

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.



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)

CHANGE IN USE OF PROCEEDS

Reference is made to the announcement of Echo International Holdings Group Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) dated 6 August 2019 in relation to the completion of placing of Convertible Bonds under general mandate (the “**Announcement**”). Unless the context herein otherwise requires, capitalized terms in this announcement shall have the same meanings as defined in the Announcement.

USE OF PROCEEDS FROM THE PLACING

The Company announced in the Announcement that net proceeds from the Placing amounted to about HK\$9.18 million (“**Net Proceeds**”). As disclosed in the Announcement, the Company intended to allocate (i) HK\$5.98 million from the Net Proceeds to support the expansion in catering business and (ii) HK\$3.20 million as working capital of the Group.

Since the Net Proceeds of approximately HK\$3.20 million allocated for the working capital of the Group have already been fully utilised as at 31 December 2019, and for the reasons set out in the paragraph headed “Reasons for and Benefits of the Change in Use of Proceeds” of this announcement, the Board has resolved to allocate the remaining unutilized Net Proceeds, namely, approximately HK\$5.74 million, for the general working capital of the Group so as to provide more buffer to cope with the economic uncertainty in the future.

The use of Net Proceeds in the revised manner is set out as below:

	Original allocation of approximate amount of Net Proceeds <i>HK\$'000</i>	Approximate actual amount of utilized Net Proceeds up to the date of this announcement <i>HK\$'000</i>	Approximate amount of unutilised Net Proceeds as at the date of this announcement <i>HK\$'000</i>	Revised allocation of the Net Proceeds <i>HK\$'000</i>
Expansion of catering business	5.98	0.24	5.74	—
General working capital	3.2	3.2	—	5.74
	<u>9.18</u>	<u>3.44</u>	<u>5.74</u>	<u>5.74</u>

REASONS FOR AND BENEFITS OF THE CHANGE IN USE OF PROCEEDS

In view of the global outbreak of the novel coronavirus (COVID-19) epidemic since early 2020, the economic outlook and financial market in Hong Kong remain uncertain. As at the date of this announcement, the epidemic is not yet under control, the social distancing measures and mandatory stay at home order are implementing over the majority cities of the world, and this has an adverse effect on (i) manufacturing and trading sector and (ii) catering business.

The re-allocation of the Net Proceeds, which were originally allocated for business expansion, to supplement the general working capital for the ordinary operation of the Company is more beneficial to meet the current operation needs of the Company and increase its financial effects and provide more buffer to cope with the economic uncertainty in the future.

Despite of the change in use of proceeds as stated above, the Board considers that the development direction of the Company remains unchanged with the disclosure in the Announcement, namely, the expansion of the catering business. The Company is considering different means of fund raising such as issuance of shares, convertible bonds or bank borrowing and will make further announcement in accordance with the GEM Listing Rules in due course.

The Board considers that the aforesaid change in use of Net Proceeds is in the best interest of the Company and its Shareholders as a whole and it will not have any material adverse effect on the existing business and operations of the Group.

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

Hong Kong, 5 June 2020

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. Tsui Chun Shing, Mr. Leung Yu Tung Stanley and Mr. Lee Kwok Po.

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.