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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)

CHANGE OF AUDITOR

This announcement is made by EcoGreen International Group Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) pursuant to Rule 13.51(4) of the Rules Governing the Listing of Securities (the “**Listing Rules**”) on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”).

RESIGNATION OF AUDITOR

The Board hereby announces that PricewaterhouseCoopers (“**PwC**”) has tendered its resignation and resigned as the auditor of the Company with effect from 4 May 2023.

PwC was engaged to conduct the audit of the consolidated financial statements of the Company for the year ended 31 December 2021 (the “**2021 Financial Statements**”). The trading of the shares in the Company (the “**Shares**”) has been suspended since 4 April 2022 pending, among other things, the publication of the audited 2021 Financial Statements and any subsequent outstanding financial results.

With reference to the resignation letter of PwC dated 4 May 2023 (the “**Resignation Letter**”), the reasons for the resignation of PwC as the Company’s auditor and the matters which PwC believe that should be brought to the attention of the shareholders and creditors of the Company are summarised as follows:

In the letter dated 6 April 2022, PwC informed the audit committee of the Company (the “**Audit Committee**”) that there were six bank confirmations circulated and received (the “**Original Six Bank Confirmations**”) by PwC that were in agreement with the Group’s books and records. However, PwC subsequently conducted telephone enquiries with the bank confirmation processing department of the relevant bank and was informed by the bank that it had no record of receiving nor responding to the Original Six Bank Confirmations. PwC requested for management’s explanation, arranged to re-send the bank confirmations and requested for relevant banks records and other supporting documents. PwC has subsequently obtained the six bank confirmations in person (the “**New Six Bank Confirmations**”). The aggregate bank balances for the New Six Bank Confirmations as at 31 December 2021 was only approximately RMB160,000, which was significantly different from the aggregate bank balances of approximately RMB1,580,000,000 according to the Group’s books and records and the Original Six Bank Confirmations (the “**Significant Unresolved Audit Matter**”). In light of the above, PwC requested the Company’s management to provide further information, explanation and supporting documents in respective of the Significant Unresolved Audit Matter. PwC also requested the Company to form an independent board committee (the “**IBC**”) to commission an independent investigation (the “**Investigation**”) on the Significant Unresolved Audit Matter with the assistance of an independent professional adviser (the “**Independent Adviser**”).

In November 2022, PwC attended a meeting with the IBC, communicated with the then proposed candidate of Independent Adviser the Significant Unresolved Audit Matter and commented on the proposed scope of the Investigation to the IBC for their consideration.

During the first quarter of 2023, PwC continued to communicate with the IBC, which includes proposing to observe certain interviews to be conducted by the Independent Adviser. According to PwC, the IBC updated PwC several times that the investigation was on-going but no findings had been shared with PwC and PwC have not been informed of the final scope of the Investigation nor its progress and result. At the same time, the Audit Committee requested PwC to evaluate the audit work plan and timeframe as well as the cost to complete the audit of 2021 Financial Statements with the view to making the resumption application for the trading in the Shares as soon as possible.

PwC informed the Audit Committee that before obtaining the Investigation result and the additional information and explanation for the Significant Unresolved Audit Matter, they are not able to determine the necessary additional audit procedures, nor estimate the time required and cost to complete the audit.

On 28 April 2023, PwC was notified by the Board to consider to resign as the Company's auditor. As cost effectiveness as well as timeliness in the completion of the audit of 2021 Financial Statements are important considerations by the Board, the Board believes that it is in the best interest of the Company and its shareholders to complete the audit of 2021 Financial Statements as soon as possible.

PwC considers that they have not been able to obtain any further evidence and satisfactory explanations in addressing their concerns on the Significant Unresolved Audit Matter. In addition, they are not informed of the final scope of the Investigation nor the progress and result of the Investigation. Therefore, PwC is not able to determine and perform the necessary additional audit procedures which PwC believes are necessary to complete the audit of 2021 Financial Statements and to reasonably estimate the time required to complete it. After due and careful consideration, PwC agreed to resign as the auditor of the Company with effect from 4 May 2023.

STATEMENTS FROM THE IBC

The IBC is of the view that it has communicated the scope and work plans of the Investigation to PwC prior to the engagement of the Independent Adviser and has informed PwC that the Investigation was on-going. The scope and work plans of the Investigation has reflected PwC's recommendations with the exception of PwC's request of observing interviews, as IBC was concerned that the independence of the investigation might be affected by this arrangement.

STATEMENTS FROM THE BOARD AND THE AUDIT COMMITTEE

As disclosed in the Company's previous announcements, the Group has been in continuous negotiations with creditors with the view to formulating a holistic restructuring plan and other necessary measures. In addition, the publication of financial results is one of the resumption conditions required to be satisfied by the Company before it is in the position to apply for trading resumption. The Audit Committee observed that IBC has informed PwC that the Investigation was on-going, prior to seeking PwC's views on the estimated timeframe, additional steps and fee quotation of the audit of 2021 Financial Statements.

The Audit Committee is charged with the primary responsibility in the making of recommendation to the Board on the appointment of auditor and monitoring of effectiveness of audit process. In the circumstances, both the Board and the Audit Committee are of the view that cost effectiveness and efficiency as well as timeliness in the completion of the audit of the 2021 Financial Statements are important considerations of the Company. Given the tight deadline of the formulation of resumption proposal and after taking into consideration the recommendation of the Audit Committee, the Company has recommended PwC to consider resigning.

Save for the matters disclosed above and the matters stated in the Resignation Letter including the Significant Unresolved Audit Matter, the Company is of the view that there are no other matters in relation to the resignation of PwC that need to be brought to the attention of the shareholders of the Company.

APPOINTMENT OF AUDITOR

The Board and the Audit Committee notice that the Company is required to minimize the time period of trading suspension and to complete the audit on the 2021 Financial Statements as soon as possible. Pursuant to Article 176(A) of the Company's amended and restated articles of association, the Directors may fill any casual vacancy in the office of auditors. On 4 May 2023, upon the recommendation of the Audit Committee, the Board resolved to appoint Baker Tilly Hong Kong Limited ("**BTHK**") as the new auditor of the Company with effect from 4 May 2023 to fill the casual vacancy following the resignation of PwC. The Board and the Audit Committee are satisfied with the eligibility and suitability for BTHK to act as the Company's new auditor, as BTHK is a sizeable and experienced accounting firm which should be able to devote appropriate and adequate resources to work under the tight timetable required by the Company.

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 May 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.