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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)

ANNOUNCEMENT MADE PURSUANT TO RULE 13.09 OF THE LISTING RULES

This announcement is made by Enviro Energy International Holdings Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) pursuant to Rule 13.09 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”) and the Inside Information Provisions (as defined in the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

The board of directors of the Company (the “**Board**”) hereby informs the shareholders and potential investors of the Company that the Board has recently discovered unauthorized use of the company chop for the unauthorized execution of a corporate guarantee dated 23 December 2018 and deed of assignment dated 13 March 2019 (the “**DOA**”) by (i) Huan Neng International Trading (Yingkou) Co., Ltd* (環能國際貿易(營口)有限公司); and (ii) Liaoning Taoqibao Mall Management Co., Ltd* (遼寧淘氣寶商城管理有限公司) (collectively, the “**Subsidiaries**”), both of which are indirect wholly-owned subsidiaries of the Company.

The Subsidiaries’ banker informed the financial staff of the Subsidiaries that certain bank deposit held by the Subsidiaries have been frozen in respect of an alleged arbitration proceeding in the People’s Republic of China (the “**PRC**”) against the Subsidiaries.

The Company has sent its representatives to make inquiries with the bank, the PRC court and the arbitration tribunal. The Board has appointed legal advisors of the PRC to seek their advice on the relevant matters. The PRC lawyer is now actively seeking to set aside the said arbitration award against the Subsidiaries. Due to the recent outbreak of the coronavirus in the PRC, this process has taken more time than expected.

To the best of the Company's understanding and based on the documents and information available, the legal representative ("LR") of the Subsidiaries at that material time has purportedly entered into a corporate guarantee on behalf of the Subsidiaries on 23 December 2018 in favour of Mr. Zhou Xuesheng ("Mr. Zhou") for a loan in the sum of approximately RMB18,000,000 (the "Debt") granted by Mr. Zhou to Shenzhen Xiaowei Financial Services Company Limited* (深圳小微金融服務有限公司), which is a company owned by Mr. Li Sen, a substantial shareholder, chairman and executive director of the Company, without authorization from the Company and/or the Subsidiaries. Mr. Zhou is a former executive director and chief executive officer of the Company, who has retired from his position as executive director and chief executive officer since 28 June 2019.

Purportedly, Mr. Zhou and the LR further executed the DOA whereby Mr. Zhou assigned his rights under the Debt to an independent third party (the "I3P") which was allegedly guaranteed by the Subsidiaries, without the approval of any directors of the Subsidiaries and/or the Company (collectively with the corporate guarantee referred as the "Suspected Unauthorized Transaction"). Subsequently, it is stated that the Debt could not be recovered by the I3P, and pursuant to the terms of the DOA, the I3P commenced arbitration proceedings in the PRC against the alleged guarantors of the DOA, namely the Subsidiaries. Then, the PRC court issued a notice to freeze the bank accounts of the Subsidiaries.

The Company will closely monitor the case and evaluate its impact to the Company and keep the shareholders and potential investors updated on the subsequent developments of the case. The Board will make further announcements on this matter as and when appropriate.

Shareholders and potential investors of the Company are advised to invest cautiously and to be aware of the investment risks.

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

Hong Kong, 20 April 2020

As at the date of this announcement, the Board comprises three Executive Directors, namely Mr. Li Sen (Chairman), Mr. Jiang Senlin and Mr. Zhong Jinhua and three Independent Non-executive Directors, namely Ms. Liu Yan, Mr. Li Jinyuan and Mr. Zhong Jian.

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