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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)

(1) BUSINESS UPDATES; AND (2) CONTINUED SUSPENSION OF TRADING

References are made to the announcements (the “**Announcements**”) of EcoGreen International Group Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) dated 29 March 2022, 30 March 2022, 31 March 2022, 7 April 2022 and 6 May 2022 in relation to the revelation of the significant discrepancies in the bank balances of the Group (the “**Incident**”), the delay in the completion of the audit (the “**2021 Audit**”), the delay in dispatch of the annual report of the Company for the year ended 31 December 2021 (the “**2021 Annual Report**”) and the changes of Directors and membership of board committees of the Company. Unless the context otherwise requires, capitalized terms in this announcement shall have the same meanings as defined in the Announcements.

BUSINESS UPDATES

As regards the Group's operations and cash flow

Since the revelation of the Incident in early April 2022, the management of the Company was engaged in continuous negotiations with the Group's onshore and offshore major bank creditors with the view to formulating a holistic restructuring plan and other necessary measures including:

- (a) the possible setting up of designated bank accounts supervised by the Group's bank creditors (the "**Designated Bank Accounts**") to ensure the ongoing smooth operations of the Group's principal business activities in Hong Kong and the Chinese Mainland;
- (b) a repayment schedule and other terms to be negotiated and agreed by the Group's creditors regarding the Group's existing credit liabilities, the obtaining of new or renewed credit facilities to finance the execution of recurring and new purchase orders of the Group, and the implementation of possible credit enhancement measures to fortify the Group's credit facilities using the Group's unencumbered fixed assets with creditors' consent;
- (c) the possible investment by external investors (the "**Investment Proposals**") involving possible cash injection into the Group through equity fund-raising proposals; and
- (d) the possible cooperation with business partners of the same or similar industries as the Group (the "**Cooperation Proposals**") involving, possibly, the provision of additional working capital and/or available credit lines by business partners and the ring-fenced and entrusted operation of the Group's manufacturing facilities.

The Board wishes to update its Shareholders that the Group is still in negotiation with its onshore and offshore bank creditors, and has recently engaged an independent professional adviser to advise and assist the Company in formulating the holistic restructuring plan. The Group is currently in advanced stage of negotiation regarding the establishment of the Designated Bank Accounts, and has recently succeeded in renewing certain banking facilities in the Chinese Mainland with the support of bank creditors. Regarding the Investment Proposals and Cooperation Proposals, the Board emphasizes that while the negotiations are still ongoing, the Group has yet to enter into any binding agreement with external parties on any such proposals. Further announcement(s) will be made by the Company if and when any disclosure obligations are triggered as a result of any material development of events.

The Group is principally engaged in the production and trading of fine chemicals. While the Group has been facing market pressure and competition and experienced more challenges since the second quarter this year, its manufacturing facilities are largely in normal operations.

The Board wishes to take this opportunity to express its sincere gratitude to the Group's customers, suppliers, creditors and other business partners for their continual support to the Group. The Board also wishes to thank its staff who remained in their work positions with dedication and enthusiasm, doing all they can to let the Company through its present difficulties.

As regards the Investigation

As disclosed in the Company's announcement dated 7 April 2022, due to the revelation of the Incident, the Board has resolved to establish the IBC to commission the Investigation. As disclosed in the Company's announcement dated 6 May 2022, as a result of the resignation of all the then-incumbent independent non-executive Directors (also all the initial members of the IBC) on 5 May 2022, the number of independent non-executive Directors (the "INEDs") and committee members (including audit committee and nomination committee) has fallen short of the minimum requirement as prescribed by the Listing Rules.

The Board was informed by the currently sole committee member of the IBC, Mr. Zeng Shaojie, that the Company should expedite in identifying suitable candidates to fill the vacancy of IBC members to reinforce the human resources and diversity of expertise of the IBC for the better commissioning of the Investigation. In the past few weeks the Company has tried to identify candidates who have appropriate expertise to serve as the Company's INEDs but due to the outbreak of COVID-19 in Hong Kong and the Chinese Mainland, the procedures of having face-to-face interviews with potential candidates were slowed down. In response to the request of the IBC member, the Company will continue to identify suitable candidate(s) to fill the vacancy of the INEDs and board committee members, including at least one INED with Financial Qualification to seek to re-comply with the relevant rules within three months from the first date of non-compliance.

Further announcement(s) will be made by the Company as and when there is significant progress on the Investigation, and/or when any appointments of INEDs and/or board committee members can be confirmed.

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, 23 June 2022

As at the date of this announcement, the Board of Directors of the Company comprises of 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.