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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)**

### **INSIDE INFORMATION DECISION OF THE STOCK EXCHANGE ON RULE 13.24**

This announcement is made by Enviro Energy International Holdings Limited (the “**Company**”) pursuant to the Inside Information Provisions as defined in the Rules Governing the Listing of Securities (the “**Listing Rules**”) on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) and Rule 13.09 of the Listing Rules.

References are made to (i) the announcements of the Company dated 20 December 2020 and 7 January 2021 in relation to the decision of the Listing Division of the Stock Exchange on 18 December 2020, that the Company has failed to carry out a business with sufficient level of operations as required under Rule 13.24 of the Listing Rules to warrant the continued listing of its shares (the “**Decision**”); and (ii) the announcement of the Company dated 15 January 2021 in relation to the request of review of the decision by the Listing Committee of the Stock Exchange (the “**Review**”) pursuant to Rule 2B.06(1) and 2B.08(1) of the Listing Rules.

#### **REVIEW BY THE LISTING COMMITTEE**

On 27 April 2021, the Listing Committee of the Stock Exchange (the “**Listing Committee**”) considered an application from the Company for a review of the Decision.

On 18 May 2021, the Company received a letter from the Listing Committee stating its view that the Company had failed to maintain a sufficient level of operations as required under Rule 13.24 of the Listing Rules to warrant the continued listing of its shares. As such, the Listing Committee decided to uphold the Decision to suspend trading in the Company's shares under Rule 6.01(3) (the "**LC Decision**") based on the following principal reasons:

### **Construction Materials Business**

- (i) The business performance of the sale of materials business (the "**Construction Materials Business**") operated by the Company since November 2017 deteriorated significantly from 2018 and recorded segmental losses throughout the years ended 31 December 2018, 2019 and 2020; and
- (ii) The Listing Committee noted that the Company had (a) refined its Construction Materials Business to involve designing and sourcing building materials, as well as inventory management, for customers; and (b) secured contracts and/or purchase orders for supply of building materials and aluminium-related products with property developers, construction contractors in PRC and overseas aluminium companies. However, the business only involved sourcing products for a small number of customers, and there were limited value-added services provided by the Company. The Company had yet to address the concerns about the viability, sustainability and substance of the Construction Materials Business.

### **Proposed acquisition**

Reference is made to the announcement of the Company dated 17 March 2021. On 17 March 2021, the Company entered into a memorandum of understanding (the "**MOU**") in respect of the acquisition of a 51% equity interest in Champion Union Holdings Limited (the "**Proposed Acquisition**"), which holds a processing plant to recycle and process aluminium materials and products. The MOU was not legally binding, due diligence was being conducted and there was no concrete timeline for the signing of a formal agreement. The Proposed Acquisition was at a preliminary stage, and it was uncertain whether it would proceed as intended. It remains questionable whether the forecasts provided by the Company for the years ending 31 December 2021 and 2022 would be achievable, as they were prepared on the assumption, among others, that the Proposed Acquisition would be completed in 2021.

### **Level of assets**

As at 31 December 2020, the Company had net asset of HK\$570 million and total asset of HK\$879 million, which mainly comprised of receivables of HK\$693 million, investment properties of HK\$81 million and cash of HK\$4 million. The Listing Committee noted that the auditors of the Company had issued a qualified opinion on the recoverability of the Company's receivables and the auditors had also expressed material uncertainty on the Group's ability to continue as a going concern. Notwithstanding the Company's submission that actions were being taken to recover the outstanding receivables, there was no certainty that these would materialise.

## **REVIEW OF THE STOCK EXCHANGE'S DECISION**

Under Chapter 2B, the Company has the right to have the Decision referred to the Listing Review Committee (as defined in the Listing Rules) for review. Any request for review must be served on the Secretary of the Listing Review Committee within seven business days from the date of the LC Decision. The trading in the Company's shares will be suspended on 31 May 2021 (i.e. after the expiry of seven business days from the date of the LC Decision) unless the Company applies for a review of the Decision in accordance with its rights under Chapter 2B. The Company is currently assessing the LC Decision before making decisions on whether to exercise such rights.

Should there be any material development of this matter, further announcement(s) will be made by the Company as and when appropriate in accordance with the requirements of the Listing Rules. Shareholders and potential investors who have queries about the implications of the LC Decision are advised to seek professional advice as they may consider appropriate.

**Shareholders and potential investors are advised to exercise caution when dealing in the securities of the Company.**

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

Hong Kong, 18 May 2021

*As at the date of this announcement, the Board comprises three Executive Directors, namely Mr. Li Gang (Chairman), Mr. Pan Lihui and Mr. Jiang Senlin and three Independent Non-executive Directors, namely Mr. See Tak Wah, Mr. Zhong Jian and Mr. Du Hongwei.*

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