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If you have sold or transferred all your shares in **Echo International Holdings Group Limited** (the “Company”), you should at once hand this circular and the accompanying form of proxy to the purchaser or transferee or to the bank, stockbroker, or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

This circular is for information purposes only and does not constitute an invitation or offer to acquire, purchase or subscribe for any securities in the Company.



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

A letter from the Board is set out on pages 5 to 19 of this circular.

A notice convening the EGM of the Company to be held at Room 3207A, 32/F, Cable TV Tower, 9 Hoi Shing Road, Tsuen Wan, New Territories, Hong Kong on Friday, 28 October 2022 at 12:00 p.m. is set out on pages 20 to 25 of this circular. A form of proxy for use at the EGM is enclosed with this circular. Whether or not you intend to attend the EGM, you are requested to complete the form of proxy and return the same to the Company's Hong Kong branch share registrar and transfer office, Tricor Investor Services Limited at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong in accordance with the instructions printed thereon not less than 48 hours before the time appointed for the holding of the EGM (or any adjourned meeting). Completion and delivery of the form of proxy will not preclude you from attending and voting at the EGM (or any adjourned meeting) if you so wish.

12 October 2022

PRECAUTIONARY MEASURES FOR EGM

Voting by proxy in advance of the EGM

The Company does not in any way wish to diminish the opportunity available to the Shareholders to exercise their rights and to vote, but is conscious of the pressing need to protect the Shareholders from possible exposure to the COVID-19 pandemic. For the health and safety of the Shareholders, the Company would like to encourage Shareholders to exercise their right to vote at the EGM by appointing the chairperson of the Meeting as their proxy instead of attending the EGM in person. Physical attendance is not necessary for the purpose of exercising Shareholders' rights. Completion and return of the proxy form will not preclude the Shareholders from attending and voting in person at the EGM or any adjournment thereof should they subsequently so wish.

Precautionary measures at the Meeting

To safeguard the health and safety of Shareholders and prevent the spread of the coronavirus (COVID-19) pandemic, the following measures will be implemented at the EGM:

- Each attendee will be required to undergo a mandatory body temperature check. Any person with a body temperature above 37.3 degrees Celsius, or who is exhibiting flulike symptoms, will be denied entry into the EGM venue.
- Shareholders, proxies and other attendees are required to wear surgical face masks inside the EGM venue at all times, and maintain a safe distance between seats. Any person who does not comply with this requirement will be required to leave the EGM venue.
- No refreshments will be served at the EGM, and there will be no corporate gifts.

The Company reminds all Shareholders that any person who is subject to any quarantine order prescribed by the Hong Kong Government will be denied entry into the EGM venue in order to ensure the health and safety of all attendees at the EGM.

To the extent permitted under law, the Company reserves the right to deny entry into the EGM venue or require any person to leave the EGM venue so as to ensure the health and safety of the attendees at the EGM.

The Company will closely monitor the development of the COVID-19 pandemic and any regulations or measures introduced or to be introduced by the Hong Kong government in relation to the COVID-19 pandemic. The Company will ensure that the EGM will be conducted in compliance with the regulations or measures of the Hong Kong government and Shareholders will not be deprived of their right of voting on the resolutions to be proposed at the EGM. Further announcements will be made by the Company as soon as possible if there is any update to the preventive measures as mentioned above.

PRECAUTIONARY MEASURES FOR EGM

If Shareholders have any questions relating to the EGM, please contact Tricor Investor Services Limited, the Company's Hong Kong branch share registrar, as follows:

17/F,
Far East Finance Centre,
16 Harcourt Road,
Hong Kong
Fax: (852) 2810 8185
E-mail: is-enquiries@hk.tricorglobal.com

CHARACTERISTICS OF GEM

GEM has been positioned as a market designed to accommodate small and mid-sized companies to which a higher investment risk may be attached than other companies listed on the Stock Exchange. Prospective investors should be aware of the potential risks of investing in such companies and should make the decision to invest only after due and careful consideration.

Given that the companies listed on GEM are generally small and mid-sized companies, there is a risk that securities traded on GEM may be more susceptible to high market volatility than securities traded on the Main Board and no assurance is given that there will be a liquid market in the securities traded on GEM.

CONTENT

	<i>Page</i>
DEFINITIONS	1
LETTER FROM THE BOARD	5
NOTICE OF THE EGM	20

DEFINITIONS

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

“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
“Board”	the board of Directors
“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 237,045,071 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, and as supplemented by the respective Supplemental Capitalisation Agreements, in respect of the Capitalisation
“Capitalisation Price”	HK\$0.15 per Capitalisation Share
“Capitalisation Share(s)”	237,045,071 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

DEFINITIONS

“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
“Creditors”	collectively, Creditor A, Creditor B, Creditor C, Creditor D, Creditor E, Creditor F, Creditor G, Creditor H
“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
“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

DEFINITIONS

“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 interest 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\$8,392,372.60, being the aggregated outstanding principal amount and the interest 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\$10,241,922.41, being the aggregated outstanding principal amount and the interest 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\$1,613,917.81, being the aggregated outstanding principal amount and the interest 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\$2,474,673.97, being the aggregated outstanding principal amount and the interest 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\$5,159,157.26, being the aggregated outstanding principal amount and the interest 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\$4,060,617.21, being the aggregated outstanding principal amount and the interest 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 interest accrued thereunder owed by the Group to the Creditor H as at 30 September 2022, and is subject to the Capitalisation

DEFINITIONS

“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)
“Latest Practicable Date”	10 October 2022, the latest practicable date for the identification of certain information in this circular prior to the despatch of this circular
“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
“Supplemental Capitalisation Agreements”	the supplemental capitalisation agreements dated 6 September 2022 entered into between the Company and Creditor B, Creditor C, Creditor D, Creditor E, Creditor F and Creditor G, respectively
“%”	per cent

LETTER FROM THE BOARD



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)

Executive Directors:

Mr. Lo Yan Yee (*Chairman*)
Ms. Cheng Yeuk Hung
Mr. Tansri Saridju Benui
Ms. Chan Wan Shan Sandra

Registered Office:

Cricket Square
Hutchins Drive
P.O. Box 2681
Grand Cayman KY1-1111
Cayman Islands

Independent non-executive Directors:

Mr. Leung Yu Tung Stanley
Mr. Chow Yun Cheung
Mr. Lam Kwok Leung Roy

Principal place of business in Hong Kong:

Room 3207A, 32/F
Cable TV Tower
9 Hoi Shing Road
Tsuen Wan
New Territories
Hong Kong

12 October 2022

To the Shareholders

Dear Sir or Madam,

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

INTRODUCTION

Reference is made to the announcements of the Company dated 29 August 2022, 30 August 2022 and 6 September 2022, respectively, in relation to, among other matters, the Capitalisation Agreements.

The purpose of this circular is to provide you with, among others, (i) further information on the Capitalisation Agreements and the transactions contemplated thereunder; (ii) the notice convening the EGM; and (iii) other information as required to be disclosed, in accordance with the requirements under the GEM Listing Rules.

LETTER FROM THE BOARD

CAPITALISATION AGREEMENTS

The principal terms of the Capitalisation Agreements are set out below:

- Date: 29 August 2022 (after trading hours)
- Parties: (a) the Company (as the issuer); and
(b) each of the Creditors
- Subject: The Company has conditionally agreed to allot and issue to the Creditors and the Creditors have conditionally agreed to subscribe for an aggregate of 237,045,071 Capitalisation Shares (as amended by the Supplemental Capitalisation Agreements) at the Capitalisation Price of HK\$0.15 per Capitalisation Share; and
- Settlement method: (i) the subscription amount payable by the Creditors under the Capitalisation Agreements shall be satisfied by capitalising the respective Indebted Sums due from the Company; and
(ii) 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 Supplemental Capitalisation Agreements are set out below:

- Date: 6 September 2022
- Parties: (a) the Company; and
(b) Creditor B, Creditor C, Creditor D, Creditor E, Creditor F and Creditor G, respectively
- Indebted Sums and number of Capitalisation Shares: the respective Indebted Sums and number of Capitalisation Shares to be allotted and issued to the respective Creditors are revised, please refer to the paragraph headed “Capitalisation Shares” below.

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 paragraph headed “Capitalisation Shares” below.

LETTER FROM THE BOARD

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	
	300,000	7%	18 August 2023	322,783.562	
	1,009,000	7%	6 August 2024	<u>1,085,628.712</u>	
				3,022,330.082	20,148,867
Creditor B	7,800,000	7%	18 August 2023	8,392,372.603	55,949,150
Creditor C	4,500,000	7%	23 January 2023	4,841,753.425	
	5,019,000	7%	6 August 2024	<u>5,400,168.986</u>	
				10,241,922.411	68,279,482
Creditor D	500,000	7%	23 January 2023	537,972.603	
	1,000,000	7%	6 August 2024	<u>1,075,945.205</u>	
				1,613,917.808	10,759,452
Creditor E	1,000,000	7%	23 January 2023	1,075,945.205	
	300,000	7%	18 August 2023	322,783.562	
	1,000,000	7%	6 August 2024	<u>1,075,945.205</u>	
				2,474,673.972	16,497,826
Creditor F	2,500,000	7%	23 January 2023	2,689,863.014	
	1,465,000	7%	18 August 2023	1,576,259.726	
	830,000	7%	6 August 2024	<u>893,034.521</u>	
				5,159,157.261	34,394,381
Creditor G	3,135,000	7%	18 August 2023	687,528.986	
	639,000	7%	7 July 2025	<u>3,373,088.219</u>	
				4,060,617.205	27,070,781
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>237,045,071</u>

LETTER FROM THE BOARD

Assuming that there will be no change in the issued share capital of the Company between the Latest Practicable Date and the Completion Date, the Capitalisation Shares represent (i) approximately 66.25% of the total issued share capital of the Company as at the Latest Practicable Date; 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\$11,852,253.55 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:

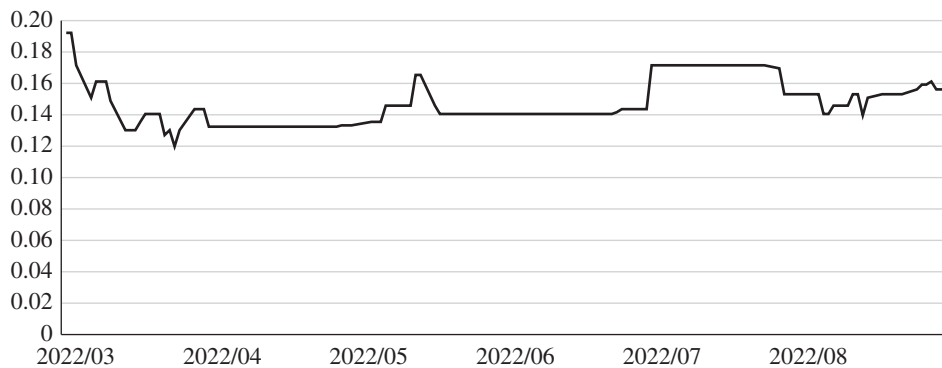
- (i) represents a discount of approximately 3.23% to the closing price of HK\$0.155 per Share as quoted on the Stock Exchange on the date of the Capitalisation Agreements;
- (ii) represents a discount of approximately 4.58% to the average closing price of approximately HK\$0.1572 per Share as quoted 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, details of which is set out as follows, and the prevailing market condition, being the recent economic slump and the inactivity of the trading market in general.

LETTER FROM THE BOARD

In determining the Capitalisation Price, the Directors have reviewed the closing price and the trading volume of the Shares during the period from March 2022 and up to and including the date of the Capitalisation Agreements (namely, 29 August 2022) (being the six-month period immediately prior to the date of the Capitalisation Agreements) (the “**Review Period**”). The Directors consider that, when assessing the Capitalisation Price, the Review Period covering six months prior to the date of the Capitalisation Agreements represents a reasonable and sufficient period to provide a general and fair overview of the recent trend of the Share price free from the influence of, if any, short term market volatility. The following sets out the closing price and trading volume of the Shares during the Review Period:

Chart 1: Closing price of the Shares during the Review Period



Source: the website of the Stock Exchange (www.hkex.com.hk)

Table 1: Trading volume of the Shares during the Review Period

Month/Period	Total trading volume (No. of Shares)	Number of trading days	Average daily trading volume of the Shares (No. of Shares, approximately)	Average daily trading volume as a percentage of the total number of Shares in issue (note) (%)
Review Period				
March 2022	882,000	21	42,000	0.012
April 2022	1,358,000	14	97,000	0.027
May 2022	3,108,000	16	194,250	0.054
June 2022	552,200	14	39,442	0.011
July 2022	2,780,000	20	139,000	0.039
August 2022 (up to 29 August 2022)	1,644,000	21	78,285	0.022

Source: the website of the Stock Exchange (www.hkex.com.hk)

Notes: The calculation is based on the average daily trading volume of the Shares divided by the total number of the issued Share as at the Latest Practicable Date (i.e. 357,815,052 Shares).

LETTER FROM THE BOARD

The Directors noted that the closing price of the Shares ranges from the lowest of HK\$0.12 to the highest of HK\$0.19 during the Review Period, with an average closing price of approximately HK\$0.149. Further, as illustrated in Table 1 above, the average daily trading volume for the respective month/period during the Review Period ranged from approximately 39,442 Shares to approximately 194,250 Shares, representing approximately 0.011% to approximately 0.054% of the total number of issued Shares as at the Latest Practicable Date. The Directors noted that the average daily trading volume during the Review Period of approximately 97,398 Shares was thin and represented merely approximately 0.027% of the total number of issued Shares as at the Latest Practicable Date.

Based on the above and the reasons and benefits of Capitalisation as discussed in the section headed “Information of the Group and reasons for the Capitalisation” below, the Directors consider the Capitalisation Price is fair and reasonable for the following reasons: (a) as the Capitalisation Price is within the range of the closing price of the shares during the Review Period and close to the average closing price of approximately HK\$0.149 during the Review Period, and it represents a slight discount of 3.23% to the closing price on the date of the Capitalisation Agreement and a slight discount of 4.58% and 2.98% to the average closing price as quoted on the Stock Exchange within the five and ten consecutive days, respectively, the Directors are of the view that it reflects the current market value of the Shares traded on the Stock Exchange; (b) the Shares have been trading at prices substantially lower than the conversion price under the respective CBs (i.e. ranging from HK\$0.464 to HK\$3.94 per conversion Share), in this regard, the Creditors has indicated that they are not likely to exercise the conversion right at the conversion price under the respective CBs before the relevant maturity date in view of the recent trading performance of the Shares; however, as discussed in more detail under the section headed “Information of the Group and reasons for the Capitalisation” below, the Company may not be able to redeem the CBs at the maturity date nor continue to pay the relevant interest on the CBs in light of the current financial position of the Group, in order to benefit from the proposed Capitalisation, the Directors considers that it would be reasonable to agree to a reduced Capitalisation Price that is more in line with the current traded prices of the Company’s Shares, and that this would be in consistence with the commercial rationale underlying the determination of the conversion price when the respective CBs were originally issued; and (c) in view of the foregoing and despite the Capitalisation Price of HK\$0.15 per Share represents a slight premium of approximately 0.67% to the average closing price of the Shares during the Review Period, given the relatively low closing price range and thin average daily trading volume of the Shares during the Review Period, the Directors are of the view that setting the Capitalisation Price in the lower range of the closing price of the Shares during the Review Period would serve as an incentive to the Creditors to participate in the proposed Capitalisation.

LETTER FROM THE BOARD

Conditions to the Capitalisation

The Completion of the respective Capitalisation Agreement 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 such Capitalisation Agreement 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 BVI**”), a company incorporated under the laws of British Virgin Islands and the shares of which are wholly owned by Creditor H; whereas Creditor A is the sole beneficial owner of the participating shares of Bluemount Investment Fund SP. Bluemount Investment Fund SPC is

LETTER FROM THE BOARD

managed by Bluemount Asset Management Limited (“**Bluemount Asset Management**”), a wholly-owned subsidiary of Bluemount Financial Group Limited (“**Bluemount Financial**”), the shares of which are owned by the Company, Creditor D, Creditor F and Creditor H as to 30%, 26.08%, 16.47% and 27.45%, respectively. Creditor D is a director of Bluemount Investment Fund SPC, Creditor H is a director of Bluemount BVI, Bluemount Financial and Bluemount Asset Management, and Ms. Chan Wan Shan, Sandra (“**Ms. Chan**”), an executive Director, is a director of each of the aforesaid companies. Ms. Chan does not hold any shares in Bluemount BVI, Bluemount Asset Management and Bluemount Financial; Ms. Chan’s role and responsibility as a director of each of Bluemount BVI and Bluemount Financial includes determining the company’s strategic objectives and policies and monitoring the implementation progress, and she is also the manager-in-charge of operational control and review of 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, she has over 12 years of experience in business management, and has been employed as a director or managerial position of certain public and private companies. Creditor C possesses experience in investing in various financial instruments, such as bonds and securities. 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\$3.77 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.

LETTER FROM THE BOARD

Although (a) 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, and (b) Ms. Chan is a connected person of the Company, as she does not hold any shares in Bluemount BVI, Bluemount Asset Management and Bluemount Financial; therefore, each of the foregoing companies 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 and its ultimate beneficial owners (if any), (ii) Bluemount Financial and its ultimate beneficial owners, 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 Latest Practicable Date, the Company has the following convertible bonds in issue:

- (i) 2018 January CBs were issued on 23 January 2018, and as at the Latest Practicable Date, HK\$10,000,000 of the 2018 January CBs remain outstanding. 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;
- (ii) 2018 August CBs were issued on 20 August 2018, and as at the Latest Practicable Date, HK\$13,000,000 of the 2018 August CBs remain outstanding. 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;
- (iii) 2019 CBs were issued on 6 August 2019, and as at the Latest Practicable Date, HK\$9,408,000 of the 2019 CBs remain outstanding. 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; and
- (iv) 2020 CBs were issued on 7 July 2020, and as at the Latest Practicable Date, 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.

LETTER FROM THE BOARD

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. Further, set out below is the key financial ratios of the Group as at/for the three months ended 30 June 2022 (unaudited), respectively, and (b) by illustration only, based on the financial information as at/for the three months ended 30 June 2022 (unaudited), immediately after the Completion:

	As at/for the three months ended 30 June 2022 (unaudited)	Immediately after the Completion
Current ratio	1.96:1	3.21:1
Gearing ratio	1.30:1	2.14:1
Debt to equity ratio	2.17:1	0.93:1

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 of HK\$4.32 million on the CBs, being the outstanding interest under the CBs as at 30 September 2022 and any accrued interest calculated thereafter 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 the Latest Practicable Date, 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, with an estimated aggregated costs of at least HK\$1.62 million 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 preemptive 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.

LETTER FROM THE BOARD

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 allow the Company to save up to approximately HK\$0.19 million interest expense per month, and 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 (including the Capitalisation Price) 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 Latest Practicable Date 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 Latest Practicable Date; 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\$11,852,253.55.

LETTER FROM THE BOARD

The table below sets out, for the purpose of illustration only, the shareholding structure of the Company (i) as at the Latest Practicable Date; 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 (Note 1)	4,878,000	1.36%	4,878,000	0.82%
ECGO International Limited ("ECGO") (Note 2)	76,008,474	21.24%	76,008,474	12.78%
Lissington Limited ("Lissington") (Note 3)	79,791,486	22.30%	79,791,486	13.41%
Creditor A	—	—	20,148,867	3.39%
Creditor B (Note 4)	5,060,000	1.41%	61,009,150	10.26%
Creditor C	35,302,504	9.87%	103,581,986	17.41%
<i>Public Shareholders</i>				
Creditor D	1,715,580	0.48%	12,475,032	2.10%
Creditor E	3,070,689	0.86%	19,568,515	3.29%
Creditor F	22,867,183	6.39%	57,261,564	9.63%
Creditor G (Note 5)	20,577,068	5.75%	47,647,849	8.01%
Creditor H	6,578,400	1.84%	10,523,532	1.77%
Others	101,965,668	28.50%	101,965,668	17.14%
	<u>156,774,588</u>	<u>43.81%</u>	<u>249,442,160</u>	<u>41.93%</u>
Total	<u><u>357,815,052</u></u>	<u><u>100%</u></u>	<u><u>594,860,123</u></u>	<u><u>100%</u></u>

Notes:

1. Ms. Cheng Yeuk Hung is an executive Director.
2. ECGO 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).
3. The entire issued share capital of Lissington is beneficially owned by Ms. Zheng Zeli.
4. 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.
5. The Shares in which Creditor G are interested include 1,289,800 Shares held through a controlled corporation.

LETTER FROM THE BOARD

Public Float

As at the Latest Practicable Date, each of ECGO and Lissington holds 10% or more shareholding of the Company, and thus a substantial shareholder of the Company. Upon the Completion, Creditor A (together with its interest in Creditor B) and Creditor C will each hold more than 10% shareholding of the Company and thus will become a substantial shareholder of the Company, while each of ECGO and Lissington will continue to hold 10% or more shareholding of the Company and remains to be a substantial shareholder of the Company. To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, each of Creditor A, Creditor B and Creditor C is a passive investor who has not been a director or senior management of the Company nor have any representation on the Board or senior management of the Company, and none of them will bring material change to the Board and/or senior management of the Company; further, save as disclosed in this circular, all of the Creditors are independent of each other. Accordingly, the Directors are of the view that the aforementioned change of substantial shareholder will not affect the current business model nor change of control upon the completion of the Capitalisation.

Save for aforesaid, none of the Creditors will be expected to hold 10% or more shareholding of the Company upon the Completion, thus they are public shareholders and all of the Shares held by them will be counted towards to the public float; accordingly, the number of Shares held by members of the public (within the meaning of the GEM Listing Rules) will constitute at least 25% of the total issued share capital of the Company, resulting in the Company being in compliance with the requirement of public float under the GEM Listing Rules.

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 Latest Practicable Date:

Date of announcements	Fund raising activity	Net proceeds (<i>approximate</i>)	Intended use of proceeds as announced	Actual use of proceeds as at the Latest Practicable Date
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 Latest Practicable Date.

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 Latest Practicable Date.

LETTER FROM THE BOARD

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.

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

EGM

The EGM will be convened at Room 3207A, 32/F, Cable TV Tower, 9 Hoi Shing Road, Tsuen Wan, New Territories, Hong Kong at 12:00 p.m. on Friday, 28 October 2022 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.

The notice convening the EGM is set out on pages 20 to 25 of this circular. A form of proxy for use at the EGM is also enclosed in this circular. Whether or not you are able to attend the EGM and/or vote at the EGM in person, you are requested to complete and return the enclosed form of proxy to the Company's Hong Kong branch share registrar, Tricor Investor Services Limited at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong in accordance with the instructions printed thereon not less than 48 hours before the time appointed for the holding of the EGM (or any adjourned meeting). Completion and delivery of the form of proxy will not preclude you from attending and voting at the EGM (or any adjourned meeting) if you so wish.

As at the Latest Practicable Date, 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 of the Directors' knowledge, information and belief having made all reasonable enquiries, no other Shareholder has a material interest in (i) the granting the Special Mandate; (ii) the Capitalisation Agreements and the transactions contemplated thereunder and accordingly no other Shareholder is required to abstain from voting on the resolution(s) to be proposed at the EGM.

LETTER FROM THE BOARD

RECOMMENDATION

On the basis of the information set out in this circular, the Board considers that the terms of the Capitalisation Agreements are fair and reasonable and (i) the granting the Special Mandate; and (ii) the Capitalisation Agreements and the transactions contemplated thereunder is in the best interests of the Company and the Shareholders as a whole. Accordingly, the Board recommends the Shareholders to vote in favor of the resolutions as set out in the notice of EGM.

RESPONSIBILITY STATEMENT

This circular, for which the Directors 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 Group. The Directors having made all reasonable enquiries, confirm that to the best of their knowledge and belief, the information contained in this circular 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 circular misleading.

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

NOTICE OF THE EGM



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)

NOTICE OF EXTRAORDINARY GENERAL MEETING

NOTICE IS HEREBY GIVEN that an extraordinary general meeting (the “**Meeting**”) of Echo International Holdings Group Limited (the “**Company**”) will be held at Room 3207A, 32/F, Cable TV Tower, 9 Hoi Shing Road, Tsuen Wan, New Territories, Hong Kong on Friday, 28 October 2022 at 12:00 p.m. for the purpose of considering and, if thought fit, passing each of the following resolutions as an ordinary resolution. Unless otherwise indicated, capitalised terms used herein shall have the same meanings as those defined in the circular of the Company dated 12 October 2022 (the “**Circular**”).

ORDINARY RESOLUTIONS

1. “**THAT:**

- (a) the conditional capitalisation agreement entered into between the Company (as the issuer) and Creditor A dated 29 August 2022 (“**Creditor A Agreement**”) in relation to the issue of 20,148,867 Capitalisation Shares (“**Creditor A Shares**”) at the Capitalisation Price of HK\$0.15 per Capitalisation Share (a copy of which has been produced to the Meeting and marked “**A**” and signed by the Chairman of the Meeting for the purpose of identification), and all the transactions contemplated thereunder, be and are hereby approved, confirmed and ratified;
- (b) the Directors be and are hereby granted a specific mandate to exercise all the powers of the Company to allot, issue and deal with the Creditor A Shares, subject to and in accordance with the terms and conditions set out in the Creditor A Agreement; and
- (c) any Directors be and is hereby authorised to do all such further acts and things and sign, agree, ratify and/or execute all such further documents or instrument under hand (or where required, under the common seal of the Company together with such other Director or person authorised by the board of Directors) and take all such steps as the Director in his/her discretion may consider necessary, appropriate, desirable or expedient to implement, give effect to or in connection with Creditor A Agreement and any of the transactions contemplated thereunder.”

NOTICE OF THE EGM

2. “**THAT:**

- (a) the conditional capitalisation agreement dated 29 August 2022 and the supplemental capitalisation agreement dated 6 September 2022 entered into between the Company (as the issuer) and Creditor B (collectively, “**Creditor B Agreements**”) in relation to the issue of 55,949,150 Capitalisation Shares (“**Creditor B Shares**”) at the Capitalisation Price of HK\$0.15 per Capitalisation Share (a copy of which has been produced to the Meeting and marked “**B**” and signed by the Chairman of the Meeting for the purpose of identification), and all the transactions contemplated thereunder, be and are hereby approved, confirmed and ratified;
- (b) the Directors be and are hereby granted a specific mandate to exercise all the powers of the Company to allot, issue and deal with the Creditor B Shares, subject to and in accordance with the terms and conditions set out in the Creditor B Agreements; and
- (c) any Directors be and is hereby authorised to do all such further acts and things and sign, agree, ratify and/or execute all such further documents or instrument under hand (or where required, under the common seal of the Company together with such other Director or person authorised by the board of Directors) and take all such steps as the Director in his/her discretion may consider necessary, appropriate, desirable or expedient to implement, give effect to or in connection with Creditor B Agreements and any of the transactions contemplated thereunder.”

3. “**THAT:**

- (a) the conditional capitalisation agreement dated 29 August 2022 and the supplemental capitalisation agreement dated 6 September 2022 entered into between the Company (as the issuer) and Creditor C (collectively, “**Creditor C Agreements**”) in relation to the issue of 68,279,482 Capitalisation Shares (“**Creditor C Shares**”) at the Capitalisation Price of HK\$0.15 per Capitalisation Share (a copy of which has been produced to the Meeting and marked “**C**” and signed by the Chairman of the Meeting for the purpose of identification), and all the transactions contemplated thereunder, be and are hereby approved, confirmed and ratified;
- (b) the Directors be and are hereby granted a specific mandate to exercise all the powers of the Company to allot, issue and deal with the Creditor C Shares, subject to and in accordance with the terms and conditions set out in the Creditor C Agreements; and
- (c) any Directors be and is hereby authorised to do all such further acts and things and sign, agree, ratify and/or execute all such further documents or instrument under hand (or where required, under the common seal of the Company together with such other Director or person authorised by the board of Directors) and take all such steps as the Director in his/her discretion may consider necessary,

NOTICE OF THE EGM

appropriate, desirable or expedient to implement, give effect to or in connection with Creditor C Agreements and any of the transactions contemplated thereunder.”

4. **“THAT:**

- (a) the conditional capitalisation agreement dated 29 August 2022 and the supplemental capitalisation agreement dated 6 September 2022 entered into between the Company (as the issuer) and Creditor D (collectively, **“Creditor D Agreements”**) in relation to the issue of 10,759,452 Capitalisation Shares (**“Creditor D Shares”**) at the Capitalisation Price of HK\$0.15 per Capitalisation Share (a copy of which has been produced to the Meeting and marked **“D”** and signed by the Chairman of the Meeting for the purpose of identification), and all the transactions contemplated thereunder, be and are hereby approved, confirmed and ratified;
- (b) the Directors be and are hereby granted a specific mandate to exercise all the powers of the Company to allot, issue and deal with the Creditor D Shares, subject to and in accordance with the terms and conditions set out in the Creditor D Agreements; and
- (c) any Directors be and is hereby authorised to do all such further acts and things and sign, agree, ratify and/or execute all such further documents or instrument under hand (or where required, under the common seal of the Company together with such other Director or person authorised by the board of Directors) and take all such steps as the Director in his/her discretion may consider necessary, appropriate, desirable or expedient to implement, give effect to or in connection with Creditor D Agreements and any of the transactions contemplated thereunder.”

5. **“THAT:**

- (a) the conditional capitalisation agreement dated 29 August 2022 and the supplemental capitalisation agreement dated 6 September 2022 entered into between the Company (as the issuer) and Creditor E (collectively, **“Creditor E Agreements”**) in relation to the issue of 16,497,826 Capitalisation Shares (**“Creditor E Shares”**) at the Capitalisation Price of HK\$0.15 per Capitalisation Share (a copy of which has been produced to the Meeting and marked **“E”** and signed by the Chairman of the Meeting for the purpose of identification), and all the transactions contemplated thereunder, be and are hereby approved, confirmed and ratified;
- (b) the Directors be and are hereby granted a specific mandate to exercise all the powers of the Company to allot, issue and deal with the Creditor E Shares, subject to and in accordance with the terms and conditions set out in the Creditor E Agreements; and

NOTICE OF THE EGM

- (c) any Directors be and is hereby authorised to do all such further acts and things and sign, agree, ratify and/or execute all such further documents or instrument under hand (or where required, under the common seal of the Company together with such other Director or person authorised by the board of Directors) and take all such steps as the Director in his/her discretion may consider necessary, appropriate, desirable or expedient to implement, give effect to or in connection with Creditor E Agreements and any of the transactions contemplated thereunder.”

6. **“THAT:**

- (a) the conditional capitalisation agreement dated 29 August 2022, and the supplemental capitalisation agreement dated 6 September 2022 entered into between the Company (as the issuer) and Creditor F (collectively, “**Creditor F Agreements**”) in relation to the issue of 34,394,381 Capitalisation Shares (“**Creditor F Shares**”) at the Capitalisation Price of HK\$0.15 per Capitalisation Share (a copy of which has been produced to the Meeting and marked “**F**” and signed by the Chairman of the Meeting for the purpose of identification), and all the transactions contemplated thereunder, be and are hereby approved, confirmed and ratified;
- (b) the Directors be and are hereby granted a specific mandate to exercise all the powers of the Company to allot, issue and deal with the Creditor F Shares, subject to and in accordance with the terms and conditions set out in the Creditor F Agreements; and
- (c) any Directors be and is hereby authorised to do all such further acts and things and sign, agree, ratify and/or execute all such further documents or instrument under hand (or where required, under the common seal of the Company together with such other Director or person authorised by the board of Directors) and take all such steps as the Director in his/her discretion may consider necessary, appropriate, desirable or expedient to implement, give effect to or in connection with Creditor F Agreements and any of the transactions contemplated thereunder.”

7. **“THAT:**

- (a) the conditional capitalisation agreement dated 29 August 2022, and the supplemental capitalisation agreement dated 6 September 2022 entered into between the Company (as the issuer) and Creditor G (collectively, “**Creditor G Agreements**”) in relation to the issue of 27,070,781 Capitalisation Shares (“**Creditor G Shares**”) at the Capitalisation Price of HK\$0.15 per Capitalisation Share (a copy of which has been produced to the Meeting and marked “**G**” and signed by the Chairman of the Meeting for the purpose of identification), and all the transactions contemplated thereunder, be and are hereby approved, confirmed and ratified;

NOTICE OF THE EGM

- (b) the Directors be and are hereby granted a specific mandate to exercise all the powers of the Company to allot, issue and deal with the Creditor G Shares, subject to and in accordance with the terms and conditions set out in the Creditor G Agreements; and
- (c) any Directors be and is hereby authorised to do all such further acts and things and sign, agree, ratify and/or execute all such further documents or instrument under hand (or where required, under the common seal of the Company together with such other Director or person authorised by the board of Directors) and take all such steps as the Director in his/her discretion may consider necessary, appropriate, desirable or expedient to implement, give effect to or in connection with Creditor G Agreements and any of the transactions contemplated thereunder.”

8. **“THAT:**

- (a) the conditional capitalisation agreement entered into between the Company (as the issuer) and Creditor H dated 29 August 2022 (“**Creditor H Agreement**”) in relation to the issue of 3,945,132 Capitalisation Shares (“**Creditor H Shares**”) at the Capitalisation Price of HK\$0.15 per Capitalisation Share (a copy of which has been produced to the Meeting and marked “**H**” and signed by the Chairman of the Meeting for the purpose of identification), and all the transactions contemplated thereunder, be and are hereby approved, confirmed and ratified;
- (b) the Directors be and are hereby granted a specific mandate to exercise all the powers of the Company to allot, issue and deal with the Creditor H Shares, subject to and in accordance with the terms and conditions set out in the Creditor H Agreement; and
- (c) any Directors be and is hereby authorised to do all such further acts and things and sign, agree, ratify and/or execute all such further documents or instrument under hand (or where required, under the common seal of the Company together with such other Director or person authorised by the board of Directors) and take all such steps as the Director in his/her discretion may consider necessary, appropriate, desirable or expedient to implement, give effect to or in connection with Creditor H Agreement and any of the transactions contemplated thereunder.”

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

Hong Kong, 12 October 2022

NOTICE OF THE EGM

Registered Office:

Cricket Square
Hutchins Drive
P.O. Box 2681
Grand Cayman KY1-1111
Cayman Islands

Principal place of business in Hong Kong:

Room 3207A, 32/F
Cable TV Tower
9 Hoi Shing Road
Tsuen Wan
New Territories
Hong Kong

Notes:

1. A form of proxy for use at the Meeting or any adjournment thereof is enclosed.
2. A member entitled to attend and vote at the Meeting is entitled to appoint one or more proxy to attend and, subject to the provisions of the Articles of Association, to vote on his behalf. A proxy need not be a member of the Company but must be present in person at the Meeting to represent the member. If more than one proxy is so appointed, the appointment shall specify the number and class of Shares in respect of which each such proxy is so appointed.
3. Whether or not you intend to attend the Meeting, you are requested to complete the form of proxy and return the same to the Company's Hong Kong branch share registrar and transfer office, Tricor Investor Services Limited at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong in accordance with the instructions printed thereon not less than 48 hours before the time appointed for the holding of the Meeting (or any adjourned meeting). Completion and delivery of the form of proxy will not preclude you from attending and voting at the Meeting (or any adjourned meeting) if you so wish.
4. The record date for determining the entitlement of members of the Company to attend and vote at the Meeting is fixed at the close of business on Thursday, 27 October 2022. In order to be eligible to attend and vote at the Meeting, all transfer documents accompanied by the relevant share certificates must be lodged with the Company's branch share registrar in Hong Kong, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong, for registration not later than 4:30 p.m. on Thursday, 27 October 2022.
5. In case of joint holders of any share, any one of such joint holders may vote at the Meeting, either personally or by proxy, in respect of such share as if he were solely entitled thereto, but if more than one of such joint holders be present at the Meeting personally or by proxy, then one of the said persons so present being the most or, as the case may be, the more senior shall alone be entitled to vote in respect of the relevant joint holding and, for this purpose, seniority shall be determined by reference to the order in which the names of the joint holders stand on the register of members of the Company in respect of the relevant joint holding.