



## **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)**

### **FIRST QUARTERLY RESULTS ANNOUNCEMENT FOR THE THREE MONTHS ENDED 30 JUNE 2015**

#### **CHARACTERISTICS OF THE GROWTH ENTERPRISE MARKET (“GEM”) OF THE STOCK EXCHANGE OF HONG KONG LIMITED (THE “STOCK EXCHANGE”)**

**GEM has been positioned as a market designed to accommodate companies to which a high 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. The greater risk profile and other characteristics of GEM mean that it is a market more suited to professional and other sophisticated investors.**

**Given the emerging nature of companies listed on GEM, there is a risk that securities traded on GEM may be more susceptible to high market volatility than securities traded on the Main Board of the Stock Exchange and no assurance is given that there will be a liquid market in the securities traded on GEM.**

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*This announcement, for which the directors (the “**Directors**”) of Echo International Holdings Group Limited (the “**Company**”) collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on GEM of the Stock Exchange (the “**GEM Listing Rules**”) for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, 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.*

## **FINANCIAL HIGHLIGHTS**

- Recorded an unaudited revenue of approximately HK\$23.22 million for the three months ended 30 June 2015, representing an increase of approximately 140.53% over the corresponding period of the previous year.
- Recorded an unaudited loss attributable to the owners of the Company of approximately HK\$2.05 million for the three months ended 30 June 2015 (the corresponding period in 2014: unaudited loss attributable to the owners of the Company of approximately HK\$2.39 million).
- Basic and diluted loss per share for the three months ended 30 June 2015 were HK0.26 cents (the corresponding period in 2014: basic and diluted loss per share of HK0.30 cents).
- The Board does not recommend the payment of dividend for the three months ended 30 June 2015 (the corresponding period in 2014: Nil).

## UNAUDITED FIRST QUARTERLY RESULTS

The board of Directors (the “**Board**”) is pleased to announce the unaudited condensed consolidated results of the Company and its subsidiaries (collectively the “**Group**”) for the three months ended 30 June 2015 and the comparative unaudited figures for the corresponding period in 2014, as follows:

### UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the three months ended 30 June 2015

		Unaudited three months ended 30 June	
	Notes	2015 HK\$'000	2014 HK\$'000
Revenue	3	23,223	9,655
Cost of sales		<u>(20,235)</u>	<u>(7,071)</u>
Gross profit		2,988	2,584
Other revenue and gains	4	79	59
Selling and distribution expenses		(365)	(450)
Administrative and other expenses		(4,738)	(4,569)
Finance costs		<u>(17)</u>	<u>(18)</u>
Loss before taxation	5	(2,053)	(2,394)
Taxation	6	<u>—</u>	<u>—</u>
Loss for the period		(2,053)	(2,394)
Other comprehensive income/(loss) for the period, net of tax, items may be reclassified subsequently to profit or loss			
Exchange differences on translation of foreign operations		<u>100</u>	<u>(608)</u>
Total comprehensive loss for the period		<u>(1,953)</u>	<u>(3,002)</u>
Loss for the period attributable to owners of the Company		<u>(2,053)</u>	<u>(2,394)</u>
Total comprehensive loss for the period attributable to owners of the Company		<u>(1,953)</u>	<u>(3,002)</u>
			(Restated)
Loss per share			
— Basic and diluted (HK cents)	8	<u>0.26 cents</u>	<u>0.30 cents</u>

## UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the three months ended 30 June 2015 (Unaudited)

	Share capital <i>HK\$'000</i>	Share premium <i>HK\$'000</i>	Contribution reserve <i>HK\$'000</i>	Capital reserve <i>HK\$'000</i>	Share option reserve <i>HK\$'000</i>	Exchange reserve <i>HK\$'000</i>	Retained earnings/ (Accumulated losses) <i>HK\$'000</i>	Total <i>HK\$'000</i>
At 1 April 2015, audited	2,000	28,840	4,836	(89)	2,839	750	750	39,926
Loss for the period	—	—	—	—	—	—	(2,053)	(2,053)
Other comprehensive loss for the period	—	—	—	—	—	100	—	100
Total comprehensive loss for the period	—	—	—	—	—	100	(2,053)	(1,953)
Employee share option benefits	—	—	—	—	481	—	—	481
At 30 June 2015, unaudited	<u>2,000</u>	<u>28,840</u>	<u>4,836</u>	<u>(89)</u>	<u>3,320</u>	<u>850</u>	<u>(1,303)</u>	<u>38,454</u>

For the three months ended 30 June 2014 (Unaudited)

	Share capital <i>HK\$'000</i>	Share premium <i>HK\$'000</i>	Contribution reserve <i>HK\$'000</i>	Capital reserve <i>HK\$'000</i>	Share option reserve <i>HK\$'000</i>	Exchange reserve <i>HK\$'000</i>	Retained earnings <i>HK\$'000</i>	Total <i>HK\$'000</i>
At 1 April 2014, audited	2,000	28,840	4,836	(89)	909	613	13,381	50,490
Loss for the period	—	—	—	—	—	—	(2,394)	(2,394)
Other comprehensive loss for the period	—	—	—	—	—	(608)	—	(608)
Total comprehensive loss for the period	—	—	—	—	—	(608)	(2,394)	(3,002)
Employee share option benefits	—	—	—	—	455	—	—	455
At 30 June 2014, unaudited	<u>2,000</u>	<u>28,840</u>	<u>4,836</u>	<u>(89)</u>	<u>1,364</u>	<u>5</u>	<u>10,987</u>	<u>47,943</u>

# NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

## 1 CORPORATE INFORMATION

The Company is incorporated in the Cayman Islands as an exempted company with limited liability. The Company's shares have been listed on the GEM since 11 October 2013 (the "Listing Date") (the "Listing").

The unaudited condensed consolidated financial statements are presented in Hong Kong Dollars ("HK\$"), which is same as the functional currency of the Company.

The principal activities of the Group are engaged in the manufacturing and trading of electronic products and accessories.

## 2 BASIS OF PREPARATION AND PRINCIPAL ACCOUNTING POLICIES

The unaudited condensed consolidated first quarter financial statements have been prepared in accordance with the Hong Kong Accounting Standard ("HKAS") 34 "Interim Financial Reporting" issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA") and the disclosure requirements set out in Chapter 18 of the GEM Listing Rules. The unaudited condensed consolidated financial statements have been prepared under historical cost basis except for certain financial assets and financial liabilities, which are measured at fair values.

The accounting policies and method of computation used in preparing the unaudited condensed consolidated results are consistent with those used in the audited financial statements for the year ended 31 March 2015 except in relation to the new and revised standards, amendments and interpretations ("new and revised HKFRSs") issued by the HKICPA that are adopted for the first time for the current period's financial statements. The adoption of these new and revised HKFRSs has had no material impact on the unaudited condensed consolidated financial statements. The unaudited condensed consolidated results have not been reviewed by the Company's auditors, but have been reviewed by the Company's audit committee.

The Group has not early adopted any new Hong Kong Financial Reporting Standards ("HKFRS") that have been issued but are not yet effective.

## 3 SEGMENT INFORMATION

Information reported internally to the directors of the Group (chief operating decision maker) for the purpose of resource allocation and assessment of segment performance focuses on types of goods or services delivered or provided.

An analysis of the Group's revenue of each significant category for the period is as follows:

	Unaudited three months ended 30 June	
	2015 HK\$'000	2014 HK\$'000
Sales of electronic products	22,925	9,523
Subcontracting income	298	132
	<u>23,223</u>	<u>9,655</u>

Information reported internally to the directors of the Group (chief operating decision maker) for the purpose of resource allocation and assessment of segment performance focuses on types of goods or services delivered or provided.

Specifically, the Group's reportable and operating segments under HKFRS 8 are as follows:

- indent trading of electronic products.
- manufacturing and trading of electronic products and accessories.

The Group reportable segments are strategic business units that operate different activities. They are managed separately because each business has different market and requires different marketing strategies.

Segment revenues reported below represents revenue generated from external customers. There were no inter-segment sale for both period.

Segment result represents the profit/(loss) generated by each segment without allocation of corporate income and central administration costs including directors' emoluments, share based payment, finance costs and income tax expense. This is the measure reported to the chief operating decision maker for the purposes of resource allocation and assessment of segment performance.

### Segment revenues and results

The following is an analysis of the Group's turnover and results from continuing separations by reportable and operating segments:

**For the year ended 30 June 2015 (Unaudited)**

	<b>Indent trading of electronic products <i>HK\$'000</i></b>	<b>Manufacturing and trading of electronic products and accessories <i>HK\$'000</i></b>	<b>Total <i>HK\$'000</i></b>
Revenue	<u>13,436</u>	<u>9,787</u>	<u>23,223</u>
Segment results	<u>38</u>	<u>(1,181)</u>	(1,143)
Unallocated other revenue and gains			24
Unallocated selling and distribution expenses			(182)
Unallocated administrative and other expenses			<u>(735)</u>
Loss from operations			(2,036)
Finance costs			<u>(17)</u>
Loss before taxation			(2,053)
Taxation			<u>—</u>
Loss for the period			<u>(2,053)</u>

For the year ended 30 June 2014 (Unaudited)

	Indent trading of electronic products <i>HK\$'000</i>	Manufacturing and trading of electronic products and accessories <i>HK\$'000</i>	Total <i>HK\$'000</i>
Revenue	<u>927</u>	<u>8,728</u>	<u>9,655</u>
Segment results	<u>166</u>	<u>(1,464)</u>	(1,298)
Unallocated other revenue and gains			43
Unallocated selling and distribution expenses			(283)
Unallocated administrative and other expenses			<u>(853)</u>
Loss from operations			(2,391)
Finance costs			<u>(3)</u>
Loss before taxation			(2,394)
Taxation			<u>—</u>
Loss for the period			<u>(2,394)</u>

#### Geographical information

	Revenue from external customers Unaudited three months ended 30 June	
	2015 <i>HK\$'000</i>	2014 <i>HK\$'000</i>
Hong Kong	14,133	1,389
Asian countries, other than Hong Kong ( <i>Note 1</i> )	1,284	716
European countries ( <i>Note 2</i> )	4,884	4,686
United States	2,795	2,321
Others	<u>127</u>	<u>543</u>
	<u>23,223</u>	<u>9,655</u>

Notes:

1. Asian countries include the People's Republic of China (the "PRC"), Malaysia, Singapore and Taiwan.
2. European countries include Argentina, Belgium, Denmark, Finland, France, Germany, Italy, Spain, Sweden, Switzerland and United Kingdom.

#### 4 OTHER REVENUE AND GAINS

	Unaudited three months ended 30 June	
	2015	2014
	HK\$'000	HK\$'000
Bank interest income	20	—
Sundry income	59	59
	<u>79</u>	<u>59</u>

#### 5 LOSS BEFORE TAXATION

	Unaudited three months ended 30 June	
	2015	2014
	HK\$'000	HK\$'000
Loss before taxation is arrived after charging:		
<b>Finance costs</b>		
Interest on:		
Bank borrowings wholly repayable within five years	14	15
Obligation under finance leases	3	3
	<u>17</u>	<u>18</u>
<b>Other items</b>		
Depreciation of property, plant and equipments	78	85
Costs of inventories sold	20,235	7,071
	<u>20,313</u>	<u>7,156</u>

#### 6 TAXATION

	Unaudited three months ended 30 June	
	2015	2014
	HK\$'000	HK\$'000
Current tax		
— Hong Kong	—	—
— PRC	—	—
	<u>—</u>	<u>—</u>

Hong Kong Profits Tax is calculated at 16.5% of the estimated assessable profits arising in Hong Kong for the three months ended 30 June 2015 and 2014.

PRC subsidiary is subjected to PRC enterprise income tax at 25%.

Pursuant to the rules and regulations of the Cayman Islands and the British Virgin Islands, the Group is not subject to any income tax in the Cayman Islands and the British Virgin Islands for the three months ended 30 June 2015 and 2014.



## 7 DIVIDENDS

The Board does not recommend the payment of dividend for the three months ended 30 June 2015 (the corresponding period in 2014: Nil).

## 8 LOSS PER SHARE ATTRIBUTABLE TO OWNERS OF THE COMPANY

The calculation of basic loss per share is based on the loss for the period attributable to owners of the Company and the weighted average number of the Company's ordinary shares in issue during the period.

		Unaudited three months ended 30 June	
	Note	2015 HK\$'000	2014 HK\$'000
Loss for the period attributable to owners of the Company		<u>(2,053)</u>	<u>(2,394)</u>
		Unaudited three months ended 30 June	
		2015 No. of shares	2014 No. of shares (restated)
Weighted average number of ordinary shares in issue during the period	(a)	<u>800,000,000</u>	<u>800,000,000</u>
Weighted average number of ordinary shares and dilutive potential ordinary share in issue during the period	(a), (b)	<u>800,000,000</u>	<u>800,000,000</u>

*Note:*

- (a) On 15 July 2015, a share subdivision on the basis that every one issued and unissued shares of HK\$0.01 each be subdivided into four subdivided shares of HK\$0.0025 each took effect.
- (b) The diluted loss per share is the same as the basic loss per share for the three months ended 30 June 2015 and 2014 because the Company's share options outstanding during those periods were either anti-dilutive or have no potential dilutive effects.

## MANAGEMENT DISCUSSION AND ANALYSIS

### Business Review and Prospects

Revenue for the three months ended 30 June 2015 (“**Three-Month Period**”) was approximately HK\$23.22 million, representing an increase of approximately 140.53% when compared with the corresponding period in 2014. Loss attributable to owners of the Company for the Three-Month Period was approximately HK\$2.05 million whilst for the corresponding period in 2014, the loss attributable to owners of the Company was approximately HK\$2.39 million.

Given the slow pace of economic recovery along with the continued slackness in the U.S. and European markets, the sales of electronic products have become increasingly challenging. Notwithstanding the challenging market conditions during the Three-Month Period, the electronics products and the subcontracting services on PCB assemblies and manufacture of electronic products were still provided to the customers in the Group’s principle markets, i.e. the U.S.A. and the European countries including Argentina, Belgium, Denmark, Finland, France, Germany, Italy, Spain, Sweden, Switzerland and United Kingdom.

Moving forward, the Group will continue to focus on its core business of the sales of electronic products. The Group will also increase its market share and lure new customers to enlarge its client base through conducting more promotional and marketing activities and designing and developing new electronic products.

### Sales of Electronic Products

Revenue from this segment during the Three-Month Period was approximately HK\$22.93 million, representing an increase of approximately 140.73% when compared with the corresponding period in 2014. Increase in sales of electronics products was mainly due to the increase in the revenue from indent trading of electronic products and manufacturing and trading of electronic products and accessories by approximately HK\$12.51 million and HK\$1.06 million respectively as compared with the corresponding period in 2014. The increase in the revenue from indent trading of electronic products is mainly attributable to the increasing purchase orders from the Group’s customers. The Group launched a new fishing indicator and recorded an increase in sales of fishing indicator for the Three-Month Period by approximately HK\$1.30 million as compared with the corresponding period in 2014, which mainly led to the increase in the revenue from manufacturing and trading of electronic products and accessories for the Three-Month Period.

### Subcontracting income

Revenue from this segment during the Three-Month Period was approximately HK\$0.30 million, representing an increase of approximately 125.76% when compared with the corresponding period in 2014. The said increase was mainly due to the increase in orders from providing subcontracting services in the PRC.

### Financial review

The Group’s revenue for the Three-Month Period was approximately HK\$23.22 million, representing an increase of approximately 140.53% from approximately HK\$9.66 million of the corresponding period in 2014. Such increase was mainly due to the increase in sales of electronic products by approximately HK\$13.40 million.

The overall gross profit margin of the Group decreased from approximately 26.76% for the three months ended 30 June 2014 to 12.87% for the three months ended 30 June 2015. The decrease in the Group's gross profit margin for the three months ended 30 June 2015 was primarily due to (i) the decrease of sales in the higher margin products, namely massage toner, hair remover and buzzer; and (ii) the increase in indent trading of electronic products which has a lower gross profit margin. Revenue from indent trading of electronic products during the Three-Month Period was approximately HK\$13.44 million, representing an increase of approximately 1,349% when compared with the corresponding period in 2014.

Administrative and other expenses for the three months ended 30 June 2015 were approximately HK\$4.74 million (approximately HK\$4.57 million for the three months ended 30 June 2014), representing an increase of approximately 3.70%. Such increase was mainly due to the increase in the staff salaries by approximately HK\$0.20 million.

Loss attributable to the owners of the Company for the three months ended 30 June 2015 amounted to approximately HK\$2.05 million (approximately HK\$2.39 million of loss attributable to owners of the Company for the three months ended 30 June 2014). Loss per share attributable to owners of the Company was approximately HK0.26 cents for the three months ended 30 June 2015 (approximately HK0.30 cents loss per share attributable to owners of the Company for the three months ended 30 June 2014).

## **SHARE OPTIONS SCHEMES**

The Company has two share option schemes namely, the pre-IPO share option scheme (the “**Pre-IPO Share Option Scheme**”) and the share option scheme (the “**Share Option Scheme**”) which were both adopted on 27 September 2013.

### **Pre-IPO Share Option Scheme**

The Company has adopted the Pre-IPO Share Option Scheme on 27 September 2013 under which the Company has granted options to certain Directors and employee of the Group to subscribe for an aggregate of 20,000,000 shares of the Company with an exercise price of HK\$0.60, which is equal to the placing price as defined in the Prospectus.

As at 30 June 2015, details of the options granted under the Pre-IPO Share Option Scheme are as follows:

Grantees	Outstanding	Exercised	Lapsed	Cancelled	Outstanding	Exercise period	Approximate percentage of issued capital of the Company upon exercise of all the options
	as at 31 March 2015				as at 30 June 2015		
<i>Directors</i>							
Mr. Lo Yan Yee	5,700,000	—	—	—	5,700,000	11 October 2016– 11 October 2023	2.59%
Ms. Cheng Yeuk Hung	5,700,000	—	—	—	5,700,000	11 October 2016– 11 October 2023	2.59%
Mr. Lo Ding To	3,000,000	—	—	—	3,000,000	11 October 2016– 11 October 2023	1.36%
	14,400,000	—	—	—	14,400,000		6.54%
<i>Employee</i>							
	5,600,000	—	—	—	5,600,000	11 October 2016– 11 October 2023	2.55%
	20,000,000	—	—	—	20,000,000		9.09%

### Share Option Scheme

During the three months period ended 30 June 2015, no option was granted, exercised or lapsed under the Share Option Scheme.

**DIRECTORS' AND CHIEF EXECUTIVE'S INTERESTS AND SHORT POSITION IN SHARES, UNDERLYING SHARES AND DEBENTURES OF THE COMPANY AND ITS ASSOCIATED CORPORATIONS**

As at 30 June 2015, the interests and short positions of the Directors and the chief executive of the Company in the shares, underlying shares and debentures of the Company and its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (Chapter 571, Laws of Hong Kong) ("SFO") which (i) are required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they are taken or deemed to have under such provisions of the SFO); or (ii) were recorded in the register required to be kept under Section 352 of the SFO, or (iii) have to be notified to the Company and the Stock Exchange pursuant to the required standards of dealing by directors as referred to in Rule 5.46 of the GEM Listing Rules are as follows:

**(i) Long positions in the shares of the Company**

<b>Name of Director</b>	<b>Company/associated corporation</b>	<b>Capacity</b>	<b>Number of Shares</b>	<b>Approximate percentage of interest</b>
Ms. Cheng Yeuk Hung	Company	Personal interest	87,640,000	43.82%
Mr. Lo Yan Yee	Company	Interest of spouse	87,640,000	43.82%

*Note:* Mr. Lo Yan Yee is the executive Director and the spouse of Ms. Cheng Yeuk Hung, and is deemed under the SFO to be interested in those 87,640,000 shares in which Ms. Cheng Yeuk Hung is interested.

**(ii) Long position in underlying shares of the Company**

<b>Name</b>	<b>Capacity</b>	<b>Description of equity derivatives</b>	<b>Number of underlying shares</b>
Mr. Lo Yan Yee (executive Director)	Personal interest	Options	5,700,000
	Interest of spouse	Options	<u>5,700,000</u>
			11,400,000
Ms. Cheng Yeuk Hung (executive Director)	Personal interest	Options	5,700,000
	Interest of spouse	Options	<u>5,700,000</u>
			11,400,000
Mr. Cheng Kwing Sang, Raymond (CEO)	Personal interest	Options	5,600,000
Mr. Lo Ding To (executive Director)	Personal interest	Options	3,000,000

Save as disclosed above, as at 30 June 2015, none of the Directors or chief executive of the Company has any interests or short positions in the shares, underlying shares or debentures of the Company or its associated corporations (within the meaning of Part XV of SFO) as recorded in the register required to be kept under section 352 of the SFO or as otherwise notified to the Company and the Stock Exchange pursuant to the minimum standard of dealings by Directors of the Company as referred to in Rule 5.46 of the GEM Listing Rules, or required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO.

## **SUBSTANTIAL SHAREHOLDERS' AND OTHER PERSONS' INTERESTS AND SHORT POSITIONS IN SHARES AND UNDERLYING SHARES OF THE COMPANY**

As at 30 June 2015, so far as is known to the Directors, the following persons (other than a director or chief executive of the Company) had interests or short positions in the shares or underlying shares of the Company which would fall to be disclosed to the Company and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO or which were recorded in the register required to be kept under section 336 of the SFO:

<b>Name</b>	<b>Capacity and nature of interest</b>	<b>Number of shares</b>	<b>Percentage of the Company's issued share capital</b>	<b>Long/Short position</b>
Adamas Asset Management (HK) Limited	Investment manager	24,840,000	12.42%	Long position
Citigroup Inc.	Interest of controlled corporation	25,692,000	12.85%	Long position

Save as disclosed above, as at 30 June 2015, the Directors are not aware of any other persons who had interests or short positions in the shares or underlying shares of the Company which would fall to be disclosed to the Company and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO or which were recorded in the register required to be kept under section 336 of the SFO.

## **PURCHASE, SALES OR REDEMPTION OF SHARES**

Neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company's listed securities during the three months ended 30 June 2015.

## **MODEL CODE FOR DIRECTORS' SECURITIES TRANSACTIONS**

The Company has adopted the standards set out in Rules 5.48 to 5.67 of the GEM Listing Rules as the code of conduct regarding securities transactions by the Directors. Having made specific enquiry to all Directors, the Company was not aware of any non-compliance with the required standards of dealings and its code of conduct regarding securities transactions by Directors during the three months ended 30 June 2015.

## **CODE ON CORPORATE GOVERNANCE PRACTICES**

The Company's corporate governance practices are based on the principles and the code provisions (the "Code") as set out in Appendix 15 of the GEM Listing Rules. The principles adopted by the Company emphasis a quality board, transparency and accountability to shareholders. The Company has complied with the Code during the three months ended 30 June 2015.

## **DIRECTORS' INTERESTS IN CONTRACTS**

No Director had any material interest in any contract of significance to the business of the Group to which the Company or any of its subsidiaries was a party during the three months ended 30 June 2015.

## **COMPETING BUSINESS**

For the three months ended 30 June 2015, the Directors are not aware of any business or interest of the Directors, the controlling shareholder(s) of the Company and their respective close associates (as defined under the GEM Listing Rules) that compete or may compete with the business of the Group and any other conflict of interest which any such person has or may have with the Group.

## **INTERESTS OF THE COMPLIANCE ADVISER**

As notified by the Company's compliance adviser, RaffAello Capital Limited (the "**Compliance Adviser**"), except for the compliance adviser agreement entered into between the Company and the Compliance Adviser on 8 August 2014, none of the Compliance Adviser, or its directors, employees or close associates (as defined under the GEM Listing Rules) had any interests in the Group (including options or rights to subscribe for such securities) as at 30 June 2015 which is required to be notified to the Company pursuant to Rule 6A.32 of the GEM Listing Rules.

## **SHARE SUBDIVISION**

On 11 June 2015, the Board proposed that each of the existing issued and unissued shares of HK\$0.01 each in the share capital of the Company be subdivided into four subdivided shares of HK\$0.0025 each (the "**Share Consolidation**"). The Share Consolidation took effect from 15 July 2015.

## **AUDIT COMMITTEE**

The Company has set up an audit committee (the "**Committee**") with written terms of reference in compliance with the GEM Listing Rules, for the purpose of reviewing and providing supervision over the financial reporting process and internal control of the Group. The Committee comprises three independent non-executive directors of the Company, namely Mr. Lam Wai Yuen, Mr. Ang Chuk Pai, and Mr. Cheung Chin Wa, Angus. The unaudited condensed consolidated financial statements of the Group for the three months ended 30 June 2015 have been reviewed by the Committee, and the Committee was of the opinion that the preparation of such statements complied with the applicable accounting standards and that adequate disclosures have been made.

By Order of the Board  
**Echo International Holdings Group Limited**  
**Cheng Yeuk Hung**  
*Executive Director*

Hong Kong, 13 August 2015

*As at the date of this announcement, the executive Directors are Mr. Lo Yan Yee, Ms. Cheng Yeuk Hung, and Mr. Lo Ding To, the non-executive Directors are Ms. Zhou Jia Lin and Mr. Chan Chun Kit, and the independent non-executive Directors are Mr. Lam Wai Yuen, Mr. Ang Chuk Pai, and Mr. Cheung Chin Wa, Angus.*

*This announcement will be published on the Stock Exchange's website at [www.hkexnews.hk](http://www.hkexnews.hk) and the Company's website at [www.echogroup.com.hk](http://www.echogroup.com.hk).*