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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)

ANNUAL RESULTS ANNOUNCEMENT FOR THE YEAR ENDED 31 DECEMBER 2025

The Board of Directors (the “**Board**”) of Enviro Energy International Holdings Limited (the “**Company**”) hereby announces the consolidated results of the Company and its subsidiaries (collectively referred to as the “**Group**”) for the year ended 31 December 2025 together with comparative figures in 2024 as follows:

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the year ended 31 December 2025

	Notes	2025 HK\$'000	2024 HK\$'000
<i>Continuing operations</i>			
Revenue	4	444,456	461,848
Cost of sales		<u>(420,472)</u>	<u>(427,497)</u>
Gross profit		23,984	34,351
Other income and loss, net	5	(901)	34
Administrative and operating expenses		(10,210)	(15,646)
Interest income	6	229	859
Impairment loss on trade and bills receivables	12	(524)	–
Profit from operation from continuing operations		12,578	19,598
Finance costs	7	(194)	(551)
Loss on deregistration of subsidiaries		–	(6)
Loss on debt capitalisation arrangement		–	<u>(80,631)</u>

	<i>Notes</i>	2025 HK\$'000	2024 HK\$'000
Profit/(loss) before income tax from continuing operations	8	12,384	(61,590)
Income tax expense	9	<u>(5,303)</u>	<u>(6,824)</u>
Profit/(loss) for the year from continuing operations		7,081	(68,414)
<i>Discontinued operations</i>			
Profit for the year from discontinued operations		<u>—</u>	<u>52,199</u>
Profit/(loss) for the year		<u>7,081</u>	<u>(16,215)</u>
Profit/(loss) for the year attributable to:			
— Owners of the Company		731	(24,403)
— Non-controlling interests		<u>6,350</u>	<u>8,188</u>
		<u>7,081</u>	<u>(16,215)</u>
Profit/(loss) for the year attributable to the owners of the Company arises from:			
— Continuing operations		731	(76,602)
— Discontinued operations		<u>—</u>	<u>52,199</u>
		<u>731</u>	<u>(24,403)</u>
Basic and diluted earning/(loss) per share <i>(in HK cent)</i>	<i>11</i>		
— Continuing operations		0.05	(7.21)
— Discontinued operations		<u>—</u>	<u>4.91</u>
		<u>0.05</u>	<u>(2.30)</u>

CONSOLIDATED STATEMENT OF OTHER COMPREHENSIVE INCOME

For the year ended 31 December 2025

	2025	2024
<i>Notes</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
Profit/(loss) for the year	7,081	(16,215)
Other comprehensive income/(loss), after tax:		
<i>Items that may be reclassified subsequently to profit or loss:</i>		
Exchange differences arising on translation of foreign operations	3,299	(672)
Exchange differences reclassified to profit or loss upon deregistration of subsidiaries	–	6
Exchange differences reclassified to profit or loss upon disposal of subsidiaries	–	(8,768)
Other comprehensive income/(loss) for the year, net of tax	3,299	(9,434)
Total comprehensive income/(loss) for the year	10,380	(25,649)
Total comprehensive income/(loss) for the year attributable to:		
— Owners of the Company	2,830	(33,157)
— Non-controlling interests	7,550	7,508
	10,380	(25,649)
Total comprehensive income/(loss) for the year attributable to the owners of the Company arises from:		
— Continuing operations	2,830	(77,857)
— Discontinued operations	–	44,700
	2,830	(33,157)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 31 December 2025

	<i>Notes</i>	2025 HK\$'000	2024 <i>HK\$'000</i>
Non-current assets			
Right-of-use assets		379	–
Rental deposits		120	–
Property, plant and equipment		–	–
		499	–
Current assets			
Inventories		9,278	9,818
Trade and bills receivables	<i>12</i>	67,663	53,447
Deposits, prepayments and other receivables		5,177	4,685
Bank and cash balances		52,147	37,702
		134,265	105,652
Current liabilities			
Trade and other payables	<i>13</i>	60,545	43,915
Contract liabilities		306	9,443
Amount due to a director		6,612	4,612
Shareholders' loans		18,000	–
Lease liabilities		264	–
Income tax payable		2,467	2,355
		88,194	60,325
Net current assets		46,071	45,327

	<i>Notes</i>	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Non-current liabilities			
Lease liabilities		144	–
Shareholders' loans		–	1,600
Loans from fellow subsidiaries		–	2,851
Loans from related parties		–	549
Other borrowings		–	4,281
		<u>144</u>	<u>9,281</u>
Net assets		<u>46,426</u>	<u>36,046</u>
Capital and reserves			
Equity attributable to the owners of the company			
Share capital	<i>14</i>	71,969	71,969
Reserves		(56,397)	(59,227)
		<u>15,572</u>	<u>12,742</u>
Non-controlling interests		30,854	23,304
		<u>15,572</u>	<u>12,742</u>
Total equity		<u>46,426</u>	<u>36,046</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

1. GENERAL INFORMATION

Enviro Energy International Holdings Limited (the “**Company**”) was incorporated as an exempted company in the Cayman Islands with limited liability under the Companies Law (Revised) of the Cayman Islands on 3 July 2002. The address of its registered office is Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman KY1-1111, Cayman Islands. The address of its principal place of business is Room 2201B, 22/F, Harbour Centre, 25 Harbour Road, Wanchai, Hong Kong. The Company’s shares are listed on the Main Board of The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”).

The principal activities of the Company and its subsidiaries (collectively referred to as the “**Group**”) engaged in sales of materials business in the People’s Republic of China (the “**PRC**”).

In the opinion of the directors of the Company (the “**Directors**”), as at 31 December 2025, Amethyst Asia Limited (the “**Controlling Shareholder**”), a company incorporated in the British Virgin Islands, is the immediate and ultimate holding company of the Company, and Mr. Wu Jianrong (“**Mr. Wu**”), is the ultimate controlling party of the Company.

These consolidated financial statements are presented in thousand of Hong Kong dollars (**HK\$’000**), which is the Company’s functional and the Group’s presentation currency, unless otherwise stated.

On 26 September 2024, the Group completed the disposal of the entire equity interests in Enviro Energy Capital Investment (Hong Kong) Limited (“**EECIHK**”) (together with its subsidiaries, the “**EECIHK Group**”) and Enviro Energy Minerals Limited (“**EEML**”) (together with its subsidiaries, the “**EEML Group**”). EECIHK Group and EEML Group are collectively referred to as the “**Disposal Group**”. For the presentation of the consolidated financial statements for the year ended 31 December 2024, the Disposal Group was regarded as discontinued operations.

Basis of preparation

The consolidated financial statements have been prepared in accordance with the HKFRS Accounting Standards, which collective term includes all applicable individual HKFRS, Hong Kong Accounting Standards (“**HKAS**”) and Interpretations issued by the Hong Kong Institute of Certified Public Accountants (“**HKICPA**”), accounting principles generally accepted in Hong Kong and the requirements of the Hong Kong Companies Ordinance Cap.622. The consolidated financial statements have been prepared under the historical cost convention.

The preparation of consolidated financial statements in conformity with HKFRS Accounting Standards requires the use of certain key assumptions and estimates. It also requires the Directors to exercise their judgements in the process of applying the accounting policies.

The consolidated financial statements are prepared on a going concern basis.

2. ADOPTION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS

(a) Amended standards adopted by the Group

The Group has applied the following amended standards for the first time for their annual reporting period commencing 1 January 2025:

Amendments to HKAS 21 and HKFRS 1 Lack of Exchangeability

The amendments listed above did not have any impact on the amounts recognised in prior periods and are not expected to significantly affect the current or future periods.

(b) New and amended standards and interpretations not yet adopted

The following new and amended standards, improvements and interpretations have been published that are not mandatory for the current reporting period and have not been early adopted by the Group:

		Effective for annual periods beginning on or after
Amendments to HKFRS 9 and HKFRS 7	Classification and Measurement of Financial Instruments	1 January 2026
Amendments to HKFRS 9 and HKFRS 7	Contracts Referencing Nature-dependent Electricity	1 January 2026
HKFRS 1, HKFRS 7, HKFRS 9, HKFRS 10 and HKAS 7	Annual Improvements to HKFRS Accounting Standards — Volume 11	1 January 2026
HKFRS 18	Presentation and Disclosure in Financial Statements (new standard)	1 January 2027
HKFRS 19	Subsidiaries without Public Accountability: Disclosures (new standard and amendments)	1 January 2027
Amendments to HK Int 5	Hong Kong Interpretation 5 Presentation of Financial Statements — Classification by the Borrower of a Term Loan that Contains a Repayment on Demand Clause	1 January 2027
Amendments to HKAS 21	Translation to Hyperinflationary Presentation	1 January 2027
Amendments to HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	To be determined

HKFRS 18, Presentation and disclosure in financial statements

HKFRS 18 will replace HKAS 1 Presentation of financial statements, introducing new requirements that will help to achieve comparability of the financial performance of similar entities and provide more relevant information and transparency to users. Even though HKFRS 18 will not impact the recognition or measurement of items in the financial statements, its impacts on presentation and disclosure are expected to be pervasive, in particular those related to the statement of financial performance and providing management-defined performance measures within the financial statements.

Management is currently assessing the detailed implications of applying the new standard on the Group's consolidated financial statements. From the high-level preliminary assessment performed, the following potential impacts have been identified:

- Although the adoption of HKFRS 18 will have no impact on the Group's net profit, the Group expects that grouping items of income and expenses in the consolidated statement of profit or loss into the new categories will impact how operating profit is calculated and reported.
- The line items presented on the primary financial statements might change as a result of the application of the concept of "useful structured summary" and the enhanced principles on aggregation and disaggregation.
- The Group does not expect there to be a significant change in the information that is currently disclosed in the notes because the requirement to disclose material information remains unchanged; however, the way in which the information is grouped might change as a result of the aggregation/disaggregation principles. In addition, there will be significant new disclosures required for:
 - management-defined performance measures;
 - a break-down of the nature of expenses for line items presented by function in the operating category of the statement of profit or loss — this break-down is only required for certain nature expenses; and
 - for the first annual period of application of HKFRS 18, a reconciliation for each line item in the statement of profit or loss between the restated amounts presented by applying HKFRS 18 and the amounts previously presented applying HKAS 1.

The Group will apply HKFRS 18 from its mandatory effective date of 1 January 2027. Retrospective application is required, and so the comparative information for the financial year ending 31 December 2026 will be restated in accordance with HKFRS 18.

The Group will apply the above new standard, revised framework and amendments to standards when they become effective. Except for the HKFRS 18 mentioned above, no new standard, revised framework and amendments to standards is expected to have a material effect on the entity in the current or future reporting periods and on foreseeable future transactions.

3. SEGMENT INFORMATION

The executive Directors, who are chief operating decision-maker (the “CODM”) of the Group, review the Group’s internal reporting in order to assess performance and allocate resources. Management has determined the operating segments based on reports reviewed by the executive Directors that are used to make strategic decisions.

The CODM regard the sale of materials business as a single operating segment and review consolidated financial statements accordingly. As the Group has only one operating segment qualified as reporting segment under HKFRS 8 “Operating Segments”, no separate segmental analysis is presented in the consolidated financial statements.

Geographical information

(a) Revenue from external customers

For the years ended 31 December 2025 and 2024, the Group’s revenue from external customers by location of the delivery destination of the goods solely from the operation in the PRC.

(b) Non-current assets

As at 31 December 2025, all non-current assets of the Group were located in Hong Kong (2024: nil).

Key customers

Revenue individually generated from the following customers contributed more than 10% of the total revenue from continuing operations of the Group:

	2025 <i>HK\$’000</i>	2024 <i>HK\$’000</i>
Sale of materials business segment		
Customer A	280,130	125,796
Customer B	–	49,269
Customer C	55,014	–*
Customer D	47,604	–*

* The corresponding revenue did not contribute over 10% of the total revenue of the Group.

4. REVENUE

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Continuing operations		
Revenue from contracts with customers		
— Sale of materials	<u>444,456</u>	<u>461,848</u>

All revenue from contracts with customers are recognised at a point in time.

Sales of materials

The Group sells building materials to its customers. Sales are recognised when control of the products has transferred, being when the products are delivered to a customer, there is no unfulfilled obligation that could affect the customer's acceptance of the products and the customer has obtained legal titles to the products.

Sales to customers are normally made with credit terms of 30 to 90 days (2024: 30 to 90 days). For new customers, deposits or cash on delivery may be required.

A receivable is recognised when the products are delivered to the customers as this is the point in time that the consideration is unconditional because only the passage of time is required before the payment is due.

5. OTHER INCOME AND LOSS, NET

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Continuing operations		
Loss on early repayment on other borrowings	(905)	—
Sundry income	<u>4</u>	<u>34</u>
	<u>(901)</u>	<u>34</u>

6. INTEREST INCOME

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Continuing operations		
Bank interest income	229	331
Loan interest income (<i>note</i>)	—	528
	<u>229</u>	<u>859</u>

Note: During the year ended 31 December 2024, the Group provided loans to third parties with an aggregate principal amount of RMB8,000,000, bearing an annual interest rate of 8%. These loans principal has been fully repaid during the year ended 31 December 2024.

7. FINANCE COSTS

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Continuing operations		
Interest expenses on		
— Lease liabilities	27	—
— Shareholders' loans	—	17
— Loans from fellow subsidiaries	—	17
— Loans from related parties	—	47
Unwinding interest of discount on other borrowings	167	470
	<u>194</u>	<u>551</u>

8. PROFIT/(LOSS) BEFORE INCOME TAX

The Group's profit/(loss) before tax is arrived at after charging the following:

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Continuing operations		
Auditor's remuneration		
— Audit services	1,050	1,080
— Non-audit services	950	112
Cost of inventories sold	420,472	427,497
Depreciation of right-of-use assets	126	—
Exchange loss, net	423	1,679
Rental expenses related to short-term leases	204	590
Staff costs (including directors' emoluments)		
— Salaries, allowances and other benefits	3,541	5,438
— Retirement benefit scheme contributions	35	59
— Social insurance	223	240
	<u>3,799</u>	<u>5,737</u>

9. INCOME TAX EXPENSE

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Continuing operations		
Current income tax		
— The PRC Enterprise Income Tax	5,295	6,824
Under-provision of prior years		
— The PRC Enterprise Income Tax	<u>8</u>	<u>—</u>
	<u>5,303</u>	<u>6,824</u>

Hong Kong Profits Tax has been provided at the rate of 16.5% (2024: 16.5%) on the estimated assessable profits arising in Hong Kong for the year, except for one group entity operating in Hong Kong which is a qualifying corporate under the two-tiered Profits Tax rate regime. For the qualifying group entity, the first HK\$2 million of assessable profits are taxed at the rate of 8.25% (2024: 8.25%) and the remaining assessable profits are taxed at the rate of 16.5% (2024: 16.5%). No provision for Hong Kong Profits Tax has been made as the Group did not derive any assessable profit for the year ended 31 December 2025 (2024: nil).

The PRC Enterprise Income Tax has been provided at a rate of 25% for a subsidiary in the PRC on its assessable profits during the years ended 31 December 2025 and 2024.

10. DIVIDENDS

No dividend was paid or declared for the year ended 31 December 2025 (2024: nil).

11. EARNING/(LOSS) PER SHARE

(a) Basic

Basic earning/(loss) per share is calculated by dividing the profit/(loss) attributable to the owners of the Company by the weighted average number of ordinary shares in issue during the years ended 31 December 2025 and 2024.

The calculation of the basic earning/(loss) per share attributable to the owners of the Company is based on the following data:

	2025	2024
Profit/(loss) for the year attributable to the owners of the Company (<i>HK\$'000</i>)		
— Continuing operations	731	(76,602)
— Discontinued operations	—	52,199
	<u>731</u>	<u>(24,403)</u>
Weighted average number of ordinary shares in issue (<i>thousand shares</i>)	<u>1,439,386</u>	<u>1,061,962</u>

(b) Diluted

For the years ended 31 December 2025 and 2024, diluted earning/(loss) per share is the same as basic earning/(loss) per share as there was no potential dilutive ordinary shares in existence.

12. TRADE AND BILLS RECEIVABLES

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Trade receivables	68,199	45,257
Bills receivables	–	8,190
	<u>68,199</u>	<u>53,447</u>
Less: Provision for loss allowance	(536)	–
	<u><u>67,663</u></u>	<u><u>53,447</u></u>

The Group's credit terms to trade debtors range generally from 30 to 90 days (2024: 30 to 90 days).

The ageing analysis of trade and bills receivables as at the end of reporting period, based on invoice date, is as follows:

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Within 30 days	52,478	37,306
31–60 days	11,299	1,942
61–90 days	1,367	–
91–120 days	575	14,199
Over 365 days	1,944	–
	<u>67,663</u>	<u>53,447</u>

Movements of loss allowance for trade and bills receivables are as follows:

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
At 1 January	–	6,058
Provision for impairment	524	–
Disposal of subsidiaries	–	(4,791)
Written-off	–	(1,102)
Exchange differences	12	(165)
	<u>536</u>	<u>–</u>
At 31 December	<u><u>536</u></u>	<u><u>–</u></u>

13. TRADE AND OTHER PAYABLES

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Trade payables (<i>note (i)</i>)	52,642	35,277
Accrued liabilities	5,579	8,270
Other payables	1,608	368
Other tax payables	716	–
	<u>60,545</u>	<u>43,915</u>

Note:

- (i) The amounts are repayable according to normal credit terms of 30 to 60 days (2024: 30 to 60 days).

The ageing analysis of the trade payables as at the end of reporting period, based on invoice date, is as follows:

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Within 30 days	50,844	28,004
30–60 days	525	6,174
61–90 days	–	137
91–120 days	–	841
121–365 days	1,124	43
Over 365 days	149	78
	<u>52,642</u>	<u>35,277</u>

14. SHARE CAPITAL

	Number of shares '000	Ordinary shares per value of HK\$0.05 each HK\$'000
Authorised:		
At 1 January 2024	1,000,000	50,000
Increase in authorised share capital (<i>note (a)</i>)	9,000,000	450,000
	<u>10,000,000</u>	<u>500,000</u>
Issued and fully paid:		
At 1 January 2024	542,392	27,120
Issuance of shares for debt capitalisation arrangement (<i>note (b)</i>)	896,994	44,849
	<u>1,439,386</u>	<u>71,969</u>

All the shares issued by the Company rank pari passu and do not carry pre-emptive rights.

Notes:

- (a) On 2 May 2024, the Company passed a resolution at the extraordinary general meeting to approve the authorised share capital of the Company be increased from HK\$50,000,000 divided into 1,000,000,000 shares of HK\$0.05 each to HK\$500,000,000 divided into 10,000,000,000 shares by the creation of additional 9,000,000,000 shares.
- (b) On 25 January 2024, the Group entered into a settlement agreement with the Mr. Pan Lihui (“**Mr. Pan**”), Mr. Zhou Lixin (“**Mr. Zhou**”), Wonderland International Financial Holdings Limited (“**WIFHL**”), Longma International Family Services Group Limited (“**Longma**”), Wonderland International Finance Limited (“**WIFL**”), Able Plus International Limited (“**Able Plus**”) and Mr. Tang Zhengbang (“**Mr. Tang**”) (together as the “**Creditors**”), pursuant to which the Company has conditionally agreed to allot and issue a total of 896,993,536 shares of the Company (the “**New Shares**”) at the price of HK\$0.05 per share to extinguish the indebted amount with the Creditors of approximately HK\$44,948,000 (the “**Indebted Amount**”). The issuance of the New Shares for the capitalisation of the Indebted Amount took place on 3 June 2024 (the “**Completion Date**”) and the aggregate outstanding principal and the interests were fully settled accordingly.

Based on the closing price of the share of the Company on the Completion Date, the fair value of the New Shares issued by the Company was approximately HK\$125,579,000. The difference between the fair value of the New Shares issued by the Company and the Indebted Amount was recognised as a loss on debt capitalisation arrangement of approximately HK\$80,631,000 in the profit or loss for the year ended 31 December 2024.

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

Enviro Energy International Holdings Limited (the “**Company**”) and its subsidiaries (collectively referred to as the “**Group**”) principally engaged in sales of materials businesses and properties investment in the People’s of Republic of China (the “**PRC**”).

Sales of materials business

The Group’s revenue mainly represented sales of building materials to construction and renovation projects in the PRC. In October 2022, the Group jointly established Hangzhou Junheng Building Materials Company Limited* (杭州峻衡建材有限公司) (“**Hangzhou Junheng**”) with Hangzhou Zhongji Architectural Decoration Engineering Co., Ltd.* (杭州中機建築裝飾工程有限公司) (“**Hangzhou Zhongji**”). The Group has the advantage of sourcing building materials at a competitive price and favourable credit terms. Leveraging on the construction and renovation services provided by Hangzhou Zhongji, the Group benefited for the introduction of customers for downstream expansion, the financial result of the Group was substantially improved since then.

During the year ended 31 December 2025 (the “**Year**”), the sales of materials contributed a revenue of approximately HK\$444.5 million (year ended 31 December 2024 (the “**Previous Year**”): HK\$461.8 million).

Properties investment

The Group’s investment properties comprise certain commercial units and lands situated in Yingkou city, Liaoning province, the PRC.

In September 2024, the Group completed the disposal of the entire equity interests of two wholly-owned subsidiaries of the Company, namely Enviro Energy Capital Investment (Hong Kong) Limited and Enviro Energy Minerals Limited, which represented the whole properties investment business of the Group (the “**Disposal**”). The results of the properties investment segment are therefore presented as discontinued operations during the Previous Year.

BUSINESS PROSPECTS AND FUTURE PLANS

Notwithstanding the challenge of the inflation and price instability in building materials, the management explored business opportunities based on its existing supply of building material business network in the PRC and identified the significant demand of building materials in the Hangzhou.

In October 2022, the Group and Hangzhou Zhongji jointly established Hangzhou Junheng. The Group responsible for sourcing, procurement, quality control and selection of suppliers for building materials, while Hangzhou Zhongji introduces customers and new projects for construction and renovation services to Hangzhou Junheng by its extensive business network includes property developers in the PRC. The establishment of Hangzhou Junheng allow the Group to expand its sales channel, which will provide more business opportunities to the supply of materials business of the Group by enhancing its sales network and customer base in the construction industry in the PRC, the prospect look promising.

2025 was another strong period for the Group as we maintain our focus on growing our business in a consistent and sustainable way since the establishment of Hangzhou Junheng. Our confidence in the long-term future of our sales of materials business remains resolute.

On 28 July 2025, the Company entered into a conditional sale and purchase agreement with Amethyst Asia Limited and Ruby Asia Limited (the “**Vendors**”) to acquire 60% equity interest in Sapphire Asia Limited, which principally engaged in the provision of renovation services in the PRC, at the consideration of HK\$68 million (the “**Acquisition**”). The consideration will be satisfied by way of issue and allotment of 1,360,000,000 consideration shares by the Company at the issue price of HK\$0.05 per consideration share to the Vendors.

Up to the date of this announcement, the completion of the Acquisition is subject to the fulfillment of certain conditions as set out in the conditional sale and purchase agreement.

The Board will continue to look out for opportunities to make investments in any business when suitable opportunities arise to diversify revenue streams of the Group and strengthen the Group’s financial position, and thereby maximising the benefits of the shareholders of the Company (the “**Shareholders**”) as a whole. The Board is fully confident in the future business development of the Group.

FINANCIAL REVIEW

Revenue

During the Year, the Group recorded a revenue from continuing operations of approximately HK\$444.5 million (Previous Year: HK\$461.8 million), representing a decrease by 3.8% when compared with the Previous Year which was mainly attributed to intense competition.

Gross profit

The Group's gross profit from continuing operations for the Year decreased by HK\$10.4 million to approximately HK\$24.0 million (Previous Year: HK\$34.4 million). The overall gross profit margin decreased from 7.4% for the Previous Year to 5.4% for the Year due to the lower gross profit margin as a result of intensified market competition during the Year.

Administrative and operating expenses

The Group's administrative and operating expenses from continuing operations mainly consisted of (i) staff costs; (ii) depreciation; (iii) legal and professional fee; (iv) office and utility expenses; and (v) other administrative expenses.

Administrative and operating expenses decreased by HK\$5.4 million from HK\$15.6 million for the Previous Year to HK\$10.2 million for the Year which mainly due to decrease in (i) staff and directors' remuneration by HK\$1.9 million as a result of optimisation of business segment; (ii) exchange loss by HK\$1.3 million; and (iii) legal and professional fee by HK\$0.6 million.

Loss on debt capitalisation

As at 31 December 2023, the Group has a net current liabilities and net liabilities of approximately HK\$154.1 million and HK\$63.9 million respectively and coupled with the recent cautious investment sentiment and the prevailing high interest rate in the debt market, the Group had difficulties in seeking debt or equity financing to finance its business development.

On 25 January 2024, the Company entered into the settlement agreement with certain creditors (the "**Creditors**"), pursuant to which the Company has conditionally agreed to capitalise the aggregate indebted amount of approximately HK\$44.9 million owed to the Creditors by the Company, the Creditors has conditionally agreed to subscribe for and the Company has conditionally agreed to allot and issue 896,993,536 capitalisation shares at the issue price of HK\$0.05 per capitalisation share (the "**Debt Capitalisation**").

The Debt Capitalisation offers the Group with a valuable chance of reaching a full settlement of its outstanding debt without utilising existing financial resources of the Company and exerting pressure on the cashflow position of the Group.

On 2 May 2024, the resolution in relation to grant a specific mandate to the directors to allot and issue the capitalisation shares in the extraordinary general meeting was duly passed. Accordingly, the Company allotted and issued the capitalisation shares on 3 June 2024 and resulted in an one-off loss on debt capitalisation of approximately HK\$80.6 million during the Previous Year.

Finance costs

The Group's finance costs from continuing operations mainly represented interest expenses on lease liabilities, other borrowings, shareholders' loans, loans from fellow subsidiaries and loans from related parties. Finance cost decreased from HK\$0.6 million for the Previous Year to HK\$0.2 million for the Year mainly due to early repayment of other borrowings during the Year.

Gain on disposal of subsidiaries

In September 2024, the Group completed the Disposal at a cash consideration of HK\$2 and resulted in an one-off gain on disposal of subsidiaries of HK\$78.5 million during the Previous Year. The consideration was determined after arm's length negotiations between the Company and the purchaser. Upon the Disposal, the cumulative exchange reserve of approximately HK\$8.8 million was released to the consolidated statement of profit or loss during the Previous Year.

Profit/(loss) for the year

As a result of the foregoing, profit for the Year from continuing operations was approximately HK\$7.1 million (Previous Year: loss of HK\$68.4 million).

Liquidity, Financial Resources and Capital Structure

The primary objective of the Group's capital management is to safeguard the Group's ability to continue as a going concern and to maintain healthy capital ratios in order to support its business and maximize the value of the Shareholders.

The Group manages its capital structure and makes adjustments to it, in light of changes in economic conditions. To maintain or adjust the capital structure, the Group may adjust the amount of dividend payment to the Shareholders, issue new shares, obtain bank and other borrowings, or sell assets to reduce debt.

There is no material change in the capital structure of the Company during the Year. The capital of the Company comprises only ordinary shares.

As at 31 December 2025, all shareholders' loans of the Group bore fixed interest rate, the maturity and currency profile are set out as follows:

	Within 1 year HK\$'000
Hong Kong Dollar	<u>18,000</u>

The Group monitors capital on the basis of the gearing ratio. This ratio is calculated as net debt divided by total capital. Net debts is calculated as the sum of other borrowings, shareholders' loans, loans from fellow subsidiaries and loans from related parties, less bank and cash balances. Total capital represents total equity as shown on the consolidated statement of financial position of the Group plus net debts. The gearing ratios as at 31 December 2025 and 2024 were as follows:

	2025 HK\$'000	2024 HK\$'000
Shareholders' loans	18,000	1,600
Loans from related parties	–	549
Other borrowings	–	4,281
Loans from fellow subsidiaries	–	2,851
Less: Bank and cash balances	<u>(52,147)</u>	<u>(37,702)</u>
Net cash	<u>(34,147)</u>	<u>(28,421)</u>
Total equity	46,426	36,046
Total capital	<u>12,279</u>	<u>7,625</u>
Gearing ratio	<u>Net cash</u>	<u>Net cash</u>

Since the amount of bank and cash balances exceeded the sum of other borrowings, shareholders' loans, loans from fellow subsidiaries and loans from related companies, the Group is at net cash position as at 31 December 2025 and 2024. Thus, the gearing ratio was not applicable as at 31 December 2025 and 2024.

As at 31 December 2025, the total equity attributable to the owners of the Company was approximately HK\$15.6 million (31 December 2024: HK\$12.7 million), the change was mainly contributed by the net profits during the Year. As at 31 December 2025, the Group's current assets and current liabilities amounted to approximately HK\$134.3 million and HK\$88.2 million respectively (31 December 2024: HK\$105.7 million and HK\$60.3 million), of which approximately HK\$52.1 million (31 December 2024: HK\$37.7 million) was bank and cash balances.

As at 31 December 2025, the Group had bank and cash balances of approximately HK\$52.1 million (31 December 2024: HK\$37.7 million), of which approximately 95.5% and 4.5% (31 December 2024: 98.0% and 2.0%) were denominated in Renminbi (“RMB”) and Hong Kong Dollar (“HK\$”) respectively.

The Group's current ratio, calculated based on current assets over current liabilities, was 1.5 at 31 December 2025 (31 December 2024: 1.8).

In managing the liquidity risk, the Group monitors and maintains a level of bank and cash balances deemed adequate by the management to finance the Group's operations and mitigate the effects of fluctuations in cash flows. The Group relies on funds generated from operations and fund raising activities.

With the amount of liquid assets on hand and unutilised loan facility, the management is of the view that the Group has sufficient financial resources to meet its ongoing operational needs.

Charge on Group Assets

The Group did not have any charges on its assets as at 31 December 2025 and 2024.

Foreign Exchange Exposure

The Group operates mainly in Mainland China and Hong Kong. For the operations in Mainland China, the transactions are mostly denominated in RMB. Minimal exposure to fluctuation in exchange rates is expected. For the operations in Hong Kong, most of the transactions are denominated in HK\$ and US\$. Since the exchange rate of US\$ against HK\$ is pegged to each other under the Linked Exchange Rate System, the exposure to fluctuation in exchange rates will only arise from the translation to the presentation currency of the Group. The Group did not resort to any currency hedging facility for the Year. However, the management will monitor the Group's foreign currency exposure should the need arise.

Capital Commitments

As at 31 December 2025 and 2024, the Group did not have significant capital commitments.

Contingent Liabilities

Save for the above, the Group did not have significant contingent liabilities as at 31 December 2025 and 2024.

Employees and Remuneration Policies

As at 31 December 2025, the Group had a total of 21 employees in Hong Kong and the PRC (31 December 2024: 23 employees). Staff costs (including directors' emoluments) from continuing operations amounted to approximately HK\$3.8 million for the Year (Previous Year: HK\$5.7 million). The Group implements remuneration policy and bonus to ensure that pay scales of its employees are rewarded on performance-related basis within the general framework of the Group's remuneration strategy.

FINAL DIVIDEND

The Board has resolved not to declare a final dividend for the Year (Previous Year: nil).

SIGNIFICANT INVESTMENT HELD, MATERIAL ACQUISITIONS AND DISPOSALS OF SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES

As at 31 December 2025, the Group did not have any significant investments with a value of over 5% of the total assets of the Group.

Saved as disclosed in this announcement, the Group did not have any material acquisitions, and disposals of subsidiaries, associates and joint ventures during the Year, nor there were any future plans for material investments or additions of capital assets as at 31 December 2025.

MATERIAL EVENTS

Proposed Acquisition

On 28 July 2025, the Company entered into a conditional sale and purchase agreement to acquire 60% equity interest in Sapphire Asia Limited (the "**Target Company**", together with its subsidiaries the "**Target Group**") at the consideration of HK\$68 million.

The consideration will be satisfied by way of issue and allotment of 1,360,000,000 consideration shares by the Company at the issue price of HK\$0.05 per consideration share (the “**Consideration Shares**”). The Consideration Shares will be allotted and issued under the specific mandate to be approved by the independent Shareholders at the extraordinary general meeting of the Company to be held on 26 March 2026. The Consideration Shares, when allotted and issued, will rank pari passu in all respects among themselves and with the Shares in issue.

Upon completion, the Target Company will become a subsidiary of the Company and financial results of the Target Group will be consolidated into the financial statements of the Company.

The Company considers that the Acquisition strategically aligns with the Group’s business plan to expand its business in the building and renovation industry to broaden its revenue stream, which may represent a further enhancement for its turnover and profitability. Furthermore, settlement of the consideration by way of issuing the Consideration Shares may allow the Group to maintain a healthy cash flow balance for working capital and business development.

Up to the date of this announcement, the completion of the Acquisition is subject to the fulfillment of certain conditions as set out in the conditional sale and purchase agreement.

For further details, please refer to the announcements of the Company dated 28 July 2025 and 30 December 2025 and circular of the Company dated 10 March 2026.

EVENT AFTER THE END OF REPORTING PERIOD

Saved as disclosed in this announcement, there is no significant event requiring disclosure that has taken place subsequent to 31 December 2025 and up to the date of this announcement.

PURCHASE, REDEMPTION OR SALE OF LISTED SECURITIES OF THE COMPANY

Neither the Company nor any of its subsidiaries purchased, redeemed or sold any of the listed securities of the Company (including sale of treasury shares) during the Year. As at 31 December 2025, no treasury shares were held by the Company.

CORPORATE GOVERNANCE

The Company complied with all the applicable code provisions of the Corporate Governance Code (the “**CG Code**”) set out in Part 2 of Appendix C1 to the Listing Rules for the Year, save for the code provisions C.2.1 of the CG Code.

Code Provision C.2.1 of the CG Code

Under the code provision C.2.1 of the CG Code, the roles of chairman and chief executive officer should be separated and should not be performed by the same individual. During the Year, Mr. Wu Wei (appointed on 22 April 2025) and Mr. Li Gang (resigned on 22 April 2025) served as the chairman of the Board and the Company has not appointed a chief executive officer. Accordingly, the duties of the chief executive officer have been undertaken by the executive Directors. The Board will keep reviewing the current structure of the Board and the need of appointment of a suitable candidate to perform the role of the chief executive officer. Appointment will be made to fill the post to comply with the code provision C.2.1 of the CG Code, if necessary.

MODEL CODE FOR SECURITIES TRANSACTIONS OF DIRECTORS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (“**Model Code**”) as set out in Appendix C3 to the Listing Rules as the Group’s code of conduct regarding Directors’ Securities Transaction. Specific enquiries have been made with all Directors and they have confirmed their compliance with the Model Code during the Year.

AUDIT COMMITTEE

The Company has established an audit committee of the Company (the “**Audit Committee**”) with written terms of reference in compliance with Rule 3.21 of the Listing Rules and paragraph D.3 of the CG Code. As at the date of this announcement, the Audit Committee consists of three independent non-executive Directors, namely Ms. Xie Jiayang (Chairlady), Mr. Zhang Xiaoqiang and Mr. Pan Yongye (with Ms. Xie Jiayang possessing the appropriate professional qualifications or accounting or related financial management expertise as required under Rule 3.10(2) of the Listing Rules).

The consolidated financial statements of the Company for the Year have been reviewed by the Audit Committee and have been duly approved by the Board under the recommendation of the Audit Committee.

SCOPE OF WORK OF INDEPENDENT AUDITOR

The figures in respect of the preliminary announcement of the Group's consolidated statement of profit or loss, consolidated statement of other comprehensive income, consolidated statement of financial position and the related notes thereto for the year ended 31 December 2025 as set out in the preliminary announcement of the Group's results for the year ended 31 December 2025 have been agreed by the Group's independent auditor, ZHONGHUI ANDA CPA Limited (“ZHONGHUI ANDA”), to the amounts set out in the Group's draft consolidated financial statements for the year ended 31 December 2025. The work performed by ZHONGHUI ANDA in this respect did not constitute an assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the Hong Kong Institute of Certified Public Accountants and consequently no assurance has been expressed by ZHONGHUI ANDA on the preliminary announcement.

EXTRACT OF INDEPENDENT AUDITOR'S REPORT

The section below is an extract of the independent auditor's report by ZHONGHUI ANDA regarding the consolidated financial statements of the Group for the Year:

QUALIFIED OPINION

In our opinion, except for the possible effects of the matters described in the Basis for Qualified Opinion section of our report, the consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 31 December 2025, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with HKFRS Accounting Standards issued by the Hong Kong Institute of Certified Public Accountants (the “HKICPA”) and have been properly prepared in compliance with the disclosure requirements of the Hong Kong Companies Ordinance.

BASIS FOR QUALIFIED OPINION

Gain on disposal of subsidiaries under discontinued operations

As disclosed in note 14 to the consolidated financial statements, the Group disposed of a group of subsidiaries (the “**Disposed Subsidiaries**”) to an independent third party during the year ended 31 December 2024.

Under the civil judgment therein, the Group had certain repayment obligations arising from the other borrowings indebted by the Disposed Subsidiaries. Due to the uncertainties in relation to the civil judgement, we have been unable to obtain sufficient appropriate audit evidence for us to assess whether the profit or loss effect on the additional provision of repayment obligations for the period from 1 January 2024 up to the date of the disposal of the Disposed Subsidiaries (the “**Disposal Date**”) are properly reflected.

In addition, included in deposits and other receivables as disclosed in note 14(b) to the consolidated financial statements, the Group had consideration receivables attributable to the Disposed Subsidiaries as at the Disposal Date. The management was in the process of taking various actions, including but not limited to legal actions, against the respective debtors. No result from actions was available up to the Disposal Date to justify the extent of the recoverability of consideration receivables. In the absence of information in relation to the financial status of the debtors when assessing their respective abilities for settlement, the management considered that there was uncertainty on recovering the consideration receivables. There were no other satisfactory audit procedures that we could adopt to determine whether the above amounts are fairly stated in the consolidated financial statements. As a result of the above, we have been unable to obtain sufficient appropriate audit evidence to satisfy ourselves as to the recoverability of consideration receivables as at the Disposal Date.

Given the effects of the limitation of scope in relation to the provision of repayment obligations and the recoverability of consideration receivables attributable to the Disposed Subsidiaries as at the Disposal Date formed part of the gain on disposal of subsidiaries recorded by the Group, we have been unable to obtain sufficient appropriate audit evidence to satisfy ourselves as to the accuracy of the gain on disposal of subsidiaries of approximately HK\$78,477,000 under discontinued operations for the year ended 31 December 2024.

Any adjustments to the figures as described above might have a consequential effect on the Group’s financial performance and cash flows for the years ended 31 December 2024, and the related disclosures thereof in the consolidated financial statements.

We conducted our audit in accordance with Hong Kong Standards on Auditing (“**HKSAs**”) issued by the HKICPA. Our responsibilities under those standards are further described in the Auditor’s Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the HKICPA’s Code of Ethics for Professional Accountants (the “**Code**”), as applicable to audits of financial statements of public interest entities. We have also fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified opinion.

PUBLICATION OF INFORMATION ON THE WEBSITES OF THE COMPANY AND THE STOCK EXCHANGE

This announcement is published on the website of the Company (www.enviro-energy.com.hk) and the website of the Stock Exchange (www.hkexnews.hk). The annual report of the Company for the Year will be despatched to the Shareholders (if required) and available on the above websites in due course.

By Order of the Board
Enviro Energy International Holdings Limited
Wu Wei
Chairman and Executive Director

Hong Kong, 26 March 2026

As at the date of this announcement, the Board comprises three executive Directors, namely Mr. Wu Wei (Chairman), Mr. Lai Dexing and Mr. Cao Zhongshu; one non-executive Director, namely Mr. Jiang Senlin; and three independent non-executive Directors, namely Mr. Zhang Xiaoqiang, Mr. Pan Yongye and Ms. Xie Jiayang.

* The official name of the entities are in Chinese. The English name is for identification purpose only.