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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)**

### **FULFILLMENT OF ALL RESUMPTION GUIDANCE AND RESUMPTION OF TRADING**

**Financial adviser of the Company**



#### **FULFILMENT OF RESUMPTION GUIDANCE**

Reference is made to the Resumption Guidance Announcement of the Company dated 21 October 2021 in relation to the Resumption Guidance imposed by the Stock Exchange on the Company in respect of the resumption of trading in the Shares on the Stock Exchange. As at the date of this announcement, the Company has fulfilled the Resumption Guidance.

#### **RESUMPTION OF TRADING**

Trading in the Shares on the Stock Exchange has been suspended since 15 September 2021. Since the Resumption Guidance has been fulfilled, the Company has made an application to the Stock Exchange for the resumption of trading of the Shares with effect from 9:00 a.m. on 5 May 2023 on the Stock Exchange.

## BACKGROUND

### Background of suspension in trading of the Shares

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**”); (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 pursuant to Rule 2B.06(1) and 2B.08(1) of the Listing Rules; (iii) the announcements of the Company dated 18 May 2021 in relation to the decision by the Listing Committee of the Stock Exchange pursuant to Rule 2B.06(1) and 2B.08(1) of the Listing Rules in upholding the Decision (the “**LC Decision**”); (iv) the announcement of the Company dated 27 May 2021 in relation to the request of review of the LC Decision of the Stock Exchange pursuant to Rule 2B.06(2) and 2B.08(3) of the Listing Rules; and (v) the announcement of the Company dated 17 September 2021 in relation to the decision of the Listing Review Committee.

On 14 September 2021, the Company received a decision letter from the Listing Review Committee which upheld the LC Decision and concluded that having considered carefully all information and submissions, the Company has failed to maintain a sufficient level of operations and assets of sufficient value to support its operations under Rule 13.24 of the Listing Rules to warrant the continued listing of the Shares, for the following principal reasons:

1. The Company had been loss-making for the past 5 financial years. Although the situation of the supply of building materials business appeared to have improved recently, its profits remained low. The gross profit for the six months ended 30 June 2021 was insufficient to cover the Company’s corporate expenses and finance costs, and the net profit achieved in the same period was achieved only because of an interest waiver. The Listing Review Committee noted it was uncertain whether and if so, for how long, the interest waiver arrangement would continue.
2. The Listing Review Committee noted the revenue and profits projected by the Company for the years ending 31 December 2021 and 2022. However, it is questionable whether the submitted forecasts to the Listing Review Committee would be achievable given (i) the projected gross profit margin for the supply of building materials was substantially higher than that achieved by the Company in previous years; (ii) it remained uncertain the extent to which the value-added services introduced by the Company would assist the Company to achieve an increase in profit margins; (iii) only around 50% of the total forecast revenue for the years ending 31 December 2021 and 2022 was supported by signed contracts or confirmed orders; (iv) it remained uncertain whether the reduced finance costs as a result of the interest waiver arrangement would endure to support the forecasts; and (v) the Company was only utilising some automated warehouses space rented from third parties since early 2021, which was not a substantial operation.

3. With regard to the asset position, the Listing Review Committee noted the progress of the Company on recovery of loan and interest receivable. However, the Company's action plans for recovery of other outstanding receivables (including prepayments and trade receivables) were preliminary and the outcomes of such actions for recovery remained uncertain.
4. Nevertheless, the Listing Review Committee recognised that the current management had only taken charge and begun to refine the Company's business approximately a year ago. The Company would have the remedial period of 18 months from the date of suspension to put into action its various plans and demonstrate the sustainability and viability of its current business model. The Listing Review Committee considered that, in the event that the Company was able to achieve its forecasted revenue and profits as set out in its written submissions, these would definitely be duly considered favourably in the assessment of whether the Company had demonstrated compliance with Rule 13.24 of the Listing Rules in the remedial period in addition to other relevant matters which will be reviewed as part of the qualitative test applied under Rule 13.24 of the Listing Rules.

The Listing Review Committee therefore decided to uphold the Listing Committee's decision to suspend the Shares under Rule 6.01(3) on the ground that the Company has failed to comply with Rule 13.24 of the Listing Rules.

Accordingly, trading in the Shares on the Stock Exchange has been suspended since 15 September 2021.

### **Resumption Guidance**

Reference is made to the Resumption Guidance Announcement of the Company dated 21 October 2021 in relation to the Resumption Guidance imposed by the Stock Exchange on the Company in respect of the resumption of trading in the Shares on the Stock Exchange.

On 21 October 2021, the Company received the Resumption Guidance from the Stock Exchange, in which the Stock Exchange set out the following guidance for the resumption of trading in the Shares:

1. **Resumption Guidance 1:** demonstrate its compliance with Rule 13.24 of the Listing Rules.
2. **Resumption Guidance 2:** announce all material information for the Company's shareholders and investors to appraise the Company's position.

### **FULFILMENT OF RESUMPTION GUIDANCE**

The Board is pleased to announce that the Company has fulfilled the requirements under the Resumption Guidance.

The details of the fulfillment of the Resumption Guidance are set out as follows:

## Resumption Guidance 1

### *Principal business of the Group*

The Company is principally engaged in the supply of construction essentials business since 2017. The current business model of the supply of construction essentials business of the Group currently 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.

Under the supply of building materials business, the Group supplies building materials to its customers, including glass curtain wall, cement, copper, steel products, timber logs, base metals, which are primarily used for manufacturing of building or surfacing materials for construction and renovation projects. The Group sourced building materials with standardized size, which are frequently required for projects, from suppliers and manufacturers in the PRC in advance prior to obtaining any orders from the customers. Inventory of all these building materials would be retained to ensure prompt response and immediate delivery to the orders by the customers.

### *Summary of historical financial information*

The following table sets forth the selected information from the Group's consolidated financial statement for the year ended 31 December 2020, 2021 and 2022 and for the three months ended 31 March 2023 ("1Q2023") as extracted from the management accounts of the Company.

	<b>FY2020</b>	<b>FY2021</b>	<b>FY2022</b>	<b>1Q2023</b>
	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
Revenue				
— Supply of building materials	5,951	1,637	176,663	89,085
— Supply of aluminum products	47,640	319,440	92,029	1,503
— Property investment	<u>463</u>	<u>767</u>	<u>885</u>	<u>97</u>
	<u>54,054</u>	<u>321,844</u>	<u>269,577</u>	<u>90,685</u>
Gross profit				
— Supply of building materials	52	18	15,633	7,706
— Supply of aluminum products	84	15,151	224	2
— Property investment	<u>463</u>	<u>767</u>	<u>885</u>	<u>97</u>
	<u>599</u>	<u>15,936</u>	<u>16,742</u>	<u>7,805</u>

The Group's supply of building materials experienced a temporary downturn in 2020. In order to maintain stability of its sales income and supply of building materials, (i) the Group entered into long term contracts with property developers and construction contractors in the PRC in 2021; and (ii) the Group have enhanced its value-added service by establishing warehouses in the PRC in 2021 and commenced inventory management of building material products, which are readily available to deliver to its customers.

However, with the measures implemented by local governments in response to the sporadic COVID-19 cases reported in the PRC throughout 2021 and 2022, certain construction projects were postponed. As such, the supply of building materials business of the Group was inevitably disrupted.

### ***Latest business development of the supply of building materials business***

#### *Establishment of the Joint Venture*

Notwithstanding the challenges faced by the Group under the impact of COVID-19 since 2020, the Group has been exploring opportunities to expand the supply of building materials business in the PRC.

In 2022, the Group has identified Hangzhou Zhongji, a company principally engaged in the provision of construction and renovation services in the PRC in Zhejiang province, to be a business partner for the Group's supply of building material business. The shareholders of Hangzhou Zhongji are engaged in the construction and engineering industry in the Zhejiang province in the PRC for over 30 years. Hangzhou Zhongji is engaged in a number of construction and/or renovation projects as the subcontractor for provision of construction services to property developers; and renovation services to tenants or property owners. Hangzhou Zhongji generally sources customers for construction services through tendering bidding to property developers, and sources customers for renovation services through directly promoting its services with potential property buyers or tenants of various properties.

As Hangzhou Zhongji and its shareholders were not engaged in the supply of building materials business, with the increasing cost of building materials, Hangzhou Zhongji may suffer potential loss as the subcontractor of a number of construction and renovation projects. As such, with the extensive experience and network in sourcing supply of building materials, the Group considered the Group and Hangzhou Zhongji are mutually and complimentary to each other.

On 20 October 2022, the Group and Hangzhou Zhongji jointly established the Joint Venture, where the Group and Hangzhou Zhongji are interested in 60% and 40% of the registered capital of the Joint Venture respectively. Accordingly, the Joint Venture becomes a subsidiary of the Company and the financial results of the Joint Venture have been consolidated into the financial statements of the Company. The Joint Venture strategically focused on (i) the construction of glass curtain wall project; (ii) the supply of renovation material for renovation projects; and (iii) construction projects.

Leveraging on (i) the sourcing network, warehouse and inventory management of the Group; and (ii) the network of Hangzhou Zhongji in the construction and renovation industry, the Joint Venture offers its building materials inventory directly to customers, including property developers and contractors.

### *Refinement of the supply of building material business*

With the implementation of the business plans of the Group, the Group has developed into a comprehensive supplier of building materials and aluminum related products and provides value-added services including but not limited to inventory management, warehousing and provision of design solution to its customers.

The Group has established five warehouses in the PRC, namely Zhejiang, Tianjin, Shenyang, Yunnan and Guangzhou, covering northern, central and southern PRC to ensure close proximity to the construction site, and further commenced inventory management of building material products by maintaining a variety of building materials that are readily available for the customers to pick from the Group's warehouses and deliver to the construction site in a timely manner.

In addition, by acting as a one-stop building materials supplier, the Group understands the specific needs of its customers on the proposed construction and renovation plans. With the understanding of the market trend in the construction industry and building materials suppliers, the Group would provide advices to its customers on the building materials and assist the constructors in designing by proposing various building materials in improving the overall design, or sourcing building materials of high quality with competitive pricing for the customers.

Further, the Group generally offers credit terms ranging from 45 to 60 days to its customers, together with inventory management service offered by the Group may reduce the working capital requirement of the customers, which is competitive and attractive to the customers given the cautious sentiment of property developers and contractors after the impact of COVID-19.

### *Development of the supply of building materials business under the Joint Venture*

Upon the establishment of the Joint Venture, the Group has recruited and established the experienced operation teams with experienced manpower for the development of the supply of building materials business.

In developing the supply of building materials business of the Joint Venture, the Company is generally responsible for procurement and delivery of building materials and soliciting customers, while Hangzhou Zhongji provides information in relation to construction and renovation projects for the operation team of the Joint Venture in approaching its customers.

With (i) the supply network gained by the Group since 2017, the Group has the manpower and resources to act as a one-stop supplier by securing some tailored made building materials specifically requested by its customers; (ii) the value-added services offered by the Group; and (iii) the experienced operation team of the Joint Venture, up to the date of this announcement, the Group has been supplying building materials to over 20 customers, and particularly entered into contracts with 14 customers with terms ranging from one to two years, pursuant to which the respective minimum purchase commitment by the customers for the year ending 31 December 2023 and 2024 is approximately RMB517.6 million and RMB433.0 million respectively.

### *Development of supply of aluminum related products business*

As disclosed in the annual report of the Company for the year ended 31 December 2022, the supply of aluminum related products business experienced a temporary downturn in 2022 as a result of a number of force majeure factors causing the abnormal and significant price fluctuation in aluminum related products, including COVID-19 precaution measures in the PRC leading to unstable supply in building materials and aluminum related products, power shortages with extreme weather in the PRC in June 2022, outbreak of the Russian Ukrainian War in early 2022 and surge in international freight and shipping costs.

In view of the above price instability in the aluminum price in 2022 and to safeguard the interest of the Company, the Group has no alternative but temporary ceased the supply of aluminum and related products to its overseas customers, and shifted its focus on its existing supply of building material business network in the PRC. Based on the purchase orders received from domestic customers up to the date of this announcement, it is expected the Group will record revenue of approximately HK\$116.5 million for FY2023.

The Group will continue to explore other business opportunities for the supply of aluminum related products business.

### *Profit Forecast for FY2023*

Set out below is the profit forecast of the Group for FY2023 (the “**Profit Forecast**”), which has been prepared by the Directors with reference to (i) signed contracts secured by the Group; (ii) purchase orders received by the Group; (iii) historical financial information and other assumptions as further detailed below.

	<b>FY2023</b> <i>HK\$'000</i>
Revenue	
— Supply of building materials	600,277
— Supply of aluminum products	116,454
— Property investment	<u>885</u>
	<u>717,616</u>
Gross profit	
— Supply of building materials	52,942
— Supply of aluminum products	466
— Property investment	<u>885</u>
	<u>54,293</u>
Net Profit	<u><u>24,373</u></u>

*Principal assumption for the Profit Forecast*

1. There will be no material changes in existing government political, legal, fiscal, economic or regulatory conditions in Hong Kong, the PRC, the British Virgin Islands (“BVI”) and the Cayman Islands or in the countries or territories in which the Group operates or has arrangements or agreements, which may have adverse effect on the business of the Group.
2. There will be no material changes in the bases or rates of income tax in Hong Kong, the PRC, the BVI and the Cayman Islands or in the countries or territories in which the Group operates or in the countries in which the Company or its subsidiaries were incorporated.
3. There will be no material change in the inflation, interest rate, tariff and duties in the PRC, Hong Kong and any other places in which the Group operates from those currently prevailing since 31 December 2022.
4. The Group’s operations, results and financial condition will not be materially and adversely affected by the risk factors set forth, in the sub-section headed “Principal Risks and Uncertainties” in the annual report of the Company for the year ended 31 December 2022.
5. The Group will be able to continually obtain adequate finance for its business and to operate as going concern in the foreseeable future.
6. The Group’s operations and business will not be materially affected or interrupted by competition and any force majeure events or unforeseeable factors or any unforeseeable reasons that are beyond the control of the Directors, including but not limited to the occurrence of natural disasters, supply failure, labour dispute, significant lawsuit and arbitration.
7. The Profit Forecast has been prepared taking into account the Directors’ and the Group’s key senior management’s continued involvement in the development.
8. All of the Group’s assets, including property, plant and equipment, investment properties, loan receivables, trade and other receivables are carried at amount not materially different from their recoverable amount during FY2023. It is assumed that there will be no material changes in their recoverable amount during FY2023.
9. There will be no material change in credit terms offered to customers and credit terms offered by suppliers and subcontractors.
10. The Directors do not anticipate any extraordinary or exceptional items which will arise during FY2023.
11. The Group will continue to be able to utilise its existing banking and credit facilities at the prevailing interest rates, terms and conditions during FY2023.

12. As at the date of the preparation of the Profit Forecast, the Hong Kong Institute of Certified Public Accountants has issued a number of amendments, new standards and interpretations which are not yet effective for FY2023 and which have not been adopted in the preparation of the Profit Forecast. The Group has concluded that the adoption of them is unlikely to have a significant impact on the Group's results of operations and financial position for FY2023. It is assumed that there will be no material changes in new accounting standards that will have material impact on the Group's results of operations and financial position.
13. The Directors do not expect any significant litigation claim during FY2023.
14. Most of the Group's operating income is denominated in RMB whereas some of the Group's expenses are paid in HK\$ and the Group's consolidated financial statements are presented in HK\$. Therefore, there is an exchange rate risk exposure (both transaction and translation) to the Group for any unfavourable change in exchange rate between HK\$ and RMB. It is assumed in the Profit Forecast that the exchange rate of HK\$ against RMB will not materially fluctuate during FY2023. The exchange rate of HK\$ against RMB as at 31 March 2023 of approximately 1.1550 has been adopted as the HK\$/RMB exchange rate for the Profit Forecast. The Directors assume that any unfavourable changes in exchange rate of HK\$ against RMB will not be significant to the Group during FY2023.
15. The Directors assume that no disposal of subsidiaries will be completed during FY2023.
16. As at 31 December 2022, the Group recorded receivables of approximately HK\$134,099,000 from the disposal of certain investment properties (the "**Consideration Receivables**") due from the vendors. The Group actively negotiated with the vendors to collect the Consideration Receivables to improve its liquidity level. The Directors assume that the negotiation will be concluded by the end of 2023. For the sake of prudence, no impairment on the Consideration Receivables is considered as well as no such receipts were assumed during FY2023.

**While the Profit Forecast has been prepared by the Directors after due and careful enquiry, actual results or outcomes could be affected by events or circumstances after the Profit Forecast had been prepared and differ materially from those expressed in the Profit Forecast. The Company strongly cautions the Shareholders and potential investors against placing undue reliance on the Profit Forecast. The Company expressly disclaims any liability whatsoever for any loss howsoever arising from or in reliance upon the Profit Forecast.**

Donvex Capital Limited ("**Donvex Capital**") has been engaged by the Company to act as the financial advisor of the Company to review the Profit Forecast and is of the view that the Profit Forecast was made by the Directors after due and careful enquiry. In addition, ZHONGHUI ANDA CPA Limited ("**ZHONGHUI ANDA**"), the auditor of the Company, has been engaged by the Company to review the accounting policies and calculations of the Profit Forecast.

### ***Working capital sufficiency of the Group***

The Directors, after due and careful consideration, are of the opinion that, after taking into account the Group's internal resources and the available banking facilities, 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 announcement.

The Group has obtained confirmations from the auditor and financial adviser of the Company that the above statement has been made by the Directors after due and careful enquiry.

### ***Compliance with Rule 13.24 of the Listing Rules***

With the recent development of the supply of building materials business as detailed above, the financial performance of the Group has recovered from the temporary downturn of the impact of COVID-19 as the Group began to generate substantial revenue and gross profit with positive cashflow since late 2022.

As disclosed above, the Group (i) recorded revenue and net profit of approximately HK\$268.7 million and HK\$14.8 million under its supply of materials business for FY2022; and (ii) entered into contracts with 14 customers with terms ranging from one to two years, pursuant to which the respective minimum purchase commitment by the customers for the year ending 31 December 2023 and 2024 is approximately RMB517.6 million and RMB433.0 million respectively, which the Group is forecasted to record HK\$599.2 million and HK\$501.3 million revenue for the years ending 31 December 2023 and 2024 respectively.

As at 31 December 2023, the Group has total assets of approximately HK\$394.1 million, including non-current assets of approximately HK\$126.5 million under the property investment business. With the expected revenue and cashflow generated by the supply of building materials business, the Group is of the view that the financial position of the Company will continue to improve in FY2023 and therefore has sufficient assets to further develop its businesses.

As such, the Directors are of the view that the Company's business and operations are viable and complies with Rule 13.24 of the Listing Rules. Accordingly, the Company is of the view that it has fulfilled the Resumption Guidance 1.

### ***Resumption Guidance 2***

Since the suspension of trading in the Shares, the Company has regularly published announcements to keep the Shareholders and investors of the Company informed of the status of the Company. The Board confirms that the Company has included all material information in relation to its business, financial performance, and operation management in (i) the annual results of the Group for the years ended 31 December 2021 and 2022; (ii) the interim results of the Group for the six months ended 30 June 2022; (iii) the quarterly update announcements of the Company; and (iv) other disclosure documents published in accordance with the Listing Rules and other applicable regulatory requirements.

To the best knowledge of the Directors, as at the date of this announcement, there is no other information required to be disclosed under Part XIVA of the SFO and no other undisclosed information that is material for the Company's shareholders and other investors to appraise the Company's position. As such, the Company is of the view that it has fulfilled the requirements under Resumption Guidance 2.

## **EXPERTS AND CONSENTS**

A letter from ZHONGHUI ANDA and a letter from Donvex Capital are included in the appendices to this announcement. The following are the qualifications of ZHONGHUI ANDA and Donvex Capital.

<b>Name</b>	<b>Qualification</b>
Donvex Capital Limited	a licensed corporation to carry out Type 6 (advising on corporate finance) regulated activity under the SFO
ZHONGHUI ANDA CPA Limited	Certified Public Accountants

Each of ZHONGHUI ANDA and Donvex Capital has given and has not withdrawn its respective written consent to the publication of this announcement with inclusion of its report/letter and all references to its name (including its qualifications) in the form and context in which they are included. To the best knowledge, information and belief of the Board and having made all reasonable enquiries, each of ZHONGHUI ANDA and Donvex Capital is a third party independent of the Group and is not a connected person of the Group.

As at the date of this announcement, neither ZHONGHUI ANDA and Donvex Capital has any shareholding, directly or indirectly, in any member of the Group or any right (whether legally enforceable or not) to subscribe for or to nominate person(s) to subscribe for securities in any member of the Group.

As at the date of this announcement, neither ZHONGHUI ANDA and Donvex Capital had any direct or indirect interests in any assets which have been, since 31 December 2022 (the date to which the latest published annual report of the Group were made up), acquired or disposed of by or leased to any member of the Group, or are proposed to be acquired or disposed of by or leased to any member of the Group.

## **RESUMPTION OF TRADING**

Trading in the Shares on the Stock Exchange has been suspended since 15 September 2021. Since the Resumption Guidance has been fulfilled, the Company has made an application to the Stock Exchange for the resumption of trading of the Shares with effect from 9:00 a.m. on 5 May 2023 on the Stock Exchange.

## DEFINITIONS

In this announcement, unless the context otherwise requires, the following expressions shall have the following meanings when used herein:

“Board”	the board of Directors
“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
“connected person(s)”	has the same meaning as ascribed to it under the Listing Rules
“Director(s)”	the director(s) of the Company
“FY2022”	year ended 31 December 2022
“FY2023”	year ending 31 December 2023
“Group”	the Company and its subsidiaries
“Hangzhou Zhongji”	Hangzhou Zhongji Architectural Decoration Engineering Co., Ltd.* (杭州中機建築裝飾工程有限公司), a company incorporated in the PRC with limited liability
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Independent Third Party(ies)”	person(s) or company(ies) and its (their) respective ultimate beneficial owner(s) which, to the best of the Directors’ knowledge, information and belief having made all reasonable enquiries, is(are) third party(ies) independent of and not connected with the Company and its connected persons (as defined in the Listing Rules)
“Joint Venture”	Hangzhou Jun Heng Building Materials Limited* (杭州峻衡建材有限公司), a limited liability company incorporated in the PRC on 20 October 2022, which is an indirect non-wholly owned subsidiary of the Company and owned as to 60% by the Group and 40% by Hangzhou Zhongji
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“PRC”	the People’s Republic of China, which for the purpose of this announcement, excludes Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan

“Resumption Guidance”	a letter issued by the Stock Exchange on 19 October 2021, which the Stock Exchange set out the guidance for the resumption of the trading in the Shares
“RMB”	Renminbi, the lawful currency of the PRC
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), as amended, supplemented or otherwise modified from time to time
“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
“%”	per cent

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

Hong Kong, 4 May 2023

*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. Zhong Jian, Mr. Liu Qin and Mr. Tan Xiangyi.*

*\* For identification purpose only and should not be regarded as the official English translation of the Chinese names. In the event of any inconsistency, the Chinese name prevails.*

## **APPENDIX I — LETTER FROM THE AUDITOR**

2 May 2023

The Board of Directors  
Enviro Energy International Holdings Limited  
20/F, No.9 Des Voeux Road West,  
Sheung Wan, Hong Kong

Dear Sirs,

### **Enviro Energy International Holdings Limited (the “Company”) and its subsidiaries (the “Group”) Profit Forecast for the Year Ending 31 December 2023**

We refer to the forecast of the consolidated profit attributable to equity holders of Company for the year ending 31 December 2023 (the “**Profit Forecast**”) set forth the profit forecast memorandum of the Group prepared by the Company and submitted to The Stock Exchange of Hong Kong Limited on 2 May 2023.

#### **Directors’ Responsibilities**

The Profit Forecast has been prepared by the directors of the Company (the “**Directors**”) based on the audited consolidated results of the Group for the year ended 31 December 2022, the unaudited consolidated results based on the management accounts of the Group for the three months ended 31 March 2023 and a forecast of the consolidated results of the Group for the remaining nine months ending 31 December 2023.

The Directors are solely responsible for the Profit Forecast.

#### **Our Independence and Quality Management**

We have complied with the independence and other ethical requirements of the Code of Ethics for Professional Accountants issued by the Hong Kong Institute of Certified Public Accountants (the “**HKICPA**”), which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behavior.

Our firm applies Hong Kong Standard on Quality Management 1 “Quality Management for Firms that Perform Audits or Reviews of Financial Statements, or Other Assurance or Related Services Engagements”, which requires the firm to design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

#### **Reporting Accountants’ Responsibilities**

Our responsibility is to express an opinion on the accounting policies and calculations of the Profit Forecast based on our procedures.

We conducted our engagement in accordance with Hong Kong Standard on Investment Circular Reporting Engagements 500 “Reporting on Profit Forecasts, Statements of Sufficiency of Working Capital and Statements of Indebtedness” and with reference to Hong Kong Standard on Assurance Engagements 3000 (Revised) “Assurance Engagements Other Than Audits or Reviews of Historical Financial Information” issued by the HKICPA. Those standards require that we plan and perform our work to obtain reasonable assurance as to whether, so far as the accounting policies and calculations are concerned, the Directors have properly compiled the Profit Forecast in accordance with the bases and assumptions adopted by the Directors and as to whether the Profit Forecast is presented on a basis consistent in all material respects with the accounting policies normally adopted by the Group. Our work is substantially less in scope than an audit conducted in accordance with Hong Kong Standards on Auditing issued by the HKICPA. Accordingly, we do not express an audit opinion.

### **Opinion**

In our opinion, so far as the accounting policies and calculations are concerned, the Profit Forecast has been properly compiled in accordance with the bases and assumptions adopted by the Directors as set out in the profit forecast memorandum of the Group for the year ending 31 December 2023 and is presented on a basis consistent in all material respects with the accounting policies normally adopted by the Group as set out in the audited consolidated financial statements in the Company’s annual report for the year ended 31 December 2022.

Yours faithfully,

ZHONGHUI ANDA CPA Limited  
Certified Public Accountants  
Sze Lin Tang  
Practising Certificate Number P03614  
Hong Kong

## APPENDIX II — LETTER FROM THE FINANCIAL ADVISER

2 May 2023

The Directors  
Enviro Energy International Holdings Limited  
20/F  
No. 9 Des Voeux Road West  
Sheung Wan, Hong Kong

Dear Sirs,

### **Re: Profit Forecast for the year ending 31 December 2023**

We refer to the profit forecast of Enviro Energy International Holdings Limited (the “**Company**”) and its subsidiaries (the “**Group**”) for the year ending 31 December 2023 (the “**Profit Forecast**”) set forth in the profit forecast memorandum (the “**Memorandum**”) which formed part of the resumption plan prepared by the Company and submitted to The Stock Exchange of Hong Kong Limited on 2 May 2023.

The Profit Forecast, for which the Directors are sole responsible, has been prepared based on the unaudited management accounts of the Group for the three months ended 31 March 2023 and a forecast of the results of the Group for the nine months ending 31 December 2023.

We, as the financial adviser to the Company, have reviewed the Profit Forecast, for which the Directors are solely responsible, and have discussed with the Directors the information and documents provided by the Directors which formed part of the bases and assumptions, which are set out in the section headed “Assumptions” in the Memorandum. We have also considered the letter from ZHONGHUI ANDA CPA Limited (“**ZHONGHUI ANDA**”) dated 2 May 2023 addressed to the Company regarding the calculation and accounting policies upon which the Profit Forecast has been made. ZHONGHUI ANDA is of the opinion that so far as the accounting policies and calculations are concerned, the Profit Forecast has been properly complied in accordance with the assumptions as set out in the Memorandum adopted by the directors of the Company and is presented on a basis consistent in all material respects with the accounting policies normally adopted by the Group.

We have assumed that all information, materials and representations referred to or contained in the Profit Forecast were true, accurate, complete and not misleading at the time they were supplied or made, and remained so up to the date of this letter and that no material fact or information has been omitted from the information and materials supplied. No representation or warranty, expressed or implied, is made by us on the accuracy, truth or completeness of such information, materials, opinions and/or representations. Circumstances could have developed or could develop in the future that, if known to us at the time of this letter, would have altered our respective assessment and review.

### **Opinion**

Based on our procedures above, we are of the view that the Profit Forecast has been made by the directors of the Company after due and careful enquiry.

## **Intended users and purpose**

This letter is prepared in connection with the Company's submission of the Memorandum to The Stock Exchange of Hong Kong Limited. It should not be relied upon by any party for any other purpose and we expressly disclaim any liability or duty to any party in this respect. It should not be disclosed, referred to or quoted in whole or in part without our prior written consent.

Yours faithfully,  
For and on behalf of  
**Donvex Capital Limited**  
**Doris Sy**  
*Director*