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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 2024**

The board (the “**Board**”) of directors (the “**Director(s)**”) 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 2024 together with the comparative figures for the year ended 31 March 2023 as follows:

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 31 March 2024

	<i>Notes</i>	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i> (Restated)
Continuing operations			
Revenue	4	184,086	238,840
Cost of sales		<u>(152,226)</u>	<u>(236,973)</u>
Gross profit		31,860	1,867
Other income	5	997	1,547
Other (losses)/gains, net	5	(1)	700
Selling expenses		(4,211)	(1,898)
Other operating expenses		(24,096)	(22,485)
Equity-settled share-based payment		–	(697)
Net allowance for expected credit losses on trade and other receivables		(27,767)	(970)
Impairment losses on property, plant and equipment and right-of-use assets		<u>(173)</u>	<u>(599)</u>
Loss from operating activities	6	(23,391)	(22,535)
Finance costs	7	<u>(370)</u>	<u>(314)</u>
Loss before tax		(23,761)	(22,849)
Taxation	8	<u>(5,193)</u>	<u>(33)</u>
Loss for the year from continuing operations		(28,954)	(22,882)
Discontinued operation			
Loss for the year from a discontinued operation, net of income tax	11	<u>(1,954)</u>	<u>(2,354)</u>
Loss for the year		<u>(30,908)</u>	<u>(25,236)</u>
Other comprehensive expenses			
Items that will not be reclassified to profit or loss:			
Change in fair value of financial asset at fair value through other comprehensive income		(208)	(173)
Items that may be reclassified subsequently to profit or loss:			
Exchange differences on translating foreign operations		<u>(920)</u>	<u>(3,964)</u>
Other comprehensive expenses for the year		<u>(1,128)</u>	<u>(4,137)</u>
Total comprehensive expenses for the year		<u>(32,036)</u>	<u>(29,373)</u>

	<i>Notes</i>	2024 HK\$'000	2023 <i>HK\$'000</i> (Restated)
Loss for the year attributable to owners of the Company			
– from continuing operations		(31,038)	(21,056)
– from a discontinued operation		(970)	(617)
		<u>(32,008)</u>	<u>(21,673)</u>
Profit/(loss) for the year attributable to non-controlling interests			
– from continuing operations		2,084	(1,826)
– from a discontinued operation		(984)	(1,737)
		<u>1,100</u>	<u>(3,563)</u>
		<u>(30,908)</u>	<u>(25,236)</u>
Total comprehensive (expense)/income attributable to owners of the Company			
– from continuing operations		(32,702)	(27,893)
– from a discontinued operation		(687)	105
		<u>(33,389)</u>	<u>(27,788)</u>
Total comprehensive income/(expense) attributable to non-controlling interests			
– from continuing operations		1,476	(1,988)
– from a discontinued operation		(123)	403
		<u>1,353</u>	<u>(1,585)</u>
		<u>(32,036)</u>	<u>(29,373)</u>
Loss per share			
From continuing and discontinued operations			
– Basic and diluted	10	<u>(3.4) cents</u>	<u>(3.0) cents</u>
From continuing operations			
– Basic and diluted	10	<u>(3.3) cents</u>	<u>(2.9) cents</u>

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 March 2024

	<i>Notes</i>	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Non-current assets			
Property, plant and equipment		2,793	3,599
Right-of-use assets		3,053	639
Financial asset at fair value through other comprehensive income		–	274
		<u>5,846</u>	<u>4,512</u>
Current assets			
Inventories		1,795	2,701
Trade receivables	12	167,046	7,705
Deposits, prepayments and other receivables	13	48,821	60,949
Cash and cash equivalents		27,132	2,283
		<u>244,794</u>	<u>73,638</u>
Assets classified as held for sale	15	5,019	–
		<u>249,813</u>	<u>73,638</u>
Total current assets			
Less: Current liabilities			
Trade payables	14	129,278	2,318
Accrued liabilities and other payables		23,320	20,139
Contract liabilities		5,970	1,015
Lease liabilities		1,646	888
Amounts due to shareholders		881	5,849
Amounts due to non-controlling interests		–	7,560
Tax payables		6,382	1,154
		<u>167,477</u>	<u>38,923</u>
Liabilities associated with assets classified as held for sale	15	33,932	–
		<u>201,409</u>	<u>38,923</u>
Total current liabilities			
		<u>48,404</u>	<u>34,715</u>
Net current assets			
		<u>54,250</u>	<u>39,277</u>
Total assets less current liabilities			

	<i>Notes</i>	2024 HK\$'000	2023 HK\$'000
Less: Non-current liabilities			
Lease liabilities		2,015	515
Amounts due to shareholders		–	12,034
Amounts due to non-controlling interests		–	1,066
		<u>2,015</u>	<u>13,615</u>
Net assets		<u>52,235</u>	<u>25,612</u>
Capital and reserves			
Share capital		113,017	75,269
Reserves		11,078	23,556
		<u>124,095</u>	<u>98,825</u>
Equity attributable to owners of the Company		124,095	98,825
Non-controlling interests		<u>(71,860)</u>	<u>(73,213)</u>
Total equity		<u>52,235</u>	<u>25,612</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2024

1. CORPORATE INFORMATION

Elife Holdings Limited (the “**Company**”) is a limited liability company incorporated in the Cayman Islands and its shares are listed on The Stock Exchange of Hong Kong Limited. 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 Qihua and Mr. Zhao Zhenzhong are the substantial shareholders of the Company.

The principal activities of its subsidiaries include sales of commodities, brand promotion, sales, marketing and brand building of anti-epidemic, daily cleaning products and licensed branded consumer goods. During the year ended 31 March 2024, the Group has engaged in a new value added services to provide brand promotion services in the PRC to its customers under the supply chain business segment. The Group also expanded its trading and online sales of licensed branded watches through television networks and online shopping channels into trading and sales of licensed branded consumer goods, such as trendy women handbag. The Group is actively expanding its businesses into various consumer products market conforming to the Group’s business principle and mission of delivering “an easier life, greater health and better livelihood” (易生活 · 大健康 · 惠民生), striving to provide consumers with a more comfortable, convenient, environmentally friendly, and healthier lifestyle experience.

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 NEW AND AMENDMENTS TO HONG KONG FINANCIAL REPORTING STANDARDS (“**HKFRSs**”)

New and amendments to HKFRSs that are mandatorily effective for the current year

In the current year, the Group has applied the following new and 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 Group’s annual period beginning on 1 April 2023 for the preparation of the consolidated financial statements:

HKFRS 17 (including the October 2020 and February 2022 Amendments to HKFRS 17)	Insurance Contracts
Amendments to HKAS 8	Definition of Accounting Estimates
Amendments to HKAS 12	Deferred Tax related to Assets and Liabilities arising from a Single Transaction
Amendments to HKAS 12	International Tax Reform-Pillar Two model Rules
Amendments to HKAS 1 and HKFRS Practice Statement 2	Disclosure of Accounting Policies

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

Amendments to HKFRSs that have been issued but are not yet effective

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

Amendments to HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture ¹
Amendments to HKFRS 16	Lease Liability in a Sale and Leaseback ²
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	Non-current Liabilities with Covenants ²
Amendment to HKAS 7 and HKFRS 7	Supplier Finance Arrangements ²
Amendment to HKAS 21	Lack of Exchangeability ³

¹ Effective for annual periods beginning on or after a date to be determined.

² Effective for annual periods beginning on or after 1 January 2024.

³ Effective for annual periods beginning on or after 1 January 2025.

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

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION

The consolidated financial statements have been prepared in accordance with issued by the Hong Kong Institute of Certified Public Accountants (“**HKICPA**”). 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 of Hong Kong Limited include applicable disclosures required by the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited (the “**Listing Rules**”) and by the Hong Kong Companies Ordinance.

The material accounting policy information 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.

Basis of preparation of consolidated financial statements

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 if 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 these 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*.

For financial instruments which are transacted at fair value and a valuation technique that unobservable inputs are to be used to measure fair value in subsequent periods, the valuation technique is calibrated so that at initial recognition the results of the valuation technique equals the transaction price.

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

The Group organised into three continuing operating divisions: supply chain business, daily cleaning, anti-epidemic and other consumable products business and licensed branded consumer goods. 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:

Supply chain business	Engaged in the comprehensive supply chain business for branded goods, consumer products and commodities, assisting brand suppliers expanding their sales channels and offering various value-added services such as brand promotion, building and management
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
Licensed branded consumer goods	Engaged in the trading and online sales via television network and online shopping channels of the licensed branded consumer goods in the PRC and overseas

Revenue represents the aggregate of the amounts received and receivable from third parties, income from commodities sales, sales of daily cleaning, anti-epidemic, other consumable products and licensed branded consumer goods and the provision of brand promotion services. Revenue recognised during the years are as following:

	2024	2023
	<i>HK\$'000</i>	<i>HK\$'000</i>
Disaggregation of revenue from contracts with customers		
<i>Recognised at a point in time</i>		
Commodities sales	51,903	223,759
Sales of daily cleaning, anti-epidemic and other consumable products	8,055	8,191
Sale of licensed branded consumer goods	1,720	6,890
Provision of brand promotion services	122,408	–
	184,086	238,840

Segment revenue and results

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

2024

Continuing operations

	Supply chain business <i>HK\$'000</i>	Daily cleaning, anti-epidemic and other consumable products <i>HK\$'000</i>	Licensed branded consumer goods <i>HK\$'000</i>	Consolidated <i>HK\$'000</i>
Revenue				
Revenue from external customers	<u>174,311</u>	<u>8,055</u>	<u>1,720</u>	<u>184,086</u>
Result				
Segment profit/(loss)	<u>4,598</u>	<u>3,595</u>	<u>(3,066)</u>	5,127
Unallocated other income				947
Unallocated corporate expenses				(29,465)
Finance costs				<u>(370)</u>
Loss before tax				(23,761)
Taxation				<u>(5,193)</u>
Loss for the year				<u>(28,954)</u>

2023

Continuing operations

	Supply chain business <i>HK\$'000</i>	Daily cleaning, anti-epidemic and other consumable products business <i>HK\$'000</i>	Licensed branded consumer goods <i>HK\$'000</i>	Consolidated <i>HK\$'000</i> (Restated)
Revenue				
Revenue from external customers	223,759	8,191	6,890	238,840
	<u>223,759</u>	<u>8,191</u>	<u>6,890</u>	<u>238,840</u>
Result				
Segment loss	(2,877)	(2,337)	(4,050)	(9,264)
	<u>(2,877)</u>	<u>(2,337)</u>	<u>(4,050)</u>	<u>(9,264)</u>
Unallocated other income				1,410
Unallocated corporate expenses				(13,984)
Equity-settled share-based payment				(697)
Finance costs				(314)
				<u>(13,575)</u>
Loss before tax				(22,849)
Taxation				(33)
				<u>(22,882)</u>
Loss for the year				<u>(22,882)</u>

Revenue reported above represents revenue generated from external customers. There were no inter-segment sales during the years ended 31 March 2024 and 2023.

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

Continuing operations

	Supply chain business <i>HK\$'000</i>	Daily cleaning, anti-epidemic and other consumable products business <i>HK\$'000</i>	Licensed branded consumer goods <i>HK\$'000</i>	Total <i>HK\$'000</i>
31 March 2024				
Segment assets	<u>208,244</u>	<u>22,314</u>	<u>1,621</u>	<u>232,179</u>
Segment liabilities	<u>155,333</u>	<u>2,834</u>	<u>2,110</u>	<u>160,277</u>
	Supply chain business <i>HK\$'000</i>	Daily cleaning, anti-epidemic and other consumable products business <i>HK\$'000</i>	Licensed branded consumer goods <i>HK\$'000</i>	Total <i>HK\$'000</i> (Restated)
31 March 2023				
Segment assets	<u>25,513</u>	<u>21,245</u>	<u>2,457</u>	<u>49,215</u>
Segment liabilities	<u>985</u>	<u>3,343</u>	<u>2,855</u>	<u>7,183</u>

Reconciliation of reportable segment assets and liabilities:

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i> (Restated)
Assets		
Total assets of reportable segments	232,179	49,215
Unallocated and other corporate assets:		
Property, plant and equipment	1,006	1,284
Right-of-use assets	3,053	350
Deposits, prepayments and other receivables	9,662	21,368
Cash and cash equivalents	4,740	495
Assets relating to discontinued operation	<u>5,019</u>	<u>5,438</u>
Consolidated total assets	<u><u>255,659</u></u>	<u><u>78,150</u></u>
Liabilities		
Total liabilities of reportable segments	160,277	7,183
Unallocated and other corporate liabilities:		
Accrued liabilities and other payables	5,170	8,944
Lease liabilities	3,164	505
Amounts due to shareholders	881	3,314
Liabilities relating to discontinued operation	<u>33,932</u>	<u>32,592</u>
Consolidated total liabilities	<u><u>203,424</u></u>	<u><u>52,538</u></u>

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 and certain cash and cash equivalents); and
- all liabilities are allocated to reportable segments other than unallocated corporate liabilities (mainly comprising certain accrued liabilities and other payables, certain lease liabilities and amounts due to shareholders).

Other segment information

For the year ended 31 March 2024

Continuing operations

	Supply chain business <i>HK\$'000</i>	Daily cleaning, anti-epidemic and other consumable products business <i>HK\$'000</i>	Licensed branded consumer goods <i>HK\$'000</i>	Unallocated <i>HK\$'000</i>	Total <i>HK\$'000</i>
Depreciation of property, plant and equipment	501	22	-	278	801
Depreciation of right-of-use assets	22	83	-	1,221	1,326
Net allowance for expected credit losses on trade and other receivables	15,635	(3,997)	239	15,890	27,767
Impairment loss on property, plant and equipment	-	-	1	-	1
Impairment loss on right-of-use assets	-	172	-	-	172
Additions to non-current assets*	-	-	2	-	2

For the year ended 31 March 2023

Continuing operations

	Supply Chain business <i>HK\$'000</i>	Daily cleaning, anti-epidemic and other consumable products business <i>HK\$'000</i>	Licensed branded consumer goods <i>HK\$'000</i>	Unallocated <i>HK\$'000</i>	Total <i>HK\$'000</i> (Restated)
Depreciation of property, plant and equipment	543	34	-	393	970
Depreciation of right-of-use assets	587	87	18	1,049	1,741
Gain on lease termination and modification	(138)	-	-	(581)	(719)
Net allowance for expected credit losses on trade and other receivables	(776)	2,069	218	(541)	970
Impairment loss on property, plant and equipment	-	-	13	-	13
Impairment loss on right-of-use assets	-	-	586	-	586
Additions to non-current assets*	-	-	13	29	42

* Additions to non-current assets excluding right-of-use assets.

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 revenue by geographical area is disclosed for the years ended 31 March 2024 and 2023.

Continuing operations

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
The PRC	184,086	234,039
Overseas	–	4,801
	<u>184,086</u>	<u>238,840</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

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i> (Restated)
The PRC	–	328
Hong Kong	5,846	3,907
	<u>5,846</u>	<u>4,235</u>

Information about major customers

Continuing operations

Revenue from major customers for the years ended 31 March 2024 and 2023 contributing over 10% of the Group's total revenue are as follows:

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Customer A (<i>Note (i) & (ii)</i>)	40,666	–
Customer B (<i>Note (i) & (ii)</i>)	39,636	–
Customer C (<i>Note (i) & (ii)</i>)	26,321	–
Customer D (<i>Note (i) & (ii)</i>)	26,113	–
Customer E (<i>Note (i) & (ii)</i>)	–	223,113
	<u>–</u>	<u>223,113</u>

Notes:

- (i) Revenue generated from supply chain business
- (ii) The corresponding revenue did not contribute over 10% to the Group's revenue for the respective year.

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

	2024	2023
Continuing Operations	HK\$'000	HK\$'000
		(Restated)
Other income		
Interest income on:		
Bank deposits	4	3
Other receivables	916	1,092
	920	1,095
Government grant (<i>Note</i>)	–	249
Sundry income	77	203
	997	1,547
Other (losses)/gains, net		
Net exchange losses	(1)	(158)
Gain on disposal of property, plant and equipment	–	3
Gain on lease termination and modification	–	719
Gain on disposal of subsidiaries	–	41
Other	–	95
	(1)	700

Note:

The grant of HK\$57,000 was generally made for business support on promoting economic growth by the PRC government in 2023. During the year ended 31 March 2023, the Group also recognised government grants of HK\$192,000 under the Employment Support Scheme launched by the Hong Kong Government. There are no unfulfilled conditions or contingencies relates to these subsidies.

6. LOSS FROM OPERATING ACTIVITIES

Continuing Operations	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i> (Restated)
The Group's loss from operating activities is arrived at after charging/(crediting):		
Auditor's remuneration*		
– audit services	700	700
Cost of inventory sold	58,076	236,973
Depreciation of property, plant and equipment*	801	970
Depreciation of right-of-use-assets*	1,326	1,741
Expenses relating to short-term lease*	691	323
Impairment loss on property, plant and equipment	1	13
Impairment loss on right-of-use-assets	172	586
Written-off of other receivables*	1,866	–
Legal and professional fee*	4,039	3,788
Net allowance for expected credit losses		
– allowance for expected credit losses on trade receivables	8,901	3,581
– allowance for expected credit losses on other receivables	23,459	77
– reversal of allowance for expected credit losses on trade receivables	(4,527)	(2,142)
– reversal of allowance for expected credit losses on other receivables	(66)	(546)
	27,767	970
Staff costs (including directors' remuneration)		
– wages and salaries*	14,663	12,805
– equity-settled share-based payment	–	697
– retirement benefits scheme contributions*	884	730
	15,547	14,232

* Expenses included in the “other operating expenses”

7. FINANCE COSTS

	2024	2023
Continuing Operations	<i>HK\$'000</i>	<i>HK\$'000</i> (Restated)
Interest on lease liabilities	<u><u>370</u></u>	<u><u>314</u></u>

8. TAXATION

	2024	2023
Continuing operations	<i>HK\$'000</i>	<i>HK\$'000</i>
Current tax – PRC	<u><u>5,193</u></u>	<u><u>33</u></u>

No provision for taxation in Hong Kong has been made as the Group's income neither arises in, nor is derived from, Hong Kong for the years ended 31 March 2024 and 2023.

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 in other jurisdictions has been made as the Group had no assessable profit for the years ended 31 March 2024 and 2023.

9. DIVIDENDS

The directors of the Company do not recommend the payment of any dividend in respect of the year ended 31 March 2024 (2023: Nil).

10. 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:

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i> (Restated)
Loss for the year attributable to owners of the Company (<i>HK\$'000</i>)		
– From continuing operations	(31,038)	(21,056)
– From discontinued operation	(970)	(617)
	<u>(32,008)</u>	<u>(21,673)</u>
Weighted average number of ordinary shares in issue (<i>'000</i>)	948,271	728,685
Basic and diluted loss per share (HK cents per share)		
– From continuing operations	(3.3)	(2.9)
– From discontinued operation	(0.1)	(0.1)
	<u>(3.4)</u>	<u>(3.0)</u>

The weighted average number of ordinary shares for the purpose of calculating basic loss per share for the year ended 31 March 2024 has been adjusted for the effects of placing of shares completed on 27 June 2023 and 1 November 2023 respectively and rights issue of shares completed on 15 February 2024.

The weighted average number of ordinary shares for the purpose of calculating basic loss per share for the year ended 31 March 2023 has not been adjusted with bonus factor as the subscription price of rights issue was higher than the market price and no restatement is required for the effect of the rights issue retrospectively.

(b) Diluted

The basic and diluted loss per share are the same for the years ended 31 March 2024 and 2023. 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 2024 and 2023.

11. DISCONTINUED OPERATION

On 29 March 2024, the Group resolved to cease the operation of Esmart digital services and on 30 March 2024, the Group entered into sales and purchase agreement with a connected individual to dispose of its equity interests in Admiral Glory Global Limited (“Admiral Glory”) for cash consideration of approximately HK\$22,000. Prior to its disposal, Admiral Glory and its subsidiaries (“Admiral Glory Group”) carried out all of the activities related to Group’s Esmart digital services, which was a separate reportable and operating segment of the Group. The disposal is not yet completed as at 31 March 2024.

The assets and liabilities of Admiral Glory Group have been reclassified as assets of disposal group held for sale and liabilities directly associated with disposal group held for sale in the consolidated financial statements of the Group with effect from 30 March 2024. As Admiral Glory Group was a disposal group classified as held for sale as at 31 March 2024, the Esmart digital services segment was considered to be a discontinued operation in the consolidated financial statements for the year ended 31 March 2024. The results of the Esmart digital services segment for the year 31 March 2024, in the case of the disposal group held for sale, of the abovementioned subsidiaries have been presented as profit or loss from discontinued operation in the Group’s consolidated statement of profit or loss and other comprehensive income for the year ended 31 March 2024, and the comparative figures in the consolidated financial statements in respect of the preceding year have been restated to re-present the results and cash flows of the Esmart digital services segment as discontinued operations accordingly.

The loss for the year from the discontinued Esmart digital services 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 Esmart digital services business as a discontinued operation.

	2024	2023
	<i>HK\$'000</i>	<i>HK\$'000</i>
Other income	3	32
Other gain	53	1
Other operating expenses	(473)	(967)
Reversal for allowance for expected credit losses on trade receivables	232	529
Allowance for expected credit losses on other receivables	(43)	(1)
	<u> </u>	<u> </u>
Loss from operating activities	(228)	(406)
Finance costs	(1,726)	(1,948)
	<u> </u>	<u> </u>
Loss for the year	(1,954)	(2,354)
	<u> </u>	<u> </u>
	2024	2023
	<i>HK\$'000</i>	<i>HK\$'000</i>
Loss for the year from discontinued operations includes the following:		
Depreciation of property, plant and equipment	2	119
Expenses relating to short-term lease	–	243
Legal and professional fee	73	59
Imputed interests on amounts due to shareholders	1,585	1,659
Imputed interests on amounts due to non-controlling interests	141	289
Staff costs		
– wages and salaries	265	380
– retirement benefits scheme contributions	26	83
	<u> </u>	<u> </u>

The carrying amounts of the assets and liabilities of disposal group at the date of disposal are disclosed in Note 15.

12. TRADE RECEIVABLES

	2024	2023
	<i>HK\$'000</i>	<i>HK\$'000</i>
Trade receivables (<i>Note</i>)	190,630	33,691
Less: allowance for ECL on trade receivables	(23,584)	(25,986)
	167,046	7,705

The following is an ageing analysis of trade receivables, based on past due date, at the end of reporting period:

	2024	2023
	<i>HK\$'000</i>	<i>HK\$'000</i>
Current	145,486	2,362
0 to 30 days	29,196	169
31 to 90 days	164	61
91 to 365 days	1,763	218
Over 365 days	14,021	30,881
	190,630	33,691

Note:

According to the credit rating of different customers, the Group allows a range of credit periods from 30 to 180 days to its trade customers. Trade receivables are denominated in RMB.

13. DEPOSITS, PREPAYMENTS AND OTHER RECEIVABLES

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Deposits	1,135	912
Prepayments	17,881	33,032
Other receivables (<i>Note (i) & (ii)</i>)	<u>129,634</u>	<u>103,442</u>
	148,650	137,386
Less: allowance for ECL on other receivables (<i>Note (iii)</i>)	<u>(99,829)</u>	<u>(76,437)</u>
	<u><u>48,821</u></u>	<u><u>60,949</u></u>

Notes:

As at 31 March 2024, 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 2024 and 2023. The Group will seek legal advice for the repayment action plan if necessary. As at 31 March 2024 and 2023, a full provision was made.

(ii) *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**”), a former executive director and the former 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 on 24 June 2019 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 (the “**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.

On 17 January 2023, Mr. Gao entered into an amendment agreement (the “**Amendment Agreement**”) to the Repayment Agreement with Sino Talent to extend Mr. Gao’s payment schedule in respect of the outstanding balance of the Loan. The repayment schedule has been agreed and due on 31 December 2023. The interest rate remained at 5% per annum. Nevertheless, Mr. Gao failed to settle the loan on 31 December 2023, the Company has already issued demand letters to Mr. Gao but no response on reaching a settlement was received.

As at 31 March 2024, the total outstanding amount of the Loan and the interest accrued thereon was approximately HK\$20,581,000 (2023: approximately HK\$21,936,000) included in other receivables. The loan was repaid in the amount of approximately HK\$2,270,000 (2023: approximately HK\$3,811,000) during the year ended 31 March 2024 and approximately HK\$ nil (2023: approximately HK\$300,000) subsequent to year ended 31 March 2024 and up to date of this announcement.

On 28 June 2024, Sino Talent issued a writ of summons (the “**Writ**”) at the High Court of the Hong Kong Special Administrative Region to Mr. Gao. For the details, please refer to event after the reporting period in “Management Discussion and Analysis”.

(iii) 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 Jetgo, its associated companies and the sole shareholder of the Jetgo in Hong Kong and elsewhere and will then decide whether or not to take legal action against the Jetgo 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 its ECL was assessed at a very high level by an independent firm of professional valuers, after thorough consideration, the Board decided to make a full provision of allowance for ECLs on the respective receivables, since the year ended 31 March 2019.

Regarding the outstanding loan balance in Note (ii), the ECL is assessed at relatively high level of approximately HK\$16,240,000 by an independent firm of professional valuer as the loan already defaulted and no response from Mr. Gao was received on reaching a settlement during the year ended 31 March 2024 (2023: the ECLs were relatively low as supported by the repayment schedules for settlement and the personal guarantees, the provision allowance for ECL is approximately HK\$1,762,000).

14. TRADE PAYABLES

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

	2024	2023
	<i>HK\$'000</i>	<i>HK\$'000</i>
0 to 30 days	46,789	228
31 to 60 days	24,223	77
61 to 90 days	17,982	103
91 to 365 days	33,965	460
Over 365 days	6,319	1,450
	129,278	2,318

The average credit period from suppliers is ranged from 30 to 180 days. The Group has financial risk management policies in place to ensure that all payables are paid within the credit timeframe.

15. ASSETS AND LIABILITIES OF DISPOSAL GROUP CLASSIFIED AS HELD FOR SALE

On 30 March 2024, which was the date of discontinuance of the discontinued operations of the Esmart digital service segment, the directors were committed to a plan to sell the Admiral Glory Group, which were available for immediate sale and the sale was considered highly probable. Accordingly, the carrying amounts of the assets and liabilities of the Admiral Glory Group would be recovered principally through a sale transaction rather than through continuing use. The Admiral Glory Group were therefore reclassified as a disposal group held for sale and measured at the lower of its carrying amount and fair value less costs to sell.

The assets and liabilities of Admiral Glory Group, which belonged to the Esmart digital service segment, have been classified as assets and liabilities classified as held for sale and are presented separately in the consolidated statement of financial position as at 31 March 2024.

The major classes of assets and liabilities of the disposal group classified as held for sale are as follows:

	<i>HK\$'000</i>
Financial asset at fair value through other comprehensive income	57
Trade receivables	–
Deposits, prepayment and other receivables	4,886
Cash and cash equivalent	<u>76</u>
Total assets classified as held for sale	<u><u>5,019</u></u>
Accrued liabilities and other payables	(9,095)
Amounts due to shareholders	(16,070)
Amounts due to non-controlling interests	<u>(8,767)</u>
Total liabilities classified as held for sale	<u><u>(33,932)</u></u>

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

Elife Holdings Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) is principally engaged in the supply chain business for branded goods and consumer products in the Greater China region. The Group’s core activities encompass a comprehensive range of brand digitisation services, such as brand management, brand promotion and brand supply chain, thereby establishing an integrated industry chain. In addition, the Company is also engaged in the supply chain, sales and marketing, and brand building of daily cleaning, anti-epidemic and licensed branded consumer goods. We are currently expanding our business into various consumer goods markets conforming to the Group’s business philosophy of “an easier life and better livelihood”, striving to provide consumers with a more comfortable, convenient, environmentally friendly, and healthier lifestyle experience.

The Group has been managing the following businesses:

SUPPLY CHAIN BUSINESS

The Group is engaged in the comprehensive supply chain business for commodities, branded goods and consumer products, focusing on assisting brand suppliers expanding their online and offline sales channels, establishing direct sales channels with end customers (B2C2C), and offering various value-added services such as brand building, management and promotion for brand owners (or their advertising agents) to form a complete industry chain. With respect to our brand promotion services, the Group offers digital intelligent marketing plan to enhance customers’ brand awareness and boost product sales through different online and offline platforms, including scenario-based digital media in hotel venues and various social media such as TikTok, KuaiShou. etc.

DAILY CLEANING AND ANTI-EPIDEMIC PRODUCTS BUSINESS

The Company 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 People’s Republic of China (the “**PRC**”) and overseas.

LICENSED BRANDED CONSUMER GOODS BUSINESS

The Group's licensed branded consumer goods business currently includes licensed branded watches and ladies' handbags. Its own sales channels have already been established, including direct export sales, a self-operated e-commerce app and live video streaming television channels (covering several television networks in Beijing, Jiangxi, Shandong and Sichuan). Currently, the Group develops its sales channels to self-owned WeChat Mini Shop and to third party e-commerce platforms, such as TikTok, WeChat Mini Shop, Taobao, Tmall and Dewu etc. During the year ended 31 March 2024, the Group became the exclusive licensee of an Australian brand "ROYAL ELASTICS" in China to use its brand name for the manufacturing, packaging, sales and marketing of its branded products such as watches and sports shoes within mainland China. The Group is actively exploring and developing new product lines such as sports and casual shoes, men's underwear, etc., to further expand its business in other branded products.

RESULTS ANALYSIS

Revenue

For the year ended 31 March 2024, the Group recorded turnover of approximately HK\$184,086,000 (2023: approximately HK\$238,840,000), representing a drop of approximately 23% from the previous year. The Group's revenue was generated from the supply chain business segment, the daily cleaning, anti-epidemic and other consumable products segment, and the licensed branded consumer goods segment.

The decrease in revenue during the year was attributable to the scaling down of copper rod sales to approximately HK\$9,524,000 (2023: approximately HK\$223,113,000) due to its low gross profit margin. On the other hand, the Group started to source raw materials for a manufacturer of wine, beverages and refined tea in China and generated revenue from commodity sales amounted to approximately HK\$40,666,000 during the year (2023: nil). The total revenue from sales of commodities amounted to approximately HK\$51,903,000 for the year ended 31 March 2024 (2023: approximately HK\$223,759,000).

During the year, we have recruited additional headcount to develop our supply chain business with a focus on brand promotion services that generated revenues of approximately HK\$122,408,000 for the year (2023: nil). The Group provides brand promotion service to our customers by offering a digital-intelligent marketing plan to enhance customers' brand awareness and boost product sales through different online and offline platforms that include hotels media and various social media such as Tictok, Kuaishou, etc. The Group has acted as both principal and agent for customers across different types of services in the provision of brand promotion business. The total contract sum from the provision of brand promotion services amounted to approximately HK\$306,714,000 for the year ended 31 March 2024 (2023: Nil).

Cost of Sales

For the year ended 31 March 2024, the cost of sales of the Group amounted to approximately HK\$152,226,000 (2023: approximately HK\$236,973,000), representing a decrease of approximately 36%. The drop was mainly caused by the decrease in cost of sales of commodities to approximately HK\$49,529,000 (2023: approximately HK\$223,591,000) which is offset by the increase in cost of sales in the provision of brand promotion services of approximately HK\$94,150,000 for the year ended 31 March 2024 (2023: nil).

Gross Profit and Gross Profit Margin

The Group's gross profit for the year ended 31 March 2024 has significantly increased to approximately HK\$31,860,000 (2023: approximately HK\$1,867,000), representing an increment by approximately 17 times from the previous year. A gross profit of HK\$28,258,000 with average gross profit margin of 23% was generated by provision of brand promotion services that the Group started during the year ended 31 March 2024 (2023: nil). The gross profit margin from sales of commodities has also improved to 4.6% (2023: 0.1%) due to a higher margin in sourcing of raw materials for a manufacturer of wine, beverages and refined tea in China.

Selling Expenses

During the year ended 31 March 2024, the Group recorded selling expenses of approximately HK\$4,211,000 (2023: approximately HK\$1,898,000). The increase was mainly due to the additional headcount that we recruited for the development of the supply chain business segment and offering various value-added services, such as brand promotion, to our customers.

Other Operating Expenses

Other operating expenses incurred by the Group for the year was approximately HK\$24,096,000 (2023: approximately HK\$22,485,000), representing a minor increase of approximately 7%. The Group implemented stringent cost control policy to lower the operating costs in spite of the increased headcount and the development of new businesses.

Net Allowance for Expected Credit Losses on Trade and Other Receivables

The Group performs impairment assessment on its trade and other receivables under expected credit loss (“ECL”) model in accordance with HKFRS 9. The amount of ECL is updated at each year end to reflect any changes in credit risk in respect of trade and other receivables. Net allowance for ECL recognised during the year amounted to approximately HK\$27,767,000 (2023: approximately HK\$970,000). The significant increase was mainly due to the high level of impairment risk related to the loan to Graceful Ocean International Group Holding Limited (“**Graceful Ocean Loan**”) with a total outstanding balance of approximately HK\$20,581,000 as at 31 March 2024. An additional provision for ECL of HK\$14,478,000 was recognised during the year that resulted in a provision allowance for the Graceful Ocean Loan in the amount of HK\$16,240,000 (31 March 2023: HK\$1,762,000). For details, please refer to Note 13 to the consolidated financial statements as set out in this announcement.

Loss for the Year from a Discontinued Operation

During the year ended 31 March 2024, the Group discontinued the business segment in the provision of Esmart digital services in the PRC. The business segment was operated by Admiral Glory Global Limited (“**Admiral Glory**”) and its subsidiaries (collectively, the “**Admiral Glory Group**”). The Board has resolved to terminate the provision of Esmart digital services and to dispose of all the interests of the Group in Admiral Glory on 29 March 2024. The Group entered into a sales and purchase agreement for the disposal of 51.2% of the issued share capital of Admiral Glory at a consideration of HK\$22,000 on 30 March 2024. The disposal is expected to be completed before August 2024. The results of the Esmart digital services segment for the year ended 31 March 2024 have been presented as loss from discontinued operation in the Group’s consolidated statement of profit or loss for the year ended 31 March 2024. The assets and liabilities of the Admiral Glory Group have been reclassified as assets of disposal group held for sale and liabilities directly associated with disposal group held for sale in the consolidated financial statements of the Group with effect from 30 March 2024.

Loss for the Year Attributable to Owners of the Company

Although the Group has achieved a gross profit margin of approximately HK\$31,860,000 during the year by making a proactive effort in developing its businesses, the Group has recognised net allowance for ECL on trade and other receivables which is of non-cash nature during the year of approximately HK\$27,767,000 (2023: approximately HK\$970,000). As a result, the Group recorded a loss attributable to the shareholders of the Company (the “**Shareholders**”) of approximately HK\$32,008,000 (2023: approximately HK\$21,673,000), representing an increase of approximately 48% from the previous year. The Group would like to emphasize that, if net allowance for ECL on trade and other receivables is excluded from the operating expenses, the Group would have achieved a profit from operating activities in the amount of approximately HK\$4,376,000 for the year ended 31 March 2024, comparing to a loss from operating activities of approximately HK\$21,565,000 for the previous year if calculated on the same basis.

Final Dividend

The Board did not recommend payment of a final dividend for the year ended 31 March 2024 (2023: Nil).

FINANCIAL REVIEW

Liquidity and Financial Resources

The Group had net cash outflow from operating activities of approximately HK\$28,939,000 (2023: approximately HK\$16,398,000), net cash inflow from investing activities of approximately HK\$2,000 (2023: net cash outflow of approximately HK\$41,000) and net cash inflow from financing activities of approximately HK\$54,332,000 (2023: approximately HK\$8,018,000). As at 31 March 2024, the Group had available cash and cash balances amounted to approximately HK\$27,132,000 (31 March 2023: approximately HK\$2,283,000).

As at 31 March 2024, surplus on shareholders' funds of the Group aggregately amounted to approximately HK\$52,235,000 (2023: approximately HK\$25,612,000). Net current assets of the Group amounted to approximately HK\$48,404,000 (2023: approximately HK\$34,715,000). The Group's total current assets and current liabilities were approximately HK\$249,813,000 (2023: approximately HK\$73,638,000) and HK\$201,409,000 (2023: approximately HK\$38,923,000), respectively, while the current ratio was approximately 1.2 times (2023: approximately 1.9 times). The Group's assets-liabilities ratio (total liabilities to total assets) was approximately 0.8 times (2023: approximately 0.7 times).

Capital Structure

(1) Placing of new shares under general mandate completed on 27 June 2023 (the "June 2023 Placing")

On 27 June 2023, DL Securities (HK) Limited (the "**Placing Agent**") successfully placed 150,520,000 placing shares at the adjusted placing price of HK\$0.103 per placing share (after the adjustment of placing price from HK\$0.135 to HK\$0.103 in accordance with the eighth supplemental agreement dated 2 June 2023 to the placing agreement dated 12 December 2022) and the entire net proceeds from the June 2023 Placing of approximately HK\$14,663,000 (after deducting the placing commission, professional fees and all related expenses) has been used for working capital and development of the Group's businesses as intended.

For details of the June 2023 Placing, please refer to the announcements of the Company dated 12 December 2022, 5 January 2023, 20 January 2023, 16 February 2023, 10 March 2023, 31 March 2023, 21 April 2023, 12 May 2023, 2 June 2023, 23 June 2023 and 27 June 2023.

(2) Placing of new shares under general mandate completed on 1 November 2023 (the “November 2023 Placing”, together with the June 2023 Placing, the “Placings”)

On 1 November 2023, the Placing Agent successfully placed 180,640,000 placing shares at the placing price of HK\$0.14 per placing share and the entire net proceeds from the November 2023 Placing of approximately HK\$24,640,000 (after deducting the placing commission, professional fees and all related expenses) has been used for working capital and development of the Group’s businesses as intended.

For details of the November 2023 Placing, please refer to the announcements of the Company dated 16 October 2023 and 1 November 2023.

(3) Rights issue of on the basis of one(1) right share for every (5) existing shares completed on 15 February 2024 (the “Rights Issue”)

On 15 February 2024, the Company completed the Rights Issue and issued 46,323,042 rights shares at a subscription price of HK\$0.44 per rights share on the basis of one rights share for every five existing shares held on the record date (i.e. 19 January 2024), and the net proceeds of the Rights Issue, after deducting the professional fees and all other relevant expenses of approximately HK\$1,026,000, were approximately HK\$19,356,000.

For details of the Rights Issue, please refer to the announcements of the Company dated 28 December 2023 and 9 February 2024, and the prospectus of the Company dated 22 January 2024.

Use of Proceeds from the Placings and the Rights Issue

The net proceeds for the June 2023 Placing have been fully utilised as to HK\$8,000,000 for replenishing the working capital of the Group and as to HK\$6,663,000 for developing the Group’s businesses. The net proceeds for the November 2023 Placing have been fully utilised as to HK\$2,640,000 for replenishing the working capital of the Group and as to HK\$22,000,000 for developing the Group’s businesses. The net proceeds from the Rights Issue was approximately HK\$19,356,000, which have been fully utilised as intended for developing the Group’s brand promotion business, including deposits and prepayment for the purchase of media resources and the expansion of the sales and marketing team; general working capital of the Group, including but not limited to staff costs, rental expenses, utilities expenses and other general overhead expenses (please refer to the paragraph headed “Proposed use of proceeds” under the section headed “Letter from the Board” in the prospectus of the Company dated 22 January 2024 for details).

Material Acquisition

The Group did not have any material acquisition for the year ended 31 March 2024.

Material Disposal

During the year ended 31 March 2024, the Group discontinued the business segment in the provision of Esmart digital services in the PRC. The business segment was operated by the Admiral Glory Group. The Board has resolved to terminate the provision of Esmart digital services and to dispose of all the interests of the Group in Admiral Glory on 29 March 2024. The Group entered into a sale and purchase agreement for the disposal of 51.2% of the issued share capital of Admiral Glory at a consideration of HK\$22,000 on 30 March 2024 and the disposal is expected to be completed before August 2024.

Capital Expenditures and Capital Commitments

During the year ended 31 March 2024, the capital expenditures mainly comprised property, plant and equipment which was approximately HK\$2,000 (2023: HK\$42,000). These capital expenditures were funded by internal cash flow from operating activities.

As at 31 March 2024, the Group had capital commitments of approximately HK\$379,045,000 (2023: approximately HK\$174,339,000) in respect of the authorised and contracted capital contributions payable to subsidiaries.

Exposure to Fluctuations in Exchange Rates and Related Hedges

The Group operates mainly in China and Hong Kong and a majority of transactions conducted by the Group are denominated in Hong Kong dollars (“**HK\$**”) and Renminbi (“**RMB**”). The Group is exposed to limited foreign exchange risk as most of the commercial transactions, assets and liabilities are denominated in a currency same as the functional currency of each entity of the Group. Therefore, the Group will only be exposed to foreign exchange risk arising from the assets and liabilities which are denominated in currencies other than the functional currency of the entity to which it is related. The conversion of RMB into foreign currencies is subject to the rules and regulations of foreign exchange control promulgated by the PRC government.

The Group currently does not have a foreign currency hedging policy in respect of foreign currency assets and liabilities. The Group will monitor its foreign currency exposure closely and will consider hedging significant foreign currency exposure should the need arise. The Group does not have significant exposure to foreign currency risk.

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.

Pledge of Assets of the Group

There was no pledge of assets of the Group as at 31 March 2024 (2023: Nil).

Contingent Liabilities

The Group did not have any material contingent liabilities as at 31 March 2024 (2023: Nil).

Event after the Reporting Period

In order to safeguard the legitimate rights and interests of the Group, and after consulting its Hong Kong legal counsel, Sino Talent issued a writ of summons (the “**Writ**”) at the High Court of the Hong Kong Special Administrative Region to Mr. Gao on 28 June 2024. Pursuant to the Writ, Sino Talent claims from Mr. Gao a total sum of HK\$20,942,439.61, being the outstanding principal and accrued interest on the debt under the Amendment Agreement as at 31 May 2024, along with further interest and costs due and owing by Mr. Gao to Sino Talent. For details, please refer to the announcement of the Company dated 28 June 2024.

Employees and Remuneration Policy

As at 31 March 2024, the Group had a total of 66 employees (2023: 40 employees) in Hong Kong and the PRC. 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 Group adopted a share option scheme and a share award scheme for eligible participants including Directors, employees and other parties. Details of the schemes are set out in Note 33 to the consolidated financial statements in the Company’s annual report for the year ended 31 March 2024.

Material Related Party Transactions

Details of material related party transactions of the Group as at 31 March 2024 are set out in Note 37 to the consolidated financial statements in the Company’s annual report for the year ended 31 March 2024.

Significant Investment

The Group did not hold any significant investment for the year ended 31 March 2024 (2023: Nil).

Environmental Policies and Performance

For further information about the environmental policies and performance of the Company for this financial year, please refer to the Environmental, Social and Governance Report to be released in due course.

BUSINESS STRATEGY AND OUTLOOK

The Group has restructured and upgraded its business models since the easing of the novel coronavirus pandemic in 2023, and has continued to explore new opportunities in the Greater China region to realise and has realised improvement in gross margins. This significant improvement was mainly attributable to the revenue and gross profit generated from the provision of brand promotion services, highlighting the Group's proactive efforts in this field since the beginning of this financial year. In addition to building stronger supply chain partnerships in the PRC, our team has also successfully expanded our sales channels at various levels, breaking the traditional business to business (B2B) model and opening up different online and offline sales channels to achieve a business to channels to customers (B2C2C) model. In addition, the Group has developed various value-added services such as brand building, management and promotion for brand owners (or their advertising agents) to create higher value for the Group.

The Group, guided by its business philosophy of delivering “an easier life and better livelihood”, serves as a brand digital and intelligence service provider and specialises in providing comprehensive lifecycle digitalisation service for brands, focusing on brand management, brand promotion and brand supply chain. Leveraging an extensive array of scenario-based digital media in hotel platforms, the Group aims to offer brand strategic services and digital advertising system. The overarching goal is to assist brands in creating an experience-driven economy and fostering scenario-based integrated marketing. The Group's operating objective is to expand its brand promotion and brand supply chain business into the six major segments of modern human production and living, namely “dining, lodging, transportation, travel, shopping and entertainment”. The Group has strategically reallocated its workforce and resources towards the development of the supply chain business, with a focus on brand promotion. Thus, by offering these holistic services, we aim to empower brands to thrive, fostering innovation and accelerating growth while maximising revenue.

(1) Brand Management

In view of the Group's marketing resources and advantages in the digitalisation and internet technologies field, the Group is able to provide brand management services, which include strategy formulation, planning and execution, brand incubation, investment in brand assets, enhancement of brand and product image and market recognition in areas such as innovation, intellectual property rights management, brand private domain marketing, membership rights services, event planning and execution, etc.

(2) Brand Promotion

The Group is expanding its media advertising resources, targeting various sources of screen such as face recognition screens in hotels, LCD screens in elevators, in-room television screens, large screens in hotel lobbies, restaurant/interactive screens, various screens in airports and high-speed rail stations, as well as the "City Corridor" offline resources in various major cities, to be developed as advertising resources and to carry out advertising, brand display and experience activities, so as to enhance the market reputation and influence of the brands.

(3) Brand Supply Chain

In view of the Group's strength in nationwide supply chain resources and its online and offline sales channels across hotels in China, the Group will make use of its nationwide high-end hotels' scenario-based channels, sales spaces and online shops to facilitate the expansion of the brands' sales channels.

Apart from developing and expanding the Group's brand promotion business and brand supply chain business, the Group is also identifying opportunities to cooperate with or invest in well-established companies which enhance our overall technological capability and create synergies with our existing business. We also actively explore the investment in AI generated application with an aim to improve the existing business process with AI technology and explore opportunities for commercialisation of AI generated application.

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 2024.

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 2024 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 had applied the principles and all the applicable code provisions (the “**Code Provision(s)**”) as set out under the Corporate Governance Code (the “**CG Code**”) contained in Appendix C1 of the Listing Rules during the year. The Directors will periodically review the Company's corporate governance policies and will propose any amendment, if necessary, to ensure compliance with the Code Provisions from time to time.

During the year ended 31 March 2024, the Company had complied with all the applicable Code Provisions of the CG Code, except for Code Provisions C.2.1 to C.2.9 of the CG Code as explained below:

Code Provisions C.2.1 to C.2.9 of the CG Code stipulate that (i) the roles of Chairman of the Board and Chief Executive Officer should be separate and should not be performed by the same individual and (ii) the division of responsibilities between the Chairman of the Board and the Chief Executive Officer should be clearly established. Since Mr. Zhang Xiaobin retired from the positions of the Chairman of the Board and executive Director at the annual general meeting of the Company held on 29 September 2023, the position of the Chairman of the Board has been vacant and has not been filled up as at the date of this announcement. The Board has kept review of its current structure from time to time. If any candidate with suitable skills and experiences is identified within or outside the Group, the Company will make necessary appointment to fill the position in due course. Currently, the Board collectively performs the responsibilities of the Chairman of the Board, and with the assistance of the senior management, the executive Directors continue to monitor the businesses and operations of the Group.

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 ANNUAL REPORT

The Company's annual report for the year ended 31 March 2024 containing all information required by Appendix D2 to the Listing Rules will be 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>, and will be despatched to the Shareholders in due course.

By Order of the Board
Elife Holdings Limited
Chiu Sui Keung
Executive Director and
Chief Executive Officer

Hong Kong, 28 June 2024

As at the date of this announcement, the executive Directors are Mr. Chiu Sui Keung, Mr. Zhang Shaoyan, Ms. Qin Jiali, Mr. Zhao Zhenzhong and Mr. Guo Wei, and the independent non-executive Directors are Mr. Cheng Wing Keung Raymond, Mr. Lam Williamson and Mr. Wong Hoi Kuen.