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ECI Technology Holdings Limited

(incorporated in the Cayman Islands with limited liability)

(Stock Code: 8013)

THIRD QUARTERLY RESULTS ANNOUNCEMENT FOR THE NINE MONTHS ENDED 31 MAY 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 of the Stock Exchange and no assurance is given that there will be a liquid market in the securities traded on GEM.

This announcement, for which the directors (the “Directors”) of ECI Technology Holdings Limited (the “Company”, together with its subsidiaries, the “Group”) collectively and individually accept full responsibility, include 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, (i) the information contained in this announcement is accurate and complete in all material respects and not misleading and deceptive, and (ii) there are no other matters the omission of which would make any statement herein or this announcement misleading.

The board of Directors (the “Board”) is pleased to announce the unaudited consolidated results of the Group for the nine months ended 31 May 2017. This announcement, containing the full text of the 2017 Third Quarterly Report of the Company, complies with the relevant requirements of the GEM Listing Rules in relation to information to accompany preliminary announcement of quarterly results. Printed version of the Company’s 2017 Third Quarterly Report will be delivered to the shareholders of the Company and available for viewing on the GEM website at www.hkgem.com and the Company’s website at www.ecinfohk.com in due course.

CONTENTS

Corporate Information	02
Financial Highlights	04
Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income	05
Condensed Consolidated Statement of Changes in Equity	06
Notes to the Condensed Consolidated Financial Statements	07
Management Discussion and Analysis	11
Other Information	15

CORPORATE INFORMATION

EXECUTIVE DIRECTORS

Dr. Ng Tai Wing

(Chairman and Chief Executive Officer)

Mr. Law Wing Chong

NON-EXECUTIVE DIRECTOR

Ms. Wong Tsz Man

INDEPENDENT NON-EXECUTIVE DIRECTORS

Mr. Hui Chun Ho Eric

Mr. Sung Wai Tak Herman

Mr. Fung Tak Chung

Dr. Chow Kin San

(with effect from 11 July 2017)

COMPANY SECRETARY

Mr. Lau Chi Yuen

COMPLIANCE OFFICER

Dr. Ng Tai Wing

AUTHORISED REPRESENTATIVES

Dr. Ng Tai Wing

Mr. Law Wing Chong

AUDIT COMMITTEE

Mr. Hui Chun Ho Eric *(Chairman)*

Mr. Sung Wai Tak Herman

Mr. Fung Tak Chung

Dr. Chow Kin San

(with effect from 11 July 2017)

REMUNERATION COMMITTEE

Mr. Sung Wai Tak Herman *(Chairman)*

Mr. Hui Chun Ho Eric

Mr. Fung Tak Chung

Dr. Chow Kin San

(with effect from 11 July 2017)

NOMINATION COMMITTEE

Dr. Ng Tai Wing *(Chairman)*

Mr. Hui Chun Ho Eric

Mr. Sung Wai Tak Herman

Mr. Fung Tak Chung

Dr. Chow Kin San

(with effect from 11 July 2017)

AUDITOR

SHINEWING (HK) CPA Limited

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COMPLIANCE ADVISER

Kingsway Capital Limited

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LEGAL ADVISERS

As to Hong Kong law

Kwok Yih & Chan

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Hong Kong

As to Cayman Islands law

Appleby

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PRINCIPAL BANKERS

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Hong Kong

HEADQUARTERS AND PRINCIPAL PLACE OF BUSINESS IN HONG KONG

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REGISTERED OFFICE

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Cayman Islands

PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE

Estera Trust (Cayman) Limited
Clifton House,
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PO Box 1350,
Grand Cayman KY1-1108,
Cayman Islands

HONG KONG BRANCH SHARE REGISTRAR

Tricor Investor Services Limited
Level 22 Hopewell Centre,
183 Queen's Road East,
Hong Kong

GEM STOCK CODE

8013

COMPANY'S WEBSITE

www.ecinfohk.com

FINANCIAL HIGHLIGHTS

Revenue of the ECI Technology Holdings Limited (the “Company”) and its subsidiaries (the “Group”) for the nine months ended 31 May 2017 (the “Period”) amounted to approximately HK\$55.6 million (31 May 2016: approximately HK\$54.2 million) while gross profit of the Group for the same period amounted to approximately HK\$14.1 million (31 May 2016: gross profit of approximately HK\$13.1 million).

The net loss after tax of the Group for the nine months ended 31 May 2017 amounted to approximately HK\$7.0 million (31 May 2016: net profit of approximately HK\$4.2 million). The result turned from profit to loss is mainly due to the listing expenses of approximately HK\$8.2 million incurred by the Company during the Period. Should this non-recurring listing expenses be excluded, the net profit after tax of the Group for the nine months ended 31 May 2017 would be amounted to approximately HK\$1.2 million, representing a decrease of 71.43% as compared to last period. Such decrease is mainly attributable to delay in tender process for certain major projects and distribution of special bonus amounting HK\$1.8 million to staff.

The board (the “Board”) of directors (the “Directors”) does not recommend a payment of an interim dividend for the nine months ended 31 May 2017.

FINANCIAL RESULTS

The Board is pleased to announce the unaudited consolidated financial results of the Group for the three months and nine months ended 31 May 2017 together with the comparative unaudited figures for the corresponding period in 2016 as follows:

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the nine months ended 31 May 2017

	NOTES	Three months ended 31 May		Nine months ended 31 May	
		2017 (Unaudited) HK\$'000	2016 (Unaudited) HK\$'000	2017 (Unaudited) HK\$'000	2016 (Unaudited) HK\$'000
Revenue	3	18,683	19,070	55,584	54,203
Cost of sales		(14,930)	(14,089)	(41,511)	(41,107)
Gross profit		3,753	4,981	14,073	13,096
Other income		149	44	365	56
Administrative expenses		(8,329)	(2,841)	(21,046)	(7,819)
(Loss) profit from operations		(4,427)	2,184	(6,608)	5,333
Finance costs		(100)	(99)	(366)	(312)
(Loss) profit before taxation		(4,527)	2,085	(6,974)	5,021
Income tax		-	(344)	-	(829)
(Loss) profit and total comprehensive income for the period attributable to owners of the Company	4	(4,527)	1,741	(6,974)	4,192
(Loss) earnings per share attributable to owners of the Company					
Basic and diluted (HK cent)	6	(0.288)	0.134	(0.501)	0.322

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the nine months ended 31 May 2017

	Attributable to owners of the Company				Total HK\$'000
	Share capital HK\$'000	Share premium HK\$'000	Capital reserve HK\$'000	Retained earnings HK\$'000	
At 1 September 2015 (audited)	2,301	–	–	15,320	17,621
Profit and total comprehensive income for the period	–	–	–	4,192	4,192
At 31 May 2016 (unaudited)	2,301	–	–	19,512	21,813
At 1 September 2016 (audited)	2,301	–	–	13,263	15,564
Issue of share upon incorporation*	–	–	–	–	–
Reorganisation	(2,301)	–	2,301	–	–
Capitalisation issue	13,000	(13,000)	–	–	–
Share offer	3,000	42,000	–	–	45,000
Capitalisation of issue cost	–	(4,813)	–	–	(4,813)
Loss and total comprehensive income for the period	–	–	–	(6,974)	(6,974)
At 31 May 2017 (unaudited)	16,000	24,187	2,301	6,289	48,777

* The balance has been presented as “nil” as a result of rounding.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

1. General Information

The Company was incorporated in the Cayman Islands on 3 October 2016 as an exempted company with limited liability under the Companies Law, Chapter 22 (Law 3 of 1961, as consolidated and revised) of the Cayman Islands and its shares are listed on the Growth Enterprise Market (“GEM”) of The Stock Exchange of Hong Kong Limited (the “Stock Exchange”).

The Company is principally engaged in investment holding. The principal activity of its major operating subsidiary is the provision of extra-low voltage (“ELV”) solutions primarily on central control monitoring system in Hong Kong. The ultimate holding company of the Company is ECI Asia Investment Limited (“ECI Asia Investment”), a company incorporated in the British Virgin Islands. The ultimate controlling party of the Group is Dr. Ng Tai Wing (“Dr. Ng”).

These unaudited condensed consolidated financial statements for the nine months ended 31 May 2017 are presented in Hong Kong dollars (“HK\$”), which is the same as the functional currency of the Group.

2. Basis of Preparation

Except for the adoption of new and revised Hong Kong Financial Reporting Standards (“HKFRSs”) issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”), which are effective for the Group’s financial year beginning on 1 September 2016, the accounting policies applied in preparing this unaudited condensed consolidated financial information for the nine months ended 31 May 2017 are consistent with those of the annual financial statements for the year ended 31 August 2016, as set forth in the accountants’ report included in the prospectus of the Company dated 27 February 2017 (the “Prospectus”), which have been prepared in accordance with HKFRSs. The condensed consolidated financial information should be read in conjunction with the annual financial statements for the year ended 31 August 2016.

The Group has not applied the new and revised HKFRSs that have been issued by HKICPA but are not yet effective. The Group has commenced an assessment of the impact of these new standards and amendments, but is not yet in a position to state whether they would have a significant impact on its results and financial position.

3. Revenue and Segment Information

Revenue represents the net amounts received and receivable for installation projects and maintenance services rendered for the nine months ended 31 May 2017 and 31 May 2016.

	Three months ended		Nine months ended	
	31 May		31 May	
	2017 (Unaudited) HK\$'000	2016 (Unaudited) HK\$'000	2017 (Unaudited) HK\$'000	2016 (Unaudited) HK\$'000
Installation	9,620	10,369	30,145	30,613
Maintenance	9,063	8,701	25,439	23,590
	18,683	19,070	55,584	54,203

The executive directors of the Company, being the chief operating decision-makers, review the Group's internal reporting in order to assess performance and allocate resource. The Group focuses on provision of ELV solutions. Information reported to the chief operating decision makers, for the purpose of resources allocation and performance assessment, focuses on the operating results of the Company as a whole as the Group's resources are integrated and no discrete operating segment financial information is available. Accordingly, no operating segment information is presented.

The Group primarily operates in Hong Kong with all of its non-current assets located in and capital expenditure incurred in Hong Kong. Revenue was also derived from external customers located in Hong Kong.

4. (Loss) profit for the Period

(Loss) profit for the Period has been arrived at after charging:

	Three months ended 31 May		Nine months ended 31 May	
	2017 (Unaudited) HK\$'000	2016 (Unaudited) HK\$'000	2017 (Unaudited) HK\$'000	2016 (Unaudited) HK\$'000
Directors' remuneration				
– Salaries, allowances and other benefit	489	275	1,038	824
Other staff costs (excluding directors' emoluments				
– Salaries, allowances and other benefit	9,724	7,478	26,138	21,854
– Contributions to retirement benefit scheme	423	375	1,229	1,066
Total staff costs	10,636	8,128	28,405	23,744
Auditor's remuneration	1	–	101	–
Depreciation	228	212	675	554
Listing expenses	2,697	–	8,187	–
Minimum lease payments under operation lease charges	156	179	479	415

5. Interim Dividend

The Board does not recommend a payment of an interim dividend for the nine months ended 31 May 2017 (31 May 2016: Nil).

6. (Loss) earnings per Share

	Three months ended 31 May		Nine months ended 31 May	
	2017 (Unaudited) HK\$'000	2016 (Unaudited) HK\$'000	2017 (Unaudited) HK\$'000	2016 (Unaudited) HK\$'000
(Loss) profit and total comprehensive income for the period attributable to owners of the Company	(4,527)	1,741	(6,974)	4,192
	Number of shares			
	'000	'000	'000	'000
Number of shares Weighted average number of ordinary shares	1,570,652	1,300,000	1,391,209	1,300,000

The weighted average number of ordinary shares in issued used in the basic (loss) earnings per share calculation is determined on the assumption that reorganisation and capitalisation issued as described in the Prospectus had been effective on 1 September 2015.

Diluted (loss) earnings per share were the same as basic (loss) earnings per share as there were no potential dilutive ordinary shares outstanding for the nine months ended 31 May 2017 and 31 May 2016.

MANAGEMENT DISCUSSION AND ANALYSIS

Business Review

We have been providing ELV solutions primarily on central control monitoring systems to our customers in Hong Kong since 2003. Central control monitoring systems refer to all of the wide variety of systems relating to management of a single block of building, residential development, commercial and industrial buildings, sewage treatment facilities, hospitals or other government facilities. The key central control monitoring systems we install and maintain include security systems, car park systems, clubhouse management systems, etc. In addition, we also provide ELV solutions on telecommunications and broadcasting services systems such as CABD System and SMATV System.

Our customers come from both the private and public sectors. Customers in the private sector are mainly property developers and property management companies in Hong Kong. Our customers in the public sector are mainly Government departments such as Drainage Services Department, Leisure and Cultural Services Department, Electrical and Mechanical Services Department, etc.

We have undertaken installation projects and maintenance projects for various Government entities as well as customers engaged in property development and property security businesses. During the Period, some of the projects were completed, such as the CCTV system of Sham Shui Po Swimming Pool and Lei Cheng Uk Swimming Pool, access control system of Tin Oi Court and car park system of Sha Tin 33. The Company is also setting up CABD system for Fantastic TV and upgrading the broadcasting system for various government sites. On the other hand, the Company is expanding the video and audio installation such as promoting transparent LED to our existing client. Meanwhile, the Company is negotiating with vendors on the possibility to incorporate more advanced payment method into the car park system.

For the nine months ended 31 May 2017, the Group recorded a net loss of approximately HK\$7.0 million as compared to the net profit of approximately HK\$4.2 million for the same period in 2016. The Directors are of the view that the net loss is due to the listing expenses of approximately HK\$8.2 million incurred by the Company during the Period. Should this non-recurring listing expenses be excluded, the net profit after tax of the Group for the nine months ended 31 May 2017 would be amounted to approximately HK\$1.2 million, representing a decrease of 71.43% as compared to last period. Such decrease is mainly attributable to delay in tender process for certain major projects and distribution of special bonus amounting HK\$1.8 million to staff.

Outlook And Prospects

There are broad usage of ELV in Hong Kong. ELV is a voltage range in electricity supply, used as a means to protect against dangerous electrical shock. ELV integrated service is one of the electrical services that can be used in all types of building infrastructure installations in commercial and industrial premises.

Upon Listing, the net proceeds of the Share Offer will provide us with the necessary funding to expand our business, allow us to take up larger projects and strengthen our financial position. Our Directors also believe that listing of the Shares on GEM will allow the Company to access the capital market for raising funds in the future and promote our brand to potential new customers.

Nowadays, 20%-60% of the total building cost is spent on building services. Since people now recognise the importance of safety, comfort and convenience in using building systems and equipment, developers have spent more effort on developing better building services, especially in developing intelligent ELV systems. In view of this market condition and given the increasing popularity of mobile technology, the Group has grabbed hold of the trend and also has planned to expand its existing ELV solution business, we have started engaging external professionals to develop a new mobile application for our customers to place order, and have planned to purchase vehicles to increase the efficiency and competitiveness of the Company. As green energy and environmental protection are on the trend all over the world, the Company believes that it is important to catch up with this trend in its business. To promote energy saving, the Company plans to provide more green building solution by central control monitoring systems. The Company is confident that the current financial position of the Company shall provide full support of this development and business strategy.

Meanwhile, there are currently approximately 70 sewage plants in Hong Kong. As such, in the next two years, we target to be selected under the category “Electrical and Mechanical Installation for Sewage Treatment and Screening Plant” on the list of approved suppliers of materials and specialist contractors for public work for the Development Bureau. This will enable us to become a main contractor to projects in relation to sewage treatment and screening plant, and the Directors believe that being qualified as a main contractor in such projects will provide more certainty in securing our role in the project than only acting as a subcontractor. Once we secure the project, we can achieve higher profit margin than acting as a subcontractor. To kick things up a notch, the Company is applying for approved contractor list and approved supplier list of several property developers in order to seize larger contract sum projects. The Company anticipates this can not only generate more income but also help to build up the brand name and reputation of the Company in the industry.

Our goal is to continue to be one of the leading ELV solutions providers in Hong Kong. The shares of the Company (the “Shares”) were successfully listed on the GEM of the Stock Exchange on 10 March 2017 (the “Listing”). The Listing enables us to have sufficient financial resources to meet and achieve the abovementioned goal. With the support of the shareholders of the Company (the “Shareholders”), the Company shall hold on with its aspirations and bring benefits to the Company and the Shareholders as a whole.

Financial Review

Revenue

The revenue of the Group increased by approximately 2.55% from approximately HK\$54,203,000 for the nine months ended 31 May 2016 to approximately HK\$55,584,000 for the nine months ended 31 May 2017. The increase in revenue is mainly due to more contracts for maintenance services and installation brought by successful bids.

Cost of Sales and Gross Profit

The majority of the Group’s cost of sales comprised direct labour, and material and equipment. The cost of sales increased by approximately 0.98% from approximately HK\$41,107,000 for the nine months ended 31 May 2016 to approximately HK\$41,511,000 for the nine months ended 31 May 2017, which is in line with the increase of revenue.

The Group’s gross profit increased by approximately 7.46% from approximately HK\$13,096,000 for the nine months ended 31 May 2016 to approximately HK\$14,073,000 for the nine months ended 31 May 2017. The increase in gross profit is mainly due to more contracts for maintenance services and installation brought by successful bids.

Administrative Expenses

The Group’s administrative expenses increased by approximately 169.16% from approximately HK\$7,819,000 for the nine months ended 31 May 2016 to approximately HK\$21,046,000 for the nine months ended 31 May 2017, which is mainly due to (i) the Company’s incurrence of the non-recurring listing expenses of approximately HK\$8,187,000; (ii) increase of indirect labour cost by approximately HK\$2,315,000 (including distribution of special bonus approximately HK\$759,000) and (iii) increase of legal and professional fee by approximately HK\$685,000 for the nine months ended 31 May 2017.

(Loss) profit attributable to the owners of the Company

The Group recorded a loss attributable to the owners of the Company of approximately HK\$6,974,000 for the nine months ended 31 May 2017 (nine months ended 31 May 2016: profit approximately HK\$4,192,000). The result turned from profit to loss is mainly due to (i) the Company's incurrence of the non-recurring listing expenses of approximately HK\$8,187,000; (ii) distribution of special bonus amounting HK\$1,755,000 and (iii) delay in tender process for certain major projects for the nine months ended 31 May 2017.

Dividend

The Board does not recommend a payment of an interim dividend for the nine months ended 31 May 2017 (31 May 2016: Nil).

Use of Proceeds from the Listing

On 10 March 2017, the Shares of the Company were listed on GEM by way of share offer. The Group intends to apply the proceeds from the Listing in accordance with the proposed applications set out in the section headed "Future Plans and Use of Proceeds" in the Prospectus.

As set out in the Prospectus, the business objectives and strategies of the Group are (i) to expand our existing ELV solutions business by offering instalment payment option to our customers; (ii) to obtain additional licences and qualifications; (iii) to reduce our gearing ratio by repaying a certain bank borrowing in an one-off manner; (iv) to purchase five more commercial vehicles and two street lamp cars; (v) to develop new mobile app for our customers to place their order for maintenance service; and (vi) used for working capital and other corporate development purposes.

After deduction of all related listing expenses and commissions, the net proceeds from Listing amounted to approximately HK\$31.5 million. Up to 31 May 2017, the Group has utilized HK\$8 million of the net proceeds from Listing as follows:

Use of proceeds	As stated in Prospectus	Planned use of net proceeds as stated on the Prospectus up to 31 May 2017	Actual use of net proceeds up to 31 May 2017
Expanding our existing ELV solutions business by offering instalment payment option to our customers	HK\$12.0 million	–	HK\$12.0 million
Obtaining additional licences and qualifications	HK\$4.4 million	–	HK\$4.4 million
Reducing our gearing ratio by repaying a certain bank borrowing in an one-off manner	HK\$8 million	HK\$8 million	–
Purchasing five more commercial vehicles and two street lamp cars	HK\$3.0 million	–	HK\$3.0 million
Developing new mobile app for our customers to place their order for maintenance service	HK\$1.5 million	–	HK\$1.5 million
Using for working capital and other corporate development purposes	HK\$2.6 million	–	HK\$2.6 million
Total	HK\$31.5 million	HK\$8 million	HK\$23.5 million

OTHER INFORMATION

Share Option Scheme

The share option scheme of the Company (the “Share Option Scheme”) has been conditionally adopted by the sole Shareholder on 17 February 2017.

The Board may, at its discretion, offer to grant an option to any person belonging to any of the following classes of participants (the “Eligible Participants”), to take up options to subscribe for the Shares:

- (i) any full-time or part-time employees, executives or officers of the Group;
- (ii) any directors (including executive Directors, non-executive Directors and independent non-executive Directors) of the Group; and
- (iii) any suppliers, customers, consultants, agents, advisers and related entities to the Group.

Unless terminated by the Company by resolution in general meeting, the Share Option Scheme shall be valid and effective for a period of 10 years commencing on the date on which the Share Option Scheme becomes unconditional.

The purpose of the Share Option Scheme is to enable the Company to grant options to selected participants as incentives or rewards for their contribution or potential contribution to the Group. The Share Option Scheme will reward the Eligible Participants who have contributed or will contribute to the Group and to motivate the Eligible Participants to optimise their performance efficiency for the benefits of the Group. Besides, it can help attract and retain or otherwise maintain on-going business relationship with the Eligible Participants whose contributions are or will be beneficial to the long-term growth of the Group.

No option has been granted by the Company under the Share Option Scheme during the period from the Listing Date to 31 May 2017. The Company did not have any outstanding share options, warrants, derivatives or securities which are convertible or exchangeable into Shares as at 31 May 2017 and up to the date of this report.

Substantial Shareholders' Interests and/or Short Positions in Shares and Underlying Shares

As at 31 May 2017, so far as the Directors are aware, the following persons (other than a Director or chief executive of the Company) have or are deemed or taken to have an interest and/or short position in the Shares or the underlying Shares which would fall to be disclosed under the provisions of Division 2 and 3 of Part XV of the Securities and Futures Ordinance ("SFO") or which were recorded in the register required to be kept by the Company under Section 336 of the SFO.

Name of Shareholders	Capacity/Nature of interest	Number of Shares held	Approximate percentage of shareholding <i>(Note 1)</i>
ECI Asia Investment	Beneficial owner	1,200,000,000	75%
Dr. Ng Tai Wing	Interest in controlled corporation <i>(Note 2)</i>	1,200,000,000	75%
Ms. Wong Tsz Man	Interest of spouse <i>(Note 3)</i>	1,200,000,000	75%

Notes:

- (1) The approximate percentage of shareholding is calculated based on 1,600,000,000 Shares in issue as the Listing Date of 10 March 2017.
- (2) Dr. Ng beneficially owns the entire issued share capital of ECI Asia Investment. Therefore, Dr. Ng is deemed, or taken to be interested in 1,200,000,000 Shares held by ECI Asia Investment for the purpose of the SFO.
- (3) These shares are registered in the name of ECI Asia Investment which is a controlled corporation of Dr. Ng. Ms. Wong Tsz Man is the spouse of Dr. Ng. Under the SFO, Ms. Wong Tsz Man is deemed to be interested in all the Shares held by ECI Asia Investment.

Save as disclosed above, as at 31 May 2017 and as at of the date of this report, no person, other than the Directors whose interests are set out in the section "Directors' and Chief Executive's interests and short positions in Shares, Underlying Shares and Debentures" below, had registered an interest or short position in the Shares or underlying Shares that was required to be recorded pursuant to Section 336 of the SFO.

Directors' and Chief Executive's Interests and Short Positions in Shares, Underlying Shares and Debentures

So far as the Directors are aware, as at the date of this report, the interests and short positions of the Directors and chief executive of the Company in the Shares, underlying Shares or Debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which have been notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests which they are taken or deemed to have under such provisions of the SFO) and required to be entered in the register maintained by the Company pursuant to Section 352 of the SFO or which were required, pursuant to Rules 5.48 to 5.67 of the GEM Listing Rules, to be notified to the Company and the Stock Exchange, are as follows:–

Long positions in the Shares

Name of Shareholders	Capacity/ Nature of Interest	Number of Shares held	Approximate percentage of shareholding <i>(Note 1)</i>
Dr. Ng	Interest in controlled corporation <i>(Note 2)</i>	1,200,000,000 (L)	75%
Ms. Wong Tsz Man	Interest of spouse <i>(Note 3)</i>	1,200,000,000 (L)	75%

Notes:

- (1) The approximate percentage of shareholding is calculated based on 1,600,000,000 Shares in issue as the Listing Date of 10 March 2017.
- (2) These Shares are held by ECI Asia Investment, which is wholly-owned by Dr. Ng. Pursuant to the provisions of Divisions 7 and 8 of Part XV of the SFO, Dr. Ng is deemed to have an interest in all Shares in which ECI Asia Investment has, or deemed to have, an interest.
- (3) Ms. Wong Tsz Man is the spouse of Dr. Ng. Under the SFO, Ms. Wong Tsz Man is deemed to be interested in all of the Shares which Dr. Ng is interested.

Save as disclosed above, as at 31 May 2017 and as at of the date of this report, none of the Directors or chief executive of the Company had registered an interest or a short position in the Shares, underlying Shares or debentures of the Company or any of its associated corporations that was required to be recorded pursuant to Section 352 of the SFO, or as otherwise required pursuant to Rules 5.46 to 5.68 of the GEM Listing Rules to be notified to the Company and the Stock Exchange.

Rights to Acquire Shares or Debentures

Other than the Share Option Scheme and as disclosed under the section “Directors’ and Chief Executive’s Interests and Short Positions in Shares, Underlying Shares and Debentures” above, at no time since the Listing Date and up to the date of this report, was the Company or any of its subsidiaries, or any of its fellow subsidiaries, a party to any arrangement to enable the Directors or chief executives of the Company or their respective associates (as defined in the GEM Listing Rules) to have any right to subscribe for securities of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) or to acquire benefits by means of acquisitions of Shares in, or debentures of, the Company or any other body corporate.

Interest in Competing Businesses

The controlling Shareholders (as defined under GEM Listing Rules) have entered into the deed of non-competition dated 17 February 2017 (the “Deed of Non-competition”) in favour of the Company, details of which were set out in the Prospectus. Pursuant to the Deed of Non-competition, the controlling Shareholders have undertaken to the Company (for itself and as trustee for each of its subsidiaries from time to time) that with effect from the Listing Date, they would not and would procure that none of their close associates (except for any members of our Group) shall, except through their interests in the Company, whether as principal or agent and whether undertaken directly or indirectly, either on their own account or in conjunction with or on behalf of any person, corporate, partnership, joint venture or other contractual arrangement and whether for profit or otherwise, among other things, carry on, participate, acquire or hold any right or interest or otherwise be interested, involved or engaged in or connected with, directly or indirectly, any business which is, directly or indirectly, in any respect in competition with or similar to or is likely to be in competition with the business of our Group in Hong Kong or such other places as our Group may conduct or carry on business from time to time.

Since the Listing Date and up to the date of this report, none of the Directors, the controlling Shareholders or their respective close associates (as defined under the GEM Listing Rules) had any business or interest in a business which competes or may compete with the business of the Group and any other conflicts of interest with the Group.

The controlling Shareholders have confirmed to the Company that from the Listing Date and up to the date of this report, they and their respective close associates (as defined under the GEM Listing Rules) have complied with the undertakings contained in the Deed of Non-competition.

Corporate Governance Code

The Company and the Directors recognize the importance of incorporating elements of good corporate governance in the management structures and internal control procedures of the Group so as to achieve effective accountability.

The Company has adopted the code provisions stated in the Corporate Governance Code contained in Appendix 15 to the GEM Listing Rules (“Corporate Governance Code”). Except for the deviation from provision A.2.1 of the Corporate Governance Code, the Company’s corporate governance practices have complied with the Corporate Governance Code during the period from the Listing Date and up to the date of this report.

Provision A.2.1 of the Corporate Governance Code stipulates that the roles of chairman and chief executive should be separate and should not be performed by the same individual. Dr. Ng is the chairman and chief executive officer of the Company. In view of Dr. Ng is one of the founders of the Group and has been operating and managing the Group since 2003, the Board believes that the vesting of the roles of chairman and chief executive officer in Dr. Ng is beneficial to the business operations and management of the Group and will provide a strong and consistent leadership to the Group. Accordingly, the Directors consider that the deviation from provision A.2.1 of the Corporate Governance Code is appropriate in such circumstance.

Compliance with the Code of Conduct for Directors' Securities Transactions

The Company has adopted a code of conduct regarding securities transactions by directors on terms no less exacting than the required standard of dealings set out in Rules 5.48 to 5.67 of the GEM Listing Rules. Having been made specific enquires by the Company, all Directors confirmed that they had complied with the standard of dealings and the code of conduct regarding securities transactions by the Directors adopted by the Company since the Listing Date and up to the date of this report.

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

Neither did the Company redeem nor did the Company or any of its subsidiaries purchase or sell any of the Company's listed securities during the nine months ended 31 May 2017 and up to the date of this report.

Interests of Compliance Adviser

As notified by Kingsway Capital Limited ("Kingsway"), the compliance adviser of the Company, save for the compliance adviser agreement entered into between the Company and Kingsway dated 12 October 2016, neither Kingsway nor any of its close associates (as defined in the GEM Listing Rules), the Directors or employees had any interest in the share capital of the Company or any member of the Group (including options or rights to subscribe for such securities, if any) which is required to be notified to the Company pursuant to Rule 6A.32 of the GEM Listing Rules as at 31 May 2017 and up to the date of this report.

Audit Committee

The Company has established the audit committee ("Audit Committee") on 17 February 2017 in compliance with Rule 5.28 of the GEM Listing Rules. Written terms of reference in compliance with paragraph C.3 of the Corporate Governance Code and Corporate Governance Report as set out in Appendix 15 to the GEM Listing Rules has been adopted. Among other things, the primary duties of the Audit Committee are to make recommendations to the Board on appointment or reappointment and removal of external auditor; review financial statements of the Company and judgments in respect of financial reporting; and oversee internal control procedures of the Company.

The Audit Committee consists of four independent non-executive Directors, namely Mr. Hui Chun Ho Eric, Mr. Sung Wai Tak Herman, Mr. Fung Tak Chung and Dr. Chow Kin San. Mr. Hui Chun Ho Eric is the chairman of the Audit Committee.

The Audit Committee has reviewed the accounting principles and practices adopted by the Group and discussed the financial reporting matters with senior management of the Company relating to the preparation of the unaudited condensed consolidated financial statements of the Group for the nine months ended 31 May 2017.

The findings in relation to the unaudited condensed consolidated financial statements of the Group for the nine months ended 31 May 2017 have been taken into consideration by the Audit Committee in its review of the quarterly results for the nine months ended 31 May 2017, which have been approved by the Board on 14 July 2017 prior to its issuance.

Significant Events After the end of Reporting Period

Dr. Chow Kin San has been appointed as the independent non-executive Director of the Company, as well as the members of Audit Committee, remuneration committee and nomination committee of the Company with effect from 11 July 2017.

By the order of the Board

ECI Technology Holdings Limited

Dr. Ng Tai Wing

Chairman

As at the date of this report, the executive Directors are Dr. Ng Tai Wing and Mr. Law Wing Chong, the non-executive Director is Ms. Wong Tsz Man, and the independent non-executive Directors are Mr. Hui Chun Ho Eric, Mr. Sung Wai Tak Herman, Mr. Fung Tak Chung and Dr. Chow Kin San.

By Order of the Board
ECI Technology Holdings Limited
Dr. Ng Tai Wing
Chairman

Hong Kong, 14 July 2017

As at the date of this announcement, the Board comprises seven Directors, the executive Directors are Dr. Ng Tai Wing (Chairman and Chief Executive Officer) and Mr. Law Wing Chong; the non-executive Director is Ms. Wong Tsz Man and the independent non-executive Directors are Mr. Hui Chun Ho Eric, Mr. Sung Wai Tak Herman, Mr. Fung Tak Chung and Dr. Chow Kin San.

This announcement will remain on the GEM website at www.hkgem.com on the “Latest Company Announcements” page for at least seven days from the date of its publication and on the website of the Company at www.ecinfohk.com.