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ENERGY INTERNATIONAL INVESTMENTS HOLDINGS LIMITED
能源國際投資控股有限公司*

(Incorporated in the Cayman Islands with limited liability)

(Stock code: 353)

SUPPLEMENTAL INFORMATION
ON
THE ANNUAL REPORT FOR THE YEAR ENDED
31 DECEMBER 2017

Reference is made to the annual report (the “**Annual Report**”) of Energy International Investments Holdings Limited (the “**Company**”) for the year ended 31 December 2017. Unless the context otherwise requires, capitalised terms used in this announcement shall have the same meanings as defined in the Annual Report.

As explained in the “Management Discussion and Analysis” section on pages 13-15 of the Annual Report and the “Independent Auditor’s Report” on pages 47-50 of the Annual Report, the auditor does not express an opinion on the Group’s consolidated financial statements for the year ended 31 December 2017 (the “**Financial Statements**”), on the basis that the auditor was unable to obtain sufficient appropriate audit evidence to assess whether it is appropriate for the Directors to prepare the Financial Statements on a going concern basis.

* *For identification purpose only*

The Company would like to provide the following additional information on the reasons why the Directors have prepared the Financial Statements on a going concern basis, notwithstanding the net current liabilities of the Group in the amount of HK\$1,075,777,000 as at 31 December 2017 indicating the existence of a material uncertainty casting doubt on the Group's ability to continue as a going concern:

The Dongying Port project accounted for approximately 70% of the Group's outstanding construction costs as at 31 December 2017. The Directors are of the view that the Group's Dongying Port project has demonstrated (a) higher business viability, due to the listed company background of the Group, the large scale of total asset base of our port project in the amount of HK\$1,695.7 million as at 31 December 2017 and the income stream generated from the Lease Agreement with the Lessee as disclosed in the Company's announcement dated 24 October 2016 and circular dated 17 February 2017; and (b) stronger adaptability amidst tightening policies on construction standard and operational safety, as demonstrated by the obtaining of all requisite licenses and regulatory approvals for operation as at the date of this announcement and the full-scale operation of the project by the end of June 2018. Accordingly, the Directors noted that the Group's contractors have shown continuous support to and confidence on the Group and had, overall speaking, maintained good working relationship with us in terms of payment and ongoing project construction. The Directors are of the view that the Group had been managing construction work acceptance and fee payment in line with market practice, with the view to striking a careful balance between different project objectives including responsible work acceptance procedures, treasury management, quality and safety assurance and project timetable and milestones achievement. Given that the Group's key construction contractors had developed a long and stable cooperation and working relationship with the Group and our project and that the construction work had been carrying on throughout the years, it is reasonable for the Directors to believe that the good working relationship with our constructors will continue as usual, especially approaching and after the full operation of our Dongying Port project in June 2018. The Directors therefore consider that the absence of written confirmations on delayed payment is in no way an indication of termination of support from our contractors.

At the time of the preparation and audit of the Financial Statements, the Company's management has reported the Group's financial position and brought the matters above to the attention to the Company's audit committee. With the view to easing the net current liabilities position of the Group and meeting its liabilities when they fall due, the Company has taken the following measures during the first half of 2018, including (a) the obtaining of a financial support letter from Giant Crystal Limited ("GCL"), a substantial shareholder of the Company; (b) the completion of the share placing in February 2018, raising net proceeds in the amount of HK\$85.1 million; (c) obtaining and renewing financing facilities in the amount of approximately HK\$380 million; and (d) ongoing negotiations with financial institutions and GCL with the view to exploring further fund-raising of the Company, ultimately leading to the signing of the GCL CB Subscription Agreement and the CB Placing Agreement with an intended fund-raising size of up to HK\$700 million as announced in the Company's announcement dated 14 June 2018. After considering the management's presentation on the Group's financial position and the management's plans and efforts to obtain further funding, the audit committee concurred with the Directors' judgments in the preparation of the Financial Statements on a going concern basis and the future funding plans.

With the full-scale operation of the Group's Dongying Port project in June 2018 and assuming the successful completion of the GCL CB Subscription Agreement and the CB Placing Agreement in the third quarter of 2018, the Directors are hopeful for an improvement of the Group's financial position in the second half of 2018. The Directors will continue to implement cost control measures, explore funding plans and identify business opportunities with the view to broadening the income stream of the Group.

By order of the Board
Energy International Investment Holdings Limited
Lan Yongqiang
Chairman

Hong Kong, 19 June 2018

As at the date of this announcement, the executive directors of the Company are Mr. Lan Yongqiang (Chairman), Ms. Wang Meiyang, Mr. Chan Wai Cheung Admiral, Ms. Jin Yuping, Mr. Cao Sheng and Mr. Yu Zhiyong; and the independent non-executive directors of the Company are Mr. Lee Hoi Yan, Mr. Wang Jinghua and Mr. Fung Nam Shan.