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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)**

### **DISCLOSEABLE TRANSACTION IN RELATION TO THE ACQUISITION OF THE TARGET EQUITY INTEREST IN LIAONING TAOQIBAO**

#### **THE AGREEMENT**

The Board is pleased to announce that on 12 July 2016 (after trading hours of the Stock Exchange), the Purchaser, an indirect wholly-owned subsidiary of the Company, entered into the Agreement with Tianjin Yinfu, pursuant to which the Purchaser has conditionally agreed to acquire and Tianjin Yinfu has conditionally agreed to sell the Target Equity Interest to the Purchaser at the Consideration of RMB100,000,000 (equivalent to approximately HK\$115,900,000) in cash.

#### **LISTING RULES IMPLICATIONS**

As one or more of the applicable percentage ratios (as defined in Rule 14.07 of the Listing Rules) in respect of the Acquisition are more than 5% but less than 25%, the Acquisition constitutes a discloseable transaction of the Company under Chapter 14 of the Listing Rules and is subject to the reporting and announcement requirements under the Listing Rules.

**As the Completion is subject to the satisfaction and/or waiver, where applicable, of the Conditions set out in the Agreement, the Acquisition may or may not proceed to Completion. Shareholders and potential investors of the Company should exercise caution when dealing in the shares or any securities of the Company.**

#### **INTRODUCTION**

The Board is pleased to announce that on 12 July 2016 (after trading hours of the Stock Exchange), the Purchaser, an indirect wholly-owned subsidiary of the Company, entered into the Agreement with Tianjin Yinfu, pursuant to which the Purchaser has conditionally agreed

to acquire and Tianjin Yinfu has conditionally agreed to sell the Target Equity Interest to the Purchaser at the Consideration of RMB100,000,000 (equivalent to approximately HK\$115,900,000) in cash.

## **AGREEMENT**

Set out below are the principal terms of the Agreement:

Date : 12 July 2016

Parties : (a) Huan Neng International Trading (Yingkou) Company Limited\* (環能國際貿易(營口)有限公司), as the Purchaser; and  
(b) Tianjin Yinfu Investment Management Co., Ltd\* (天津銀富投資管理有限公司), as the vendor.

As at the date of this announcement, the Purchaser is an indirect wholly-owned subsidiary of the Company.

As advised by Tianjin Yinfu, its ultimate beneficial owner holds 200,000 Shares, which represents approximately 0.0028% issued share capital of the Company as at the date of this announcement.

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, save as disclosed above, Tianjin Yinfu and its ultimate beneficial owners are Independent Third Parties.

### **Target Equity Interest to be acquired**

The Target Equity Interest to be acquired represents 100% equity interest of the Target Company, which is owned by Tianjin Yinfu.

As advised by Tianjin Yinfu, the Target Company owns the Target Land of the land use right for composite use with the gross area of approximately 4,320 square meters together with the Target Property, which consisted of twelve floors and erected on the Target Land, with the gross construction area of approximately 17,800 square meters.

Upon Completion, the Target Company will become an indirectly wholly-owned subsidiary of the Company and the financial results of the Target Company will be consolidated into the financial results of the Group.

Tianjin Yinfu currently owes RMB70,000,000 (equivalent to approximately HK\$81,130,000), to the Target Company (the "Debt").

### **Consideration**

The Consideration of the Acquisition is RMB100,000,000 (equivalent to approximately HK\$115,900,000).

Pursuant to the Agreement, the Consideration shall be paid by the Purchaser in the following manners:

- (a) to Tianjin Yinfu on the date of the execution of the Agreement, RMB20,000,000 (equivalent to approximately HK\$23,180,000) as deposit and part payment; and
- (b) within the three Business Days from the date that the ownership of Target Equity Interest has been registered under the name of the Purchaser:
  - (i) RMB70,000,000 (equivalent to approximately HK\$81,130,000) shall be paid to the Target Company for repayment of the Debt; and
  - (ii) RMB10,000,000 (equivalent to approximately HK\$11,590,000) shall be paid to Tianjin Yinfu.

The Consideration was arrived at after arm's length negotiations between the Purchaser and Tianjin Yinfu after taking into account the appraised value of the Target Property, which amounted to approximately RMB112,000,000 (equivalent to approximately HK\$129,808,000) based on the preliminary valuation on the Target Property as of 23 May 2016 as assessed by an independent valuer.

Based on the above, the Directors are of the view that the Consideration is fair and reasonable and on normal commercial terms and that the entering into of the Agreement is in the interests of the Company and the Shareholders as a whole.

### **Conditions Precedent**

Completion of the Acquisition is conditional upon the fulfillment of the following Conditions on or before the Conditions Fulfillment Date:

- (a) Tianjin Yinfu is the legal and beneficial owner of the Target Equity Interest, which is not subject to any encumbrances and third parties' rights;
- (b) the Purchaser has been satisfied with the results of the due diligence review of the Target Company (including but not limited to the review on the indebtedness of the Target Company);
- (c) the management of Target Company shall not have done any act which may have negative impact on the businesses, assets, properties, financial conditions, operations and future prospects of the Target Company on or prior to Completion; and all warranties shall be accurate and true in all respects as at the Completion Date;
- (d) Tianjin Yinfu has obtained all necessary third party consents, approvals, authorizations, waivers, permission and certificates in relation to the transactions contemplated under the Agreement and other relevant matters; and
- (e) the representations, warranties and undertakings given by Tianjin Yinfu have remained true, accurate and not misleading in all material respects and there have been no breach of any of the warranties in any respect by Tianjin Yinfu.

If any of the Conditions has not been fulfilled by 30 September 2016 (or such later date as the parties to the Agreement may agree in writing), the Agreement shall lapse and have no further effect. Tianjin Yinfu shall forthwith return all the money, without interest, which has been paid by the Purchaser. Upon repayment of the said money, none of the parties shall make any claims against the other party pursuant to the terms and conditions of the Agreement.

### **Completion**

Pursuant to the Agreement, the Completion shall take place within the third Business Day immediately after the fulfillment of the Conditions or such later date as the parties to the Agreement may agree in writing.

With the assistance of Tianjin Yinfu, the Purchaser will complete the registration in respect of the change of ownership in the Target Equity Interest within 30 days immediately after the Completion.

### **GENERAL INFORMATION ON TIANJIN YINFU AND THE TARGET COMPANY**

As advised by Tianjin Yinfu, Tianjin Yinfu is a company established in the PRC with limited liability engaged in, among others, investment consulting, e-commerce consulting, and property management.

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, Tianjin Yinfu and its ultimate beneficial owners are Independent Third Parties.

The Target Company is a company established in the PRC with limited liability. As advised by Tianjin Yinfu, the Target Company is engaged in, among others, corporate management service and retail and wholesale of home appliances and heavy metal electronic appliances.

### **FINANCIAL INFORMATION OF THE TARGET COMPANY**

As informed by Tianjin Yinfu, the unaudited financial information of the Target Company for the two financial years ended 31 December 2014 and 31 December 2015 respectively, are summarized as follows (for illustration purposes only):

	<b>For the financial year ended 2014 (RMB) (unaudited)</b>	<b>For the financial year ended 2015 (RMB) (unaudited)</b>
Loss before taxation	1,121,000	11,001,000
Loss after taxation	1,121,000	11,001,000
Net assets	98,879,000	87,878,000

## **REASONS FOR AND BENEFITS OF THE ACQUISITION**

The Group is principally engaged in investment holding, property investment, natural resources and energy and information technology related businesses.

The Purchaser is incorporated in the PRC and is an indirect wholly-owned subsidiary of the Company principally engaged in investment holding.

The Group intends to renovate the Target Property to enhance the value of the Target Property for sale and/or lease in the market. The Board is also of the view that the Acquisition will enable the Group to increase its reserve of commercial properties for sale and/or lease in the future, which is in line with the Group's existing business in property investment.

Therefore, the Directors believe that entering into of the Agreement will provide an opportunity to the Group to provide a sustainable growth to the Company's assets and broaden the assets portfolio and income base of the Group, thus potentially greater return for the Shareholders.

In view of the above, the Directors consider that the terms of the Agreement are on normal commercial terms and are fair and reasonable and the Agreement are in the interests of the Company and the Shareholders as a whole.

## **LISTING RULES IMPLICATIONS**

As one or more of the applicable percentage ratios (as defined in Rule 14.07 of the Listing Rules) in respect of the Acquisition calculated are more than 5% but less than 25%, the Acquisition constitutes a discloseable transaction for the Company under Chapter 14 of the Listing Rules and is subject to the reporting and announcement requirements under the Listing Rules.

**As the Completion is subject to the satisfaction and/or waiver, where applicable, of the Conditions set out in the Agreement, the Acquisition may or may not proceed to Completion. Shareholders and potential investors of the Company should exercise caution when dealing in the shares or any securities of the Company.**

## **TERMS USED IN THIS ANNOUNCEMENT**

In this announcement, unless the context otherwise requires, the following words and expressions shall have the meanings given to them as below:

“Acquisition”	the acquisition in relation to the Target Equity Interest pursuant to the terms and conditions of the Agreement;
“Agreement”	the conditional agreement dated 12 July 2016, including its amendments or replacement, entered into between Tianjin Yinfu and the Purchaser in relation to the Acquisition;
“Board”	the board of Directors;

“Business Days”	a day (other than a Saturday or a Sunday at any time between 9:00 a.m. to 5:00 p.m.) on which licensed banks in the PRC are open for general banking business throughout their normal business hours;
“Company”	Enviro Energy International Holdings Limited (Stock Code: 1102), a company incorporated in the Cayman Islands with limited liability, the Shares of which are listed on the Main Board of the Stock Exchange;
“Completion”	the completion of the Acquisition pursuant to the terms and conditions of the Agreement;
“Completion Date”	subject to all of the Conditions having been satisfied but not later than the Conditions Fulfillment Date, three Business Days immediately following the date that the completion of all the Conditions as set out in the paragraph headed “Conditions Precedent” in this announcement;
“Condition(s)”	the condition(s) precedent of the Completion, details of which are set out in the paragraph headed “Conditions Precedent” of this announcement;
“connected person(s)”	has the meaning ascribed to it under the Listing Rules;
“Consideration”	the total consideration payable by the Purchaser to Tianjin Yinfu for the Target Equity Interest, being RMB100,000,000 (equivalent to approximately HK\$115,900,000);
“Director(s)”	the director(s) of the Company;
“Group”	the Company and its subsidiaries;
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC;
“Independent Third Party(ies)”	the independent third party(ies) who is/are, to the best of the Directors’ knowledge, information and belief having made all reasonable enquiry, independent of and not connected with the Company and its connected person(s);
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange;
“PRC”	the People’s Republic of China and for the sole purpose of this announcement shall exclude Hong Kong, Macau Special Administrative Region of the PRC and Taiwan;

“Purchaser”	Huan Neng International Trading (Yingkou) Company Limited* (環能國際貿易(營口)有限公司), a company incorporated in the PRC with limited liability, an indirect wholly-owned subsidiary of the Company;
“Shareholders”	the holders of Shares;
“Shares”	ordinary share(s) of HK\$0.0025 each in the capital of the Company;
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“Target Company”	Liaoning Taoqibao Mall Management Co., Ltd* (遼寧淘氣寶商城管理有限公司), a limited liability company established in the PRC;
“Target Equity Interest”	the 100% equity interest in the Target Company;
“Target Land”	a parcel of land located at North Huanghe Road, Bayuquan District of Yingkou City, Liaoning Province, the PRC with the gross area of approximately 4,320 square meters;
“Target Property”	the twelve-floor composite building situated at the Target Land with a gross construction area of 17,800 square meters;
“Tianjin Yinfu”	Tianjin Yinfu Investment Management Co., Ltd* (天津銀富投資管理有限公司), a limited liability company established in the PRC;
“%”	per cent;
“HK\$”	Hong Kong Dollar, the lawful currency of Hong Kong; and
“RMB”	Renminbi, the lawful currency of the PRC.

\* *Literal translation of the Chinese name.*

By Order of the Board  
**Enviro Energy International Holdings Limited**  
**Zhang Yuanqing**  
*Chief Executive Officer*

Hong Kong, 12 July 2016

*For the purposes of illustration only, any amount denominated in RMB in this announcement was translated into HK\$ at the rate of HK\$1.159 = RMB1. Such translations should not be construed as a representation that the amounts in question have been, could have been or could be, converted at any particular rate at all.*

*As at the date of this announcement, the Board comprises four Executive Directors, namely Mr. Suen Cho Hung, Paul (Chairman), Mr. Zhang Yuanqing (Chief Executive Officer), Mr. Lai Ming Wai and Mr. Zhu Lijia and three Independent Non-executive Directors, namely Mr. David Tsoi, Mr. Chiang Bun and Ms. Leung Pik Har, Christine.*

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