



E Lighting Group

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

FIRST QUARTERLY RESULTS ANNOUNCEMENT FOR THE THREE MONTHS ENDED 30 JUNE 2016

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

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

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

FINANCIAL HIGHLIGHTS

For the three months ended 30 June 2016:

- Revenue was approximately HK\$20,559,000, representing a decrease of approximately 18.5% as compared with that of the corresponding period in last year, which was mainly due to uncertainty in macro business environment.
- The Group recorded a loss of approximately HK\$2,366,000 during the three months ended 30 June 2016.
- Loss per share was approximately HK0.55 cents for the three months ended 30 June 2016.
- The board of Directors does not recommend the payment of any dividend for the three months ended 30 June 2016.

FIRST QUARTERLY RESULTS

The board of Directors (the “Board”) of the Company is pleased to announce the unaudited condensed consolidated results of the Company and its subsidiaries (collectively referred to as the “Group”) for the three months ended 30 June 2016 (the “Reporting Period”), together with the comparative unaudited figures for the previous corresponding period in 2015, as follows:

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the three months ended 30 June 2016

	Note	Three months ended 30 June	
		2016 HK\$'000 (Unaudited)	2015 HK\$'000 (Unaudited) (Restated)
Revenue	3	20,559	25,221
Cost of sales		<u>(8,953)</u>	<u>(11,750)</u>
Gross Profit		11,606	13,471
Other income and gain	4	375	1,599
Selling and distribution expenses		(10,141)	(10,173)
Administrative and other expenses		(4,744)	(3,233)
Finance costs		<u>(2)</u>	<u>(3)</u>
Profit/(Loss) before tax	5	(2,906)	1,661
Income tax credit/(expense)	7	<u>540</u>	<u>(11)</u>
Profit/(Loss) and total comprehensive income for the period attributable to the owners of the Company		<u>(2,366)</u>	<u>1,650</u>
Earnings/(Loss) per share			
- Basic and diluted (HK cents)	9	<u>(0.55)</u>	<u>0.41</u>

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the three months ended 30 June 2016

	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 (audited)	4,000	40,334	2	-	8,402	52,738
Issue of convertible bonds (note 2.1) (restated)	-	-	-	13,869	-	13,869
Profit and total comprehensive income for the period (note 2.1) (restated)	-	-	-	-	1,650	1,650
As at 30 June 2015 (unaudited) (restated)	<u>4,000</u>	<u>40,334</u>	<u>2</u>	<u>13,869</u>	<u>10,052</u>	<u>68,257</u>
As at 1 April 2016 (audited)	4,196	56,044	2	4,454	14,059	78,755
Issue of shares upon conversion of convertible bonds (Note)	137	4,563	-	(4,454)	-	246
Loss and total comprehensive income for the period	-	-	-	-	(2,366)	(2,366)
As at 30 June 2016 (unaudited)	<u>4,333</u>	<u>60,607</u>	<u>2</u>	<u>-</u>	<u>11,693</u>	<u>76,635</u>

Note:

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.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

1. CORPORATE INFORMATION

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

The unaudited condensed consolidated financial statements of the Group for the Reporting Period have been prepared in accordance with accounting principles generally accepted in Hong Kong and comply with Hong Kong Financial Reporting Standards ("HKFRSs") issued by Hong Kong Institute of Certified Public Accountants (the "HKICPA") and the applicable disclosure requirements of the Rules Governing the Listing of Securities on the GEM of the Stock Exchange.

The unaudited condensed consolidated financial statements have been prepared under the historical cost convention. The accounting policies and methods of computation used in the preparation of the condensed consolidated financial statements are consistent with those used in the annual financial statements of the Group for the year ended 31 March 2016 as set out in the 2016 Annual Report of the Company. The condensed consolidated financial statements should be read in conjunction with the annual financial statements of the Group for the year ended 31 March 2016.

In the current period, the HKICPA has issued a number of new and revised HKFRSs and interpretations that are first effective for the current accounting period of the Group. The Group has adopted all these new and revised HKFRSs and interpretations that are relevant to its operation. The adoption of these new and revised HKFRSs had no significant effects on the results of the Group for the current and prior periods.

The Group has not yet applied the new and revised HKFRSs that have been issued but not yet effective. The Group is in the process of assessing, where applicable, the potential impact of these new and revised HKFRSs that will be effective in future periods but is not yet in a position to state whether these new and revised HKFRSs would have a material impact to the Group's results of operation.

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

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

The unaudited condensed consolidated financial statements have been reviewed by the Company's audit committee.

2. BASIS OF PREPARATION (Continued)

2.1 Restatement of fair values related to a business combination

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

The initial accounting for the business combination of Trendmall Group and subsequent accounting treatments in relation to the Acquisition were recognised on a provisional basis in the 2015 First Quarterly Report of the Company. As the Group had completed the initial accounting for the business combination of the subsidiaries, the Group retrospectively adjusted the accounting treatments in relation to the Acquisition, including fair value measurement of considerations (convertible bonds and contingent consideration payables), identifiable assets acquired and liabilities assumed. The comparative figures for the three months ended 30 June 2015 of the condensed consolidated statement of comprehensive income have been restated to reflect the adjustments.

Effect on condensed consolidated statement of comprehensive income

For the three months ended 30 June 2015

	HK\$'000
Increase in gain on change in fair value of financial liabilities at fair value through profit or loss	992
Increase in amortisation of intangible assets	(134)
Decrease in interest on convertible bonds	5
Decrease in income tax expense	22
	<hr/>
Increase in profit and total comprehensive income for the period attributable to the owners of the Company	885
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Increase in earnings per share	
- Basic and diluted (HK cents)	0.22
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3. REVENUE

	Three months ended	
	30 June	
	2016	2015
	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)
Sales of goods	20,559	25,221
	<hr/> <hr/>	<hr/> <hr/>

4. OTHER INCOME AND GAIN

	Three months ended 30 June	
	2016 HK\$'000 (Unaudited)	2015 HK\$'000 (Unaudited) (Restated)
Bank interest income	8	19
Gain on change in fair value of financial liabilities at fair value through profit or loss	367	1,580
	<u>375</u>	<u>1,599</u>

5. PROFIT/(LOSS) BEFORE TAX

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

	Three months ended 30 June	
	2016 HK\$'000 (Unaudited)	2015 HK\$'000 (Unaudited) (Restated)
Auditor's remuneration	220	220
Costs of inventories recognised as expenses	8,016	10,967
Depreciation of property, plant and equipment	404	441
Amortisation of intangible assets	402	134
Lease payments under operating leases:		
Minimum lease payments	6,517	6,719
Contingent rent	69	107
	<u>6,586</u>	<u>6,826</u>
Employee costs (Note 6)	4,638	3,900
Finance costs		
- interest on convertible bonds	2	3
	<u>2</u>	<u>3</u>

6. EMPLOYEE COSTS

	Three months ended 30 June	
	2016 HK\$'000 (Unaudited)	2015 HK\$'000 (Unaudited)
Employee costs (including directors) comprise:		
Salaries and other benefits	4,449	3,732
Contributions to defined contribution retirement plans	189	168
	<u>4,638</u>	<u>3,900</u>

7. INCOME TAX CREDIT/(EXPENSE)

	Three months ended 30 June	
	2016 HK\$'000 (Unaudited)	2015 HK\$'000 (Unaudited) (Restated)
Hong Kong Profits Tax	<u>540</u>	<u>(11)</u>

Hong Kong Profits Tax has been provided at the rate of 16.5% based on the estimated assessable profits for each reporting period.

8. DIVIDEND

The Board does not recommend payment of any dividend for the three months ended 30 June 2016 (for the three months ended 30 June 2015: Nil).

9. EARNINGS/(LOSS) PER SHARE

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

	Three months ended 30 June	
	2016 HK\$'000 (Unaudited)	2015 HK\$'000 (Unaudited) (Restated)
Earnings/(Loss):		
Profit/(Loss) for the period for the purpose of calculating basic and diluted earnings/(loss) per share	<u>(2,366)</u>	<u>1,650</u>
	2016 '000	2015 '000
Number of shares:		
Weighted average number of shares for the purpose of calculating basic and diluted earnings/(loss) per share	<u>428,356</u>	<u>400,000</u>

Basic earnings/(loss) per share was calculated by dividing the profit/(loss) attributable to the owners of the Company by the weighted average number of ordinary shares in issue during the period. Diluted earnings/(loss) per share are the same as the basic earnings/(loss) per share.

The calculation of diluted loss per share for the three months ended 30 June 2016 does not assume the dilutive potential ordinary shares from contingent consideration payables as the condition for issuance are not satisfied as at 30 June 2016.

The calculation of diluted earnings per share for the three months ended 30 June 2015 does not assume the conversion of convertible bonds of the Company as the impact of conversion of convertible bonds, if any, would have no material dilutive effect.

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 Reporting Period, 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 Reporting Period, revenue of the retail chain business in lighting and designer label furniture was approximately HK\$19,593,000, accounted for approximately 95.3% of the Group's revenue.

Business in tableware and giftware

Business in tableware and giftware was new business acquired in last year, which has expanded the Group's business portfolio, and broadened its source of income and additional cash flows. During the Reporting Period, revenue of the business in tableware and giftware was approximately HK\$966,000, accounted for approximately 4.7% of the Group's revenue.

Future Outlook

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

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

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

Financial Review

Revenue

During the Reporting Period, the Group's revenue was approximately HK\$20,559,000, representing a decrease of approximately 18.5% from approximately HK\$25,221,000 as compared with that of the corresponding period in last year, which was mainly due to uncertainty in macro business environment.

During the Reporting Period, revenue of the retail chain business in lighting and designer label furniture was approximately HK\$19,593,000, representing a decrease of approximately 14.4% from approximately HK\$22,884,000 as compared with that of the corresponding period in last year.

During the Reporting Period, revenue of the business in tableware and giftware was approximately HK\$966,000, representing a decrease of approximately 58.7% from approximately HK\$2,337,000 as compared with that of the corresponding period in last year.

Gross Profit and Gross Margin

During the Reporting Period, the Group's gross profit was approximately HK\$11,606,000, representing a decrease of approximately 13.8% from approximately HK\$13,471,000 as compared with that of the corresponding period in last year. The decrease was primarily due to decrease in sales. During the Reporting Period, the Group's overall gross profit margin was approximately 56.5%.

Selling and Distribution Expenses

During the Reporting Period, the Group's selling and distribution expenses was approximately HK\$10,141,000, which was about the same as compared with approximately HK\$10,173,000 of the corresponding period in last year. Selling and distribution expenses primarily consist of rentals for retail outlets and related expenses, staff costs (including salaries and sales commission to salesperson), electronic payment charges and depreciation.

Administrative and Other Expenses

During the Reporting Period, the Group's administrative and other expenses was approximately HK\$4,744,000, representing an increase of approximately 46.7% from approximately HK\$3,233,000 as compared with that of the corresponding period in last year. Administrative and other expenses primarily consist of rentals for office premises and warehousing facilities, staff costs (including salaries to administrative staff and emoluments to directors) and professional expenses. The increase was primarily due to increase in rental expenses of warehouse and staff costs.

Profit/(Loss) for the Period

The Group recorded a loss of approximately HK\$2,366,000 during the Reporting Period (three months ended 30 June 2015 : profit of approximately HK\$1,650,000).

Dividend

The Board does not recommend the payment of any dividend for the three months ended 30 June 2016 (three months ended 30 June 2015 : Nil).

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 ("Prospectus") with actual business progress for the three months ended 30 June 2016.

Business plan up to 30 September 2016 as set out in the Prospectus

Actual business progress up to 30 June 2016

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 | <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> |
| <ul style="list-style-type: none">- negotiate and incept tenancy agreements to enable the anticipated expansion of floor area by an additional 12,000 sq. ft. | <p>The Group has incepted tenancy agreements with those five landlords, which increase the floor areas of over 7,500 sq. ft. in aggregate</p> |
| <ul style="list-style-type: none">- renovation and furnishing of new retail outlets | <p>The five new retail outlets at Shatin, Mongkok, Whampoa, Central and Kowloon Bay, approximately 7,500 sq. ft. floor area in aggregate, were operated</p> |

Marketing and promotion of our own branding of trademarks

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

Solicit new incoming brands to expand product range

- | | |
|---|--|
| <ul style="list-style-type: none">- 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 | <p>The Group is monitoring the latest development of these policies</p> |
| <ul style="list-style-type: none">- expand our Panasonic LED product range | <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 system ware for point-of sale inventory monitoring for new retail outlets | <p>The Group is in the process of implementing the new technological system ware</p> |
| <ul style="list-style-type: none">- 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 has increased approximately 7,000 sq. ft. warehousing facilities.</p> |

Comparison Between Business Objectives with Actual Business Progress (Continued)

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

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

Use of Proceeds from the Listing

The actual net proceeds from the issue of new shares of the Company under the placing were approximately HK\$33.5 million.

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 announcements dated 7 October 2015.

An analysis of the utilisation of the actual net proceeds and the unused amount as at 30 June 2016 is set out below:

Use of proceeds	Net Proceeds after reallocation HK\$'000	Utilised amount as at 30 June 2016 HK\$'000	Unused amount as at 30 June 2016 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	1,760	378
c) Strengthen logistics management	2,309	250	2,059
d) Working capital and other general corporate purpose	3,342	3,342	-
Total	33,529	23,452	10,077

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

CORPORATE GOVERNANCE AND OTHER INFORMATION

Compliance with the 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 had complied with the code provisions in the CG Code during the Reporting Period.

Directors' Securities Transactions

The Company has adopted a code of conduct for dealing in securities of the Company by the Directors in accordance with Rules 5.48 to 5.67 of the GEM Listing Rules. No director has dealt in the shares of the Company during the Reporting Period.

Rights to Acquire Shares or Debentures

At no time during the Reporting Period 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 Executive (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 30 June 2016, none of the Directors, the substantial shareholders of the Company and their respective close associates (as defined in the GEM Listing Rules) has any interests in a business which competes or is likely to compete, either directly or indirectly, with the business of the Group.

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 Reporting Period.

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

As at 30 June 2016, the interests and short positions of the Directors and 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 as set out in Rules 5.48 to 5.67 of the GEM Listing Rules (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 (Note 1)	Interest in controlling corporation	210,000,000	48.46%
Mr. Hue Kwok Chiu (Note 2)	Interest in controlling corporation	45,000,000	10.38%

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 30 June 2016, none of the Directors or the Chief Executive had any interests or short positions in the shares, underlying shares or debentures of the Company or any associated corporation 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 30 June 2016, to the best of the knowledge of the Directors and the Chief Executive and based on the public records filed on the website of the Stock Exchange and records kept by the Company, the interests and short positions of the persons or corporations (other than the Directors and the Chief Executive) in the shares or underlying shares of the Company as recorded in the register required to be kept under section 336 of the SFO were as follows:

Long positions in ordinary shares of the Company

Name	Capacity/Nature of interests	Number of securities	Approximate percentage of shareholding
Time Prestige Ventures Limited	Beneficial Owner	210,000,000	48.46%
Star Adventure Holdings Limited	Beneficial Owner	45,000,000	10.38%
Ms. Ng Hiu Ying (Note 1)	Interest of spouse	45,000,000	10.38%

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 30 June 2016, there was no person or corporation (other than the Directors and the Chief Executive) 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 "Share Option Scheme") on 11 September 2014 whereby the Board is authorised, at their absolute discretion and subject to the terms of the Share Option Scheme, to grant options to the Eligible Participant to subscribe for the shares of the Company. The Share Option Scheme will be valid and effective for a period of ten years commencing from the date of adoption of the Share Option Scheme.

As at 30 June 2016, the total number of shares available for issue under the Share Option Scheme is 40,000,000 shares, representing 9.23% of the issued shares of the Company. Since the adoption of the Share Option Scheme, no share option has been granted by the Company.

Compliance Adviser's Interests

As at 30 June 2016, neither Ample Capital Limited, the compliance adviser of the Company, nor any of its Directors, employees or close associates had any interests in the securities of the Company or any other companies of the Group (including options or rights to subscribe for such securities) pursuant to Rule 6A.32 of GEM Listing Rules.

Audit Committee

The audit committee of the Company (the “Audit Committee”) was established 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 include the review of the Group’s financial reporting system, risk management and internal control systems of the Group.

The Audit Committee had reviewed the unaudited consolidated results of the Group for the three months ended 30 June 2016 with the management and is of the view that such results complied with the applicable accounting standards, the requirements under the GEM Listing Rules and other applicable legal requirements, and that adequate disclosures had been made.

Sufficiency of Public Float

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

PUBLICATION OF FIRST QUARTERLY RESULTS AND FIRST QUARTERLY REPORT

This results announcement is published on the websites of the Stock Exchange (www.hkexnews.hk) and the Company (www.elighting.asia). The first quarterly report of the Company for the three months ended 30 June 2016 containing all the information required by the GEM Listing Rules will be dispatched to the Company’s shareholders and published on the above websites in due course.

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

Hong Kong, 12 August 2016

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

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