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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 TRANSACTIONS –
FINANCE LEASE AGREEMENTS**

FINANCE LEASE AGREEMENTS

On 29 December 2017 (after trading hours), Qianhai Guoxing, an indirect wholly-owned subsidiary of the Company, entered into the Finance Lease Agreements with the Leasee, pursuant to which Qianhai Guoxing has conditionally agreed to purchase the Assets from the Leasee at the Consideration of RMB150 million (approximately equivalent to HK\$169.5 million), which will then lease back to the Leasee for a term of three (3) years.

LISTING RULES IMPLICATIONS

As one or more of the applicable ratios set out in Rule 14.07 of the Listing Rules in respect of the Finance Lease Agreements and the transactions contemplated therein are more than 5% and all of which are below 25%, the entering into of the Finance Lease Agreements and the transactions contemplated thereunder constitute discloseable transactions for the Company under Chapter 14 of the Listing Rules and are therefore subject to the notification and announcement requirements under Chapter 14 of the Listing Rules.

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I. SALE AND PURCHASE AGREEMENT

Date : 29 December 2017 (after trading hours)

Parties : Vendor : the Leasee, a company established in the PRC with limited liability and is principally engaged in, among other things, wholesales of construction materials and steel materials.

Purchaser : Qianhai Guoxing, an indirect wholly-owned subsidiary of the Company, which principal business is, among other things, financial leasing

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

Assets to be acquired

The Assets to be acquired by Qianhai Guoxing are five floors of 水產大廈 (Shui Chan Building*), which is a building situated at Luohu district, Shenzhen city, Guangdong province in the PRC. As advised by the Leasee, the Assets comprises a total construction area of approximately 4,465 sq.m. and are for the commercial and financial businesses.

Consideration for purchase of the Assets

Pursuant to the Sale and Purchase Agreement, Qianhai Guoxing has conditionally agreed to purchase the Assets from the Leasee at the Consideration of RMB150 million (approximately equivalent to HK\$169.5 million) which will then lease back to the Leasee for a term of three (3) years.

The Consideration was determined after arm's length negotiations between Qianhai Guoxing and the Leasee with reference to the preliminary value of the Assets in the sum not less than RMB150 million (equivalent to approximately HK\$169.5 million).

Pursuant to the Sale and Purchase Agreement, the Consideration shall be payable in full by Qianhai Guoxing to the Leasee by 31 December 2017. Upon the payment of the Consideration by Qianhai Guoxing, the ownership of the Assets shall be transferred to Qianhai Guoxing by the Leasee within 6 months from the date of the payment of the Consideration.

Source of fund for the Consideration

The entire amount of the Consideration will be funded by the unsecured and interest-free loan granted by the Lender, a company indirectly held by Mr. Li Sen as to 98%, who is the chairman, the executive Director and the substantial shareholder of the Company. Accordingly, such grant of loan will be provision of financial assistance by Mr. Li Sen to the Company, which constitutes a connected transaction of the Company under Chapter 14A of the Listing Rules. As such grant of loan was provided by the connected person of the Company for the benefit of the Company on normal commercial terms or better and it is not secured by any assets of the Group, such grant of loan is fully exempted from the reporting, announcement and independent Shareholders' approval requirements pursuant to Rule 14A.90 of the Listing Rules.

II. THE LEASE AGREEMENT

Date : 29 December 2017 (after trading hours)

Parties : the Lessee as the leasee; and

Qianhai Guoxing as the lessor

Subject matter

The Assets to be leased by Qianhai Guoxing are five floors of 水產大廈 (Shui Chan Building*), which is a building situated at Luohu district, Shenzhen city, Guangdong province in the PRC. As advised by the Lessee, the Assets comprises a total construction area of approximately 4,465 sq.m. and are for the commercial and financial businesses.

Lease term

The lease shall be for a term of three (3) years commencing from the date on which the ownership of the Assets is held by Qianhai Guoxing. The lease interests will also start to accrue from the commencement date of the lease.

Lease payment and pre-lease interests

The lease payment for the entire term consists of (i) the principal amount of RMB150 million (approximately equivalent to HK\$169.5 million); and (ii) lease interests. The lease interest rate is 9% per annum. Based on the said interest rate, the total estimated amount of lease interests for the entire term of the Lease Agreement is approximately RMB40,987,500 (approximately equivalent to HK\$46,315,875). The principal amount will be paid by the Lessee at the end of the lease term and the lease interests will be payable on the 21st day of March, June, September and December during the term.

A pre-lease interests in the sum of RMB3,000,000 (approximately equivalent to HK\$3,390,000) will also be payable by the Lessee to Qianhai Guoxing in one lump-sum after the Consideration has been paid by Qianhai Guoxing but before the lease term starts.

The pre-lease interests, lease payment and lease interest have been agreed after arm's length negotiations between the parties with reference to the purchase cost of the Assets of Qianhai Guoxing and the prevailing market rate for finance leases of the landed properties comparable to the Assets.

End of the lease term

Pursuant to the Lease Agreement, at the end of the lease term of the Lease Agreement and subject to the full payments of the pre-lease interests, lease interests, lease payments and other amount payable by the Lessee to Qianhai Guoxing, the Lessee shall have the option to purchase the Assets at a nominal consideration of RMB1.00 (approximately equivalent to HK\$1.13).

REASONS FOR THE FINANCE LEASE AGREEMENTS

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

Given that the Finance Lease Agreements are being conducted in the ordinary and usual course of business of Qianhai Guoxing, which will earn a considerable profit for the Group over the lease term of three (3) years, and is under normal commercial terms, the Directors are of the view that the terms of the Finance Lease Agreements, including the Consideration under the Sale and Purchase Agreement, the pre-lease interest, the lease interests and lease payments under the Lease Agreement, are fair and reasonable and are in the interests of the Company and Shareholders as a whole.

LISTING RULES IMPLICATION

As one or more of the applicable ratios set out in Rule 14.07 of the Listing Rules in respect of the Finance Lease Agreements and the transactions contemplated therein are more than 5% and all of which are below 25%, the entering into of the Finance Lease Agreements and the transactions contemplated thereunder constitute discloseable transactions for the Company under Chapter 14 of the Listing Rules and are therefore subject to the notification and announcement requirements under Chapter 14 of the Listing Rules.

DEFINITIONS

In this announcement, unless the context otherwise requires, the following expressions shall have the following respective meanings.

“Assets”	five floors of 水產大廈 (Shui Chan Building*), which is a building situated at Luohu district, Shenzhen city, Guangdong province in the PRC
“Board”	the board of Directors

“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
“connected person(s)”	has the meaning ascribed to it under the Listing Rules
“Consideration”	the consideration for the purchase of the Assets is RMB150 million (approximately equivalent to HK\$169.5 million)
“Director(s)”	the director(s) of the Company
“Finance Lease Agreements”	collectively, the Sale and Purchase Agreement and the Lease Agreement
“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 enquiries, independent of and not connected with the Company and the connected person(s) of the Company
“Lease Agreement”	the finance lease agreement dated 29 December 2017 entered into between Qianhai Guoxing and the Lessee in respect of the lease of the Assets for a term of three (3) years
“Lessee”	深圳市水產公司 (Shenzhen city Aquatic Company Limited*), a company established in the PRC with limited liability

“Lender”	深圳市東銀金融控股有限公司 (Shenzhen City Dongyin Financial Holdings Company Limited*), a company established in the PRC with limited liability
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“PRC”	the People’s Republic of China, for the purpose of this announcement only, excludes Hong Kong, Macau Special Administrative Region of the People’s Republic of China and Taiwan
“Qianhai Guoxing”	前海國興融資租賃(深圳)有限公司 (Qianhai Guoxing Finance Lease (Shenzhen) Company Limited*), a company established in the PRC with limited liability and an indirect wholly-owned subsidiary of the Company
“Sale and Purchase Agreement”	the sale and purchase agreement dated 29 December 2017 entered into between Qianhai Guoxing and the Lessee in respect of the sale and purchase of the Assets
“Shareholders”	the holders of Shares
“Share(s)”	ordinary share(s) of HK\$0.0025 each in the capital of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“subsidiaries”	has the meaning ascribed thereto under the Listing Rules
“%”	per cent
“HK\$”	Hong Kong Dollar, the lawful currency of Hong Kong

“RMB” Renminbi, the lawful currency of the PRC

“sq.m.” square meter

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

Hong Kong, 29 December 2017

** The English translation in this announcement is for reference only. The official names are in Chinese.*

As at the date of this announcement, the Board comprises four Executive Directors, namely Mr. Li Sen (Chairman), Mr. Zhang Yuanqing (Chief Executive Officer), Mr. Zhou Xuesheng and Mr. Wei Junqing and three Independent Non-executive Directors, namely Mr. Wen Guangwei, Mr. Chiang Bun and Ms. Leung Pik Har, Christine.

Unless otherwise stated, translation of RMB into HK\$ is based on the approximate exchange rate of RMB1.00 to HK\$1.13 for information purpose only. Such translation should not be construed as a representation that the relevant amounts have been, could have been, or could be converted at that or any other rate or at all.

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