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**China Ecotourism Group Limited**  
**中國生態旅遊集團有限公司**  
(Incorporated in Bermuda with limited liability)  
(Stock Code: 1371)

## **CLARIFICATION AND SUPPLEMENTAL ANNOUNCEMENT IN RELATION TO 2021 ANNUAL REPORT**

References is made to the annual report of China Ecotourism Group Limited (the “Company”, together with its subsidiaries, the “Group”) for the year ended 31 December 2021 (the “Year”) dated 30 June 2022 (the “2021 Annual Report”). Unless otherwise defined, terms used herein shall bear the same meanings as defined in the 2021 Annual Report.

In addition to the information provided in the section headed “RIGHTS ISSUE, PLACING OF NEW SHARES, CONNECTED TRANSACTION IN RELATION TO THE SET-OFF, WHITEWASH WAIVER AND INCREASE IN AUTHORISED SHARE CAPITAL” in the Report of the Directors of the 2021 Annual Report, the board of directors of the Company (the “Board”) would like to clarify and provide additional information pursuant to paragraph 11 of Appendix 16 of the Listing Rules as follows.

### **CLARIFICATION**

In relation to the use of proceeds from the Rights Issue and the Placing, the Board wish to clarify that due to inadvertent mistake, the net proceeds utilised for the intended use as stated in 3(a) below during the Year should be approximately HK\$26.22 million and the remaining balance was approximately HK\$53.78 million as at 31 December 2021.

### **SUPPLEMENTAL INFORMATION**

1. A total of 2,058,961,466 ordinary shares of the Company (the “Share(s)”) were issued under the Rights Issue and the Placing, and have a total nominal value of HK\$51,474,037.
2. The net price per Share issued under the Right Issue and the Placing was approximately HK\$0.097.
3. The closing price of the Shares was HK\$0.143 per Share as quoted on the Stock Exchange on 29 January 2021, being the date on which the subscription price and placing price is fixed under the Rights Issue and the Placing.
4. The net proceeds (after deducting the relevant expenses) from the Rights Issue and the Placing was approximately HK\$199.40 million (“Net Proceeds”). Details of the intended use of the Net Proceeds and the amount utilised for the intended use respectively during the Year and up to the date of this announcement are as follows:

| <b>Intended use</b>  | <b>Approximate amount of Net Proceeds<br/>HK\$'million</b> | <b>Approximate amount utilised during the Year<br/>HK\$'million</b> | <b>Approximate amount utilised as at the date of this announcement<br/>HK\$'million</b> | <b>Approximate amount unutilised as at 31 December 2021<br/>HK\$'million</b> | <b>Approximate amount unutilised as at the date of this announcement<br/>HK\$'million</b> |
|--|--|---|---|--|---|
| (a) partial repayment of the New Option 1 Bonds                          | 80.00  | 26.22   | 34.96   | 53.78*   | 45.04*  |
| (b) partial repayment of an existing bank borrowing (including interest) | 30.00  | 30.00   | 30.00   | 0.00   | 0.00  |
| (c) the Set-Off  | 50.00  | 50.00   | 50.00   | 0.00   | 0.00  |
| (d) general working capital of the Group                                 | 39.40  | 39.40   | 39.40   | 0.00   | 0.00  |
| <b>Total:</b>  | <b>199.40</b>  | <b>145.62</b>   | <b>154.36</b>   | <b>53.78</b>   | <b>45.04</b>  |

\* On 5 May 2022, the Company and the holders of New Option 1 Bonds entered into the sixth supplemental trust deed to further extend the maturity date from 7 November 2022 to 7 November 2023. The unutilised Net Proceeds are expected to be utilised until then.

5. The Group encountered imminent cash flow demand in view of the debt repayment obligations, including but not limited to the repayment of the New Option 1 Bonds which was due in May 2021 and the repayment of an then existing bank borrowing which was due on 30 June 2021, the Board considered that it had become critical for the Company to be able to raise funds as soon as possible and the Rights Issue and the Placing represents an opportunity to raise fund for the Company to satisfy its pressing financial needs and thus improve the financial position of the Group.

The Board confirmed that the supplementary information provided and the clarification in this announcement does not affect any other information contained in the 2021 Annual Report and, save as disclosed above, the content of the 2021 Annual Report remains unchanged.

By Order of the Board  
**China Ecotourism Group Limited**  
**CHAN Tan Na, Donna**  
*Chairperson of the Board*

Hong Kong, 28 July 2022

As at the date of this announcement, the Board comprises Ms. CHAN Tan Na, Donna, Mr. WU Jingwei, Mr. DI Ling and Mr. QIU Peiyuan as Executive Directors; and Mr. HUANG Shenglan, Mr. CHAN Ming Fai and Dr. MENG Zhijun as Independent Non-executive Directors.