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(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 223)

**ANNOUNCEMENT OF FINAL RESULTS
FOR THE YEAR ENDED 31 MARCH 2022**

The board (the “**Board**”) of directors (the “**Directors**”) of Elife Holdings Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) hereby announces the audited consolidated results of the Group for the year ended 31 March 2022 together with the comparative figures for the year ended 31 March 2021 as follows:

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 31 March 2022

		2022	2021
	<i>Notes</i>	<i>HK\$'000</i>	(Restated) <i>HK\$'000</i>
Continuing operations			
Turnover	4	152,600	276,040
Cost of sales		(144,751)	(266,582)
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Gross profit		7,849	9,458
Other income	5	1,469	3,548
Other gains/(losses) – net	5	678	(4,029)
Selling expenses		(832)	(994)
Other operating expenses		(24,017)	(28,099)
Equity-settled share-based payment		(12,684)	(4,957)
Net allowance for expected credit losses on trade and other receivables		(14,889)	(1,191)
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Loss from operating activities	6	(42,426)	(26,264)
Finance costs	7	(2,489)	(1,727)
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Loss before tax		(44,915)	(27,991)
Taxation	8	(1,645)	(1,713)
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Loss for the year from continuing operations		(46,560)	(29,704)
Discontinued operation			
Loss for the period/year from a discontinued operation	9	(2,815)	(940)
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Loss for the year		(49,375)	(30,644)
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Other comprehensive income/(loss)			
Items that will not be reclassified to profit or loss:			
Change in fair value of financial asset at fair value through other comprehensive income		390	(34)
Items that may be reclassified subsequently to profit or loss:			
Exchange differences on translating foreign operations		2,616	5,442
Reclassification of cumulative translation reserve upon disposal of a foreign operation		(1,014)	–
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Other comprehensive income for the year		1,992	5,408
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Total comprehensive loss for the year		(47,383)	(25,236)
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		2022	2021
	<i>Notes</i>	<i>HK\$'000</i>	(Restated) <i>HK\$'000</i>
Loss for the year attributable to owners of the Company			
– from continuing operations		(38,025)	(25,463)
– from a discontinued operation		(2,815)	(940)
		<u>(40,840)</u>	<u>(26,403)</u>
Loss for the year attributable to non-controlling interests			
– from continuing operations		(8,535)	(4,241)
– from a discontinued operation		–	–
		<u>(8,535)</u>	<u>(4,241)</u>
		<u>(49,375)</u>	<u>(30,644)</u>
Total comprehensive loss attributable to owners of the Company			
– from continuing operations		(35,027)	(19,345)
– from a discontinued operation		(2,815)	(940)
		<u>(37,842)</u>	<u>(20,285)</u>
Total comprehensive loss attributable to non-controlling interests			
– from continuing operations		(9,541)	(4,951)
– from a discontinued operation		–	–
		<u>(9,541)</u>	<u>(4,951)</u>
		<u>(47,383)</u>	<u>(25,236)</u>
Loss per share			
From continuing and discontinued operations			
– Basic	11	(6.3) cents	(4.4) cents
– Diluted	11	(6.3) cents	(4.4) cents
		<u>(6.3) cents</u>	<u>(4.4) cents</u>
From continuing operations			
– Basic	11	(5.9) cents	(4.2) cents
– Diluted	11	(5.9) cents	(4.2) cents
		<u>(5.9) cents</u>	<u>(4.2) cents</u>

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 March 2022

	<i>Notes</i>	2022 <i>HK\$'000</i>	2021 <i>HK\$'000</i>
Non-current assets			
Property, plant and equipment		2,086	9,015
Right-of-use assets		5,912	6,108
Financial asset at fair value through other comprehensive income		483	89
		<u>8,481</u>	<u>15,212</u>
Current assets			
Inventories		512	56
Trade receivables	12	19,775	16,864
Deposits, prepayments and other receivables	13	61,769	76,830
Cash and cash equivalents		10,807	14,590
		<u>92,863</u>	<u>108,340</u>
Less: Current liabilities			
Trade payables	14	261	113
Accrued liabilities and other payables	15	24,725	22,173
Contract liabilities		1,912	1,067
Lease liabilities		2,334	2,485
Amounts due to shareholders		16,973	2,622
Amounts due to non-controlling interests		8,851	5,247
Tax payables		1,244	1,464
		<u>56,300</u>	<u>35,171</u>
Net current assets		<u>36,563</u>	<u>73,169</u>
Total assets less current liabilities		<u>45,044</u>	<u>88,381</u>

	<i>Notes</i>	2022 HK\$'000	2021 <i>HK\$'000</i>
Less: Non-current liabilities			
Lease liabilities		1,659	2,446
Amounts due to shareholders		–	11,878
Amounts due to non-controlling interests		–	3,934
		<u>1,659</u>	<u>18,258</u>
Net assets		<u>43,385</u>	<u>70,123</u>
Capital and reserves			
Share capital		67,853	61,933
Reserves		49,782	73,809
		<u>117,635</u>	<u>135,742</u>
Equity attributable to owners of the Company		117,635	135,742
Non-controlling interests		<u>(74,250)</u>	<u>(65,619)</u>
Total equity		<u>43,385</u>	<u>70,123</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2022

1. CORPORATE INFORMATION

Elife Holdings Limited (the “Company”) is a limited liability company incorporated in the Cayman Islands and its shares (the “Shares”) are listed on The Stock Exchange of Hong Kong Limited (the “Stock Exchange”). The registered office of the Company is located at Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman KY1-1111, Cayman Islands. The principal place of business of the Company is located at Unit 806, Level 8, Core D, Cyberport 3, 100 Cyberport Road, Hong Kong.

The Directors consider that Ms. Liu Qiuhua, Mr. Gao Feng and Mr. Zhu Qian are the substantial shareholders of the Company which held approximately 10.57%, 7.42% and 6.16% of existing issued ordinary share capital of the Company respectively.

The principal activity of the Company is investment holding. The principal activities of its subsidiaries include engaging in commodities trading, sales, marketing and brand building of the anti-epidemic, daily cleaning products businesses. It has also been expanding its businesses into the consumer products market conforming to the Group’s business principle of “making life easier and benefiting people’s livelihood” (易生活，惠民生). The principal activities, other particulars of its subsidiaries are set out in the notes to the consolidated financial statements.

The consolidated financial statements are presented in Hong Kong dollars (“HK\$”), which is the same as the functional currency of the Company and all values are rounded to the nearest thousand (HK\$’000) except when otherwise indicated.

2. APPLICATION OF AMENDMENTS TO HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRSs”)

Amendments to HKFRSs that are mandatorily effective for the current year

In the current year, the Group has applied the following amendments to HKFRSs issued by the Hong Kong Institute of Certified Public Accountants (the “HKICPA”) for the first time, which are mandatorily effective for the annual period beginning on or after 1 April 2021 for the preparation of the consolidated financial statements:

Amendments to HKFRS 16	Covid-19-Related Rent Concessions beyond 30 June 2021
Amendments to HKFRS 9, HKAS 39, HKFRS 7 and HKFRS 4 and HKFRS 16	Interest Rate Benchmark Reform – Phase 2

In addition, the Group applied the agenda decision of the IFRS Interpretations Committee (the “Committee”) of the International Accounting Standards Board issued in June 2021 which clarified the costs an entity should include as “estimated costs necessary to make the sale” when determining the net realisable value of inventories.

The application of the amendments to HKFRSs in the current year has had no material impact on the Group’s financial performance and positions for the current and prior years and/or on the disclosures set out in these consolidated financial statements.

New and amendments to HKFRSs that have been issued but are not yet effective

The Group has not early applied the following new and amendments to HKFRSs that have been issued but are not yet effective:

HKFRS 17	Insurance Contracts and the related Amendments ²
Amendments to HKFRS 3	Reference to the Conceptual Framework ¹
Amendments to HKFRS 10 and HKAS 28	Sales or Contribution of Assets between an Investor and its Associate or Joint Venture ³
Amendments to HKAS 1	Classification of liabilities as Current or Non Current, and related amendments to Hong Kong Interpretation 5 (2020) ²
Amendments to HKAS 1 and HKFRS Practice Statement 2	Disclosure of Accounting Policies ²
Amendments to HKAS 8	Definition of Accounting Estimates ²
Amendments to HKAS 12	Deferred Tax related to Assets and Liabilities arising from a Single Transaction ²
Amendments to HKAS 16	Property, Plant and Equipment: Proceeds before Intended use ¹
Amendments to HKAS 37	Onerous Contracts — Cost of Fulfilling a Contracts ¹
Amendments to HKFRSs	Annual Improvement to HKFRSs 2018–2020 ¹

¹ Effective for annual periods beginning on or after 1 January 2022

² Effective for annual periods beginning on or after 1 January 2023

³ Effective for annual periods beginning on or after a date to be determined

The directors of the Company anticipate that the application of all the new and amendments to HKFRSs will have no material impact on the consolidated financial statements in the foreseeable future.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies applied in the preparation of these consolidated financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

The consolidated financial statements have been prepared in accordance with all applicable HKFRSs, which is a collective term that includes all applicable individual HKFRSs, Hong Kong Accounting Standards (“HKASs”), and Interpretations issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”) and accounting principles generally accepted in Hong Kong. For the purpose of preparation of the consolidated financial statements, information is considered material if such information is reasonably expected to influence decisions made by primary users. In addition, the consolidated financial statements include applicable disclosures required by the Rules Governing the Listing of Securities on the Stock Exchange (the “Listing Rules”) and by the Hong Kong Companies Ordinance.

Basis of preparation

The consolidated financial statements have been prepared on the historical cost basis except for certain financial instruments that are measured at fair values at the end of each reporting period, as explained in the accounting policies set out below.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Group takes into account the characteristics of the asset or liability of market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in the consolidated financial statements is determined on such a basis, except for share-based payment transactions that are within HKFRS 2 *Share-based Payment*, leasing transactions that are accounted for in accordance with HKFRS 16 *Leases*, and measurements that have some similarities to fair value but are not fair value, such as net realisable value in HKAS 2 *Inventories* or value in use in HKAS 36 *Impairment of Assets*.

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

4. SEGMENT INFORMATION

Information reported to the chief operating decision maker (“CODM”) for the purposes of resource allocation and assessment of segment performance focuses on types of goods or services delivered or provided.

For commodities trading business operation, the information reported to the CODM is further categorised into different major types of products, each of which is considered as a separate operating segment by the CODM. Accordingly, daily cleaning, anti-epidemic and other consumable products is separately considered as a reporting segment by the CODM. No operating segments have been aggregated in arriving at the reportable segments of the Group.

An operating segment regarding unconventional gas business was discontinued in the current year. The segment information do not include any awards for the discontinued operations, which is described in more details in Note 9.

The Group organised into three operating divisions: commodities trading business, daily cleaning, anti-epidemic and other consumable products business and esmart digital services. These divisions are the basis on which the Group reports its segment information.

The three operating and reportable segments under HKFRS 8 are as follows:

Commodities trading business	Provision of agency services and commodities trading in the People’s Republic of China (the “PRC”), Hong Kong and overseas
Daily cleaning, anti-epidemic and other consumable products business	Engaged in the sales, marketing and brand building of daily cleaning, anti-epidemic and other consumable products in the PRC and overseas
Esmart digital services	Provision of esmart digital services in the PRC

Revenue represents the aggregate of the amounts received and receivable from third parties, income from commodities trading business sales of daily cleaning, anti-epidemic and other consumable products. Revenue recognised during the years are as following:

	2022 <i>HK\$’000</i>	2021 <i>HK\$’000</i>
Disaggregation of revenue from contracts with customers		
Recognised at a point in time		
Commodities sales	111,152	236,566
Sales of daily cleaning, anti-epidemic and other consumable products	41,448	39,474
	<hr/>	<hr/>
Total revenue from contracts with customers	152,600	276,040
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Segment revenue and results

The following is an analysis of the Group's revenue and results by reportable segment:

2022

Continuing Operations

	Commodities trading business <i>HK\$'000</i>	Daily cleaning, anti-epidemic and other consumable products business <i>HK\$'000</i>	Esmart digital services <i>HK\$'000</i>	Consolidated <i>HK\$'000</i>
Turnover				
Turnover from external customers	<u>111,152</u>	<u>41,448</u>	<u>-</u>	<u>152,600</u>
Result				
Segment (loss)/profit	<u>(11,837)</u>	<u>54</u>	<u>(7,476)</u>	(19,259)
Unallocated other income				1,469
Unallocated corporate expenses				(11,952)
Equity-settled share-based payment				(12,684)
Finance costs				<u>(2,489)</u>
Loss before tax				(44,915)
Taxation				<u>(1,645)</u>
Loss for the year				<u>(46,560)</u>

2021

Continuing Operations

	Commodities trading business <i>HK\$'000</i>	Daily cleaning, anti-epidemic and other consumable products business <i>HK\$'000</i>	Esmart digital services <i>HK\$'000</i>	Consolidated (Restated) <i>HK\$'000</i>
Turnover				
Turnover from external customers	236,567	39,473	–	276,040
Result				
Segment (loss)/profit	(5,922)	6,983	(7,838)	(6,777)
Unallocated other income				3,414
Unallocated corporate expenses				(17,944)
Equity-settled share-based payment				(4,957)
Finance costs				(1,727)
Loss before tax				(27,991)
Taxation				(1,713)
Loss for the year				(29,704)

Turnover reported above represents revenue generated from external customers. There were no inter-segment sales during the year ended 31 March 2022 (2021: Nil).

The accounting policies of the reportable segments are the same as the Group's accounting policies described in note to the consolidated financial statements. Segment results represent the profit or loss from each segment without allocation of certain other income, equity-settled share-based payment, corporate expenses, finance costs and taxation. This is the measure reported to the CODM for the purposes of resource allocation and assessment of segment performance.

Segment assets and liabilities

	Commodities trading business <i>HK\$'000</i>	Daily cleaning, anti-epidemic and other consumable products business <i>HK\$'000</i>	Esmart digital services <i>HK\$'000</i>	Total <i>HK\$'000</i>
31 March 2022				
Segment assets	<u>38,143</u>	<u>26,802</u>	<u>6,948</u>	<u>71,893</u>
Segment liabilities	<u>5,172</u>	<u>5,415</u>	<u>10,475</u>	<u>21,062</u>
	Commodities trading business <i>HK\$'000</i>	Daily cleaning, anti-epidemic and other consumable products business <i>HK\$'000</i>	Esmart digital services <i>HK\$'000</i>	Total (Restated) <i>HK\$'000</i>
31 March 2021				
Segment assets	<u>65,587</u>	<u>9,492</u>	<u>11,807</u>	<u>86,886</u>
Segment liabilities	<u>2,639</u>	<u>3,765</u>	<u>10,114</u>	<u>16,518</u>

Reconciliation of reportable segment assets and liabilities:

	2022	2021
	<i>HK\$'000</i>	(Restated) <i>HK\$'000</i>
Assets		
Total assets of reportable segments	71,893	86,886
Unallocated and other corporate assets:		
Property, plant and equipment	1,648	2,101
Right-of-use assets	1,399	2,449
Deposits, prepayments and other receivables	23,801	23,215
Cash and cash equivalents	2,603	4,834
Assets related to discontinued operation	–	4,067
	<hr/>	<hr/>
Consolidated total assets	101,344	123,552
	<hr/> <hr/>	<hr/> <hr/>
Liabilities		
Total liabilities of reportable segments	21,062	16,518
Unallocated and other corporate liabilities:		
Accrued liabilities and other payables	9,164	9,958
Lease liabilities	1,909	3,164
Amounts due to shareholders	16,973	14,500
Amounts due to non-controlling interests	8,851	9,181
Liabilities related to discontinued operation	–	108
	<hr/>	<hr/>
Consolidated total liabilities	57,959	53,429
	<hr/> <hr/>	<hr/> <hr/>

For the purpose of monitoring segment performance and allocating resources between segments:

- all assets are allocated to reportable segments other than unallocated corporate assets (mainly comprising certain property, plant and equipment, certain right-of-use assets, certain deposits, prepayments and other receivables, certain cash and cash equivalents and assets related to discontinued operation); and
- all liabilities are allocated to reportable segments other than unallocated corporate liabilities (mainly comprising certain accrued liabilities and other payables, certain lease liabilities, amounts due to shareholders, amounts due to non-controlling interests and liabilities related to a discontinued operation).

Other segment information

For the year ended 31 March 2022

Continuing Operations

	Commodities trading business <i>HK\$'000</i>	Daily cleaning, anti-epidemic and other consumable products business <i>HK\$'000</i>	Esmart digital services <i>HK\$'000</i>	Unallocated <i>HK\$'000</i>	Total <i>HK\$'000</i>
Depreciation of property, plant and equipment	560	37	453	453	1,503
Depreciation of right-of-use assets	752	85	-	1,050	1,887
Gain of disposal of property, plant and equipment	-	-	-	(60)	(60)
Gain from sales and leaseback transaction	(475)	-	-	-	(475)
Loss on written-off of property, plant and equipment	-	-	154	-	154
Gain on waiver of other payables	(129)	-	-	(135)	(264)
Net allowance for expected credit losses on trade and other receivables	6,539	6,506	5,158	(3,314)	14,889

For the year ended 31 March 2021
Continuing Operations

	Commodities trading business	Daily cleaning, anti-epidemic and other consumable products business	Esmart digital services	Unallocated	Total (Restated)
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Depreciation of property, plant and equipment	685	11	2,400	527	3,623
Depreciation of right-of-use assets	906	-	69	1,010	1,985
Written-off obsolete and slow-moving inventories	213	-	-	-	213
Written-off of other receivables	2,749	-	-	-	2,749
Loss of disposal of property, plant and equipment	-	-	2	-	2
Loss on written-off of property, plant and equipment	-	-	1,026	-	1,026
Gain on disposal of a associate	-	-	-	(336)	(336)
Gain on waiver of other payables	(1,320)	-	-	-	(1,320)
Loss from scrap materials sold	-	-	(1,471)	-	(1,471)
Net allowance for expected credit losses on trade and other receivables	(1,430)	1,701	319	601	1,191
Additions to non-current assets*	-	106	-	-	106

* Additions to non-current assets excluding right-of-use assets, and financial asset at fair value through other comprehensive income.

Geographical information

The Company is domiciled in Hong Kong. The Group's operations are mainly located in the PRC and Hong Kong. The following analysis of the Group's turnover by geographical area is disclosed for the years ended 31 March 2022 and 2021.

Continuing Operations

	2022 <i>HK\$'000</i>	2021 <i>HK\$'000</i>
The PRC	152,515	264,930
Hong Kong	–	10,438
Overseas	85	672
	<u>152,600</u>	<u>276,040</u>

The following is an analysis of the carrying amount of non-current assets (excluding financial asset at fair value through other comprehensive income) analysed by the geographical area in which the assets are located:

Continuing Operations

	Carrying amount of non-current assets	
	2022 <i>HK\$'000</i>	2021 (Restated) <i>HK\$'000</i>
The PRC	1,002	1,794
Hong Kong	5,800	7,790
Overseas	1,196	5,533
	<u>7,998</u>	<u>15,117</u>

Information about major customers

For the year ended 31 March 2022, the Group's largest six customers (2021: one) contributed revenue from commodities trading business of approximately HK\$126,924,000 (2021: approximately HK\$91,336,000), which represent approximately 83.2% (2021: approximately 33.1%) of total turnover.

	2022 <i>HK\$'000</i>	2021 <i>HK\$'000</i>
Customer A (<i>Note (i)</i>)	21,770	91,336
Customer B (<i>Note (i)</i>)	27,036	–*
Customer C (<i>Note (i)</i>)	22,825	–*
Customer D (<i>Note (i)</i>)	21,497	–*
Customer E (<i>Note (i)</i>)	18,269	–*
Customer F (<i>Note (i)</i>)	15,527	–*
	<u>152,600</u>	<u>276,040</u>

Notes:

* The customer contribution less than 10% of total revenue of the Group.

(i) Revenue generated from commodities trading business

5. OTHER INCOME AND OTHER GAINS/(LOSSES) – NET

	2022	2021
		(Restated)
Continuing Operations	HK\$'000	HK\$'000
Other income		
Interest income on:		
Bank deposits	26	29
Other receivables	1,255	2,616
	<u>1,281</u>	<u>2,645</u>
Government grant (<i>Note</i>)	–	483
Forfeiture of trade deposits from customer	–	209
Sundry income	188	211
	<u>1,469</u>	<u>3,548</u>
Continuing Operations		
Other gains/(losses) – net		
Net exchange gains/(losses)	1	(183)
Written-off of other receivables	–	(2,749)
Written-off of prepayments	–	(529)
Written-off of obsolete and slow-moving inventories	–	(213)
Gain on disposal of associates	–	336
Gain on waiver of other payables	264	1,320
COVID-19-related rent concession	32	488
Gain/(loss) on disposal of property, plant and equipment	60	(2)
Gain from sales and leaseback transaction	475	–
Loss on written-off of property, plant and equipment	(154)	(1,026)
Loss from scrap materials sold	–	(1,471)
	<u>678</u>	<u>(4,029)</u>

Note:

During the year ended 31 March 2021, the Group recognised government grant of approximately HK\$483,000 in respect of COVID-19-related subsidies which is related to Employment Support Scheme provided by the Hong Kong government.

6. LOSS FROM OPERATING ACTIVITIES

	2022	2021
	<i>HK\$'000</i>	(Restated) <i>HK\$'000</i>
Continuing Operations		
The Group's loss from operating activities is arrived at after charging/(crediting):		
Cost of inventory sold	144,751	266,582
Depreciation of property, plant and equipment	1,503	3,623
Depreciation of right-of-use-assets	1,887	1,985
Net allowance for expected credit losses		
– allowance for expected credit losses on trade receivables	18,597	3,925
– allowance for expected credit losses on other receivables	21	601
– reversal of allowance for expected credit losses on trade receivables	(38)	(312)
– reversal of allowance for expected credit losses on other receivables	(3,691)	(3,023)
	<u>14,889</u>	<u>1,191</u>
Staff costs (including directors' remuneration)		
– wages and salaries	12,663	13,124
– equity-settled share-based payment	12,684	4,957
– retirement benefits scheme contributions	350	487
	<u>25,697</u>	<u>18,568</u>
Auditors' remuneration		
– audit services	700	700
	<u>588</u>	<u>551</u>
Expenses relating to short-term lease	588	551

7. FINANCE COSTS

	2022	2021
Continuing Operations	HK\$'000	HK\$'000
Interests on lease liabilities	450	339
Imputed interests on amounts due to shareholders	1,532	1,043
Imputed interests on amounts due to non-controlling interests	507	345
	<u>2,489</u>	<u>1,727</u>

8. TAXATION

	2022	2021
Continuing Operations	HK\$'000	HK\$'000
Current tax		
– PRC	1,645	1,713
	<u>1,645</u>	<u>1,713</u>

Under the two-tiered profits tax rates regime of Hong Kong Profits Tax, the first HK\$2 million of profits of the qualifying group entity will be taxed at 8.25%, and profits above HK\$2 million will be taxed at 16.5%. The profits of group entities not qualifying for the two-tiered profits tax rates regime will continue to be taxed at a flat rate of 16.5%. Accordingly, the Hong Kong Profits Tax of the qualifying group entity is calculated at 8.25% on the first HK\$2 million of the estimated assessable profits and at 16.5% on the estimated assessable profits above HK\$2 million. The two-tiered profits tax rates regime is applicable to the Group for the years ended 31 March 2022 and 2021.

The Directors considered the amount involved upon implementation of the two-tiered profits tax rates regime as insignificant to the consolidated financial statements.

Under the Law of the PRC on Enterprise Income Tax (the “EIT Law”) and Implementation Regulation of the EIT Law, the tax rate of the PRC subsidiaries is 25% from 1 January 2008 onwards.

Taxation in other jurisdictions are calculated at the rates prevailing in the respective jurisdictions. No provision has been made as the Group had no assessable profit for the years ended 31 March 2022 and 2021.

9. DISCONTINUED OPERATION

On 30 July 2021, the Group entered into a sale agreement to dispose of subsidiaries, Multi Century Technology Development Limited and its subsidiaries, which carried out all of the Group's unconventional gas business. The disposal was effected in order to generate cash flows for the expansion of the Group's other businesses. Upon completion of the disposal on 30 July 2021, the control of Multi Century Technology Development Limited was passed to the acquirer.

The loss for the year from the discontinued unconventional gas business is set out below. The comparative figures in the consolidated statement of profit or loss and other comprehensive income have been restated to represent the unconventional gas business as a discontinued operation.

	Period ended 30 July 2021	Year ended 31 March 2021
	<i>HK\$'000</i>	<i>HK\$'000</i>
Loss of unconventional gas business for the period/year	(3,886)	(940)
Gain on disposal of unconventional gas business	1,071	–
	(2,815)	(940)

The results of the unconventional gas business for the period from 1 April 2021 to 30 July 2021, which have been included in the consolidated statement of profit or loss and other comprehensive income, were as follows:

	Period ended 30 July 2021	Year ended 31 March 2021
	<i>HK\$'000</i>	<i>HK\$'000</i>
Other income	–	451
Other loss	(6)	(667)
Net impairment losses recognised in respect of trade and other receivables	–	377
Other operating expenses	(3,880)	(1,101)
Loss for the period/year	(3,886)	(940)

	Period ended 30 July 2021 <i>HK\$'000</i>	Year ended 31 March 2021 <i>HK\$'000</i>
Loss for the period/year from discontinued operations includes the following:		
Loss on write-off of properties, plant and equipment	6	–
Staff costs (including directors' remuneration)		
– wages and salaries	23	370
– retirement benefits scheme contributions	9	93
	<u><u>6</u></u>	<u><u>93</u></u>

During the year ended 31 March 2022, the disposed group of companies paid approximately HK\$335,000 (2021: contributed approximately HK\$19,000) in respect of the Group's net operating cash flows.

The carrying amounts of the assets and liabilities of the disposed group of companies at the date of disposal are disclosed in note to the consolidated financial statements.

10. DIVIDENDS

The directors of the Company do not recommend the payment of any dividend in respect of the year ended 31 March 2022 (2021: Nil).

11. LOSS PER SHARE ATTRIBUTABLE TO OWNERS OF THE COMPANY

(a) Basic

The calculation of basic loss per share from continuing and discontinued operations attributable to owners of the Company is based on following data:

	2022	2021 (Restated)
Loss for the year attributable to owners of the Company (<i>HK\$'000</i>)		
– From continuing operations	(38,025)	(25,463)
– From discontinued operation	(2,815)	(940)
	<u><u>(40,840)</u></u>	<u><u>(26,403)</u></u>
Weighted average number of ordinary shares in issue (<i>'000</i>) (<i>note</i>)	641,533	599,710
Basic and diluted loss per share (HK cents per share)		
– From continuing operations	(5.9)	(4.2)
– From discontinued operation	(0.4)	(0.2)
	<u><u>(6.3)</u></u>	<u><u>(4.4)</u></u>

Note: The weighted average number of ordinary shares in issue has taken into account of the effect of share consolidation on the basis that every five ordinary shares of HK\$0.02 each in the capital of the Company would be consolidated into one ordinary share of HK\$0.1 each as if the consolidation had occurred at 1 April 2020, the beginning of the earliest period reported.

(b) Diluted

The basic and diluted loss per share are the same for the years ended 31 March 2022 and 2021. The calculation of the diluted loss per share does not assume the exercise of the Company's share options because the exercise price of those share options was higher than the average market price for the shares for the years ended 31 March 2022 and 2021.

12. TRADE RECEIVABLES

	2022	2021
	HK\$'000	HK\$'000
Trade receivables (<i>Note (i)</i>)	44,851	23,381
Less: allowance for expected credit losses on trade receivables	(25,076)	(6,517)
	19,775	16,864

The following is an ageing analysis of trade receivables based on invoice date, at the end of reporting period.

	2022	2021
	HK\$'000	HK\$'000
0 to 30 days	1,475	202
31 to 60 days	59	–
61 to 90 days	175	–
91 to 180 days	19,336	7,441
Over 180 days	23,806	15,738
	44,851	23,381

Note:

- (i) According to the credit rating of different customers, the Group allows a range of credit periods within 90 days to its trade customers. Trade receivables are denominated in HK\$, RMB and US\$.

13. DEPOSITS, PREPAYMENTS AND OTHER RECEIVABLES

	2022 HK\$'000	2021 HK\$'000
Deposits	856	913
Prepayments	32,058	32,330
Other receivables (<i>Notes (i), (ii) & (iii)</i>)	<u>105,760</u>	<u>124,162</u>
	138,674	157,405
Less: allowance for expected credit losses on other receivables (<i>Note (iv)</i>)	<u>(76,905)</u>	<u>(80,575)</u>
	<u>61,769</u>	<u>76,830</u>

Notes:

As at 31 March 2022, included the other receivables are several significant items as follows:

(i) *Outstanding consideration for sale of minority interest in an associated company*

Pursuant to the sale and purchase agreement dated 2 June 2015 (as supplemented and amended by two supplemental agreements thereto dated 23 June 2017 and 28 November 2017) (the “Disposal Agreement”) between Elife Investment Holdings Limited (formerly known as Sino Rich Energy Holdings Limited) (a wholly-owned subsidiary of the Company) (“Elife Investment”) and Jetgo Group Limited (“Jetgo”), Elife Investment agreed to dispose of 10.5% of the issued share capital of an associated company to Jetgo at the consideration of HK\$150,000,000. The first and second instalments of the consideration of approximately HK\$75,304,000 were settled in accordance with the schedule.

In relation to the third instalment of the consideration of approximately HK\$74,696,000 due on 31 December 2018, Jetgo settled HK\$200,000 in June 2018 and approximately HK\$74,496,000 has remained outstanding as at 31 March 2022 and 2021.

The Group will seek legal advice for the repayment action plan. As at 31 March 2022, a full provision of approximately HK\$74,496,000 was made (2021: approximately HK\$74,496,000).

(ii) *Performance deposit due from Zhongshang Huimin (Beijing) E-Commerce Co. Ltd. (“Huimin”)*

An interest-free and unsecured performance deposit of RMB50,000,000 (the “Performance Deposit”) was paid by Zhongnongxin Supply Chain Management Company Limited (“Zhongnongxin”) (an indirect wholly-owned subsidiary of the Company) to Huimin pursuant to the supply agreement dated 8 March 2017 (the “Supply Agreement”) among Zhongnongxin, Huimin and Mr. Zhang Yichun (“Mr. Zhang”). Mr. Zhang, a non-executive director and a vice-chairman of the board of the Company (the “Board”) (resigned on 29 February 2020), provided a personal guarantee to Zhongnongxin for the repayment of the Performance Deposit in full when due.

Pursuant to the Supply Agreement (as supplemented and amended by two supplemental agreements thereto on 11 September 2017 and 1 March 2018 respectively), the Performance Deposit shall become due on 16 September 2018. Huimin did not repay the Performance Deposit in full by the said due date. Since August 2018 (that is, one month before the due date), the Group has from time to time requested repayment of the Performance Deposit by Huimin by various means and in particular, (a) on 20 August 2018, the Group issued a letter to Huimin requesting for immediate repayment of the Performance Deposit; (b) on 22 August 2018 and 4 September 2018 respectively, the Group requested Huimin to repay the Performance Deposit in full before 16 September 2018 by email; (c) on 27 September 2018, the PRC legal counsel of the Company, issued a demand letter to Huimin and Mr. Zhang requesting Huimin for repayment of the Performance Deposit; (d) in early November 2018, the management of the Company attended physical meetings with representatives of Huimin to negotiate on, among other things, the means to settle the Performance Deposit, which is preliminarily proposed to be either by way of loan, equity pledge or equity transfer; (e) on 10 December 2018, Huimin provided a repayment schedule in respect of settlement of the Performance Deposit and approximately RMB2,000,000 had been received during the year ended 31 March 2019; (f) On 30 May 2019, a supplemental agreement was entered into among the parties and it was agreed that Huimin shall to repay the remaining balances of the Performance Deposit on or before 16 December 2019; and (g) On 15 June 2020, a supplemental agreement was entered into among the parties and it was agreed that Huimin shall repay the remaining balances of RMB27,700,000 of the Performance Deposit on or before 31 December 2020. On 20 May 2021, a supplemental agreement was entered into among the parties and it was agreed that Huimin shall repay the remaining balances of RMB17,200,000 of the Performance Deposit on or before 31 December 2021. The said supplemental agreement contains a clause that the Group shall have the right to demand repayment of the outstanding sum on or before the due date.

As at 31 March 2022, the Performance Deposit of approximately HK\$Nil (2021: approximately HK\$16,894,000) was included in other receivables. The Performance Deposit was fully repaid during the year ended 31 March 2022.

(iii) *Loan to Graceful Ocean International Group Holding Limited (“Graceful Ocean”)*

On 11 September 2014, Sino Talent Holdings Limited (“Sino Talent”), a wholly-owned subsidiary of the Company, as lender, entered into a loan agreement (the “Loan Agreement”) with Graceful Ocean, as borrower and Mr. Ma Haike (“Mr. Ma”) as first guarantor whereby Sino Talent agreed to advance to Graceful Ocean a term loan in the principal amount of HK\$18 million (the “Loan”) with interest accrued at the rate of 13% per annum. The parties entered into five supplemental agreements to the Loan Agreement between April 2015 and June 2018 to, among other things, postpone the maturity date of the Loan to 31 March 2019. On 24 June 2019, the parties and Mr. Gao Feng (“Mr. Gao”), an executive director and the vice-chairman of the Board, entered into the sixth supplemental agreement to the Loan Agreement with the interest rate of 10% per annum, to further postpone the maturity date of the Loan to 31 March 2020. Meanwhile, as an additional security of the repayment obligations of the borrower under the Loan Agreement (as supplemented by the six supplemental agreements), Mr. Gao, entered into a second guarantee contract (“Mr. Gao’s Second Guarantee”) with Sino Talent and Graceful Ocean whereby Mr. Gao agreed to act as the second guarantor and in the event and only when Mr. Ma failed to or refused to fulfill its guarantee obligations as the first guarantor, guarantee the due performance of Graceful Ocean in respect of its repayment obligations under the Loan Agreement (as supplemented by the six supplemental agreements). On 12 June 2020, the Seventh supplemental agreement entered into the parties to further postpone the maturity date of the Loan to 31 March 2021. On 23 April 2021, Mr. Gao entered into a repayment agreement with Sino Talent to take up responsibilities to repay the outstanding balances according to the repayment schedule on behalf of Graceful Ocean when Mr. Ma failed to settle of the Loan. The repayment schedule has been agreed and due on 31 December 2022. The interest rate was changed to 5% per annum.

As at 31 March 2022, the total outstanding amount of the Loan and the interest accrued thereon was approximately HK\$24,655,000 (2021: approximately HK\$27,382,000) and included in other receivables. The loan was repaid in the amount of approximately HK\$3,982,000 during the year ended 31 March 2022 and HK\$200,000 subsequent to the year ended 31 March 2022.

(iv) In respect of the sales consideration in Note (i), on 28 November 2018, 2 January 2019 and 25 April 2019, the Group (either by itself or through its legal advisers) issued demand letters to Jetgo while the management of both parties continued to discuss the means to settle the outstanding amount. The Company sought legal advices from two separate Hong Kong law firms on the viability and pros and cons of taking legal action against Jetgo on its failure to make the repayment in accordance with the Disposal Agreement. The Company will further instruct professionals to assess the assets and financial conditions of the Vendor, its associated companies and the sole shareholder of the Vendor in Hong Kong and elsewhere and will then decide whether or not to take legal action against the Vendor or explore other options including but not limited to disposal of the outstanding amount.

Due to the expected possibility of repayment from Jetgo in short period of time is very low and assessed its ECL is very high by an independent firm of professional valuers, after thorough consideration, the Board decided to make an allowance for ECLs on the respective receivables, i.e. approximately HK\$74,496,000 for the year ended 31 March 2019.

Regarding the loan balance in Note (iii), the ECLs are relatively low as supported by the repayment schedules and the personal guarantees, the provision allowance for ECL on other receivables are approximately HK\$2,542,000 as at 31 March 2022 (2021: approximately HK\$5,616,000).

14. TRADE PAYABLES

The following is an ageing analysis of trade payables based on the invoice date at the end of the reporting period.

	2022 <i>HK\$'000</i>	2021 <i>HK\$'000</i>
0 to 30 days	1	7
31 to 60 days	2	–
61 to 90 days	–	–
91 to 180 days	49	–
Over 180 days	209	106
	<u>261</u>	<u>113</u>

The average credit period on purchases of certain goods is 90 days. The Group has financial risk management policies in place to ensure that all payables are paid within the credit timeframe.

15. ACCRUED LIABILITIES AND OTHER PAYABLES

	2022 <i>HK\$'000</i>	2021 <i>HK\$'000</i>
Accrued liabilities	7,016	6,629
Deposit received	–	49
Other payables	17,709	15,495
	<u>24,725</u>	<u>22,173</u>

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

The Group is principally engaged in commodities trading, sales, marketing and brand building of the anti-epidemic, daily cleaning products and licensed branded watches businesses. It has also been expanding its businesses into the consumer products market conforming to the Group's business principle of "making life easier and benefiting people's livelihood" (易生活，惠民生).

The Group has been managing the following businesses:

COMMODITIES TRADING BUSINESS

During the year ended 31 March 2022, the Group continued to focus on sourcing domestic quality products as well as metals commodities for sale to retail channels or lower-tier agents in the PRC.

DAILY CLEANING AND ANTI-EPIDEMIC PRODUCTS BUSINESS

On 31 July 2020, the Company and Mr. Zhu Qian ("Mr. Zhu") entered into the cooperation agreement to establish a joint venture group (the "**Joint Venture Group**") which possesses the brand "易安生"/"E'ANSN" and the supply chain including the formula, brand and package design of the anti-epidemic and daily cleaning products and is principally engaged in the sale, marketing and brand building of such products in the PRC and overseas. The Joint Venture Group has also further differentiated and expanded its business by developing the sales and marketing of personal healthcare and protective products (e.g. medical diagnostic test kits of COVID-19, surgical gloves and nitrile gloves). In the meantime, the Company is developing the North American market and increasing sales channels via online live delivery platforms.

LICENSED BRANDED WATCHES BUSINESS

A joint venture group was established in June 2020 to carry the business of the licensed branded watches business (the "**Watches Business**"). Subsequently, it became a wholly-owned subsidiary of the Company on 31 October 2021. The Watches Business set up a new operation team to promote the business of online sales and sales via television shopping channels, with a wide array of operations established, ranging from material procurement, assembly and production, product design, logistics and distribution, to after-sales services.

Shenzhen Aishang e-buy Technology Co., Ltd. (深圳市愛尚易購科技有限公司) (“**Aishang e-buy**”), a subsidiary of the Company and the major operating subsidiary of the Watches Business, has recently entered into various business contracts with television shopping channels in the PRC to sell watches. In the PRC, television shopping channels are categorized into nationwide, provincial or city-wide. Currently, Aishang e-buy has businesses with five television shopping channels, of which three are nationwide.

With the establishment of a new team, the Watches Business is accelerating its cooperation negotiations with different online platforms. Meanwhile, the Company is negotiating with other well-known international brands for cooperation with an aim to build a strong brand network, and will expand its sales through television shopping channels, internet celebrities, and self-operated online shops with livestreaming capability, as well as exporting products overseas.

RESULTS ANALYSIS

Revenue

For the year ended 31 March 2022, the Group recorded a turnover of approximately HK\$152,600,000 from continuing operations (2021: approximately HK\$276,040,000), representing a decrease of 44.7%. The revenue was generated from metal commodities trading segments and sales of anti-epidemic and daily cleaning, anti-epidemic and other consumable products segments. The decrease in revenue during the year was primarily due to a reduction of the volume in commodities trading business, which has a lower profit margin, for approximately 53%. As a result of the lockdown as a quarantine measure to control outbreak of COVID-19 in the PRC, the overall revenue decreased accordingly. The Group intends to allocate more of its resources on the daily cleaning, anti-epidemic and other consumable products business. The revenue generated from the daily cleaning, anti-epidemic and other consumable products business contributed approximately HK\$41,448,000 for the year (2021: approximately HK\$39,473,000). The gross profit margin of the daily cleaning and anti-epidemic products business was relatively higher, especially due to the higher demand under the COVID-19 pandemic.

More details of the Company’s performance by business segments are set out in Note 6 to the consolidated financial statements.

Cost of Sales

For the year ended 31 March 2022, the cost of sales of the Group amounted to approximately HK\$144,751,000 (2021: approximately HK\$266,582,000), representing approximately 94.9% (2021: approximately 96.6%) of the Group's revenue and a decrease of approximately 45.7% which is in line with the fluctuation of the turnover.

Gross Profit and Gross Profit Margin

The Group's gross profit for the year ended 31 March 2022 was approximately HK\$7,849,000 from continuing operations (2021: approximately HK\$9,458,000). For the year ended 31 March 2022, the gross profit margin was approximately 5.1% (2021: approximately 3.4%). The increase of gross profit margin was due to the sales of daily cleaning and anti-epidemic products with a high margin during the year.

Selling Expenses

During the year ended 31 March 2022, the Group recorded selling expenses of approximately HK\$832,000 (2021: approximately HK\$994,000). The decrease was mainly due to the scaling down of the esmart digital services segment in light of strong competition in the PRC. The Group also implemented cost control policy to lower the operating costs and streamline the workforce by cutting down the number of staff members in the sales department. Thus, the selling expenses dropped accordingly during the year.

Other Operating Expenses

Other operating expenses incurred by the Group for the year ended 31 March 2022 was approximately HK\$51,590,000 (2021: approximately HK\$34,247,000), representing an increase of approximately 50.6%. The increase was attributable to: (i) the equity-settled share-based payment of approximately HK\$12,684,000 (2021: approximately HK\$4,957,000) granted under the share award scheme; and (ii) net impairment losses recognised in respect of trade and other receivables of approximately HK\$14,889,000 (2021: approximately HK\$1,191,000) which are non-cash items.

Finance Costs

The finance costs incurred by the Group for the year ended 31 March 2022 was approximately HK\$2,489,000 (2021: approximately HK\$1,727,000), representing an increase of approximately 44.1%. The increase was mainly due to the increase of the imputed interest expenses on shareholders' loan incurred during the year.

Loss for the Year Attributable to Owners of the Company

For the year ended 31 March 2022, the Group recorded a loss attributable to shareholders of the Company (the “**Shareholders**”) of approximately HK\$40,840,000 (2021: approximately HK\$26,403,000), representing an increase of approximately 54.7%. Basic loss per Share from continuing operations were approximately HK5.9 cents (2021: approximately HK4.2 cents) for the year ended 31 March 2022. The increase was primarily attributable to the equity-settled share-based payment of approximately HK\$12,684,000 (2021: approximately HK\$4,957,000) and the net impairment losses recognised in respect of trade and other receivables of approximately HK\$14,889,000 (2021: approximately HK\$1,191,000) for the year. Nevertheless, the gross profit margin of the Group for the year was significantly improved as the COVID-19 pandemic led to a higher demand of the daily cleaning and anti-epidemic products.

FINANCIAL REVIEW

Liquidity, Financial Resources and Capital Structure

The Group derived its working capital mainly from financing activities. For the year ended 31 March 2022, the Group had net cash used in operating activities of approximately HK\$14,730,000 (2021: approximately HK\$10,862,000), net cash generated from investing activities of approximately HK\$5,851,000 (2021: approximately HK\$265,000) and net cash generated from financing activities of approximately HK\$5,066,000 (2021: approximately HK\$8,211,000). As at 31 March 2022, the Group had available cash and cash balances of approximately HK\$10,807,000 (2021: approximately HK\$14,590,000).

As at 31 March 2022, surplus on Shareholders’ funds of the Group aggregately amounted to approximately HK\$43,385,000 (2021: approximately HK\$70,123,000). Net current assets of the Group amounted to approximately HK\$36,563,000 (2021: approximately HK\$73,169,000). The Group’s total current assets and current liabilities were approximately HK\$92,863,000 (2021: approximately HK\$108,340,000) and HK\$56,300,000 (2021: approximately HK\$35,171,000) respectively, while the current ratio was approximately 1.6 times (2021: approximately 3.1 times). The Group’s assets-liabilities ratio (total liabilities to total assets) was approximately 0.6 times (2021: approximately 0.4 times).

As at 31 March 2022, the Group’s gearing ratio (total debts to total equity) was approximately 68.7% (2021: approximately 42.9%).

Capital Structure

On 19 July 2021, the Company entered into the subscription agreement with Mr. Zhu, a substantial shareholder of two non wholly-owned subsidiaries of the Company whereby Mr. Zhu agreed to subscribe for an aggregate of 145,000,000 subscription shares (before the Share Consolidation as defined below) at the subscription price of HK\$0.055 each for a consideration of HK\$7,975,000. The subscription was completed on 15 September 2021. The net proceeds are intended to be used for the working capital to maintain the Group’s daily operations and funding for developing the Group’s businesses. As at the date hereof, the entire net proceeds of approximately HK\$7,700,000 was used for general working capital purposes. For details, please refer to the Company’s announcements dated 19 July 2021 and 15 September 2021 respectively.

On 25 January 2022, the Shareholders approved the share consolidation of every five issued and unissued then existing Shares into one consolidated Share (the “**Share Consolidation**”) and all of the conditions precedent of the Share Consolidation were fulfilled, the Share Consolidation took effect on Thursday, 27 January 2022. Immediately after the Share Consolidation becoming effective, the authorised share capital of the Company of HK\$300,000,000 were divided into 3,000,000,000 Shares with par value of HK\$0.1 each (the “**Consolidated Shares**” or the “**Shares**”), of which 664,928,712 Consolidated Shares were in issue.

Capital Expenditures and Capital Commitment

During the year ended 31 March 2022, the capital expenditures mainly comprised property, plant and equipment which was approximately HK\$Nil (2021: approximately HK\$106,000). These capital expenditures were funded by internal cash flow from operating activities.

As at 31 March 2022, the Group had capital commitments of approximately HK\$188,568,000 (2021: approximately HK\$181,103,000) in respect of the authorised and contracted capital contributions payable to subsidiaries.

Exposure to Fluctuations in Exchange Rates and Any Related Hedges

The Group’s sales and purchase are mainly transacted in Hong Kong dollars, United States dollars and Renminbi and the books are recorded in Hong Kong dollars. Therefore, it may be exposed to foreign exchange risk. However, in view of the stable currency policies adopted by the PRC government, the Directors consider that the foreign exchange risk is insignificant.

The Group currently has no foreign exchange rate hedging policy in respect of commercial transactions denominated in foreign currencies. However, the Directors monitor exchange rate exposure regularly and will consider hedging significant exchange rate exposure when necessary.

Key Risk Factors and Uncertainties

The Group monitors the development of the industry on a regular basis and timely assesses different types of risks in order to formulate proper strategies to minimise the adverse impact on the Group.

For details, please refer to Note 5 “Financial Risk Management” to the Company’s annual report for the year ended 31 March 2022.

Dividend

The Board did not recommend any payment of final dividend to the Shareholders for the year ended 31 March 2022 (2021: Nil).

OTHER EVENTS

Employees and Remuneration Policy

As at 31 March 2022, the Group had a total of 45 employees (2021: 42) in Hong Kong, the PRC and the United States. All employees are remunerated according to their performance, experience and the prevailing industry practices.

The Group also participates in retirement benefit scheme for its staff in Hong Kong and the PRC.

The 2010 share option scheme of the Company was adopted on 8 October 2010, amended on 17 August 2017 and terminated on 23 September 2021, with options to be granted to any directors, employees and other parties at the discretion of the Board. During the year ended 31 March 2022, no share options were granted to directors, employees or other parties while 103,697,000 share options lapsed. As at 31 March 2022, 48,572,000 (after the Share Consolidation) share options remained outstanding. On 23 September 2021, a new share option scheme of the Company, whose terms are similar to those of the 2010 share option scheme of the Company, was adopted pursuant to an ordinary resolution passed at the annual general meeting. Please refer to Appendix III to the circular of the Company dated 23 August 2021 for the principal terms of the new share option scheme. No share options under the new share option scheme were granted during the year ended 31 March 2022.

The Group also adopted a share award scheme on 27 June 2017. During the year ended 31 March 2022, before the Share Consolidation, 5,050,000 awarded shares were granted and transferred to Mr. Zhang Shaoyan, the chief investment officer of the Group and a director of a subsidiary of the Company. The Group also granted and issued 83,000,000 awarded shares to eight employees of a subsidiary of the Company. After the Share Consolidation, on 28 January 2022, the Group granted a total of 13,000,000 awarded Shares to five connected selected participants and 600,000 awarded Shares to two other selected participants.

The Group recognised total expenses of approximately HK\$12,684,000 (2021: approximately HK\$4,957,000) during the year in relation to equity-settled share-based payment.

The Group is committed to providing employees with a stable working environment and continuing to uphold the principles of impartially, fairness and merit-based employment, and constantly improves the criteria for personal selection and appointment.

MATERIAL ACQUISITION AND DISPOSAL

The Group did not have any material acquisition and disposal for the year ended 31 March 2022.

Lapse of Major and Connected Transaction in relation to Increase of Shareholding Interests in Subsidiaries

On 27 November 2020, the Company (as purchaser), Century Smart Group Limited (“**Century Smart**”) (as purchaser) and Mr. Zhu (the “**Vendor**”) entered into the share transfer agreement (the “**Share Transfer Agreement**”) whereby the Group agreed to increase its effective interest in the Joint Venture Group from 26.01% to 70% (the “**Acquisition**”). Pursuant to the terms of the Share Transfer Agreement, the Vendor irrevocably guaranteed to the Company that the aggregate audited consolidated net profit after tax of the Joint Venture Group for the twelve months ended 31 August 2021 shall be no less than the guaranteed profit of RMB15 million. After internal review and according to HKFRSs, the unaudited net profit after tax of the Joint Venture Group amounted to approximately RMB14.8 million, which is less than the Guaranteed Profit of RMB15 million.

Under the Share Transfer Agreement, in the event that the conditions cannot be fulfilled or waived (as the case may be) on or before 31 March 2021 or such other date as determined by the parties to the Share Transfer Agreement (the “**Long Stop Date**”), the Share Transfer Agreement and the transactions contemplated thereunder shall become null and void. The Long Stop Date was subsequently extended to a date on or before 30 September 2021 (or such other date as the parties may otherwise agree).

As one or more condition(s) has/have not been fulfilled or waived (as the case may be) on or before the Long Stop Date, and the parties have not agreed on any further extension of the Long Stop Date, the Share Transfer Agreement and the Acquisition lapsed on 30 September 2021 pursuant to the terms of the Share Transfer Agreement.

As the companies comprising the Joint Venture Group remain to be subsidiaries of the Company and their financial results will continue to be consolidated into the Group’s financial statements notwithstanding the lapse of the Share Transfer Agreement, the Board considers that the lapse of the Share Transfer Agreement will not have any material adverse impact on the business, operations and financial position of the Company.

For details, please refer to, among others, the announcements of the Company dated 17 December 2020 and 30 September 2021.

Material Related Party Transactions

Details of material related party transactions of the Group as at 31 March 2022 will be set out in Note 38 to the Company’s annual report for the year ended 31 March 2022.

Significant Investment

The Group did not hold any significant investment for the year ended 31 March 2022.

EVENT AFTER THE REPORTING PERIOD

Save as disclosed above and elsewhere in these consolidated financial statements, the Group has the following event occurred subsequent to the end of the reporting period:

On 17 May 2022, the Company entered into the placing agreement with DL Securities (HK) Limited (the “**Placing Agent**”) pursuant to which the Placing Agent conditionally agreed to place as the Company’s placing agent on a best effort basis up to 132,985,742 new Shares (the “**Placing Shares**”) to not less than six places at the placing price of HK\$0.103 per Placing Share (the “**Placing**”). The Placing Shares will be allotted and issued pursuant to the general mandate granted to the Directors at the annual general meeting held on 23 September 2021. As at the date hereof, the completion of the Placing has not taken place.

PURCHASE, REDEMPTION OR SALE OF LISTED SECURITIES OF THE COMPANY

The Company or any of its subsidiaries had not purchased, redeemed or sold any of the Company’s listed securities during the year.

AUDIT COMMITTEE

The audit committee of the Company (the “**Audit Committee**”) comprises three independent non-executive Directors, chaired by Mr. Lam Williamson and the other two members are Mr. Cheng Wing Keung, Raymond and Mr. Wong Hoi Kuen. The Audit Committee has reviewed and discussed with the Company’s management regarding the annual results of the Group for the year ended 31 March 2022.

Scope of work of HLB Hodgson Impey Cheng Limited

The figures in respect of the Group’s consolidated statement of financial position, consolidated statement of profit or loss and other comprehensive income, and the related notes thereto for the year ended 31 March 2022 as set out in this announcement have been agreed by the Group’s auditors, HLB Hodgson Impey Cheng Limited, to the amounts set out in the Group’s audited consolidated financial statements for the year. The work performed by HLB Hodgson Impey Cheng Limited in this respect did not constitute an assurance engagement and consequently no opinion or assurance conclusion has been expressed by HLB Hodgson Impey Cheng Limited on this announcement.

COMPLIANCE WITH CORPORATE GOVERNANCE CODE

The Company applied the principles and complied with all code provisions of the Corporate Governance Code as set out in Appendix 14 to the Listing Rules during the year.

ANNUAL GENERAL MEETING

The annual general meeting (the “AGM”) of the Company will be held after despatch of the annual report. The notice of the AGM will be published and despatched to the Shareholders in due course.

PUBLICATION OF RESULTS ANNOUNCEMENT AND ANNUAL REPORT

The Company’s results announcement for the year ended 31 March 2022 containing all information required by Appendix 16 to the Listing Rules is published on the website of the Stock Exchange at <http://www.hkexnews.hk> and the Company’s appointed website at <http://www.capitalfp.com.hk/eng/index.jsp?co=223>. The annual report will be despatched to the Shareholders and published on the above websites in due course.

By Order of the Board
Elife Holdings Limited
Zhang Xiaobin
Chairman

Hong Kong, 27 June 2022

As at the date of this announcement, the executive Directors are Mr. Zhang Xiaobin, Mr. Gao Feng and Mr. Chiu Sui Keung, and the independent non-executive Directors are Mr. Cheng Wing Keung Raymond, Mr. Lam Williamson, Mr. Wong Hoi Kuen and Dr. Lam Lee G.