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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)**

**FURTHER ANNOUNCEMENT  
ON THE AUDITED ANNUAL RESULTS  
FOR THE YEAR ENDED 31 DECEMBER 2019**

Reference is made to the announcement (the “**Unaudited Results Announcement**”) of Energy International Investments Holdings Limited (the “**Company**”, which together with its subsidiaries is collectively referred to as the “**Group**”) dated 31 March 2020 (the “**2019 Unaudited Results**”) in relation to the unaudited annual results of the Group for the year ended 31 December 2019 (“**FY2019**”).

The board (the “**Board**”) of directors (the “**Directors**”) of the Company is pleased to announce that the Company’s auditor, ZHONGHUI ANDA CPA Limited, has completed its audit of the consolidated financial statements of the Group for FY2019 in accordance with Hong Kong Standards on Auditing issued by the Hong Kong Institute of Certified Public Accountants (the “**HKICPA**”). The audited annual results of the Group for FY2019 (the “**2019 Audited Results**”) remain substantially the same as the 2019 Unaudited Results, except for the differences set out in the financial statements presented below with note references to the reasons for such differences as set out in the section of this announcement headed “Material differences between the 2019 Unaudited Results and the 2019 Audited Results”.

\* *For identification purpose only*

The following set forth the audited consolidated income statement and consolidated statement of comprehensive income of the Group for the year ended 31 December 2019, the audited consolidated statement of financial position of FY2019, together with the relevant corresponding figures shown in the 2019 Unaudited Results and the differences between the audited and the unaudited figures:

## CONSOLIDATED INCOME STATEMENT

For the year ended 31 December 2019

	Notes	2019 HK\$'000 (Audited)	2019 HK\$'000 (Unaudited)	Difference HK\$'000	2018 HK\$'000 (Re-presented)
<b>Continuing operations</b>					
Revenue		129,838	129,838	–	115,081
Cost of sales		(2,327)	(2,327)	–	(3,132)
<b>Gross profit</b>		<b>127,511</b>	<b>127,511</b>	<b>–</b>	<b>111,949</b>
Interest revenue	(i)	10,870	–	10,870	1,888
Other income and other gains and losses	(i)	19,126	29,996	(10,870)	7,791
Selling and distribution expenses		(9,654)	(9,654)	–	(4,906)
Administrative expenses	(ii)	(42,197)	(42,273)	76	(31,141)
Other operating expenses		–	–	–	(922)
Fair value gain/(loss) on investment properties		5,196	5,196	–	(5,986)
Loss on early redemption of promissory notes	(iii)	(6,459)	–	(6,459)	–
Finance costs	(iv)	(45,028)	(44,794)	(234)	(63,891)
<b>Profit before income tax</b>		<b>59,365</b>	<b>65,982</b>	<b>(6,617)</b>	<b>14,782</b>
Income tax expenses		(24,006)	(24,006)	–	(38,799)
<b>Profit/(loss) for the year from continuing operations</b>		<b>35,359</b>	<b>41,976</b>	<b>(6,617)</b>	<b>(24,017)</b>
<b>Discontinued operation</b>					
Profit/(loss) for the year from discontinued operation		11,496	11,496	–	(49,830)
<b>Profit/(loss) for the year</b>		<b>46,855</b>	<b>53,472</b>	<b>(6,617)</b>	<b>(73,847)</b>

# CONSOLIDATED INCOME STATEMENT

For the year ended 31 December 2019

	Notes	2019 HK\$'000 (Audited)	2019 HK\$'000 (Unaudited)	Difference HK\$'000	2018 HK\$'000 (Re-presented)
<b>Attributable to:</b>					
Owners of the Company					
– Profit/(loss) from continuing operations		19,814	26,431	(6,617)	(26,648)
– Profit/(loss) from discontinued operation		11,496	11,496	–	(49,830)
<b>Profit/(loss) attributable to owners of the Company</b>		<b>31,310</b>	<b>37,927</b>	<b>(6,617)</b>	<b>(76,478)</b>
Non-controlling interests					
– Profit from continuing operations		15,545	15,545	–	2,631
– Profit from discontinued operation		–	–	–	–
<b>Profit attributable to non-controlling interests</b>		<b>15,545</b>	<b>15,545</b>	<b>–</b>	<b>2,631</b>
		<b>46,855</b>	<b>53,472</b>	<b>(6,617)</b>	<b>(73,847)</b>
<b>Earnings/(loss) per share</b>					
Basic					
– from continuing and discontinued operations		<b>HK cent 0.44</b>	HK cent 0.6	Approximately HK cent (0.1)	<b>HK cent (1.41)</b>
– from continuing operations		<b>HK cent 0.28</b>	HK cent 0.4	Approximately HK cent (0.1)	<b>HK cent (0.49)</b>
– from discontinued operation		<b>HK cent 0.16</b>	HK cent 0.2	Negligible	<b>HK cent (0.92)</b>
Diluted					
– from continuing and discontinued operations		<b>N/A</b>	HK cent 0.6	<b>N/A</b>	<b>HK cent (1.41)</b>
– from continuing operations		<b>N/A</b>	HK cent 0.4	<b>N/A</b>	<b>HK cent (0.49)</b>
– from discontinued operation		<b>N/A</b>	HK cent 0.2	<b>N/A</b>	<b>HK cent (0.92)</b>

## CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

*For the year ended 31 December 2019*

	2019 <i>HK\$'000</i> (Audited)	2019 <i>HK\$'000</i> (Unaudited)	Difference <i>HK\$'000</i>	2018 <i>HK\$'000</i>
<b>Profit/(loss) for the year</b>	<b>46,855</b>	53,472	(6,617)	(73,847)
<b>Other comprehensive expenses, net of tax</b>				
<i>Items that may be reclassified subsequently to profit or loss:</i>				
Exchange differences on translating of financial statements of foreign operations	(16,422)	(16,422)	–	(26,621)
Release of exchange reserve upon disposal of subsidiaries	(10,327)	(10,327)	–	–
<b>Other comprehensive expenses for the year, net of tax</b>	<b>(26,749)</b>	(26,749)	–	(26,621)
<b>Total comprehensive income/ (expenses) for the year</b>	<b><u>20,106</u></b>	<u>26,723</u>	<u>(6,617)</u>	<u>(100,468)</u>
<b>Attributable to:</b>				
– Owners of the Company	5,521	12,138	(6,617)	(99,016)
– Non-controlling interests	14,585	14,585	–	(1,452)
	<b><u>20,106</u></b>	<u>26,723</u>	<u>(6,617)</u>	<u>(100,468)</u>

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION

*As at 31 December 2019*

		2019	2019	Difference	2018
<i>Notes</i>		<b>HK\$'000</b>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
		(Audited)	(Unaudited)		
<b>Non-current assets</b>					
Property, plant and equipment		4,470	4,470	–	6,519
Right-of-use assets		11,052	11,052	–	–
Investment properties		1,441,575	1,441,575	–	1,425,000
Goodwill		–	–	–	1,440
Investment in an associate		2,805	2,805	–	–
Intangible assets		–	–	–	154,141
Equity instruments at fair value through other comprehensive income	<i>(v)</i>	226,060	169,541	56,519	–
Deposits and other receivables	<i>(vi)</i>	93,196	48,523	44,673	57,204
Deferred tax assets		–	–	–	43,189
		<u>1,779,158</u>	<u>1,677,966</u>	<u>101,192</u>	<u>1,687,493</u>
<b>Current assets</b>					
Trade receivables		–	–	–	15,211
Amount due from an associate		5,588	5,588	–	–
Prepayments, deposits and other receivables	<i>(vi)</i>	95,968	140,641	(44,673)	150,791
Loan receivables		39,096	39,096	–	72,098
Financial assets at fair value through profit or loss		28,314	28,314	–	14,407
Cash and bank balances		125,352	125,352	–	276,531
		<u>294,318</u>	<u>338,991</u>	<u>(44,673)</u>	<u>529,038</u>

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION

*As at 31 December 2019*

	<b>2019</b>	2019	<b>Difference</b>	2018
<i>Notes</i>	<b><i>HK\$'000</i></b>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
	<b>(Audited)</b>	(Unaudited)		
<b>Current liabilities</b>				
Other payables and accruals	<b>204,882</b>	204,882	–	389,097
Amounts due to non-controlling shareholders	<b>3,817</b>	3,817	–	–
Bank borrowings	<b>177,012</b>	177,012	–	157,320
Other borrowings	<b>147,901</b>	147,901	–	126,877
Finance lease liabilities	–	–	–	39,584
Lease liabilities	<b>6,134</b>	6,134	–	–
Convertible bonds	<b>26,221</b>	26,221	–	35,258
Promissory notes	<b>17,734</b>	17,734	–	–
Tax payables	–	–	–	9,828
	<b>583,701</b>	583,701	–	757,964
<b>Net current liabilities</b>	<b>(289,383)</b>	(244,710)	(44,673)	(228,926)
<b>Total assets less current liabilities</b>	<b>1,489,775</b>	1,433,256	56,519	1,458,567

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION

*As at 31 December 2019*

		2019	2019	Difference	2018
<i>Notes</i>		<b>HK\$'000</b>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
		(Audited)	(Unaudited)		
<b>Non-current liabilities</b>					
Amounts due to non-controlling					
shareholders		144,641	144,641	–	259,418
Bank borrowings		63,251	63,251	–	77,520
Other borrowings		10,479	10,479	–	44,649
Finance lease liabilities		–	–	–	2,459
Lease liabilities		7,523	7,523	–	–
Convertible bonds		–	–	–	25,250
Promissory notes	<i>(vii)</i>	134,811	71,675	63,136	–
Deferred tax liabilities		102,693	102,693	–	120,000
		<u>463,398</u>	<u>400,262</u>	<u>63,136</u>	<u>529,296</u>
<b>NET ASSETS</b>		<b><u>1,026,377</u></b>	<b><u>1,032,994</u></b>	<b><u>(6,617)</u></b>	<b><u>929,271</u></b>
<b>Capital and reserves</b>					
Share capital		544,484	544,484	–	544,484
Reserves		243,150	249,767	(6,617)	218,841
<b>Equity attributable to the owners of</b>					
<b>the Company</b>		<b>787,634</b>	<b>794,251</b>	<b>(6,617)</b>	<b>763,325</b>
<b>Non-controlling interests</b>		<b>238,743</b>	<b>238,743</b>	<b>–</b>	<b>165,946</b>
<b>TOTAL EQUITY</b>		<b><u>1,026,377</u></b>	<b><u>1,032,994</u></b>	<b><u>(6,617)</u></b>	<b><u>929,271</u></b>

## **MATERIAL DIFFERENCES BETWEEN THE 2019 UNAUDITED RESULTS AND THE 2019 AUDITED RESULTS**

The auditing process for the annual results had not been completed as at the date of publication of the Unaudited Results Announcement, including the classification of items and the finalisation of valuation of equity instruments at fair value through other comprehensive income and promissory notes. Since then, adjustments were made to the 2019 Unaudited Results during the audit process. Shareholders and potential investors of the Company are advised to pay attention to the differences between the 2019 Unaudited Results contained in the Unaudited Results Announcement and the 2019 Audited Results contained in this announcement.

The 2019 Audited Results remain substantially the same as the 2019 Unaudited Results, except for the material changes with details set out below:

- (i) the reclassification of approximately HK\$10,870,000 from other income and other gains and losses to interest revenue for FY2019, together with the corresponding reclassification of comparative figure of approximately HK\$1,888,000 for the year 2018;
- (ii) the recognition of an exchange difference of approximately HK\$76,000 arising from the fair value assessment of promissory notes and equity instruments at fair value through other comprehensive income;
- (iii) the recognition of a loss on early redemption of promissory notes in the amount of approximately HK\$6,459,000, by reference to the finalisation of valuation of promissory notes;
- (iv) the recognition of imputed interests of promissory notes in the amount of approximately HK\$234,000;
- (v) the adjustment of difference between the historical cost and finalised valuation of the equity instruments at fair value through other comprehensive income in the amount of approximately HK\$56,519,000;
- (vi) the reclassification of deposits and other receivables in the amount of approximately HK\$44,673,000 from current portion to non-current portion, by reference to the repayment schedule as agreed with the debtor; and



(vii) the adjustment of difference between the historical cost and finalised valuation of promissory notes in the amount of approximately HK\$63,136,000.

As a result of the above changes, for FY2019, the audited profit before income tax of the Group should be HK\$59,365,000 (instead of HK\$65,982,000 as stated in the 2019 Unaudited Results), the audited profit for the year from continuing operations should be HK\$35,359,000 (instead of HK\$41,976,000), the audited profit for the year should be HK\$46,855,000 (instead of HK\$53,472,000), the audited profit from continuing operations attributable to owners of the Company should be HK\$19,814,000 (instead of HK\$26,431,000) and the audited profit attributable to owners of the Company should be HK\$31,310,000 (instead of HK\$37,927,000). The audited basic earnings per share should be HK cent 0.44 (instead of HK cent 0.6), of which HK cent 0.28 was basic earnings per share from continuing operations (instead of HK cent 0.4). The audited total comprehensive income for the year should be HK\$20,106,000 (instead of HK\$26,723,000), and the audited total comprehensive income attributable to owners of the Company should be HK\$5,521,000 (instead of HK\$12,138,000).

As a result of the above changes, as at 31 December 2019, the audited non-current assets of the Group should be HK\$1,779,158,000 (instead of HK\$1,677,966,000), the audited current assets should be HK\$294,318,000 (instead of HK\$338,991,000), the audited net current liabilities should be HK\$289,383,000 (instead of HK\$244,710,000), the audited non-current liabilities should be HK\$463,398,000 (instead of HK\$400,262,000), the audited net assets should be HK\$1,026,377,000 (instead of HK\$1,032,994,000), and the audited equity attributable to the owners of the Company should be HK\$787,634,000 (instead of HK\$794,251,000).

Save as disclosed in this announcement and the corresponding adjustments in totals, percentages, ratios and comparative figures related to the above material differences, all other information contained in the Unaudited Results Announcement remain unchanged.

## FURTHER INFORMATION ON GOING CONCERN BASIS

As at 31 December 2019, the Group has net current liabilities of HK\$289,383,000. This condition indicates the existence of a material uncertainty which may cast significant doubt on the Group's ability to continue as a going concern. Therefore, the Group may be unable to realise its assets and discharge its liabilities in the normal course of business. The Directors have prepared the consolidated financial statements based on a going concern on the following assumptions and measures:

- (i) On 28 February 2019, the Group successfully obtained a new long-term credit facility, with 60 months credit period, from a financial institution in the People's Republic of China (the "PRC") in the amount of Renminbi ("RMB") 150 million (approximately HK\$168 million) to finance the repayment of certain outstanding construction costs and bank and other borrowings. On 8 March 2019, the Group obtained another new long-term credit facility from a financial institution in the PRC in the amount of RMB300 million (approximately HK\$336 million) with a credit period of 36 months. On 28 June 2019, the Group obtained another new long-term credit facility from a financial institution in the PRC in the amount of RMB128 million (approximately HK\$150 million) with a credit period of 36 months. The unutilised credit facility available to the Group as at 31 December 2019 amounted to RMB450 million;
- (ii) The Directors are of the view that the oil and liquefied chemical terminal segment is able to contribute and generate a significant and consistent operating cash inflow to the Group in the coming twelve months after 31 December 2019, by virtue of its annual rental income receipt in the amount of RMB125 million before value-added tax (approximately HK\$140 million) as stipulated in the lease agreement; and
- (iii) As disclosed in note (i) in the section of this announcement headed "Events after the reporting date", the Investors agreed to provide funding of RMB360 million to Shundong Port. As at the date of this announcement, RMB180 million has been received from the Investors and the remaining sum is agreed to be drawn down by the end of year 2020.

After taking into account the above assumptions and measures, the Directors consider that the Group will have sufficient working capital to finance its operations and to meet its financial obligations as and when they fall due within twelve months from 31 December 2019 and believe that the Group will continue as a going concern and consequently have prepared the consolidated financial statements on a going concern basis.

Should the Group be unable to continue in business as a going concern, adjustments would have to be made in the consolidated financial statements to reduce the values of the assets to their estimated realisable values, to provide for any further liabilities which may arise and to reclassify non-current assets and liabilities as current assets and liabilities respectively. The effects of these adjustments have not been reflected in the consolidated financial statements.

## **AUDITOR'S AGREEMENT ON THE AUDITED ANNUAL RESULTS**

Following the adjustments described above, the Company's external auditor, ZHONGHUI ANDA CPA Limited, has agreed on the 2019 Audited Results (including the financial figures in respect of the Group's consolidated income statement, consolidated statement of comprehensive income and consolidated statement of financial position). The 2019 Audited Results have been reviewed by the audit committee of the Company and were approved by the Board on 31 August 2020.

## **EXTRACT OF THE INDEPENDENT AUDITOR'S REPORT**

The following is an extract of the independent auditor's report on the Group's annual financial statements for FY2019:

### **Opinion**

In our opinion, the consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 31 December 2019, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with Hong Kong Financial Reporting Standards ("HKFRSs") 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.

## **Material uncertainty related to going concern**

We draw attention to note 2(a) to the consolidated financial statements, which indicates that as at 31 December 2019, the Group had net current liabilities of approximately HK\$289,383,000. This condition indicates that a material uncertainty exists that may cast significant doubts about the Group's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

## **CLARIFICATION ON DILUTED EARNINGS PER SHARE, GEARING RATIO AND CURRENT RATIO**

### **Diluted earnings per share**

The Company wishes to clarify that during the year ended 31 December 2019, the Company did not have any dilutive potential ordinary shares. Accordingly, the diluted earnings per share in the consolidated income statement for the year ended 31 December 2019 in this announcement is disclosed as "N/A" (not applicable), instead of stating the diluted figures as being equivalent to the basic earnings per share as previously disclosed in the Unaudited Results Announcement.

### **Gearing ratio and current ratio**

As a result of the changes to the statement of financial position for the reasons set out in the section of this announcement headed "Material differences between the 2019 Unaudited Results and the 2019 Audited Results", consequential changes are required to be made to the gearing ratio and the current ratio set out in the section headed "FINANCIAL REVIEW – Liquidity, financial resources and capital structure" of the Unaudited Results Announcement, as follows:

As at 31 December 2019, the Group had total assets of approximately HK\$2,073 million (2018: HK\$2,217 million), total liabilities of approximately HK\$1,047 million (2018: HK\$1,287 million), indicating a gearing ratio of 0.51 (2018: 0.58) on the basis of total liabilities over total assets. The current ratio of the Group for the year was 0.50 (2018: 0.70) on the basis of current assets over current liabilities.

## EVENTS AFTER THE REPORTING DATE

- (i) Subsequent to the year end date, two independent investors (the “**Investors**”) entered into a funding agreement (the “**Funding Agreement**”) with Shandong Shundong Port Services Company Limited (“**Shundong Port**”) pursuant to which the Investors agreed to provide funding of RMB360 million (approximately HK\$402 million) to Shundong Port by way of non-voting, fixed-interest preference shares. As at the date hereof, RMB180 million (approximately HK\$201 million) has been received from the Investors pursuant to the Funding Agreement and the remaining sum is agreed to be drawn down by the end of year 2020. Since the Funding Agreement involves no dilution of the Group’s voting right, profit sharing and return of capital in Shundong Port and the funding provided by the Investors are essentially by way of debt instrument in nature, Shundong Port remains as a subsidiary of the Company and its results continue to be consolidated in the Group’s financial statements.
  
- (ii) In April 2020, the Group entered into a sale and purchase agreement with an independent third party to acquire 49% equity interest of a company established in the PRC which is engaged in mining related business in Shandong Province, the PRC. The total cash consideration for this acquisition is RMB17 million (approximately HK\$19 million). The acquisition has not been completed up to the date of this hereof.

## SCOPE OF WORK OF ZHONGHUI ANDA CPA LIMITED

The figures in respect of the Group’s consolidated statement of financial position as at 31 December 2019 and the Group’s consolidated income statement and consolidated statement of comprehensive income for the year ended 31 December 2019 as set out in this announcement of annual results have been agreed by the Group’s auditor, ZHONGHUI ANDA CPA Limited, to the amounts set out in the Group’s audited consolidated financial statements for the year. The work performed by ZHONGHUI ANDA CPA Limited 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 Engagement issued by the HKICPA and consequently no assurance has been expressed by ZHONGHUI ANDA CPA Limited on this announcement of annual results.

## **PUBLICATION OF ANNUAL RESULTS ANNOUNCEMENT AND ANNUAL REPORT**

This annual results announcement is published on the websites of The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) (<http://www.hkex.com.hk>) and the Company. The annual report of the Company for the year ended 31 December 2019 will be dispatched to the shareholders of the Company and published on the websites of the Stock Exchange and the Company in due course.

By order of the Board

**Energy International Investments Holdings Limited**

**Lan Yongqiang**

*Chairman*

Hong Kong, 31 August 2020

*As at the date of this announcement, the executive Directors are Mr. Lan Yongqiang (Chairman), Mr. Wang Feng (Vice Chairman), Mr. Chan Wai Cheung Admiral, Mr. Cao Sheng, Mr. Yu Zhiyong and Dr. Lei Liangzhen; and the independent non-executive Directors are Mr. Tang Qingbin, Mr. Wang Jinghua and Mr. Fung Nam Shan.*