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E Lighting Group

E Lighting Group Holdings Limited

壹照明集團控股有限公司

(incorporated in Cayman Islands with limited liability)

(Stock Code: 8222)

DISCLOSEABLE TRANSACTION IN RELATION TO THE ACQUISITION OF THE ENTIRE ISSUED SHARE CAPITAL OF THE TARGET COMPANY INVOLVING THE PROPOSED ISSUE OF CONVERTIBLE BONDS UNDER GENERAL MANDATE

Financial adviser to the Company



Corporate Finance Limited
亞貝隆資本有限公司

THE ACQUISITION

The Board is pleased to announce that on 13 May 2015 (after trading hours), the Vendor and the Purchaser entered into the SPA, pursuant to which the Vendor has conditionally agreed to sell and the Purchaser has conditionally agreed to acquire the Sale Share at the Consideration of HK\$35,725,000 (subject to adjustment), which will be satisfied by the issue of the Convertible Bonds.

Upon Completion, the Target Company will become a subsidiary of the Company and accordingly, the financial information of the Target Group will be consolidated into the accounts of the Group.

As certain of the relevant percentage ratios (as defined under the GEM Listing Rules) in respect of the Acquisition exceed 5% but are lower than 25%, the Acquisition constitutes a discloseable transaction for the Company under the GEM Listing Rules and is therefore subject to the reporting and announcement requirement but exempted from the Shareholders' approval requirement under Chapter 19 of the GEM Listing Rules.

The Board is pleased to announce that on 13 May 2015 (after trading hours), the Vendor and the Purchaser entered into the SPA, pursuant to which the Vendor has conditionally agreed to sell and the Purchaser has conditionally agreed to acquire the Sale Share, being the entire issued share capital of the Target Company at the Consideration of HK\$35,725,000 (subject to adjustment), which will be satisfied by the issue of the Convertible Bonds.

THE SPA

Date: 13 May 2015 (after trading hours)

Parties: (1) Purchaser

(2) Vendor

To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, the Vendor is an Independent Third Party.

Assets to be acquired

Pursuant to the SPA, the Vendor has conditionally agreed to sell and the Purchaser has conditionally agreed to acquire the Sale Share, being the entire issued share capital of the Target Company at the Consideration of HK\$35,725,000.

Upon Completion, the Target Company will become a subsidiary of the Company and accordingly, the financial information of the Target Group will be consolidated into the accounts of the Group.

Consideration

The Consideration of HK\$35,725,000 (subject to adjustment as described in the paragraph headed "Profit guarantee and adjustment to the Consideration" below), which shall be satisfied by the Purchaser to the Vendor in the manner as set out below:

- (a) an aggregate sum of HK\$10,717,500 or 30% of Consideration shall be payable by issue of the Convertible Bonds by the Company to the Vendor or her nominee(s) upon Completion (the "**CBs I**"); and
- (b) an aggregate sum of HK\$25,007,500 or 70% of Consideration shall be payable by issue of the Convertible Bonds by the Company to the Vendor or her nominee(s) upon the fulfillment of the Profit Guarantee (as defined below) (the "**CBs II**") in two batches as follows:
 - (i) the first batch of CBs II shall be payable and issued by the Company in accordance with the audited financial statements of the Target Group for the year ended 31 December 2015 in accordance with that stipulated in the SPA, details of which are set out in the section headed "Profit guarantee and adjustment to the Consideration" below (the "**1st Batch of CBs II**"); and

- (ii) the second batch of CBs II shall be payable and issued by the Company in accordance with the audited financial statements of the Target Group for the year ended 31 December 2016 in accordance with that stipulated in the SPA, details of which are set out in the section headed “Profit guarantee and adjustment to the Consideration” below (the “**2nd Batch of CBs II**”).

Further details of the Convertible Bonds are set out in the section headed “Convertible Bonds” below.

Basis of the Consideration

The Consideration was determined after arm’s length negotiations between the Purchaser and the Vendor with reference to, among other things, (i) the growth potential of the houseware products and the future prospects in the houseware product industry; (ii) the appraised value of 100% equity interest in the Target Group of approximately HK\$35,725,000 as at 31 March 2015 (the “**Valuation**”) performed by an independent professional valuer, B.I. Appraisals Limited (the “**Valuer**”), adopting income approach using discounted cash flow method; and (iii) the reasons and benefits of the Acquisition as stated under the section headed “Reasons for and benefits of the Acquisition” in this announcement.

The Consideration is equivalent to the Valuation.

Further details of the Valuation are set out in the section headed “Valuation” below.

Profit guarantee and adjustment to the Consideration

Pursuant to the SPA, the Vendor irrevocably and unconditionally guarantees to the Purchaser that the total audited consolidated net profit after tax of the Target Group for the two years ending 31 December 2016 (the “**Relevant Period**”) shall not be less than HK\$3,200,000 (the “**Profit Guarantee**”).

1. Issuance of the 1st Batch of CBs II

The Purchaser shall within 7 Business Days after determination of the results of the Target Group for the financial year ending 31 December 2015 (the “**2015 Results**”), procure the Company to issue the 1st Batch of CBs II to the Vendor or her nominee(s) in the event the 2015 Results record an actual audited consolidated net profit after tax (the “**2015 Profit**”) with principal value calculated in accordance with the following formula:

$$\text{Principal value of 1st Batch of CBs II} = \text{Principal value of CBs II} \times \frac{\text{2015 Profit}}{\text{Profit Guarantee}}$$

The maximum principal value of the 1st Batch of CBs II shall not exceed the principal value of the CBs II of HK\$25,007,500.

No 1st Batch of CBs II will be issued by the Company to the Vendor if the 2015 Profit is negative.

2. *Issuance of 2nd Batch of CBs II*

The Purchaser shall within 7 Business Days after determination of the results of the Target Group for the financial year ending 31 December 2016 (the “**2016 Results**”), procure the Company to issue the 2nd Batch of CBs II to the Vendor or her nominee(s) in the event the 2016 Results record an actual audited consolidated net profit after tax (“**2016 Profit**”) with principal value calculated in accordance with the following formula:

$$\text{Principal value of 2nd Batch of CBs II} = \text{Principal value of CBs II} \times \frac{\text{2015 Profit} + \text{2016 Profit}}{\text{Profit Guarantee}} - \text{Principal value of the issued 1st Batch of CBs II}$$

(the “**2016 Formula**”)

The maximum aggregate principal values of the 1st Batch of CBs II and the 2nd Batch of CBs II shall not exceed the principal value of the CBs II of HK\$25,007,500.

No 2nd Batch of CBs II will be issued by the Company to the Vendor if the 2016 Profit is negative.

In the event that 1st Batch of CBs II is being issued by the Company to the Vendor as a result of positive 2015 Profit, but when applying the 2016 Formula it gives a negative figure for the principal value of the 2nd Batch of CBs II because of negative 2016 Profit, then the Vendor shall compensate the Purchaser with an amount equal to the negative figure of the principal value of the 2nd Batch of CBs II provided that the maximum amount of compensation sum payable by the Vendor in such event shall not exceed the principal value of the 1st Batch of CBs II.

In the event that the aggregate of 2015 Profit and 2016 Profit is negative, then the Vendor shall compensate the Purchaser with an amount equivalent to the principal value of the CBs I of HK\$10,717,500.

The 2015 Results and 2016 Results shall be determined by the auditor nominated by both the Purchaser and the Vendor by adopting the same accounting policies applied to the consolidated financial statements of the Group.

The Purchaser is entitled to request the Vendor to satisfy the abovementioned compensations by setting off and cancelling any Convertible Bonds held by the Vendor or her nominee(s) that has not been converted into Conversion Shares or redeemed or transferred and the Vendor shall compensate the Purchaser the shortfall after setting off and cancelling the Convertible Bonds still held by the Vendor or her nominee(s) in cash within 30 Business Days after determination of the 2016 Results.

Conditions Precedent

The Completion is subject to the satisfaction of the following conditions precedent:

- (a) the results of the legal and financial due diligence, including but not limited to the affairs, business, assets, liabilities, operations, records, financial position, value of assets, accounts, results, legal and financial structure, of each member of the Target Group being completed to the satisfaction of the Purchaser in its sole discretion and that there no matter arising from the due diligence review which in the opinion of the Purchaser may adversely affect the value of the Sale Share;
- (b) the warranties as set out in the SPA remain true, accurate and not misleading in all respects;
- (c) all necessary waiver, consent and approvals required to be obtained on the part of the Company in relation to the SPA and the transaction contemplated thereby under the GEM Listing Rules (if any) having been obtained;
- (d) all necessary waiver, consent and approval required to be obtained on the part of the Vendor, the Target Company and the Purchaser in respect of the SPA and the transaction contemplated thereby (if any) having been obtained;
- (e) the granting by the Listing Committee of the Stock Exchange of a listing of and permission to deal in the Conversion Shares of the Company to be issued upon exercise of the conversion right attaching to the Convertible Bonds; and
- (f) valuation report of the Target Group with a valuation of not less than HK\$35,725,000 being obtained from an independent qualified valuer acceptable to the Purchaser at the cost of the Vendor.

If any of the above conditions precedent have not been satisfied (or as the case may be, waived by the Purchaser at its sole discretion) on or before 5:00 p.m. on 31 August 2015, or such later date as the Vendor and the Purchaser may agree, the Purchaser shall terminate the SPA and thereafter neither the Vendor nor the Purchaser shall have any obligations and liabilities towards each other thereunder save for any antecedent breaches of the terms thereof.

Completion

Completion shall take place within 5 Business Day after the conditions precedent of the SPA are being fulfilled to the satisfaction of the Purchaser or, if applicable, waived by the Purchaser in respect of conditions precedent (a), (b) and (f) at its sole discretion.

THE CONVERTIBLE BONDS

The principal terms of the Convertible Bonds have been negotiated on an arm's length basis and the principal terms of which are summarised below:

- Issuer : The Company
- Principal amount : The aggregate principal amount of the Convertible Bonds is HK\$35,725,000.

- Maturity Date : The third anniversary of the date of issue of the Convertible Bonds (the “**Maturity Date**”).
- Interest rate : 1% per annum, payable annually in arrears.
- Conversion Price : HK\$0.70 per Conversion Share subject to adjustments for adjustment provisions summarized below.

The Conversion Price of HK\$0.70 per Conversion Share represents:

- (i) a discount of approximately 5.4% to the closing price of HK\$0.74 per Share as quoted on the Stock Exchange on the date of signing of the SPA
- (ii) a discount of approximately 5.4% to the average closing price of approximately HK\$0.74 per Share as quoted on the Stock Exchange for the last five consecutive trading days immediately prior to the date of signing of the SPA; and
- (iii) the average closing price of approximately HK\$0.70 per Share as quoted on the Stock Exchange for the last 30 consecutive trading days immediately prior to the date of signing of the SPA.

The Conversion Price was determined after arm’s length negotiations between the Company and the Vendor, with reference to the recent performance of the Shares, the Group’s existing financial position and current market conditions.

- Conversion Shares : Assuming the conversion rights attached to the Convertible Bonds are exercised in full at the initial Conversion Price of HK\$0.70 per Conversion Share, a maximum of 51,035,714 Conversion Shares will be allotted and issued, representing approximately 12.8% of the entire issued share capital of the Company as at the date of this announcement and approximately 11.3% of the entire issued share capital of the Company as enlarged by the issue of the Conversion Shares.

The Conversion Shares will be allotted and issued under the General Mandate.

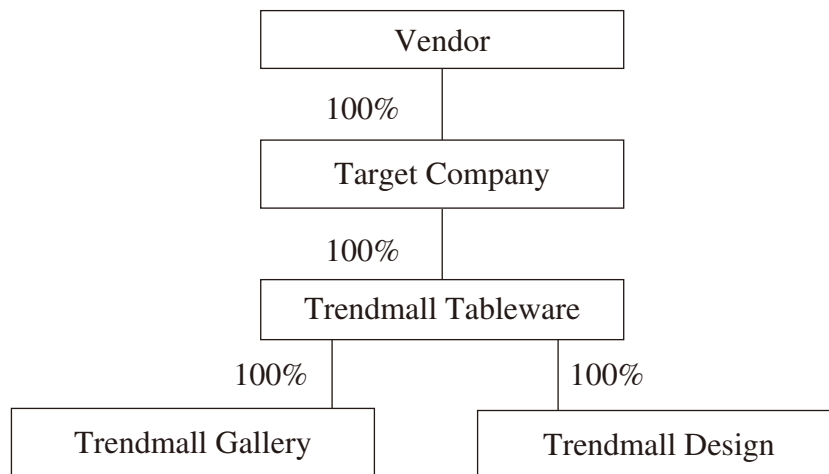
- Conversion Period : The period commencing on the date of issue of the Convertible Bonds and up to 4:00 p.m. (Hong Kong time) on the Maturity Date (the “**Conversion Period**”).
- Conversion rights : Bondholder will have the right to convert the Convertible Bonds in whole or in part of the outstanding principal amount of the Convertible Bonds on any time during the Conversion Period provided that (i) the Bondholders and parties acting in concert (as defined in the Takeovers Code) with it will become obliged to make a mandatory offer under Rule 26 of the Takeovers Code; and (ii) the Bondholders shall not exercise the conversion rights if such conversion would result in the Company’s non-compliance with the minimum public shareholding requirement stipulated under the GEM Listing Rules.
- Maturity redemption : On the Maturity Date, any Convertible Bonds not being redeemed or converted shall be automatically converted into Conversion Shares at the Conversion Price by the Bondholders provided that (i) automatic conversion by the Bondholders and parties acting in concert (as defined in the Takeovers Code) with it will not become obliged to make a mandatory offer under Rule 26 of the Takeovers Code, and (ii) such automatic conversion would not result in the Company’s non-compliance with the minimum public shareholding requirement stipulated under GEM Listing Rules.
- Early redemption : The Company shall have the right to redeem any portion of the Convertible Bonds outstanding at any time and from time to time prior to the Maturity Date.
- Adjustment provisions : The Conversion Price is subject to adjustment for, among other things, consolidation or sub-division of Shares, capitalization of profits or reserves, capital distribution in cash or specie, issue of Shares by way of rights or grant of options or warrants to subscribe for Shares at a price less than 80% of the then market price of the Shares, subsequent issue of Shares or convertible or exchangeable securities wholly for cash or modification of rights of conversion or exchange or subscription attached to any such securities at less than 80% of the then market price of the Shares, or subsequent issue of Shares for acquisition of asset at a price less than 80% of the then market price of the Shares.

- Transferability : The Bondholder may assign or transfer the Convertible Bonds to the transferee subject to the prior consent of the Company.
- Voting : Bondholder will not be entitled to attend or vote at any meetings of the Company by reason only of its being a Bondholder.
- Listing : No application will be made by the Company for the listing or permission to deal in the Convertible Bonds on the Stock Exchange.
- An application will be made by the Company to the Stock Exchange for the listing of and permission to deal in the Conversion Shares.
- Ranking of the Conversion Shares : The Conversion Shares will rank *pari passu* in all respects among themselves and with other Shares outstanding at the date of issue of the Conversion Shares.

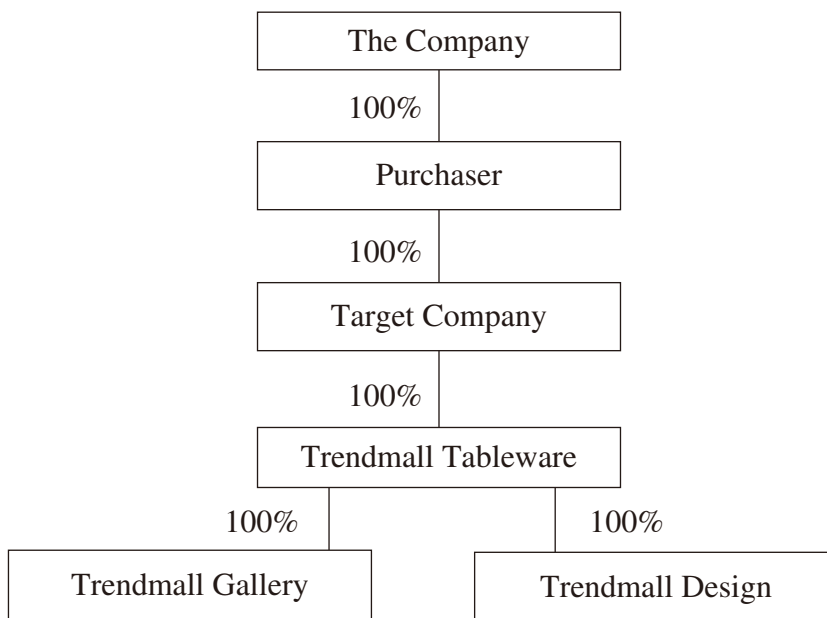
SHAREHOLDING STRUCTURE OF THE TARGET GROUP

Set out below is the shareholding structure of the Target Group (i) as at the date of this announcement; and (ii) immediately after Completion:

Shareholding structure of the Target Group as at the date of this announcement



Shareholding structure of the Target Group immediately after Completion



INFORMATION OF THE TARGET GROUP

The Target Company

The Target Company is an investment holding company incorporated with limited liability in the BVI on 11 November 2014. The Target Company is wholly owned by the Vendor. The Target Company is the holding company of Trendmall Tableware.

Trendmall Tableware

Trendmall Tableware is a private company incorporated in Hong Kong on 2 December 2014 and is wholly owned by the Target Company. Trendmall Tableware is principally engaged in wholesale of tableware and giftware worldwide. Trendmall Tableware is also the holding company of Trendmall Design and Trendmall Gallery.

Trendmall Tableware mainly acts as a brand developer for its customers in United States and overseas markets. Trendmall Tableware provides value-added services and undertakes various tasks in the sourcing process of tableware and giftware for its customers, from initial stage of product development up to product delivery, with the view of enhancing cost efficiency, shortening production time and increasing product quality for its customers.

Major customers of Trendmall Tableware are mainly wholesalers and trading companies in the United States and other overseas markets.

Trendmall Design

Trendmall Design is a private company incorporated in Hong Kong on 15 December 2014 and is wholly owned by Trendmall Tableware. Trendmall Design is now in the process of applying the registration of trademark “Trendmall Gallery 山貓生活館” in Hong Kong.

Trendmall Gallery

Trendmall Gallery is a private company incorporated in Hong Kong on 15 December 2014 and is wholly owned by the Trendmall Tableware. Trendmall Gallery is principally engaged in retail business of tableware and giftware in Hong Kong.

Trendmall Gallery operates retail business in Hong Kong. Trendmall Gallery offers a full range of quality tableware and giftware products, such as plates, cups, flatware and other utensils, condiment containers, etc. Trendmall Gallery is featured with its customized and personalized services to its customers.

Financial information of the Target Group

Trendmall Tableware and Trendmall Gallery are the principal operating subsidiaries of the Target Group.

Set below is the unaudited consolidated financial information of the Target Group as prepared in accordance with Hong Kong Financial Reporting Standards from 11 November 2014 (date of incorporation of the Target Company) to 31 March 2015:

	11 November 2014 (date of incorporation of the Target Company) to 31 March 2015 (Unaudited) <i>HK\$'000</i>
Turnover	6,019
Net profit before taxation	419
Net profit after taxation	350

Save for Trendmall Tableware and Trendmall Gallery, each of the Target Company and Trendmall Design have not yet commenced any business and have not generated any revenue and profit since their incorporation up to the date of this announcement.

The unaudited consolidated net assets of the Target Group as at 31 March 2015 was approximately HK\$807,000.

REASON FOR AND BENEFITS OF THE ACQUISITION

The Group is principally engaged in the retail chain business in lighting and designer label furniture and accessory products in Hong Kong.

Whilst the Group remains focused on developing its existing businesses, it has been the business strategy of the Group to proactively seek potential investment opportunities in order to enhance value of the Shareholders. The Directors consider that it will be beneficial for the Group to seek suitable investment opportunity from time to time to expand and diversify its existing business portfolio into business with growth potential and to broaden its source of income.

Tableware business, the principal operations of the Target Group, is related to and also complimentary to the Group's existing core business in home décor sector. As a result of the Acquisition, it will allow the Group to broaden its business horizon to add greater value to clients by providing them with diverse solution to better meet customers' demand for household products and services in consumers' pursuit of stylish and modern home lifestyle. Thus, the Acquisition will help enhance competitiveness of the Group within the market of household products.

Nowadays, more consumers are interested in the idea of cooking meals in their own homes because they are more concerned about eating healthy. With the increasing consumers' interest on cooking at home, the demand of tableware is expected to grow constantly. Also, people are becoming more aware of the importance of choosing tableware products made from healthy and safe materials and thus are getting willing to pay more for better tableware.

The Target Group is featured with its customized products and personalized services to customers. Consumers are increasingly demanding stylish products which allow them to showcase their unique sense of living style. With this styling trend, consumers are often willing to buy a new product simply because of its unique style appeals to their individuality.

In light of (i) increasing consumers' interest in cooking at home; and (ii) increasing consumers' demand on stylish products, the Directors consider that the above reasons will drive the future growth of the Target Group. Therefore, the Group will be able to further explore the retail and wholesale sector of houseware through the Acquisition and diversify the revenue stream of the Group which is expected to increase the Shareholders' value and benefit the Company and the Shareholders as a whole.

Having considered (i) proposed expansion of wholesale and retail market of the Target Group; (ii) future development prospects of the businesses of the Target Group; and (iii) the Profit Guarantee, the Directors are of the view that the Acquisition is in the interests of the Company and the Shareholders as a whole.

In view of the above, the Directors (including independent non-executive Directors) consider that the Acquisition and the terms of the SPA are fair and reasonable and in the interests of the Company and its Shareholders as a whole.

EFFECT ON THE SHAREHOLDING STRUCTURE OF THE COMPANY

Set out below is the shareholding structure of the Company (i) as at the date of this announcement; and (ii) immediately upon Completion and after full exercise of the conversion rights attaching to the Convertible Bonds (assuming that there is no change in the issued share capital of the Company from the date of this announcement and up to Completion other than the issue of the Conversion Shares):

Shareholders	As at the date of this announcement		Immediately upon Completion and after full exercise of the conversion rights attaching to the Convertible Bonds	
	Number of Shares	Approximate %	Number of Shares	Approximate %
Time Prestige Ventures Limited (<i>Note 1</i>)	210,000,000	52.50%	210,000,000	46.56%
Star Adventure Holdings Limited (<i>Note 2</i>)	45,000,000	11.25%	45,000,000	9.98%
Time Palace Holdings Limited (<i>Note 3</i>)	36,000,000	9.00%	36,000,000	7.98%
Vendor	–	–	51,035,714	11.31%
Other public shareholders	<u>109,000,000</u>	<u>27.25%</u>	<u>109,000,000</u>	<u>24.17%</u>
Total	<u>400,000,000</u>	<u>100%</u>	<u>451,035,714</u>	<u>100%</u>

Notes:

1. These Shares are held by Time Prestige Ventures Limited, a company wholly-owned by Mr. Hui Kwok Keung Raymond, an executive Director.
2. These Shares are held by Star Adventure Holdings Limited, a company wholly-owned by Mr. Hue Kwok Chiu, an executive Director.
3. These Shares are held by Time Palace Holdings Limited, a company wholly-owned by Mr. Chou Hing Yan Stephen, an executive Director.

VALUATION

According to the Valuation, the business valuation of 100% equity interest of the Target Group is HK\$35,725,000 as at 31 March 2015, which is prepared using discounted cash flow method under the income approach. Therefore, the Valuation is regarded as a profit forecast under Rule 19.61 of the GEM Listing Rules and Rules 19.60A and 19.62 of the GEM Listing Rules are applicable.

Pursuant to Rule 19.62(1) of the GEM Listing Rules, the following are the details of the principal assumptions, including commercial assumptions, upon which the report for the Valuation was based:

- all relevant legal approvals and business certificates or licenses to operate the business in the localities in which the Target Group operates or intends to operate has or would be officially obtained and renewable upon expiry;
- the projections of the future cash flows outlined in the financial information provided are reasonable, reflecting market conditions and economic fundamentals, and will be materialized;
- there will be sufficient supply of technical staff in the industry in which the Target Group operates, and the Target Group will retain competent management, key personnel and technical staff to support its ongoing operations and developments;
- there will be no major change in the current taxation laws in the localities in which the Target Group operates or intends to operate and that the rates of tax payable shall remain unchanged and that all applicable laws and regulations will be complied with;
- there will be no major change in the political, legal, economic or financial conditions in the localities in which the Target Group operates or intends to operate, which would adversely affect the revenues attributable to and profitability of the Target Group; and
- interest rates and exchange rates in the localities for the operation of the Target Group will not differ materially from those presently prevailing.

The reporting accountant of the Company, CCTH CPA Limited (“**CCTH**”), has examined and reported on the calculations of the discounted future estimated cash flows on which the Valuation is based.

Akron Corporate Finance Limited (“**Akron**”), the financial adviser in connection with the profit forecast in respect of the Valuation, has confirmed that the Valuation has been made after due and careful enquiry by the Board.

A letter from each of CCTH and Akron has been submitted to the Stock Exchange, and is included in the Appendix I and II respectively to this announcement pursuant to Rules 19.62(2) and 19.62(3) of the GEM Listing Rules.

The followings are the qualifications of each expert who has provided its conclusion or advice, which is contained in this announcement:

Name	Qualification
B.I. Appraisals Limited	Professional valuer
CCTH CPA Limited	Certified Public Accountants
Akron Corporate Finance Limited	A licenced corporation to carry on Type 6 (advising on corporate finance) regulated activity as defined under the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)

As at the date of this announcement, each of the Valuer, CCTH and Akron does not have any shareholding, directly or indirectly, in any member of the Group or any right (whether legally enforceable or not) to subscribe for or to nominate person(s) to subscribe for the securities in any member of the Group.

Each of the Valuer, CCTH and Akron has given and has not withdrawn its consent to the publication of this announcement with inclusion of its report and all references to its name in the form and context in which it respectively appears in this announcement.

IMPLICATION UNDER THE GEM LISTING RULES

As certain of the relevant percentage ratios (as defined under the GEM Listing Rules) in respect of the Acquisition exceed 5% but are lower than 25%, the Acquisition constitutes a discloseable transaction for the Company under the GEM Listing Rules and is therefore subject to the reporting and announcement requirement but exempted from the Shareholders' approval requirement under the GEM Listing Rules.

DEFINITIONS

In this announcement, the following definitions shall have the same meanings set out below unless the context requires otherwise:

“Acquisition”	the acquisition of Sale Share as contemplated under the SPA
“Board”	the board of Directors
“Bondholder(s)”	holder(s) of the Convertible Bonds
“Business Day”	a day on which banks in Hong Kong is open for normal banking business (excluding Saturdays and Sundays)
“BVI”	British Virgin Islands
“Completion”	completion of the Acquisition in accordance with the SPA

“Company”	E Lighting Group Holdings Limited, a company incorporated in the Cayman Islands with limited liability and the issued Shares of which are listed on GEM
“Consideration”	the total consideration in the sum of HK\$35,725,000 payable by the Purchaser to the Vendor for the Acquisition
“Conversion Price”	initially HK\$0.70 per Conversion Share, subject to adjustment in accordance with the terms and conditions of the Convertible Bonds
“Conversion Shares”	new Shares to be issued and allotted by the Company upon the exercise in full by the holders of the Convertible Bonds of the conversion rights thereunder at the Conversion Price
“Convertible Bonds”	the convertible bonds to be issued by the Company to the Vendor or her nominee(s) as she may direct, with the maximum principal amount of HK\$35,725,000 and with maturity of 3 years and interest of 1% in satisfaction of the Consideration
“Director(s)”	director(s) of the Company
“GEM”	the Growth Enterprise Market of the Stock Exchange
“GEM Listing Rules”	the Rules Governing the Listing of Securities on GEM
“General Mandate”	the general mandate in pursuant to the written resolutions of the Shareholders passed on 11 September 2014 authorising the Directors to allot, issue or otherwise deal with up to 80,000,000 Shares (20% of the aggregate of the total nominal value of the share capital of the Company in issue immediately following completion of the listing on GEM by way of placing) and to make or grant offers, agreements and options which might require the exercise of such powers
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Independent Third Party(ies)”	third party(ies) independent of the Company and its connected persons (as defined in the GEM Listing Rules)
“Purchaser”	Top Triumph Global Limited, a company incorporated with limited liability in the BVI, being a wholly-owned subsidiary of the Company

“Sale Share”	1 share representing 100% of the issued share capital of the Target Company at Completion
“Share(s)”	ordinary share(s) of HK\$0.01 each in the share capital of the Company
“Shareholder(s)”	holder(s) of the Share(s)
“SPA”	the sale and purchase agreement dated 13 May 2015 entered into between the Vendor and the Purchaser in relation to the Acquisition
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Takeovers Code”	The Code on Takeovers and Mergers and Share Buy-backs
“Target Company”	Top Investor Global Limited, a company incorporated with limited liability in the BVI
“Target Group”	the Target Company, Trendmall Tableware, Trendmall Design and Trendmall Gallery
“Trendmall Design”	Trendmall Design Limited, a private company incorporated in Hong Kong
“Trendmall Gallery”	Trendmall Gallery Limited, a private company incorporated in Hong Kong
“Trendmall Tableware”	Trendmall Tableware & Giftware Limited, a private company incorporated in Hong Kong
“Vendor”	Zhang Yong Fang
“HK\$”	Hong Kong dollar(s), the lawful currency of Hong Kong
“%”	percentage

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, 13 May 2015

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

This announcement, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with 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.

This announcement will remain on the “Latest Company Announcements” page of the GEM website at 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.

APPENDIX I – LETTER FROM CCTH

The following is the text of a report received from CCTH CPA Limited, Certified Public Accountants, Hong Kong, the independent reporting accountants of the Company for the purpose of inclusion in this announcement.



CCTH CPA LIMITED

中正天恆會計師有限公司

13 May 2015

The Board of Directors
E Lighting Group Holdings Limited
26th Floor, Tiffan Tower,
199 Wanchai Road,
Wanchai,
Hong Kong

ACCOUNTANTS’ REPORT ON CALCULATIONS OF DISCOUNTED FUTURE ESTIMATED CASH FLOWS IN CONNECTION WITH THE VALUATION OF EQUITY INTEREST IN TOP INVESTOR GLOBAL LIMITED

We have examined the calculations of the discounted future estimated cash flows on which the valuation prepared by B.I. Appraisals Limited dated 13 May 2015, in respect of 100% equity interest in Top Investor Global Limited (the “**Target Company**”) as at 31 March 2015 (the “**Valuation**”) is based. The Target Company is a company incorporated in the British Virgin Islands and is an investment holding company. The Target Company holds 100% equity interest in a subsidiary, Trendmall Tableware & Giftware Limited, which in turn holds 100% equity interests in two subsidiaries, Trendmall Gallery Limited and Trendmall Design Limited. All the subsidiaries of the Target Company are private limited companies incorporated in Hong Kong. The Target Group, comprising the Target Company and its subsidiaries, is principally engaged in the wholesale and retail of tableware and giftware worldwide and the provision of related value-added services. The Valuation was included in the announcement dated 13 May 2015 which was issued by E Lighting Group Holdings Limited (the “**Company**”) in connection with the acquisition of 100% equity interest in the Target Company. The Valuation based on the discounted future estimated cash flows is regarded as a profit forecast under paragraph 19.61 of the Rules Governing the Listing of Securities on The Growth Enterprise Market of The Stock Exchange of Hong Kong Limited (the “**GEM Listing Rules**”).

Directors’ responsibility for the discounted future estimated cash flows

The directors of the Company are responsible for the preparation of the discounted future estimated cash flows in accordance with the bases and assumptions determined by the directors (the “**Assumptions**”). This responsibility includes carrying out appropriate procedures relevant to the preparation of the discounted future estimated cash flows for the Valuation and applying an appropriate basis of preparation; and making estimates that are reasonable in the circumstances.

Reporting accountants' responsibility

It is our responsibility to form an opinion on the arithmetical accuracy of the calculations of the discounted future estimated cash flows on which the Valuation is based and to report solely to you, as a body, as required by paragraph 19.62(2) of the GEM Listing Rules, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

Our engagement was conducted in accordance with Hong Kong Standard on Assurance Engagements 3000 "Assurance Engagements Other Than Audits or Reviews of Historical Financial Information" issued by the Hong Kong Institute of Certified Public Accountants. This standard requires that we comply with ethical requirements and plan and perform the assurance engagement to obtain reasonable assurance on whether the discounted future estimated cash flows, so far as the calculations are concerned, have been properly compiled in accordance with the Assumptions. Our work does not constitute any valuation of the Target Company.

Because the Valuation relates to discounted future estimated cash flows, no accounting policies of the Company have been adopted in its preparation. The Assumptions include hypothetical assumptions about future events and management actions which cannot be confirmed and verified in the same way as past results and these may or may not occur. Even if the events and actions anticipated do occur, actual results are still likely to be different from the Valuation and the variation may be material. Accordingly, we have not reviewed, considered or conducted any work on the reasonableness and the validity of the Assumptions and do not express any opinion whatsoever thereon.

Opinion

Based on the foregoing, in our opinion, the discounted future estimated cash flows, so far as the calculations are concerned, have been properly compiled, in all material respects, in accordance with the Assumptions.

CCTH CPA Limited

Certified Public Accountants

Hong Kong

APPENDIX II – LETTER FROM AKRON

The following is the text of a report received from Akron Corporate Finance Limited, the financial adviser to the Company, for the purpose of inclusion in this announcement.



The Board of Directors
E Lighting Group Holdings Limited
26th Floor
Tiffan Tower
199 Wanchai Road
Wanchai
Hong Kong

13 May 2015

Dear Sirs,

We refer to the announcement of E Lighting Group Holdings Limited (the “**Company**”) dated 13 May 2015 in relation to the Acquisition which constitutes a discloseable transaction under the GEM Listing Rules (the “**Announcement**”) and also the valuation report dated 13 May 2015 prepared by B.I. Appraisals Limited, the independent valuer of the Company (the “**Independent Valuer**”), in respect of valuation of 100% equity interest in Target Group (the “**Valuation**”), the Valuation of which constitutes a profit forecast (the “**Forecast**”) under Rule 19.61 of the GEM Listing Rules. Unless otherwise defined or if the context otherwise requires, all terms defined in the Announcement shall have the same meaning when used in this letter.

Akron Corporate Finance Limited (“**ACF**”) hereby confirms that it has reviewed and discussed with the Company, the bases and assumptions adopted in the Valuation which contained the Forecast, and has satisfied itself that the bases and assumptions upon which the Valuation is based have been made with due care and objectivity, and on a reasonable basis and that the Forecast has been made by the Directors after due and careful enquiry.

We have not independently verified the computations leading to the Independent Valuer’s determination of the fair value and market value of the Target Group. We have had no role or involvement and have not provided and will not provide any assessment of the fair value and market value of the Target Group. Accordingly, save as expressly stated in this letter, we take no responsibility for and express no views, whether expressly or implicitly, on the fair value and market value of the Target Group as determined by the Independent Valuer and set out in the valuation report issued by the Independent Valuer or otherwise.

ACF further confirms that the assessment, review and discussion carried out by it as described above are primarily based on financial, economic, market and other conditions in effect, and the information made available to us as of the date of this letter and that it has, in arriving at its views, relied on information and materials supplied to it by the Independent Valuer, the Group and the Target Group and opinions expressed by, and representations of, the employees and/or management of the Independent Valuer, the Group and the Target Group. We have assumed that all information, materials and representations so supplied, including all information, materials and representations referred to or contained in the Announcement, for which the Directors are wholly responsible, were true, accurate, complete and not misleading at the time they were supplied or made, and remained so up to the date of the Announcement and that no material fact or information has been omitted from the information and materials supplied. No representation or warranty, expressed or implied, is made by ACF on the accuracy, truth or completeness of such information, materials, opinions and/or representations. Circumstances could have developed or could develop in the future that, if known to ACF at the time of this letter, would have altered our respective assessment and review. Further, while the qualifications, bases and assumptions adopted by the Independent Valuer are considered by us to be reasonable, they are inherently subject to significant business, economic and competitive uncertainties and contingencies, many of which are beyond the control of the Company and the Independent Valuer.

ACF is acting as financial adviser to the Company in reviewing the Forecast and will receive fees for such advice. ACF and its directors and affiliates will, neither jointly or severally, be responsible to anyone other than the Company for providing advice in connection with the review of the Forecast, nor will ACF, its directors or affiliates, whether jointly or severally, owe any responsibility to anyone other than the Company.

Nothing in this letter should be construed as an opinion or view as to the fair value, market value or any other value of the Target Group or as an opinion or recommendation to any person as to whether they should acquire Shares. Shareholders are recommended to read the Announcement with care.

A copy of this letter in its entirety may be reproduced in the Announcement on the basis that none of the Company, the Independent Valuer or any other person may reproduce, disseminate or quote this letter (or any part thereof) for any other purpose at any time and in any manner without our prior written consent. In the event of inconsistency, the English text of this letter shall prevail over the Chinese translation of this letter.

Yours faithfully,
Akron Corporate Finance Limited