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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)

QUARTERLY UPDATE ON RESUMPTION PROGRESS

This announcement is made by EcoGreen International Group Limited (the “**Company**”) pursuant to Rule 13.09 of 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).

References are made to the announcements (the “**Previous Announcements**”) of the Company dated 29 March 2022, 30 March 2022, 31 March 2022, 7 April 2022, 6 May 2022, 27 May 2022, 23 June 2022 and 15 July 2022 in relation to, amongst others, the Incident relating to the Discrepancies in bank balances between certain bank confirmations and the Group’s records, the delay in the completion of the 2021 Audit, the suspension of trading in the Shares of the Company on the Stock Exchange, the changes of Directors and board committee members of the Company, the resignation of company secretary, the Resumption Guidance and the previous quarterly update on resumption progress. Unless the context otherwise requires, capitalized terms in this announcement shall have the same meanings as defined in the Previous Announcements.

QUARTERLY UPDATE ON RESUMPTION PROGRESS

As regards the six headings of Resumption Guidance set out in the Exchange's Letter dated 14 June 2022, the Company wishes to update its Shareholders and the investing public as follows:

Resumption Guidance (1): Publication of financial results and addressing audit modifications

Resumption Guidance (2): Findings of the Investigation, including impact on business operation and financial position and remedial actions

Resumption Guidance (3): Independent internal control review

On 4 April 2022, the Board has resolved to establish the IBC to commission the Investigation. As explained in the Previous Announcements, as a result of the resignation of the then-incumbent INEDs and IBC members on 5 May 2022, the Company only has one INED and IBC member now. The Company is in the process of confirming appointment with candidates of INEDs and IBC members, such that the Company can move on with the appointment of the Independent Adviser and the commencement of the Investigation as soon as possible. Pending the outcome of the Investigation and the resolution of the Discrepancies, the Company was given to understand that its auditor was not in the position to commit to a definite timeline about the completion of the audit and the issuance of audit report. In addition, the Board intends to consult the IBC and the Independent Adviser and have the benefit of the findings of the Investigation before formulating its internal control review and enhancement plans to better comply with the Listing Rules.

Further announcement(s) will be made as and when the appointments of the IBC members and the Independent Adviser can be confirmed.

Resumption Guidance (4): Demonstrating compliance with Rule 13.24 of the Listing Rules

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 in the operation centers in the Chinese Mainland are largely in operations, albeit being operated under a lower capacity as compared to last year as affected by the fluctuation of prices of chemicals, logistics and warehousing bottle-necking due to COVID-19 and market competition.

Subsequent to the Previous Announcements, the Company is pleased to announce that it has made the following progresses in its business operations, namely: (a) the successful establishment of the Designated Bank Account to facilitate the ongoing operations of the Group's business activities under the supervision of the Group's bank creditors in the Chinese Mainland; and (b) the successful establishment of ring-fenced and entrusted operation of the Group's manufacturing facilities (the "**Ring-fenced Operation**") through the cooperation with a state-owned enterprise in the Chinese Mainland having expertise in the chemical industry. With the successful implementation of the Designated Bank Account and the Ring-fenced Operation, it is hoped that the manufacturing and operation capacity of the Group can stabilize or improve in the fourth quarter of 2022.

Resumption Guidance (5): Demonstrating compliance with Rules 3.10(1), 3.10(2), 3.10A, 3.21, 3.25, 3.27A and 3.28 of the Listing Rules

Subsequent to the Previous Announcements, the Company has now identified suitable candidates who have appropriate expertise to serve as the Company's INEDs, including at least one INED with Financial Qualification, the IBC and other board committee members, and the company secretary, and is currently in the process of confirming appointments with them. Further announcement(s) will be made as and when such appointments can be confirmed.

Resumption Guidance (6): Informing the market of all material information on the Company's position

As disclosed in the Previous Announcements, 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. The Board wishes to update its Shareholders that with the assistance of professional advisers, these negotiations are ongoing and the Group is in the process of formulating the holistic restructuring plan with creditors. In the meantime, the Group has continued to gain the confidence and support of bank creditors who renewed banking facilities with us in the past three months.

Regarding the Investment Proposals and Cooperation Proposals, the Board emphasizes that while the negotiations are 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 Company is currently working with its professional advisers to take steps to comply with the Resumption Guidance. Further announcement(s) will be made to update the Shareholders and investors if and when there is material development on the progress.

CONTINUED SUSPENSION OF TRADING

At the request of the Company, trading in the Shares 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, 3 October 2022

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