



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)

**THIRD QUARTERLY RESULTS ANNOUNCEMENT
FOR THE NINE MONTHS ENDED 31 DECEMBER 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.

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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\$46.63 million for the nine months ended 31 December 2015, representing an increase of approximately 46.85% over the corresponding period of the previous year.
- Recorded an unaudited loss attributable to the owners of the Company of approximately HK\$9.43 million for the nine months ended 31 December 2015 (2014: HK\$7.81 million).
- Basic and diluted loss per share for the nine months ended 31 December 2015 were HK1.18 cents (2014: restated basic and diluted loss per share HK0.98 cents).
- The Board does not recommend the payment of third quarterly dividend for the nine months ended 31 December 2015 (2014: Nil).

UNAUDITED THIRD 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 nine months ended 31 December 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 and nine months ended 31 December 2015

	Notes	Unaudited three months ended 31 December		Unaudited nine months ended 31 December	
		2015 HK\$'000	2014 HK\$'000	2015 HK\$'000	2014 HK\$'000
Revenue	3	9,464	11,579	46,631	31,754
Cost of sales		(8,401)	(8,618)	(38,780)	(24,590)
Gross profit		1,063	2,961	7,851	7,164
Other revenue and gains	4	360	29	544	195
Selling and distribution expenses		(531)	(967)	(1,393)	(1,685)
Administrative and other expenses		(5,936)	(4,315)	(16,007)	(13,444)
Finance costs		(306)	(9)	(421)	(42)
Loss before taxation	5	(5,350)	(2,301)	(9,426)	(7,812)
Taxation	6	-	-	-	-
Loss for the period		(5,350)	(2,301)	(9,426)	(7,812)
Other comprehensive (loss)/income for the period, net of tax, Items may be reclassified subsequently to profit or loss					
Exchange differences on translation of foreign operations		(428)	(636)	(1,103)	(1,236)
Total comprehensive loss for the period		(5,778)	(2,937)	(10,529)	(9,048)
Loss for the period attributable to owners of the Company		(5,350)	(2,301)	(9,426)	(7,812)
Total comprehensive loss for the period attributable to owners of the Company		(5,778)	(2,937)	(10,529)	(9,048)
Loss per share			(Restated)		(Restated)
— Basic and diluted (HK cents)	8	(0.67) cents	(0.29) cents	(1.18) cents	(0.98) cents

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the nine months ended 31 December 2015 (Unaudited)

	Share capital HK\$'000	Share premium HK\$'000	Contribution reserve HK\$'000	Capital reserve HK\$'000	Share option reserve HK\$'000	Exchange reserve HK\$'000	Retained earnings/ (accumulated losses) HK\$'000	Total HK\$'000
At 1 April 2015, audited	2,000	28,840	4,836	(89)	2,839	750	750	39,926
Loss for the period	-	-	-	-	-	-	(9,426)	(9,426)
Other comprehensive income for the period	-	-	-	-	-	(1,103)	-	(1,103)
Total comprehensive loss for the period	-	-	-	-	-	(1,103)	(9,426)	(10,529)
Employee share option benefits	-	-	-	-	1,454	-	-	1,454
At 31 December 2015, unaudited	<u>2,000</u>	<u>28,840</u>	<u>4,836</u>	<u>(89)</u>	<u>4,293</u>	<u>(353)</u>	<u>(8,676)</u>	<u>30,851</u>

For the nine months ended 31 December 2014 (Unaudited)

	Share capital HK\$'000	Share premium HK\$'000	Contribution reserve HK\$'000	Capital reserve HK\$'000	Share option reserve HK\$'000	Exchange reserve HK\$'000	Retained earnings HK\$'000	Total HK\$'000
At 1 April 2014, audited	2,000	28,840	4,836	(89)	909	613	13,381	50,490
Loss for the period	-	-	-	-	-	-	(7,812)	(7,812)
Other comprehensive loss for the period	-	-	-	-	-	(1,236)	-	(1,236)
Total comprehensive loss for the period	-	-	-	-	-	(1,236)	(7,812)	(9,048)
Employee share option benefits	-	-	-	-	1,454	-	-	1,454
At 31 December 2014, unaudited	<u>2,000</u>	<u>28,840</u>	<u>4,836</u>	<u>(89)</u>	<u>2,363</u>	<u>(623)</u>	<u>5,569</u>	<u>42,896</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 third quarter financial statements have been prepared in accordance with accounting principles generally accepted in Hong Kong and complied with accounting standards 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 31 December		Unaudited nine months ended 31 December	
	2015 HK\$'000	2014 HK\$'000	2015 HK\$'000	2014 HK\$'000
Sales of electronic products	9,446	11,397	46,297	31,317
Subcontracting income	18	182	334	437
	<u>9,464</u>	<u>11,579</u>	<u>46,631</u>	<u>31,754</u>

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 nine months ended 31 December 2015 (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>14,953</u>	<u>31,678</u>	<u>46,631</u>
Segment results	<u>454</u>	<u>(5,289)</u>	(4,835)
Unallocated other revenue and gains			455
Unallocated selling and distribution expenses			(664)
Unallocated administrative and other expenses			<u>(3,961)</u>
Loss from operations			(9,005)
Finance costs			<u>(421)</u>
Loss before taxation			(9,426)
Taxation			<u>-</u>
Loss for the period			<u><u>(9,426)</u></u>

For the nine months ended 31 December 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>6,013</u>	<u>25,741</u>	<u>31,754</u>
Segment results	<u>607</u>	<u>(5,086)</u>	(4,479)
Unallocated other revenue and gains			144
Unallocated selling and distribution expenses			(930)
Unallocated administrative and other expenses			<u>(2,505)</u>
Loss from operations			(7,770)
Finance costs			<u>(42)</u>
Loss before taxation			(7,812)
Taxation			<u>–</u>
Loss for the period			<u>(7,812)</u>

Geographical information

	Revenue from external customers			
	Unaudited three months ended 31 December		Unaudited nine months ended 31 December	
	2015 <i>HK\$'000</i>	2014 <i>HK\$'000</i>	2015 <i>HK\$'000</i>	2014 <i>HK\$'000</i>
Hong Kong	277	3,080	15,919	6,912
Asian countries, other than Hong Kong (Note 1)	525	1,373	2,911	2,633
European countries (Note 2)	6,511	4,303	19,688	14,147
North and South America	1,994	2,401	7,501	6,777
Others	<u>157</u>	<u>422</u>	<u>612</u>	<u>1,285</u>
	<u>9,464</u>	<u>11,579</u>	<u>46,631</u>	<u>31,754</u>

Notes:

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

The Group's geographical segments are also classified by the location of assets, information about its non-current assets by geographical location are set out below:

	Unaudited As at 31 December 2015 <i>HK\$'000</i>	Audited As at 31 March 2015 <i>HK\$'000</i>
Hong Kong	556	597
People's Republic of China ("PRC")	246	455
	<u>802</u>	<u>1,052</u>

4 OTHER REVENUE AND GAINS

	Unaudited three months ended 31 December 2015 2014 <i>HK\$'000</i> <i>HK\$'000</i>		Unaudited nine months ended 31 December 2015 2014 <i>HK\$'000</i> <i>HK\$'000</i>	
Bank interest income	2	21	40	23
Sundry income	358	8	504	172
	<u>360</u>	<u>29</u>	<u>544</u>	<u>195</u>

5 LOSS BEFORE TAXATION

	Unaudited three months ended 31 December 2015 2014 <i>HK\$'000</i> <i>HK\$'000</i>		Unaudited nine months ended 31 December 2015 2014 <i>HK\$'000</i> <i>HK\$'000</i>	
Loss before taxation is arrived				
after charging:				
Finance costs				
Interest on:				
Bank borrowings wholly repayable				
within five years	1	7	32	34
Debenture interest	302	–	381	–
Obligation under finance leases	3	2	8	8
	<u>306</u>	<u>9</u>	<u>421</u>	<u>42</u>
Other items				
Depreciation of property, plant and				
equipments	79	74	236	334
Costs of inventories sold	8,188	8,595	38,391	24,347
	<u>8,188</u>	<u>8,595</u>	<u>38,391</u>	<u>24,347</u>

MANAGEMENT DISCUSSION AND ANALYSIS

Business Review and Prospects

Unaudited revenue for the nine months ended 31 December 2015 (the “**Nine-Month Period**”) was approximately HK\$46.63 million, representing an increase of approximately 46.85% when compared with the corresponding period in 2014. Loss attributable to owners of the Company for the Nine-Month Period was approximately HK\$9.43 million whilst for the corresponding period in 2014, the loss attributable to owners of the Company was approximately HK\$7.81 million.

Notwithstanding the challenging market conditions during the Nine-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 North and South America and the European countries including Argentina, Belgium, Brazil, Bulgaria, Denmark, Estonia, Finland, Germany, Italy, Russia, Spain, Sweden, Switzerland and United Kingdom.

In view of the challenging market conditions as mentioned above, while the Group will continue to focus on its core business of the sales of electronic products, it will explore new business opportunities to broaden its source of income and maximize profit and return for the Group and the Shareholders of the Company in the long run. The Group will also increase its market share and attract 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 Nine-Month Period was approximately HK\$46.30 million, representing an increase of approximately 47.83% when compared with the corresponding period in 2014. The 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\$8.94 million and HK\$5.94 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 customers. The Group launched a new fishing indicator and the Group recorded an increase in sale of fishing indicator and fire alarm for the Nine-Month Period by approximately HK\$4.69 million and HK\$2.00 million respectively 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 Nine-Month Period.

Subcontracting income

Revenue from this segment during the Nine-Month Period was approximately HK\$0.33 million, representing a decrease of approximately 23.57% when compared with the corresponding period in 2014. The decrease was mainly due to the decrease in orders of subcontracting services in the PRC.

Financial review

The Group's revenue for the Nine-Month Period was approximately HK\$46.63 million, representing an increase of approximately 46.85% from approximately HK\$31.75 million of the corresponding period in 2014. Such increase was mainly due to the increase in sales of electronic products by approximately HK\$14.98 million.

The overall gross profit margin of the Group decreased from approximately 22.56% for the nine months ended 31 December 2014 to 16.84% for the nine months ended 31 December 2015. The decrease in the Group's gross profit margin for the nine months ended 31 December 2015 was primarily due to the decrease in sales of products with higher gross profit margin, namely massage toner and hair remover.

Selling and distribution expenses for the nine months ended 31 December 2015 were approximately HK\$1.39 million (approximately HK\$1.69 million for the nine months ended 31 December 2014), representing a decrease of approximately 17.33%. Such decrease was mainly due to the decrease in product design fee, advertising and promotional fee amounting to HK\$0.53 million for the nine months ended 31 December 2015 (approximately HK\$0.80 million for the nine months ended 31 December 2014).

Administrative and other expenses for the nine months ended 31 December 2015 were approximately HK\$16.01 million (approximately HK\$13.44 million for the nine months ended 31 December 2014), representing an increase of approximately 19.06%. Such increase was mainly due to the professional fees of approximately HK\$2.29 million recognised for the nine months ended 31 December 2015 (approximately HK\$0.84 million for the nine months ended 31 December 2014), and the increase in staff salaries to approximately HK\$6.64 million for the nine months ended 31 December 2015 (approximately HK\$5.49 million for the nine months ended 31 December 2014).

Loss attributable to the owners of the Company amounted to approximately HK\$9.43 million for the nine months ended 31 December 2015 (approximately HK\$7.81 million of loss attributable to owners of the Company for the nine months ended 31 December 2014). Loss per share attributable to owners of the Company was approximately HK1.18 cents for the nine months ended 31 December 2015 (approximately HK0.98 cents loss per share attributable to owners of the Company for the nine months ended 31 December 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 80,000,000 shares of the Company (the "**Shares**") with an exercise price of HK\$0.15, which is equal to the placing price as defined in the Prospectus.

As at 31 December 2015, details of the options granted under the Pre-IPO Share Option Scheme are as follows:

	Outstanding as at 30 June 2015	Subdivision of share at 15 July 2015	Exercised	Lapsed	Cancelled	Outstanding as at 31 December 2015	Exercise period	Approximate percentage of issued capital of the Company upon exercise of all the options
Directors								
Mr. Lo Yan Yee	5,700,000	17,100,000	-	-	-	22,800,000	11 October 2016– 11 October 2023	2.59%
Ms. Cheng Yeuk Hung	5,700,000	17,100,000	-	-	-	22,800,000	11 October 2016– 11 October 2023	2.59%
Mr. Lo Ding To	3,000,000	9,000,000	-	-	-	12,000,000	11 October 2016– 11 October 2023	1.36%
	14,400,000	43,200,000	-	-	-	57,600,000		2.55%
Employee	5,600,000	16,800,000	-	-	-	22,400,000	11 October 2016– 11 October 2023	
	<u>20,000,000</u>	<u>60,000,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>80,000,000</u>		9.09%

Share Option Scheme

As at the nine months period ended 31 December 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 31 December 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) (the “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

Name of Director	Company/ associated corporation	Capacity	Number of Shares	Approximate percentage of interest
Ms. Cheng Yeuk Hung	Company	Personal interest	232,560,000	29.07%
Mr. Lo Yan Yee	Company	Interest of spouse	232,560,000	29.07%

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 232,560,000 shares in which Ms. Cheng Yeuk Hung is interested.

(ii) Long position in underlying shares of the Company

Name	Capacity	Description of equity derivatives	Number of underlying shares
Mr. Lo Yan Yee (executive Director)	Personal interest	Options	22,800,000
	Interest of spouse	Options	<u>22,800,000</u>
			45,600,000
Ms. Cheng Yeuk Hung (executive Director)	Personal interest	Options	22,800,000
	Interest of spouse	Options	<u>22,800,000</u>
			45,600,000
Mr. Cheng Kwing Sang, Raymond (CEO)	Personal interest	Options	22,400,000
Mr. Lo Ding To (executive Director)	Personal interest	Options	12,000,000

Save as disclosed above, as at 31 December 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 31 December 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:

Name	Capacity and nature of interest	Number of shares	Percentage of the Company's issued share capital	Long/Short position
Adamas Asset Management (HK) Limited	Investment manager	94,272,000	11.78	Long position

Save as disclosed above, as at 31 December 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 nine months ended 31 December 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 nine months ended 31 December 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 emphasize a quality board, transparency and accountability to shareholders. The Company has complied with the Code during the nine months ended 31 December 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 nine months ended 31 December 2015.

COMPETING BUSINESS

For the nine months ended 31 December 2015, the Directors are not aware of any business or interest of the Directors, the controlling shareholder(s) of the Company and their respective 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 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 31 December 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 Subdivision**"). The Share Subdivision 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 nine months ended 31 December 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, 4 February 2016

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, Mr. Chan Chun Kit and Mr. Leung Kwok Kuen Jocab, 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 and the Company's website at www.echogroup.com.hk.