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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 and the accompanying form of proxy to the purchaser or transferee, or to the bank, licensed securities dealer or other agent through whom the sale or transfer was affected, 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)

**(1) MAJOR TRANSACTION
PROPOSED DISPOSAL OF THE ENTIRE ISSUED SHARE CAPITAL
IN THE TARGET COMPANIES; AND
(2) NOTICE OF EXTRAORDINARY GENERAL MEETING**

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 19 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, 13 September 2024 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.

23 August 2024

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DEFINITIONS

In this circular, unless the context otherwise requires, the following terms shall have the following meanings:

“Announcement”	the announcement of the Company dated 22 July 2024 in relation to the Disposal contemplated under the Sale and Purchase Agreements
“Articles of Association”	the articles of association of the Company as may be amended from time to time
“Board”	the board of Directors
“Business Day(s)”	a day on which banks are generally open for business in Hong Kong, the PRC and Cayman 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 Cayman 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 and the issued Shares of which are listed on the Main Board of the Stock Exchange (stock code: 1102)
“Completion”	completion of the Disposal in accordance with the terms and conditions of the Sale and Purchase Agreements
“Completion Date”	the date of the Completion
“connected person(s)”	has the same meaning as ascribed to it under the Listing Rules
“Consideration”	the aggregate consideration of HK\$2 for the Disposal
“Current Accounts”	the First Current Accounts and the Second Current Accounts
“Director(s)”	director(s) of the Company
“Disposal”	the disposal of the First Sale Shares and Second Sale Shares pursuant to the Sale and Purchase Agreements
“Disposal Group”	the First Target Company and Second Target Company and their subsidiaries
“EGM”	the extraordinary general meeting of the Company to be held to approve, inter alia, the Sale and Purchase Agreements the transactions contemplated thereunder

DEFINITIONS

“First Current Accounts”	the current accounts among the First Target Group and the Remaining Group on the Completion Date
“First Sale and Purchase Agreement”	the conditional sale and purchase agreement dated 22 July 2024 entered into between the Purchaser and the First Vendor in relation to the disposal on the First Sale Shares
“First Sale Shares”	the entire equity interests of the First Target Company held by the First Vendor
“First Target Company”	Enviro Energy Minerals Limited, an indirectly wholly-owned subsidiary of the Company as at the Latest Practicable Date
“First Target Group”	the First Target Company and its subsidiaries
“First Vendor”	Peak Business Worldwide Limited, a company incorporated in the British Virgin Islands with limited liability and a wholly-owned subsidiary of the Company as at the Latest Practicable Date
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency for the time being of Hong Kong
“Hong Kong”	The Hong Kong Special Administrative Region of the PRC
“Huanneng Industry”	Huan Neng Industrial (Yingkou) Company Limited* (環能實業(營口)有限公司), a company incorporated in the PRC with limited liability and indirect wholly-owned by the Company as at the Latest Practicable Date
“Huanneng International Trade”	Huan Neng International Trading (Yingkou) Co., Ltd.* (環能國際貿易(營口)有限公司), a company incorporated in the PRC with limited liability and indirect wholly-owned by the Company as at the Latest Practicable Date
“Huanxin New Energy”	Huanxin New Energy Investment (Yangzhou) Co., Ltd.* (環鑫新能源投資(揚州)有限公司), a company incorporated in the PRC with limited liability and indirect wholly-owned by the Company as at the Latest Practicable Date

DEFINITIONS

“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”	20 August 2024, being the latest practicable date prior to the printing of this circular for ascertaining certain information contained in this circular
“Liaoning Taoqibao”	Liaoning Taoqibao Mall Management Co., Ltd.* (遼寧淘氣寶商城管理有限公司), a company incorporated in the PRC with limited liability and indirect wholly-owned by the Company as at the Latest Practicable Date
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Long Stop Date”	30 September 2024 or such later date as the First Vendor, Second Vendor and the Purchaser may from time to time agree in writing under the First Sale and Purchase Agreement and the Second Sale and Purchase Agreement
“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”	Heng Tong Global Business Travel Holding (HK) Limited, a company incorporated in Hong Kong with limited liability and an Independent Third Party
“Remaining Group”	the group of companies comprising the Group (but excluding the Disposal Group)
“RMB”	Renminbi, the lawful currency of the PRC
“Sale and Purchase Agreements”	the First Sale and Purchase Agreement and the Second Sale and Purchase Agreement
“Second Current Accounts”	the current accounts among the Second Target Group and the Remaining Group on the Completion Date
“Second Sale and Purchase Agreement”	the conditional sale and purchase agreement dated 22 July 2024 entered into between the Purchaser and the Second Vendor in relation to the disposal on the Second Sale Shares

DEFINITIONS

“Second Sale Shares”	the entire equity interest of the Second Target Company held by the Second Vendor, comprising the entire issued share capital of the Second Target Company
“Second Target Company”	Enviro Energy Capital Investment (Hong Kong) Limited, an indirectly wholly-owned subsidiary of the Company as at the Latest Practicable Date
“Second Target Group”	the Second Target Company and its subsidiaries
“Second Vendor”	Enviro Energy Capital Investment (BVI) Limited, a company incorporated in the British Virgin Islands with limited liability and a wholly-owned subsidiary of the Company as at the Latest Practicable Date
“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)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Target Companies”	the First Target Company and the Second Target Company
“%”	per cent

* *For identification purpose 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. Cao Zhongshu

Non-executive Director

Mr. Jiang Senlin

Independent Non-executive Directors

Mr. Liu Qin

Mr. Pan Yongye

Mr. Zhong Jian

Registered office

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Cayman Islands

*Headquarters and principal place
of business in Hong Kong*

20/F., No.9 Des Voeux Road West,

Sheung Wan,

Hong Kong

23 August 2024

To the Shareholders

Dear Sir or Madam,

**(1) MAJOR TRANSACTION
PROPOSED DISPOSAL OF THE ENTIRE ISSUED SHARE CAPITAL
IN THE TARGET COMPANIES; AND
(2) NOTICE OF EXTRAORDINARY GENERAL MEETING**

INTRODUCTION

Reference is made to the Announcement dated 22 July 2024 in relation to the Disposal contemplated under the Sale and Purchase Agreements.

On 22 July 2024 (after trading hours of the Stock Exchange), two indirect wholly-owned subsidiaries of the Company, the First Vendor and the Second Vendor, entered into the First Sale and Purchase Agreement and the Second Sale and Purchase Agreement with the Purchaser, respectively.

Pursuant to the First Sale and Purchase Agreement, the First Vendor has conditionally agreed to sell, and the Purchaser has conditionally agreed to acquire, the First Sale Shares, representing the entire issued share capital of the First Target Company, at a consideration of HK\$1.

LETTER FROM THE BOARD

Pursuant to the Second Sale and Purchase Agreement, the Second Vendor has conditionally agreed to sell, and the Purchaser has conditionally agreed to acquire, the Second Sale Shares, representing the entire issued share capital of the Second Target Company at a consideration of HK\$1.

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

Upon Completion, each of the Target Companies will cease to be an indirect wholly-owned subsidiary of the Company and the Company will cease to have any interest in each of the Target Companies. The financial results of each of the Target Companies will no longer be consolidated into the consolidated financial statements of the Company.

The purpose of this circular is to provide you with, among other things, (i) further details of the Disposal and the Sale and Purchase Agreements; (ii) financial information of the Group; (iii) other information as required to be contained in the circular under the Listing Rules; and (iv) the notice of the EGM.

THE FIRST SALE AND PURCHASE AGREEMENT

The principal terms of the First Sale and Purchase Agreement are set out below:

Date:	22 July 2024
Purchaser:	Heng Tong Global Business Travel Holding (HK) Limited
Vendor:	Peak Business Worldwide Limited
Assets to be disposed:	The First Sale Shares, being entire issued share capital of the First Target Company
Waive of First Current Accounts:	As part of the disposal of the First Sale Shares, the entire amount of the First Current Accounts outstanding at the Completion Date of the First Sale and Purchase Agreement, which amounted to approximately HK\$165.5 million owed by the First Target Group to the Remaining Group as at 30 April 2024, will be waived upon Completion of the First Sale and Purchase Agreement

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Consideration:

The consideration under the First Sale and Purchase Agreement 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 First Target Group of approximately HK\$227.7 million as at 30 April 2024, which mainly consisted of (1) the First Current Accounts, being a net amount of approximately HK\$165.5 million due to the Remaining Group; (2) investment properties of approximately HK\$91.8 million (the "**Investment Properties**"); (3) consideration receivable of approximately HK\$128.2 million in relation to the consideration receivables for the disposal of certain properties by the First Target Group (the "**Consideration Receivables**") in prior years, which the auditor of the Company has issued qualified opinion in the consolidated financial statements of the Company for the year ended 31 December 2023; and (4) loan and relevant accrued interest due to an independent third party (the "**Loans**") of approximately HK\$219.4 million as at 30 April 2024;
- (ii) for illustrative purpose, the unaudited net liabilities of the First Target Group excluding the First Current Accounts are approximately HK\$62.2 million as at 30 April 2024; and
- (iii) for illustrative purpose, the unaudited net liabilities of the First Target Group excluding the First Current Accounts and current accounts among the Disposal Group are approximately HK\$37.6 million as at 30 April 2024.

Payment terms:

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

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Conditions precedents: The completion of the First Sale and Purchase Agreement is subject to:

- (i) all necessary authorisations, consents and approval in relation to the disposal on the First Sale Shares having been obtained (including but not limited to approval from the Stock Exchange and passing by the shareholders of the Company resolutions at the general meeting of the Company approving the disposal on the First Sale Shares) and such approvals remain valid on the Completion Date of the First Sale and Purchase Agreement;
- (ii) there being no objection from relevant government and regulatory authorities in relation to the disposal on the First Sale Shares received by the Company;
- (iii) the representations and undertakings made by the Purchaser on the execution date of the First Sale and Purchase Agreement being true, accurate and not misleading in all material aspects as of the Completion Date of the First Sale and Purchase Agreement; and
- (iv) the completion of the transactions contemplated under the Second Sale and Purchase Agreement.

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

Completion: The completion of the First Sale and Purchase Agreement shall take place on the Completion Date of the First Sale and Purchase Agreement after the fulfillment of the conditions precedent under the First Sale and Purchase Agreement.

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THE SECOND SALE AND PURCHASE AGREEMENT

The principal terms of the Second Sale and Purchase Agreement are set out below:

Date:	22 July 2024
Purchaser:	Heng Tong Global Business Travel Holding (HK) Limited
Vendor:	Enviro Energy Capital Investment (BVI) Limited
Assets to be disposed:	The Second Sale Shares, being entire issued share capital of the Second Target Company
Waive of Second Current Accounts:	As part of the disposal of the Second Sale Shares, the entire amount of the Second Current Accounts outstanding at the completion date of the Second Sale and Purchase Agreement, which amounted to approximately HK\$25.5 million owed by the Second Target Group to the Remaining Group as at 30 April 2024, will be waived upon completion of the Second Sale and Purchase Agreement.
Consideration:	<p>The consideration under the Second Sale and Purchase Agreement was determined after arm's length negotiations between the Company and the Purchaser on normal commercial terms, with reference to:</p> <ul style="list-style-type: none">(i) the unaudited net liabilities of the Second Target Group of approximately HK\$0.9 million as at 30 April 2024, which mainly consisted of (1) the Second Current Accounts, being a net amount of approximately HK\$25.5 million due to the Remaining Group; and (2) the amount due from the First Target Group of approximately HK\$24.6 million;(ii) for illustrative purpose, the unaudited net liabilities of the Second Target Group excluding the Second Current Accounts are approximately HK\$24.6 million as at 30 April 2024; and(iii) for illustrative purpose, the unaudited net liabilities of the Second Target Group excluding the Second Current Accounts and current accounts among the Disposal Group are approximately HK\$700.
Payment terms:	The consideration shall be settled in full and in cash by the Purchaser on the Completion Date.

LETTER FROM THE BOARD

Conditions precedents: The completion of the Second Sale and Purchase Agreement is subject to:

- (i) all necessary authorisations, consents and approval in relation to the disposal on the Second Sale Shares having been obtained (including but not limited to approval from the Stock Exchange and passing by the shareholders of the Company resolutions at the general meeting of the Company approving the disposal on the Second Sale Shares) and such approvals remain valid on the completion date of the Second Sale and Purchase Agreement;
- (ii) there being no objection from relevant government and regulatory authorities in relation to the disposal on the Second Sale Shares received by the Company; and
- (iii) the representations and undertakings made by the Purchaser on the execution date of the Second Sale and Purchase Agreement being true, accurate and not misleading in all material aspects as of the Completion Date of the Second Sale and Purchase Agreement; and
- (iv) the completion of the transactions contemplated under the First Sale and Purchase Agreement.

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

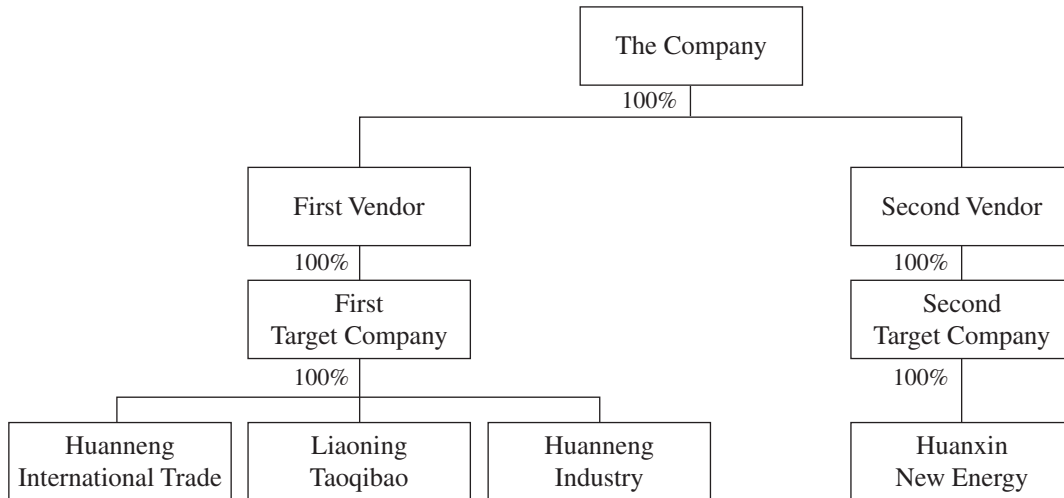
Completion: The completion of the Second Sale and Purchase Agreement shall take place on the Completion Date of the Second Sale and Purchase Agreement after the fulfillment of the conditions precedent under the Second Sale and Purchase Agreement.

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INFORMATION OF THE DISPOSAL GROUP

The Disposal Group represents (i) the First Target Company and its subsidiaries being Huanneng International Trade, Liaoning Taoqibao and Huanneng Industry; and (ii) the Second Target Company and its subsidiary, being Huanxin New Energy. The Disposal Group is principally engaged in property investment in the PRC.

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



Set out below is a summary of the unaudited financial information of each of the First Target Group and Second Target Group.

The Disposal Group

The combined unaudited net liabilities of the Disposal Group is approximately HK\$228.6 million as at 30 April 2024. Excluding the Current Accounts, the combined unaudited total assets and net liabilities of the Disposal Group are HK\$220.3 million and HK\$37.6 million, respectively.

The assets of the Disposal Group as at 30 April 2024 mainly consisted of (i) the Investment Properties amounted to approximately HK\$91.8 million; and (ii) the Consideration Receivable of approximately HK\$128.2 million.

The liabilities of the Disposal Group as at 30 April 2024 mainly consisted of the Loans amounted to approximately HK\$219.4 million. The Loans were secured by the Investment Properties, carrying a fixed rate of 7.5% per annum.

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The First Target Group

Set out below is a summary of the financial information of the First Target Group:

	For the year ended		For the four months ended
	31 December 2022	31 December 2023	30 April 2024
	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
Revenue	885	1,176	80
Loss before income tax	89,843	42,169	4,159
Loss after income tax	89,843	42,169	4,159

The unaudited total assets and net liabilities of First Target Group as at 30 April 2024 were approximately HK\$293.0 million and HK\$227.7 million respectively. Excluding the Current Accounts and the current accounts among the Disposal Group, the unaudited total asset and net liabilities of First Target Group amounted to approximately HK\$220.3 million and HK\$37.6 million respectively.

The Second Target Group

Set out below is a summary of the financial information of the Second Target Group:

	For the year ended		For the four months ended
	31 December 2022	31 December 2023	30 April 2024
	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
Revenue	—	—	—
Loss before income tax	1	2	—
Loss after income tax	1	2	—

The unaudited total assets and net liabilities of the Second Target Group as at 30 April 2024 were approximately HK\$24.6 million and HK\$0.9 million, respectively. Excluding the current accounts among the Disposal Group, the unaudited total asset and net liabilities of the Second Target Group is approximately HK\$400 and HK\$700, respectively.

The Current Accounts

The Current Accounts mainly represented the funding transferred by the Company to the Disposal Group during 2015 to 2017 for the development of the property investment business in the PRC. The funding had been substantially utilised by the Disposal Group for property investment business by 2017.

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As (i) the Disposal Group could not settle the Current Accounts given the Investment Properties represented the only tangible assets of the Disposal Group (which is charged against the Loan and maybe disposed by the Bank by way of auction or sale in settlement of the potential repayment obligation in relation to the relevant litigation); (ii) regardless of the waiver of the Current Accounts, the Disposal Group is in net liabilities position as illustrated above; and (iii) the benefits of the Disposal as further disclosed below, the Company considered the waiver of the Current Accounts is a reasonable commercial decision to be made to facilitate the Disposal, which is in the interest of the Company.

INFORMATION OF THE GROUP

The Group is principally engaged in the supply of construction essentials business since 2017, which primarily consisted of two major businesses, namely (1) the supply of building materials business; and (2) the supply of aluminum related products business, which are part of the construction supply chain.

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 was a partner in one of the leading law firms and has extensive experience in distressed asset recovery in the PRC.

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.

To the best of the directors' knowledge, information and belief having made all reasonable enquiry, there is, and in the past twelve months, there has been, no material loan arrangement between (a) the Purchaser, any of its directors and legal representatives and/or any ultimate beneficial owner(s) of the Purchaser who can exert influence on the transaction; and (b) the Company, any connected person at the Company's level and/or any connected person at the subsidiary level involved in the transaction.

REASON FOR AND BENEFITS OF THE DISPOSAL

Financial position of the Group

As at 31 December 2023, other than accounts payable and other payables arising from the ordinary business operation, the Company had a total indebtedness of approximately HK\$268.4 million, which mainly consisted of (i) the Loans of approximately HK\$218.2 million as at 31 December 2023; (ii) unsecured borrowings and accrued interests of approximately HK\$5.4 million, which is repayable in 2026; and (iii) unsecured loans from creditors of approximately HK\$44.8 million, which has been settled upon completion of the debt capitalisation on 31 May 2024.

LETTER FROM THE BOARD

As disclosed above, the combined unaudited net liabilities of the Disposal Group of approximately HK\$228.6 million as at 30 April 2024. Excluding the Current Accounts and the current accounts among the Disposal Group, the combined unaudited net liabilities of the Disposal Group are HK\$37.6 million.

Background and financial position of the Disposal Group

Reference is made to the circular of the Company dated 8 April 2024 in relation to the debt capitalisation.

On 16 January and 27 March 2019, Huanneng International Trade and Liaoning Taoqibao, being wholly-owned subsidiaries of the First Target Company, entered into certain loan agreements (the “**Original Loan Agreements**”) with a bank in the PRC (the “**Bank**”), pursuant to which the Bank shall provide loans with an aggregate principal of RMB162.0 million (the “**Original Loan**”) to the Huanneng International Trade and Liaoning Taoqibao which carry interest rate ranging from 9.0045% to 9.5265% per annum and was secured by the Investment Properties. The respective Original Loan and the respective accrued interests became overdue on 21 December 2019 and 21 January 2020 respectively.

On 3 March 2020, the Bank assigned its entire rights over the Original Loan to Shenyang Jiayin Investment Management Co., Ltd. (瀋陽嘉銀投資管理有限公司) (the “**Lender A**”), an independent third party, at an aggregate consideration of approximately RMB166.6 million (the “**Lender A Receivables**”). On 18 August 2020, Lender A assigned its entire rights over the Lender A Receivables to Huaxin Technology (Yingkou) Co., Ltd. (華鑫科技(營口)有限公司) (the “**Lender B**”), an independent third party, at an aggregate consideration of approximately RMB176.8 million.

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

The Lender A had pledged its rights to the Lender A Receivables to the Bank and there was a dispute between the Bank and Lender A. The Bank had filed a claim against the Lender A, Huanneng International Trade, Liaoning Taoqibao and other defendants for the repayment of outstanding loans and interest due to default in certain loan agreements between the Bank and Lender A. Based on the latest civil judgement received by the Group, the Bank or the relevant court in the PRC may have the right to dispose the Investment Properties by way of auction or sale.

As the Group did not repay the Loans and respective accrued interest pursuant to the Extended Loan Agreements, the Loans and the respective accrued interest became overdue on 17 August 2023. As at 31 December 2023, the balance of the Loans and accrued interest amounted to approximately HK\$218.2 million.

LETTER FROM THE BOARD

On top of the above, the Disposal Group had other payables of approximately HK\$48.6 million as at 31 December 2023, which included an aggregate amount of approximately HK\$32.5 million due to Lender B and its related companies.

Benefits for the Disposal

During the year ended 31 December 2023, the Company was exploring with local government in the PRC, to settle such other payables together with the Loan by way of disposal of the Disposal Group. It is intended that, upon Completion, the Purchaser will continue to liaise with the local government to finalise any transfer of the equity interests of the PRC subsidiaries and/or assets and liabilities of the Disposal Group based on the direction of the local government.

In addition, the Disposal Group are principally engaged in property investment business in the PRC, which only generated revenue of approximately HK\$1.2 million but incurred finance cost approximately HK\$11.7 million for the year ended 31 December 2023. As such, the Disposal would not have material impact on the operations and financial performance of the Group while avoid incurring further finance cost. Upon Completion, the Group's gearing ratio may be lowered with the decreased indebtedness.

Based on the above, the Company considers that the Disposal merely represented a disposal of the assets and liabilities associated with the Disposal Group for the settlement of the Loan and the other indebtedness mentioned above.

Qualified opinion issued by the auditor of the Company

The auditor of the Company (the “**Auditor**”) has issued qualified opinion on the consolidated financial statements of the Company for the years ended 31 December 2022 and 2023 in relation to:

- (i) *Provision for repayment of the obligations in relation to the Loans as a result of the aforementioned litigation of the Disposal Group*

As advised by the Company's PRC legal advisor, Huanneng International Trade and Liaoning Taoqibao shall prioritise repaying the Bank with the Loans and the respective accrued interest in accordance with the civil judgement, and any remaining amount after the aforesaid repayment shall be repaid to Lender B in accordance with the loan agreement with the Lender B.

However, in the opinion of the Board, the Group is not necessary to repay the Loans and the respective accrued interest because, as advised by the Company's PRC legal advisor, Lender A and other defendants have priority over Huanneng International Trade and Liaoning Taoqibao for the repayment obligations, and therefore no additional provision, being the difference between the amount of the maximum obligation above and the carrying amounts of Loans and the respective accrued interest, should be provided concerning the civil judgement. However, the Group is not able to ascertain the repayment status of Lender A and other defendants nor their

LETTER FROM THE BOARD

financial abilities to fulfil the repayment obligations, which led to uncertainties on the extent and financial impact arising from the civil judgement on the Group's consolidated financial statements.

Due to the aforementioned uncertainties on the provision for repayment of the obligation in relation to the aforesaid litigation to the consolidated financial statements of the Group, the Auditor has been unable to obtain sufficient appropriate audit evidence for them to assess whether no additional provision has been provided concerning the repayment obligations under the civil judgement as at 31 December 2023 and 31 December 2022 are fairly stated and the profit or loss effect on the additional provision of repayment obligations for the year ended 31 December 2023 and 31 December 2022 are properly reflected.

(ii) Recoverability of the Consideration Receivables of the Disposal Group.

The Auditor has been unable to obtain sufficient appropriate audit evidence to satisfy themselves as to the recoverability of Consideration Receivables as at 31 December 2023 and 31 December 2022.

There are no other satisfactory audit procedures that the Auditor could adopt to determine whether the Consideration Receivables are fairly stated in the consolidated financial statements.

In light of the above, the Board believes that the Disposal may resolve the qualified opinion issued by the Auditor on the consolidated financial statements of the Company in relation to (i) the provision for repayment of the obligations in relation to the Loans as a result of the aforementioned litigation; and (ii) the recoverability of the Consideration Receivables under the Disposal Group based on the followings:

(i) Provision for the obligations in relation to the Loans

Upon the Completion of the Disposal, the Company will no longer hold any interest in the Disposal Group. Accordingly, the Remaining Group will no longer be a party to the aforementioned litigation that led to uncertainties around the sufficiency of the provision for repayment obligations, which may free the Company from the legal encumbrances as a result of the litigation filed by the Bank. As such, the Company considers that the qualifications on the consolidated financial statements issued by the auditor of the Company in relation to the provision for the repayment obligations in relation to the Loans could be resolved.

(ii) Recoverability of Consideration Receivables

Upon the Completion of the Disposal, the Company will longer hold any interest in the Disposal Group together with the Consideration Receivables. As such, the Company considers that the qualifications on the consolidated financial statements issued by the auditor of the Company in relation to the recoverability of Consideration Receivables could be resolved.

LETTER FROM THE BOARD

Conclusion

Accordingly, the Disposal represents an opportunity to allow the Group to (i) settle the Loans to reduce indebtedness and improve its gearing ratio; (ii) resolve the audit qualification on the consolidated financial statements of the Group; and (iii) resolve the uncertainty on the provision for repayment obligation to the consolidated financial statements of the Group surrounding the litigation filed by the Bank on Huanneng International Trade and Liaoning Taoqibao and allow the Remaining Group to be free from the legal encumbrances of such litigation, which is in the interest of the Company and its Shareholders as a whole.

In light of the above, the Directors are of the view that the Disposal is a 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 Disposal 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 DISPOSAL

Upon Completion, each of the Target Companies will cease to be an indirect wholly-owned subsidiary of the Company and the Company will cease to have any interest in each of the Target Companies. The financial results of each of the Target Companies will no longer be consolidated into the consolidated financial statements of the Company.

It is estimated that an unaudited gain on disposal of subsidiaries of approximately HK\$40.6 million will be recorded from the Disposal. Such estimated unaudited gain is calculated with reference to (i) the consideration for the Disposal; (ii) the unaudited net liabilities of the Disposal Group of approximately HK\$37.6 million as at 30 April 2024 excluding the Current Accounts; (iii) reclassification of exchange reserve upon the Disposal of approximately HK\$3.5 million; and (iv) all relevant expenses incidental to the Disposal of approximately HK\$0.5 million. The actual gain or loss to be recorded by the Company depends on the Current Accounts and net liabilities of the Disposal Group as at the date of the Completion, which is subject to audit to be performed by the auditors of the Company.

USE OF PROCEEDS FROM THE DISPOSAL

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

IMPLICATIONS OF THE LISTING RULES

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 Disposal contemplated thereunder in aggregate is more than 25% but all applicable percentage ratios are less than 75%, the Disposal 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.

LETTER FROM THE BOARD

EGM

The EGM will be held at 20/F., No. 9 Des Voeux Road West, Sheung Wan, Hong Kong on Friday, 13 September 2024 at 3:00 p.m. for the Shareholders to consider and, if thought fit, to approve the Sale and Purchase Agreement and the Disposal contemplated thereunder by way of ordinary resolution(s). The resolution(s) approving the Disposal will be conducted by way of a poll at the EGM pursuant to the Articles of Association. The notice convening the EGM is set out on pages EGM-1 to EGM-2 of this circular.

Any Shareholder with a material interest in the Disposal 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 Disposal contemplated under the Sale and Purchase Agreements at the EGM.

FORM OF PROXY

A form of proxy for use at the EGM is enclosed with this circular. Whether or not you intend to attend the EGM, you are requested to complete and return the form of proxy in accordance with the instructions printed thereon 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 and in any event not less than 48 hours before the time appointed for the holding of the EGM or any adjournment thereof. Completion and return of the form of proxy will not preclude you from attending and voting 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.

CLOSURE OF REGISTER OF MEMBERS

The register of member of the Company will be closed from Tuesday, 10 September 2024 to Friday, 13 September 2024 (both dates inclusive) for the purpose of determining the Shareholder's eligibility to attend and vote at the EGM. During the above period, no transfer of the Share(s) will be effected. In order to qualify for attendance of the EGM, all completed transfer forms accompanied by the relevant share certificates of the Company must be lodged with the Company's Hong Kong branch share registrar, Tricor Tengis Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong, not later than 4:30 p.m. on Monday, 9 September 2024.

RECOMMENDATION

The Directors are of the view that the terms of the Sale and Purchase Agreements and the Disposal contemplated thereunder have been negotiated on an arm's length basis and on commercial terms which are fair and reasonable, and are in the interests of the Shareholders and the Company as a whole. Accordingly, the Directors recommend the Shareholders to vote in favour of the ordinary resolution(s) to be proposed at the EGM to approve the Sale and Purchase Agreements and the Disposal contemplated thereunder.

LETTER FROM THE BOARD

FURTHER INFORMATION

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

Completion is subject to the fulfilment (or waiver, as the case may be) of the Conditions Precedent, the Disposal may or may not proceed. Shareholders and potential investors of the Company are advised to exercise caution when dealing in the Shares.

Yours faithfully,
On behalf of the Board
Enviro Energy International Holdings Limited
Li Gang
Chairman and Executive Director

1. CONSOLIDATED FINANCIAL STATEMENTS

Details of the audited consolidated financial statements of the Group for each of the three years ended 31 December 2021, 2022 and 2023 are disclosed in the following documents; which have been published on the website of the Stock Exchange (www.hkexnews.hk) and the website of the Company (<http://www.enviro-energy.com.hk>).

The audited financial information of the Group for the year ended 31 December 2023 is disclosed in the annual report of the Company for the year ended 31 December 2023 published on 29 April 2024, from pages 80 to 168:

<https://www1.hkexnews.hk/listedco/listconews/sehk/2024/0429/2024042902756.pdf>

The audited financial information of the Group for the year ended 31 December 2022 is disclosed in the annual report of the Company for the year ended 31 December 2022 published on 27 April 2023, from pages 86 to 172:

<https://www1.hkexnews.hk/listedco/listconews/sehk/2023/0427/2023042701503.pdf>

The audited financial information of the Group for the year ended 31 December 2021 is disclosed in the annual report of the Company for the year ended 31 December 2021 published on 28 April 2022, from pages 65 to 148:

<https://www1.hkexnews.hk/listedco/listconews/sehk/2022/0428/2022042801252.pdf>

2. INDEBTEDNESS

As at the close of business on 30 June 2024, being the latest practicable date for the purpose of ascertaining the information contained in this indebtedness statement, the Group had the following indebtedness:

	Unguaranteed		
	Secured <i>HK\$'000</i>	Unsecured <i>HK\$'000</i>	Total <i>HK\$'000</i>
Other borrowings and accrued interest	220,247	4,084	224,331
Loans from fellow subsidiaries	—	2,851	2,851
Shareholders' loans	—	1,600	1,600
Loans from related parties	—	549	549
	<u>220,247</u>	<u>9,084</u>	<u>229,331</u>

Save as disclosed above and normal trade payables during the ordinary course of business, the Group did not, at the close of business on 30 June 2024, have any loan capital issued and outstanding or agreed to be issued, bank overdrafts, charges or debentures, mortgages, borrowings or other similar indebtedness, finance leases or hire purchase commitment, liabilities under acceptance, acceptance credits, or any guarantees or other material contingent liabilities.

3. MATERIAL ADVERSE CHANGE

The Directors confirm that there was no material change in the financial or trading position or outlook of the Group subsequent to 31 December 2023, being the date to which the latest published audited consolidated financial statements of the Group were made up, up to and including the Latest Practicable Date.

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 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 principally engaged in sales of materials businesses and properties investment in the PRC.

Notwithstanding the challenges of the inflation and price instability in building materials, the management explored other 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 Architectural Decoration Engineering Co., Ltd.* (杭州中機建築裝飾工程有限公司) (“**Hangzhou Zhongji**”) jointly established Hangzhou Junheng Building Materials Company Limited* (杭州峻衡建材有限公司) (“**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.

Due to (i) the establishment of Hangzhou Junheng in October 2022, which allowed the Group enhancing its sales network and customer base in the construction industry in the PRC; and (ii) the optimisation of COVID-19 control policy in late 2022, the Group's revenue for the year ended 31 December 2023 significantly increased by approximately 97.2% as compared to the revenue for the previous year. As such, the Company has seen a trend of continued improvement in the performance of the sales of materials business. The Group's confidence in the long-term future of the sales of materials business remains resolute.

The Company has been continuously reviewing its business operations and financial position for the purpose of formulating business plans and strategies for its future business development, which would enable the Group not only to develop its existing business divisions but also to capture business opportunities, diversify its businesses and broaden its income sources. The Company will endeavour to allocate its resources in an efficient and effective manner and in the best interest of the Company and its shareholders as a whole.

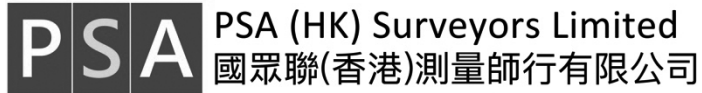
6. VALUATION OF PROPERTY INTEREST

Based on the Valuation Report, the value of the Investment Properties is RMB80,400,000 (equivalent to approximately HK\$87,347,000) as at 30 June 2024. For details of the valuation of the Investment Properties, please refer to the valuation report in Appendix II to this circular.

Disclosure of the reconciliation of the net book value and the valuation as required under Rule 5.07 of the Listing Rules is set out below:

	<i>HK\$'000</i>
Net book value of the Investment Properties as at 30 April 2024	91,787
<i>Adjustment</i>	
— Fair value loss arising from the valuation of the properties of the Group as at 30 June 2024 based on the property valuation report in Appendix II to this circular, calculated based on the difference of (i) the carrying amount of the investment properties of approximately HK\$91,787,000 as at 30 April 2023; and (ii) the valuation of the investment properties of approximately HK\$87,347,000 as at 30 June 2024	<u>(4,440)</u>
Valuation of the Investment Properties as at 30 June 2024 as set out in the valuation report included in Appendix II to this circular	<u><u>87,347</u></u>

The following is the text of a letter, summary of values and valuation report, prepared for the purpose of incorporation in this Circular received from PSA (HK) Surveyors Limited, an independent valuer, in connection with its valuation of the properties held by the Enviro Energy International Holdings Limited, together with its subsidiaries as at 30 June 2024.



Member | 成員

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香港灣仔
皇后大道東228號
中華大廈13樓B室
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www.psasurveyor.com

23 August 2024

Enviro Energy International Holdings Limited

The Board of Directors

20/F

No. 9 Des Voeux Road West

Sheung Wan

Hong Kong

Dear Sir/Madams,

Valuation of Various Retail Shops Located at Liaohai Commercial Street, Bayuquan District, Yingkou City, Liaoning Province, The People's Republic of China; and Enviro Energy International Logistics Building, North of Huanghe Road, Bayuquan District, Yingkou City, Liaoning Province, The People's Republic of China (the "Properties")

We refer to the instruction from Enviro Energy International Holdings Limited (hereinafter refer to the "Company") for us to carry out valuation of the Properties held by the Company together with its subsidiaries (the "Group") located in the People's Republic of China, detail of which are set out in the attached valuation certificates. We confirm that we have made relevant investigation and enquiries and obtained such further information as we consider necessary for the purpose of providing you with our opinion of the capital value of the property interests as at 30 June 2024 ("Valuation Date").

VALUATION STANDARDS AND BASIS

In valuing the property interests, we have complied with relevant requirements contained in Chapter 5 and Practice Note 12 of the Rules Governing the Listing of Securities issued by The Stock Exchange of Hong Kong Limited and the "HKIS Valuation Standards (2020 Edition)" published by the Hong Kong Institute of Surveyors.

Our valuation is conducted on market value basis. Market value is defined as *“the estimated amount for which an asset or liability should exchange on the valuation date between a willing buyer and a willing seller in an arm’s length transaction, after proper marketing and where the parties had each acted knowledgeably, prudently and without compulsion”*.

Market value is understood as the value of an asset or liability estimated without regard to cost of sales or purchases (or transactions) and without offsetting any associated taxes or potential taxes.

VALUATION ASSUMPTIONS

Our valuation has been made on the assumption that the owner sells the property on the open market without the benefit of any deferred terms contract, leaseback, joint venture, management agreement or any similar arrangement which would serve to increase the value of the property.

No allowance has been made in our valuation for any charges, mortgages or amounts owing on the property nor for any expenses or taxation which may be incurred in effecting a sale. Unless otherwise stated, it is assumed that the property is free from encumbrances, restrictions and outgoings of an onerous nature which could affect its value.

VALUATION METHODOLOGY

Market approach refers to a valuation approach which estimates the value of an asset by comparing it with comparable assets for which price information is available. However, there are insufficient comparable market transactions available for the derivation of the fair value of the Properties, we considered the market approach is not applicable for the valuation.

Income Approach is a valuation approach commonly adopted for income-producing properties such as offices, shops and arcades. We have adopted the income approach to value the property interests as the properties are subject to various tenancies with rental income. The technique used in this valuation by Income Approach is Term and Reversion Method.

Term and Reversion Method is a suitable technique for the valuation of properties subject to existing tenancies. This technique is used when the passing rent of a property differs from the market rent. It estimates the capital value of a property by capitalising rental income on a fully leased basis having regard to the current passing rental income from existing tenancy and the potential reversionary rental income at market level.

In Term and Reversion Method, the total rental income of a property is divided into the current passing rental income over the existing lease term, namely the term income, and the potential reversionary rental income after the expiry of the existing lease term, known as the reversionary income. The term value involves the capitalisation of the term income over the existing lease term. The reversionary value involves the capitalisation of the reversionary income after the expiry of existing lease term until the expiry date of land lease and it is then discounted back to the valuation date.

SOURCE OF INFORMATION

We have relied on a considerable extent on the information provided by the Company and have accepted the advice given to us on such matters as tenure, planning approvals, statutory notices, easements, site area, gross floor area, tenancy schedule and all other relevant matters. All documents and contracts are for reference only, while all dimensions, measurement and area are approximations.

We have had no reason to doubt the accuracy and legitimacy of the information provided to us, which are material to the valuation. We also made enquiries to the Company and were confirmed that no material factors have been omitted from the information supplied. We consider that we have been provided with sufficient information to form an informed opinion and have no reason to doubt any material information hidden.

We have been provided with copies of the title documents relating to the Properties, however due to the nature of the land registration system in the PRC, land search cannot be done on the title of the Properties nor have we scrutinized all the original documents to verify the land use right and encumbrances or to ascertain subsequent amendments, if any, which may not appear on the copies handed to us.

PROPERTY INSPECTION

The Properties were inspected by our colleague, Mr. Wang Tieliang, on 5 June 2024, to such extent as for the purpose of this valuation. In the course of our inspection, we did not notice any serious defects. However, we have not carried out any structural survey nor any tests were made on the building services. Therefore, we are not able to report whether the properties are free of rot, infestation or any other structural defects.

No on-site measurement has been taken. Dimensions, measurements and areas included in the valuation certificate are based on the information contained in the documents provided to us and are therefore only approximations.

We have not carried out investigations on the site to determine the suitability of the ground conditions and the services etc. for any future development. Our valuation is on the basis that these aspects are satisfactory.

Unless stated otherwise, all currencies are in Renminbi (“RMB”).

Yours Faithfully
For and on behalf of
PSA (HK) Surveyors Limited

Harry C W Chan
FHKIS, MRICS, MCIREA, RPS(GP)
Managing Director
Valuation & Advisory Services

Notes:

Mr. Harry Chan is a Registered Professional Surveyor (General Practice) with over 30 years' experience in asset valuation in Hong Kong and Mainland China. Mr. Chan is a fellow member of The Hong Kong Institute of Surveyors, a corporate member of Royal Institution of Chartered Surveyors and a member of China Institute of Real Estate Appraisers and Agents.

SUMMARY OF VALUES

No.	Property	Capital Value in Existing State as at 30 June 2024 (RMB)
1.	Various retail shops located at Liaohai Commercial Street, Bayuquan District, Yingkou City, Liaoning Province, The People's Republic of China 位於中華人民共和國遼寧省營口市鮫魚圈區遼海商業街之多個商鋪	33,500,000
2.	Enviro Energy International Logistics Building (formerly known as Kunlun Building), North of Huanghe Road, Bayuquan District, Yingkou City, Liaoning Province, The People's Republic of China 中華人民共和國遼寧省營口市鮫魚圈區黃河路北環能國際物流大廈(前稱為「昆侖大廈」)	46,900,000
Total:		80,400,000

VALUATION CERTIFICATE

No.	Property	Description and Tenure	Details of Occupancy	Capital Value in Existing State as at 30 June 2024
1.	Various retail shops located at Liaohai Commercial Street, Bayuquan District, Yingkou City, Liaoning Province, The People's Republic of China 位於中華人民共和國遼寧省營口市鮫魚圈區遼海商業街之多個商鋪	The property comprises 23 retail shops in two 4-storey commercial buildings located in Bayuquan District, Yingkou City. The property is for commercial use. The Property was completed in around 2015. The total gross floor area of the property is about 7,890.93 square meters (84,741 square feet). The land use rights of the property are for residential use with a land use term expiring on 7 December 2082.	As at the Valuation Date, the property was partially leased and partially vacant. Portion of the property with a total GFA of approximately 3,985.68 sq.m. has been tenanted for several terms of 1 to 10 years and the total monthly rent received in June 2024 was about RMB23,400. The remaining portion with a total gross floor area of 3,905.25 sq.m. was vacant.	RMB33,500,000 (Renminbi Thirty-Three Million and Five Hundred Thousand Only)

Notes:

1. According to 23 Real Estate Title Certificates (Fang Quan Zheng Xiong Zi No. 20151200961, Nos. 20151200965–20151200969, No. 20151200971, No. 20151200972, No. 20151200974, No. 20151200975, No. 20151200978, No. 20151200980, No. 20151200983, No. 20151200986, No. 20151200988, No. 20151200991, No. 20151200994, No. 20151200995, No. 20151200997, No. 20151200999 and Nos. 20151201001–20151201003) dated 31 December 2015:
 - a. Owner: Enviro Energy International Trading (Yingkou) Co., Ltd, a wholly owned subsidiary of the Company
 - b. Total gross floor area: approximately 7,890.93 sq.m.,
 - c. Use: Commercial

2. For Term and Reversion Method, we have considered and analysed rental comparables in the same district of Bayuquan. These comparables are adopted as they are considered relevant to the property in terms of usage, physical and locational attributes. The unit rents of the adopted comparables range from RMB16.4 to RMB29.6 per sq.m. per month on the basis of gross floor area. The unit rents adopted in the valuation are consistent with the unit rents of the relevant comparables after due adjustment in terms of different attributes. The parameters adopted in our valuation are listed below:

Term Yield:	3%
Reversionary Yield:	3.5%
Market Rent:	RMB17.91 per sq.m. per month

3. The opinion of the legal adviser, China Commercial Law Firm, regarding the legal title of the property on the PRC laws dated 5 April 2024 states that:
- a. The property is legally held by Enviro Energy International Trading (Yingkou) Co., Ltd;
 - b. The property is subject to a mortgage in favour of Yingkou Coastal Bank;
 - c. The ownership of the property as at the Valuation Date was sealed by the People's Court and awaiting to be sealed by the Public Security Bureau therefore the property cannot be freely transferred or disposed of in the market; and
 - d. If Enviro Energy International Trading (Yingkou) Co., Ltd fail to fulfill the obligations determined by the legal instruction in accordance with the execution notice, the relevant court have the right to dispose the property by the way of auction, sale, etc. and use the proceeds to pay off Enviro Energy International Trading (Yingkou) Co., Ltd related debts.
4. This valuation is based on the following assumptions:
- a. The registered land use holder owns the land use right of the property and has the right to use and control the proceeds of the property during the validity period.
 - b. The property is freely assignable to both local and foreign buyers.

VALUATION CERTIFICATE

No.	Property	Description and Tenure	Details of Occupancy	Capital Value in Existing State as at 30 June 2024																																										
2.	Enviro Energy International Logistics Building (formerly known as Kunlun Building), North of Huanghe Road, Bayuquan District, Yingkou City, Liaoning Province, The People's Republic of China 中華人民共和國遼寧省營口市鮚魚圈區黃河路北環能國際物流大廈(前稱為「昆侖大廈」)	<p>The property is a twelve-storey composite building located in Bayuquan District, Yingkou City. The property is erected on a parcel of land with a total site area of approximately 4,320.00 sq.m. (46,500 sq.ft). The property is for commercial use. The Property was completed in around 1995 and refurbished in May 2016.</p> <p>The total gross floor area of the property is approximately 17,800 sq.m. (191,598 sq.ft.). Area breakdown of the property is as follows:</p> <table border="1"> <thead> <tr> <th>Floor</th> <th>Usage</th> <th>Approx. GFA (sq.m.)</th> </tr> </thead> <tbody> <tr><td>1/F</td><td>Retail</td><td>2,231.80</td></tr> <tr><td>2/F</td><td>Retail</td><td>2,405.09</td></tr> <tr><td>3/F</td><td>Retail</td><td>2,354.19</td></tr> <tr><td>4/F</td><td>Office</td><td>1,343.78</td></tr> <tr><td>5/F</td><td>Office</td><td>1,343.78</td></tr> <tr><td>6/F</td><td>Office</td><td>1,354.24</td></tr> <tr><td>7/F</td><td>Office</td><td>1,354.24</td></tr> <tr><td>8/F</td><td>Office</td><td>1,354.24</td></tr> <tr><td>9/F</td><td>Office</td><td>1,354.24</td></tr> <tr><td>10/F</td><td>Office</td><td>1,308.48</td></tr> <tr><td>11/F</td><td>Office</td><td>821.16</td></tr> <tr><td>12/F</td><td>Office</td><td>574.76</td></tr> <tr> <td>Total</td> <td></td> <td><u>17,800.00</u></td> </tr> </tbody> </table>	Floor	Usage	Approx. GFA (sq.m.)	1/F	Retail	2,231.80	2/F	Retail	2,405.09	3/F	Retail	2,354.19	4/F	Office	1,343.78	5/F	Office	1,343.78	6/F	Office	1,354.24	7/F	Office	1,354.24	8/F	Office	1,354.24	9/F	Office	1,354.24	10/F	Office	1,308.48	11/F	Office	821.16	12/F	Office	574.76	Total		<u>17,800.00</u>	<p>As at the Valuation Date, the property was partially leased and partially vacant.</p> <p>Portion of the property with a total GFA of approximately 4,257.72 sq.m. has been tenanted for several term of 1 to 5 years and the total monthly rent received in June 2024 was about RMB35,253.</p> <p>The remaining portion with a total gross floor area of 13,542.28 sq.m. was vacant.</p>	<p>RMB 46,900,000 (Renminbi Forty-Six Million and Nine Hundred Thousand Only)</p>
Floor	Usage	Approx. GFA (sq.m.)																																												
1/F	Retail	2,231.80																																												
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11/F	Office	821.16																																												
12/F	Office	574.76																																												
Total		<u>17,800.00</u>																																												

The land use rights of the property are for composite use for a term expiring on 1 June 2033.

Notes:

1. According to the State-owned Land Use Rights Certificate (Ying Kou Guo Yong (2014) No. 5080) dated 5 September 2015:
 - a. The Land Use Right Holder: Liaoning Taoqiabao Shopping Mall Management Co., Ltd., a wholly owned subsidiary of the Company
 - b. Site area: 4,320.00 sq.m
 - c. Type of Land (Use): Composite
 - d. Expiry Date: 1 June 2033
2. According to the Real Estate Title Certificate (Ba Fang Quan Zheng Zi No. 00522737) dated 26 August 2014, the ownership of the property with a total gross floor area of approximately 17,800.00 sq.m., has been vested in Liaoning Taoqiabao for other uses.
3. For Term and Reversion Method, we have considered and analysed rental comparables of retail and office units in the same district of Bayuquan. These comparables are adopted as they are considered relevant to the property in terms of usage, physical and locational attributes. The unit rents of the adopted retail comparables range from RMB47.6 to RMB77.3 per sq.m. per month on the basis of gross floor area, and the unit rents of the adopted office comparables range from RMB13.9 to RMB20.0 per sq.m. per month on the basis of gross floor area. The unit rents adopted in the valuation are consistent with the unit rents of the relevant comparables after due adjustment in terms of different attributes. The parameters adopted in our valuation are listed below:

Term Yield:	2%
Reversionary Yield:	3.6%
Market Rent:	Retail: RMB65.7 per sq.m. per month
	Office: RMB16.8 per sq.m. per month
4. The opinion of the legal adviser, China Commercial Law Firm, regarding the legal title of the property on the PRC laws dated 5 April 2024 states that:
 - a. The property is legally held by Liaoning Taoqiabao Shopping Mall Management Co., Ltd.;
 - b. The property is subject to a mortgage in favour of Yingkou Coastal Bank;
 - c. The ownership of the property as at the valuation date was sealed by the People's Court and awaiting to be sealed by the Public Security Bureau therefore the property cannot be freely transferred or disposed of in the market; and
 - d. If Liaoning Taoqiabao Shopping Mall Management Co., Ltd. fail to fulfill the obligations determined by the legal instruction in accordance with the execution notice, the relevant court have the right to dispose the property by the way of auction, sale, etc and use the proceeds to pay off Liaoning Taoqiabao Shopping Mall Management Co., Ltd. related debts.
5. This valuation is based on the following assumptions:
 - a. The registered land use holder owns the land use right of the property and has the right to use and control the proceeds of the property during the validity period.
 - b. The property is freely assignable to both local and foreign buyers.

1. RESPONSIBILITY STATEMENT

This circular, for which the Directors of the issuer 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 in this circular misleading.

2. DISCLOSURE OF INTERESTS

(a) Interest of Directors and chief executive of the Company

As at the Latest Practicable Date, the interests or short positions of the Directors and chief executive of the Company in the Shares or underlying shares or, as the case may be, the percentage in the equity interest and debentures of the Company or its associated corporations (within the meaning of the Securities and Futures Ordinance (Chapter 571)), 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 under such provisions of the SFO), or (b) were required, pursuant to Section 352 of the SFO, to be entered in the register maintained by the Company referred to therein, or (c) were required, pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers (the “**Model Code**”) contained in the Listing Rules, to be notified to the Company and the Stock Exchange were as follows:

Name of Director	Nature	Number of ordinary Shares held	Percentage of shareholding in the Company (Note 4)
Mr. Li Gang (“ Mr. Li ”)	Interest of controlled corporation	704,109,326 (Note 1)	48.92%
Mr. Pan Lihui (“ Mr. Pan ”)	Beneficial owner	261,384,626 (Note 2)	26.00%
	Interest of controlled corporation	112,789,766 (Note 3)	

Notes:

- (1) (a) Wonderland International Investment Holdings Limited (“**WIIHL**”) is owned by Hua Zhi Investment Limited (“**Hua Zhi**”) as to approximately 58.44%, which is owned by Mr. Li as to approximately 56.21%; (b) Wonderland International Financial Holdings Limited, a company incorporated in Hong Kong (“**WIFHL(HK)**”), is wholly owned by Wonderland International Financial Holdings Company, a company incorporated in Cayman Islands (“**WIFHC (CY)**”); WIFHC (CY) is owned by Hua Zhi as to approximately 55.95%, which is owned by Mr. Li as to approximately 56.21%; (c) Longma International Family Services Group Limited (“**Longma Services**”) is owned by Longma International Technology Limited (“**Longma Technology**”) as to approximately 33.33%, which is wholly owned by Mr. Li. Mr. Li was therefore deemed to be interested in the 704,109,326 shares of the Company held by WIIHL, WIFHL (HK) and Longma Services by reason of interest of controlled corporation within the meaning of Part XV of the SFO. Mr. Li is a substantial shareholder of the Company and his shareholding in the Company is also set out in the section headed “Interests of substantial Shareholders”.
- (2) Mr. Pan is a substantial shareholder of the Company and his shareholding in the Company is also set out in the section headed “Interests of substantial Shareholders”.
- (3) WIIHL is owned by Able Plus Investment (Holding) Limited as to approximately 10%, which is wholly owned by Mr. Pan. Mr. Pan was therefore deemed to be interested in the 112,789,766 shares of the Company held by WIIHL by reason of interest of controlled corporation within the meaning of Part XV of the SFO.
- (4) As at the Latest Practicable Date, the number of issued shares of the Company was 1,439,385,743.

Save as disclosed above, as at the Latest Practicable Date, none of the Directors, chief executive of the Company or their respective associates had any interests or short positions in the shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) that 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 were taken or deemed to have under such provisions of the SFO) or which were required, pursuant to Section 352 of the SFO, to be entered in the register referred to therein or which were required, pursuant to the Model Code, to be notified to the Company and the Stock Exchange.

(b) Interests of substantial Shareholders

As at the Latest Practicable Date, so far as is known to the Directors, the persons or companies (other than the Directors and the Chief Executive of the Company) who/which had an interest or short position in the shares or underlying shares of the Company, which would fall to be disclosed under the provision of Divisions 2 and 3 of Part XV of the SFO, or which would be required, to be entered in the register required to be kept by the Company pursuant to section 336 of the SFO, are set out below:

Name of shareholder	Nature	Number of ordinary Shares held	Percentage of shareholding in the Company (Note 5)
WIFHL (HK)	Beneficial Owner	562,770,380 <i>(Note 1)</i>	41.08%
	Interest of Controlled Corporation	28,549,180 <i>(Note 2)</i>	
WIFHC (CY)	Interest of Controlled Corporation	591,319,560 <i>(Note 1 & Note 2)</i>	41.08%
Hua Zhi	Interest of Controlled Corporation	704,109,326 <i>(Note 1 & Note 2)</i>	48.92%
Pu Shi International Investment Limited	Interest of Controlled Corporation	704,109,326 <i>(Note 1, Note 2 & Note 3)</i>	48.92%
Pu Shi Investment Limited	Interest of Controlled Corporation	704,109,326 <i>(Note 1, Note 2 & Note 3)</i>	48.92%
Mr. Li	Interest of Controlled Corporation	704,109,326 <i>(Note 1, Note 2 & Note 3)</i>	48.92%
Mr. Wang Shengkun	Interest of Controlled Corporation	704,109,326 <i>(Note 1, Note 2 & Note 3)</i>	48.92%

Name of shareholder	Nature	Number of ordinary Shares held	Percentage of shareholding in the Company (Note 5)
WIIHL	Beneficial Owner	112,789,766 (Note 1 & Note 3)	7.84%
Mr. Pan	Beneficial Owner	261,384,626	26.00%
	Interest of Controlled Corporation	112,789,766 (Note 3)	
Ms. Ma Hiu Ngai	Interest of spouse	374,174,392 (Note 4)	26.00%

Notes:

- (1) WIFHL (HK) is wholly owned by WIFHC (CY), WIFHC (CY) is owned by Hua Zhi and Pu Shi International Investment Limited as to approximately 55.95% and 41.79% respectively. Hua Zhi is owned by Mr. Li and Mr. Wang Shengkun as to approximately 56.21% and 29.95% respectively. Pu Shi International Investment Limited is wholly owned by Pu Shi Investment Limited. Accordingly, each of WIFHC (CY), Hua Zhi, Pu Shi International Investment Limited, Pu Shi Investment Limited, Mr. Li and Mr. Wang Shengkun is deemed to be interested in the Shares held by WIFHL (HK) by virtue of the SFO.
- (2) Longma Services is owned by WIFHL (HK) and Longma Technology as to approximately 66.67% and 33.33% respectively, which Longma Technology is wholly owned by Mr. Li. Accordingly, each of WIFHL (HK), WIFHC (CY), Hua Zhi, Pu Shi International Investment Limited, Pu Shi Investment Limited, Mr. Li and Mr. Wang Shengkun is deemed to be interested in the Shares held by Longma Services by virtue of the SFO.
- (3) WIIHL is owned by Hua Zhi, Pu Shi International Investment Limited and Able Plus Investment (Holding) Limited as to approximately 58.44%, 18.38% and 10% respectively. Hua Zhi is owned by Mr. Li and Mr. Wang Shengkun as to approximately 56.21% and 29.95% respectively. Pu Shi International Investment Limited is wholly owned by Pu Shi Investment Limited. Able Plus Investment (Holding) Limited is wholly owned by Mr. Pan. Accordingly, each of Hua Zhi, Pu Shi International Investment Limited, Pu Shi Investment Limited, Mr. Li, Mr. Wang Shengkun and Mr. Pan is deemed to be interested in the Shares held by WIIHL by virtue of the SFO.
- (4) Ms. Ma Hiu Ngai is the spouse of Mr. Pan and is therefore deemed to be interested in the Shares in which Mr. Pan is interested by virtue of the SFO.
- (5) As at the Latest Practicable Date, the number of issued shares of the Company was 1,439,385,743.

3. DIRECTORS' OTHER INTERESTS

As at the Latest Practicable Date, no Director was interested in any business (other than those businesses where the Directors were appointed as directors to represent the interests of the Company and/or any member of the Group) which were considered to compete or were likely to compete, whether directly or indirectly, with the businesses of the Group.

As at the Latest Practicable Date, none of the Directors had any interest, direct or indirect, in any assets which had been acquired or disposed of by, or leased to, any member of the Group or were proposed to be acquired or disposed of by, or leased to, any member of the Group since 31 December 2023, being the date to which the latest published audited consolidated financial statements of the Company were made up.

As at the Latest Practicable Date, there is no contract or arrangement entered into by any member of the Group subsisting in which any Director is materially interested and significant to the business of the Group.

4. DIRECTORS' SERVICE CONTRACTS

As at the Latest Practicable Date, none of the Directors had entered into a service contract with any member of the Group which does not expire or which is not determinable by the Company within one year without payment of compensation (other than statutory compensation).

5. DIRECTORS' INTERESTS IN ASSETS OF THE GROUP OR CONTRACTS OR ARRANGEMENTS SIGNIFICANT TO THE GROUP

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 2023 (being the date to which the latest published audited financial statements of the Company were made up), acquired or disposed of by or leased to any member of the Group, or were 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 date of this circular, which was significant to the business of the Group.

6. MATERIAL CONTRACTS

During the two years immediately preceding the date of the Announcement and up to the Latest Practicable Date, the following contracts (not being contracts entered into in the ordinary course of business carried on or intended to be carried on by the Group) were entered into by the Company and/or members of the Group and is or may be material to the Group:

- (i) a sale and purchase agreement dated 28 June 2022 entered into among the Company as the purchaser, and Zhejiang Zhongnan Construction Group Company Limited and Zhejiang Zhongnan Cultural Tourism Group Company Limited as the vendors, pursuant to which the Company has conditionally agreed to acquire and the vendors has conditionally agreed to sell, the entire issued shares of a company to be incorporated which will hold the entire equity interest of Hangzhou Zhongji Architectural Decoration Engineering Co., Ltd, at a consideration of RMB30 million. As certain conditions precedent under the sale and purchase agreement have not been fulfilled or waived before 30 September 2022, the sale and purchase agreement was lapsed on 30 September 2022;
- (ii) a sale and purchase agreement dated 31 October 2022 entered into between the Company as the vendor and Hong Kong Headline Big Data Company Limited as the purchaser in relation to the disposal of the entire issued shares of Sincere Venture Limited at a consideration of HK\$1, details of which were disclosed in the Company's announcement dated 31 October 2022 and Company's circular dated 9 December 2022;
- (iii) a sale and purchase agreement dated 31 October 2022 entered into between Enviro Energy Financial Group Holdings Limited, an indirect wholly-owned subsidiary of the Company, as the vendor and Hong Kong Headline Big Data Company Limited as the purchaser in relation to the disposal of the entire issued shares of Heryd International Trade Co., Limited at a consideration of HK\$1, details of which were disclosed in the Company's announcement dated 31 October 2022 and Company's circular dated 9 December 2022;
- (iv) a settlement agreement dated 25 January 2024 entered into among the Company and Wonderland International Financial Holdings Limited, Wonderland International Finance Limited, Mr. Pan Lihui, Able Plus International Limited, Longma International Family Services Group Limited, Mr. Tang Zhengbang and Mr. Zhou Lixin (collectively, the "**Creditors**") in relation to the capitalisation of the indebtedness owed by the Company to the Creditors, details of which were disclosed in the Company's announcement dated 7 February 2024, 28 February 2024, 30 April 2024 and 3 June 2024 and the Company's circular dated 8 April 2024; and
- (v) the Sale and Purchase Agreements.

7. DIRECTORS' INTEREST IN COMPETING BUSINESS

As at the Latest Practicable Date, none of the Directors and their respective associates had any interests in a business, which competes or is likely to compete either directly or indirectly with the business of the Group which would be required to be disclosed under Rule 8.10 of the Listing Rules.

8. MATERIAL LITIGATION

On 16 January and 27 March 2019, two wholly-owned subsidiaries of the Group (the “**Yingkou Subsidiaries**”) entered into certain loan agreements (the “**Original Loan Agreements**”) with a bank in the PRC (the “**Bank**”), pursuant to which the Bank shall provide loans with an aggregate principal of RMB162.0 million (the “**Original Loan**”) to the Yingkou Subsidiaries which carry interest rate ranging from 9.0045% to 9.5265% per annum and was secured by the investment properties held by the Yingkou Subsidiaries (the “**Yingkou Properties**”). The respective Original Loan and the respective accrued interests became overdue on 21 December 2019 and 21 January 2020 respectively.

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

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

During the year ended 31 December 2022, the Group received a civil judgment pursuant to which the Bank claimed against Lender A, Yingkou Subsidiaries and other defendants for the repayment of outstanding loans and interests due to defaulting on certain loan agreements between the Bank and Lender A (the “**Dispute Loan Agreements**”). According to the civil judgement, it was adjudged that Yingkou Subsidiaries are obliged to repay the relevant outstanding loans and interests upon Lender A defaulting on the Dispute Loan Agreements due to the fact that Lender A pledged the rights to Lender A Receivables to the Bank for the Dispute Loan Agreements.

Accordingly, Yingkou Subsidiaries shall repay the outstanding loans and respective interest under Extended Loan Agreements to the Bank instead of Lender B. Should the judgement debts borne by the Group less than the aforesaid repayment amount under Extended Loan Agreements, the remaining amount shall be repaid to Lender B.

As at 31 December 2022, the total outstanding loans and interests amounted to approximately RMB233.2 million (equivalent to approximately HK\$266.8 million), being the obligation indebted by the Group to the Bank under the civil judgement, which was fully reflected in the Group's consolidated financial statements for the year ended 31 December 2022. As at 31 December 2023, the total outstanding loans and interests amounted to approximately RMB251.3 million (equivalent to approximately HK\$279.5 million), which was reflected in the Group's consolidated financial statements for the year ended 31 December 2023.

As at 31 December 2023, the Yingkou Properties with a carrying amount of HK\$94.1 million (31 December 2022: HK\$126.4 million) are sealed (查封) by the People's Court and awaiting to be sealed (輪候查封) by the Public Security Bureau as at the Latest Practicable Date. Based on the PRC legal opinion obtained by the Company, (i) the Yingkou Properties are legally owned by the Yingkou Subsidiaries; and (ii) the transfer of ownership on the Yingkou Properties is restricted. As advised by the PRC legal adviser of the Company, as the Yingkou Properties are first sealed by the People's Court, the status of "awaiting to be sealed (輪候查封)" by the Public Security Bureau represented the Yingkou Properties will be sealed (查封) by the Public Security Bureau in the event the seal by the People's Court is lifted. The Bank may also apply to the People's Court to put the Yingkou Properties up for auction for the settlement of the Group's aforementioned repayment obligations to the Bank, and should the proceeds from such auction exceed the Group's repayment obligations to the Bank, the Public Security Bureau will then be entitled to remaining proceeds given its "awaiting to be sealed (輪候查封)" status.

Further based on the legal opinion, the act of seizure itself does not affect the validity of the existing lease agreements under the Yingkou Properties entered into between the Group and the lessees. Nevertheless, as further advised by the PRC legal adviser of the Company, the Bank may apply to the People's Court for the right of receiving any income generated from the Yingkou Properties. In the event the Bank applies for such right and the People's Court grants such consent, any income received from the Yingkou Properties should be directed to the Bank. As at the Latest Practicable Date, the Bank has not applied to the People's Court for such rights. In addition, the staff of the Group and the tenants of the Yingkou Properties continued to have access to the Yingkou Properties based on the respective existing lease agreements up to the Latest Practicable Date. Accordingly, the Group continues to receive rental income from the tenants of the Yingkou Properties and recognise such rental income in the consolidated financial statements of the Company which was reflected in the Group's consolidated financial statements for the year ended 31 December 2023.

Save for the above, as at the Latest Practicable Date, so far as the Directors were aware, no litigation or claim of material importance was pending or threatened against any member of the Group.

9. 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 2023, being the date to which the latest published audited consolidated financial statements of the Company were made up.

10. EXPERT AND CONSENT

The following is the qualification of the expert who has been named in this circular and has given opinions and advice which are contained in this circular:

Name	Qualification
PSA (HK) Surveyors Limited	Independent valuer

PSA (HK) Surveyors Limited did not have any shareholding in any member of the Group or the right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for securities in any member of the Group as at the Latest Practicable Date.

As at the Latest Practicable Date, PSA (HK) Surveyors Limited did not have had any direct or indirect interest in any asset which had been acquired, or disposed of by, or leased to any member of the Group, or was proposed to be acquired, or disposed of by, or leased to any member of the Group since 31 December 2023, being the date to which the latest published audited financial statements of the Group were made up.

PSA (HK) Surveyors Limited has given and has not withdrawn its written consent to the issue of this circular, with the inclusion therein of its letter or the references to its name in the form and context in which it appears respectively.

11. 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. He is a 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 at 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.

12. DOCUMENTS ON DISPLAY

Copies of the following documents are available for inspection (i) on the website of the Company (www.enviro-energy.com.hk); and (ii) on the website of the Stock Exchange (www.hkexnews.hk) from the date of this circular up to and including the date of the EGM (being not less than 14 days):

- (a) the memorandum and articles of association of the Company;
- (b) the annual reports of the Company for the three financial years ended 31 December 2021, 2022 and 2023;
- (c) the letter from the Board, the text of which is set out on pages 5 to 19 of this circular;
- (d) the written consent referred to under the paragraph headed “10. Expert and Consent” in this Appendix;
- (e) the report from PSA (HK) Surveyors Limited, the text of which is set out in Appendix II to this circular;
- (f) the material contracts referred to under the paragraph headed “6. Material Contracts” in this appendix; and
- (g) 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 an 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, 13 September 2024 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** subject to the conditions set out in the letter from the board under the heading “THE FIRST SALE AND PURCHASE AGREEMENT — Conditions precedent” and “THE SECOND SALE AND PURCHASE AGREEMENT — Conditions precedent” in the circular of the Company dated 23 August 2024 (the “Circular”):

- (a) the agreement dated 22 July 2024 (the “**First Sale and Purchase Agreement**”) entered into between the Purchaser and the First Vendor in relation to the disposal of the First Sale Shares (as defined in the Circular) and all transactions contemplated thereunder, be and are hereby approved, ratified and confirmed;
- (b) the agreement dated 22 July 2024 (the “**Second Sale and Purchase Agreement**”) entered into between the Purchaser and the Second Vendor in relation to the disposal of the Second Sale Shares (as defined in the Circular) and all transactions contemplated thereunder, be and are hereby approved, ratified and confirmed; and
- (c) any one of the Directors be and is hereby authorised to do all such acts and things and sign, execute and deliver all documents (including affixing the common seal of the Company if appropriate) he or she considers necessary, desirable or expedient to give effect to the First Sale and Purchase Agreement and Second Sale and Purchase Agreement and the transactions contemplated thereunder.”

Yours faithfully,

On behalf of the Board

Enviro Energy International Holdings Limited

Li Gang

Chairman and Executive Director

Hong Kong, 23 August 2024

NOTICE OF EXTRAORDINARY GENERAL MEETING

Notes:

1. A member of the Company entitled to attend and vote at the EGM is entitled to appoint another person as his proxy to attend and to vote on his behalf. A proxy need not be a member of the Company. A member may appoint any number of proxies to attend in his stead.
2. Where there are joint registered holders of any share, any one of such persons 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 joint holders be present at the EGM personally or by proxy, that one of the said persons so present whose name stands first on the register of members of the Company in respect of such shares shall alone be entitled to vote in respect thereof.
3. In order to be valid, the form of proxy duly completed and signed in accordance with the instructions printed thereon must be deposited together with the power of attorney or other authority, if any, under which it is signed, or a notarially certified copy of such power or authority, 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 as soon as practicable but in any event not later than 48 hours before the time appointed for holding of the EGM or any adjournment thereof.
4. 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 instrument appointing the proxy shall be deemed to be revoked.
5. Delivery of an instrument appointing a proxy shall not preclude a shareholder from attending and voting in person at the EGM and, in such event, the instrument appointing a proxy shall be deemed to be revoked.
6. In order to be qualified to attend and vote at the EGM, all transfer of shares accompanied by the relevant share certificates must be lodged with the branch share registrar of the Company in Hong Kong, Tricor Tengis Limited at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong for registration no later than 4:30 p.m. on Monday, 9 September 2024. The register of members of the Company will be closed from Tuesday, 10 September 2024 to Friday, 13 September 2024, both days inclusive, during which period no transfer of shares will be registered.
7. The voting at the EGM shall be taken by way of poll.