



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 2017

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

GEM has been positioned as a market designed to accommodate companies to which a higher investment risk may be attached than other companies listed on the Stock Exchange. Prospective investors should be aware of the potential risks of investing in such companies and should make the decision to invest only after due and careful consideration. The greater risk profile and other characteristics of GEM mean that it is a market more suited to professional and other sophisticated investors.

Given the emerging nature of companies listed on GEM, there is a risk that securities traded on GEM may be more susceptible to high market volatility than securities traded on the Main Board 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 enquiries, confirm that, to the best of their knowledge and belief the information contained in this announcement is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this announcement misleading.

FINANCIAL HIGHLIGHTS

For the year ended 31 March 2017:

- Revenue was approximately HK\$83,237,000 for the year ended 31 March 2017, representing a decrease of approximately 21.8% as compared with previous year, which was mainly due to uncertainty in macro business environment.
- The Group recorded a loss of approximately HK\$12,441,000 for the year ended 31 March 2017.
- Loss per share was approximately HK2.88 cents for the year ended 31 March 2017.
- The board of Directors does not recommend the payment of final dividend for the year ended 31 March 2017.

ANNUAL RESULTS

The board of Directors (the “Board”) of the Company announces the audited consolidated results of the Company and its subsidiaries (collectively referred to as the “Group”) for the year ended 31 March 2017, together with the comparative figures for the preceding year ended 31 March 2016 as follows:

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 31 March 2017

	Notes	2017 HK\$'000	2016 HK\$'000
Revenue	5	83,237	106,488
Cost of sales		<u>(38,773)</u>	<u>(57,089)</u>
Gross profit		44,464	49,399
Other income, gains and losses	6	(1,516)	19,330
Selling and distribution expenses		(36,848)	(41,332)
Administrative and other expenses		(18,546)	(21,576)
Finance costs	7	<u>(4)</u>	<u>(10)</u>
Profit/(Loss) before tax	7	(12,450)	5,811
Income tax credit/(expense)	9	<u>9</u>	<u>(154)</u>
Profit/(Loss) and total comprehensive income for the year attributable to the owners of the Company		<u>(12,441)</u>	<u>5,657</u>
Earnings/(Loss) per share	11		
- Basic (HK cents)		<u>(2.88)</u>	<u>1.38</u>
- Diluted (HK cents)		<u>(2.88)</u>	<u>0.49</u>

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 March 2017

	Notes	2017 HK\$'000	2016 HK\$'000
Non-current assets			
Property, plant and equipment		1,353	2,766
Intangible assets		5,093	6,701
Goodwill		36,906	36,906
Rental deposits	12	3,175	4,665
Deferred tax assets		328	320
Total non-current assets		<u>46,855</u>	<u>51,358</u>
Current assets			
Inventories		14,101	19,657
Trade and other receivables	12	10,175	8,759
Tax recoverable		229	-
Cash and bank balances		13,042	15,991
Total current assets		<u>37,547</u>	<u>44,407</u>
Current liabilities			
Trade and other payables	13	10,180	10,182
Other financial liabilities	14	-	5,034
Current tax liabilities		171	422
Total current liabilities		<u>10,351</u>	<u>15,638</u>
Net current assets		<u>27,196</u>	<u>28,769</u>
Total assets less current liabilities		<u>74,051</u>	<u>80,127</u>
Non-current liabilities			
Deferred tax liabilities		855	1,124
Other financial liabilities	14	-	248
Total non-current liabilities		<u>855</u>	<u>1,372</u>
NET ASSETS		<u>73,196</u>	<u>78,755</u>
EQUITY			
Share capital	15	4,510	4,196
Reserves		68,686	74,559
TOTAL EQUITY		<u>73,196</u>	<u>78,755</u>

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 31 March 2017

	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 2015		4,000	40,334	2	-	8,402	52,738
Issue of convertible bonds	14	-	-	-	20,039	-	20,039
Issue of shares upon conversion of convertible bonds	15(a)	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>
As at 1 April 2016		4,196	56,044	2	4,454	14,059	78,755
Issue of convertible bonds	14	-	-	-	6,296	-	6,296
Issue of shares upon conversion of convertible bonds	15(b)	314	11,022	-	(10,750)	-	586
Loss and total comprehensive income for the year		-	-	-	-	(12,441)	(12,441)
As at 31 March 2017		<u>4,510</u>	<u>67,066</u>	<u>2</u>	<u>-</u>	<u>1,618</u>	<u>73,196</u>

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”).

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 2016

HKFRSs (Amendments)	Annual Improvements 2012-2014 Cycle
Amendments to HKAS 1	Disclosure Initiative
Amendments to HKAS 16 and HKAS 38	Clarification of Acceptable Methods of Depreciation and Amortisation
Amendments to HKAS 27	Equity Method in Separate Financial Statements
Amendments to HKFRS 10, HKFRS 12 and HKAS 28	Investment Entities: Applying the Consolidation Exception

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. The Group’s current intention is to apply these changes on the date they become effective.

Amendments to HKAS 7	Disclosure Initiative ¹
Amendments to HKAS 12	Recognition of Deferred Tax Assets for Unrealised Losses ¹
HKFRS 9	Financial Instruments ²
HKFRS 15	Revenue from Contracts with Customers ²
Amendments to HKFRS 15	Revenue from Contracts with Customers (Clarifications to HKFRS 15) ²
HKFRS 16	Leases ³
HK(IFRIC) - Int 22	Foreign Currency Transaction and Advance Consideration ²
HKFRSs (Amendments)	Annual Improvements 2014-2016 Cycle ^{1,2}

¹Effective for annual periods beginning on or after 1 January 2017

²Effective for annual periods beginning on or after 1 January 2018

³Effective for annual periods beginning on or after 1 January 2019

The Group has already commenced an assessment of the impact of adopting the above standards and amendments to existing standards to the Group. The Group is not yet in a position to state whether these new pronouncements will result in substantial changes to the Group’s accounting policies and 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.

The Group has two reportable segments. 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.

4. SEGMENT INFORMATION (Continued)

(a) Business segment

For the year ended 31 March 2017

	Lighting and furniture products HK\$'000	Tableware and giftware products HK\$'000	Total HK\$'000
Revenue from external customers	<u>73,923</u>	<u>9,314</u>	<u>83,237</u>
Reportable segment result	<u>5,209</u>	<u>2,487</u>	<u>7,696</u>
Other segment information:			
Interest income	33	-	33
Depreciation of property, plant and equipment	1,592	36	1,628
Additions to non-current assets	218	2	220
Loss on disposal of property, plant and equipment	<u>5</u>	<u>-</u>	<u>5</u>

For the year ended 31 March 2016

	Lighting and furniture products HK\$'000	Tableware and giftware products HK\$'000	Total HK\$'000
Revenue from 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>
Other segment information:			
Interest income	43	-	43
Depreciation of property, plant and equipment	1,732	35	1,767
Provision for obsolete inventories	1,209	-	1,209
Additions to non-current assets	902	85	987

4. SEGMENT INFORMATION (Continued)

(b) Reconciliation of reportable segment results

	2017 HK\$'000	2016 HK\$'000
Reportable segment result	7,696	8,312
Other gains/losses – gain/(loss) on change in fair value of financial liabilities at fair value through profit or loss	(1,596)	19,085
Unallocated corporate expenses (note)	(18,546)	(21,576)
Finance costs	(4)	(10)
Consolidated profit/(loss) before tax	<u>(12,450)</u>	<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.

(c) Segment assets and liabilities

	2017 HK\$'000	2016 HK\$'000
Assets		
Lighting and furniture products	38,282	48,276
Tableware and giftware products	4,121	3,882
Segment assets	<u>42,403</u>	<u>52,158</u>
Intangible assets	5,093	6,701
Goodwill	36,906	36,906
Consolidated total assets	<u><u>84,402</u></u>	<u><u>95,765</u></u>
Liabilities		
Lighting and furniture products	10,206	8,761
Tableware and giftware products	160	1,861
Segment liabilities	<u>10,366</u>	<u>10,622</u>
Unallocated deferred tax liabilities	840	1,106
Other financial liabilities	-	5,282
Consolidated total liabilities	<u><u>11,206</u></u>	<u><u>17,010</u></u>

4. SEGMENT INFORMATION (Continued)

(d) Geographic information

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

	2017 HK\$'000	2016 HK\$'000
Hong Kong (place of domicile)	76,740	86,883
North America	197	15,519
The PRC (excluding Hong Kong)	4,779	1,432
Other countries	1,521	2,654
	<u>83,237</u>	<u>106,488</u>

(e) Information about major customers

The Group had no customer for whom the revenue raised individually accounted for more than 10% of the Group's total revenue during the year ended 31 March 2017.

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.

5. REVENUE

	2017 HK\$'000	2016 HK\$'000
Sales of lighting and furniture products	73,923	85,911
Sales of tableware and giftware products	9,314	20,577
	<u>83,237</u>	<u>106,488</u>

6. OTHER INCOME, GAINS AND LOSSES

	2017 HK\$'000	2016 HK\$'000
Bank interest income	33	46
Gain/(Loss) on change in fair value of financial liabilities at fair value through profit or loss	(1,596)	19,085
Loss on disposal of property, plant and equipment	5	-
Others	42	199
	<u>(1,516)</u>	<u>19,330</u>

7. PROFIT/(LOSS) BEFORE TAX

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

	2017 HK\$'000	2016 HK\$'000
Auditor's remuneration	782	1,000
Costs of inventories recognised as expenses	34,692	52,606
Provision for obsolete inventories	-	1,209
Depreciation of property, plant and equipment	1,628	1,767
Amortisation of other intangible assets (included in administrative expenses)	1,608	1,340
Lease payments under operating leases:		
Minimum lease payments	20,929	27,634
Contingent rent	288	591
	21,217	28,225
Employee costs (note 8)	18,191	20,371
Finance costs		
- interest on convertible bonds	4	10
	21,217	28,225

8. EMPLOYEE COSTS

	2017 HK\$'000	2016 HK\$'000
Employee costs (including directors) comprise:		
Salaries and other benefits	17,476	19,587
Contributions to defined contribution retirement plans	715	784
	18,191	20,371

9. INCOME TAX CREDIT/(EXPENSE)

The amount of income tax credit/(expense) in the consolidated statements of profit or loss and other comprehensive income represents:

	2017 HK\$'000	2016 HK\$'000
Current tax – Hong Kong Profits Tax		
- charge for the year	(356)	(446)
- over-provision in respect of prior year	88	65
	(268)	(381)
Deferred tax		
- credit for the year	277	227
Income tax credit/(expense)	9	(154)

Hong Kong Profits Tax is calculated at 16.5% (2016: 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 2017, nor has any dividend been proposed since the end of reporting period (2016: 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:

	2017 HK\$'000	2016 HK\$'000
Earnings/(Loss):		
Profit/(Loss) for the purpose of calculating basic earnings/(loss) per share	(12,441)	5,657
Effect of dilutive potential ordinary shares:		
- Interest on convertible bonds (net of tax)	-	9
- Fair value change in contingent consideration payables	-	(3,654)
Adjusted profit/(loss) for the purpose of calculating diluted earnings/(loss) per share	<u>(12,441)</u>	<u>2,012</u>
	2017 '000	2016 '000
Number of shares:		
Weighted average number of shares for the purpose of calculating basic earnings/(loss) per share (note i)	432,146	409,805
Effect of dilutive potential ordinary shares (note ii):		
- 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>432,146</u>	<u>414,458</u>

Notes:

- (i) 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.
- (ii) For the year ended 31 March 2017, diluted loss per share was the same as basic loss per share as the effect of the Second Batch of Convertible Bonds II were anti-dilutive.

Diluted earnings per share for the year ended 31 March 2016 was calculated by adjusting the earnings 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.

12. TRADE AND OTHER RECEIVABLES

	2017 HK\$'000	2016 HK\$'000
Trade receivables	1,006	814
Deposits and other receivables	8,007	9,252
Prepayments	4,337	3,358
Total	13,350	13,424
Less: non-current – rental deposits	(3,175)	(4,665)
	<u>10,175</u>	<u>8,759</u>

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:

	2017 HK\$'000	2016 HK\$'000
Within 30 days	656	469
31 to 90 days	151	251
91 to 180 days	136	56
Over 180 days	63	38
	<u>1,006</u>	<u>814</u>

13. TRADE AND OTHER PAYABLES

	2017 HK\$'000	2016 HK\$'000
Trade payables	5,690	4,545
Receipt in advance	897	982
Accruals and other payables	3,593	4,655
	<u>10,180</u>	<u>10,182</u>

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:

	2017 HK\$'000	2016 HK\$'000
Within 30 days	1,704	1,978
31 to 60 days	622	300
61 to 90 days	304	348
Over 90 days	3,060	1,919
	<u>5,690</u>	<u>4,545</u>

14. OTHER FINANCIAL LIABILITIES

On 13 May 2015, the Group entered into a sale 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 16).

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 the total audited consolidated net profit after tax of the Trendmall Group for the two years ending 31 December 2016 should not be less than HK\$3,200,000 (the “Profit Guarantee”) is fulfilled. 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:

	Fair value recognised on Acquisition Date HK\$’000
Considerations	
Convertible Bonds I (note a)	
- liability component	242
- equity component	<u>13,869</u>
	14,111
Convertible Bonds II (note b)	
- contingent consideration payables	<u>30,606</u>
Total Considerations (note 16)	<u><u>44,717</u></u>

14. 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 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 ordinary shares of the Company 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 ended 31 March 2016 are as follows:

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

14. 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:

	2017 HK\$'000	2016 HK\$'000
Convertible Bonds II - Contingent Consideration Payables:		
At beginning of the year	5,034	-
Additions from acquisition of subsidiaries	-	30,606
Issuance of First Batch of Convertible Bonds II (note i)	-	(6,487)
Change in fair value	1,596	(19,085)
Issuance of Second Batch of Convertible Bonds II (note ii)	<u>(6,630)</u>	<u>-</u>
At end of the year	<u>-</u>	<u>5,034</u>
Gain/(Loss) on change in fair value of financial liabilities at fair value through profit or loss (note 6)	<u>(1,596)</u>	<u>19,085</u>

14. 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”) were 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:

	Liability component HK\$'000	Equity component HK\$'000	Total HK\$'000
As at 1 April 2015	-	-	-
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
	<hr/>	<hr/>	<hr/>
As at 31 March 2016 (note c)	248	4,454	4,702
Converted during the year (note d)	(250)	(4,454)	(4,704)
Interest expenses	2	-	2
	<hr/>	<hr/>	<hr/>
As at 31 March 2017	-	-	-

Notes:

- (a) First Batch of Convertible Bonds II were 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 ended 31 March 2016 (note 15(a)).
- (c) As at 31 March 2016, First Batch of Convertible Bonds II in the principal amount of HK\$9,620,245 were in issue.
- (d) First Batch of Convertible Bonds II with an aggregate principal amount of HK\$9,620,245 were converted during the year ended 31 March 2017 (note 15(b)).

14. OTHER FINANCIAL LIABILITIES (CONTINUED)

Notes: (Continued)

(b) Convertible Bonds II: (Continued)

(ii) Second batch of Convertible Bonds II

On 2 March 2017, Convertible Bonds II in the principal amount of HK\$12,387,255 (“Second Batch of Convertible Bonds II”) were issued to the Vendor upon determination of the results of the Trendmall Group for financial year ended 31 December 2016.

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

	Liability component HK\$'000	Equity component HK\$'000	Total HK\$'000
As at 1 April 2015 and 31 March 2016	-	-	-
Issued during the year (note a)	334	6,296	6,630
Converted during the year (note b)	(336)	(6,296)	(6,632)
Interest expenses	<u>2</u>	<u>-</u>	<u>2</u>
As at 31 March 2017	<u>-</u>	<u>-</u>	<u>-</u>

Notes:

(a) Second Batch of Convertible Bonds II were issued and contains liability and equity component.

(b) Second Batch of Convertible Bonds II with an aggregate principal amount of HK\$12,387,255 were converted during the year ended 31 March 2017 (note 15(b)).

(c) Fair value

The fair value measurement of the convertible bonds and contingent consideration payables (Convertible Bonds II) have been categorised 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 consideration payables (Convertible Bonds II) 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.

15. SHARE CAPITAL

	Notes	Number of ordinary shares	Nominal value of ordinary shares HK\$'000
Authorised:			
Ordinary shares of HK\$0.01 each as at 1 April 2015, 31 March 2016 and 31 March 2017		1,000,000,000	10,000
Issued and fully paid:			
As at 1 April 2015		400,000,000	4,000
Issue of shares upon conversion of convertible bonds	(a)	19,596,428	196
As at 31 March 2016		419,596,428	4,196
Issue of shares upon conversion of convertible bonds	(b)	31,439,285	314
As at 31 March 2017		451,035,713	4,510

- (a) 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 14(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 14(b)(i)).

- (b) On 4 May 2016, First Batch of Convertible Bond II with an aggregate 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 (note 14(b)(i)).

On 31 March 2017, Second Batch of Convertible Bond II with an aggregate principal amount of HK\$12,387,255 were converted into 17,696,078 ordinary shares of HK\$0.01 each at the conversion price of HK\$0.7 per share (note 14(b)(ii)).

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

16. BUSINESS COMBINATION – ACQUISITION OF SUBSIDIARIES

Business combination during the year ended 31 March 2016

On 13 May 2015, the Group entered into a sale 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:

	Fair value recognised on Acquisition Date HK\$'000
Property, plant and equipment	64
Intangible assets (note b)	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)
	<hr/>
Total identifiable net assets at fair value	7,811
Goodwill on acquisition (note c)	36,906
	<hr/>
Total consideration	44,717
	<hr/>
Satisfied by:	
Convertible Bonds I	14,111
Contingent consideration payables	
- Convertible Bonds II (note a)	30,606
	<hr/>
Total considerations transferred at fair value	44,717
	<hr/>
Net cash inflow arising on acquisition	
Cash consideration paid	-
Less: Cash and cash equivalents acquired	328
	<hr/>
	328
	<hr/>

16. BUSINESS COMBINATION – ACQUISITION OF SUBSIDIARIES (CONTINUED)

Business combination during the year ended 31 March 2016 (Continued)

Notes:

- (a) The Convertible Bonds II include 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 14). The adjustments will therefore be fully settled after the end of the two-year period with determining the Profit 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.
- (b) The intangible assets represent customer relationship, being a network of customers which have done business with Trendmall Group.
- (c) 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 on 1 April 2015, the revenue of the Group and the profit of the Group for the year ended 31 March 2016 would have been approximately HK\$113,613,000 and approximately HK\$5,947,000, respectively. The pro forma information is for illustrative purpose only.

17. 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:

	2017 HKS'000	2016 HKS'000
Not later than one year	14,954	22,205
Later than one year and not later than five years	4,116	13,795
	<u>19,070</u>	<u>36,000</u>

18. 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 2017 and 2016.

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:

	2017 HKS'000	2016 HKS'000
Salaries and other benefits	4,799	5,130
Contributions to defined contribution retirement plans	144	137
	<u>4,943</u>	<u>5,267</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 2017 (the “Financial Year”), 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 Financial Year, revenue of the retail chain business in lighting and designer label furniture was approximately HK\$73,923,000, accounted for approximately 88.8% of the Group’s revenue.

Business in tableware and giftware

Business in tableware and giftware was new business acquired in last financial year, which has expanded the Group’s business portfolio, and broadened its source of income and additional cash flows. During the Financial Year, revenue of the business in tableware and giftware was approximately HK\$9,314,000, accounted for approximately 11.2% of the Group’s revenue.

Future Outlook

The retail environment of Hong Kong market remains sluggish and the Directors foresee that it is a challenging year in 2017. To cope with the challenges ahead, the Group will continue to concentrate on the consolidation of its 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 2017, which will reduce the rental cost pressure of the Group.

The underlying demand for residential properties is strong and measures have been announced in the 2017 Policy Address of the Government of the Hong Kong Special Administrative Region (the “Government”) to expedite and increase housing supply to meet with demands. As stated in the 2017 Policy Address of the Government, the Government estimated that the projected supply of first-hand residential properties on private housing for the coming three to four years was 94,000 units. This is 45% higher than the figure at the beginning of the current-term Government, and a record high since the regular release of supply statistics 12 years ago. Moreover, the Government estimated that the public housing supply by the Hong Kong Housing Authority and the Hong Kong Housing Society will be about 94,500 units, including about 71,800 public rental housing units and about 22,600 subsidised sale flats, for the five-year period from the financial year 2016-17. According to the latest projection, the housing supply target for the next decade from the financial year 2017-18 is 460,000 units, including 200,000 public rental housing units and 80,000 subsidised sale flats.

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. Therefore, E Lighting is afforded with new opportunities in its various lines of business. The Group will strive to maintain a streamlined business operation, while catering for consumers’ specific needs and being responsive to market changes. In addition, the Group also pursues a diversification strategy to increase revenue source by expanding the wholesales business in tableware and giftware to oversea markets. Leveraging the 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 strive to maintain steady growth and to maximise returns for our investors.

Financial Review

Revenue

During the Financial Year, the Group's revenue was approximately HK\$83,237,000, representing a decrease of approximately 21.8% from approximately HK\$106,488,000 as compared with that of the preceding year, which was mainly due to uncertainty in macro business environment.

During the Financial Year, revenue of the retail chain business in lighting and designer label furniture was approximately HK\$73,923,000, representing a decrease of approximately 14.0% from approximately HK\$85,911,000 as compared with that of the preceding year.

During the Financial Year, revenue of the business in tableware and giftware was approximately HK\$9,314,000, representing a decrease of approximately 54.7% from approximately HK\$20,577,000 as compared with that of the preceding year.

Gross Profit and Gross Profit Margin

During the Financial Year, the Group's gross profit was approximately HK\$44,464,000, representing a decrease of approximately 10.0% from approximately HK\$49,399,000 as compared with that of the preceding year. The decrease was primarily due to decrease in sales. During the Financial Year, the Group's overall gross profit margin was approximately 53.4%.

Selling and Distribution Expenses

During the Financial Year, the Group's selling and distribution expenses was approximately HK\$36,848,000, representing a decrease of approximately 10.8% from approximately HK\$41,332,000 as compared with that of the preceding year. Selling and distribution expenses primarily consists of rentals for retail outlets and related expenses, staff costs (including salaries and sales commission to salesperson), electronic payment charges and depreciation. The decrease was primarily due to decrease in rental expenses and staff costs arising from reduction of headcount.

Administrative and Other Expenses

During the Financial Year, the Group's administrative and other expenses was approximately HK\$18,546,000, representing a decrease of approximately 14.0% from approximately HK\$21,576,000 as compared with that of the preceding year. Administrative and other expenses primarily consists of rentals for office premises and warehousing facilities, staff costs (including salaries to administrative staff and emoluments to Directors) and professional expenses. The decrease was primarily due to decrease in staff bonuses and professional expenses.

Profit/(Loss) for the Period

The Group recorded a loss of approximately HK\$12,441,000 during the Financial Year (2016: profit of approximately HK\$5,657,000).

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

Save as otherwise disclosed, there were neither significant investments held as at 31 March 2017 nor material acquisitions and disposals of subsidiaries during the Financial Year.

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

Liquidity and Financial Resources

As at 31 March 2017, the Group had bank balances of HK\$13,042,000. The gearing ratio of the Group, calculated as total bank borrowings over total equity, was nil as at 31 March 2017 (2016: Nil), as the Group mainly financed the operations from internally generated funds and had no bank borrowings as at 31 March 2017.

During the Financial Year, the Group obtained trade finance facilities up to HK\$15,000,000 from a major bank in Hong Kong. The usage of trade finance facilities was subjected to the fixed deposit charged by the Company. As at 31 March 2017, the Group had not utilised any of the above trade finance facilities.

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 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.

On 2 March 2017, the Company issued convertible bonds with an aggregate principal amount of HK\$12,387,255 upon determination of the results of the Trendmall Group for the financial year ended 31 December 2016.

On 31 March 2017, convertible bonds in the principal amount of HK\$12,387,255 were converted into 17,696,078 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\$73,196,000 as at 31 March 2017 (2016: HK\$78,755,000).

Contingent Liabilities

As at 31 March 2017, saved as otherwise disclosed, the Group did not have any material contingent liabilities (2016: 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 2017, there was no charges on the Group's assets (2016: Nil).

Capital Commitments

As at 31 March 2017, the Group did not have any significant capital commitments (2016: Nil).

Dividend

The Board does not recommend the payment of any dividend for the year ended 31 March 2017 (2016: Nil).

Employee Information

Total remuneration of the Group for the Financial Year (including (i) Directors' emoluments, (ii) salaries to staff and (iii) MPF contributions) was approximately HK\$18,191,000 (2016: HK\$20,371,000). Such decrease was mainly due to the decrease in average number of staff during the Financial Year.

As at 31 March 2017, the Group had 56 employees (2016: 71 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 of the Company dated 22 September 2014 (the "Prospectus") with actual business progress for the year ended 31 March 2017.

Business plan up to 31 March 2017 as set out in the Prospectus

Actual business progress up to 31 March 2017

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

- | | |
|--|--|
| <ul style="list-style-type: none">- explore and identify new districts suitable for new retail outlets- negotiate and incept tenancy agreements to enable the anticipated expansion of floor area by an additional 12,000 sq. ft.- renovation and furnishing of new retail outlets | <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 equivalent to the floor areas of approximately 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, are operated</p> |
|--|--|

Marketing and promotion of our own branding of trademarks

- | | |
|---|---|
| <ul style="list-style-type: none">- launch media advertising and promotion in newspaper, magazine, etc- disseminate promotional materials on our quality lighting products | <p>The Group has launched advertisement, promotion activities and promotion in magazine and banner to promote its own branding of trademarks in the market</p> <p>The Group has disseminated promotional materials on its quality lighting products</p> |
|---|---|

Solicit new incoming brands to expand product range

- | | |
|---|--|
| <ul style="list-style-type: none">- probe and explore further new brands of potential | <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">- monitor latest development of policies for replacing Incandescent Light Source with LED- expand our Panasonic LED product range | <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, new LED products were introduced to the market</p> |
|--|---|

Strengthen logistics management

- | | |
|--|---|
| <ul style="list-style-type: none">- implement new technological systemware for point-of sale inventory monitoring for new retail outlets- 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 | <p>The Group is in the process of implementing the new technological systemware</p> <p>The Group has incepted tenancy agreements for new warehousing facilities, which are equivalent to approximately 7,000 sq. ft. in aggregate and the new warehousing facilities are operated</p> |
|--|---|

Comparison Between Business Objectives with Actual Business Progress (Continued)

On 7 October 2015, the Directors have 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 Company's issued shares have been listed on the GEM of Stock Exchange on 29 September 2014 (the "Listing")) and 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 have 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 announcement dated 7 October 2015.

An analysis of the utilisation of the actual net proceeds and the unused amount as at 31 March 2017 is set out below:

Use of proceeds	Net Proceeds after reallocation HK\$'000	Utilised amount as at 31 March 2017 HK\$'000	Unused amount as at 31 March 2017 HK\$'000
a) Expansion of retail floor area	25,740	18,100	7,640
b) Marketing and promotion of our own branding of trademarks	2,138	2,138	-
c) Strengthen logistics management	2,309	1,470	839
d) Working capital and other general corporate purpose	3,342	3,342	-
Total	33,529	25,050	8,479

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 Financial 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 Financial 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 Financial 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 2017, 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

Name	Capacity/Nature of interests	Number of securities	Approximate percentage of shareholding
Mr. Hui Kwok Keung Raymond	Interest in controlling corporation	210,000,000 (Note 1)	46.56%
Mr. Hue Kwok Chiu	Interest in controlling corporation	45,000,000 (Note 2)	9.98%

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 2017, 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 2017, 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

Name	Capacity/Nature of interests	Number of securities	Approximate percentage of shareholding
Time Prestige Ventures Limited	Beneficial Owner	210,000,000	46.56%
Star Adventure Holdings Limited	Beneficial Owner	45,000,000	9.98%
Ms. Ng Hiu Ying (Note 1)	Interest of spouse	45,000,000	9.98%

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.

Save as disclosed above, as at 31 March 2017, 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 is authorised, at its 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 2017, the total number of shares available for issue under the Scheme is 40,000,000 shares, representing approximately 8.87% 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 Financial Year 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 2017, 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 2017, 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 Financial Year 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) and the Company (www.elighting.asia). The annual report of the Company for the year ended 31 March 2017 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, 21 June 2017

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 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.