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## **EcoGreen International Group Limited**

**中怡國際集團有限公司**

*(incorporated in the Cayman Islands with limited liability)*

**(Stock code: 2341)**

# **CHANGES OF DIRECTORS AND CHANGES IN COMPOSITION OF BOARD COMMITTEES**

## **APPOINTMENT OF DIRECTORS**

The board (the “**Board**”) of directors (the “**Directors**”) of EcoGreen International Group Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) announces that on 6 May 2022, the Board resolved to appoint Ms. Sun Ruixia (孫瑞霞) (“**Ms. Sun**”) as an executive Director, and Mr. Zeng Shaojie (曾少傑) (“**Mr. Zeng**”) as an independent non-executive Director and a member of the audit committee, nomination committee, remuneration committee and independent board committee (the “**IBC**”) of the Company with immediate effect. Set out below are the biographical details of Ms. Sun and Mr. Zeng (collectively, the “**Newly-appointed Directors**”).

**Ms. Sun**, aged 40, joined the Group in 2007 and is currently the assistant to the President and the deputy general manager of the functional materials business division of the Group. Ms. Sun studied English for her bachelor’s degree at Lanzhou University. Ms. Sun was elected member of the Haicang District, Xiamen committee of the Chinese People’s Political Consultative Conference since 2021. Ms. Sun is currently a director of the following subsidiaries of the Company, namely, Xiamen Doingcom Chemical Co., Ltd., Xiamen Doingcom Biotechnology Co., Ltd., Xiamen Doingcom Food Co., Ltd., Xiamen Sinotek Enterprise Development Co., Ltd., EcoGreen Chemicals (Zhangzhou) Co., Ltd. and Zhangzhou EcoGreen New Materials & Science Co. Ltd..

**Mr. Zeng**, aged 64, worked as a law enforcement officer for over 40 years in the Chinese People's Armed Police Force and the Public Security Bureau in China, occupying positions of management level and having experience in criminal investigations before he retired in 2018. Mr. Zeng studied correspondence college degree in law at Fujian Provincial Committee Party School of the CPC.

## **General**

There is no service contract entered into between the Company and the Newly-appointed Directors regarding their appointment as Directors. The Newly-appointed Directors have no fixed term of service and will hold office until the next annual general meeting of the Company, subject to retirement by rotation and re-election at annual general meetings of the Company in accordance with the articles of association of the Company. The remuneration of the Newly-appointed Directors will be determined by the Board from time to time with reference to their duties and responsibilities within the Company, the market benchmark and subject to review from time to time.

Save as disclosed above, as at the date of this announcement, each of the Newly-appointed Directors confirmed to the Company that: (a) he/she does not hold, and has not in the last three years held, any directorship in other public listed companies in Hong Kong or overseas; (b) he/she does not hold any other positions in the Company or its subsidiaries; (c) he/she does not have any relationships with any other directors, senior management, substantial shareholders or controlling shareholders of the Company; and (d) he/she does not have any interest in the shares or underlying shares of the Company which is required to be disclosed under Part XV of the Securities and Futures Ordinance (the “SFO”).

Save as disclosed above, there is no other information relating to the appointment of the Newly-appointed Directors that is required to be disclosed pursuant to Rules 13.51(2)(h) to (v) of the Rules Governing the Listing of Securities (the “**Listing Rules**”) on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”), and the Company is not aware of any other matter relating to the appointment of the Newly-appointed Directors that needs to be brought to the attention of the shareholders of the Company.

The Board would like to take this opportunity to express its warmest welcome to Ms. Sun and Mr. Zeng for joining the Board.

## RESIGNATION OF DIRECTORS

The Board announces that Mr. Yau Fook Chuen (“**Mr. Yau**”), Mr. Xiang Ming (“**Mr. Xiang**”) and Mr. Wong Yik Chung, John (“**Mr. Wong**”) resigned as independent non-executive Directors and members of the audit committee, nomination committee, remuneration committee and IBC of the Company with effect from 5 May 2022. In their resignation notices to the Company, Mr. Yau, Mr. Xiang and Mr. Wong (collectively, the “**Resigned Directors**”) alleged that: (i) since the incident of bank balance discrepancy in early April 2022, no explanation of the reason for the incident was given by the executive Directors despite their repeated enquiries; (ii) the IBC lacked the cooperation of the executive Directors on the engagement of professional parties by the IBC, causing obstruction in the commencement of the investigation works; (iii) the Board decided matters by way of majority votes, causing delay in the publication of information and failure in publication of working progress of the IBC; and (iv) the executive Directors were engaged in working with creditors in the past one month, but the Resigned Directors did not have sufficient time and information to review to discharge their Directors’ duties to vote, delegate and supervise.

The Board wishes to clarify as follows in response to the allegations of the Resigned Directors:

1. Since the incident of bank balance discrepancy in early April 2022, the executive Directors were fully engaged in negotiations and works in relation to creditors and other stakeholders with the top priority objective of preserving the value of the Group for the interest of the creditors as a whole. During this period, the executive Directors have already done their best to devote time to provide regular updates of the latest development to the independent non-executive Directors.
2. To the best of the recollection of the executive Directors, the independent non-executive Directors have never made enquiries with the executive Directors regarding the bank balance discrepancy after the incident. If they had made such enquiries, the executive Directors would have provided full cooperation by sharing all information and knowledge to the extent they know, can ascertain and verify. To maintain independence of the investigation, the executive Directors have so far refrained from gaining access to the Group’s information, documents and staff for investigation purposes but are at all times willing and prepared to cooperate with the investigation by facilitating direct access by IBC members to the Group’s information, documents and staff. In the past one month, none of the Resigned Directors have ever requested the executive Directors to provide direct access to the Group’s information, documents and staff for investigation purposes.

3. In the past one month, the Board has tried to enquire with Mr. Wong, chairman of the IBC, regarding the status of the investigation and the selection of professional parties. Mr. Wong refused to provide any information to the Board by alleging that all such information was confidential. The Board was therefore unaware of any working progress of the IBC which can be disclosed to the public by way of announcement.
4. The executive Directors did not obstruct the IBC in the investigation nor the selection of professional parties, but only reminded them that they may have to ascertain and compare the experience of the handling team of the independent adviser in similar investigations and to carefully consider the coverage of investigation work. The executive Directors have also expressed comments on the charging rates and fee structure of the external advisers, merely in line with the normal procedures of the Company's internal control systems so far as contract signing and payment approvals are concerned.
5. The Company did not receive from any IBC member any contract review and approval request or payment authorisation request in compliance of the Group's internal control procedures. On 28 April 2022, the bank authorized signatories of the Company's Hong Kong office received an email from Mr. Wong, copying other IBC members, purportedly instructing the authorized signatories to transfer money out of the Group's bank accounts. As this purported payment instruction was not supported by signed contracts and the established procedures of payment authorisations, it was stopped in time when discovered by the executive Directors. Following the occurrence of this attempted unauthorized bank transfer, the Board resolved to reinforce its internal control by publishing an internal memorandum to all the staff of the Group to emphasize the importance of internal controls, and to request the staff to report on any attempted circumvention of the Group's control systems.
6. The Board meetings of the Company were conducted in accordance with applicable company law and the articles of association of the Company. Under Article 135 of the Company, questions arising at any meeting of the Directors shall be decided by a majority of votes. The Company cannot understand the dissatisfaction of the Resigned Directors about deciding matters by majority vote.

The Board and the management of the Company deny the allegations of the Resigned Directors. All rights of the Company are hereby expressly reserved.

Save as the above, the Board is not currently aware of other circumstances related to the resignation of the Resigned Directors which needs to be brought to the attention of the shareholders of the Company.

## **WITHDRAWAL OF CONFIDENCE ON MR. WONG YIK CHUNG, JOHN**

Reference is made to the Company's announcement dated 8 October 2019 (the "**Announcement**") regarding the petition dated 25 September 2019 (the "**Petition**") issued by the High Court of Hong Kong taken out by the Securities and Futures Commission (the "**SFC**") pursuant to Section 214 of the SFO containing allegations, inter alia, that Mr. Wong had breached his duties as a director of another listed company in Hong Kong. As disclosed in the Announcement, at the relevant time, the Board was informed by Mr. Wong that he disagreed with the allegation of the SFC in the Petition and intended to contest the Petition vigorously.

Taking into account all relevant circumstances including Mr. Wong's representation, the Board did not at the relevant time come to the view that the Petition might have any impact on the character, integrity, independence and experience of Mr. Wong in fulfilling his role as an independent non-executive Director of the Company, nor the levels of fiduciary duties, skill, care and diligence of directors as required by the Listing Rules and the law in general; but in view of Mr. Wong's involvement in the attempted unauthorized bank transfer as explained above, the Board hereby withdraws its previous confidence on Mr. Wong.

## **NON-COMPLIANCE OF THE LISTING RULES**

As a result of the resignation of the Resigned Directors, (i) the number of independent non-executive Directors has fallen short of the minimum requirement of three as prescribed under Rule 3.10(1) of the Listing Rules; (ii) the Board does not have at least one independent non-executive Director having appropriate professional qualifications or accounting or related financial management expertise (the "**INED with Financial Qualification**") as required under Rule 3.10(2) of the Listing Rules; (iii) the ratio of the number of independent non-executive Directors has fallen short of the minimum one-third of the Board as prescribed under Rule 3.10A of the Listing Rules; (iv) the number of members of the audit committee of the Company has fallen short of the minimum requirement of three (including at least one INED with Financial Qualification) as prescribed under Rule 3.21 of the Listing Rules; (v) the remuneration committee of the Company does not comprise a majority of independent non-executive Directors as required under Rule 3.25 of the Listing Rules; and (vi) the nomination committee of the Company does not comprise a majority of independent non-executive Directors as required under Rule 3.27A of the Listing Rules. The Company is in the process of identifying suitable candidate(s) to fill the vacancy of the independent non-executive Directors and board committee members to ensure re-compliance of the relevant rules as soon as practicable but in any event within three months from the first date of non-compliance. Further announcement(s) will be made by the Company as and when appropriate.

## **CONTINUED SUSPENSION OF TRADING**

At the request of the Company, trading in the shares of the Company on the Stock Exchange has been halted with effect from 9:00 a.m. on Monday, 4 April 2022, and will remain suspended until further notice.

By order of the Board  
**EcoGreen International Group Limited**  
**Yang Yirong**  
*Chairman & President*

Hong Kong, 6 May 2022

*As at the date of this announcement, the Board comprises six executive Directors, namely Mr. Yang Yirong (Chairman), Mr. Gong Xionghui, Ms. Lu Jiahua, Dr. Lin David Ying Tsung, Mr. Lin Zhigang and Ms. Sun Ruixia, and one independent non-executive Director, namely, Mr. Zeng Shaojie.*