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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)**

### **SUPPLEMENTAL ANNOUNCEMENT ON THE ANNUAL RESULTS FOR THE YEAR ENDED 31 DECEMBER 2019**

Reference is made to the announcement (the “**2019 Results Announcement**”) of Enviro Energy International Holdings Limited (the “**Company**”) dated 31 March 2020 in relation to its annual results for the year ended 31 December 2019 (the “**Annual Results**”).

Unless otherwise defined, capitalized terms used herein shall have the same meanings as those defined in the 2019 Results Announcement.

As disclosed in the 2019 Results Announcement, the Company’s auditors issued a qualified opinion for the Company’s Annual Results in relation to: (i) recoverability of trade receivables of approximately HK\$18 million, loan receivable of approximately HK\$167 million, interest receivable of approximately HK\$22 million, prepayments for purchase of trading materials of approximately HK\$292 million and consideration receivables of approximately HK\$131 million as at 31 December 2019; and (ii) loan receivable of approximately HK\$171 million, interest receivable of approximately HK\$9 million, prepayments for purchase of trading materials of approximately HK\$294 million and consideration receivables of approximately HK\$135 million as at 31 December 2018 (collectively, the “**Audit Qualifications**”).

This supplemental announcement is intended to provide further information to the Shareholders and potential investors on the details of such Audit Qualifications.

In addressing the Audit Qualifications, the board of directors of the Company (the “**Board**”) had made its best efforts in addressing the requests made by the auditors. The Company had actively chased for repayment from the relevant debtors/suppliers, and requested for them to provide repayment undertakings and schedules. The Company had also duly communicated the auditor’s requests to the relevant debtors/suppliers in relation to

conducting site visit and providing supporting documents for recoverability of the receivables relating to the Audit Qualifications (the “**Receivables**”), however these requests were declined.

In light of the above, the Company is currently considering and/or has taken the following measures to resolve the Audit Qualifications:

1. the Company has engaged a legal adviser in the PRC for the purpose of commencing legal proceedings against the relevant debtors/suppliers in the PRC to recover the Receivables;
2. the Company is actively negotiating with various independent third parties about the possibility of selling the Receivables to them; and
3. subject to the view of the Company’s auditor, the Company may consider to write off the Receivables in the approximate sum of RMB555 million.

The Company’s audit committee has reviewed the management’s position and is satisfied with the abovementioned measures in addressing the Audit Qualifications.

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

Hong Kong, 12 August 2020

*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 four Independent Non-executive Directors, namely Mr. See Tak Wah, Mr. Li Jinyuan, Mr. Du Hongwei and Mr. Zhong Jian.*

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

\* *For identification purposes only*