



**E Lighting Group Holdings Limited**  
**壹照明集團控股有限公司**

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

**Stock Code : 8222**

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

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

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**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 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 E Lighting Group Holdings Limited (the “Company” or “E Lighting”) collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on the 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 enquires, confirm that, to the best of their knowledge and belief, the information contained in this announcement is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this announcement misleading.*

## **FINANCIAL HIGHLIGHTS**

For the year ended 31 March 2016:

- Turnover reached approximately HK\$106,488,000, representing an increase of approximately 32.4% as compared with previous year. The increase was mainly contributed by the expansion of new stores and the acquisition of business in tableware and giftware during the current financial year.
- The Group recorded a profit of approximately HK\$5,657,000 during the year ended 31 March 2016, against the loss recorded for the preceding year.
- Earnings per share was approximately HK1.38 cents for the year ended 31 March 2016 (2015 : loss per share of approximately HK3.61 cents).
- The board of Directors does not recommend the payment of final dividend for the year ended 31 March 2016 (2015: Nil).

## ANNUAL RESULTS

The board of Directors (the “Board”) of the Company announces the consolidated results of the Company and its subsidiaries (collectively referred to as the “Group”) for the year ended 31 March 2016, together with the comparative figures for the preceding year ended 31 March 2015 as follows:

### CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

*For the year ended 31 March 2016*

	Notes	2016 HK\$'000	2015 HK\$'000
Turnover	5	106,488	80,416
Cost of sales		<u>(57,089)</u>	<u>(35,370)</u>
<b>Gross profit</b>		<b>49,399</b>	<b>45,046</b>
Other income and gain	6	19,330	107
Selling and distribution expenses		(41,332)	(36,824)
Administrative and other expenses		(21,576)	(20,570)
Finance costs	7	<u>(10)</u>	<u>-</u>
<b>Profit/(Loss) before tax</b>	7	<b>5,811</b>	<b>(12,241)</b>
Income tax expense	9	<u>(154)</u>	<u>(456)</u>
<b>Profit/(Loss) and total comprehensive income for the year attributable to the owners of the Company</b>		<u><b>5,657</b></u>	<u><b>(12,697)</b></u>
<b>Earnings/(Loss) per share</b>	11		
- Basic (HK cents)		<u>1.38</u>	<u>(3.61)</u>
- Diluted (HK cents)		<u>0.49</u>	<u>(3.61)</u>

# CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 March 2016

	Notes	2016 HK\$'000	2015 HK\$'000
<b>Non-current assets</b>			
Property, plant and equipment		2,766	3,482
Intangible assets		6,701	-
Goodwill		36,906	-
Rental deposits	12	4,665	4,935
Deferred tax assets		320	295
Total non-current assets		<u>51,358</u>	<u>8,712</u>
<b>Current assets</b>			
Inventories		19,657	22,361
Trade and other receivables	12	8,759	6,493
Tax recoverable		-	1,101
Cash and bank balances		15,991	22,153
Total current assets		<u>44,407</u>	<u>52,108</u>
<b>Current liabilities</b>			
Trade and other payables	13	10,182	6,781
Amount due to a controlling shareholder	14	-	1,242
Other financial liabilities	15	5,034	-
Current tax liabilities		422	59
Total current liabilities		<u>15,638</u>	<u>8,082</u>
<b>Net current assets</b>		<u>28,769</u>	<u>44,026</u>
<b>Total assets less current liabilities</b>		<u>80,127</u>	<u>52,738</u>
<b>Non-current liabilities</b>			
Deferred tax liabilities		1,124	-
Other financial liabilities	15	248	-
Total non-current liabilities		<u>1,372</u>	<u>-</u>
<b>NET ASSETS</b>		<u>78,755</u>	<u>52,738</u>
<b>EQUITY</b>			
Share capital	16	4,196	4,000
Reserves		74,559	48,738
<b>TOTAL EQUITY</b>		<u>78,755</u>	<u>52,738</u>

## CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 31 March 2016

	Notes	Share capital HK\$'000	Share premium HK\$'000	Other reserve HK\$'000	Convertible bonds equity reserve HK\$'000	Retained earnings HK\$'000	Total equity HK\$'000
As at 1 April 2014		2	-	-	-	21,099	21,101
Issue of shares during reorganisation	16(a)	*-	-	-	-	-	*-
Elimination of share capital upon reorganisation		(2)	-	2	-	-	-
Issue of shares upon placing	16(b)	1,000	49,000	-	-	-	50,000
Issue of shares by capitalisation of share premium account	16(c)	3,000	(3,000)	-	-	-	-
Expenses incurred in connection with the issue of shares upon placing		-	(5,666)	-	-	-	(5,666)
Loss and total comprehensive income for the year		-	-	-	-	(12,697)	(12,697)
As at 31 March 2015		<u>4,000</u>	<u>40,334</u>	<u>2</u>	<u>-</u>	<u>8,402</u>	<u>52,738</u>
As at 1 April 2015		<b>4,000</b>	<b>40,334</b>	<b>2</b>	<b>-</b>	<b>8,402</b>	<b>52,738</b>
Issue of convertible bonds	15	-	-	-	20,039	-	20,039
Issue of shares upon conversion of convertible bonds	16(d)	196	15,710	-	(15,585)	-	321
Profit and total comprehensive income for the year		-	-	-	-	5,657	5,657
As at 31 March 2016		<u>4,196</u>	<u>56,044</u>	<u>2</u>	<u>4,454</u>	<u>14,059</u>	<u>78,755</u>

\* Represents amount less than HK\$1,000

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 1. CORPORATE INFORMATION

E Lighting Group Holdings Limited (the “Company”) was incorporated in the Cayman Islands as an exempted company with limited liability on 29 November 2013 under the Companies Law, Cap. 22 (Law 3 of 1961, as consolidated and revised) of the Cayman Islands. The address of the Company’s registered office is 4th Floor, Harbour Place, 103 South Church Street, George Town, P.O. Box 10240, Grand Cayman KY1-1002, Cayman Islands and its principal place of business in Hong Kong is 26/F, Tiffan Tower, 199 Wanchai Road, Wanchai, Hong Kong.

The Company’s issued shares have been listed on the Growth Enterprise Market (“GEM”) of The Stock Exchange of Hong Kong Limited (“Stock Exchange”) since 29 September 2014 (the “Listing”).

Pursuant to a reorganisation of the Company and its subsidiaries now comprising the Group to rationalise the Group’s structure in preparation for the Listing, the Company became the holding company of the Group as set out in the paragraph headed “Reorganisation” of the section headed “History, Reorganisation and Corporate Structure” of the prospectus of the Company dated 22 September 2014 (“Prospectus”).

The Company’s principal activity is investment holding while the Group is principally engaged in retail chain business in lighting, designer label furniture and household products in Hong Kong and wholesale of tableware and giftware worldwide.

## 2. BASIS OF PREPARATION

### (a) Statement of compliance

The consolidated financial statements have been prepared in accordance with all applicable HKFRSs, Hong Kong Accounting Standards (“HKASs”) and Interpretations (hereinafter collectively referred to as the “HKFRSs”) and the disclosure requirements of the Hong Kong Companies Ordinance. In addition, the consolidated financial statements include applicable disclosures required by the Rules Governing the Listing of Securities on the Growth Enterprise Market of The Stock Exchange of Hong Kong Limited (the “GEM Listings Rules”).

### (b) Basis of measurement

The consolidated financial statements have been prepared under the historical cost convention, except for certain financial instruments which are measured at fair value.

The preparation of consolidated financial statements in conformity with the HKFRSs requires the use of certain critical accounting estimates. It also requires the management to exercise their judgements in the process of applying the Group’s accounting policies.

### (c) Functional and presentation currency

The consolidated financial statements are presented in Hong Kong dollar (“HK\$”), which is the same as the functional currency of the Company. These consolidated financial statement are presented in thousands of units of Hong Kong dollars (HK\$’000), unless otherwise stated.

### 3. ADOPTION OF HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRSs”)

#### (a) Adoption of new/revised HKFRSs – Effective 1 April 2015

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

The adoption of the abovementioned amendments did not result in any substantial changes to the Group’s significant accounting policies and presentation of the consolidated financial statements.

The Group has not applied any new/revised HKFRSs that is not yet effective for the current accounting period.

#### (b) New/revised HKFRSs that have been issued but are not yet effective

The following new and revised HKFRSs, potentially relevant to the Group’s financial statements, have been issued, but are not yet effective and have not been early adopted by the Group.

HKFRSs (Amendments)	Annual Improvements 2012-2014 Cycle <sup>1</sup>
Amendments to HKAS 1	Disclosure Initiative <sup>1</sup>
Amendments to HKAS 16 and HKAS 38	Clarification of Acceptable Methods of Depreciation and Amortisation <sup>1</sup>
Amendments to HKAS 27	Equity Method in Separate Financial Statements <sup>1</sup>
HKFRS 9 (2014)	Financial Instruments <sup>2</sup>
Amendments to HKFRS 10, HKFRS 12 and HKAS 28	Investment Entities: Applying the Consolidation Exception <sup>1</sup>
HKFRS 15	Revenue from Contracts with Customers <sup>2</sup>
HKFRS 16	Leases <sup>3</sup>

<sup>1</sup>Effective for annual periods beginning on or after 1 January 2016

<sup>2</sup>Effective for annual periods beginning on or after 1 January 2018

<sup>3</sup>Effective for annual periods beginning on or after 1 January 2019

The Group is in the process of making an assessment of the potential impact of these new/revised HKFRSs and the directors anticipated that the application of these new/revised HKFRSs will have no material impact on the Group’s financial statements.

#### (c) Amended GEM Listing Rules relating to the presentation and disclosures of financial statements

The amended GEM Board Listing Rules in relation to the presentation and disclosures in financial statements, including the amendments with reference to the new Companies Ordinance, Cap. 622 (the New Ordinance), was first applied to the Company in this financial year.

The directors consider that there is no impact on the Group’s financial position or performance. However, the amendments to GEM Listing Rules have impacts on the presentation and disclosures in the consolidated financial statements.

### 4. SEGMENT INFORMATION

Operating segments are reported in a manner consistent with the internal reporting, in accordance with the Group’s internal organisation and reporting structure, provided to the chief operating decision-maker to make strategic decisions.

During the year ended 31 March 2015, the Group principally operates in one business segment, which is the sale of lighting products and household furniture in Hong Kong. Therefore, no segment reporting information presented for the year ended 31 March 2015.

#### 4. SEGMENT INFORMATION (Continued)

The Group has identified two reportable segments during the year ended 31 March 2016 as a result of acquisition of tableware and giftware operation. The segments are managed separately as each business offers different products and requires different business strategies. The following summary describes the operations in each of the Group's reportable segments:

Lighting and furniture products – retail of lighting products and household furniture in Hong Kong  
Tableware and giftware products – retail and wholesale of tableware and giftware products

Inter-segment transactions are priced with reference to prices charged to external parties for similar order. Central revenue and expenses are not allocated to the operating segments as they are not included in the measure of the segments' profit that is used by the chief operating decision-maker for assessment of segment performance.

##### (a) Business segment

For the year ended 31 March 2016

	Lighting and furniture products HK\$'000	Tableware and giftware products HK\$'000	Total HK\$'000
Revenue to external customers	<u>85,911</u>	<u>20,577</u>	<u>106,488</u>
Reportable segment result	<u>5,646</u>	<u>2,666</u>	<u>8,312</u>
<b>Other segment information:</b>			
Interest income	43	-	43
Depreciation of property, plant and equipment	1,732	35	1,767
Provision for obsolete inventory	1,209	-	1,209
Additions to non-current assets	<u>902</u>	<u>85</u>	<u>987</u>

##### (b) Reconciliation of reportable segment results for year ended 31 March 2016

	2016 HK\$'000
Reportable segment result	8,312
Other gain - gain on change in fair value of financial liabilities at fair value through profit or loss	19,085
Unallocated corporate expenses (note)	(21,576)
Finance costs	<u>(10)</u>
Consolidated profit before tax	<u>5,811</u>

Note : The unallocated corporate expenses mainly consist of rentals for office premises and warehousing facilities, staff costs (including salaries to administrative staff and emoluments to directors) and professional expenses.



#### 4. SEGMENT INFORMATION (Continued)

##### (c) Segment assets and liabilities

	2016 HK\$'000
<b>Assets</b>	
Lighting and furniture products	48,276
Tableware and giftware products	3,882
Segment assets	<u>52,158</u>
Intangible assets	6,701
Goodwill	<u>36,906</u>
Consolidated total assets	<u><u>95,765</u></u>
<b>Liabilities</b>	
Lighting and furniture products	8,761
Tableware and giftware products	1,861
Segment liabilities	<u>10,622</u>
Unallocated deferred tax liabilities	1,105
Other financial liabilities	<u>5,283</u>
Consolidated total liabilities	<u><u>17,010</u></u>

##### (d) Geographic information

The following table provides an analysis of the Group's revenue from external customers:

	2016 HK\$'000	2015 HK\$'000
Hong Kong (place of domicile)	86,883	80,416
North America	15,519	-
The PRC (excluding Hong Kong)	1,432	-
Other countries	2,654	-
	<u><u>106,488</u></u>	<u><u>80,416</u></u>

##### (e) Information about major customers

During the year ended 31 March 2016, revenue from one customer of the Group's tableware and giftware products segment amounted to HK\$15,519,000, which represents 10% or more of the Group's revenue (2015 : None).

## 5. TURNOVER

	2016 HK\$'000	2015 HK\$'000
Sales of lighting and furniture products	85,911	80,416
Sales of tableware and giftware products	20,577	-
	<u>106,488</u>	<u>80,416</u>

## 6. OTHER INCOME AND GAIN

	2016 HK\$'000	2015 HK\$'000
Bank interest income	46	53
Gain on change in fair value of financial liabilities at fair value through profit or loss	19,085	-
Others	199	54
	<u>19,330</u>	<u>107</u>

## 7. PROFIT/(LOSS) BEFORE TAX

Profit/(Loss) before tax is arrived at after charging:

	2016 HK\$'000	2015 HK\$'000
Auditor's remuneration	1,000	610
Costs of inventories recognised as expenses	52,606	31,566
Provision for obsolete inventory	1,209	-
Depreciation of property, plant and equipment	1,767	1,428
Amortisation of intangible assets	1,340	-
Lease payments under operating leases:		
Minimum lease payments	27,634	23,885
Contingent rent	591	702
	<u>28,225</u>	<u>24,587</u>
Listing expenses (including professional fees and other expenses)	-	13,713
Less: Amount capitalised	-	(5,666)
	-	8,047
Employee costs (note 8)	20,371	15,495
Finance costs		
- interest on convertible bonds	10	-
	<u>10</u>	<u>-</u>

## 8. EMPLOYEE COSTS

	2016 HK\$'000	2015 HK\$'000
Employee costs (including directors) comprise:		
Salaries and other benefits	19,587	14,887
Contributions to defined contribution retirement plans	784	608
	<u>20,371</u>	<u>15,495</u>

## 9. INCOME TAX EXPENSE

The amount of income tax expense in the consolidated statements of comprehensive income represents:

	2016 HK\$'000	2015 HK\$'000
Current tax – Hong Kong Profits Tax		
- charge for the year	446	298
- over provision in respect of prior year	(65)	(35)
	<u>381</u>	<u>263</u>
Deferred tax		
- charge/(credit) for the year	(227)	193
Income tax expense	<u>154</u>	<u>456</u>

Hong Kong Profits Tax is calculated at 16.5% (2015: 16.5%) on the estimated assessable profits for the year.

## 10. DIVIDEND

The Board does not recommend payment of any dividend for the year ended 31 March 2016, nor has any dividend been proposed since the end of reporting period (2015: Nil).

## 11. EARNINGS/(LOSS) PER SHARE

The calculation of basic earnings/(loss) per share attributable to the owner of the Company is based on the following data:

	2016 HK\$'000	2015 HK\$'000
<b>Earnings/(Loss):</b>		
Profit/(Loss) for the purpose of calculating basic earnings/(loss) per share	5,657	(12,697)
Effect of dilutive potential ordinary shares:		
- Interest on convertible bonds (net of tax)	9	-
- Fair value change in contingent consideration	(3,654)	-
Adjusted profit/(loss) for the purpose of calculating diluted earnings/(loss) per share	<u>2,012</u>	<u>(12,697)</u>

## 11. EARNINGS/(LOSS) PER SHARE (Continued)

	2016 '000	2015 '000
<b>Number of shares:</b>		
Weighted average number of shares for the purpose of calculating basic earnings/(loss) per share	409,805	351,233
Effect of dilutive potential ordinary shares:		
- Convertible Bonds I	3,230	-
- Convertible Bonds II	1,423	-
Adjusted weighted average number of shares for the purpose of calculating diluted earnings/(loss) per share	<u>414,458</u>	<u>351,233</u>

Notes:

Basic earnings/(loss) per share was calculated by dividing the profit/(loss) attributable to the shareholders of the Company by the weighted average number of ordinary shares in issue during the year.

Diluted earnings/(loss) per share for the year ended 31 March 2016 was calculated by adjusting the earnings/(loss) and weighted average number of shares to assume dilutive potential ordinary shares from Convertible Bonds I and First Batch of Convertible Bonds II as the relevant profit condition is considered satisfied at end of reporting period. No effect of dilutive potential ordinary shares from second batch of Convertible Bonds II as the condition for issuance are not satisfied as at 31 March 2016.

The weighted average number of shares for the purpose of calculating basic and diluted earnings/(loss) per share for the year ended 31 March 2015 has been retrospectively adjusted for the issue of shares during the reorganisation and capitalisation issue as disclosed in the paragraphs headed "Reorganisation" of the section headed "History, Reorganisation and Corporate Structure" of the Prospectus as if the shares had been in issue throughout the entire reporting periods. As there were no dilutive potential ordinary shares for the year ended 31 March 2015, the diluted earnings/(loss) per share is the same as basic earnings/(loss) per share.

## 12. TRADE AND OTHER RECEIVABLES

	<b>2016</b> <b>HK\$'000</b>	2015 HK\$'000
Trade receivables	<b>814</b>	683
Deposits and other receivables	<b>9,252</b>	8,317
Prepayments	<b>3,358</b>	2,428
Total	<b>13,424</b>	11,428
Less: non-current – rental deposits	<b>(4,665)</b>	(4,935)
	<b>8,759</b>	6,493

The average credit period on sales of goods is 30 days from invoice date. Aging analysis of the trade receivables, based on invoice dates, are as follows:

	<b>2016</b> <b>HK\$'000</b>	2015 HK\$'000
Within 30 days	<b>469</b>	428
31 to 90 days	<b>251</b>	189
91 to 180 days	<b>56</b>	41
Over 180 days	<b>38</b>	25
	<b>814</b>	683

## 13. TRADE AND OTHER PAYABLES

	<b>2016</b> <b>HK\$'000</b>	2015 HK\$'000
Trade payables	<b>4,545</b>	2,750
Receipt in advance	<b>982</b>	1,215
Accruals and other payables	<b>4,655</b>	2,816
	<b>10,182</b>	6,781

Trade payables are non-interest bearing. The Group is normally granted credit terms ranging from 30 to 180 days. Aging analysis of the trade payables, based on invoice dates, are as follows:

	<b>2016</b> <b>HK\$'000</b>	2015 HK\$'000
Within 30 days	<b>1,978</b>	1,341
31 to 60 days	<b>300</b>	283
61 to 90 days	<b>348</b>	862
Over 90 days	<b>1,919</b>	264
	<b>4,545</b>	2,750

## 14. AMOUNT DUE TO A CONTROLLING SHAREHOLDER

The amount due to a controlling shareholder is unsecured, interest free and repayable on demand and fully repaid during the year ended 31 March 2016.

## 15. OTHER FINANCIAL LIABILITIES

On 13 May 2015, the Group entered into a sales and purchase agreement with a vendor (the “Vendor”) to acquire 100% equity interest of Top Investor Global Limited and its subsidiaries (together collectively referred as “Trendmall Group”) (the “Acquisition”). The Acquisition was completed on 4 June 2015 (the “Acquisition Date”) (note 17).

The considerations of the Acquisition were to be satisfied by the issue of convertible bonds of the Company with a principal amount of HK\$35,725,000 (the “Considerations” or “Convertible Bonds”). The aggregate sum of HK\$10,717,500 of Convertible Bonds (“Convertible Bonds I”) were issued by the Company to the Vendor upon completion of the Acquisition on the Acquisition Date. The aggregate sum of HK\$25,007,500 of Convertible Bonds (“Convertible Bonds II”) shall be issued by the Company to the Vendor in two batches, upon fulfillment of the profit guarantee of the Trendmall Group. The total audited consolidated net profit after tax of the Trendmall Group for the two years ending 31 December 2016 shall not be less than HK\$3,200,000 (the “Profit Guarantee”). For details of the terms of the Acquisitions, please refer to the Company’s announcements made on 13 May 2015, 21 May 2015 and 4 June 2015.

The initial recognition of the fair value of the Considerations/Convertible Bonds at Acquisition Date is summarised as follows:

	<b>Fair value recognised on Acquisition Date HK\$’000</b>
<b>Considerations</b>	
Convertible bonds I (note a)	
- liability component	242
- equity component	<u>13,869</u>
	<b>14,111</b>
Convertible bonds II (note b)	
- contingent consideration payables	<u>30,606</u>
Total Considerations (note 17)	<u><b>44,717</b></u>

## 15. OTHER FINANCIAL LIABILITIES (Continued)

Notes:

### (a) Convertible Bonds I

On 4 June 2015, the Company issued Convertible Bonds I with an aggregate principal amount of HK\$10,717,500 upon the completion of Acquisition.

The Convertible Bonds I form part of the Convertible Bonds, which are denominated in Hong Kong dollars, carried interest at the rate of 1% per annum and will be matured three years from the date of issue.

The Convertible Bonds holders are entitled to convert the Convertible Bonds into ordinary shares of the Company at an initial conversion price of HK\$0.7 per conversion share (subject to the normal adjustments pursuant to the terms and conditions of the convertible bonds) at any time during the period commencing from the date of issuance of the Convertible Bonds to the maturity date of three years term. On maturity date, any Convertible Bonds not being redeemed or converted shall be automatically converted into conversion shares at the conversion price subject to compliance with the GEM Listing Rules.

The fair values of the liability component and the equity conversion component were determined at the issuance of the Convertible Bonds I.

Movements during the year are as follows:

	2016 HK\$'000	2015 HK\$'000
<b>Convertible Bonds I:</b>		
At beginning of the year	-	-
Issuance of Convertible Bonds I	14,111	-
Fair value of equity component	<u>(13,869)</u>	<u>-</u>
Fair value of liability component at date of issue	242	-
Converted during the year (note i)	<u>(242)</u>	<u>-</u>
At end of the year	<u>-</u>	<u>-</u>

Note i: During the year ended 31 March 2016, all Convertible Bonds I with an aggregate principal amounts of HK\$10,717,500 were converted into 15,310,714 ordinary shares of HK\$0.01 each at the conversion price of HK\$0.70 per share.

## 15. OTHER FINANCIAL LIABILITIES (Continued)

Notes: (Continued)

### (b) Convertible Bonds II:

The Convertible Bonds II with an aggregate principal amount of HK\$25,007,500 shall be issued by the Company in two batches. The first batch of Convertible Bonds II shall be payable and issued by the Company after determination of the audited results of the Trendmall Group for the financial year ended 31 December 2015 based on the Profit Guarantee and adjustment to the Consideration formula. The second batch of Convertible Bonds II shall be payable and issued by the Company after determination of the results of the Trendmall Group for the financial year ending 31 December 2016 based on the Profit Guarantee and adjustment to the Consideration formula. For details of the Profit Guarantee and adjustment to the Consideration formula, please refer to the Company's announcements dated 13 May 2015.

As the issuance of Convertible Bonds II is subject to the Profit Guarantee, the directors of the Company consider that it is a contingent consideration payables which should be recognised at fair value at the end of each reporting period, with resulting gain or loss recognised in profit or loss.

Movements during the year are as follows:

	2016 HK\$'000	2015 HK\$'000
<b>Convertible Bonds II - Contingent consideration payables:</b>		
At beginning of the year	-	-
Additions from acquisition of subsidiaries	<b>30,606</b>	-
Issuance of First Batch of Convertible Bonds II (note i)	<b>(6,487)</b>	-
Change in fair value	<b>(19,085)</b>	-
At end of the year	<b>5,034</b>	-
Gain on change in fair value of financial liabilities at fair value through profit or loss (note 6)	<b>19,085</b>	-



## 15. OTHER FINANCIAL LIABILITIES (Continued)

Notes: (Continued)

### (b) Convertible Bonds II: (Continued)

#### (i) First Batch of Convertible Bonds II

On 26 February 2016, Convertible Bonds II in the principal amount of HK\$12,620,245 (“First Batch of Convertible Bonds II”) has issued to the Vendor upon determination of the results of the Trendmall Group for financial year ended 31 December 2015.

The movement of First Batch of Convertible Bonds II during the year are as follows:

	<b>Liability component HK\$'000</b>	<b>Equity component HK\$'000</b>	<b>Total HK\$'000</b>
At beginning of the year	-	-	-
Issued during the year (note a)	317	6,170	6,487
Converted during the year (note b)	(71)	(1,716)	(1,787)
Interest expenses	2	-	2
	<u>248</u>	<u>4,454</u>	<u>4,702</u>
At end of the year (note c)	<u>248</u>	<u>4,454</u>	<u>4,702</u>

Notes:

(a) First Batch of Convertible Bonds II was issued and contains liability and equity component.

(b) First Batch of Convertible Bonds II with an aggregate principal amount of HK\$3,000,000 were converted during the year (note 16(d)).

(c) As at 31 March 2016, First Batch of Convertible Bonds II in the principal amount of HK\$9,620,245 were in issue.

#### (ii) Second batch of Convertible Bonds II

As the issuance of second batch of Convertible Bonds II which was subject to Profit Guarantee and was still classified as financial liabilities and re-measured to fair value at the end of the reporting period and recognised in profit or loss during the year.

#### (c) Fair value

The fair value measurement of the Convertible Bonds I and contingent consideration payables (Convertible Bonds II) have been categorized into level 3 fair value hierarchy as defined in HKFRS 13 Fair value measurement. The level into which a fair value measurement is classified with reference to the observability and significant of the inputs used in the valuation technique.

The Company determined the fair value of convertible bonds and contingent convertible bonds payables based on the valuation performed by an independent valuer using the Binomial Tree Model. The major inputs into the model including expected future share price, exercise price, expected additional yield spread, expected volatility and risk-free interest rate.

## 16. SHARE CAPITAL

	Notes	Number of ordinary shares	Nominal value of ordinary shares HK\$'000
<b>Authorised:</b>			
Ordinary shares of HK\$0.01 each as at 1 April 2014, 31 March 2015 and 31 March 2016		<b>1,000,000,000</b>	<b>10,000</b>
<b>Issued and fully paid:</b>			
As at 1 April 2014		<b>1</b>	<b>*_</b>
Issue of shares during reorganisation	(a)	<b>999</b>	<b>*_</b>
Issue of shares upon placing	(b)	<b>100,000,000</b>	<b>1,000</b>
Issue of shares by capitalisation of share premium account	(c)	<b>299,999,000</b>	<b>3,000</b>
As at 31 March 2015		<b>400,000,000</b>	<b>4,000</b>
Issue of shares upon conversion of convertible bonds	(d)	<b>19,596,428</b>	<b>196</b>
As at 31 March 2016		<b>419,596,428</b>	<b>4,196</b>

\* Represents amount less than HK\$1,000

- (a) On 8 September 2014, the Company allotted and issued 999 shares, credited as fully paid ordinary shares.
- (b) On 26 September 2014, the Company issued 100,000,000 new shares with nominal value of HK\$0.01 each for the placing at the offer price of HK\$0.50 each.
- (c) Pursuant to a written resolution by the shareholders on 11 September 2014, the directors were authorised to allot and issue a total of 299,999,000 shares by way of capitalisation of the sum of HK\$2,999,990 standing to the credit of the share premium account of the Company by applying such sum in paying up in full at par 299,999,000 shares for allotment and issue to the then shareholders in proportion to their respectively shareholdings.
- (d) On 19 August 2015, Convertible Bonds I with an aggregate principal amount of HK\$10,717,500 were converted into 15,310,714 ordinary shares of HK\$0.01 each at the conversion price of HK\$0.7 per share (note 15(a)).

On 2 March 2016, First Batch of Convertible Bonds II with an aggregate principal amount of HK\$3,000,000 were converted into 4,285,714 ordinary shares of HK\$0.01 each at the conversion price of HK\$0.7 per share (note 15(b)).

All new shares issued rank pari passu in all respects with the then existing shares.

## 17. BUSINESS COMBINATION – ACQUISITION OF SUBSIDIARIES

On 13 May 2015, the Group entered into a sales and purchase agreement with a vendor to acquire 100% equity interests of Trendmall Group. The consideration will be satisfied by the issue of convertible bonds of the Company with a principal amount of HK\$35,725,000. The consideration is subject to the Profit Guarantee. The Acquisition was completed on 4 June 2015.

The fair values of the identifiable assets and liabilities of the Trendmall Group as at the Acquisition Date were as follows:

	<b>Fair value recognised on Acquisition Date HK\$'000</b>
Property, plant and equipment	64
Intangible assets	8,041
Inventories	124
Trade and other receivables	3,308
Cash and bank balances	328
Trade and other payables	(2,570)
Current tax liabilities	(158)
Deferred tax liabilities	(1,326)
Total identifiable net assets at fair value	7,811
Goodwill on acquisition	36,906
Total consideration	44,717
<b>Satisfied by:</b>	
Convertible Bonds I	14,111
Convertible Bonds II - Contingent consideration payables	30,606
Total Considerations	44,717
Net cash inflow arising on acquisition	
Cash consideration paid	-
Less: Cash and cash equivalents acquired	328
	328

The Convertible Bonds II includes a performance-based contingent consideration adjustment, which was principally based on the Profit Guarantee for the two years ending 31 December 2016 and adjustment to the Consideration formula and to be issued in two batches (note 15). The adjustments will therefore be fully settled after the end of the two-year period with determining the Profits Guarantee after year ending 31 December 2016. The potential undiscounted amount of principal amount of Convertible Bonds II of contingent consideration adjustment that the Group could be required to issue under this arrangement is between HK\$Nil and HK\$25,007,500. At the Acquisition Date, the fair value of the contingent consideration payables of approximately HK\$30,606,000 was estimated by applying the binominal tree model on the Convertible Bonds II with an estimated profit in Trendmall Group for the two years ending 31 December 2016.

## 17. BUSINESS COMBINATION – ACQUISITION OF SUBSIDIARIES (CONTINUED)

The intangible assets represent customer relationship, being a network of customers which have done business with Trendmall Group.

The amount of goodwill of HK\$36,906,000, which is not deductible for tax purpose, comprises the acquired workforce and the value of expected synergies with existing operation of the Group.

Trendmall Group, which is principally engaged in wholesale of tableware and giftware worldwide and a retail business of tableware and giftware in Hong Kong, was acquired so as to diversify the business and revenue stream of the Group.

Since the acquisition date to 31 March 2016, the acquired business contributed HK\$20,577,000 to revenue and HK\$924,000 of profit to the consolidated comprehensive income of the Group. Had the combination taken place at the beginning of the year, the revenue of the Group and the profit of the Group for the year would have been approximately HK\$113,613,000 and approximately HK\$5,947,000, respectively. The pro forma information is for illustrative purpose only.

## 18. LEASES

### Operating leases – As lessee

The Group leases various offices, retail shops and warehouses under non-cancellable lease agreements. The lease agreements are between one and three years, and majority of lease arrangements are renewable at the end of the lease period with either pre-set increment rate or market rate to be agreed with landlords.

The operating leases of certain retail shops also call for additional rentals, which will be based on a certain percentage of revenue of the operation being undertaken therein pursuant to the terms and conditions as stipulated in the respective rental agreements. As the future revenue of these retail shops could not be accurately determined as at the end of each reporting period, the relevant contingent rentals have not been included.

The future aggregate minimum lease payments under non-cancellable operating leases in respect of offices, retail shops and warehouses are as follows:

	<b>2016</b> <b>HK\$'000</b>	2015 HK\$'000
Not later than one year	<b>22,205</b>	18,448
Later than one year and not later than five years	<b>13,795</b>	13,668
	<b>36,000</b>	32,116

## 19. RELATED PARTY TRANSACTIONS

Other than those balances of related party as disclosed elsewhere in the consolidated financial statements, the Group had the following material transactions with its related parties during the year ended 31 March 2016 and 2015.

### Compensation of key management personnel

Key management includes directors and senior managements. The compensation paid or payable to key management personnel for employee services is shown below:

	<b>2016</b> <b>HK\$'000</b>	2015 HK\$'000
Salaries and other benefits	<b>5,130</b>	4,262
Contributions to defined contribution retirement plans	<b>137</b>	114
	<b><u>5,267</u></b>	<u>4,376</u>

# MANAGEMENT DISCUSSION AND ANALYSIS

## Business Review and Future Outlook

### *Business Review*

#### **Retail chain business in lighting and designer label furniture**

Retail chain business in lighting and designer label furniture is the core business of the Group. Being the most established retail chain group of lighting products in Hong Kong, E Lighting possesses rich experience in the sale of quality lighting and designer label furniture products from all over the world. During the year ended 31 March 2016, E Lighting was cautious in its retail network development due to the sluggish retail environment. E Lighting has slowed down the expansion plan and concentrated on the consolidation of retail network and optimisation of the product mix.

During the year ended 31 March 2016, turnover of the retail chain business in lighting and designer label furniture was approximately HK\$85,911,000, representing an increase of approximately 6.8% as compared with that of the preceding year.

#### **Business in tableware and giftware**

In June 2015, the Group successfully acquired a tableware and giftware supplier, Trendmall Group. The acquisition has expanded the Group's existing business portfolio, and broadened its source of income and additional cash flows. Turnover of the business in tableware and giftware from the date of acquisition to 31 March 2016 was approximately HK\$20,577,000, accounted for approximately 19.3% of the Group's turnover.

### *Future Outlook*

The retail environment of Hong Kong market remain sluggish and the coming year will undoubtedly be challenging. To cope with the challenges ahead, the Group will continue to concentrate on the consolidation of retail network, optimisation of product-mix and intensification of cost control. The Group will focus on preserving and enhancing sales and profits, and also take proactive steps to reduce inventory level and storage costs in order to improve its performance. Besides, the Directors believe that the Group will benefit from the reduction of shop rental in the year 2016 that reduce the rental cost pressure of the Group.

In addition, the underlying demand for residential properties is strong and measures have been announced in the 2016 Policy Address to increase housing supply to meet with demands. In the long run, with the step up efforts of the Government of the Hong Kong Special Administrative Region (the "Government") to increase housing supply in the next five years, more housing units are expected to be completed. Therefore, E Lighting is afforded with new opportunities in its various lines of business.

Looking forward, the Group expects the Government's effort to step up supply of residential units in Hong Kong will drive demand for lighting and household products. The Group will strive to maintain a streamlined business operation, while catering for consumers' specific needs and being responsive to market changes. Leveraging the strong support of the capital market, our own strengths, and the global trends of saving energy, protecting the environment and pursuing a higher quality of life, the Group is cautiously confident about its development in the future. We will continue to maintain steady growth and to maximise returns for our investors.

## **Financial Review**

### ***Turnover***

During the year, the Group's turnover was approximately HK\$106,488,000, representing an increase of approximately 32.4% from approximately HK\$80,416,000 as compared with that of the preceding year. The increase was mainly contributed by the expansion of new stores and acquisition of business in tableware and giftware during current financial year.

During the year, turnover of the retail chain business in lighting and designer label furniture was approximately HK\$85,911,000, representing an increase of approximately 6.8% from approximately HK\$80,416,000 as compared with that of the preceding year.

Turnover of the business in tableware and giftware from the date of acquisition to 31 March 2016 was approximately HK\$20,577,000.

### ***Gross Profit and Gross Profit Margin***

During the year, the Group's gross profit was approximately HK\$49,399,000, representing an increase of approximately 9.7% from approximately HK\$45,046,000 as compared with that of the preceding year. The increase was primarily due to increase in sales. During the year, The Group's overall gross profit margin was approximately 46.4%.

### ***Selling and Distribution Expenses***

During the year, the Group's selling and distribution expenses was approximately HK\$41,332,000, representing an increase of approximately 12.2% from HK\$36,824,000 as compared with that of the preceding year. Selling and distribution expenses primarily consist of rentals for retail outlets and related expenses, staff costs (including salaries and sales commission to salesperson), electronic payment charges and depreciation. The increase was primarily due to increase in rental expenses and staff costs.

### ***Administrative and Other Expenses***

During the year, the Group's administrative and other expenses was approximately HK\$21,576,000, representing a increase of approximately 4.9% from HK\$20,570,000 as compared with that of the preceding year. Administrative and other expenses primarily consist of rentals for office premises and warehousing facilities, staff costs (including salaries to administrative staff and emoluments to directors) and professional expenses. The increase was primarily due to the net effect of increase in rental expenses and staff costs and the absence of an one-off listing expenses during the year.

### ***Profit/(Loss) for the Period***

The Group recorded a profit of approximately HK\$5,657,000 during the year (2015 : loss of approximately HK\$12,697,000).

## **Significant Investments held, Material Acquisitions and Disposals of Subsidiaries, and Future Plans for Material Investments or Capital Assets**

On 4 June 2015, the Group completed the acquisition of Trendmall Group. Detailed of the acquisition are set out in note 17 to the consolidated financial statements.

Save for those disclosed in this announcement, there were neither significant investments held as at 31 March 2016 nor material acquisitions and disposals of subsidiaries during the year ended 31 March 2016.

Save for those disclosed in this announcement, there is no plan for material investments or capital assets as at the date of this announcement.

## **Financial Resources and Liquidity**

As at 31 March 2016, the Group had bank balances of HK\$15,991,000. The gearing ratio of the Group, calculated as total bank borrowings over total equity, was nil as at 31 March 2016 (2015 : Nil), as the Group financed the operations from internally generated funds and advance from a controlling shareholder, and did not raise any external debt financing during the year ended 31 March 2016.

The Group closely monitors the cash flow position to ensure that the Group has sufficient working capital available to fulfill its operational requirement. The Group takes into account the trade receivables, trade payables, cash and bank balances, administrative and capital expenditures to prepare cash flow forecast to forecast the Group's future liquidity.

## **Capital Structure**

The capital of the Group comprises only ordinary shares.

On 4 June 2015, the Company issued convertible bonds with an aggregate principal amount of HK\$10,717,500 in connection with the acquisition of Trendmall Group. During the year, those convertible bonds were converted into 15,310,714 ordinary shares of HK\$0.01 each at the conversion price of HK\$0.7 per share.

On 26 February 2016, the company issued convertible bonds with an aggregate principal amount of HK\$12,620,245 upon determination of 2015 Results of the Trendmall Group. During the year, convertible bonds in the principal amount of HK\$3,000,000 were converted into 4,285,714 ordinary shares of HK\$0.01 each at the conversion price of HK\$0.7 per share.

Total equity attributable to the owners of the Company amounted to approximately HK\$78,755,000 as at 31 March 2016 (2015: HK\$52,738,000).

On 4 May 2016, convertible bonds in the principal amount of HK\$9,620,245 were converted into 13,743,207 ordinary shares of HK\$0.01 each at the conversion price of HK\$0.7 per share.

Further convertible bonds in an aggregate principal amount of HK\$12,387,255 will be issued by the Company upon the fulfillment of the profit guarantee.

## **Contingent Liabilities**

As at 31 March 2016, saved as otherwise disclosed, the Group did not have any material contingent liabilities (2015: Nil).



**Foreign Currency Risk**

The Group undertakes certain purchase transactions denominated in Hong Kong dollar, Euro, United States dollar and Renminbi, hence exposure to exchange rate fluctuations arises. We are mainly exposed to foreign exchange fluctuation of the Euro and Renminbi against Hong Kong dollar, as Hong Kong dollar is pegged to United States dollar. The Group currently does not have a foreign currency hedging policy. However, the management of the Group monitors foreign exchange exposure and will consider hedging significant foreign currency exposure should the need arise. The Directors are of the view that the transactional exposure of the Group in currencies other than the functional currencies is maintained at an acceptable level.

**Charges on Group Assets**

As at 31 March 2016, there is no charges on the Group's assets (2015: Nil).

**Capital Commitments**

As at 31 March 2016, the Group did not have any significant capital commitments (2015: Nil).

**Dividend**

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

**Employee Information**

Total remuneration of the Group for the year ended 31 March 2016 (including (i) Directors' emoluments, (ii) salaries to staff and (iii) MPF contributions) was approximately HK\$20,371,000 (2015: HK\$15,495,000). Such increase was mainly due to the increase in average number of staff during the year and staff salaries.

As at 31 March 2016, the Group had 71 employees (2015: 62 employees).

## Comparison Between Business Objectives with Actual Business Progress

The following is a comparison of the Group's business plan as set out in the Prospectus with actual business progress for the year ended 31 March 2016.

### **Business plan up to 31 March 2016 as set out in the Prospectus**

### **Actual business progress up to 31 March 2016**

#### *Expansion of retail floor area (including LED specialty stores, lighting stores, lighting & furniture combined stores)*

- |   |  |
|---|--|
| <ul style="list-style-type: none"><li>- explore and identify new districts suitable for new retail outlets</li><li>- negotiate and incept tenancy agreements to enable the anticipated expansion of floor area by an additional 9,000 sq. ft.</li><li>- renovation and furnishing of new retail outlets</li></ul> | <p>The Group has successfully identified five suitable retail outlets in Shatin, Mongkok, Whampoa, Kowloon Bay and Central, and in the process of exploring and identifying new districts suitable for new retail outlets</p> <p>The Group has incepted tenancy agreements with those five landlords, which will increase the floor areas of over 7,500 sq. ft. in aggregate</p> <p>The five new retail outlets at Shatin, Mongkok, Whampoa, Central and Kowloon Bay, approximately 7,500 sq. ft. floor area in aggregate, were operated</p> |
|---|--|

#### *Marketing and promotion of our own branding of trademarks*

- |  |   |
|--|---|
| <ul style="list-style-type: none"><li>- launch media advertising and promotion in newspaper, magazine, etc</li></ul> | <p>The Group has launched advertisement and promotion in newspaper, magazine and banner to promote its own branding of trademarks in the market</p> |
|--|---|

#### *Solicit new incoming brands to expand product range*

- |   |  |
|---|--|
| <ul style="list-style-type: none"><li>- probe and explore further new brands of potential</li></ul> | <p>The Group has introduced more than 5 world-renowned brands from Italy, Austria and the United States and is in the process of probing and exploring new brands of potential</p> |
|---|--|

#### *Position ourselves to capture LED market*

- |  |   |
|--|---|
| <ul style="list-style-type: none"><li>- monitor latest development of policies for replacing Incandescent Light Source with LED</li><li>- expand our Panasonic LED product range</li></ul> | <p>The Group is monitoring the latest development of these policies</p> <p>The Group is negotiating with the supplier to expand the Panasonic LED product range</p> |
|--|---|

#### *Strengthen logistics management*

- |   |   |
|---|---|
| <ul style="list-style-type: none"><li>- implement new technological system ware for point-of sale inventory monitoring for new retail outlets</li><li>- explore and identify new suitable warehousing facilities, negotiate and incept tenancy agreement for new warehousing facilities and commence renovation works, and commence operation of new warehousing facilities</li></ul> | <p>The Group is in the process of implementing the new technological system ware</p> <p>The Group has increased approximately 7,000 sq. ft. warehousing facilities.</p> |
|---|---|

### Comparison Between Business Objectives with Actual Business Progress (Continued)

The principal risks and uncertainties in implementation of the Group's business objectives are the failure to implement the expansion plan successfully. As disclosed in the Prospectus, the Group planned to expand the retail floor area in Hong Kong by approximately 12,000 sq. ft. by 30 September 2016. Should the expansion plan be affected by the uncertain economic and political outlook in the Hong Kong market unexpectedly, the Group's expansion plan may be adversely affected. The Directors will constantly evaluate the Group's business objectives and may change or modify plans against the changing market condition to attain sustainable business growth of the Group.

Having considered the changes in the business environment, the Directors have resolved that the Group should slow down and reduce the scale of the expansion plan. Therefore, there is no further progress in respect of the plans of expansion of retail floor area and explore and identify new suitable warehousing facilities.

The Directors will constantly evaluate the Group's business objectives and may change or modify plans against the changing market condition to attain sustainable business growth of the Group.

### Use of Proceeds from the Listing

The actual net proceeds from the issue of new shares of the Company under the placing were approximately HK\$33.5 million. We have adjusted the use of proceeds in the same proportion as shown in the Prospectus.

On 7 October 2015, the Directors has reviewed the utilisation of the net proceeds. Having considered the changes in the business environment, the Directors considered that the current number of retail stores is correspondingly sufficient to meet the demand of customers (which has unexpectedly been reduced since the Listing) and resolved that the Group should slow down and reduce the scale of the expansion plan. The Directors considered that the funding requirement of the expansion plan would be reduced and certain of the net proceeds originally intended to be used for the expansion would be reallocated for working capital and other general corporate purpose, in order to improve working capital position and liquidity of the Group, and enhance the Group's capability to capture future business and investment opportunities (if any). For details, please refer to the Company's announcements dated 7 October 2015.

An analysis of the utilisation of the actual net proceeds and the unused amount as at 31 March 2016 is set out below:

<b>Use of proceeds</b>	<b>Net Proceeds after reallocation HK\$'000</b>	<b>Utilised amount as at 31 March 2016 HK\$'000</b>	<b>Unused amount as at 31 March 2016 HK\$'000</b>
a) Expansion of retail floor area	25,740	18,100	7,640
b) Marketing and promotion of our own branding of trademarks	2,138	1,320	818
c) Strengthen logistics management	2,309	250	2,059
d) Working capital and other general corporate purpose	3,342	3,342	-
<b>Total</b>	<b>33,529</b>	<b>23,012</b>	<b>10,517</b>

The unused net proceeds have been placed as interest bearing deposits with licensed bank in Hong Kong.

## CORPORATE GOVERNANCE AND OTHER INFORMATION

### Corporate Governance Code

The Company is committed to achieving high standards of corporate governance to safeguard the interests of the shareholders of the Company and enhance its corporate value. The Company's corporate governance practices are based on the principles and code provisions as set out in the Corporate Governance Code and Corporate Governance Report in Appendix 15 to the GEM Listing Rules (the "CG Code"). To the best knowledge of the Board, the Company has complied with the code provisions in the CG Code during the year.

### Directors' Securities Transactions

The Company has adopted a code of conduct for dealing in securities of the Company by the Directors in accordance with the required standard of dealings as set out in the Rules 5.48 to 5.67 of the GEM Listing Rules (the "Required Standard of Dealings"). The Company has made specific enquiries with all Directors and the Directors confirmed that they have complied with the Required Standard of Dealings and the code of conduct for dealing in securities of the Company during the year.

### Purchase, Sale or Redemption of the Company's Listed Securities

Neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities during the year.

### Directors' and Chief Executives' Interests and Short Positions in Shares, Underlying Shares and Debentures of the Company or any Associated Corporations

As at 31 March 2016, the interests and short positions of the Directors and the chief executive of the Company (the "Chief Executive") 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 ("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 Required Standard of Dealings were as follows:

#### *Long positions in ordinary shares of the Company*

<b>Name</b>	<b>Capacity/Nature of interests</b>	<b>Number of securities</b>	<b>Approximate percentage of shareholding</b>
Mr. Hui Kwok Keung Raymond	Interest in controlling corporation	210,000,000 (Note 1)	50.05%
Mr. Hue Kwok Chiu	Interest in controlling corporation	45,000,000 (Note 2)	10.72%

Notes:

- (1) These shares are held by Time Prestige Ventures Limited, a company wholly-owned by Mr. Hui Kwok Keung Raymond.
- (2) These shares are held by Star Adventure Holdings Limited, a company wholly-owned by Mr. Hue Kwok Chiu.

Save as disclosed above, as at 31 March 2016, none of the Directors or the Chief Executive had any interests or short positions in the shares, underlying shares or debentures of the Company or any associated corporations 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 Required Standard of Dealings.

## Substantial Shareholders' and Other Persons' Interests and Short Positions in the Shares and Underlying Shares of the Company

As at 31 March 2016, to the best of the knowledge of the Directors and the Chief Executive and based on the public records filed on the website of the Stock Exchange and records kept by the Company, the interests and short positions of the persons or corporations (other than the Directors and the Chief Executive) in the shares or underlying shares of the Company as recorded in the register required to be kept under section 336 of the SFO were as follows:

### *Long positions in ordinary shares of the Company*

<b>Name</b>	<b>Capacity/Nature of interests</b>	<b>Number of securities</b>	<b>Approximate percentage of shareholding</b>
Time Prestige Ventures Limited	Beneficial Owner	210,000,000	50.05%
Star Adventure Holdings Limited	Beneficial Owner	45,000,000	10.72%
Ms. Ng Hiu Ying (Note 1)	Interest of spouse	45,000,000	10.72%
Zhang Yong Fang (Note 2)	Beneficial Owner	31,439,286	7.57%

Notes:

- (1) Ms. Ng Hiu Ying is the spouse of Mr. Hue Kwok Chiu. Under the SFO, Ms. Ng Hiu Ying is deemed to be interested in the same number of shares in which Mr. Hue Kwok Chiu is interested.
- (2) The 31,439,286 shares that Zhang Yong Fang are interested in represent the underlining shares of the Company of the aggregate principal amount of convertible bonds of HK\$9,620,000 issued by the Company on 26 February 2016 and HK\$12,387,000 to be issued by the Company upon the fulfillment of the profit guarantee as set out in the announcements dated 13 May 2015, 21 May 2015 and 4 June 2015 of the Company at the conversion price of HK\$0.7 per share.

Save as disclosed above, as at 31 March 2016, there was no person or corporation (other than the Directors and the Chief Executives) who had any interests or short positions in the shares or underlying shares of the Company were recorded in the register required to be kept by the Company under section 336 of the SFO.

### **Share Option Scheme**

The purpose of the share option scheme is to attract and retain the best available personnel, to provide additional incentive to employees (full-time and part-time), directors, consultants, advisers, distributors, contractors, suppliers, agents, customers, business partners or service providers of the Group (the "Eligible Participant") and to promote the success of the business of the Group.

The Company conditionally adopted a share option scheme (the "Scheme") on 11 September 2014 whereby the Board are authorised, at their absolute discretion and subject to the terms of the Scheme, to grant options to the Eligible Participant to subscribe for the shares of the Company. The Scheme will be valid and effective for a period of ten years commencing from the date of adoption of the Scheme.

As at 31 March 2016, the total number of shares available for issue under the Scheme is 40,000,000 shares, representing 9.53% of the issued shares of the Company. Since the adoption of the Scheme, no share option has been granted by the Company.

### **Rights to Acquire Shares or Debentures**

Save as disclosed above, at no time during the year ended 31 March 2016 was the Company, or any of its holding companies or any of its subsidiaries a party to any arrangement to enable the Directors and the Chief Executives (including their spouses and children under 18 years of age) to hold any interests or short positions in the shares, or underlying shares, or debentures of the Company or its associated corporations (within the meaning of Part XV of the SFO).

### **Competing Interests**

As at 31 March 2016, none of the Directors, the substantial shareholders of the Company and their respective close associates (as defined in the GEM Listing Rules) has any interests in a business which competes or is likely to compete, either directly or indirectly, with the business of the Group.

### **Compliance Adviser's Interests**

As at 31 March 2016, neither Ample Capital Limited, the compliance adviser of the Company, nor any of its Directors, employees or close associates had any interests in the securities of the Company or any other companies of the Group (including options or rights to subscribe for such securities) pursuant to Rule 6A.32 of GEM Listing Rules.

### **Event after the Reporting Period**

Saved as otherwise disclosed, the Group does not have any material subsequent event after the reporting period and up to the date of this announcement.

### **Audit Committee**

The audit committee of the Company (the "Audit Committee") was established by the Board on 11 September 2014 with written terms of reference in compliance with Rules 5.28 and 5.29 of the GEM Listing Rules and code provision C.3.3 of the CG Code. The Audit Committee currently comprises three independent non-executive Directors and is chaired by Mr. Leung Wai Chuen. The other members are Mr. Chung Wai Man and Ms. Yeung Mo Sheung Ann. The primary duties of the Audit Committee are to review and supervise the financial reporting, risk management and internal control systems of the Group.

The Audit Committee had reviewed the consolidated results of the Group for the year ended 31 March 2016 with the management and is of the view that such results complied with the applicable accounting standards, the requirements under the GEM Listing Rules and other applicable legal requirements, and that adequate disclosures had been made.

### **Sufficiency of Public Float**

Based on information that is publicly available to the Company and within the knowledge of the Directors, the Company has maintained a sufficient public float as at the date of this announcement.

## **PUBLICATION OF ANNUAL RESULTS AND ANNUAL REPORT**

This results announcement is published on the websites of the Stock Exchange ([www.hkexnews.hk](http://www.hkexnews.hk)) and the Company ([www.elighting.asia](http://www.elighting.asia)). The annual report of the Company for the year ended 31 March 2016 containing all the information required by the GEM Listing Rules will be dispatched to the Company's shareholders and published on the above websites in due course.

By order of the Board  
**E Lighting Group Holdings Limited**  
壹照明集團控股有限公司  
**Hue Kwok Chiu**  
Chairman

Hong Kong, 22 June 2016

*As at the date of this announcement, the executive Directors are Mr. Hue Kwok Chiu, Mr. Hui Kwok Keung Raymond and Mr. Hui Kwok Wing; the independent non-executive Directors are Mr. Chung Wai Man, Mr. Leung Wai Chuen and Ms. Yeung Mo Sheung Ann.*

*This announcement will remain on the "Latest Company Announcements" page of the GEM website at [www.hkgem.com](http://www.hkgem.com) for at least 7 days from the date of its posting and will also be published on the Company's website at [www.elighting.asia](http://www.elighting.asia).*