



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 2021**

**CHARACTERISTICS OF GEM OF THE STOCK EXCHANGE OF HONG KONG
LIMITED (THE “STOCK EXCHANGE”)**

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

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

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.

*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\$61.57 million for the nine months ended 31 December 2021, representing a increase of approximately 65.98% over the corresponding period of the previous year.
- Recorded an unaudited profit attributable to the owners of the Company of approximately HK\$0.87 million for the nine months ended 31 December 2021 (2020: unaudited loss attributable to the owners of the Company of approximately HK\$9.21 million).
- Basic and diluted earnings per share for the nine months ended 31 December 2021 were HK0.62 cents (2020: basic and diluted loss per share was HK18.07 cents).
- The Board does not recommend the payment of third quarterly dividend for the nine months ended 31 December 2021 (2020: 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 2021 and the comparative unaudited figures for the corresponding period in 2020 as follows:

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

For the three and nine months ended 31 December 2021

		Unaudited three months ended 31 December		Unaudited nine months ended 31 December	
		2021	2020	2021	2020
	Notes	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Revenue	3	21,303	11,740	61,566	37,092
Cost of sales		(18,052)	(9,385)	(49,706)	(28,747)
Gross profit		3,251	2,355	11,860	8,345
Other gains or loss	4	2,302	643	4,676	3,074
Selling and distribution expenses		(497)	(403)	(1,660)	(944)
Administrative and other expenses		(5,034)	(6,977)	(17,255)	(16,817)
Change in fair value of derivative financial assets component of convertible bonds		–	1	202	(2,175)
(Allowance for)/reversal of allowance for expected credit loss recognised in respect of financial assets at amortised cost, net		(26)	75	(45)	93
Finance costs		(875)	(647)	(2,471)	(2,871)
Share of results of associates		1,485	681	5,552	1,962
Profit/(Loss) before taxation	5	606	(4,272)	859	(9,333)
Taxation	6	4	(13)	7	119
Profit/(Loss) for the period		610	(4,285)	866	(9,214)

	<i>Notes</i>	Unaudited three months ended 31 December		Unaudited nine months ended 31 December	
		2021	2020	2021	2020
		HK\$'000	<i>HK\$'000</i>	HK\$'000	<i>HK\$'000</i>
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		<u>(2,217)</u>	<u>2,648</u>	<u>(2,196)</u>	<u>3,322</u>
Total comprehensive loss for the period		<u><u>(1,607)</u></u>	<u><u>(1,637)</u></u>	<u><u>(1,330)</u></u>	<u><u>(5,892)</u></u>
Profit/(Loss) for the period attributable to owners of the Company		<u><u>610</u></u>	<u><u>(4,285)</u></u>	<u><u>866</u></u>	<u><u>(9,214)</u></u>
Total comprehensive loss for the period attributable to owners of the Company		<u><u>(1,607)</u></u>	<u><u>(1,637)</u></u>	<u><u>(1,330)</u></u>	<u><u>(5,892)</u></u>
Earnings/(Loss) per share — Basic and diluted (<i>HK cents</i>)	8	<u><u>0.42 cents</u></u>	<u><u>(8.41) cents</u></u>	<u><u>0.62 cents</u></u>	<u><u>(18.07) cents</u></u>

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the nine months ended 31 December 2021 (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	Convertible bonds-equity component reserve HK\$'000	Accumulated losses HK\$'000	Total HK\$'000
At 1 April 2021, audited	3,491	65,408	4,836	(89)	5,794	(2,707)	11,657	(88,229)	161
Total comprehensive (loss)/income for the period	-	-	-	-	-	(2,196)	-	866	(1,330)
Share placing	4,400	21,471	-	-	-	-	-	-	25,871
At 31 December 2021, unaudited	<u>7,891</u>	<u>86,879</u>	<u>4,836</u>	<u>(89)</u>	<u>5,794</u>	<u>(4,903)</u>	<u>11,657</u>	<u>(87,363)</u>	<u>24,702</u>

For the nine months ended 31 December 2020 (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	Convertible bonds-equity component reserve HK\$'000	Accumulated losses HK\$'000	Total HK\$'000
At 1 April 2020, audited	2,550	59,326	4,836	(89)	5,794	(3,115)	11,490	(61,549)	19,243
Total comprehensive loss for the period	-	-	-	-	-	3,322	-	(9,214)	(5,892)
Issuance of convertible bonds	-	-	-	-	-	-	2,819	-	2,819
Issuance cost on convertible bonds	-	-	-	-	-	-	(91)	-	(91)
Deferred tax liability arising from issue of convertible bonds	-	-	-	-	-	-	(435)	-	(435)
At 31 December 2020, unaudited	<u>2,550</u>	<u>59,326</u>	<u>4,836</u>	<u>(89)</u>	<u>5,794</u>	<u>207</u>	<u>13,783</u>	<u>(70,763)</u>	<u>15,644</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 (the "**Listing**") since 11 October 2013 (the "**Listing Date**").

The unaudited condensed 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 the nearest thousands (HK'000) except when otherwise indicated.

The principal activities of the Group are the manufacturing and trading of electronic products and accessories. The Group also operates catering business in Hong Kong.

2 BASIS OF PREPARATION AND PRINCIPAL ACCOUNTING POLICIES

The unaudited condensed consolidated third quarter financial statements have been prepared in accordance with Hong Kong Financial Reporting Standards ("**HKFRS**") 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 2021 except in relation to the new and revised standards, amendments and interpretations ("**new and amendments to 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 amendments to 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 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	
	2021	2020	2021	2020
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Sales of electronic products	12,685	8,815	37,688	29,082
Revenue from restaurant operations	8,618	2,925	23,878	8,010
	21,303	11,740	61,566	37,092

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.
- provision of food catering services.

The Group's 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, corporate 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 revenue and results from continuing operations by reportable and operating segments:

For the nine months ended 31 December 2021 (Unaudited)

	Indent trading of electronic products <i>HK\$'000</i>	Manufacturing and trading of electronic products and accessories <i>HK\$'000</i>	Provision of food catering services <i>HK\$'000</i>	Total <i>HK\$'000</i>
Revenue	<u>1,493</u>	<u>36,195</u>	<u>23,878</u>	<u>61,566</u>
Segment results	<u>562</u>	<u>4,524</u>	<u>(2,866)</u>	<u>2,220</u>
Unallocated other revenue and gains				677
Unallocated selling and distribution expenses				(409)
Unallocated administrative and other expenses				(5,545)
Unallocated finance cost				<u>(1,793)</u>
Loss from operations				(4,850)
Allowance for expected credit loss recognised in respect of financial assets at amortised cost, net				(45)
Change in fair value of derivative financial assets component of convertible bonds				202
Share of results of associates				<u>5,552</u>
Profit before taxation				859
Taxation				<u>7</u>
Profit for the period				<u>866</u>

For the nine months ended 31 December 2020 (Unaudited)

	Indent trading of electronic products <i>HK\$'000</i>	Manufacturing and trading of electronic products and accessories <i>HK\$'000</i>	Provision of food catering services <i>HK\$'000</i>	Total <i>HK\$'000</i>
Revenue	<u>1,133</u>	<u>27,949</u>	<u>8,010</u>	<u>37,092</u>
Segment results	<u>350</u>	<u>(1,473)</u>	<u>476</u>	(647)
Unallocated other revenue and gains				1,154
Unallocated selling and distribution expenses				(389)
Unallocated administrative and other expenses				(6,613)
Unallocated finance costs				<u>(2,718)</u>
Loss from operations				(9,213)
Change in fair value of derivative financial assets component of convertible bonds				(2,175)
Reversal of expected credit loss recognised in respect of trade receivables and amount due from related company				93
Share of results of associates				<u>1,962</u>
Loss before taxation				(9,333)
Taxation				<u>119</u>
Loss for the period				<u>(9,214)</u>

Geographical information

	Revenue from external customers			
	Unaudited		Unaudited	
	three months ended		nine months ended	
	31 December		31 December	
	2021	2020	2021	2020
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Hong Kong	8,988	3,106	25,012	9,209
Asian countries, other than Hong Kong (<i>Note 1</i>)	394	171	949	1,088
European countries (<i>Note 2</i>)	8,028	7,010	26,000	20,762
North and South American Countries (<i>Note 3</i>)	3,505	989	7,581	4,448
Others	388	464	2,024	1,585
	<u>21,303</u>	<u>11,740</u>	<u>61,566</u>	<u>37,092</u>

Notes:

1. Asian countries include the People's Republic of China (the "PRC"), India, Korea, Malaysia, Singapore, Taiwan and Thailand.
2. European countries include Belgium, Bulgaria, Denmark, Finland, Germany, Italy, Poland, Russia, Slovakia, Spain, Sweden, Switzerland and United Kingdom.
3. North and South American Countries include Argentina, Brasil, Canada 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:

	Unaudited	Audited
	As at	As at
	31 December	31 March
	2021	2021
	HK\$'000	HK\$'000
Hong Kong	16,979	20,490
PRC	85	–
	17,064	20,490

Note: Non-current assets excluded interests in associates and deferred tax assets.

4 OTHER GAINS OR LOSS

	Unaudited		Unaudited
	three months ended		nine months ended
	31 December		31 December
	2021	2020	2021
	HK\$'000	HK\$'000	HK\$'000
Bank interest income	–	1	1
Exchange gain	1,998	–	1,998
Interest income on dividends receivable	89	87	266
Rent concession income	–	215	–
Sundry income	215	340	2,411
	2,302	643	4,676

5 PROFIT/(LOSS) BEFORE TAXATION

	Unaudited three months ended 31 December		Unaudited nine months ended 31 December	
	2021	2020	2021	2020
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Profit/(Loss) before taxation is arrived after charging/ (crediting):				
Finance costs				
Interest on:				
Bank and other borrowings	34	4	157	9
Bank overdrafts wholly repayable within five years	9	–	10	1
Interest expense on lease liabilities	249	(37)	561	160
Convertible bonds wholly repayable within five years	583	680	1,743	2,701
	<u>875</u>	<u>647</u>	<u>2,471</u>	<u>2,871</u>
Other items				
(Reversal depreciation)/ depreciation of property, plant and equipments	(132)	9	(113)	26
Depreciation of right-of-use assets	28	28	84	84
Costs of inventories sold	<u>18,052</u>	<u>9,271</u>	<u>49,672</u>	<u>28,497</u>

6 TAXATION

	Unaudited three months ended 31 December		Unaudited nine months ended 31 December	
	2021	2020	2021	2020
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Current tax				
— Hong Kong	—	—	—	—
— PRC	—	—	—	—
Deferred taxation	4	(13)	7	119
	<u>4</u>	<u>(13)</u>	<u>7</u>	<u>119</u>

On 21 March 2018, the Hong Kong Legislative Council passed The Inland Revenue (Amendment) (No. 7) Bill 2017 (the “**Bill**”) which introduces the two-tiered profits tax rates regime. The Bill was signed into law on 28 March 2018 and was gazetted on the following day. Under the two-tiered profits tax rates regime, the first HK\$2 million of assessable profits of qualifying corporations will be taxed at 8.25%, and assessable profits above HK\$2 million will be taxed at 16.5%. The assessable profits of corporations not qualifying for the two-tiered profit tax rates regime will continue to be taxed at a flat rate of 16.5%. The two-tiered profits tax rates regime is applicable to the Group for the nine months ended 31 December 2021 and 2020.

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 nine months ended 31 December 2021 and 2020.

7 DIVIDENDS

The Board does not recommend the payment of dividend for the nine months ended 31 December 2021 (2020: Nil).

8 EARNINGS/(LOSS) PER SHARE ATTRIBUTABLE TO OWNERS OF THE COMPANY

The calculation of basic earnings/(loss) per share is based on the profit/(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 nine months ended 31 December 2021	2020
	<i>Note</i>	HK\$'000	HK\$'000
Profit/(Loss) for the period attributable to owners of the Company		866	(9,214)
		Unaudited nine months ended 31 December 2021	2020
		No. of shares	No. of shares
Weighted average number of ordinary shares and dilutive potential ordinary share in issue during the period	<i>(a)&(b)</i>	139,582,839	51,000,000

Notes:

- (a) The diluted earnings/(loss) per share is the same as the basic earnings/(loss) per share for the nine months ended 31 December 2021 and 2020 because the Company's share options outstanding and convertible bonds during those periods were either anti-dilutive or have no potential dilutive effects.
- (b) The weighted average number of ordinary shares for the purpose of calculating basic earnings/(loss) per share for the nine months ended 31 December 2021 have been adjusted for the effect of the completion the placing of 88,000,000 new shares at HK\$0.30 per placing share under specific mandate on 27 May 2021. For further details, please refer to the announcements of the Company dated 21 January 2021, 10 February 2021, 31 March 2021, 9 April 2021, 12 May 2021 and 27 May 2021 and the circular of the Company dated 26 April 2021.

MANAGEMENT DISCUSSION AND ANALYSIS

Business Review and Prospects

Unaudited revenue for the nine months ended 31 December 2021 (the “**Nine-Month Period**”) was approximately HK\$61.57 million, representing an increase of approximately 65.98% when compared with the corresponding period in 2020. Profit attributable to owners of the Company for the Nine-Month Period was approximately HK\$0.87 million whilst for the corresponding period in 2020, the loss attributable to owners of the Company was approximately HK\$9.21 million.

Notwithstanding the challenging market conditions prevailing during the Nine-Month Period, the Group continues to manufacture and provide electronics products and subcontracting services on PCB assemblies to customers in its principal markets, i.e. the U.S.A. and the European countries including Belgium, Bulgaria, Denmark, Finland, Germany, Italy, Poland, Russia, Slovakia, Spain, Sweden, Switzerland and United Kingdom. The Group also operates catering business in Hong Kong.

In view of the challenging market conditions encountered 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\$37.69 million, representing an increase of approximately 29.59% when compared with the corresponding period in 2020. The increase in sales of electronic products was mainly due to the increase in the revenue from manufacturing and trading of electronic products and accessories by approximately HK\$8.25 million as compared with the corresponding period in 2020. The increase in the revenue from manufacturing and trading of electronic products and accessories for the Nine-Month Period was mainly due to the increase in sales of fishing indicator for the Nine-Month Period by approximately HK\$3.45 million as compared with the corresponding period in 2020. The increase in the sale of fishing indicator was a result of increase in volume sold.

Food Catering Services

Revenue from this segment during the Nine-Month Period was approximately HK\$23.88 million, representing an increase of approximately 198.10% when compared with the corresponding period in 2020.

Such increase was mainly due to (i) the gradual recovery of the Group's catering business and the general market condition of the Hong Kong catering industry from the impact of the COVID-19 outbreak; and (ii) the continuous effort and dedication of our Group to expand our catering business as evidenced by our new restaurant which commenced operation in 2021 as well as the development and operation of our e-commerce platform.

Financial Review

The Group's revenue for the Nine-Month Period was approximately HK\$61.57 million, representing an increase of approximately 65.98% from approximately HK\$37.09 million of the corresponding period in 2020. Such increase was mainly due to the increase in revenue from restaurant operations by approximately HK\$15.87 million.

The overall gross profit margin of the Group decreased from approximately 22.50% for the nine months ended 31 December 2020 to 19.26% for the nine months ended 31 December 2021. The decrease in the Group's gross profit margin for the nine months ended 31 December 2021 was primarily due to the decrease in sales of higher margin dishes of the Group's food catering business, namely abalone and shark fin.

Selling and distribution expenses for the nine months ended 31 December 2021 were approximately HK\$1.67 million (approximately HK\$0.94 million for the nine months ended 31 December 2020), representing an increase of approximately 75.85%. Such increase was mainly due to the increase in commission expenses to approximately HK\$0.35 million for the nine months ended 31 December 2021 (approximately HK\$0.14 million for the nine months ended 31 December 2020), and the increase in freight charges and transportation to approximately HK\$0.52 million for the nine months ended 31 December 2021 (approximately HK\$0.34 million for the nine months ended 31 December 2020).

Administrative and other expenses for the nine months ended 31 December 2021 were approximately HK\$17.26 million (approximately HK\$16.82 million for the nine months ended 31 December 2020), representing an increase of approximately 2.60%. Such increase was mainly due to the increase in insurance costs and professional fee to approximately HK\$0.95 million and HK\$2.40 million, respectively recognised for the nine months ended 31 December 2021 (approximately HK\$0.44 million and HK\$1.74 million, respectively for the nine months ended 31 December 2020).

Profit attributable to the owners of the Company amounted to approximately HK\$0.87 million for the nine months ended 31 December 2021 (approximately HK\$9.21 million of loss attributable to owners of the Company for the nine months ended 31 December 2020). Earnings per share attributable to owners of the Company was approximately HK0.62 cents for the nine months ended 31 December 2021 (a loss of approximately HK18.07 cents per share attributable to owners of the Company for the nine months ended 31 December 2020).

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 (adjusted to 4,000,000 shares after the Share Consolidation) of the Company with an exercise price of HK\$0.15 (adjusted to HK\$3.00 after the Share Consolidation), which is equal to the placing price as defined in the prospectus of the Company.

As at 31 December 2021, details of the options granted under the Pre-IPO Share Option Scheme are as follows:

Directors	Outstanding as at 31 March 2021	Exercised	Lapsed	Cancelled	Outstanding as at 31 December 2021	Exercise period	Approximate percentage of issued capital of the Company upon exercise of all the options
Mr. Lo Yan Yee	1,140,000	–	–	–	1,140,000	11 October 2016– 11 October 2023	2.19%
Ms. Cheng Yeuk Hung	1,140,000	–	–	–	1,140,000	11 October 2016– 11 October 2023	2.19%
Employees	2,280,000	–	–	–	2,280,000	11 October 2016– 11 October 2023	4.38%
	1,720,000	–	–	–	1,720,000		3.31%
	<u>4,000,000</u>	<u>–</u>	<u>–</u>	<u>–</u>	<u>4,000,000</u>		7.69%

Share Option Scheme

During the nine months ended 31 December 2021, 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 2021, 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, the 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	4,878,000	3.09%
Mr. Lo Yan Yee	Company	Interest of spouse	4,878,000	3.09%

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 4,878,000 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	1,140,000
	Interest of spouse	Options	<u>1,140,000</u>
			2,280,000
Ms. Cheng Yeuk Hung (executive Director)	Personal interest	Options	1,140,000
	Interest of spouse	Options	<u>1,140,000</u>
			2,280,000
Mr. Cheng Kwing Sang, Raymond (chief executive officer)	Personal interest	Options	1,120,000

Save as disclosed above, as at 31 December 2021, 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 2021, 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	Number of underlying shares	Total	Percentage of the Company's issued share capital
Siu Yik Tung Jamie	Beneficial owner	14,621,948	6,263,559 (Note 1)	20,885,507	13.23%
Siu Wa Kei	Interest of a controlled corporation	1,297,800		1,297,800	
	Beneficial owner	13,123,468	1,478,773 (Note 1)	14,602,241	
		14,421,268		15,900,041	10.07%
Lam Sau Man	Beneficial owner	14,222,507		14,222,507	9.01%
Kwok Hang Yau Heilesen Henrick	Beneficial owner	14,220,000		14,220,000	9.01%
Lissington Limited	Beneficial owner	9,867,486	3,549,647 (Notes 1 & 3)	13,417,133	8.50%
Zheng Zeli	Interest of a controlled corporation	9,867,486	3,549,647 (Notes 1 & 3)	13,417,133	8.50%

Name	Capacity and nature of interest	Number of shares	Number of underlying shares	Total	Percentage of the Company's issued share capital
Yeung Tong Seng Terry	Beneficiary of a trust (other than discretionary interest)	5,060,000 (Note 2)	3,679,245 (Notes 1 & 2)		
	Beneficial owner	–	1,551,812 (Note 1)		
		<hr/> 5,060,000	<hr/> 5,231,057 (Note 1)	10,291,057	6.52%
Bluemount investment Fund SPC — Bluemount investment Fund SP	Trustee (other than a bare trustee)	5,060,000	3,679,245 (Note 1)	8,739,245 (Note 2)	5.54%

Notes:

1. These underlying Shares are Shares to be issued to holders of the convertible bonds of the Company.
2. These shares were held by Bluemount investment Fund SPC — Bluemount investment Fund SP as trustee of Mr. Yeung Tong Seng Terry.
3. The entire issued share capital of Lissington Limited is beneficially owned by Ms. Zheng Zeli.

Save as disclosed above, as at 31 December 2021, 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 2021.

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 with 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 any of the Directors during the nine months ended 31 December 2021.

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 2021.

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 2021.

COMPETING BUSINESS

For the nine months ended 31 December 2021, 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, directly or indirectly with the business of the Group and any other conflict of interest which any such person has or may have with the Group.

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. Leung Yu Tung, Stanley, Mr. Chow Yun Cheung and Mr. Lam Kwok Leung, Roy. The unaudited condensed consolidated financial statements of the Group for the nine months ended 31 December 2021 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, 9 February 2022

As at the date of this announcement, the executive Directors are Mr. Lo Yan Yee, Ms. Cheng Yeuk Hung, Ms. Chan Wan Shan, Sandra, and Mr. Tansri Saridju Benui, and the independent non-executive Directors are Mr. Leung Yu Tung, Stanley, Mr. Chow Yun Cheung and Mr. Lam Kwok Leung, Roy.

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.