



**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)**

**INTERIM RESULTS ANNOUNCEMENT  
FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2024**

**CHARACTERISTICS OF THE 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 and no assurance is given that there will be a liquid market in the securities traded on GEM.**

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*This announcement, for which the directors (the “**Directors**”) of Echo International Holdings Group Limited (the “**Company**”) collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on GEM of the Stock Exchange (the “**GEM Listing Rules**”) for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief, the information contained in this announcement is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this announcement misleading.*

## FINANCIAL HIGHLIGHTS

- Recorded an unaudited revenue of approximately HK\$37.72 million for the six months ended 30 September 2024, representing an increase of approximately 19.55% over the same period of the previous year.
- Recorded an unaudited profit attributable to the owners of the Company of approximately HK\$1.73 million for the six months ended 30 September 2024 (2023: unaudited profit attributable to the owners of the Company of approximately HK\$0.65 million).
- Basic and diluted earnings per share for the six months ended 30 September 2024 were approximately HK0.26 cents (2023: basic and diluted earnings per share approximately HK0.10 cents).
- The Board does not recommend the payment of interim dividend for the six months ended 30 September 2024 (2023: Nil).

## UNAUDITED INTERIM RESULTS

The board of Directors (the “**Board**”) is pleased to announce the unaudited condensed consolidated interim results of the Company and its subsidiaries (collectively the “**Group**”) for the six months ended 30 September 2024 (the “**Period**”) and the comparative unaudited figures for the corresponding period in 2023, as follows:

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

*For the six months ended 30 September 2024*

		<b>Unaudited six months ended 30 September</b>	
	<i>Notes</i>	<b>2024</b>	2023
		<b>HK\$'000</b>	<b>HK\$'000</b>
Revenue	3	<b>37,721</b>	31,552
Cost of sales		<u><b>(28,171)</b></u>	<u>(23,356)</u>
Gross profit		<b>9,550</b>	8,196
Other gains or loss	4	<b>1,358</b>	425
Selling and distribution expenses		<b>(726)</b>	(726)
Administrative and other expenses		<b>(9,784)</b>	(7,967)
Reversal of/(Allowance for) under expected credit loss recognised in respect of financial assets at amortised cost, net		<b>94</b>	87
Finance costs		<b>(396)</b>	(279)
Share of result of associates		<u><b>1,629</b></u>	<u>909</u>
Profit before taxation	5	<b>1,725</b>	645
Taxation	6	<u><b>3</b></u>	<u>—</u>
Profit for the period		<b>1,728</b>	645
Other comprehensive income/(loss) for the period, net of tax:			
Items that may be reclassified subsequently to profit or loss:			
Exchange differences on translation of foreign operations		<u><b>(972)</b></u>	<u>(808)</u>
Total comprehensive income/(loss) for the period		<u><u><b>756</b></u></u>	<u><u>(163)</u></u>
Profit for the period attributable to owners of the Company		<u><u><b>1,728</b></u></u>	<u><u>645</u></u>
Total comprehensive income/(loss) for the period attributable to owners of the Company		<u><u><b>756</b></u></u>	<u><u>(163)</u></u>
Earnings per share			
— Basic and diluted (HK cents)	8	<u><u><b>0.26 cents</b></u></u>	<u><u>0.10 cents</u></u>

## UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

*As at 30 September 2024*

	<i>Notes</i>	<b>Unaudited 30 September 2024 HK\$'000</b>	Audited 31 March 2024 HK\$'000
<b>Non-current assets</b>			
Property, plant and equipment	9	771	253
Right-of-use assets		1,757	3,510
Intangible assets		513	601
Interests in associates		31,343	29,714
Deferred tax asset		13	10
		<b>34,397</b>	34,088
<b>Current assets</b>			
Inventories		14,698	17,657
Trade receivables	10	5,023	4,546
Deposits, prepayments and other receivables		15,081	13,757
Tax receivable		471	–
Cash and bank balances		3,440	3,863
		<b>38,713</b>	39,823
<b>Current liabilities</b>			
Trade payables	11	4,506	5,052
Accruals and other payables		4,908	4,346
Amount due to a related company		–	248
Amount due to a director		58	58
Lease liabilities		4,911	5,483
Contract liabilities		202	146
Other borrowings		3,506	2,186
Tax payable		–	107
		<b>18,091</b>	17,626
<b>Net current assets</b>		<b>20,622</b>	22,197
<b>Total assets less current liabilities</b>		<b>55,019</b>	56,285

		<b>Unaudited</b>	Audited
		<b>30 September</b>	31 March
		<b>2024</b>	2024
	<i>Notes</i>	<b>HK\$'000</b>	<b>HK\$'000</b>
<b>Non-current liabilities</b>			
Lease liabilities		<b>888</b>	2,910
Provision for reinstatement costs		<b>400</b>	400
		<u><b>1,288</b></u>	<u>3,310</u>
<b>Net assets</b>		<u><b>53,731</b></u>	<u>52,975</u>
<b>Capital and reserves</b>			
Share capital	<i>12</i>	<b>33,321</b>	33,321
Reserves		<b>20,410</b>	19,654
<b>Total equity</b>		<u><b>53,731</b></u>	<u>52,975</u>

## UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 30 September 2024 (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 2024, audited	33,321	139,823	4,836	(89)	-	3,278	-	(128,194)	52,975
Total comprehensive income/(loss) for the period	-	-	-	-	-	(972)	-	1,728	756
At 30 September 2024, unaudited	<u>33,321</u>	<u>139,823</u>	<u>4,836</u>	<u>(89)</u>	<u>-</u>	<u>2,306</u>	<u>-</u>	<u>(126,466)</u>	<u>53,731</u>

For the six months ended 30 September 2023 (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	Accumulated losses HK\$'000	Total HK\$'000
At 1 April 2023, audited	29,743	135,590	4,836	(89)	5,794	952	(124,545)	52,281
Total comprehensive income/(loss) for the period	-	-	-	-	-	(808)	645	(163)
Share placing	3,578	4,293	-	-	-	-	-	7,871
Issuance cost of share placing	-	(60)	-	-	-	-	-	(60)
At 30 September 2023, unaudited	<u>33,321</u>	<u>139,823</u>	<u>4,836</u>	<u>(89)</u>	<u>5,794</u>	<u>144</u>	<u>(123,900)</u>	<u>(59,929)</u>

## UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the six months ended 30 September 2024

	Unaudited six months ended 30 September	
	2024	2023
	HK\$'000	HK\$'000
Net cash generated from/(used in) operating activities	3,119	(3,949)
Net cash (used in) investing activities	(12)	(50)
Net cash (used in)/generated from financing activities	<u>(840)</u>	<u>5,059</u>
Net increase in cash and cash equivalents	2,267	1,060
Effect of foreign currency exchange rate changes	(2,690)	(403)
Cash and cash equivalents at beginning of period, audited	<u>3,863</u>	<u>2,958</u>
Cash and cash equivalents at end of period, unaudited	<u><u>3,440</u></u>	<u><u>3,615</u></u>
Analysis of the balances of cash and cash equivalents		
Cash and bank balances	<u>3,440</u>	<u>3,615</u>
	<u><u>3,440</u></u>	<u><u>3,615</u></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 GEM of the Stock Exchange since 11 October 2013.

The unaudited condensed consolidated financial statements are presented in Hong Kong Dollars (“HK\$”), which is 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 engaged in 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 interim financial statements have been prepared in accordance with the Hong Kong Accounting Standards (“HKAS”) 34 “Interim Financial Reporting” issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”) and the disclosure requirements set out in Chapter 18 of the Rule Governing the Listing of Securities on the GEM of The Stock Exchange of Hong Kong Limited.

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 2024 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 interim 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 the 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:

	<b>Unaudited six months ended 30 September</b>	
	<b>2024</b>	<b>2023</b>
	<b>HK\$'000</b>	<b>HK\$'000</b>
Sales of electronic products	<b>27,218</b>	15,573
Revenue from restaurant operations	<b>10,503</b>	15,979
	<b><u>37,721</u></b>	<b><u>31,552</u></b>

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 represent revenue generated from external customers. There were no inter-segment sales 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 purpose 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 operations by reportable and operating segments:

### For the six months ended 30 September 2024 (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>2,356</u>	<u>24,862</u>	<u>10,503</u>	<u>37,721</u>
Segment results	<u>180</u>	<u>2,706</u>	<u>(487)</u>	<u>2,399</u>
Unallocated other revenue and gains				179
Unallocated selling and distribution expenses				(240)
Unallocated administrative and other expenses				(2,169)
Unallocated finance costs				<u>(167)</u>
Profit from operations				2
Reversal of allowance for expected credit loss recognised in respect of financial assets at amortised cost, net				94
Share of result of associates				<u>1,629</u>
Profit before taxation				1,725
Taxation				<u>3</u>
Profit for the period				<u><u>1,728</u></u>

For the six months ended 30 September 2023 (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>1,988</u>	<u>13,585</u>	<u>15,979</u>	<u>31,552</u>
Segment results	<u>462</u>	<u>769</u>	<u>912</u>	2,143
Unallocated other revenue and gains				230
Unallocated selling and distribution expenses				(255)
Unallocated administrative and other expenses				(2,451)
Unallocated finance costs				<u>(18)</u>
Loss from operations				(351)
Reversal of allowance for expected credit loss recognised in respect of financial assets at amortised cost, net				87
Share of result of associates				<u>909</u>
Profit before taxation				645
Taxation				<u>-</u>
Profit for the period				<u><u>645</u></u>

## Geographical information

	<b>Revenue from external customers</b>	
	<b>Unaudited</b>	
	<b>six months ended</b>	
	<b>30 September</b>	
	<b>2024</b>	<b>2023</b>
	<b>HK\$'000</b>	<b>HK\$'000</b>
Hong Kong	<b>12,526</b>	17,744
Asian countries/regions, other than Hong Kong ( <i>Note 1</i> )	<b>10</b>	97
European countries ( <i>Note 2</i> )	<b>19,532</b>	10,130
North and South American countries ( <i>Note 3</i> )	<b>4,784</b>	2,833
Australia	<b>868</b>	630
Others	<b>1</b>	118
	<u><b>37,721</b></u>	<u>31,552</u>

### Notes:

1. Asian countries/regions include the People's Republic of China and Taiwan.
2. European countries include Bulgaria, Denmark, Finland, Germany, Italy, Poland, Russia, Spain and the United Kingdom.
3. North and South American countries include Brasil 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 detailed below:

	<b>Unaudited</b>	Audited
	<b>30 September</b>	31 March
	<b>2024</b>	2024
	<b>HK\$'000</b>	<b>HK\$'000</b>
Hong Kong	<b>2,902</b>	4,214
People's Republic of China ("PRC")	<b>139</b>	150
	<u><b>3,041</b></u>	<u>4,364</u>

#### 4 OTHER GAINS OR LOSS

	Unaudited six months ended 30 September	
	2024	2023
	HK\$'000	HK\$'000
<b>Other Income</b>		
Bank interest income	1	9
Government subsidies	–	–
Interest income on dividends income	174	174
Rent concession income	210	–
Services charges	62	94
Sundry income	146	148
	<u>593</u>	<u>425</u>
<b>Other gains and losses</b>		
Net foreign exchange loss	765	–
	<u>765</u>	<u>–</u>
	<u>1,358</u>	<u>425</u>

#### 5 PROFIT/(LOSS) BEFORE TAXATION

	Unaudited six months ended 30 September	
	2024	2023
	HK\$'000	HK\$'000
Profit/(Loss) before taxation is arrived after charging:		
<b>Finance costs</b>		
Interest on:		
Bank and other borrowings	167	–
Bank overdrafts wholly repayable within five years	–	18
Interest expense on lease liabilities	229	261
	<u>396</u>	<u>279</u>
<b>Other items</b>		
Depreciation of property, plant and equipments	204	149
Depreciation of right-of-use assets	1,753	–
Costs of inventories sold	27,971	13,007
	<u>27,971</u>	<u>13,007</u>

## 6 TAXATION

	Unaudited six months ended 30 September	
	2024	2023
	HK\$'000	HK\$'000
Current tax		
— Hong Kong	—	—
— PRC	—	—
Over provision in prior years	(3)	—
Deferred taxation	—	—
	<u>(3)</u>	<u>—</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 profits of the qualifying group entity will be taxed at 8.25%, and profits above HK\$2 million will be taxed at 16.5%. The profits of group entities not qualifying for the two-tiered profits tax rates regime will continue to be taxed at a flat rate of 16.5%.

Accordingly, starting from the year ended 31 March 2019, the Hong Kong profits tax is calculated at 8.25% on the first HK\$2 million of the estimated assessable profits and at 16.5% on the estimated assessable profits above HK\$2 million.

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 six months ended 30 September 2024 and 2023.

## 7 DIVIDENDS

The Board does not recommend the payment of interim dividend for the six months ended 30 September 2024 (2023: Nil).

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

The calculation of basic earnings per share is based on the profit 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.

	<i>Notes</i>	<b>Per value</b> <i>HK\$</i>	<b>Unaudited</b> <b>six months ended</b> <b>30 September</b>	
			<b>2024</b> <i>HK\$'000</i>	<b>2023</b> <i>HK\$'000</i>
Profit for the period attributable to owners of the Company			<u>1,728</u>	<u>645</u>
			<b>Unaudited</b> <b>six months ended</b> <b>30 September</b>	
			<b>2024</b>	<b>2023</b>
			<i>No. of shares</i>	<i>No. of shares</i>
Weighted average number of ordinary shares	<i>(a), (b)</i>	0.05	<u>666,423,133</u>	<u>631,428,035</u>

*Notes:*

- (a) No diluted earnings per share is presented as there were no potential dilutive ordinary shares in issue during the six months ended 30 September 2024 and 2023.
- (b) The weighted average number of ordinary shares for the purpose of calculating basic earnings/(loss) per share for the six months ended 30 September 2023 have been adjusted for the effect of (i) the completion of the debt capitalisation whereby the Company issued 237,045,071 new shares at HK\$0.15 per share under specific mandate on 3 November 2022; for further details, please refer to the announcements of the Company dated 29 August 2022, 30 August 2022 and 6 September 2022, respectively, and the circular of the Company dated 12 October 2022; and (ii) the completion of issue of new shares under general mandate whereby the Company issued 71,563,010 new shares at HK\$0.11 per share on 29 June 2023; for further details, please refer to the announcements of the Company dated 16 June 2023 and 29 June 2023, respectively.

## 9 PROPERTY, PLANT AND EQUIPMENT

During the six months ended 30 September 2024, the Group acquired material property, plant and equipment amounting to approximately HK\$0.01 million (six months ended 30 September 2023: HK\$0.05 million) and did not dispose of material property, plant and equipment (the corresponding period in 2023: Nil).

## 10 TRADE RECEIVABLES

Details of the ageing analysis are as follows:

	<b>Unaudited</b> <b>30 September</b> <b>2024</b> <i>HK\$'000</i>	Audited 31 March 2024 <i>HK\$'000</i>
0 to 30 days	4,820	4,546
31 to 60 days	200	–
61 to 90 days	3	–
91 to 180 days	–	–
Over 180 days	–	–
	<u>5,023</u>	<u>4,546</u>

The Company normally allows a credit period ranging from 0 to 90 days.

Trade receivables as at 30 September 2024 are denominated in HK\$ and USD.

## 11 TRADE PAYABLES

Details of the ageing analysis are as follows:

	<b>Unaudited</b> <b>30 September</b> <b>2024</b> <i>HK\$'000</i>	Audited 31 March 2024 <i>HK\$'000</i>
Within 30 days	2,160	3,031
31 to 60 days	1,889	1,325
61 to 90 days	414	448
91 to 180 days	6	216
Over 180 days	37	32
	<u>4,506</u>	<u>5,052</u>

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

Trade payables as at 30 September 2024 are denominated in HK\$, USD and RMB.



## 12 SHARE CAPITAL

	Ordinary shares of HK\$0.050 each Unaudited six months ended 30 September 2024		Ordinary shares of HK\$0.050 each Audited year ended 31 March 2024	
	Number of shares '000	Nominal value HK\$'000	Number of shares '000	Nominal value HK\$'000
Authorised:				
At beginning of the period/year	1,000,000	50,000	1,000,000	50,000
Increase in share capital	–	–	–	–
At end of the period/year	<u>1,000,000</u>	<u>50,000</u>	<u>1,000,000</u>	<u>50,000</u>
Issued and fully paid:				
At beginning of the period/year	666,432	33,321	594,860	29,743
Placing of new shares ( <i>Note 8(b)</i> )	–	–	71,563	3,578
At end of the period/year	<u>666,432</u>	<u>33,321</u>	<u>666,423</u>	<u>33,321</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 with regard to the Company's residual assets.

## 13 FINANCIAL INSTRUMENTS

### Fair value measurement

The fair values of financial assets and financial liabilities are determined as follows:

- (i) the fair values of financial assets and financial liabilities with standard terms and conditions and traded on active liquid markets are determined with reference to quoted market prices; and
- (ii) the fair values of other financial assets and financial liabilities are determined in accordance with generally accepted pricing models based on discounted cash flow analysis.

The carrying amount of other financial assets and liabilities carried at amortised cost, approximate their respective fair values due to the relatively short-term nature of these financial instruments.

The following provides an analysis of financial instruments that are measured subsequent to initial recognition at fair value, grouped into Levels 1 to 3 based on the degree to which the fair value is observable as at 31 March 2024 and 30 September 2024.

- Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active market for identical assets or liabilities.

- Level 2 fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3 fair value measurements are those derived from valuation techniques that include inputs for the assets or liability that are not based on observable market data (unobservable inputs).

No analysis is disclosed since the Group has no financial instruments that are measured subsequent to initial recognition at fair value at the end of the reporting period.

#### 14 CONTINGENT LIABILITIES

The Group had no material contingent liabilities as at 30 September 2024 and 31 March 2024.

#### 15 RELATED PARTY TRANSACTIONS

Save as disclosed elsewhere in the interim consolidated financial statements, the Company had the following material transactions with related parties during the period:

##### (a) Significant related party transactions

During the period, the Group entered into the following transactions with related parties:

	<b>Unaudited six months ended 30 September</b>	
	<b>2024</b>	<b>2023</b>
	<b>HK\$'000</b>	<b>HK\$'000</b>
Nature of related party transactions		
Rental paid to Mobile Computer Land Limited ( <i>Note</i> )	<b>186</b>	186
Sales to Moson International Limited ( <i>Note</i> )	<b>1,921</b>	958
Interest income on dividends receivable from an associate	<b>174</b>	174
	<b>2,281</b>	1,318

*Note:* Its major shareholder is Mr. Lo Ding Kwong, who is the son of Ms. Cheng Yeuk Hung, a director and the chief executive officer of the Company.

##### (b) Key management personnel compensation

Remuneration for key personnel management, including amount paid to the Company's directors and certain of the highest paid employees is as follows:

	<b>Unaudited six months ended 30 September</b>	
	<b>2024</b>	<b>2023</b>
	<b>HK\$'000</b>	<b>HK\$'000</b>
Salaries and allowances	<b>1,312</b>	1,305
Retirement scheme contributions	<b>18</b>	18
	<b>1,330</b>	1,323

## MANAGEMENT DISCUSSION AND ANALYSIS

### Business Review

Revenue for the six months ended 30 September 2024 (the “**Six-Month Period**”) was approximately HK\$37.72 million, representing an increase of approximately 19.55% when compared with the same period last year. Profit attributable to owners of the Company for the Six-Month Period was approximately HK\$1.73 million whilst for the same period last year, the loss attributable to owners of the Company was approximately HK\$0.65 million.

Given the slow pace of economic recovery along with the continued slackness in the United States and European markets, the sales of electronic products have become increasingly challenging. Notwithstanding the challenging market conditions encountered during the Six-Month Period under review, the Group continues to provide electronics products and the subcontracting services on PCB assemblies and manufacture of electronic products to customers in its principal markets, i.e. the United States and the European countries including Bulgaria, Denmark, Finland, Germany, Italy, Poland, Russia, Spain and the 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, including increasing 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, it will explore new business opportunities to broaden its source of income and maximise profit and return for the Group and the shareholders of the Company.

### Sales of Electronic Products

Revenue from this segment during the Six-Month Period was approximately HK\$27.22 million, representing an increase of approximately 74.78% when compared with the same period last year. Increase in sales of electronics products was mainly due to the increase in the revenue from manufacturing and trading of electronic products and accessories by approximately HK\$11.28 million as compared with the corresponding period in 2023. The increase in the revenue from manufacturing and trading of electronic products and accessories for the Six-Month Period was mainly due to the increase in sales of fishing indicator for the Six-Month Period by approximately HK\$9.83 million as compared with the corresponding period in 2023. Increase in fishing indicator were caused by the increase in volume sold in high end product.

## **Provision of Food Catering Services**

Revenue from this segment during the Six-Month Period was approximately HK\$10.50 million, representing a decrease of approximately 34.27% from approximately HK\$15.98 million of the same period in 2023. Such decrease was mainly due to the Group's catering business and the general market condition of the Hong Kong catering industry from the phenomenon of the travelling outside Hong Kong.

## **Financial review**

The Group's revenue for the six months ended 30 September 2024 was approximately HK\$37.72 million, representing an increase of approximately 19.55% from approximately HK\$31.55 million of the same period in 2023. Such increase was mainly due to the increase in revenue from sales of electronic products by approximately HK\$11.65 million.

The overall gross profit margin of the Group decreased from approximately 25.98% for the six months ended 30 September 2023 to approximately 25.32% for the six months ended 30 September 2024. The decrease in the Group's gross profit margin for the six months ended 30 September 2024 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 six months ended 30 September 2024 were approximately HK\$0.73 million (approximately HK\$0.73 million for the six months ended 30 September 2023), representing remain unchanged.

Administrative and other expenses for the six months ended 30 September 2024 were approximately HK\$9.78 million (approximately HK\$7.97 million for the six months ended 30 September 2023), representing an increase of approximately 22.81%. Such increase was mainly due to the increase in exchange difference amounting to approximately HK\$0.76 million loss for the six months ended 30 September 2024 (approximately HK\$1.54 million gain for the six months ended 30 September 2023).

Profit attributable to the owners of the Company amounted to approximately HK\$1.73 million for the six months ended 30 September 2024 (loss attributable to the owners of the Company amounted to approximately HK\$0.65 million for the six months ended 30 September 2023). Earnings per share attributable to owners of the Company was approximately HK0.26 cents for the six months ended 30 September 2024 (earnings per share attributable to owners of the Company was approximately HK0.10 cents).

The cash and bank balances decreased from approximately HK\$3.86 million as at 31 March 2024 to HK\$3.44 million as at 30 September 2024 mainly due to the decrease of trade payables from HK\$5.05 million as at 31 March 2024 to HK\$4.51 million as at 30 September 2024.

### **Liquidity, Financial Resources and Capital Structure**

As at 30 September 2024, the Group had net current assets of approximately HK\$20.62 million (as at 31 March 2024: approximately HK\$22.20 million) including cash and cash equivalents of approximately HK\$3.44 million (as at 31 March 2024: approximately HK\$3.86 million).

The Group's equity capital and borrowings have been applied to fund its working capital and other operational needs. The Group's current ratio as at 30 September 2024 was 2.14 (as at 31 March 2024: 2.26). Gearing ratio was approximately 17.32% as at 30 September 2024 (as at 31 March 2024: 19.97%), calculated based on total borrowings over equity.

The capital of the Group mainly comprises ordinary shares and capital reserves. Please refer to notes 8 and 12 to the unaudited condensed consolidated financial statements for details of changes of capital structure of the Company during the Six-Month Period.

### **Significant Investment, material acquisitions and disposals of subsidiaries, associates and joint ventures**

The Group did not have any significant investment, and material acquisition and disposal of subsidiaries, associates and joint ventures throughout the Six-Month Period.

### **Segmental Information**

Segmental information of the Group is disclosed in note 3 of the unaudited condensed consolidated financial statements.

### **Contingent liabilities**

The Group had no material contingent liabilities as at 30 September 2024 (2023: Nil).

### **Charges over assets**

The Group had no pledged time deposits on DBS Bank (Hong Kong) Limited as at 30 September 2024 (as at 31 March 2024: Nil million time deposits on DBS Bank (Hong Kong) Limited).

## **Capital commitment**

The Group did not have any significant capital commitments as at 30 September 2024 (as at 31 March 2024: nil).

## **Foreign Currency Exposure**

As at 30 September 2024, the Directors considered the Group's foreign exchange risk to be insignificant. During the Six-Month Period, the Group did not use any financial instruments for hedging purposes.

## **Employees and Emolument Policy**

As at 30 September 2024, the Group employed a total of 119 employees (as at 31 March 2024: 126 employees) based in Hong Kong and the PRC. Total staff costs, including Directors' emoluments, amounted to approximately HK\$11.96 million for the Six-Month Period (2023: HK\$12.30 million).

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

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

As at 30 September 2024, 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:

## Long positions in the Shares

Name of Director	Company/ associated corporation	Capacity	Number of Shares	Approximate percentage of interest
Ms. Cheng Yeuk Hung	Company	Personal interest	4,878,000	0.73%
Mr. Lo Yan Yee	Company	Interest of spouse	4,878,000	0.73%

*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.

Save as disclosed above, as at 30 September 2024, 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 the SFO) as recorded in the register required to be kept under section 352 of the SFO or as otherwise notified to the Company and the Stock Exchange pursuant to the minimum standard of dealings by Directors of the Company as referred to in Rule 5.46 of the GEM Listing Rules, or required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO.

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

As at 30 September 2024, 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 (Note 1)	Total	Percentage of the Company's issued share capital
Lissington Limited	Beneficial owner (Note 2)	155,019,960	11,036,032	166,055,992	24.92%
Zheng Zeli	Interest of a controlled corporation (Note 2)	155,019,960	11,036,032	166,055,992	24.92%
Zhou Qilin	Beneficial owner	128,824,574	3,609,104	132,433,678	19.87%
Siu Hiu Ki Jamie	Beneficial owner	103,581,986	3,587,855	107,169,841	16.08%
Yeung Tong Seng Terry	Beneficiary of a trust (other than discretionary interest) (Note 3)	61,009,150	–		
	Beneficial owner	<u>20,148,867</u>	–		
		81,158,017	–	81,158,017	12.18%
Bluemount Investment Fund SPC — Bluemount Investment Fund SP	Trustee (other than a bare trustee) (Note 3)	61,009,150	–	61,009,150	9.15%
Siu Wa Kei	Beneficial owner	1,289,800		1,289,800	
	Interest of a controlled corporation	<u>60,578,049</u>	971,595	<u>61,549,644</u>	
		61,867,849		62,839,444	9.43%



*Notes:*

1. These underlying Shares are Shares to be issued to holders of the warrants of the Company.
2. Lissington Limited is a company incorporated in the British Virgin Islands and its entire issued share capital is beneficially owned by Ms. Zheng Zeli.
3. These shares were held by Bluemount Investment Fund SPC — Bluemount Investment Fund SP as trustee of Mr. Yeung Tong Seng Terry.

Save as disclosed above, as at 30 September 2024, 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 six months ended 30 September 2024.

## **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 six months ended 30 September 2024.

## **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 C1 of the GEM Listing Rules. The principles adopted by the Company emphasize a quality board, transparency and accountability to its shareholders. The Company has complied with the Code during the six months ended 30 September 2024.

## **DIRECTORS' INTERESTS IN CONTRACTS**

Other than as disclosed under the heading “Related Party Transactions” as set out in note 15 to the interim consolidated financial statements, no Director had a 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 six months ended 30 September 2024.

## **COMPETING BUSINESS**

For the six months ended 30 September 2024, 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.

## **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 currently comprises three independent non-executive directors of the Company, namely Mr. Leung Yu Tung, Stanley, who is also the chairman, Mr. Lam Kwok Leung, Roy and Mr. Lam Wing Biu, Thomas. The unaudited condensed consolidated results of the Group for the six months ended 30 September 2024 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.

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

Hong Kong, 26 November 2024

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

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