

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)

**ANNOUNCEMENT OF ANNUAL RESULTS
FOR THE YEAR ENDED 31 MARCH 2016**

**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.

*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

For the year ended 31 March 2016, operating results of the Group were as follows:

- Revenue was approximately HK\$58.35 million, representing an increase of approximately 12.62% from HK\$51.81 million last year. The increase in the Group's revenue was mainly attributable to the increase in revenue generated from the sale of electronic products, especially the increase in the sales of fishing indicator and fire alarm.
- The Group's gross profit margin decreased from approximately 20.61% for the year ended 31 March 2015 to approximately 19.43% for the year ended 31 March 2016 primarily due to the decrease of sales orders in the higher margin products, namely massage toner and hair remover.
- Loss attributable to the owners of the Company was approximately HK\$13.74 million, whilst the loss attributable to the owners of the Company last year was approximately HK\$12.63 million.
- Basic and diluted loss per share for the year based on weighted average number of ordinary shares were approximately HK1.7 cents (2015: restated basic and diluted loss per share approximately HK1.6 cents).
- The Board does not recommend the payment of final dividend for the year ended 31 March 2016 (2015: Nil).

RESULTS

The board of Directors (the “**Board**”) is pleased to announce the audited consolidated results of the Company and its subsidiaries (collectively the “**Group**”) for the year ended 31 March 2016 and the comparative audited figures for the preceding financial year, as follows:

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 31 March 2016

	Notes	2016 HK\$'000	2015 HK\$'000
Revenue	4	58,345	51,807
Cost of sales		<u>(47,007)</u>	<u>(41,128)</u>
Gross profit		11,338	10,679
Other revenue and gains	6	822	277
Selling and distribution expenses		(1,826)	(2,329)
Administrative and other expenses		(23,494)	(21,189)
Finance costs	7	<u>(720)</u>	<u>(69)</u>
Loss before taxation	8	(13,880)	(12,631)
Taxation	9	<u>141</u>	<u>–</u>
Loss for the year		<u>(13,739)</u>	<u>(12,631)</u>
Other comprehensive (loss)/income, net of tax: <i>Items that may be reclassified subsequently to profit or loss:</i>			
Exchange differences on translating of foreign operations		<u>(903)</u>	<u>137</u>
Other comprehensive (loss)/income for the year, net of income tax		<u>(903)</u>	<u>137</u>
Total comprehensive loss for the year		<u>(14,642)</u>	<u>(12,494)</u>
Loss for the year attributable to the owners of the Company		<u>(13,739)</u>	<u>(12,631)</u>
Total comprehensive loss for the year attributable to the owners of the Company		<u>(14,642)</u>	<u>(12,494)</u>
			(Restated)
Loss per share — Basic and diluted (<i>HK cents</i>)	11	<u>(1.7)</u>	<u>(1.6)</u>

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 March 2016

	<i>Notes</i>	2016 <i>HK\$'000</i>	2015 <i>HK\$'000</i>
Non-current assets			
Property, plant and equipment		<u>1,523</u>	<u>1,052</u>
Current assets			
Inventories		17,883	19,981
Trade receivables	12	7,433	9,332
Amount due from a related company		136	64
Deposits, prepayments and other receivables		5,687	7,752
Pledged time deposits		2,003	10,041
Cash and bank balances		<u>9,718</u>	<u>1,589</u>
		<u>42,860</u>	<u>48,759</u>
Current liabilities			
Trade payables	13	2,654	5,287
Accruals and other payables		3,239	1,538
Bank overdrafts		–	704
Trade deposits received		935	1,149
Borrowings	15	10,000	49
Obligation under finance leases		117	117
Current tax liabilities		<u>–</u>	<u>700</u>
		<u>16,945</u>	<u>9,544</u>
Net current assets		<u>25,915</u>	<u>39,215</u>
Total assets less current liabilities		<u>27,438</u>	<u>40,267</u>
Non-current liabilities			
Obligation under finance leases		<u>224</u>	<u>341</u>
Net assets		<u>27,214</u>	<u>39,926</u>
Capital and reserves			
Share capital	14	2,000	2,000
Reserves		<u>25,214</u>	<u>37,926</u>
Total equity		<u>27,214</u>	<u>39,926</u>

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 31 March 2016

	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>
As at 1 April 2014	2,000	28,840	4,836	(89)	909	613	13,381	50,490
Total comprehensive income/ (loss) for the year	-	-	-	-	-	137	(12,631)	(12,494)
Employee share option benefits	-	-	-	-	1,930	-	-	1,930
As at 31 March 2015 and 1 April 2015	2,000	28,840	4,836	(89)	2,839	750	750	39,926
Total comprehensive loss for the year	-	-	-	-	-	(903)	(13,739)	(14,642)
Employee share option benefits	-	-	-	-	1,930	-	-	1,930
As at 31 March 2016	2,000	28,840	4,836	(89)	4,769	(153)	(12,989)	27,214

NOTES TO THE 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 Growth Enterprise Market (the "**GEM**") of The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**") since 11 October 2013.

The principal activity of the Company is investment holding and the principal activities of its subsidiaries (collectively referred to as the "**Group**") are engaged in the manufacturing and trading of electronic products and accessories. The consolidated financial statements are presented in Hong Kong dollars ("**HK\$**"), which is the same as the functional currency of the Company. All values are rounded to nearest thousands (HK\$'000) unless otherwise stated.

2 STATEMENT OF COMPLIANCE

The consolidated financial statements have been prepared in accordance with HKFRSs (which also include Hong Kong Accounting Standards ("**HKASs**") and interpretations) issued by the HKICPA, accounting principles generally accepted in Hong Kong, the applicable disclosure required by the Hong Kong Companies Ordinance ("**CO**") and the applicable disclosure provisions of The Rules Governing the Listing of Securities on GEM of the Stock Exchange (the "**GEM Listing Rules**").

The provisions of the new Hong Kong Companies Ordinance (Cap. 622) regarding preparation of accounts and directors' reports and audits became effective for the Company for the financial year ended 31 March 2016. Further, the disclosure requirements set out in the Listing Rules regarding annual accounts have been amended with reference to the new CO and to streamline with HKFRSs. Accordingly, the presentation and disclosure of information in the consolidated financial statements for the financial year ended 31 March 2016 have been changed to comply with these new requirements. Comparative information in respect of the financial year ended 31 March 2015 are presented or disclosed in the consolidated financial statements based on the new requirements. Information previously required to be disclosed under the predecessor CO or GEM Listing Rules but not under the new CO or amended GEM Listing Rules are not disclosed in these consolidated financial statements.

The preparation of consolidated financial statements in conformity with HKFRSs requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates. The estimates and assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

3 ADOPTION OF NEW HKFRSs

In the current year, the Group has adopted all of the new standards, amendments and interpretations ("**new HKFRSs**") (which included all HKFRSs, Hong Kong Accounting Standards ("**HKASs**") and interpretations) issued by the HKICPA that are relevant to its operations and effective for annual periods beginning on or after 1 April 2015.

A summary of the new HKFRSs are set out as below:

HKFRSs (Amendments)	Annual Improvements to HKFRSs 2010–2012 Cycle
HKFRSs (Amendments)	Annual Improvements to HKFRSs 2011–2013 Cycle
HKAS 19 (Amendments)	Defined Benefit Plans: Employees Contributions

In the opinion of directors, the application of the new HKFRSs in the current year has had no material impact on the Group's financial performance and positions for the current and prior years and/or on the disclosures set out in these consolidated financial statements.

In addition, the Group has adopted the amendments to the Listing Rules issued by the Stock Exchange relating to the disclosure of financial information with reference to the Hong Kong Companies Ordinance (Cap. 622) during the current financial year. The main impact to the consolidated financial statements is on the presentation and disclosure of certain information in the consolidated financial statements.

The Group has not applied the following new HKFRSs that have been issued but are not yet effective in the consolidated financial statements:

HKFRS 9	Financial Instruments ¹
HKFRS 15	Revenue from Contracts with Customers ¹
HKFRS 16	Leases ⁴
Amendments to HKAS 1	Disclosure Initiative ²
Amendments to HKAS 16 and HKAS 38	Clarification of Acceptable Methods of Depreciation and Amortisation ²
Amendments to HKAS 16 and HKAS 41	Agriculture: Bearer Plants ²
Amendments to HKAS 27	Equity Method in Separate Financial Statements ²
Amendments to HKFRSs	Annual Improvements to HKFRSs 2012–2014 Cycle ²
Amendments to HKFRS 11	Accounting for Acquisitions of Interests in Joint Operations ²
Amendments to HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture ³
Amendments to HKFRS 10, HKFRS 12 and HKAS 28	Investment Entities: Applying the Consolidation Exception ²

¹ Effective for annual periods beginning on or after 1st January 2018

² Effective for annual periods beginning on or after 1st January 2016

³ Effective for annual periods beginning on or after a date to be determined

⁴ Effective for annual periods beginning on or after 1st January 2019

The directors of the Company anticipate that the application of other HKFRSs will have no material impact on the results and the consolidated financial positions of the Group.

4 REVENUE

The principal activities of the Group are manufacturing and trading of electronic products and accessories. The amount of each significant category of revenue recognised during the year is as follows:

	2016 <i>HK\$'000</i>	2015 <i>HK\$'000</i>
Sale of electronic products	57,983	51,026
Subcontracting income	362	781
	<u>58,345</u>	<u>51,807</u>

5 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.

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 and subcontracting income.

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 years.

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 31 March 2016

	Indent trading of electronic products HK\$'000	Manufacturing and trading of electronic products and accessories and subcontracting income HK\$'000	Total HK\$'000
Revenue	<u>15,224</u>	<u>43,121</u>	<u>58,345</u>
Segment results	<u>394</u>	<u>(7,241)</u>	<u>(6,847)</u>
Unallocated other revenue and gains			573
Unallocated selling and distribution expenses			(906)
Unallocated administrative and other expenses			<u>(5,980)</u>
Loss from operations			(13,160)
Finance costs			<u>(720)</u>
Loss before taxation			(13,880)
Taxation			<u>141</u>
Loss for the year			<u><u>(13,739)</u></u>

For the year ended 31 March 2015

	Indent trading of electronic products <i>HK\$'000</i>	Manufacturing and trading of electronic products and accessories and subcontracting income <i>HK\$'000</i>	Total <i>HK\$'000</i>
Revenue	<u>16,808</u>	<u>34,999</u>	<u>51,807</u>
Segment results	<u>1,791</u>	<u>(7,616)</u>	(5,825)
Unallocated other revenue and gains			153
Unallocated selling and distribution expenses			(1,327)
Unallocated administrative and other expenses			<u>(5,598)</u>
Loss from operations			(12,597)
Finance costs			<u>(34)</u>
Loss before taxation			(12,631)
Taxation			<u>–</u>
Loss for the year			<u>(12,631)</u>

Segment assets and liabilities

The following is an analysis of the Group's assets and liabilities from continuing operations by reportable segment:

As at 31 March 2016

	Indent trading of electronic products <i>HK\$'000</i>	Manufacturing and trading of electronic products and accessories and subcontracting income <i>HK\$'000</i>	Total <i>HK\$'000</i>
Segment assets	416	24,956	25,372
Unallocated corporate assets			<u>19,011</u>
Consolidated assets			<u>44,383</u>
Segment liabilities	720	2,869	3,589
Unallocated corporate liabilities			<u>13,580</u>
Consolidated liabilities			<u>17,169</u>

As at 31 March 2015

	Indent trading of electronic products <i>HK\$'000</i>	Manufacturing and trading of electronic products and accessories and subcontracting income <i>HK\$'000</i>	Total <i>HK\$'000</i>
Segment assets	2,856	40,995	43,851
Unallocated corporate assets			<u>5,960</u>
Consolidated assets			<u><u>49,811</u></u>
Segment liabilities	3,544	3,641	7,185
Unallocated corporate liabilities			<u>2,700</u>
Consolidated liabilities			<u><u>9,885</u></u>

For the purpose of monitoring segment performances and allocating resources between segments:

- all assets are allocated to operating segments other than unallocated corporate assets (mainly comprising certain of amount due from a related party, deposits, payments and other receivables); and
- all liabilities are allocated to operating segments other than unallocated corporate liabilities (mainly comprising certain of borrowings, bank overdrafts, obligations under finance leases, accruals and other payables).

Other segment information

For the year ended 31 March 2016

	Indent trading of electronic products <i>HK\$'000</i>	Manufacturing and trading of electronic products and accessories and subcontracting income <i>HK\$'000</i>	Unallocated <i>HK\$'000</i>	Total <i>HK\$'000</i>
Amount included in the measure of segment results				
Capital expenditure	–	969	–	969
Depreciation of property, plant and equipment	–	189	239	428
	<u>–</u>	<u>189</u>	<u>239</u>	<u>428</u>

For the year ended 31 March 2015

	Indent trading of electronic products <i>HK\$'000</i>	Manufacturing and trading of electronic products and accessories and subcontracting income <i>HK\$'000</i>	Unallocated <i>HK\$'000</i>	Total <i>HK\$'000</i>
Amount included in the measure of segment results				
Capital expenditure	–	111	–	111
Depreciation of property, plant and equipment	–	270	239	509
	<u>–</u>	<u>381</u>	<u>239</u>	<u>620</u>

Amounts regularly provided to the chief operating decision maker but not included in the measure of segment results of segments assets:

For the year ended 31 March 2016

	Indent trading of electronic products <i>HK\$'000</i>	Manufacturing and trading of electronic products and accessories and subcontracting income <i>HK\$'000</i>	Unallocated <i>HK\$'000</i>	Total <i>HK\$'000</i>
Interest income	–	1	41	42
Finance costs	–	1	719	720
	<u>–</u>	<u>2</u>	<u>760</u>	<u>762</u>

For the year ended 31 March 2015

	Indent trading of electronic products <i>HK\$'000</i>	Manufacturing and trading of electronic products and accessories and subcontracting income <i>HK\$'000</i>	Unallocated <i>HK\$'000</i>	Total <i>HK\$'000</i>
Interest income	–	2	41	43
Finance costs	–	35	34	69
	<u>–</u>	<u>37</u>	<u>75</u>	<u>112</u>

Revenue from major products and services

The Group's revenue from its major products and services are as follows:

	2016 <i>HK\$'000</i>	2015 <i>HK\$'000</i>
Starter	–	524
Security alarm	681	515
Hair remover	1,810	4,131
Buzzer	5,340	5,409
Massage toner	540	2,690
Fishing indicator	11,410	3,738
Charger board	1,587	518
Control board	11,146	10,954
Fire alarm	6,910	4,897
Communicator	1,009	740
Others	17,550	16,910
	<u>57,983</u>	<u>51,026</u>
Subcontracting income	362	781
	<u>58,345</u>	<u>51,807</u>
Total	<u><u>58,345</u></u>	<u><u>51,807</u></u>

Geographical information

The Group operates in two principal geographical areas — manufacturing in the PRC and trading business in Hong Kong.

The Group's geographical segments are classified according to the location of customers. There are four customer-based geographical segments. Segment revenue from external customers by the location of customer is as follows:

	Revenue from external customers	
	2016 <i>HK\$'000</i>	2015 <i>HK\$'000</i> (Restated)
Hong Kong	16,078	17,572
Asian Countries, other than Hong Kong (<i>Note a</i>)	3,353	3,767
European Countries (<i>Note b</i>)	27,849	19,306
North and South American Countries (<i>Note c</i>)	10,573	9,896
Others	492	1,266
	<u>58,345</u>	<u>51,807</u>

Notes:

- a. Asian countries include the PRC, India, Malaysia, Singapore, and Taiwan.
- b. European countries include Belgium, Bulgaria, Denmark, Estonia, Finland, France, Germany, Italy, Portugal, Russia, Slovakia, Spain, Sweden, Switzerland and United Kingdom.
- c. North and South American Countries include Argentina, Brasil, Canada, Columbia and the United States.

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:

	Additions to		Non-current assets	
	Non-current assets		Non-current assets	
	2016	2015	2016	2015
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Hong Kong	932	102	1,243	597
PRC	37	9	280	455
	<u>969</u>	<u>111</u>	<u>1,523</u>	<u>1,052</u>

Information about major customers

For the year ended 31 March 2016, the Group's customer base includes four customers (2015: four customers) with whom transactions have individually exceeded 10% of the Group's revenue. No other single customer contributed 10% or more to the Group's revenue for both years ended 31 March 2016 and 2015.

Revenue from major customers, it amounted to 10% or more of the Group's revenue is set out below:

	Revenue from	
	external customers	
	2016	2015
	HK\$'000	HK\$'000
Customer A (Note (a))	–	6,191
Customer B (Note (b))	11,411	–
Customer C	11,926	8,801
Customer D	7,351	7,873
Customer E (Note (a))	–	7,038
Customer F (Note (b))	6,894	–
	<u>37,582</u>	<u>29,903</u>

Note:

- (a) No information on revenue for the current year is disclosed for these customers since they did not contribute 10% or more to the Group's revenue for the year ended 31 March 2016.
- (b) No information on revenue for the last year is disclosed for these customers since none of them contributed 10% or more to the Group's revenue for the year ended 31 March 2015.

6 OTHER REVENUE AND GAINS

	2016 <i>HK\$'000</i>	2015 <i>HK\$'000</i>
Bank interest income	42	43
Net foreign exchange gain	144	64
Sundry income	636	170
	<u>822</u>	<u>277</u>

7 FINANCE COSTS

	2016 <i>HK\$'000</i>	2015 <i>HK\$'000</i>
Interests on:		
— Bank borrowings wholly repayable within five years	1	35
— Bank overdrafts wholly repayable within five years	31	23
— Debenture wholly repayable within one year	677	—
— Obligation under finance leases	11	11
	<u>720</u>	<u>69</u>

8 LOSS BEFORE TAXATION

	2016 <i>HK\$'000</i>	2015 <i>HK\$'000</i>
Loss before taxation is arrived after charging:		
Staff costs including directors' remuneration	16,675	16,580
Contribution to retirement schemes	897	969
Share based payment expenses	1,930	1,930
	<u>19,502</u>	<u>19,479</u>
Total staff costs		
	19,502	19,479
Depreciation of property, plant and equipment	428	509
Auditors' remuneration		
— Audit service	450	450
— Non-Audit service	50	—
Cost of inventories sold	46,446	24,562
Operating lease rental expenses	3,539	3,131
	<u>3,539</u>	<u>3,131</u>

9 TAXATION

	2016 <i>HK\$'000</i>	2015 <i>HK\$'000</i>
Current tax		
— Hong Kong	—	—
— PRC	—	—
Overprovision of Hong Kong Profits Tax for prior year	(141)	—
	<u>(141)</u>	<u>—</u>

In the view of the Group, no provision of Hong Kong Profits Tax has been made as the Group had no assessable profits arising in Hong Kong during the year.

PRC subsidiary is subject to PRC Enterprise Income Tax at 25%. No provision the PRC Enterprise Income Tax has been made as the subsidiary incorporated in the PRC had no assessable profits arising in the PRC for the year ended 31 March 2016 and 2015.

Pursuant to the rules and regulations of the Cayman Islands and the British Virgin Islands (“BVI”), the Group is not subject to any income tax in the Cayman Islands and the BVI for the year ended 31 March 2016 and 2015.

Taxes on profits assessable elsewhere have been calculated at the rates of tax prevailing in the jurisdictions in which the Group operates, based on existing legislation, interpretations and practices in respect thereof.

No deferred tax liabilities was provided in respect of the tax that would be payable on the distribution of the retained profits as the Group determined that the retained profits as at 31 March 2016 would not be distributed in the foreseeable future.

10 DIVIDENDS

The board of directors did not recommend the payment of any dividend for the year ended 31 March 2016 (2015: HK\$Nil).

11 LOSS PER SHARE

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

	2016 <i>HK\$’000</i>	2015 <i>HK\$’000</i>
Loss		
Loss attributable to owners of the Company for the purpose of calculating basic loss per share	<u>(13,739)</u>	<u>(12,631)</u>
	2016	2015 (Restated)
Number of shares		
Weighted average number of ordinary shares for the purpose of calculating basic loss per share	<u>800,000,000</u>	<u>800,000,000</u>
Loss per share		(Restated)
— Basic and diluted (<i>HK Cents</i>)	<u>(1.7)</u>	<u>(1.6)</u>

The weighted average number of ordinary shares for the purpose of basic and diluted loss per share has been adjusted for share subdivision took place on 15 July 2015. Accordingly, the basic and diluted loss per share for the year ended 31 March 2015 has been restated.

The diluted loss per share is the same as the basic loss per share for the year ended 31 March 2016 and 2015 because the Company’s share options outstanding during these years were anti-dilutive.

12 TRADE RECEIVABLES

	As at 31 March 2016 HK\$'000	As at 31 March 2015 HK\$'000
Trade receivables	<u>7,433</u>	<u>9,332</u>

The following is an analysis of trade receivables by age, presented based on the invoice date. The analysis below is net of allowance for doubtful debts:

	As at 31 March 2016 HK\$'000	As at 31 March 2015 HK\$'000
0 to 30 days	5,215	6,983
31 to 60 days	1,195	816
61 to 90 days	368	1,278
91 to 180 days	189	101
Over 180 days	<u>466</u>	<u>154</u>
Total	<u>7,433</u>	<u>9,332</u>

The average credit period on sales of goods ranges from 0 to 90 days. In view of the fact that the Group's trade receivables relate to a large number of diversified customers, there is no significant concentration of credit risk. Trade receivables are non-interest bearing.

Trade receivables disclosed above include amounts which are past due at the end of the reporting period for which the Group has not recognised an allowance for doubtful receivables because there was no significant change in credit quality and the amounts are still considered recoverable. The Group does not hold any collateral or other credit enhancements over these balances nor does it have a legal right of offset against any amounts owed by the Group to the counterparty.

Aging of trade receivables that are past due but not impaired.

	As at 31 March 2016 HK\$'000	As at 31 March 2015 HK\$'000
Overdue by:		
0 to 30 days	1,082	1,035
31 to 60 days	998	645
61 to 90 days	681	577
91 to 180 days	192	5
Over 180 days	<u>347</u>	<u>154</u>
Total	<u>3,300</u>	<u>2,416</u>

Receivables that were past due but not impaired related to a number of independent customers that have a good track record with the Group. Based on past experience, management believes that no impairment allowance is necessary in respect of these balances as there was no significant change in credit quality and the balances are still considered fully recoverable. The Group does not hold any collateral over these balances.

13 TRADE PAYABLES

Details of the ageing analysis are as follows:

	As at 31 March 2016 HK\$'000	As at 31 March 2015 HK\$'000
Within 30 days	1,834	4,689
31 to 60 days	493	474
61 to 90 days	216	30
91 to 180 days	52	69
Over 180 days	59	25
Total	<u>2,654</u>	<u>5,287</u>

The average credit period on purchase of certain goods is generally within 30 days to 90 days.

14 SHARE CAPITAL

	Par value HK\$	Number of shares '000	Nominal value HK\$'000
Authorised:			
As at 1 April 2014, 31 March 2015 and 1 April 2015	0.01	1,000,000	10,000
Share subdivision (<i>Note</i>)	–	<u>3,000,000</u>	<u>–</u>
As at 31 March 2016	0.0025	<u>4,000,000</u>	<u>10,000</u>
Issued and fully paid:			
As at 1 April 2014, 31 March 2015 and 1 April 2015	0.01	200,000	2,000
Share subdivision (<i>Note</i>)	–	<u>600,000</u>	<u>–</u>
At end of year	0.0025	<u>800,000</u>	<u>2,000</u>

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the Company. All ordinary shares rank equally regarding the Company's residual assets.

Note: On 15 July 2015, the Company implemented share subdivision on the basis that every 1 issued and unissued share of HK\$0.01 each was divided to 4 share of HK\$0.0025 each.

15 BORROWINGS

	As at 31 March 2016 HK\$'000	As at 31 March 2015 HK\$'000
Bank borrowings — secured, due within one year	–	49
Debenture — due within one year	10,000	–
	10,000	49

An analysis of the carrying amounts of the total borrowings by the type is as follows:

	As at 31 March 2016 HK\$'000	As at 31 March 2015 HK\$'000
At floating interest rate	–	49
At fixed rate	10,000	–
	10,000	49

The contractual interest rates per annum in respect of borrowings were as follows:

	As at 31 March 2016 HK\$'000	As at 31 March 2015 HK\$'000
Bank borrowings	–	2.95%
Debenture	12%	–

The fair values of the short-term borrowings approximate their carrying amounts.

As at 31 March 2015, bank borrowing is denominated in Hong Kong dollar with principal amounts of HK\$49,000 bearing floating interest rate at 2.95% p.a. below Hong Kong Dollar Best Lending Rate as determined by Industrial and Commercial Bank of China (Asia) Limited from time to time, subject to amendments at any time at the bank discretion and the carrying amount are approximately to their fair values.

The bank borrowing is secured by corporate guarantees to the extent of approximately HK\$7,310,000 given by the Group as at 31 March 2015.

As at 31 March 2016, debenture is denominated in Hong Kong dollars with total principal amounts of HK\$10,000,000 bearing fixed interest rate at 12% p.a. that was issued on 7 September 2015 and will be matured on 6 September 2016. This debenture is one year period and may be extended for one year.

16 COMMITMENTS

At the end of reporting period, the Group had total future minimum lease payables under non-cancellable operating leases falling due as follows:

	2016 <i>HK\$'000</i>	2015 <i>HK\$'000</i>
Within one year	3,548	3,354
In the second to fifth years inclusive	1,084	3,843
	<u>4,632</u>	<u>7,197</u>

The Group did not have any significant capital commitments as at 31 March 2016 and 2015.

MANAGEMENT DISCUSSION AND ANALYSIS BUSINESS REVIEW

BUSINESS REVIEW

Revenue for the year ended 31 March 2016 was approximately HK\$58.35 million, representing an increase of approximately 12.62% when compared with last year. Loss attributable to owners of the Company for the year ended 31 March 2016 was approximately HK\$13.74 million whilst the loss attributable to owners of the Company last year was approximately HK\$12.63 million.

Notwithstanding the challenging market conditions encountered during the year, the Group continues to provide electronics products and subcontracting services on PCB assemblies and manufacturing of electronic products to customers in its principal markets, i.e. the U.S.A. and the European countries including Belgium, Bulgaria, Denmark, Estonia, Finland, Germany, Italy, Portugal, Russia, Slovakia, 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 with an aim of broadening its source of income and maximizing profit and return for the Group and the Shareholders of the Company in the long run. The Group will also endeavour to 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 year ended 31 March 2016 was approximately HK\$57.98 million, representing an increase of approximately 13.63% when compared with last year. Increase in sales of electronics products was mainly due to the increase in sales of fishing indicator and fire alarm.

Subcontracting Income

Revenue from this segment during the year ended 31 March 2016 was approximately HK\$0.36 million, representing a decrease of approximately 53.65% when compared with last year. The decrease was mainly due to decrease in orders from providing subcontracting services in the PRC.

FINANCIAL REVIEW

Financial review

The Group recorded a loss of approximately HK\$13.74 million for the financial year ended 31 March 2016 as compared with the loss of approximately HK\$12.63 million for the financial year ended 31 March 2015. The increase in the loss is mainly due to the increase in cost of sales, and the recognition of expense in relation to the increase in professional fees and the increase in the Hong Kong staff salaries of the Group.

The Group's revenue for the year ended 31 March 2016 was approximately HK\$58.35 million (approximately HK\$51.81 million for last year), representing an increase of approximately 12.62% when compared with last year. Such increase was mainly due to the increase in sales of fishing indicator and fire alarm by 205.24% and 41.11% respectively when compared with last year. Increase in sales of fishing indicator was a result of that the Group launched a new fishing indicator is a digit measuring machine for weighing the fishes more accurately with water resistant construction and ergonomic body design, and it displays in lbs/oz or kg during the year.

Moreover, the revenue attributable to the top five customers for the year ended 31 March 2016 was approximately HK\$40.26 million, which increased from approximately HK\$34.66 million for the year ended 31 March 2015, representing an increase of approximately 16.16%. The revenue attributable to the second largest customer for the year ended 31 March 2016 was approximately HK\$11.41 million, which increased from approximately HK\$3.74 million for the year ended 31 March 2015, representing an increase of approximately 205.08%.

The second largest customer mainly ordered fishing indicator which attributable to the purchase of fishing indicator during the year ended 31 March 2016 was approximately HK\$11.31 million, representing an increase of approximately 204.03% when compared with the figure in last year (i.e. approximately 3.72 million). Such increase in the purchases of fishing indicator was mainly due to the reason that such customer is satisfied with our quality of products and after-sales service, thus, shift the purchase order from other EMS manufacturers to us.

Throughout the year ended 31 March 2016, some factory fixed costs and indirect costs, such as salaries and rents, cannot be reduced at the same time. Therefore, the production cost attributable to each product manufactured by the Group increased. Moreover, in order to keep good business relationship with customers under the challenging market conditions, the Group does not mark-up a higher price on its products despite that the cost of production has increased. The Group absorb the cost by generating low gross profit.

The overall gross profit margin of the Group decreased from approximately 20.61% for the year ended 31 March 2015 to approximately 19.43% for the year ended 31 March 2016 primarily due to the decrease of purchase orders in the higher margin products, namely massage toner and hair remover.

Selling and distribution expense for the year ended 31 March 2016 were approximately HK\$1.83 million (approximately HK\$2.33 million for the year ended 31 March 2015), representing an decrease of approximately 21.60%. Such decrease was mainly due to the product design fee, advertising and promotional fee amounting to HK\$0.69 million for the year ended 31 March 2016 (approximately HK\$1.58 million for the year ended 31 March 2015).

Administrative and other expenses for the year ended 31 March 2016 were approximately HK\$23.49 million (approximately HK\$21.19 million for the year ended 31 March 2015), representing an increase of approximately 10.88%. Such increase was mainly due to the increase in the professional fee of approximately HK\$2.70 million for the year ended 31 March 2016 (approximately HK\$1.10 million for the year ended 31 March 2015), and the increase in staff costs including director's remuneration by approximately HK\$0.02 million.

Loss attributable to the owners of the Company amounted to approximately HK\$13.74 million for the year ended 31 March 2016 (approximately HK\$12.63 million for the year ended 31 March 2015). Loss per share attributable to owners of the Company was approximately HK1.7 cents for the year ended 31 March 2016 (approximately HK1.6 cents (restated) for the year ended 31 March 2015).

To cope with the loss for the financial year ended 31 March 2016, the Board intends to develop on its recurring business in providing EMS to international customers while targeting further expansion in its established market, particularly to explore the EMS for consumer electronic products in the PRC market where the Directors consider the PRC market has a promising potential. However, the European countries and the United States will still be the principal markets of the Group in the near future.

The Group's strategies are to increase its market share and to develop new customers to enlarge its client base through increasing its promotional, marketing activities and new products. The Group is going to launch two to three new and fishing related products to the market in 2016 and the Group will attend and participate in more exhibitions and trade fairs in Hong Kong, the PRC and overseas to promote EMS and buzzer, to attract potential customers.

Liquidity, Financial Resources and Capital Structure

The Group continues to adopt a prudent financial management, funding and treasury policy and has a healthy financial position.

As at 31 March 2016, the Group had net current assets of approximately HK\$25.92 million (2015: approximately HK\$39.22 million) including cash and bank balances of approximately HK\$9.72 million (2015: approximately HK\$1.59 million) and pledged time deposits of approximately HK\$2.00 million (2015: approximately HK\$10.04 million).

The Group's equity capital and bank borrowings have been applied to fund its working capital and other operational needs. The Group's current ratio as at 31 March 2016 was 2.53 (2015: 5.11).

As at 31 March 2016, the Group's gearing ratio (defined as the ratio of total debts to total equity) was 38.00% (2015: 3.03%).

On 11 June 2015, the Board proposes 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.

Save as disclosed above, there has been no change in the capital structure of the Group during the year ended 31 March 2016 up to the date of this announcement. The capital of the Group mainly comprises ordinary shares and capital reserves.

Significant Investment

The Group did not have any significant investment as at 31 March 2016 and 31 March 2015.

Dividend

The Board does not recommend the payment of final dividend for the year ended 31 March 2016 (2015: Nil).

Contingent liabilities

The Group had no material contingent liabilities as at 31 March 2015 and 2016.

Charges over assets

The Group had no charges on its assets as at 31 March 2015 and 2016.

Capital commitment

The Group did not have any significant capital commitments as at 31 March 2015 and 2016.

Foreign Currency Exposure

As at 31 March 2016, the Directors considered the Group's foreign exchange risk to be insignificant. During the year ended 31 March 2016, the Group did not use any financial instruments for hedging purposes.

Employees and Emolument Policy

As at 31 March 2016, the Group employed a total of 189 employees (2015: 195 employees) based in Hong Kong and the PRC. Total staff costs, including Directors' emoluments, amounted to approximately HK\$19.50 million for the year ended 31 March 2016 (2015: HK\$19.48 million).

The Group reviews the emoluments of its directors and staff based on the qualification, experience performance and the market rates so as to maintain the remunerations of its directors and staff at a competitive level.

COMPARISON BETWEEN BUSINESS PLAN WITH ACTUAL BUSINESS PROGRESS

An analysis comparing the business objectives as stated in the prospectus of the Company dated 30 September 2013 (the “**Prospectus**”) for the year ended 31 March 2016 with the Group’s actual business progress for the year ended 31 March 2016 is set out below:

Business objectives for the year ended 31 March 2016	Actual business progress for the year ended 31 March 2016
---	--

Expand and upgrade the production facilities

- | | |
|-------------------------------|---|
| — Purchase 2 new SMT machines | As disclosed in the announcement of the Company published on 13 August 2015, the Group was cautious about the expansion in the production facilities. The Group re-allocated the unutilized proceeds in the total sum of HK\$5.52 million originally earmarked for expansion and upgrade of the production facilities to repayment of bank overdraft. |
|-------------------------------|---|

Set up production facilities for plastic parts

- | | |
|--|--|
| — Purchase additional 4 machines for producing plastic parts | The existing production capacity of the plastic parts is sufficient to satisfy the existing demand from the customers. The Group will begin to purchase additional machines of new production facilities for plastic parts when there is a sign of the increase in demand for the plastic parts. |
|--|--|

Strengthen the Group’s position in its established markets and expand its customer base

- | | |
|---|--|
| — Participate in trade fairs and exhibitions | The Group had participated in Hong Kong Electronics Fair (Spring Edition) and (Autumn Edition) organized by The Hong Kong Trade Development Council during the period from 13 April 2015 to 16 April 2015 and from 13 October 2015 to 16 October 2015 to promote the Group’s business. |
| — Place advertisements on trading magazines and website | The Group had also placed advertisements on the website of Hong Kong Trade Development Council to enrich the Group’s position in its market. |

IPO PROCEEDS AND USE OF THE IPO PROCEEDS

The Company received IPO net proceeds of approximately HK\$25.12 million (the “Proceeds”).

As at 13 August 2015, the Company utilized approximately HK\$6.18 million of the Proceeds, details of which are tabulated below:

Intended use disclosed in the Prospectus	Amount of Proceeds allocated as provided in the Prospectus <i>HK\$ million</i> (approximately)	As at 3 December 2014 Utilized amount <i>HK\$ million</i> (approximately)	As at	Utilized amount	Unutilized amount under the new allocation as at 13 August 2015 <i>HK\$ million</i> (approximately)
			3 December 2014 New allocation of the unutilized proceeds <i>HK\$ million</i> (approximately)	during the period from 4 December 2014 to 13 August 2015 <i>HK\$ million</i> (approximately)	
Expansion and upgrade of the production facilities	8.85	0.33	5.52	–	5.52
Setting up production facilities for plastic parts	10.20	–	5.00	–	5.00
Strengthening the Group’s position in its established markets and expanding its customer base	3.90	0.41	8.70	0.28	8.42
Working capital and funding for other general corporate purposes	2.17	2.17	2.99	2.99	–
Total	<u>25.12</u>	<u>2.91</u>	<u>22.21</u>	<u>3.27</u>	<u>18.94</u>

During the period from 1 April 2015 up to 13 August 2015, the Company only applied a total of approximately HK\$0.06 million out of the Proceeds to strengthen the Group’s position in its established markets and expand its customer base.

As disclosed in the announcement of the Company published on 13 August 2015, the Group was cautious about the expansion in the production facilities, and would like to downsize its plans for expansion and upgrade of the production facilities and setting up production facilities for plastic parts. To effectively utilize its proceeds and improve the return to shareholders, the Company re-allocated the unutilized proceeds in the total sum of HK\$15 million originally earmarked for expansion and upgrade of the production facilities, setting up production facilities for plastic parts and strengthening the Group’s position in its established markets and expand its customer base to repayment of bank overdraft (HK\$10.00 million) and working capital and funding for other general corporate purposes (HK\$5.00 million).

The details of the utilization of the Proceeds during the period from 13 August 2015 up to 31 March 2016 and as at the date of this announcement are as follows:

Intended use disclosed in the Announcement	New allocation of the unutilized Proceeds as provided in the Announcement	During the period from 13 August 2015 to 31 March 2016	
	<i>HK\$ million</i> (approximately)	Utilized amount <i>HK\$ million</i> (approximately)	Unutilized amount <i>HK\$ million</i> (approximately)
Expansion and upgrade of the production facilities	–	–	–
Setting up production facilities for plastic parts	1.00	–	1.00
Strengthening the Group's position in its established markets and expanding its customer base	2.94	0.06	2.88
Repayment of bank overdraft	10.00	10.00	–
Working capital and funding for other general corporate purposes	5.00	5.00	–
	<u>18.94</u>	<u>15.06</u>	<u>3.88</u>
Total	<u>18.94</u>	<u>15.06</u>	<u>3.88</u>

INTERNAL CONTROL

The Company has engaged the Independent Internal Control Consultant to review and improve the effectiveness of the Group's internal control system. The Internal Control Consultant has issued an internal control review report to the Company, which has identified a number of internal control issues and deficiencies of the Group. The Board has reviewed the said report and conducted a review of the Group's internal control system, and it has taken and/or will take necessary actions and steps to address the internal control issues and deficiencies found in the internal control review.

Set out below are (i) the major deficiencies identified by the Internal Control Consultant and the Board; and (ii) the Company's actions.

Major deficiencies

Company's actions

Medium and longer term cash flow forecast not prepared regularly and liquidity risk not monitored effectively.

The Company will prepare medium-term cash flow forecast to enhance the control over cash and liquidity risk.

The cost of holding slow-moving or obsolete inventory was considered high.

The Company has implemented control and review procedures and the write down slow-moving and obsolete inventories is amounted to HK\$0.59 million for the year ended 31.3.2016.

No reconciliation of the outstanding account payables with the suppliers who did not provide monthly statement,

The Company will impose the initiative to reconcile the outstanding accounts payable with the Suppliers, especially in 毅高達電子(深圳)有限公司 (Yi Gao Tech Electronics (Shenzhen) Co., Ltd), who did not provide monthly statements.

All payment of invoices of Yi Gao Tech made through e-banking required only single authorized signatory of General Manager without limit.

The Company has assigned Account Manager and Administrative & Accountant to check and review e-payment of Yi Gao Tech on bimonthly basis.

After the review of the Group's internal control system, the Directors are of the view that the effectiveness of the Group's internal control system has been improved.

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 of the Group to subscribe for an aggregate of 80,000,000 shares of the Company with an exercise price of HK\$0.15, which is equal to the placing price as defined in the Prospectus.

As at 31 March 2016, details of the share options granted under the Pre-IPO Share Option Scheme are as follows:

	Outstanding as at 31 March 2015	Subdivision of share at 15 July 2015	Outstanding as at 31 March 2016	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%
	<u>14,400,000</u>	<u>43,200,000</u>	<u>57,600,000</u>	11 October 2016–11 October 2023	6.54%
Employee	5,600,000	16,800,000	22,400,000	11 October 2016–11 October 2023	2.55%
	<u>20,000,000</u>	<u>60,000,000</u>	<u>80,000,000</u>		<u>9.09%</u>

Share Option Scheme

During the year ended 31 March 2016, 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 March 2016, 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

Name of Director	Capacity	Number of Shares	Approximate percentage of interest
Ms. Cheng Yeuk Hung	Personal interest	232,560,000	29.07%
Mr. Lo Yan Yee	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 (<i>executive Director</i>)	Personal interest	Options	22,800,000
	Interest of spouse	Options	22,800,000
			45,600,000
Ms. Cheng Yeuk Hung (<i>executive Director</i>)	Personal interest	Options	22,800,000
	Interest of spouse	Options	22,800,000
			45,600,000
Mr. Cheng Kwing Sang, Raymond (<i>chief executive officer</i>)	Personal interest	Options	22,400,000
Mr. Lo Ding To (<i>executive Director</i>)	Personal interest	Options	12,000,000

Save as disclosed above, as at 31 March 2016, 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 March 2016, 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 Manager (HK) Limited	Investment manager	94,272	11.78%	Long position

Save as disclosed above, as at 31 March 2016, 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 year ended 31 March 2016.

MODEL CODE FOR DIRECTORS' SECURITIES TRANSACTIONS

The Company has adopted the standard set out in Rules 5.48 to 5.67 of the GEM Listing Rules (the "Model Code") as its own code governing securities transactions by the Directors. The Company has confirmed, having made specific enquiry of the Directors, all the Directors have complied with the standard set out in the Model Code throughout the year ended 31 March 2016.

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. Pursuant to code provision A.6.7, independent non-executive directors and other non-executive directors should also attend general meetings and develop a balanced understanding of the views of shareholders. Mr. Lam Wai Yuen (an independent non-executive Director) and Mr. Cheung Chin Wa, Angus (an independent non-executive Director) were unable to attend the annual general meeting of the Company held on 30 July 2015 due to their other prior engagements. Save as disclosed above, the Company has complied with the Code during the year ended 31 March 2016.

DIRECTORS' INTERESTS IN CONTRACTS

None of the Directors 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 year ended 31 March 2016.

COMPETING BUSINESS

For the year ended 31 March 2016, 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 31 March 2016 which is required to be notified to the Company pursuant to Rule 6A.32 of the GEM Listing Rules.

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 audited condensed consolidated results of the Group for the year ended 31 March 2016 have been reviewed by the Committee, which was of the opinion that the preparation of such results complied with the applicable accounting standards, the GEM Listing Rules and legal requirements, and adequate disclosures have been made.

The figures in respect of the preliminary announcement of the Group's results for the year ended 31 March 2016 have been agreed by the Group's auditor, HLB Hodgson Impey Cheng Limited, to the amounts set out in the Group's audited consolidated financial statements for the year.

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

Hong Kong, 21 June 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 Jacob, 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.