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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) APPOINTMENT OF INDEPENDENT ADVISER;
AND
(2) QUARTERLY UPDATE ON RESUMPTION PROGRESS

This announcement is made by EcoGreen International Group Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) pursuant to Rule 13.09 of the Rules Governing the Listing of Securities (the “**Listing Rules**”) on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) 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, 15 July 2022, 30 August 2022, 3 October 2022, 24 October 2022 and 8 November 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 formation of the IBC to commission the Investigation on the Discrepancies to be conducted by the Independent Adviser, the changes of Directors and board committee members of the Company, the resignation of company secretary, the Resumption Guidance, the delay in publication of interim results for the six months end 30 June 2022 and the previous quarterly updates on resumption progress. Unless the context otherwise requires, capitalized terms in this announcement shall have the same meanings as defined in the Previous Announcements.

(1) APPOINTMENT OF INDEPENDENT ADVISER

As part of the Resumption Guidance, the Company has to conduct an independent Investigation into the Discrepancies, announce the findings of the Investigation, assess and announce the impact on the Company's business operation and financial position and take appropriate remedial actions. In this connection, the IBC has now engaged an independent professional advisory firm in Hong Kong to act as the Independent Adviser to conduct the Investigation on the Discrepancies. Further announcement(s) will be made on the progress and the findings of the Investigation as and when appropriate.

(2) 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): Conducting the Investigation, announcing the findings of the Investigation, including impact on business operation and financial position and taking remedial actions

Resumption Guidance (3): Conducting an independent internal control review and demonstrating that adequate internal control and procedures are in place to comply with the Listing Rules

Following the appointments of INEDs and IBC members on 24 October and 8 November 2022, the Company has now re-constituted its IBC composition. As disclosed above, the IBC has confirmed the appointment of the Independent Adviser to conduct the Investigation. 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 commencing the internal control review and formulating and implementing enhancement plans to better comply with the Listing Rules.

Further announcement(s) will be made as and when there are any significant development or findings of the Investigation.

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 of 2022, 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 2021 as affected by the fluctuation of prices of chemicals, logistics and warehousing bottle-necking due to COVID-19 and market competition.

As disclosed in the Previous Announcements, the Company 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 the Ring-fenced Operation of the Group's manufacturing facilities 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, the manufacturing and operation capacity of the Group have stabilized 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

Following the appointments of INEDs on 24 October and 8 November 2022, the Company has re-complied with the requirements under Rules 3.10(1), 3.10(2), 3.10A, 3.21, 3.25, 3.27A of the Listing Rules. The Company will continue to identify a suitable candidate to fill the vacancy of the Company Secretary with the view to re-complying with Rule 3.28 of the Listing Rules and will publish further announcement when the new appointment is 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 six months.

Save and except the successful establishment of the Ring-fenced Operation as disclosed previously, the Board emphasizes that while the negotiations regarding the Investment Proposals and the other Cooperation Proposals 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 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, 4 January 2023

As at the date of this announcement, the Board comprises five executive Directors, namely Mr. Yang Yirong (Chairman), Mr. Gong Xionghui, Ms. Lu Jiahua, Mr. Lin Zhigang and Ms. Sun Ruixia, and four independent non-executive Directors, namely, Mr. Zeng Shaojie, Ms. Wang Jin, Mr. Choi Wai Hong, Clifford and Mr. Chui Man Lung, Everett.