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Echo International Holdings Group Limited

毅高(國際)控股集團有限公司

(incorporated in the Cayman Islands with limited liability)

(Stock Code: 8218)

**ISSUE OF NEW SHARES UNDER SPECIFIC MANDATE
FOR DEBT CAPITALISATION**

CAPITALISATION

On 29 August 2022 (after trading hours), the Company (as the issuer) entered into the Capitalisation Agreements with the Creditors, respectively, pursuant to which the Company has conditionally agreed to allot and issue to the Creditors and the Creditors have conditionally agreed to subscribe for an aggregate of 237,045,072 Capitalisation Shares at the Capitalisation Price of HK\$0.15 per Capitalisation Share. The subscription amount payable by the Creditors under the Capitalisation Agreements shall be satisfied by capitalising the respective Indebted Sums due from the Company.

Assuming that there will be no change in the issued share capital of the Company between the date of this announcement and the Completion Date, the Capitalisation Shares represent (i) approximately 66.25% of the total issued share capital of the Company as at the date of this announcement; and (ii) approximately 39.85% of the total issued share capital of the Company as enlarged by the allotment and issue of the Capitalisation Shares. The Capitalisation Shares have an aggregate nominal value of HK\$11,852,253.60 based on the nominal value of HK\$0.05 per Share.

GEM LISTING RULES IMPLICATIONS

As the Capitalisation Shares will be allotted and issued under the Specific Mandate to be obtained at the EGM, the Capitalisation and the Special Mandate are subject to the Shareholders' approval. Save as Creditor A, each of the Creditors is an existing Shareholder, and as such they shall be required to abstain from voting on the proposed resolution(s) of the Company in approving the Capitalisation Agreements and the transactions contemplated thereunder at the EGM. Save as disclosed and to the best knowledge of the Directors, no other Shareholders or their associates would have any material interest in and is required to abstain from voting at the EGM in approving the Capitalisation Agreements and the transactions contemplated thereunder at the EGM. Applications will be made to the Stock Exchange for the listing of, and permission to deal in, the Capitalisation Shares.

GENERAL

A circular containing, among other things, (i) further details of the Capitalisation; and (ii) a notice convening the EGM, will be despatched to the Shareholders as soon as practicable in accordance with the GEM Listing Rules.

As completion under each of the Capitalisation Agreements is subject to the fulfilment and/or waiver of certain conditions set forth therein, respectively, the issue of the Capitalisation Share may or may not proceed. Investors should exercise caution when dealing in the Shares. If in doubt, investors are recommended to consult their professional adviser(s).

CAPITALISATION

On 29 August 2022 (after trading hours), the Company (as the issuer) entered into the Capitalisation Agreements with the Creditors, respectively, pursuant to which the Company has conditionally agreed to allot and issue to the Creditors and the Creditors have conditionally agreed to subscribe for an aggregate of 237,045,072 Capitalisation Shares at the Capitalisation Price of HK\$0.15 per Capitalisation Share. The subscription amount payable by the Creditors under the Capitalisation Agreements shall be satisfied by capitalising the respective Indebted Sums due from the Company. The Company shall settle any accrued interest calculated on the respective principal amount of the Indebted Sums during the period between 1 October 2022 and the Completion Date by bank transfer to the respective Creditors within 14 Business Days after the Completion Date.

The principal terms of the Capitalisation Agreements are identical except for the amount of the respective Indebted Sums and the number of Capitalisation Shares to be allotted and issued by the Company to each of the Creditors as more particularly set out in the paragraphs headed "Capitalisation Shares" below.

Capitalisation Shares

Details of the number of Capitalisation Shares to be subscribed by each of the Creditors, the underlying debts and the Indebted Sums are as follows:

Creditors	Principal amount (HK\$)	Interest rate per annum	Maturity Date	Sums to be capitalised under the Capitalisation Agreements (HK\$)	Number of Capitalisation Shares (Approximately)
Creditor A	1,500,000	7%	23 January 2023	1,613,917.808	20,148,867
	300,000	7%	20 August 2023	322,783.562	
	1,009,000	7%	6 August 2024	<u>1,085,628.712</u>	
				3,022,330.082	
Creditor B	7,800,000	7%	20 August 2023	8,276,556.164	55,177,041
Creditor C	4,500,000	7%	23 January 2023	4,859,968.192	67,343,592
	5,019,000	7%	6 August 2024	<u>5,241,570.658</u>	
				10,101,538.850	
Creditor D	500,000	7%	23 January 2023	555,520.548	10,876,438
	1,000,000	7%	6 August 2024	<u>1,075,945.205</u>	
				1,631,465.753	
Creditor E	1,000,000	7%	23 January 2023	1,051,378.082	16,848,785
	300,000	7%	20 August 2023	347,350.685	
	1,000,000	7%	6 August 2024	<u>1,128,589.041</u>	
				2,527,317.808	
Creditor F	2,500,000	7%	23 January 2023	2,653,538.767	33,958,958
	1,465,000	7%	20 August 2023	1,553,973.836	
	830,000	7%	6 August 2024	<u>886,331.205</u>	
				5,093,843.808	
Creditor G	3,135,000	7%	20 August 2023	775,128.329	28,746,259
	639,000	7%	7 July 2025	<u>3,536,810.548</u>	
				4,311,938.877	
Creditor H	<u>550,000</u>	7%	6 August 2024	<u>591,769.863</u>	<u>3,945,132</u>
Total	<u>33,047,000</u>			<u>35,556,761.205</u>	<u>237,045,072</u>

Assuming that there will be no change in the issued share capital of the Company between the date of this announcement and the Completion Date, the Capitalisation Shares represent (i) approximately 66.25% of the total issued share capital of the Company as at the date of this announcement; and (ii) approximately 39.85% of the total issued share capital of the Company as enlarged by the allotment and issue of the Capitalisation Shares. The Capitalisation Shares have an aggregate nominal value of HK\$11,852,253.60 based on the nominal value of HK\$0.05 per Share.

The Capitalisation Shares will rank, upon issue, pari passu in all respects with the Shares then in issue on the date of allotment and issue of the Capitalisation Shares.

Capitalisation Price

The Capitalisation Price of HK\$0.15 per Capitalisation Share:

- (i) represents a discount of approximately 3.23% to the closing price of HK\$0.155 per Share as quoted on the Stock Exchange on the date of the Capitalisation Agreements;
- (ii) represents a discount of approximately 4.58% to the average closing price of approximately HK\$0.1572 per Share as quoted on the Stock Exchange for the five consecutive trading days prior to and excluding the date of the Capitalisation Agreements; and
- (iii) represents a discount of approximately 2.98% to the average closing price of approximately HK\$0.1546 per Share as quoted on the Stock Exchange for the last ten consecutive trading days prior to and excluding the date of the Capitalisation Agreements.

The Capitalisation Price was negotiated on an arm's length basis between the Company and each of the Creditors and was determined with reference to the recent trading performance of the Shares and the prevailing market condition.

Conditions to the Capitalisation

The Completion is conditional upon the following conditions being fulfilled:

- (i) the Stock Exchange granting or agreeing to grant (either unconditionally or subject to conditions to which neither the Company nor the Creditors shall reasonably object) the listing of, and permission to deal in all of the Capitalisation Shares;
- (ii) the passing by the Shareholders at the EGM of an ordinary resolution of the Company approving the Capitalisation Agreements and the transactions contemplated thereunder including but not limited to the allotment and issue of the Capitalisation Shares; and
- (iii) no warranties having been breached in any material respect by the Company or is otherwise rendered inaccurate, untrue or misleading in any material respect, in each case on or prior to the Completion Date.

If any of the above conditions precedent have not been fulfilled on or before the Long Stop Date, the Capitalisation Agreements shall lapse immediately thereafter and be of no further effect and neither the Company nor the Creditors shall have any claim against or liability or obligation to each other under the Capitalisation Agreements save for any rights or obligations which may accrue prior to the date of such termination.

The Capitalisation Agreements are not inter-conditional upon one another.

Completion of the Capitalisation

The Completion shall take place at the principal place of business of the Company in Hong Kong on the Completion Date at 5:00 p.m. (unless otherwise agreed between the Creditors and the Company in writing) provided that all the Conditions Precedent have been fulfilled at the time of Completion.

INFORMATION OF THE CREDITORS AND THE INDEBTED SUMS

Creditor A is a Hong Kong citizen and possesses experience in investing in various securities products. Indebted Sum A comprises the respective principal amount and outstanding accrued interest under 2018 January CBs, 2018 August CBs and 2019 CBs. The aggregated principal amount under Indebted Sum A is approximately HK\$2.81 million.

Creditor B is represented by Bluemount Investment Fund SPC, an exempted segregated portfolio company incorporated under the laws of Cayman Islands principally engages in asset management and investment in various financial instruments, acting on behalf and for the accounts of Bluemount Investment Fund SP. The entire management shares of Bluemount Investment Fund SPC is held by Bluemount Financial Holdings Limited (“**Bluemount Financial**”), whereas Creditor A is the sole beneficial owner of the participating shares of Bluemount Investment Fund SP. The Company, Creditor D, Creditor F and Creditor H is interested in 30%, 26.08%, 16.47% and 27.45% of the shareholding of Bluemount Financial, respectively. Bluemount Investment Fund SPC is managed by Bluemount Asset Management Limited (“**Bluemount Asset Management**”), a wholly owned subsidiary of Bluemount Financial. Creditor D is a director of Bluemount Investment Fund SPC, and Creditor H is a director Bluemount Financial and Bluemount Asset Management. Indebted Sum B comprises the principal amount and outstanding accrued interest under 2018 August CBs. The aggregated principal amount under Indebted Sum B is approximately HK\$7.80 million.

Creditor C is a Hong Kong citizen and possesses experience in investing in various securities products. Indebted Sum C comprises the respective principal amount and outstanding accrued interest under 2018 January CBs and 2019 CBs. The aggregated principal amount under Indebted Sum C is approximately HK\$9.52 million.

Creditor D is a Hong Kong citizen and possesses experience in investing in various securities products. Indebted Sum D comprises the respective principal amount and outstanding accrued interest under 2018 January CBs and 2019 CBs. The aggregated principal amount under Indebted Sum D is approximately HK\$1.50 million.

Creditor E is a Hong Kong citizen and possesses experience in investing in various securities products. Indebted Sum E comprises the respective principal amount and outstanding accrued interest under 2018 January CBs, 2018 August CBs and 2019 CBs. The aggregated principal amount under Indebted Sum E is approximately HK\$2.30 million.

Creditor F is a PRC citizen and possesses experience in investing in various securities products. Indebted Sum F comprises the respective principal amount and outstanding accrued interest under 2018 January CBs, 2018 August CBs and 2019 CBs. The aggregated principal amount under Indebted Sum F is approximately HK\$4.80 million.

Creditor G is a Hong Kong citizen and possesses experience in investing in various securities products. Indebted Sum G comprises the respective principal amount and outstanding accrued interest under 2018 August CBs and 2020 CBs. The aggregated principal amount under Indebted Sum G is approximately HK\$3.78 million.

Creditor H is a PRC citizen and possesses experience in investing in various securities products. Indebted Sum H comprises the principal amount and outstanding accrued interest under 2019 CBs. The aggregated principal amount under Indebted Sum H is approximately HK\$0.55 million.

Although the Company is interested, directly, in 30% of the shareholding in Bluemount Financial, and thus indirectly in Bluemount Asset Management which in turn manages Bluemount Investment Fund SPC, each of the foregoing and the ultimate beneficial owners of the remaining 70% of the shareholding in Bluemount Financial, each of which being one of the Creditors, is not a connected person of the Company under the definition of the GEM Listing Rules. To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, each of (i) the Creditors, (ii) Bluemount Financial, and (iii) Bluemount Asset Management is an Independent Third Party.

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, save as disclosed above, the Creditors are independent of each other.

INFORMATION OF THE GROUP AND REASONS FOR THE CAPITALISATION

The Company is an investment holding company. The Group is principally engaged in the manufacture and trading of electronic products and accessories and provision of catering business.

As at the date of this announcement, the Company has the following convertible bonds in issue:

- (i) 2018 January CBs were issued on 23 January 2018, and based on the adjusted conversion price of HK\$3.94 per conversion share (with effect from 3 August 2020), a maximum number of 2,538,071 Shares may be allotted and issued upon exercise of the convertible rights attached to the convertible bonds in full. As at the date hereof, HK\$10,000,000 of the 2018 January CBs remain outstanding;

- (ii) 2018 August CBs were issued on 20 August 2018, and based on the adjusted conversion price of HK\$2.12 per conversion share (with effect from 3 August 2020), a maximum number of 6,132,075 Shares may be allotted and issued upon exercise of the convertible rights attached to the convertible bonds in full. As at the date hereof, HK\$13,000,000 of the 2018 August CBs remain outstanding;
- (iii) 2019 CBs were issued on 6 August 2019, and based on the adjusted conversion price of HK\$0.98 per conversion share (with effect from 3 August 2020), a maximum number of 9,600,000 Shares may be allotted and issued upon exercise of the convertible rights attached to the convertible bonds in full. As at the date hereof, HK\$9,408,000 of the 2019 CBs remain outstanding; and
- (iv) 2020 CBs were issued on 7 July 2020, and as at the date hereof, HK\$639,000 of the 2020 CBs remain outstanding. Based on the adjusted conversion price of HK\$0.464 per conversion share (with effect from 3 August 2020), a maximum number of 1,377,155 Shares may be allotted and issued upon exercise of the convertible rights attached to the convertible bonds in full.

As disclosed in the Company's annual report for the year ended 31 March 2022, the Group had audited cash and cash equivalents balances of approximately HK\$4.04 million. Taking into account the financial position of the Group, the capital expenditures for the Group's business and administrative and overhead costs of the Group, the Directors are of the view that the Group may not be able to redeem the 2018 January CBs and 2018 August CBs at the maturity date and continue to pay the accrued interest on the CBs up to the respective maturity date unless the Group obtains new funds from equity fund raising or borrowings. In this connection, apart from the Capitalisation, the Directors have considered other alternative financing methods, however, those other financing methods taken into consideration have the following disadvantages:

- (a) debt financing such as borrowings from banks and third parties, will impose additional interest burden on the Group, based on the borrowings made by the Group in the twelve months immediately preceding this announcement, the interest rate ranges from 8% to 11% which is higher than the interest rate of the CBs, and this will in turn worsen the Group's net liabilities position and gearing ratio of the Group; it may also require pledge of assets and/or other kind of securities which may reduce the Group's flexibility in managing its portfolio; further, debt financing may be subject to lengthy and time-consuming due diligence and negotiations for more favourable terms for such borrowings; and
- (b) equity financing methods such as rights issue and open offer will incur substantial costs in relation to the engagement of legal adviser, financial adviser and brokerage agent as well as underwriting commission which might in turn cause an adverse impact on the financial condition of the Group; it will possibly require a relatively longer time period to complete in view of the relatively more stringent documentary requirements for pre-emptive issues such as preparation of a listing document, application forms, registration requirements for a listing document and negotiation with the underwriter on the terms and conditions of the underwriting agreement.

After arm's length negotiations with the Creditors, the Company and the Creditors entered into the Capitalisation Agreements pursuant to which the Indebted Sums will be capitalised by way of allotment and issue of the Capitalisation Shares by the Company to the Creditors. Even though the allotment and issue of the Capitalisation Shares will have a dilution effect to the existing Shareholders, the Directors considered that (i) as the monthly interest expenses under the CBs amount to not less than HK\$0.19 million and the maturity date of 2018 January CBs and 2018 August CBs are within a year, taking into account the current financial position of the Group, the capitalisation of the Indebted Sums can alleviate the repayment and settlement pressure of the Company; (ii) by performing Capitalisation before maturity date and as agreed by the relevant Creditors, the Company would be paying less interest than it originally obliged to under the relevant CBs instrument; (iii) the Capitalisation will enable the Company to retain cashflow of the Group for the continuous development of its businesses; and (iv) the Capitalisation Shares, when allotted and issued, will be recognised entirely as equity of the Company which in turn will reduce the gearing ratio, enlarge the capital base, and accordingly, improving the net liabilities position and strengthen the financial position of the Group. Therefore, the Directors are of the view that the Capitalisation is a desirable and cost-effective solution for the Group to settle the Indebted Sums.

The Directors consider that the terms of the Capitalisation Agreements are on normal commercial terms and are fair and reasonable based on the prevailing market conditions. Therefore, and in view of the above, the Directors consider the entering into the Capitalisation Agreements is in the interests of the Company and the Shareholders as a whole.

EFFECTS OF CAPITALISATION ON SHAREHOLDINGS STRUCTURE OF THE COMPANY

Assuming there is no change in the total issued share capital of the Company between the date of this announcement and the Completion Date, the number of new Shares allotted and issued under the Special Mandate as a result of the Completion represent (i) approximately 66.25% of the total issued share capital of the Company as at the date of this announcement; and (ii) approximately 39.85% of the total issued share capital of the Company as enlarged by the allotment and issue of the new Shares allotted and issued under the Special Mandate as a result of the Completion. The aggregate nominal value of the number of new Shares to be allotted and issued under the Special Mandate as a result of the Completion will be HK\$11,852,253.60.

The table below sets out, for the purpose of illustration only, the shareholding structure of the Company (i) as at the date of this announcement; and (ii) immediately after the Completion, assuming no other Shares will be issued or repurchased:

Shareholders	Immediately before the Completion		Immediately after the Completion	
	Number of Shares	Approximate % of shareholding	Number of Shares	Approximate % of shareholding
Ms. Cheng Yeuk Hung (<i>Note 1</i>)	4,878,000	1.36%	4,878,000	0.82%
ECGO International Limited (<i>Note 2</i>)	76,008,474	21.24%	76,008,474	12.78%
Lissington Limited (<i>Note 3</i>)	79,791,486	22.30%	79,791,486	13.41%
Creditor A	—	—	20,148,867	3.39%
Creditor B (<i>Note 4</i>)	5,060,000	1.41%	60,237,041	10.13%
Creditor C	35,302,504	9.87%	102,646,096	17.26%
<i>Public Shareholders</i>				
Creditor D	1,715,580	0.48%	12,592,018	2.12%
Creditor E	3,070,689	0.86%	19,919,474	3.35%
Creditor F	22,867,183	6.39%	56,826,141	9.55%
Creditor G (<i>Note 5</i>)	20,577,068	5.75%	49,323,327	8.29%
Creditor H	6,578,400	1.84%	10,523,532	1.77%
Others	101,965,668	28.50%	101,965,668	17.14%
Total	<u>357,815,052</u>	<u>100.00%</u>	<u>594,860,124</u>	<u>100.00%</u>

Notes:

- Ms. Cheng Yeuk Hung is an executive Director.
- ECGO International Limited is a company incorporated in Hong Kong and is wholly-owned by Industronics Berhad. Industronics Berhad is a company listed on Bursa Malaysia Securities Berhad (the stock exchange of Malaysia) (stock code: 9393).
- The entire issued share capital of Lissington Limited is beneficially owned by Ms. Zheng Zeli.
- Creditor A is the ultimate beneficial owner of the Shares held by Creditor B, hence Creditor A is deemed to be interested in all of the Shares held by Creditor B.
- The Shares in which Creditor G are interested include 1,289,800 Shares held through a controlled corporation.

EQUITY FUND RAISING ACTIVITIES OF THE COMPANY IN THE PAST 12 MONTHS

The Company has conducted the following equity fund raising activities in the past 12 months immediately preceding the date of this announcement:

Date of announcements	Fund raising activity	Net proceeds (approximate)	Intended use of proceeds as announced	Actual use of proceeds as at the date of this announcement
25 March 2022 & 28 June 2022	Placing of new shares under specific mandate	HK\$11.88 million	Support the development in the e-commerce business, repayment of loans and working capital of the Group	The entire proceeds were used to support the development in the e-commerce business, for repayment of loans and as working capital of the Group. The entire proceeds are fully utilized as at the date of this announcement.

Save as disclosed above, there has not been any equity fund raising activity conducted by the Company in the past 12 months immediately preceding the date of this announcement.

GEM LISTING RULES IMPLICATIONS

As the Capitalisation Shares will be allotted and issued under the Specific Mandate to be obtained at the EGM, the Capitalisation and the Special Mandate are subject to the Shareholders' approval.

Save as Creditor A, each of the Creditors is an existing Shareholder, and as such they shall abstain from voting on the proposed resolution(s) of the Company in approving the Capitalisation Agreements and the transactions contemplated thereunder at the EGM. Save as disclosed and to the best knowledge of the Directors, no other Shareholders or their associates would have any material interest in and is required to abstain from voting at the EGM in approving the Capitalisation Agreements and the transactions contemplated thereunder at the EGM.

Applications will be made to the Stock Exchange for the listing of, and permission to deal in, the Capitalisation Shares.

GENERAL

The EGM will be convened for the purpose of considering and, if thought fit, approving, among other things, (i) the granting the Special Mandate; and (ii) the Capitalisation Agreements and the transactions contemplated thereunder.

A circular containing, among other things, (i) further details of the Capitalisation; and (ii) a notice convening the EGM, will be despatched to the Shareholders as soon as practicable in accordance with the GEM Listing Rules.

As completion under each of the Capitalisation Agreements is subject to the fulfilment and/or waiver of certain conditions set forth therein, respectively, the issue of the Capitalisation Share may or may not proceed. Investors should exercise caution when dealing in the Shares. If in doubt, investors are recommended to consult their professional adviser(s).

DEFINITIONS

In this announcement, unless the context otherwise requires, the following expressions have the following meanings:

“2018 January CBs”	7% convertible bonds of the Company in the aggregate principal amount of HK\$10,000,000 issued in January 2018 and due in January 2023
“2018 August CBs”	7% convertible bonds of the Company in the aggregate principal amount of HK\$13,000,000 issued in August 2018 due in August 2023
“2019 CBs”	7% convertible bonds of the Company in the aggregate principal amount of HK\$9,408,000 issued in August 2019 and due in August 2024
“2020 CBs”	7% convertible bonds of the Company in the aggregate principal amount of HK\$4,640,000 issued in July 2020 and due in July 2025
“Business Day”	a day (excluding a Saturday, Sunday or public holiday) on which licensed banks generally are open for business in Hong Kong throughout their normal business hours
“Capitalisation”	the capitalisation of the amount equivalent to the Indebted Sums into 237,045,072 Capitalisation Shares of HK\$0.15 per Capitalisation Share pursuant to the Capitalisation Agreements
“Capitalisation Agreements”	the Capitalisation Agreements dated 29 August 2022 entered into between the Company and the Creditors, respectively, in respect of the Capitalisation
“Capitalisation Price”	HK\$0.15 per Capitalisation Share
“Capitalisation Share(s)”	237,045,072 new Shares to be issued and allotted to the Creditors by the Company through the Capitalisation
“CBs”	collectively, 2018 January CBs, 2018 August CBs, 2019 CBs and 2020 CBs

“Company”	Echo International Holdings Group Limited, a limited company incorporated in the Cayman Islands whose shares are listed on the GEM of the Stock Exchange (stock code: 8218)
“Completion”	the completion of Capitalisation
“Completion Date”	a Business Day within five (5) Business Days after fulfilment of the Conditions Precedent (or such other time and date as the relevant parties may agree in writing prior to the Completion)
“Conditions Precedent”	the conditions precedent to the Completion
“connected person(s)”	has the meaning ascribed to it in the GEM Listing Rules
“Creditor A”	Mr. Yeung Tong Seng Terry
“Creditor B”	Bluemount Investment Fund SPC, an exempted segregated portfolio company incorporated under the laws of Cayman Islands, acting on behalf and for the accounts of Bluemount Investment Fund SP
“Creditor C”	Ms. Siu Hiu Ki Jamie (formerly known as Ms. Siu Yik Tung Jamie)
“Creditor D”	Mr. Yan Ka Him
“Creditor E”	Mr. Yeung Iat Seng
“Creditor F”	Ms. Zhou Qilin
“Creditor G”	Mr. Siu Wa Kei
“Creditor H”	Mr. Pan Jiye
“Creditors”	collectively, Creditor A, Creditor B, Creditor C, Creditor D, Creditor E, Creditor F, Creditor G, Creditor H
“Director(s)”	the director(s) of the Company
“EGM”	the extraordinary general meeting of the Company to be convened for the purpose of considering and, if thought fit, approving, among other things, (i) the granting the Special Mandate; and (ii) the Capitalisation Agreements and the transactions contemplated thereunder
“GEM”	the GEM operated by the Stock Exchange
“GEM Listing Rules”	the Rules Governing the Listing of Securities on GEM

“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong” or “HK”	the Hong Kong Special Administrative Region of the PRC
“Indebted Sums”	the total sum of approximately HK\$35,556,761.21, being the aggregate amount of Indebted Sum A, Indebted Sum B, Indebted Sum C, Indebted Sum D, Indebted Sum E, Indebted Sum F, Indebted Sum G and Indebted Sum H
“Indebted Sum A”	a total sum of approximately HK\$3,022,330.08, being the aggregated outstanding principal amount and the interests accrued thereunder owed by the Group to the Creditor A as at 30 September 2022, and is subject to the Capitalisation
“Indebted Sum B”	a total sum of approximately HK\$8,276,556.16, being the aggregated outstanding principal amount and the interests accrued thereunder owed by the Group to the Creditor B as at 30 September 2022, and is subject to the Capitalisation
“Indebted Sum C”	a total sum of approximately HK\$10,101,538.85, being the aggregated outstanding principal amount and the interests accrued thereunder owed by the Group to the Creditor C as at 30 September 2022, and is subject to the Capitalisation
“Indebted Sum D”	a total sum of approximately HK\$1,631,465.75, being the aggregated outstanding principal amount and the interests accrued thereunder owed by the Group to the Creditor D as at 30 September 2022, and is subject to the Capitalisation
“Indebted Sum E”	a total sum of approximately HK\$2,527,317.81, being the aggregated outstanding principal amount and the interests accrued thereunder owed by the Group to the Creditor E as at 30 September 2022, and is subject to the Capitalisation
“Indebted Sum F”	a total sum of approximately HK\$5,093,843.81, being the aggregated outstanding principal amount and the interests accrued thereunder owed by the Group to the Creditor F as at 30 September 2022, and is subject to the Capitalisation
“Indebted Sum G”	a total sum of approximately HK\$4,311,938.88, being the aggregated outstanding principal amount and the interests accrued thereunder owed by the Group to the Creditor G as at 30 September 2022, and is subject to the Capitalisation
“Indebted Sum H”	a total sum of approximately HK\$591,769.86, being the aggregated outstanding principal amount and the interests accrued thereunder owed by the Group to the Creditor H as at 30 September 2022, and is subject to the Capitalisation

“Independent Third Party(ies)”	person(s) or company(ies) and their respective ultimate beneficial owner(s) which, to the best of the Directors’ knowledge, information and belief, having made all reasonable enquiries, are third parties independent of and not connected with the Company and its connected person(s)
“Long Stop Date”	30 November 2022 (or such other date as may be agreed by the Creditors and the Company in writing, respectively)
“PRC”	People’s Republic of China
“SFC”	the Securities and Futures Commission of Hong Kong
“Share(s)”	ordinary share(s) of nominal value of HK\$0.05 each in the share capital of the Company
“Shareholder(s)”	shareholder(s) of the Company
“Specific Mandate”	the specific mandate to allot, issue and deal with the Capitalisation Shares, which is to be proposed for approval as an ordinary resolution of the Shareholders at the EGM
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“substantial shareholder(s)”	has the meaning ascribed to it in the Listing Rules
“%”	per cent

By Order of the Board
Echo International Holdings Group Limited
Chan Wan Shan, Sandra
Executive Director

Hong Kong, 29 August 2022

As at the date of this announcement, the executive Directors are Mr. Lo Yan Yee, Ms. Cheng Yeuk Hung, Mr. Tansri Saridju Benui and Ms. Chan Wan Shan Sandra, and the independent non-executive Directors are Mr. Leung Yu Tung Stanley, Mr. Chow Yun Cheung and Mr. Lam Kwok Leung Roy.

This announcement, for which the directors of the Company collectively and individually accept full responsibility, includes particulars given in compliance with the GEM Listing Rules for the purpose of giving information with regard to the Company. The directors of the Company, having made all reasonable enquires, confirm that, to the best of their knowledge and belief, the information contained in this announcement is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this announcement misleading.

This announcement will be published on the Stock Exchange’s website at www.hkexnews.hk and the Company’s website at www.echogroup.com.hk.