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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)**

### **PROVISION OF FINANCIAL ASSISTANCE TO THE COMPANY BY A CONNECTED PERSON AND PLEDGE OF SHARES BY CONTROLLING SHAREHOLDER**

#### **PROVISION OF FINANCIAL ASSISTANCE TO THE COMPANY BY A CONNECTED PERSON**

The Board is pleased to announce that on 28 August 2019, the Company, as borrower, has entered into the Loan Facilities Agreement with the Lender and Mr. Li Sen (the Chairman, Executive Director and a substantial shareholder of the Company) as guarantor. Pursuant to the Loan Facilities Agreement, the Lender has conditionally agreed to grant the Loan to the Company for a 12 months period commencing from the date of the Loan Facilities Agreement to the Expiry Date.

Pursuant to the Loan Facilities Agreement, Mr. Li Sen, (the Chairman, Executive Director and a substantial shareholder of the Company) shall execute the Guarantee in favour of the Lender to guarantee, among others, the due performance of the obligations of the Company under the Loan Facilities Agreement.

#### **PLEDGE OF SHARES BY CONTROLLING SHAREHOLDER**

Pursuant to the Loan Facilities Agreement, Able Victory shall, as mortgagor and Controlling Shareholder of the Company, deposit: (1) not less than HK\$44,000,000 cash; or (2) 110,374,271 Shares of the Company registered in the name of Able Victory or any securities with market value not less than HK\$44,000,000 as collateral for the purpose of securing the Loan provided by the Lender to the Borrower.

### **LISTING RULES IMPLICATIONS**

As at the date of this announcement, the Lender is an associate of WIFHC, the substantial shareholder of the Company. Therefore, the Lender is a connected person of the Company under the Listing Rules.

Under the Listing Rules, the provision of the Loan to the Company by the Lender contemplated under the Loan Facilities Agreement is fully exempt from reporting, announcement and independent shareholders' approval requirements pursuant to Rule 14A.90 of the Listing Rules as such transaction constitute financial assistance provided by a connected person to the Company on normal commercial terms, where no security over the assets of the Group is granted in respect of the financial assistance.

Since Mr. Li Sen is a connected person of the Company under the Listing Rules, the execution of the Guarantee is financial assistance provided by a connected person to the Company on normal commercial terms, where no security over the assets of the Group is granted in respect of the financial assistance. Accordingly, the Guarantee is also fully exempt from reporting, announcement and independent shareholders' approval requirements pursuant to Rule 14A.90 of the Listing Rule.

Since Able Victory is the controlling shareholder of the Company, the provision of the Pledged Collateral triggers disclosure obligation of the Company under Rule 13.17 of the Listing Rules and therefore this announcement is also made by the Company pursuant to Rule 13.17 of the Listing Rules.

### **PROVISION OF FINANCIAL ASSISTANCE**

The Board is pleased to announce that on 28 August 2019, the Company, as borrower, has entered into the Loan Facilities Agreement with the Lender and Mr. Li Sen (the Chairman, Executive Director and a substantial shareholder of the Company) as guarantor. Pursuant to the Loan Facilities Agreement, the Lender has conditionally agreed to grant the Loan to the Company for a 12 months period of commencing from the date of the Loan Facilities Agreement to the Expiry Date.

Summarised below are the principal terms of the Loan Facilities Agreement.

**THE LOAN FACILITIES AGREEMENT**

- Date of the agreement : 28 August 2019
- Lender : Wonderland International Finance Limited
- Borrower : Enviro Energy International Holdings Limited
- The principal of the Loan : HK\$10,000,000
- Interest rate : will be charged at the fixed rate of 10% per annum on the Loan
- Term : the loan facility shall endure for a period of 12 months calculated from the date of the Loan Facilities Agreement
- Purpose of the Loan : to enable the Borrower to expand its business
- Pledged Collateral : Able Victory shall deposit: (1) not less than HK\$44,000,000 cash; or (2) 110,374,271 Shares of the Company registered in the name of Able Victory or any securities with market value not less than HK\$44,000,000 as collateral for the purpose of securing the Loan provided by the Lender to the Borrower
- Security Amount : the market value of all collaterals for the Loan accepted by the Lender including those of the Pledged Collateral and the assets under the designated securities account
- Repayment : the Borrower shall repay the principal amount of the Loan in the sum of HK\$10,000,000 and all accrued interest and charge on or before 4:00 p.m. of the Expiry Date
- Guarantee : Mr. Li Sen, (the Chairman, Executive Director and a substantial shareholder of the Company) shall execute a personal guarantee in favour of the Lender to guarantee, among others, the due performance of the obligations of the Company under the Loan Facilities Agreement

## **Conditions Precedent**

The obligation of the Lender to advance the Loan (in full or in part) to the Borrower shall be subject to the following conditions precedent:

- (1) the Lender having received the documents as set out in the Loan Facilities Agreement in form and substance satisfactory to it before the drawdown date on which the Loan (in full or in part) is drawn (the “**Drawdown Date**”);
- (2) all representations and warranties made by the Borrower and the security parties in the Loan Facilities Agreement or in connection herewith or therewith shall be true and correct with the same effect as though made on and as of the Drawdown Date with reference to the facts and circumstances then existing;
- (3) no event of default as mentioned in the Loan Facilities Agreement shall have occurred on or before the proposed Drawdown Date; and
- (4) the above conditions precedent are inserted for the sole benefit of the Lender which may be waived in whole or in part, and with or without conditions by the Lender’s discretion.

## **PLEDGE OF SHARES BY CONTROLLING SHAREHOLDER**

Pursuant to the Loan Facilities Agreement, Able Victory shall, as mortgagor and Controlling Shareholder of the Company, deposit: (1) not less than HK\$44,000,000 cash; or (2) 110,374,271 Shares of the Company registered in the name of Able Victory or any securities with market value not less than HK\$44,000,000 as collateral for the purpose of securing the Loan provided by the Lender to the Borrower.

## **INFORMATION ON THE LENDER**

As at the date of this announcement, the Lender is a wholly owned subsidiary of WIFHC, who in turn wholly owns Wonderland International Financial Holdings Limited (華德國際金融控股有限公司), the substantial shareholder of the Company. Therefore, the Lender is a connected person of the Company under the Listing Rules. As informed by the Lender, the Lender holds a money lenders licence under the Money Lenders Ordinance (Cap. 163 of the Laws of Hong Kong) and is mainly engaged in regulated money lending business.

## **INFORMATION ON THE BORROWER AND ABLE VICTORY**

The Borrower is principally engaged in trading of building materials, investment holding and properties investment.

Able Victory is a substantial shareholder of the Company, holding 110,374,271 Shares, representing 24.40% of the Company's total issued Shares. As informed by Able Victory, it is primarily engaged in investment holding.

## **REASONS FOR ENTERING INTO THE LOAN FACILITIES AGREEMENT**

The terms of the Loan Facilities Agreement were negotiated on an arm's length basis between the Lender and the Borrower with reference to the prevailing market interest rates and the amount of the principal of the Loan. The Directors consider that the granting of the Loan is a financial assistance provided by the Lender who is a connected person of the Company within the meaning of the Listing Rules. The Directors (including the independent non-executive directors) are of the view that the terms of the Loan Facilities Agreement were entered into on normal commercial terms and consider that the terms of the Loan Facilities Agreement are fair and reasonable and the entering into of the Loan Facilities Agreement is in the interests of the Company and its Shareholders as a whole.

Save for (1) Mr. Li Sen, the Chairman and Executive Director of the Company; and (2) Mr. Jiang Senlin, the Executive Director of the Company and vice-president and chief financial officer of Wonderland International Financial Holdings Limited (華德國際金融控股有限公司), no Director has a material interest in the transactions contemplated under the Loan Facilities Agreement and the Loan Facilities Agreement is approved by the Board by way of written resolution.

## **LISTING RULES IMPLICATIONS**

As at the date of this announcement, the Lender is a wholly owned subsidiary of WIFHC, the substantial shareholder of the Company. Therefore, the Lender is a connected person of the Company under the Listing Rules.

Under the Listing Rules, the provision of the Loan to the Company by the Lender contemplated under the Loan Facilities Agreement is fully exempt from reporting, announcement and independent shareholders' approval requirements pursuant to Rule 14A.90 of the Listing Rules as such transaction constitute financial assistance provided by a connected person to the Company on normal commercial terms, where no security over the assets of the Group is granted in respect of the financial assistance.

Since Mr. Li Sen is a connected person of the Company under the Listing Rules, the execution of the Guarantee is financial assistance provided by a connected person to the Company on normal commercial terms, where no security over the assets of the Group is granted in respect of the financial assistance. Accordingly, the Guarantee is also fully exempt from reporting, announcement and independent shareholders' approval requirements pursuant to Rule 14A.90 of the Listing Rule.

Since Able Victory is the controlling shareholder of the Company, the Pledged Collateral triggers disclosure obligation of the Company under Rule 13.17 of the Listing Rules and therefore this announcement is also made by the Company pursuant to Rule 13.17 of the Listing Rules.

## DEFINITIONS

Unless the context requires otherwise, the following terms and expressions in this announcement have the following meanings:

“Able Victory”	Able Victory Enterprises Limited, a company incorporated under the laws of British Virgin Islands, with its registered address at OMC Chambers, Wickhams Cay 1, Road Town, Tortola, British Virgin Islands (Company Number: 1869562) and a substantial shareholder of the Company, holds 110,374,271 Shares, representing 24.40% of the Company’s total issued Shares, directly wholly-owned by Mr. Li Sen
“associate(s)”	has the meaning ascribed to such term under the Listing Rules
“Board”	the board of Directors
“Borrower” or “Company”	Enviro Energy International Holdings Limited, a company incorporated in the Cayman Islands as an exempted company with limited liability and whose issued Shares are listed on the Main Board of the Stock Exchange (stock code: 1102)
“connected person”	has the meaning ascribed to such term under the Listing Rules
“Controlling Shareholder(s)”	has the meaning ascribed to such term under the Listing Rules
“Director(s)”	the director(s) of the Company
“Expiry Date”	means 28 August 2020
“Group”	the Company and its subsidiaries
“Guarantee”	personal guarantee to be executed by Mr. Li Sen, (the Chairman, Executive Director and a substantial shareholder of the Company), who ultimately holds 110,374,271 Shares of the Company, representing 24.40% of the Company’s total issued Shares, in favour of the Lender to guarantee, among others, the due performance of the obligations of the Company under the Loan Facilities Agreement

“Guarantor”	Mr. Li Sen, the Chairman, Executive Director and a substantial shareholder of the Company, who ultimately holds 110,374,271 Shares of the Company, representing 24.40% of the Company’s total issued Shares
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Hua Shang”	Hua Shang Consumer Premium Selection Investment Fund, a substantial shareholder of the Company, holding 72,675,300 ordinary Shares of the Company, representing 16.06% of the Company’s total issued Shares.
“Lender”	Wonderland International Finance Limited (華德國際財務有限公司), a company incorporated in Hong Kong, which is a wholly owned subsidiary of WIFHC, therefore the Lender is a connected person of the Company under the Listing Rules.
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Loan”	the loan amount drawn under Loan Facilities Agreement of HK\$10,000,000 granted by the Lender to the Borrower pursuant to the Loan Facilities Agreement
“Loan Facilities Agreement”	the loan facilities agreement dated 28 August 2019 and entered into between the Lender, the Borrower and the Guarantor in respect of the grant of the Loan
“Pledged Collateral”	Able Victory shall deposit: (1) not less than HK\$44,000,000 cash; or (2) 110,374,271 Shares of the Company registered in the name of Able Victory or any securities with market value not less than HK\$44,000,000 in a designated securities account
“PRC”	the People’s Republic of China, which for the sole purpose of this announcement excludes Hong Kong, Macau Special Administrative Region of the PRC and Taiwan

“Share(s)”	ordinary share(s) 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
“subsidiary(ies)”	has the meaning ascribed to such term under the Listing Rules
“substantial shareholder”	has the meaning ascribed to such term under the Listing Rules
“WIFHC”	Wonderland International Financial Holdings Corporation (華德國際金融控股有限公司), a company incorporated in the British Virgin Islands, a substantial shareholder of the Company

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

Hong Kong, 28 August 2019

*As at the date of this announcement, the Board comprises three Executive Directors, namely Mr. Li Sen (Chairman), Mr. Jiang Senlin and Mr. Zhong Jinhua and three Independent Non-executive Directors, namely Ms. Liu Yan, Mr. Li Jinyuan and Mr. Du Hongwei.*

*If there is any inconsistency in this announcement between the Chinese and English versions, the English version shall prevail.*