture.
Recovery of outstanding receivables:	As at the date of the Sale and Purchase Agreement A, the Sincere Venture Group has various receivables with an aggregate gross amount of approximately RMB275,329,000 which has been overdue for over 3 years (the “ Sincere Receivables ”). As at the Latest Practicable Date, the Company had provided impairment in full on the Sincere Receivables and accordingly the net book value of Sincere Receivables is zero in the consolidated financial statements of the Company.

In the event the Purchaser through Sincere Venture is able to recover all or part of the Sincere Receivables within 3 years from the date of the Sale and Purchase Agreement A, the Purchaser shall, net of relevant expenses, pay to the Company 40% of any recovered balance of the Sincere Receivables (the “**Sincere Receivables Recovery Consideration**”).

As the transactions leading to the Sincere Receivables are mostly conducted by the Sincere Venture Group in 2018, in the event such receivables remain outstanding by 2025, it is expected that it would be extremely difficult to recover such balances. In addition, in accordance with the Civil Code of the PRC, the statute of limitations in applying to the court for protection of civil rights is 3 years from the date of relevant discovery of compromising of civil rights. Accordingly, without discovery of any new evidence, the PRC court may not accept any further legal proceedings in relation to the Sincere Venture Receivables after 2025.

LETTER FROM THE BOARD

Accordingly, the Sincere Receivables Recovery Consideration shall be paid by the Purchaser in the event the Purchaser is able to retrieve the Sincere Receivables within 3 years from the Sale and Purchase Agreement A, being 31 October 2025. As (i) the Company has already provided impairment in full on the Sincere Receivables; and (ii) the likelihood of successfully recovering the Sincere Receivables is low, the Company considered that it is fair and reasonable to provide 60% of any recovered balance for the Purchaser as professional fee and incentive for recovering any of the Sincere Recoverables.

As such, upon completion of Sincere Venture Disposal, the Purchaser shall not dispose the Sincere Venture Sale Shares within three years from the date of the Sale and Purchase Agreement A without the written consent of the Company.

The Purchaser undertakes that the Company shall have the right to review the financial statements of Sincere Venture Group from time to time after the completion of the Sale and Purchase Agreement A.

Waive of current accounts:

As part of the Sincere Venture Disposal, the entire net amount of the Sincere Current Account outstanding at the date of Completion, which amounted to approximately HK\$152.2 million owed by the Target Groups to the Remaining Group will be waived upon Completion.

Consideration and the basis for its determination:

The consideration is HK\$1. The consideration was determined after arm's length negotiations between the Company and the Purchaser on normal commercial terms, with reference to (i) the unaudited net liabilities of the Sincere Venture Group of approximately HK\$250.8 million as at 30 June 2022, including the Sincere Venture Current Accounts; and (ii) the Sincere Receivables Recovery Consideration.

Payment terms:

The consideration shall be settled in full and in cash by the Purchaser to the Company on the Completion Date.

Conditions precedents:

Completion of the Sincere Venture Disposal is subject to:

- (i) all necessary authorisations, consents and approval in relation to the Sincere Venture Disposal having been obtained (including but not limited to approval from the Stock Exchange and the passing by the Shareholders of resolutions at the EGM) and such approval remain valid on the Completion Date;

LETTER FROM THE BOARD

- (ii) there being no objection from relevant government and regulatory authorities in relation to the transactions contemplated under the Sale and Purchase Agreement A received by the Company;
- (iii) the representations and undertakings made by the Purchaser on the execution date of the Sale and Purchase Agreement A being true, complete, accurate and not misleading in all material aspects as of the Completion Date and the Purchaser and the Company having performed all their obligations under the Sale and Purchase Agreement A to be performed on or prior to the Completion Date; and
- (iv) the completion of the transactions contemplated under the Sale and Purchase Agreement B.

Subject to the prior written consent of the Purchaser, the Purchaser may waive the conditions precedent set out in (iii) above.

If the conditions precedent of the Sale and Purchase Agreement A is not fulfilled on or before Long Stop Date, the rights and obligations of the parties under the Sale and Purchase Agreement A shall lapse and be of no further effect.

Completion:

Completion shall take place on the Completion Date, subject to the fulfillment of the conditions precedent (or waiver, as the case may be) under the Sale and Purchase Agreement A.

LETTER FROM THE BOARD

THE SALES AND PURCHASE AGREEMENT B

The principal terms of the Sales and Purchase Agreement B are set out as below:

Purchaser:	Hong Kong Headline Big Data Company Limited
Vendor:	Enviro Financial, an indirect wholly-owned subsidiary of the Company
Assets to be acquired:	The Heryd International Sale Shares, being 100% of the issued shares of the Heryd International.
Recovery of outstanding receivables:	As at the date of the Sale and Purchase Agreement B, the Heryd International Group has various receivables with an aggregate gross amount of approximately RMB184,553,000 which has been overdue for over 3 years (the “ Heryd Receivables ”), which represented the Loan Receivable and Interest Receivable (as defined below).

As at the Latest Practicable Date, the net book value of Heryd Receivables is approximately HK\$217.0 million in the consolidated financial statements of the Company. As further disclosed under the section headed “Reasons and benefits for the Disposals — Background of the Sincere Receivables and Heryd Receivables” below, it is uncertain as to whether the Company may recover the Heryd Receivables as a result of the Litigation (as defined below). Accordingly, the Company is prepared to provide impairment in full on the Heryd Receivables in the event the Sale and Purchase Agreement B does not materialise.

In the event the Purchaser through Heryd International is able to recover all or part of the Heryd Receivables within 3 years from the date of the Sale and Purchase Agreement B, the Purchaser shall, net of relevant expenses, pay to Enviro Financial 40% of any recovered balance of the Heryd Receivables (the “**Heryd Receivables Recovery Consideration**”).

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As the transactions leading to the Heryd Receivables are conducted by the Heryd International Group in 2017, in the event such receivables remain outstanding by 2025, it is expected that it would be extremely difficult to recover such balances. In addition, in accordance with the Civil Code of the PRC, the statute of limitations in applying to the court for protection of civil rights is 3 years from the date of relevant discovery of compromising of civil rights. Accordingly, with the latest discovery and outcome under the Litigation (as defined below) and without discovery of any new evidence, the PRC court may not accept any further legal proceedings in relation to the Heryd Receivables after 2025, particularly after the judgement of the Litigation (as defined below).

Accordingly, the Heryd Receivables Recovery Consideration shall be paid by the Purchaser in the event the Purchaser is able to retrieve the Heryd Receivables within 3 years from the Sale and Purchase Agreement B, being 31 October 2025. As (i) the Company is prepared to provide impairment in full on the Heryd Receivables; and (ii) the likelihood of successfully recovering the Heryd Receivables is low, the Company considered that it is fair and reasonable to provide 60% of any recovered balance for the Purchaser as professional fee and incentive for recovering any of the Heryd Recoverables.

As such, upon completion of Heryd International Disposal, the Purchaser shall not dispose the Heryd International Sale Shares within three years from the date of the Sale and Purchase Agreement B without the written consent of Enviro Financial.

The Purchaser undertakes that Enviro Financial shall have the right to review the financial statements of Heryd International Group from time to time after the completion of the Sale and Purchase Agreement B.

Waive of current
accounts:

As part of the Heryd International Disposal, the entire net amount of the Heryd International Current Accounts outstanding at the date of Completion, which amounted to approximately HK\$261.2 million owed by the Heryd International Group to the Remaining Group will be waived upon Completion.

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- Consideration and the basis for its determination: The consideration is HK\$1. The consideration was determined after arm's length negotiations between Enviro Financial and the Purchaser on normal commercial terms, with reference to (i) the unaudited net assets of the Heryd International Group of approximately HK\$43.2 million as at 30 June 2022, including the Heryd International Current Accounts; and (ii) the Heryd Receivables Recovery Consideration.
- Payment terms: The consideration shall be settled in full and in cash by the Purchaser to Enviro Financial on the Completion Date.
- Conditions precedents: Completion of the Heryd International Disposal is subject to:
- (i) all necessary authorisations, consents and approval in relation to the Heryd International Disposal having been obtained (including but not limited to approval from the Stock Exchange and the passing by the Shareholders of resolutions at the EGM) and such approvals remain valid on the Completion Date;
 - (ii) there being no objection from relevant government and regulatory authorities in relation to the transactions contemplated under the Sale and Purchase Agreement B received by Enviro Financial;
 - (iii) the representations and undertakings made by the Purchaser on the execution date of the Sale and Purchase Agreement B being true, complete, accurate and not misleading in all material aspects as of the Completion Date and the Purchaser and Enviro Financial having performed all their obligations under the Sale and Purchase Agreement B to be performed on or prior to the Completion Date; and
 - (iv) the completion of the transactions contemplated under the Sale and Purchase Agreement A.

Subject to the prior written consent of the Purchaser, the Purchaser may waive the conditions precedent set out in (iii) above.

If the conditions precedent of the Sale and Purchase Agreement B is not fulfilled on or before Long Stop Date, the rights and obligations of the parties under the Sale and Purchase Agreement B shall lapse and be of no further effect.

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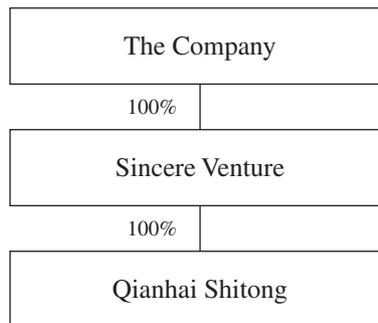
Completion: Completion shall take place on the Completion Date, subject to the fulfillment of the conditions precedent (or waiver, as the case may be) under the Sale and Purchase Agreement B.

INFORMATION OF THE TARGET COMPANIES

Sincere Venture

Sincere Venture is a company incorporated in Hong Kong with limited liability and a direct wholly-owned subsidiary of the Company as at the Latest Practicable Date. It is principally engaged in investment holding. The Sincere Venture Group was principally engaged in trading of building materials in the PRC prior to 2020 and has ceased operation during the year ended 31 December 2020.

As at the Latest Practicable Date, the shareholding structure of the Sincere Venture Group is as follows:



Set out below is a summary of the financial information of the Sincere Venture Group as extracted from its unaudited financial statements for the two financial years ended 31 December 2020 and 2021 and six months ended 30 June 2022.

	For the six months ended 30 June 2022	For the year ended 31 December 2021	For the year ended 31 December 2020
	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
Revenue	—	—	5,951
Loss before income tax	(10)	(331,251)	(1,079)
Loss after income tax	(10)	(331,251)	(1,079)

The unaudited consolidated total assets and net liabilities of the Sincere Venture Group as at 30 June 2022 were approximately HK\$0.4 million and HK\$250.8 million respectively, including the Sincere Venture Current Accounts and an amount due to Heryd International Group of approximately HK\$93.1 million. Excluding the Sincere Venture Current Accounts, the unaudited consolidated total asset and net liabilities of the Sincere Venture Group amounted to approximately HK\$0.3 million and HK\$98.6 million respectively.

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Heryd International

Heryd International is a company incorporated in Hong Kong with limited liability and an indirect wholly-owned subsidiary of the Company as at the Latest Practicable Date. It is principally engaged in investment holding. The Heryd International Group was principally engaged in the trading of building materials in the PRC prior to 2020. Save for the record of the Interest Receivable (as defined below) since 2017, the Heryd International Group has ceased operation during the year ended 31 December 2020.

As at the Latest Practicable Date, the shareholding structure of the Heryd International Group is as follows:



Set out below is a summary of the financial information of the Heryd International Group as extracted from its unaudited financial statements for the two financial years ended 31 December 2020 and 2021 and six months ended 30 June 2022.

	For the six months ended 30 June 2022 HK\$'000	For the year ended 31 December 2021 HK\$'000	For the year ended 31 December 2020 HK\$'000
Revenue	—	—	—
Profit/(loss) before income tax	(2,127)	(27)	15,220
Profit/(loss) after income tax	(2,127)	(27)	15,220

The unaudited consolidated total assets and net assets of the Heryd International Group as at 30 June 2022 were approximately HK\$310.3 million and HK\$43.2 million respectively, including the Heryd International Current Accounts and an amount due from Sincere Venture Group of approximately HK\$93.1 million. Excluding the Heryd International Current Accounts, the unaudited consolidated total asset and net assets of the Heryd International Group amounted to approximately HK\$310.3 million and HK\$304.4 million respectively.

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With the latest development of the Litigation (as defined below) as further disclosed in this circular, the Company is prepared to provide impairment in full on the Heryd Receivables. Assuming impairment is provided in full on the Heryd Receivables where an impairment loss of approximately HK\$217.0 million is recorded on or before 30 June 2022, the net liabilities of Heryd International Group will be approximately HK\$173.8 million as at 30 June 2022.

INFORMATION OF THE PURCHASER

The Purchaser is a company incorporated in the Hong Kong with limited liability, of which the ultimate beneficial owner is Mr. Luo Jie, who is the chief administrative officer in one of the leading law firms, which has 24 branch offices in the PRC and has extensive experience in distressed asset recovery. In particular, the law firm was named as an outstanding law firm by one of the state-owned financial institutions specialised in distressed asset recovery business in the PRC.

Save for the Sale and Purchase Agreements, the Company does not have any business dealings with the Purchaser and its ultimate beneficial owner.

To the best of knowledge, information and belief of the Directors, after having made all reasonable enquiries, the Purchaser and its ultimate beneficial owner both are Independent Third Parties and independent third parties to the counterparties of the Sincere Receivables and Heryd Receivables.

REASONS AND BENEFITS FOR THE DISPOSALS

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

Reference is made to the annual report of the Company for the year ended 31 December 2021.

Background of the Sincere Receivables and Heryd Receivables (the “Outstanding Receivables”)

The Sincere Receivables

Qianhai Shitong, a wholly-owned subsidiary of Sincere Venture, recorded the Sincere Receivables as a result of various prepayments made and trade receivables recorded by Qianhai Shitong prior to 2020.

In August 2020, the Company discovered the suspected forgery or unauthorised use of the company chop of Qianhai Shitong and Sincere Venture (the “**Suspected Forgeries**”). As a result of the Suspected Forgeries, the purported shareholding interest of Qianhai Shitong held by Sincere Venture was diluted from 100% to 25% (the “**Unauthorised Dilution**”) as a result of the issuance of new shares by Qianhai Shitong to Shenzhen Aquatic Products Co., Ltd* (深圳市水產有限公司) (“**Shenzhen Aquatic**”), a limited company incorporated in the PRC. After

LETTER FROM THE BOARD

reporting the case to the relevant authority, in July 2021, the Unauthorised Dilution was withdrawn and nullified and the Company has regained the legal ownership and company chop of Qianhai Shitong.

The Company has, at its best effort, explored to recover the Sincere Receivables. However, after consulting legal advisers, the Company is of the view that (i) the counterparties do not seem to maintain fixed assets which may be served as means of debt recovery; (ii) the counterparties' financial position may have deteriorated as they may have an associated relationship with Mr. Li Sen, the former director of the Company who is facing criminal charges in the PRC; and (iii) it may not be meaningful for the Group to commence litigation against such counterparties as the legal proceeding to recover the outstanding Sincere Receivables can be cost-ineffective.

Taking into account of the above, as the Group is uncertain and not optimistic as to whether the Group is able to recover the outstanding Qianhai Shitong Receivables, the Company has provided impairment in full for the Sincere Receivables.

In addition, the auditor of the Company has issued qualified opinion on the recoverability of, among other things, the Sincere Receivables, on the financial statements of the Company for the years ended 31 December 2019, 2020 and 2021.

Background of the Heryd Receivables

The Heryd Receivables mainly comprise of the Loan Receivable and Interest Receivable (as defined below), which were conducted by Qianhai Guoxing, a wholly-owned subsidiary of Heryd International, in 2017.

In 2017, Qianhai Guoxing entered into a sale and purchase agreement with Shenzhen Aquatic, pursuant to which Qianhai Guoxing should acquire the certain commercial properties in Shenzhen (the “**Properties**”) at a consideration of RMB150 million. On the same day, a finance lease agreement was entered into between Qianhai Guoxing and Shenzhen Aquatic, pursuant to which Qianhai Guoxing should lease the Properties to Shenzhen Aquatic for a term of 3 years up to 27 December 2020. Upon maturity of the said finance lease agreement, Shenzhen Aquatic should return the principal of RMB150 million to Qianhai Guoxing (the “**Loan Receivable**”).

On the same day, Qianhai Guoxing further entered into another agreement with Shenzhen Aquatic, pursuant to which Qianhai Guoxing agreed to lease the Properties back to Shenzhen Aquatic for a period of 3 years starting from 29 December 2017. Upon the commencement of the lease, Shenzhen Aquatic paid RMB3.0 million to Qianhai Guoxing as a form of non-refundable pre-lease interest. Lease payments, calculated as interest charged at a fixed rate of 9% per annum against a principal of RMB150 million, were repayable quarterly (the “**Interest Receivable**”). At the end of the lease period, upon full settlement of all outstanding principal and interest, Shenzhen Aquatic could repurchase the Properties from Qianhai Guoxing for RMB1.

LETTER FROM THE BOARD

As at the Latest Practicable Date, the majority of the Loan Receivable and Interest Receivables remained outstanding. As such, in 2021, the Group filed an application to the court for seizure of the Properties from Shenzhen Aquatic in view of recovering the Loan Receivable and Interest Receivable (the “**Litigation**”). However, on 30 June 2022, the court ruled against the Group based on the following principal reasons:

- (i) the Group could not provide the original copies of the relevant documents to the court, which the Group could not locate after the Unauthorised Dilution as the documents for Qianhai Guoxing was stored in the office Qianhai Shitong in Shenzhen; and
- (ii) Reference is made to the notes 34(b) in the financial statements of the Company in the annual report of the Company for the year ended 31 December 2017. On 13 December 2017, Qianhai Guoxing entered into a loan agreement with Shenzhen Dongyin Financial Holdings Co., Ltd.* (深圳市東銀金融控股有限公司) (“**Shenzhen Dongyin**”) to borrow RMB200 million. Based on the record of the Company, Qianhai Guoxing draw down RMB150 million from Shenzhen Dongyin and transferred RMB150 million to Shenzhen Aquatic during 27 to 29 December 2017, where the loan from Shenzhen Dongyin was fully settled by the Group before 31 March 2018.

As stated in the ruling, Shenzhen Aquatic alleged that, in March 2020, Qianhai Guoxing entered into an agreement (the “**Purported Agreement**”) with Shenzhen Dongyin. Pursuant to the Purported Agreement, it is alleged that the fund used for financing loan transferred from Qianhai Guoxing to Shenzhen Aquatic (the “**Fund Source**”) belonged to Shenzhen Dongyin, therefore Shenzhen Aquatic claimed that it is not required to repay to Qianhai Guoxing the Loan Receivable and Interest Receivable as there are no substance regarding the Loan Receivable and Interest Receivable.

Based on publicly available information, the ultimate beneficial owner of Shenzhen Dongyin is Mr. Li Sen, the then controlling shareholder and chairman of the Company who is now facing criminal charges in the PRC. As the Purported Agreement is dated March 2020, the current Board members were not aware of the Purported Agreement and unable to verify its authenticity.

Accordingly, the court considered the Group, as the plaintiff, could not provide sufficient evidence to support Shenzhen Aquatic is liable for the repayment of the Loan Receivable and Interest Receivable, and the Group has no right to claim the repayment of the Loan Receivable and Interest Receivable from Shenzhen Aquatic. As such, the Company considered it is uncertain as to whether the Group may recover the Loan Receivable and Interest Receivable.

In addition, the auditor of the Company has issued qualified opinion on the recoverability of, among other things, the Loan Receivable and Interest Receivable, on the financial statements of the Company for the years ended 31 December 2019, 2020 and 2021.

LETTER FROM THE BOARD

Potential recovery of the Outstanding Receivables

Since the reorganisation of the Board composition in June 2020, the Group has, at its best effort, pursued numerous channels in view of recovering the Outstanding Receivables. However, it is uncertain as to whether the Group may recover the Outstanding Receivables as detailed above, particularly given the Group could not locate majority of the original copies of the relevant documents after the Unauthorised Dilution.

Taking into account of the above and given Qianhai Shitong and Qianhai Guoxing has ceased operation since 2020, the Group has been exploring debt restructuring opportunities with various third parties for disposing Qianhai Shitong and Qianhai Guoxing. In particular, the Company has discussed with various investment fund managers and professional parties for debt restructuring proposals such as debt factoring or swapping. However, due to the complexity of the issues leading to the Outstanding Receivables including but not limited to (i) the Unauthorised Dilution; (ii) the criminal charges on Mr. Li Sen who is the former director of Qianhai Shitong and Qianhai Guoxing; and (iii) the Litigation, together with the recent investment sentiment in the PRC, the Company has difficulties in engaging any parties in accepting any restructuring proposal at all.

As the Company approached a number of legal advisers in the PRC, the Group has identified the beneficial owner of the Purchaser as one of the experts in distressed assets recovery which may provide a chance for the Group to recover the Outstanding Receivables, as the Group may receive the Sincere Receivables Recovery Consideration and Heryd Receivables Recovery Consideration in the event the Purchaser is able to recover all or part of the Outstanding Receivables.

Given (i) the Company has already provided impairment in full on the Sincere Receivables and is prepared to provide impairment in full on the Heryd Receivables; and (ii) the likelihood of successfully recovering the Outstanding Receivables is low, the Company considered that it is fair and reasonable to provide 60% of any recovered balance for the Purchaser as professional fee and incentive for recovering any of the Outstanding Recoverables.

In addition, as the Target Companies are recording net liabilities on the consolidated financial statements of the Company (assuming the Company has provided impairment in full on the Heryd Receivables as disclosed above), the Company did not request the Purchaser to provide any collateral to secure its obligation in settling the Sincere Receivables Recovery Consideration and/or the Heryd Receivables Recovery Consideration.

In light of the above, the Directors are of the view that the terms and conditions of the Disposals contemplated under the Sale and Purchase Agreements are fair and reasonable.

LETTER FROM THE BOARD

Plans in addressing the certain audit qualifications on the Group

As disclosed in the annual report of the Company for the year ended 31 December 2021, the auditor has issued qualified opinion on the recoverability of a number of outstanding receivables of the Group as at 31 December 2021, including (i) the Sincere Receivables; (ii) the Heryd Receivables; and (iii) consideration receivables in relation to the disposal of certain properties in prior years by a subsidiary of the Group in Yingkou in the PRC (the “**Consideration Receivables**”). Upon completion of the Disposals, it is expected that the audit qualifications in relation to the Sincere Receivables and Heryd Receivables will not be carried forward in the financial statements of the Company.

In respect of the Consideration Receivables, the Company has continued to negotiate with third parties in debt restructuring opportunities to recover the Consideration Receivables. The Company will publish further announcements and comply with the Listing Rules in the event any opportunities materialise.

Conclusion

In light of the above, the Directors are of the view that the Disposals are commercially sensible business decision and an appropriate course of action to take for the long term development of the Group. As such, the Directors are of the view that the terms and conditions of the Disposals contemplated under the Sale and Purchase Agreements are fair and reasonable and, if materialised, in the interests of the Company and the Shareholders as a whole.

POSSIBLE FINANCIAL EFFECT OF THE DISPOSALS

Upon Completion, the Target Groups will cease to be wholly-owned subsidiaries of the Company. Accordingly, the financial results, assets and liabilities of the Target Groups will no longer be included in the consolidated financial statements of the Group.

Sincere Venture Disposal

It is estimated that a gain of approximately HK\$250.8 million will be recognised from the Sincere Venture Disposal. Such estimated gain is calculated with reference to (i) the consideration for the Sincere Venture Disposal; (ii) the waiver of the Sincere Venture Current Accounts of approximately HK\$152.2 million; (iii) the unaudited consolidated net liabilities of the Sincere Venture Group of HK\$98.6 million as at 30 June 2022 (excluding the Sincere Venture Current Account); and (iv) all relevant expenses incidental to the Sincere Venture Disposals.

LETTER FROM THE BOARD

Heryd International Disposal

It is estimated that a loss of approximately HK\$43.2 million will be recognised from the Heryd International Disposal. Such estimated loss is calculated with reference to (i) the consideration for the Heryd International Disposal; (ii) the waiver of the Heryd International Current Accounts of approximately HK\$261.2 million; (iii) the unaudited consolidated net assets of the Heryd International Group of HK\$304.4 million as at 30 June 2022 (excluding the Heryd International Current Account); and (iv) all relevant expenses incidental to the Heryd International Disposal.

As disclosed in this circular, with the latest development of the Litigation, the Company is prepared to provide impairment in full on the Heryd Receivables. Assuming impairment is provided in full on the Heryd Receivables where an impairment loss of approximately HK\$217.0 million is recorded, the net liabilities of Heryd International Group will be approximately HK\$173.8 million. Accordingly, an estimated gain of approximately HK\$260.2 million will be recognised from the Heryd International Disposal, which is calculated with reference to (i) the consideration for the Heryd International Disposal; (ii) the waiver of the Heryd International Current Accounts of approximately HK\$261.2 million; (iii) the unaudited consolidated net assets of the Heryd International Group of HK\$87.4 million as at 30 June 2022 (assuming impairment is provided in full on the Heryd Receivables and excluding the Heryd International Current Account); and (iv) all relevant expenses incidental to the Heryd International Disposal.

Shareholders should note that the above is for illustrative purpose only. The actual loss on the Disposals to be recognised by the Company will be reassessed after completion of the Disposals, which is subject to audit to be performed by the auditors of the Company.

Earnings

As the Target Companies had ceased operations during the year ended 31 December 2020, save for the losses that may the Company considers that there will not be any material effect on the earnings of the Group after the Completion of the Disposals.

Assets

The total assets of Target Group amounted to approximately HK\$310.7 million as at 30 June 2022, which mainly represented the net book value of the Outstanding Receivables where it is uncertain that any of the Outstanding Receivables are recoverable as disclosed in the section headed “Reasons and benefits for the Disposals” above. Accordingly, the Company considers there will not be any material impact on the operation of the Group after the Completion of the Disposals.

LETTER FROM THE BOARD

USE OF PROCEEDS

The aggregate consideration of HK\$2 is intended to be utilised as general working capital of the Group.

In the event any of the Sincere Receivables Recovery Consideration and Heryd Receivables Recovery Consideration is received by the Group pursuant to the Sale and Purchase Agreements, it is intended to be utilised as general working capital of the Group.

LISTING RULES IMPLICATIONS

As one or more of the applicable percentage ratios calculated in accordance with the Listing Rules in respect of the Sale and Purchase Agreements and the transactions contemplated thereunder is more than 25% but all applicable percentage ratios are less than 75%, the Disposals constitutes a major transaction for the Company under Rule 14.06(3) of the Listing Rules and is therefore subject to reporting, announcement, circular and shareholders' approval requirements under Chapter 14 of the Listing Rules.

EXTRAORDINARY GENERAL MEETING

The Company will convene the EGM at 20/F, No. 9 Des Voeux Road West, Sheung Wan, Hong Kong on Friday, 30 December 2022 at 3:00 p.m. to consider the Disposals contemplated under the Sale and Purchase Agreements.

A notice of the EGM is set out on pages EGM-1 to EGM-2 of this circular.

In compliance with the Listing Rules, voting on the ordinary resolution to be proposed at the EGM will be conducted by way of poll.

Any Shareholder with a material interest in the Disposals contemplated under the Sale and Purchase Agreements and his/her/its associate(s) are required to abstain from voting on the resolution approving the same in accordance with the Listing Rules.

To the best of the Directors' knowledge having made all reasonable enquiries, none of the Shareholders is required to abstain from voting in respect of the ordinary resolution approving the Disposals contemplated under the Sale and Purchase Agreements at the EGM.

A form of proxy for use at the EGM is enclosed with this circular. Whether or not you are able to attend the EGM in person, you are requested to complete and return the enclosed form of proxy in accordance with the instructions printed thereon to the Branch Share Registrar, Tricor Tengis Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong as soon as practicable but in any event not less than 48 hours before the time appointed for holding the EGM or any adjournment thereof. Completion and return of the form of proxy will not preclude you from attending and voting in person at the EGM and any adjournment thereof (as the case may be) should you so wish.

LETTER FROM THE BOARD

RECOMMENDATION

The Directors consider that the terms of the Disposals contemplated under the Sale and Purchase Agreements are fair and reasonable and in the interests of the Company and the Shareholders as a whole. Accordingly, the Directors recommend the Shareholders to vote in favour of the ordinary resolution approving the Disposals contemplated under the Sale and Purchase Agreements at the EGM.

CLOSURE OF REGISTER OF MEMBERS

The record date for determination of entitlement of Shareholders to the right to attend and vote at the EGM is Friday, 30 December 2022.

In order to determine the entitlement to attend and vote at the EGM, the register of members of the Company will be closed from Friday, 23 December 2022 to Friday, 30 December 2022 (both days inclusive) during which no transfer of Shares will be registered. All completed transfer forms (accompanied by the relevant share certificate(s)) must be lodged with the Branch Share Registrar at Tricor Tengis Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong for registration not later than 4:30 p.m. on Thursday, 22 December 2022.

ADDITIONAL INFORMATION

Your attention is drawn to the information set out in the appendices to this circular.

CONTINUED SUSPENSION OF TRADING

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

Shareholders and potential investors should note that Completion is subject to the fulfilment or waiver of the conditions precedent (as the case maybe) and accordingly the Disposals may or may not proceed. Shareholders and potential investors are therefore reminded to exercise caution when dealing in the Shares of the Company.

Yours faithfully
For and on behalf of the Board of
Enviro Energy International Holdings Limited
Li Gang
Chairman

1. FINANCIAL INFORMATION OF THE COMPANY

Details of the financial information of the Group for the three financial years ended 31 December 2019, 31 December 2020 and 31 December 2021 have been set out in the following documents respectively:

- (a) the annual report of the Company for the year ended 31 December 2019 from pages 81 to 167 (<https://www1.hkexnews.hk/listedco/listconews/sehk/2020/0428/2020042801955.pdf>);
- (b) the annual report of the Company for the year ended 31 December 2020 from pages 82 to 167 (<https://www1.hkexnews.hk/listedco/listconews/sehk/2021/0427/2021042701397.pdf>);
- (c) the annual report of the Company for the year ended 31 December 2021 from pages 65 to 147 (<https://www1.hkexnews.hk/listedco/listconews/sehk/2022/0428/2022042801252.pdf>); and
- (d) the interim report of the Company for the six months ended 30 June 2022 from pages 16 to 47 (<https://www1.hkexnews.hk/listedco/listconews/sehk/2022/0908/2022090800291.pdf>).

2. INDEBTEDNESS OF THE GROUP

As at the close of business on 31 October 2022, being the latest practicable date for the purpose of ascertaining the indebtedness of the Group prior to the publication of this circular, the Group had unguaranteed and unsecured interest bearing borrowings of approximately HK\$193,482,000 and shareholders' loan of approximately HK\$37,927,000.

Save as disclosed above, apart from intra-group liabilities, normal trade payables and other payables, as at 31 October 2022, the Group did not have any other debt securities, term loans, other borrowings or indebtedness in the nature of borrowings whether issued and outstanding, or authorised or otherwise created but unissued, including bank overdrafts, liabilities under acceptances (other than normal trade bills), acceptable credits, hire purchase commitments, guaranteed, unguaranteed, secured or unsecured debts and borrowings, mortgages, charges, contingent liabilities or guarantees.

3. MATERIAL ADVERSE CHANGE

As at the Latest Practicable Date, the Directors were not aware of any material adverse change in the financial or trading position of the Group since 31 December 2021, being the date to which the latest published audited consolidated financial statements of the Group were made up.

4. WORKING CAPITAL SUFFICIENCY OF THE GROUP

The Directors, after due and careful consideration, are of the opinion that, after taking into account the Group's internal resources and the available banking facilities, and the effects of entering into the Sale and Purchase Agreements, the working capital available to the Group is sufficient for the Group's requirements for at least the next 12 months from the date of this circular. The Group has obtained the relevant confirmation as required under Rule 14.66(12) of the Listing Rules.

5. FINANCIAL AND TRADING PROSPECT OF THE GROUP

The Group is principally engaged in the sales of materials business and property investment in Hong Kong and the PRC. The Group sources various kind of building materials and provide inventory management services for its customers in the PRC.

With the unprecedented disruption caused by force majeure events, such as COVID-19, the Russian Ukrainian War and the extreme weather in the PRC, to the aluminum supply chain industry and the subsequent price fluctuation in aluminum related products and increasing global freight cost in early 2022, the Group has no choice but temporarily suspended its principal business to avoid erosion of working capital in order to safeguard the interest of the Group.

Nevertheless, the Group continued to maintain its business relationship with its customers and suppliers to look for collaboration opportunities and a suitable timing for the resumption of businesses between the parties. As the aluminum price appeared to be stabilised in the second half of 2022, the Group has resumed negotiation with its customers to supply building materials and aluminum related products. The Company has continued to revitalise its business operations, in particular, the Group has secured a number of contracts from its customers in resuming the principal business of the Group.

Reference is made to the announcement of the Company dated 31 October 2022 in relation to the formation of a joint venture in the PRC for the supply of building materials. Leveraging on (i) the Group's experience and network in supply of building materials business in the PRC; and (ii) the construction and renovation services provided by joint venture partner, the Company is of the view that the establishment of the joint venture may 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.

RESPONSIBILITY STATEMENT

This circular, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that, to the best of their knowledge and belief, the information contained in this circular is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this circular misleading.

SHARE CAPITAL**(a) Share capital**

As at the Latest Practicable Date, the authorised and issued share capital of the Company were as follows:

<i>Authorised:</i>	<i>HK\$</i>
<u>1,000,000,000</u> Shares of HK\$0.05 each	<u>50,000,000</u>
<i>Issued and fully paid or credited as fully paid:</i>	
<u>542,392,207</u> Shares	<u>27,120,000</u>

All the existing Shares rank equally in all respects with each other including rights in respect of dividends, voting and return of capital.

(b) Share options

Save for the options carrying the rights to subscribe for up to a total of 53,209 Shares at the exercise price per share of HK\$2.298 granted under the share option scheme adopted by the Company on 12 May 2011, there were no outstanding options of the Company as at the Latest Practicable Date.

(c) Convertible securities

As at the Latest Practicable Date, none of the members of the Group has granted any options, warrants or other rights to call for the issue of or agreed to issue any share or loan capital or any instrument convertible into or exchangeable for shares of such capital, and none of the members of the Group is a party to or otherwise bound by any agreement for the purchase or repurchase of shares of any member of the Group.

DISCLOSURE OF INTERESTS OF DIRECTORS AND CHIEF EXECUTIVE

Save as disclosed below, as at the Latest Practicable Date, none of the Directors or chief executive of the Company had any interests or short positions in the shares, underlying shares and debentures of the Company or any associated corporation (within the meaning of the SFO) which (a) were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they have taken or deemed to have taken under such provisions of the SFO); or (b) were required pursuant to section 352 of the SFO to be entered in the register referred to therein; or (c) were required, pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers to be notified to the Company and the Stock Exchange:

(1) Long positions in the Shares

Name of Director	Capacity and nature of interest	Number of Shares held	Approximate percentage of shareholding (Note 3)
Mr. Li Gang	Interest of controlled corporation	112,789,766 (Note 1)	20.79%
Mr. Pan Lihui	Beneficial owner	33,112,281 (Note 2)	6.11%

Notes:

- (1) Wonderland International Investment Holdings Limited is owned by Hua Zhi Investment Limited as to 58.44%, which is owned by Mr. Li Gang as to 53.37%. Mr. Li Gang was deemed to be interested in the 112,789,766 Shares held by Wonderland International Investment Holdings Limited by reason of interests of controlled corporations within the meaning of Part XV of the SFO. Mr. Li Gang is a substantial shareholder of the Company and his shareholding in the Company is also set out in the section headed "Interests and Short Positions of Substantial Shareholders Discloseable under the SFO".
- (2) Mr. Pan Lihui is a substantial shareholder of the Company and his shareholding in the Company is also set out in the section headed "Interests and Short Positions of Substantial Shareholders Discloseable under the SFO".
- (3) As at the Latest Practicable Date, the total number of issued shares was 542,392,207.

SUBSTANTIAL SHAREHOLDERS AND OTHER PERSONS WITH INTERESTS IN THE COMPANY WHICH ARE DISCLOSEABLE UNDER SECTION 336 OF PART XV OF THE SFO

Save as disclosed below, as at the Latest Practicable Date, so far as is known to the Directors and chief executive of the Company, no person (other than a Director or chief executive of the Company) had or was deemed or taken to have an interest or short position in the Shares or underlying shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or, who was, directly or indirectly, interested in 5% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of the Company, or were required, pursuant to Section 336 of the SFO, to be entered in the register referred to therein:

Long position in the Shares

Name of Shareholder	Capacity and nature of interest	Number of issued Shares held	Approximate percentage of shareholding (Note 3)
Mr. Li Gang	Interest of controlled corporation	112,789,766 (Note 1)	20.79%
Wonderland International Investment Holdings Limited	Beneficial owner	112,789,766 (Note 1)	20.79%
Mr. Pan Lihui	Beneficial owner	33,112,281 (Note 2)	6.11%
Executive Success Limited	Beneficial owner	28,142,920	5.19%

Notes:

- (1) Wonderland International Investment Holdings Limited is owned by Hua Zhi Investment Limited as to 58.44%, which is owned by Mr. Li as to 53.37%. Mr. Li was deemed to be interested in the 112,789,766 Shares held by Wonderland International Investment Holdings Limited by reason of interests of controlled corporations within the meaning of Part XV of the SFO.
- (2) Mr. Pan Lihui is an executive Director whose interest in Shares is also set out in above section headed "Disclosure of Interests of Directors and Chief Executive".
- (3) As at the Latest Practicable Date, the number of issued shares of the Company was 542,392,207.

DIRECTORS' INTEREST IN ASSETS/CONTRACTS AND OTHER INTERESTS

As at the Latest Practicable Date:

- (i) none of the Directors had any interest, direct or indirect, in any assets which have been, since 31 December 2021 (being the date to which the latest published audited consolidated financial statements of the Group were made up), acquired or disposed of by or leased to any member of the Group, or are proposed to be acquired or disposed of by or leased to any member of the Group; and
- (ii) none of the Directors was materially interested in any contract or arrangement entered into with any member of the Group subsisting as at the Latest Practicable Date which was significant in relation to the business of the Group.

LITIGATION

As at the Latest Practicable Date, neither the Company nor any of its subsidiaries was engaged in any litigation or arbitration of material importance and no litigation or claim of material importance is known to the Directors to be pending or threatened by or against the Company or any of its subsidiaries.

DIRECTORS' SERVICE CONTRACTS

As at the Latest Practicable Date, none of the Directors has a service contract with the Company or any of its subsidiaries which is not determinable by the Group within one year without payment of compensation (other than statutory compensations).

DIRECTORS' INTEREST IN ASSETS AND CONTRACTS

As at the Latest Practicable Date, none of the Directors had any direct or indirect interest in any assets which have been, since 31 December 2021 (being the date to which the latest published audited accounts of the Group were made up), acquired or disposed of by or leased to any member of the Group, or are proposed to be acquired or disposed of by or leased to any member of the Group.

As at the Latest Practicable Date, none of the Directors was materially interested in any contract or arrangement, subsisting at the Latest Practicable Date, which is significant in relation to the business of the Group.

DIRECTORS' COMPETING INTEREST

As at the Latest Practicable Date, none of the Directors and their respective close associates (as defined under the Listing Rules) had any interest in any business which competes or is likely to compete, either directly or indirectly, with the business of the Group pursuant to Rule 8.10 of the Listing Rules.

MATERIAL CONTRACTS

Saved as disclosed below, no other contract (not being contracts in the ordinary course of business) had been entered into by any member of the Group within two years immediately preceding the Latest Practicable Date and up to the Latest Practicable Date which are or may be material:

- (a) the sale and purchase agreement entered into between the Company as the purchaser, and Zhejiang Zhongnan Construction Group Company Limited* (浙江中南建設集團有限公司) and Zhejiang Zhongnan Cultural Tourism Group Company Limited* (浙江中南文旅集團有限公司) as the vendors in relation to the acquisition of the entire equity interest of Hangzhou Zhongji Architectural Decoration Engineering Co., Ltd.* (杭州中機建築裝飾工程有限公司) at a consideration of RMB30 million. As certain conditions precedent under such sale and purchase agreement have not been fulfilled or waived (as the case may be) on or before 30 September 2022, such sale and purchase agreement has lapsed on 30 September 2022; and
- (b) the Sale and Purchase Agreements.

GENERAL

- (a) The registered office of the Company is at Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman KY1-1111, Cayman Islands.
- (b) The secretary of the Company is Mr. Ng Yu Ho, who is an associate member of the Hong Kong Institute of Certified Public Accountants.
- (c) The head office and principal place of business of the Company in Hong Kong is situated at 20/F, No. 9 Des Voeux Road West, Sheung Wan, Hong Kong.
- (d) The Company's principal share registrar and transfer office in Cayman Islands is SMP Partners (Cayman) Limited, 3rd Floor, Royal Bank House, 24 Shedden Road, George Town, Grand Cayman KY1-1110, Cayman Islands.
- (e) The Hong Kong branch share registrar and transfer office of the Company is Tricor Tengis Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong.
- (f) In the event of inconsistency, the English text of this circular shall prevail over the Chinese text.

DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents are available for inspection during normal business hours from 9:00 a.m. to 5:00 p.m. (except Saturdays and public holidays) at the head office and principal place of business of the Company in Hong Kong at 20/F, No. 9 Des Voeux Road West, Sheung Wan, Hong Kong from the Latest Practicable Date up to and including the date of the EGM:

- (a) the memorandum and articles of association of the Company;
- (b) the annual reports of the Company for each of the three financial years ended 31 December 2019, 2020 and 2021 and the interim report of the Company for the six months ended 30 June 2022;
- (c) a copy of the material contracts referred to in the paragraph headed “Material Contracts” in this appendix;
- (d) this circular.

NOTICE OF EXTRAORDINARY GENERAL MEETING



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)

NOTICE OF EXTRAORDINARY GENERAL MEETING

NOTICE IS HEREBY GIVEN that the extraordinary general meeting (the “EGM”) of Enviro Energy International Holdings Limited (the “Company”) will be held at 20/F, No. 9 Des Voeux Road West, Sheung Wan, Hong Kong on Friday, 30 December 2022 at 3:00 p.m. for the purpose of considering and, if thought fit, passing (with or without modification), the following resolution as an ordinary resolution of the Company:

ORDINARY RESOLUTION

“**THAT** the terms and conditions, and the entering into, of the Sale and Purchase Agreements (as defined and described in the Company’s circular dated 9 December 2022 to its shareholders, a copy of which has been produced to the meeting marked “A” and signed by the Chairman of the meeting for the purpose of identification) be and are hereby approved, confirmed and ratified; and the directors of the Company or any other person authorised by the directors of the Company be and are hereby authorised to sign, execute, perfect and deliver all such documents and do all such deeds, acts, matters and things as they may in their absolute discretion consider necessary or desirable for the purpose of or in connection with the implementation of the Sale and Purchase Agreements and all transactions and other matters contemplated thereunder or ancillary thereto, to waive compliance from and/or agree to any amendment or supplement to any of the provisions of the Sale and Purchase Agreements which in their opinion is not of a material nature and to effect or implement any other matters referred to in this resolution.”

For and on behalf of the board of directors
Enviro Energy International Holdings Limited
Li Gang
Chairman

Hong Kong, 9 December 2022

NOTICE OF EXTRAORDINARY GENERAL MEETING

Registered office:
Cricket Square
Hutchins Drive
P.O. Box 2681
Grand Cayman KY1-1111
Cayman Islands

*Head Office and Principal Place of
Business in Hong Kong:*
20/F
No. 9 Des Voeux Road West
Sheung Wan
Hong Kong

As at the date of this notice, the Directors are:

Executive Directors:
Mr. Li Gang (*Chairman*)
Mr. Pan Lihui
Mr. Jiang Senlin

Independent Non-executive Directors:
Mr. Zhong Jian
Mr. Du Hongwei
Mr. Liu Qin

Notes:

1. The register of members of the Company will be closed from Friday, 23 December 2022 to Friday, 30 December 2022, both days inclusive, during which period no transfer of shares of the Company will be registered. In order to qualify for voting at the EGM, all transfers of shares of the Company accompanied by the relevant share certificates must be lodged for registration with the Company's branch share registrar in Hong Kong, Tricor Tengis Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong, by not later than 4:30 p.m. on Thursday, 22 December 2022.
2. Any shareholder of the Company entitled to attend and vote at the EGM is entitled to appoint another person as his proxy to attend and vote instead of him. A shareholder who is the holder of two or more shares may appoint more than one proxy to represent him and vote on his behalf at the above meeting. A proxy need not be a shareholder of the Company. If more than one proxy is appointed, the number of shares in respect of which each such proxy so appointed must be specified in the relevant form of proxy.
3. In order to be valid, the form of proxy must be deposited together with a power of attorney or other authority, if any, under which it is signed or a notarially certified copy of that power or authority, at the offices of the Company's branch share registrar and transfer office in Hong Kong, Tricor Tengis Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong not less than 48 hours before the time for holding the EGM (i.e. no later than 3:00 p.m. (Hong Kong time) on Wednesday, 28 December 2022) or adjourned meeting. Delivery of the form of proxy shall not preclude a shareholder of the Company from attending and voting in person at the EGM and, in such event, the instrument appointing a proxy shall be deemed to be revoked.
4. Where there are joint holders of any ordinary share of the Company, any one of such holders may vote at the EGM, either personally or by proxy, in respect of such share as if he were solely entitled thereto, but if more than one of such holders be present at the EGM personally or by proxy, that one of such holders so present whose name stands first on the register of members of the Company in respect of such share shall alone be entitled to vote in respect thereof.
5. Voting of the ordinary resolutions set out in this notice will be taken by way of poll.
6. The Chinese version of this notice is for reference only. If there is any conflict between the English and the Chinese versions, the English version shall prevail.