



**Echo International Holdings Group Limited**

**毅高(國際)控股集團有限公司**

*(incorporated in the Cayman Islands with limited liability)*

**(Stock Code: 8218)**

**FIRST QUARTERLY RESULTS ANNOUNCEMENT  
FOR THE THREE MONTHS ENDED 30 JUNE 2018**

**CHARACTERISTICS OF 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 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. The greater risk profile and other characteristics of GEM mean that it is a market more suited to professional and other sophisticated investors.**

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

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

## **FINANCIAL HIGHLIGHTS**

- Recorded an unaudited revenue of approximately HK\$14.78 million for the three months ended 30 June 2018, representing an increase of approximately 79.20% over the corresponding period of the previous year.
- Recorded an unaudited loss attributable to the owners of the Company of approximately HK\$2.98 million for the three months ended 30 June 2018 (the corresponding period in 2017: HK\$2.07 million).
- Basic and diluted loss per share for the three months ended 30 June 2018 were HK0.31 cents (the corresponding period in 2017: HK0.26 cents).
- The Board does not recommend the payment of dividend for the three months ended 30 June 2018 (the corresponding period in 2017: Nil).

## UNAUDITED FIRST QUARTERLY RESULTS

The board of Directors (the “**Board**”) is pleased to announce the unaudited condensed consolidated results of the Company and its subsidiaries (collectively the “**Group**”) for the three months ended 30 June 2018 and the comparative unaudited figures for the corresponding period in 2017, as follows:

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

*For the three months ended 30 June 2018*

	<i>Notes</i>	<b>Unaudited three months ended 30 June</b>	
		<b>2018 HK\$'000</b>	<b>2017 HK\$'000</b>
Revenue	3	<b>14,779</b>	8,247
Cost of sales		<u><b>(9,788)</b></u>	<u>(4,960)</u>
Gross profit		<b>4,991</b>	3,287
Other revenue and gains	4	<b>329</b>	165
Selling and distribution expenses		<b>(243)</b>	(282)
Administrative and other expenses		<b>(7,861)</b>	(4,943)
Finance costs		<u><b>(197)</b></u>	<u>(292)</u>
Loss before taxation	5	<b>(2,981)</b>	(2,065)
Taxation	6	<u><b>–</b></u>	<u>–</u>
Loss for the period		<b>(2,981)</b>	(2,065)
Other comprehensive loss for the period, net of tax Items may be reclassified subsequently to profit or loss Exchange differences on translation of foreign operations		<u><b>(31)</b></u>	<u>(1,330)</u>
Total comprehensive loss for the period		<u><b>(3,012)</b></u>	<u>(3,395)</u>
Loss for the period attributable to owners of the Company		<u><b>(2,981)</b></u>	<u>(2,065)</u>
Total comprehensive loss for the period attributable to owners of the Company		<u><b>(3,012)</b></u>	<u>(3,395)</u>
Loss per share — Basic and diluted (HK cents)	8	<u><b>(0.31) cents</b></u>	<u>(0.26) cents</u>

## UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the three months ended 30 June 2018 (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 2018, audited	2,400	53,476	4,836	(89)	5,794	(217)	3,713	(41,698)	28,215
Loss for the period	-	-	-	-	-	-	-	(2,981)	(2,981)
Other comprehensive loss for the period	-	-	-	-	-	(31)	-	-	(31)
Total comprehensive loss for the period	-	-	-	-	-	(31)	-	(2,981)	(3,012)
Employee share option benefits	-	-	-	-	-	-	-	-	-
At 30 June 2018, unaudited	<u>2,400</u>	<u>53,476</u>	<u>4,836</u>	<u>(89)</u>	<u>5,794</u>	<u>(248)</u>	<u>3,713</u>	<u>(44,679)</u>	<u>25,203</u>

For the three months ended 30 June 2017 (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 2017, audited	2,000	28,840	4,836	(89)	5,794	(1,214)	(26,982)	13,185
Loss for the period	-	-	-	-	-	-	(2,065)	(2,065)
Other comprehensive income for the period	-	-	-	-	-	(1,330)	-	(1,330)
Total comprehensive loss for the period	-	-	-	-	-	(1,330)	(2,065)	(3,395)
At 30 June 2017, unaudited	<u>2,000</u>	<u>28,840</u>	<u>4,836</u>	<u>(89)</u>	<u>5,794</u>	<u>(2,544)</u>	<u>(29,047)</u>	<u>9,790</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 since 11 October 2013 (the "Listing Date") (the "Listing").

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

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

## 2 BASIS OF PREPARATION AND PRINCIPAL ACCOUNTING POLICIES

The unaudited condensed consolidated first quarterly 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 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 2018 except in relation to the new and revised standards, amendments and interpretations ("new and revised HKFRSs") issued by the HKICPA that are adopted for the first time for the current period's financial statements. The adoption of these new and revised HKFRSs has had no material impact on the unaudited condensed consolidated financial statements. The unaudited condensed consolidated results have not been reviewed by the Company's auditors, but have been reviewed by the Company's audit committee.

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

## 3 SEGMENT INFORMATION

Information reported internally to the Directors of the Group (chief operating decision maker) for the purpose of resource allocation and assessment of segment performance focuses on 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:

	Unaudited three months ended 30 June	
	2018	2017
	HK\$'000	HK\$'000
Sales of electronic products	13,513	8,062
Subcontracting income	–	185
Revenue from restaurant operations	1,266	–
	<u>14,779</u>	<u>8,247</u>

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

- indent trading of electronic products.
- manufacturing and trading of electronic products and accessories.
- 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 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 operations by reportable and operating segments:

#### For the three months ended 30 June 2018 (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>1,067</u>	<u>12,446</u>	<u>1,266</u>	<u>14,779</u>
Segment results	<u>43</u>	<u>25</u>	<u>(1,193)</u>	(1,125)
Unallocated other revenue and gains				290
Unallocated selling and distribution expenses				(112)
Unallocated administrative and other expenses				<u>(1,837)</u>
Loss from operations				(2,784)
Finance costs				<u>(197)</u>
Loss before taxation				(2,981)
Taxation				<u>-</u>
Loss for the period				<u><u>(2,981)</u></u>

For the three months ended 30 June 2017 (Unaudited)

	Indent trading of electronic products <i>HK\$'000</i>	Manufacturing and trading of electronic products and accessories <i>HK\$'000</i>	Total <i>HK\$'000</i>
Revenue	451	7,796	8,247
Segment results	277	(901)	(624)
Unallocated other revenue and gains			153
Unallocated selling and distribution expenses			(142)
Unallocated administrative and other expenses			(1,160)
Loss from operations			(1,773)
Finance costs			(292)
Loss before taxation			(2,065)
Taxation			–
Loss for the period			(2,065)

### Geographical information

	<b>Revenue from external customers Unaudited three months ended 30 June</b>	
	<b>2018</b>	2017
	<i>HK\$'000</i>	<i>HK\$'000</i>
Hong Kong	2,133	376
Asian countries, other than Hong Kong ( <i>Note 1</i> )	1,857	1,349
European countries ( <i>Note 2</i> )	8,261	4,860
North and South American countries ( <i>Note 3</i> )	2,408	1,518
Others	120	144
	<b>14,779</b>	8,247

Notes:

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

#### 4 OTHER REVENUE AND GAINS

	Unaudited three months ended 30 June	
	2018	2017
	HK\$'000	HK\$'000
Bank interest income	6	1
Sundry income	323	164
	<u>329</u>	<u>165</u>

#### 5 LOSS BEFORE TAXATION

	Unaudited three months ended 30 June	
	2018	2017
	HK\$'000	HK\$'000
Loss before taxation is arrived after charging:		
<b>Finance costs</b>		
Interest on:		
Debenture wholly repayable within one year	–	287
Convertible bonds wholly repayable within five years	174	–
Bank borrowings wholly repayable within five years	–	2
Obligation under finance leases	23	3
	<u>197</u>	<u>292</u>
<b>Other items</b>		
Depreciation of property, plant and equipments	249	117
Costs of inventories sold	9,122	4,694
	<u>9,122</u>	<u>4,694</u>



## 6 TAXATION

	Unaudited three months ended 30 June	
	2018	2017
	<i>HK\$'000</i>	<i>HK\$'000</i>
Current tax		
— Hong Kong	—	—
— PRC	—	—
	<hr/>	<hr/>
	—	—
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Hong Kong Profits Tax is calculated at 16.5% of the estimated assessable profits arising in Hong Kong for the three months ended 30 June 2018 and 2017.

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

Pursuant to the rules and regulations of the Cayman Islands and the British Virgin Islands, the Group is not subject to any income tax in the Cayman Islands and the British Virgin Islands for the three months ended 30 June 2018 and 2017.

## 7 DIVIDENDS

The Board does not recommend the payment of dividend for the three months ended 30 June 2018 (the corresponding period in 2017: Nil).

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

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

	<b>Unaudited three months ended 30 June</b>	
<i>Note</i>	<b>2018 HK\$'000</b>	<b>2017 HK\$'000</b>
Loss for the period attributable to owners of the Company	<u><b>(2,981)</b></u>	<u><b>(2,065)</b></u>
	<b>Unaudited three months ended 30 June</b>	
	<b>2018 No. of shares</b>	<b>2017 No. of shares</b>
Weighted average number of ordinary shares and dilutive potential ordinary share in issue during the period	<i>(a), (b)</i> <u><b>960,000,000</b></u>	<u><b>800,000,000</b></u>

### Notes:

- (a) The diluted loss per share is the same as the basic loss per share for the three months ended 30 June 2018 and 2017 because the Company's share options outstanding during those periods were either anti-dilutive or have no potential dilutive effects.
- (b) On 18 July 2017, 160,000,000 placing shares have been successfully placed by the Company's placing agent to not less than six places at the placing price of HK\$0.163 per placing share pursuant to the terms and conditions of the placing agreement entered into between the Company and its placing agent dated 27 June 2017. The aggregate nominal value of the placing shares under the placing is HK\$400,000 of HK\$0.0025 each.

## 9 EVENT AFTER REPORTING PERIOD

On 24 July 2018, the Company entered into the conditional Placing Agreement with the Placing Agent, pursuant to which the Placing Agent has agreed to place, on a best effort basis, Convertible Bonds of aggregate principal amounts up to HK\$130,000,000. The maximum number of 122,641,509 Conversion Shares will be issued upon full conversion of Convertible Bonds at initial conversion price of HK\$0.106. Please refer to the announcement of the Company dated 24 July 2018 for details of the transaction.

## MANAGEMENT DISCUSSION AND ANALYSIS

### Business Review and Prospects

Revenue for the three months ended 30 June 2018 (“**Three-Month Period**”) was approximately HK\$14.78 million, representing an increase of approximately 79.20% when compared with the corresponding period in 2017. Loss attributable to owners of the Company for the Three-Month Period was approximately HK\$2.98 million whilst for the corresponding period in 2017, the loss attributable to owners of the Company was approximately HK\$2.07 million.

Given the slow pace of economic recovery along with the continued slackness in the U.S. and European markets, the sales of electronic products have become increasingly challenging. Notwithstanding the challenging market conditions during the Three-Month Period, the 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, Germany, Italy, Russia, Slovakia, 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 Three-Month Period was approximately HK\$13.51 million, representing an increase of approximately 67.61% when compared with the corresponding period in 2017. Increase in sales of electronics products was mainly due to the increase in the revenue from indent trading of electronic products and manufacturing and trading of electronic products and accessories by approximately HK\$0.62 million and HK\$4.65 million respectively as compared with the corresponding period in 2017. The increase in the revenue from indent trading of electronic products is mainly attributable to the increasing purchase orders from the Group’s customers. Such increase was mainly due to the increase in sales of fishing indicator and charger board for the Three-Month Period by approximately HK\$3.19 million and HK\$2.54 million respectively as compared with the corresponding period in 2017. Increase in the sales of fishing indicator and charger board was a result of increase in volume sold, which mainly led to the increase in the revenue from manufacturing and trading of electronic products and accessories for the Three-Month Period.

### Subcontracting income

No revenue from this segment during the Three-Month Period in 2018, representing a decrease of approximately 100% when compared with the corresponding period in 2017. The said decrease was mainly due to the decrease in orders from providing subcontracting services in the PRC.

## **Financial review**

The Group's revenue for the Three-Month Period was approximately HK\$14.78 million, representing an increase of approximately 79.20% from approximately HK\$8.25 million of the corresponding period in 2017. Such increase was mainly due to the increase in sales of electronic products by approximately HK\$5.45 million.

The overall gross profit margin of the Group decreased from approximately 39.86% for the three months ended 30 June 2017 to 33.77% for the three months ended 30 June 2018. The decrease in the Group's gross profit margin for the three months ended 30 June 2018 was primarily due to the decrease of sales in the higher margin products, namely fire alarm.

Administrative and other expenses for the three months ended 30 June 2018 were approximately HK\$7.86 million (approximately HK\$4.94 million for the three months ended 30 June 2017), representing an increase of approximately 59.03%. Such increase was mainly due to the increase in the staff costs by approximately HK\$1.58 million.

Loss attributable to the owners of the Company for the three months ended 30 June 2018 amounted to approximately HK\$2.98 million (approximately HK\$2.07 million for the three months ended 30 June 2017). Loss per share attributable to owners of the Company was approximately HK0.31 cents for the three months ended 30 June 2018 (approximately HK0.26 cents for the three months ended 30 June 2017).

## **SHARE OPTIONS SCHEMES**

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

### **PRE-IPO SHARE OPTION SCHEME**

The Company has adopted the Pre-IPO Share Option Scheme on 27 September 2013 under which the Company has granted options to certain Directors and employee of the Group to subscribe for an aggregate of 80,000,000 shares of the Company with an exercise price of HK\$0.15, which is equal to the placing price as defined in the prospectus of the Company.

As at 30 June 2018, details of the options granted under the Pre-IPO Share Option Scheme are as follows:

Grantees	Outstanding as at 31 March 2018			Outstanding as at 30 June 2018			Exercise period	Approximate percentage of issued capital of the Company upon exercise of all the options
	Exercised	Lapsed	Cancelled	Exercised	Lapsed	Cancelled		
Directors								
Mr. Lo Yan Yee	–	–	–	22,800,000	–	–	11 October 2016–11 October 2023	2.19%
Ms. Cheng Yeuk Hung	–	–	–	22,800,000	–	–	11 October 2016–11 October 2023	2.19%
				45,600,000	–	–		4.38%
Employees	–	–	–	34,400,000	–	–	11 October 2016–11 October 2023	3.31%
				80,000,000	–	–		7.69%

### Share Option Scheme

During the three months period ended 30 June 2018, no option was granted, exercised or lapsed under the Share Option Scheme.

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

As at 30 June 2018, 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	Company/ associated corporation	Capacity	Number of Shares	Approximate percentage of interest
Ms. Cheng Yeuk Hung	Company	Personal interest	169,560,000	17.66%
Mr. Lo Yan Yee	Company	Interest of spouse	169,560,000	17.66%

*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 169,560,000 shares in which Ms. Cheng Yeuk Hung is interested.

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

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

Save as disclosed above, as at 30 June 2018, 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 June 2018, so far as is known to the Directors, the following persons (other than a Director or chief executive of the Company) had interests or short positions in the shares or underlying shares of the Company which would fall to be disclosed to the Company and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO or which were recorded in the register required to be kept under section 336 of the SFO:

<b>Name</b>	<b>Capacity and nature of interest</b>	<b>Number of shares</b>	<b>Percentage of the Company's issued share capital</b>	<b>Long/Short position</b>
Adamas Asset Management (HK) Limited	Investment manager	66,338,000	6.91%	Long position

Save as disclosed above, as at 30 June 2018, the Directors are not aware of any other persons who had interests or short positions in the shares or underlying shares of the Company which would fall to be disclosed to the Company and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO or which were recorded in the register required to be kept under section 336 of the SFO.

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

Neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company's listed securities during the three months ended 30 June 2018.

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

The Company has adopted the standards set out in Rules 5.48 to 5.67 of the GEM Listing Rules as the code of conduct regarding securities transactions by the Directors. Having made specific enquiry to all Directors, the Company was not aware of any non-compliance with the required standards of dealings and its code of conduct regarding securities transactions by Directors during the three months ended 30 June 2018.

## **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 its shareholders. The Company has complied with the Code during the three months ended 30 June 2018.

## **DIRECTORS' INTERESTS IN CONTRACTS**

No Director had any material interest in any contract of significance to the business of the Group to which the Company or any of its subsidiaries was a party during the three months ended 30 June 2018.

## **COMPETING BUSINESS**

For the three months ended 30 June 2018, 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.

## **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. Cheung Chin Wa, Angus and Ms. Zhou Ying. The unaudited condensed consolidated financial statements of the Group for the three months ended 30 June 2018 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, 10 August 2018

*As at the date of this announcement, the executive Directors are Mr. Lo Yan Yee, Ms. Cheng Yeuk Hung, Ms. Zhou Jia Lin and Mr. Leung Kwok Kuen, Jacob, the non-executive Director is Mr. Chan Chun Kit, and the independent non-executive Directors are Mr. Lam Wai Yuen, Mr. Cheung Chin Wa, Angus and Ms. Zhou Ying.*

*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).*