易生活控股有限公司
Elife Holdings Limited

(Incorporated in the Cayman Islands with limited liability)
(Stock Code: 223)

ANNOUNCEMENT OF INTERIM RESULTS FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2019

The board (the "**Board**") of directors (the "**Directors**") of Elife Holdings Limited (the "**Company**", together with its subsidiaries, the "**Group**") hereby announces the unaudited condensed consolidated results of the Group for the six months ended 30 September 2019 together with the comparative figures of the corresponding period for 2018 as follows:

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the six months ended 30 September 2019

		Six months ended 30 September	
		2019	2018
	Notes	***HK$'000***	*HK$'000*
		(Unaudited)	(Unaudited)
Turnover	4	**41,874**	52,496
Cost of sales		**(41,265)**	(52,285)
Gross profit		**609**	211
Other income	5	**1,510**	1,514
Other losses – net	5	**(55)**	(51)
Selling expenses		**(5,650)**	(3,883)
Other operating expenses		**(28,956)**	(32,558)
Loss from operating activities		**(32,542)**	(34,767)
Finance costs	6	**(434)**	(202)
Loss before tax		**(32,976)**	(34,969)
Taxation	7	**(4)**	–

	Notes	Six months ended 30 September **2019** ***HK$'000*** **(Unaudited)**	 2018 *HK$'000* (Unaudited)
Loss for the period		**(32,980)**	(34,969)
Other comprehensive loss			
Items that may be reclassified subsequently to profit or loss:			
Exchange differences on translation foreign operations		**(6,995)**	(13,648)
Other comprehensive loss for the period		**(6,995)**	(13,648)
Total comprehensive loss for the period		**(39,975)**	(48,617)
Loss for the period attributable to:			
Owners of the Company		**(23,027)**	(24,707)
Non-controlling interests		**(9,953)**	(10,262)
		(32,980)	(34,969)
Total comprehensive loss for the period attributable to:			
Owners of the Company		**(30,274)**	(36,817)
Non-controlling interests		**(9,701)**	(11,800)
		(39,975)	(48,617)
Loss per share			Restated
– Basic	9	**(0.8) cents**	(0.9) cents
– Diluted	9	**(0.8) cents**	(0.9) cents

CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

As at 30 September 2019

	Notes	**As at 30 September 2019 HK$'000 (Unaudited)**	As at 31 March 2019 HK$'000 (Audited)
Non-current assets			
Property, plant and equipment		**23,859**	28,008
Right-of use assets		**2,279**	–
Goodwill		**18,320**	18,320
Financial asset at fair value through other comprehensive income		**1,236**	1,313
		45,694	47,641
Current assets			
Inventories		**8,588**	10,952
Trade and bill receivables	10	**18,186**	30,601
Deposits, prepayments and other receivables	11	**106,974**	118,902
Cash and cash equivalents		**11,228**	19,383
Total current assets		**144,976**	179,838
Less: Current liabilities			
Trade payables	12	**1,420**	7,558
Accrued liabilities and other payables	13	**41,460**	32,743
Contract liabilities		**–**	1,374
Lease liabilities		**2,261**	–
Amounts due to shareholders	14	**19,008**	4,103
Amounts due to non-controlling interests	15	**8,485**	–
Other borrowings	16	**–**	23,353
Bank borrowings		**–**	329
Obligations under finance leases	17	**969**	950
Total current liabilities		**73,603**	70,410
Net current assets		**71,373**	109,428
Total assets less current liabilities		**117,067**	157,069

	Notes	**As at 30 September 2019** *HK$'000* **(Unaudited)**	As at 31 March 2019 *HK$'000* (Audited)
Less: Non-current liabilities			
Amounts due to shareholders	14	**–**	14,555
Amounts due to non-controlling interests	15	**–**	8,485
Obligations under finance leases	17	**1,791**	2,280
		1,791	25,320
Net assets		**115,276**	131,749
Capital and reserves			
Share capital	18	**58,255**	55,755
Reserves		**119,799**	129,071
		178,054	184,826
Non-controlling interests		**(62,778)**	(53,077)
Total equity		**115,276**	131,749

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 September 2019

1. CORPORATE INFORMATION

Elife Holdings Limited is a limited liability company incorporated in the Cayman Islands and its 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 principal activities of the Company is investment holding. The principal activities of its subsidiaries are engaged in the provision of the esmart digital services for retail stores in the PRC, trading businesses across Asia and developing its business into the consumer product market, which conform to the Group’s business principle of “making life easier and benefiting people’s livehood” (易生活•惠民生).

This condensed consolidated interim financial statement has not been audited.

2. BASIS OF PREPARATION

The unaudited condensed consolidated interim financial statements have been prepared in accordance with the Hong Kong Accounting Standard (“HKAS”) 34 “Interim Financial Reporting” issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”) and the applicable disclosure requirements of Appendix 16 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Listing Rules”). These condensed consolidated interim financial statements are presented in Hong Kong dollars and all values are rounded to the nearest thousand (HK$’000) except otherwise indicated.

These condensed consolidated interim financial statements should be read in conjunction with the Group’s audited annual financial statements for the year ended 31 March 2019.

The accounting policies and method of computation adopted in the preparation of these condensed consolidated interim financial statements are consistent with those used in the Group’s annual financial statements for the year ended 31 March 2019 except that the Group has adopted certain new and revised Hong Kong Financial Reporting Standards (“HKFRSs”) (which also include HKASs and Interpretations) as disclosed in Note 3 below.

3. PRINCIPAL ACCOUNTING POLICIES

The unaudited condensed consolidated interim financial information has been prepared on the historical cost basis, except for certain financial instruments, which are measured at fair values, as appropriate.

Except as described below, the accounting policies used in the preparation of the interim financial information are consistent with those followed in the preparation of the consolidated financial statements of the Group for the year ended 31 March 2019, included in the annual report of the Group for the year ended 31 March 2019.

Application of new and amendments to Hong Kong Financial Reporting Standards ("HKFRSs")

The HKICPA has issued the following new and amendments to HKFRSs that are first effective for the current accounting period of the Group and the Company.

HKFRS 9 (Amendments)	Prepayment Features with Negative Compensation
HKFRS 16	Leases
HKAS 19 (Amendments)	Plan Amendment, Curtailment or Settlement
HKAS 28 (Amendments)	Long-term Interests in Associates and Joint Ventures
HK (IFRIC)-Int 23	Uncertainty over Income Tax Treatments
Amendments to HKFRSs	Annual Improvements to HKFRSs 2015-2017 Cycle 2015-2017 Cycle

Except for the new and amendments to HKFRSs mentioned below, the Directors anticipate that the application of all other new and amendments to HKFRSs will have no material impact on the consolidated financial statements in the foreseeable future.

3.1 Impacts and changes in accounting policies of application on HKFRS 16 "Leases" ("HKFRS 16")

The Group has applied HKFRS 16 for the first time in the current interim period. HKFRS 16 superseded HKAS 17 "Leases" ("HKAS 17"), and the related interpretations.

3.1.1 Key changes in accounting policies resulting from application of HKFRS 16

The Group applied the following accounting policies in accordance with the transition provisions of HKFRS 16.

Definition of a lease

A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

For contracts entered into or modified on or after the date of initial application, the Group assesses whether a contract is or contains a lease based on the definition under HKFRS 16 at inception or modification date. Such contract will not be reassessed unless the terms and conditions of the contract are subsequently changed.

As a lessee

Allocation of consideration to components of a contract

For a contract that contains a lease component and one or more additional lease or non-lease components, the Group allocates the consideration in the contract to each lease component on the basis of the relative stand-alone price of the lease component and the aggregate stand-alone price of the non-lease components.

Short-term leases

The Group applies the short-term lease recognition exemption to leases of premises that have a lease term of 12 months or less from the date of initial application of HKFRS 16. Lease payments on short-term leases are recognised as expense on a straight-line basis over the lease term.

Right-of-use assets

Except for short-term leases, the Group recognises right-of-use assets at the commencement date of the lease (i.e. the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities.

The cost of right-of-use asset includes:

- the amount of the initial measurement of the lease liability;
- any lease payments made at or before the commencement date, less any lease incentives received;
- any initial direct costs incurred by the Group; and
- an estimate of costs to be incurred by the Group in dismantling and removing the underlying assets, restoring the site on which it is located or restoring the underlying asset to the condition required by the terms and conditions of the lease.

Right-of-use assets in which the Group is reasonably certain to obtain ownership of the underlying leased assets at the end of the lease term is depreciated from commencement date to the end of the useful life. Otherwise, right-of-use assets are depreciated on a straight-line basis over the shorter of its estimated useful life and the lease term.

The Group presents right-of-use assets including in property, plant and equipment on the condensed consolidated statement of financial position.

Lease liabilities

At the commencement date of a lease, the Group recognises and measures the lease liability at the present value of lease payments that are unpaid at that date. In calculating the present value of lease payments, the Group uses the incremental borrowing rate at the lease commencement date if the interest rate implicit in the lease is not readily determinable.

The lease payments include:

- fixed payments (including in-substance fixed payments) less any lease incentives receivable;
- variable lease payments that depend on an index or a rate;
- amounts expected to be paid under residual value guarantees;
- the exercise price of a purchase option reasonably certain to be exercised by the Group; and

- payments of penalties for terminating a lease, if the lease term reflects the Group exercising the option to terminate.

Variable lease payments that reflect changes in market rental rates are initially measured using the market rental rates as at the commencement date. Variable lease payments that do not depend on an index or a rate are not included in the measurement of lease liabilities and right-of-use assets, and are recognised as expense in the period on which the event or condition that triggers the payment occurs.

After the commencement date, lease liabilities are adjusted by interest accretion and lease payments.

The Group remeasures lease liabilities (and makes a corresponding adjustment to the related right-of-use assets) whenever:

- the lease term has changed or there is a change in the assessment of exercise of a purchase option, in which case the related lease liability is remeasured by discounting the revised lease payments using a revised discount rate at the date of reassessment.

- the lease payments change due to changes in market rental rates following a market rent review, in which cases the related lease liability is remeasured by discounting the revised lease payments using the initial discount rate.

Lease modifications

The Group accounts for a lease modification as a separate lease if:

- the modification increases the scope of the lease by adding the right to use one or more underlying assets; and

- the consideration for the leases increases by an amount commensurate with the stand-alone price for the increase in scope and any appropriate adjustments to that stand-alone price to reflect the circumstances of the particular contract.

For a lease modification that is not accounted for as a separate lease, the Group remeasures the lease liability based on the lease term of the modified lease by discounting the revised lease payments using a revised discount rate at the effective date of the modification.

Taxation

For the purposes of measuring deferred tax for leasing transactions in which the Group recognises the right-of-use assets and the related lease liabilities, the Group first determines whether the tax deductions are attributable to the right-of-use assets or the lease liabilities.

3.1.2 *Transition and summary of effects arising from initial application of HKFRS 16*

Definition of a lease

The Group has elected the practical expedient to apply HKFRS 16 to contracts that were previously identified as leases applying HKAS 17 and HK(IFRIC)-Int 4 Determining whether an Arrangement contains a Lease and not apply this standards to contracts that were not previously identified as containing a lease. Therefore, the Group has not reassessed contracts which already existed prior to the date of initial application.

For contracts entered into or modified on or after 1 April 2019, the Group applies the definition of a lease in accordance with the requirements set out in HKFRS 16 in assessing whether a contract contains a lease.

As a lessee

The Group has applied HKFRS 16 retrospectively with the cumulative effect recognised at the date of initial application, 1 April 2019. Any difference at the date of initial application is recognised in the opening retained profits and comparative information has not been restated.

When applying the modified retrospective approach under HKFRS 16 at transition, the Group applied the following practical expedients to leases previously classified as operating leases under HKAS 17, on lease-by-lease basis, to the extent relevant to the respective lease contracts:

(i) relied on the assessment of whether leases are onerous by applying HKAS 37 Provisions, Contingent Liabilities and Contingent Assets as an alternative of impairment review;

(ii) elected not to recognise right-of-use assets and lease liabilities for leases with lease term ends within 12 months of the date of initial application;

(iii) excluded initial direct costs from measuring the right-of-use assets at the date of initial application;

(iv) applied a single discount rate to a portfolio of leases with similar remaining terms for similar class of underlying assets in similar economic environment. Specifically, discount rate for certain leases of premises in Hong Kong was determined on a portfolio basis; and

(v) used hindsight based on facts and circumstances as at date of initial application in determining the lease term for the Group's leases with extension and termination options.

On transition, the Group has made the following adjustments upon application of HKFRS 16:

The Group recognised lease liabilities of approximately HK$3,909,000 and right-of-use assets of approximately HK$3,909,000 at 1 April 2019.

When recognising the lease liabilities for leases previously classified as operating leases, the Group has applied incremental borrowing rates of the relevant group entities at the date of initial application. The weighted average lessee's incremental borrowing rate applied is 11%.

	1 April 2019
	HK$'000
Operating lease commitment as at 31 March 2019	**4,888**
Less: Future interest expenses	**(325)**
Less: Commitment relating to lease exempt from capitalisation	
– short-term leases and other lease with remaining lease term ending on or before 31 March 2020	**(331)**
– lease incentive receivables	**(323)**
Lease liabilities relating to operating leases recognised upon application of HKFRS 16 at 1 April 2019	**3,909**
Analysed as:	
– Current	**3,039**
– Non-current	**870**
	3,909

The carrying amount of right-of-use assets as at 1 April 2019 comprises the following:

	1 April 2019
	HK$'000
Right-of-use assets relating to operating leases recognised upon application of HKFRS 16	**3,909**
Analysed as:	
– Current	**–**
– Non-current	**3,909**
	3,909

The following adjustments were made to the amounts recognised in the condensed consolidated statement of financial position at 1 April 2019. Line items that were not affected by the changes have not been included.

	Carrying amounts previously reported at 31 March 2019	**Adjustments**	**Carrying amounts under HKFRS 16 at 1 April 2019**
	HK$'000	*HK$'000*	*HK$'000*
Non-current assets			
Right-of-use assets	–	3,909	3,909
Current liabilities			
Lease liabilities	–	3,039	3,039
Non-current liabilities			
Lease liabilities	–	870	870
	–	3,909	3,909

Note:

For the purpose of reporting cash flows from operating activities under indirect method for the six months ended 30 September 2019, movements in working capital have been computed based on opening condensed consolidated statement of financial position as at 1 April 2019 as disclosed above.

4. SEGMENT INFORMATION

The Group organised into three operating divisions: unconventional gas business, commodities trading business and esmart digital services. These divisions are the basis on which the Group reports its segment information.

The three operating and reportable segments are as follows:

Unconventional gas business	Provision of services in connection with unconventional gas and import of technical equipment for the unconventional gas industry
Commodities trading business	Provision of agency services and commodities trading in the PRC, Hong Kong 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 and esmart digital services. Revenue recognised during the periods are as following:

	Six months ended 30 September	
	2019	2018
	HK$'000	*HK$'000*
	(Unaudited)	(Unaudited)
Disaggregation of revenue from contracts with customers		
Recognised at a point in time		
Commodities sales	**41,610**	52,201
Service fee	**264**	295
	41,874	52,496

Segment revenues and results

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

For the six months ended 30 September 2019 (Unaudited)

	Unconventional gas business	**Commodities trading business**	**Esmart digital services**	**Consolidated**
	HK$'000	***HK$'000***	***HK$'000***	***HK$'000***
Turnover				
Turnover from external customers	**–**	**41,602**	**272**	**41,874**
Result				
Segment loss	**(925)**	**(4,419)**	**(12,862)**	**(18,206)**
Unallocated income				**1,055**
Unallocated corporate expenses				**(15,391)**
Finance costs				**(434)**
Loss before tax				**(32,976)**
Taxation				**(4)**
Loss for the period				**(32,980)**

For the six months ended 30 September 2018 (Unaudited)

	Unconventional gas business *HK$'000*	Commodities trading business *HK$'000*	Esmart digital services *HK$'000*	Consolidated *HK$'000*
Turnover				
Turnover from external customers	–	52,211	285	52,496
Result				
Segment loss	(2,227)	(4,400)	(13,200)	(19,827)
Unallocated income				1,069
Unallocated corporate expenses				(16,009)
Finance costs				(202)
Loss before tax				(34,969)
Taxation				–
Loss for the period				(34,969)

Turnover reported above represents revenue generated from external customers. There was no inter-segment sales in the period (six months ended 30 September 2018: HK$Nil).

Segment results represent the loss generated by each segment without allocation of corporate expenses, finance costs and taxation. This is the measure reported to the chief operating decision maker for the purposes of resource allocation and assessment of segment measurement.

Segment assets and liabilities

As at 30 September 2019 (Unaudited)

	Unconventional gas business *HK$'000*	**Commodities trading business** *HK$'000*	**Esmart digital services** *HK$'000*	**Consolidated** *HK$'000*
Assets				
Segment assets	**13,114**	**100,109**	**52,645**	**165,868**
Unallocated corporate assets				**24,802**
				190,670
Liabilities				
Segment liabilities	**670**	**7,451**	**13,390**	**21,511**
Amounts due to shareholders				**19,008**
Amounts due to non-controlling interests				**8,485**
Obligations under finance leases				**2,760**
Unallocated corporate liabilities				**23,630**
				75,394

As at 31 March 2019 (Audited)

	Unconventional gas business *HK$'000*	Commodities trading business *HK$'000*	Esmart digital services *HK$'000*	Consolidated *HK$'000*
Assets				
Segment assets	14,212	124,290	63,122	201,624
Unallocated corporate assets				25,855
				227,479
Liabilities				
Segment liabilities	502	7,908	22,328	30,738
Amounts due to shareholders				18,658
Amounts due to non-controlling interests				8,485
Obligations under finance leases				3,230
Other borrowings				23,353
Bank borrowings				329
Unallocated corporate liabilities				10,937
				95,730

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

- all assets are allocated to reportable segments other than corporate assets. Goodwill is allocated to reportable segments; and

- all liabilities are allocated to reportable segments other than corporate liabilities, amounts due to shareholders, amounts due to non-controlling interests, other borrowings, bank borrowings and obligations under finance leases.

Other segment information

	Six months ended 30 September			
	Depreciation and amortisation		**Additions to non-current assets**	
	2019	2018	**2019**	2018
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*
	(Unaudited)	(Unaudited)	**(Unaudited)**	(Unaudited)
Unconventional gas business	**536**	707	**–**	–
Commodities trading business	**1,553**	581	**–**	1,263
Esmart digital services	**2,066**	1,975	**10**	2,010
Unallocated	**715**	272	**2**	4
	4,870	3,535	**12**	3,277

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 periods ended 30 September 2019 and 2018.

	Six months ended 30 September	
	2019	2018
	HK$'000	*HK$'000*
	(Unaudited)	(Unaudited)
The PRC	**4,000**	44,055
Hong Kong	**37,874**	32
Overseas	**–**	8,409
	41,874	52,496

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

	Carrying amount of non-current assets	
	As at 30 September 2019	As at 31 March 2019
	HK$'000	*HK$'000*
	(Unaudited)	(Audited)
The PRC	**31,037**	33,045
Hong Kong	**7,598**	7,364
Overseas	**5,823**	5,919
	44,458	46,328

5. OTHER INCOME AND OTHER LOSSES – NET

	Six months ended 30 September	
	2019	2018
	HK$'000	*HK$'000*
	(Unaudited)	(Unaudited)
Other income		
Interest income on:		
Bank deposit	**7**	8
Other receivables	**1,056**	1,056
	1,063	1,064
Sundry income	**447**	450
	1,510	1,514
Other losses – net		
Net exchange loss	**(55)**	(50)
Loss on disposal of available-for-sale financial asset	**–**	(1)
	(55)	(51)

6. FINANCE COSTS

	Six months ended 30 September	
	2019	2018
	HK$'000	*HK$'000*
	(Unaudited)	(Unaudited)
Interests on obligations under finance leases	**60**	66
Interests on lease liabilities	**194**	–
Interests on amounts due to shareholders	**45**	–
Interests on other borrowings	**128**	–
Interests on bank borrowings	**7**	127
Other finance costs	**–**	9
	434	202

7. TAXATION

	Six months ended 30 September	
	2019	2018
	HK$'000	*HK$'000*
	(Unaudited)	(Unaudited)
Current tax		
– Hong Kong Profits Tax	**4**	–
– PRC Enterprises Income Tax	**–**	–
	4	–
Deferred tax	**–**	–
	4	–

Hong Kong profits tax is calculated at 16.5% (six months ended 30 September 2018: 16.5%) on the estimated assessable profit for the period. No provision for Hong Kong profit tax has been made as the Group had no estimated assessable profits arising in Hong Kong for the period ended 30 September 2019 and 2018.

On 21 March 2018, the Hong Kong Legislative Council passed the Inland Revenue (Amendment) (No.7) Bill 2017 (the "Bill") which introduces the two-tiered profits tax rates regime. The Bill was signed into law on 28 March 2018 and was gazetted on the following day.

Under the two-tiered profits tax rates regime, the first HK$2 million of assessable profits of qualifying corporations will be taxed at 8.25%, and assessable profits above HK$2 million will be taxed at 16.5%. The assessable profits of corporation not qualifying for the two-tiered profits tax rates regime will continue to be taxed at a flat rate of 16.5%. The two-tiered profits tax rates regime is applicable to the Group for the period ended 30 September 2019.

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

8. DIVIDENDS

The Board of the Company do not recommend a payment of an interim dividend for the six months ended 30 September 2019 (six months ended 30 September 2018: HK$Nil).

9. LOSS PER SHARE ATTRIBUTABLE TO OWNERS OF THE COMPANY

(a) Basic

Basic loss per share is calculated by dividing the loss for the period attributable to owners of the Company by the weighted average number of ordinary shares in issue during the period.

	Six months ended 30 September	
	2019	2018
	(Unaudited)	(Unaudited)
Loss for the period attributable to owners of the Company *(HK$'000)*	**(23,027)**	(24,707)
Weighted average number of ordinary shares in issue *('000) (restated)*	**2,885,989**	2,726,755
Basic loss per share *(HK cents per share)*	**(0.8)**	(0.9)

(b) Diluted

Diluted loss per share were the same as the basic loss per share as there are no potential dilutive ordinary shares in existence during the periods ended 30 September 2019 and 2018.

10. TRADE RECEIVABLES

	As at 30 September 2019 *HK$'000* **(Unaudited)**	As at 31 March 2019 *HK$'000* (Audited)
Trade receivables	**14,561**	20,844
Less: net impairment losses on trade receivables	**(1,400)**	(1,400)
	13,161	19,444
Bill receivables	**5,025**	11,157
	18,186	30,601

The following is an analysis of trade receivables by the age based invoice date.

	As at 30 September 2019 *HK$'000* **(Unaudited)**	As at 31 March 2019 *HK$'000* (Audited)
0 to 30 days	**711**	2,054
31 to 60 days	**2,401**	1,553
61 to 90 days	**–**	1,682
91 to 180 days	**2,085**	3,872
Over 180 days	**9,364**	11,683
	14,561	20,844

11. DEPOSITS, PREPAYMENTS AND OTHER RECEIVABLES

	As at 30 September 2019	As at 31 March 2019
	HK$'000	*HK$'000*
	(Unaudited)	(Audited)
Deposits	**1,242**	1,369
Prepayments	**24,314**	24,755
Other receivables *(Note (i), (ii) & (iii))*	**157,650**	168,810
	183,206	194,934
Less: net impairment losses on other receivables *(Note (iv))*	**(76,232)**	(76,032)
	106,974	118,902

Notes:

As at 30 September 2019, 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 31 December 2018 and the amount has remained outstanding as at 30 September 2019 (31 March 2019: approximately HK$74,696,000).

During the period ended 30 September 2019, the management of the Company has been continuing to discuss with the shareholder of Jetgo to find out any alternative solution to settle the debts. However, the shareholder has encountered financial difficulties and has some legal disputes in China.

(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 whollyowned 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, provided a personal guarantee to Zhongnongxin for the repayment of the Performance Deposit in full when due.

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. 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 30 September 2019, the Performance Deposit of approximately HK$43,137,000 (equivalent to RMB39,200,000) (31 March 2019: approximately HK$56,128,000) included in other receivables. The Performance Deposit was partially repaid of approximately RMB3,000,000 after the period ended 30 September 2019.

(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 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).

As at 30 September 2019, the total outstanding amount of the Loan and the interest accrued thereon was approximately HK$24,542,000 (31 March 2019: approximately HK$23,686,000) and included in other receivables.

(iv) In respect of the sales consideration in Note (i), due to the expected possibility of repayment from Jetgo in short period of time is very low and assessed its expected credit losses ("ECL") is very high by an independent firm of professional valuers, after thorough consideration, the Board decided to make a full provision of impairment on the respective receivables, i.e. approximately HK$74,496,000 for the year ended 31 March 2019.

Regarding the Performance deposits in Note (ii) and loan in Note (iii), the ECLs are relatively low as supported by the repayment schedules and the personal guarantees, the provision allowance of the impairment on other receivables are approximately HK$931,000 and HK$547,000 respectively as at 31 March 2019. Since Huimin continuously to repay the performance deposit (Note (ii) above) and the loan to Graceful Ocean (Note (iii)) above) has not yet been expired, the directors of the Company considered both ECLs are relatively low, there is no further provision of impairment on the respective receivables was made during the six months period ended 30 September 2019.

12. TRADE PAYABLES

	As at 30 September 2019 *HK$'000* **(Unaudited)**	As at 31 March 2019 *HK$'000* (Audited)
0 to 30 days	**–**	4,971
31 to 60 days	**–**	2,587
61 to 90 days	**–**	–
91 to 180 days	**–**	–
Over 180 days	**1,420**	–
	1,420	7,558

13. ACCRUED LIABILITIES AND OTHER PAYABLES

	As at 30 September 2019 *HK$'000* **(Unaudited)**	As at 31 March 2019 *HK$'000* (Audited)
Accrued liabilities	**16,610**	10,622
Deposits received in advance	**5,556**	55
Other payables	**19,294**	22,066
	41,460	32,743

As at 31 March 2019, the deposits received with amounted to approximately HK$1,374,000 and approximately HK$1,007,000 reclassified as contract liabilities.

14. AMOUNTS DUE TO SHAREHOLDERS

	As at 30 September 2019 *HK$'000* **(Unaudited)**	As at 31 March 2019 *HK$'000* (Audited)
Current liabilities		
Amount due to Gao Feng ("Mr. Gao")		
– interest-bearing *(Note (i))*	**1,679**	1,160
– interest free *(Note (ii))*	**573**	604
Amount due to Zhang Xiaobin ("Mr. Zhang") *(Note (ii))*	**2,201**	2,339
Others *(Note (iii))*	**14,555**	–
	19,008	4,103
Non-current liabilities	**–**	14,555
	19,008	18,658

Notes:

(i) On 4 February 2019, the Company signed a shareholder's loan facility agreement of HK$5,000,000 with Mr. Gao, a Director, is unsecured, bearing interest at a prime rate plus 1% (i.e. 6.125%) per annum and due on 3 February 2020. The shareholder's loan was partially repaid of approximately HK$1,423,000 subsequently.

(ii) The amounts due to Mr. Gao and Mr. Zhang, who are also Directors, are under current liabilities and non-trade in nature, unsecured, interest free and repayable on demand.

(iii) The amounts due to shareholders with aggregated amount approximately HK$14,555,000 (31 March 2019: approximately HK$14,555,000 under non-current liabilities) under current liabilities are unsecured, interest-free and repayable within one year (31 March 2019: repayable more than one year).

15. AMOUNTS DUE TO NON-CONTROLLING INTERESTS

The amounts due to non-controlling interests under current liabilities are non-trade in nature, unsecured, interest-free and repayable within one year (31 March 2019: repayable more than one year under non-current liabilities).

16. OTHER BORROWINGS

	As at 30 September 2019	As at 31 March 2019
	HK$'000	*HK$'000*
	(Unaudited)	(Audited)
Carrying amount repayable within one year:		
Secured loan	**–**	23,353

On 8 March 2019, one of the subsidiary of the Company entered into a loan agreement with an independent third party ("Lender") for borrowing of a loan in the principal amount of RMB20,000,000 (equivalent to approximately HK$23,353,000) for a term of 2 months from the date of drawing down with interest rate was 8.0% per annum.

On 26 April 2019, the Company, the subsidiary of the Company and the Lender entered into the loan capitalisation agreement ("Loan Capitalisation Agreement") pursuant to which the Lender conditionally agreed to subscribe for, and the Company conditionally agreed to allot and issue, an aggregate of 125,008,842 Loan Capitalisation Shares, at the Loan Capitalisation subscription price of HK$0.188 each. The subscription amount payable by the Lender under the Loan Capitalisation Agreement shall be satisfied by capitalising the outstanding principal amount of the loan and the interest accrued thereon under the loan agreement. The Loan Capitalisation completion took place on 10 May 2019.

For the details of other borrowings and loan capitalisation, please refer to the announcements of the Company dated 26 April 2019 and 10 May 2019 respectively.

17. OBLIGATIONS UNDER FINANCE LEASES

As at 30 September 2019, the present value of the total future minimum lease payments under finance leases were as follows:

	As at 30 September 2019 *HK$'000* **(Unaudited)**	As at 31 March 2019 *HK$'000* (Audited)
Total minimum lease payments		
– Due within one year	**1,059**	1,059
– Due in the second to fifth years, inclusive	**1,857**	2,386
	2,916	3,445
Less: future finance charges on finance leases	**(156)**	(215)
Present value of lease obligations	**2,760**	3,230
Present value of finance lease liabilities		
– Due within one year	**969**	950
– Due in the second to fifth years, inclusive	**1,791**	2,280
	2,760	3,230
Less: current portion due within one year included under current liabilities	**(969)**	(950)
Non-current portion included under non-current liabilities	**1,791**	2,280

The Group has leased the motor vehicles under finance leases and the lease terms are in the range from 4 to 5 years. During the period ended 30 September 2019, the annual effective interest rates of the obligations under finance leases were 1.85% to 2.2% per annum (31 March 2019: 1.85% to 2.2% per annum).

18. SHARE CAPITAL

	As at 30 September 2019 (Unaudited)		As at 31 March 2019 (Audited)	
	Number of shares	**Amounts**	Number of shares	Amounts
	'000	***HK$'000***	*'000*	*HK$'000*
Ordinary shares of HK$0.02 (31 March 2019: HK$0.01) each *(Note (i) & Note (ii))*				
Authorised:				
At the beginning of the period/year	**15,000,000**	**300,000**	30,000,000	300,000
Share consolidation *(Note (ii))*	**–**	**–**	(15,000,000)	–
At the end of the period/year	**15,000,000**	**300,000**	15,000,000	300,000
Issued and fully paid:				
At beginning of the period/year	**2,787,767**	**55,755**	5,192,160	51,922
Subscription of shares *(Note (iii))*	**–**	**–**	383,375	3,833
Share consolidation *(Note (ii))*	**–**	**–**	(2,787,768)	–
Share capitalisation *(Note (iv))*	**125,009**	**2,500**	–	–
At end of the period/year	**2,912,776**	**58,255**	2,787,767	55,755

Notes:

(i) On 15 March 2017, the Company passed an ordinary resolution by the shareholders at the extraordinary general meeting to increase the authorised share capital of the Company from HK$60,000,000 divided into 6,000,000,000 shares to HK$300,000,000 divided into 30,000,000,000 shares by the creation of an additional 24,000,000,000 shares. It is to provide the Company with flexibility for fund raising by allotting and issuing new shares in the future as and when appropriate.

(ii) On 14 November 2018, the Company proposed to implement the share consolidation on the basis that every two then issued and unissued shares to be consolidated into one consolidated share. In addition, the board lot size of 2,000 then issued shares was proposed to be changed to 20,000 consolidated shares. The par value was to be changed from HK$0.01 per share to HK$0.02 per share. The share consolidation was approved at the extraordinary general meeting on 7 January 2019.

(iii) 150,625,000 shares, 156,250,000 shares and 76,500,000 shares of the Company at HK$0.01 each were successfully subscribed on 11 May 2018, 31 May 2018 and 29 June 2018 respectively at a subscription price of HK$0.128 per share for a total consideration, before expenses, of approximately HK$49,072,000. The proceeds were used for general working capital of the Group and development of the Group's daily consumer goods trading and esmart digital services businesses.

(iv) On 8 March 2019, Huimin International (HK) Limited ("Huimin Int'l"), a wholly-owned subsidiary of the Company, and Mr. Wang Haoyu ("Mr. Wang") entered into a loan agreement whereby Mr. Wang provided Huimin Int'l with a loan in the principal amount of RMB20,000,000. The loan bears interest at a rate of 8% per annum and would be due on the 60 days from the drawdown date of the loan. On 26 April 2019, the Company, Huimin Int'l and Mr. Wang entered into the loan capitalisation agreement ("Loan Capitalisation Agreement") pursuant to which Mr. Wang conditionally agreed to subscribe for, and the Company conditionally agreed to allot and issue, an aggregate of 125,008,842 loan capitalisation shares, at the loan capitalisation subscription price of HK$0.188 each. The subscription amount payable by Mr. Wang under the Loan Capitalisation Agreement was satisfied by capitalising the outstanding principal amount of the loan and the interest accrued. The loan capitalisation took place on 10 May 2019.

19. SHARE-BASED PAYMENTS

Share Options Scheme

The Company operates a share option scheme (the "Scheme") for the purpose of providing incentives and/or rewards to eligible participants who contribute to the success of the Group's operations. Eligible participants of the Scheme include any directors and employees of the Company, including all executive directors of the Company and its subsidiaries. The Scheme became effective on 8 October 2010 and, unless otherwise cancelled or amended, will remain in force for 10 years from that date. On 17 August 2017, the Company passed an ordinary resolution by the shareholders at the annual general meeting to amend certain provisions of the share option scheme.

The maximum number of unexercised share options currently permitted to be granted under the Scheme is an amount equivalent, upon their exercise, to 10% of the shares of the Company in issue at any time. The maximum number of shares issuable under share options to each eligible participant in the Scheme within any 12-month period is limited to 1% of the shares of the Company in issue at any time. Any further grant of share option in excess of this limit is subject to shareholders' approval in a general meeting.

The share options granted to a director, chief executive or substantial shareholder of the Company, or to any of their associates, are subject to approval in advance by the independent non-executive Directors. In addition, any share options granted to a substantial shareholder or an independent non-executive director of the Company, or to any of their subsidiaries, in excess of 0.1% of the shares of the Company in issue at any time or with an aggregate value (based on the price of the Company's shares at the date of the grant) in excess of HK$5,000,000, within any 12-month period, are subject to shareholders' approval in advance in a general meeting.

The offer of a grant of share options may be accepted within 28 days from the date of the offer, upon payment of a nominal consideration of HK$1 in total by the grantee. The exercise period of the share options granted would be determined by the Directors.

The exercise price of the share options would be determined by the Directors, but may not be less than the higher of (i) the Stock Exchange closing price of the Company's shares on the date of the offer of the share options, which must be a business day; and (ii) the average Stock Exchange closing price of the Company's shares for the five trading days immediately preceding the date of the offer, provided that the subscription price shall not be lower than the nominal value of the shares.

The fair value of share options granted to employees is recognised as an employee cost with a corresponding increase in a capital reserve within equity. The fair value is measured at grant date using the Black-Scholes-Merton option pricing model, taking into account the terms and conditions upon which the options were granted.

Share options do not confer rights on the holders to dividends or to vote at shareholders' meeting.

Movement in share options during the period ended 30 September 2019 are as follows:

Category of Participants	Date of grant (Note (b))	Exercisable period (Note (a))	Adjusted exercisable price per share consolidation HK$ (Note (d))	Number of share options Outstanding at 1 April 2019	Lapsed during the period	Outstanding at 30 September 2019
Directors						
Mr. Zhang Xiaobin	16 December 2016	Period 4	0.57	22,500,000	–	22,500,000
Mr. Gao Feng	22 September 2015	Period 2	0.34	8,000,000	–	8,000,000
	16 December 2016	Period 4	0.57	22,500,000	–	22,500,000
				30,500,000	–	30,500,000
Mr. Chiu Sui Keung	22 September 2015	Period 2	0.34	8,000,000	–	8,000,000
	16 December 2016	Period 4	0.57	22,500,000	–	22,500,000
				30,500,000	–	30,500,000
Mr. Sun Qiang	27 June 2017	Period 5	0.42	24,460,000	–	24,460,000
Mr. Zhang Yichun	20 October 2016	Period 3	0.6	15,000,000	–	15,000,000
	16 December 2016	Period 4	0.57	7,500,000	–	7,500,000
				22,500,000	–	22,500,000
Ms. Xu Ying	16 December 2016	Period 4	0.57	22,500,000	–	22,500,000
Mr. Cheng Wing Keung, Raymond	16 December 2016	Period 4	0.57	1,000,000	–	1,000,000
Mr. Lam Williamson	16 December 2016	Period 4	0.57	1,000,000	–	1,000,000
Mr. Wong Hoi Kuen	16 December 2016	Period 4	0.57	1,000,000	–	1,000,000

Category of Participants	Date of grant (Note (b))	Exercisable period (Note (a))	Adjusted exercisable price per share consolidation HK$ (Note (d))	Number of share options: Outstanding at 1 April 2019	Lapsed during the period	Outstanding at 30 September 2019
Dr. Lam Lee G.	20 October 2016	Period 3	0.6	1,181,000	–	1,181,000
	16 December 2016	Period 4	0.57	1,000,000	–	1,000,000
				2,181,000	–	2,181,000
			Sub-total	158,141,000	–	158,141,000
Employees of the Group						
In aggregate	22 September 2015	Period 2	0.34	25,500,000	–	25,500,000
	20 October 2016	Period 3	0.6	19,500,000	–	19,500,000
	16 December 2016	Period 4	0.57	14,516,000	–	14,516,000
			Sub-total	59,516,000	–	59,516,000
Others						
In aggregate	22 September 2015	Period 2	0.34	18,800,000	–	18,800,000
	20 October 2016	Period 3	0.60	12,500,000	–	12,500,000
	27 June 2017	Period 5	0.42	24,460,000	–	24,460,000
			Sub-total	55,760,000	–	55,760,000
			Total	273,417,000	–	273,417,000
Weighted average exercise price (in HK$) *(Note (c))*				0.4977	–	0.4977

Movement in share options during the period ended 30 September 2018 are as follows:

Category of Participants	Date of grant (Note (b))	Exercisable period (Note (a))	Exercisable price per share HK$	Number of share options Outstanding at 1 April 2018	Lapsed during the period	Outstanding at 30 September 2018
Directors						
Mr. Zhang Xiaobin	16 December 2016	Period 4	0.285	45,000,000	–	45,000,000
Mr. Gao Feng	22 September 2015	Period 2	0.17	16,000,000	–	16,000,000
	16 December 2016	Period 4	0.285	45,000,000	–	45,000,000
				61,000,000	–	61,000,000
Mr. Chiu Sui Keung	22 September 2015	Period 2	0.17	16,000,000	–	16,000,000
	16 December 2016	Period 4	0.285	45,000,000	–	45,000,000
				61,000,000	–	61,000,000
Mr. Sun Qiang	27 June 2017	Period 5	0.21	48,920,000	–	48,920,000
Mr. Zhang Yichun	20 October 2016	Period 3	0.3	30,000,000	–	30,000,000
	16 December 2016	Period 4	0.285	15,000,000	–	15,000,000
				45,000,000	–	45,000,000
Mr. Shao Zili	22 September 2015	Period 2	0.17	36,000,000	(36,000,000)	–
	16 December 2016	Period 4	0.285	24,000,000	(24,000,000)	–
				60,000,000	(60,000,000)	–
Ms. Xu Ying	16 December 2016	Period 4	0.285	45,000,000	–	45,000,000
Mr. Cheng Wing Keung, Raymond	16 December 2016	Period 4	0.285	2,000,000	–	2,000,000
Mr. Lam Williamson	16 December 2016	Period 4	0.285	2,000,000	–	2,000,000
Mr. Wong Hoi Kuen	16 December 2016	Period 4	0.285	2,000,000	–	2,000,000

Category of Participants	Date of grant (Note (b))	Exercisable period (Note (a))	Exercisable price per share HK$	Number of share options: Outstanding at 1 April 2018	Lapsed during the period	Outstanding at 30 September 2018
Dr. Lam Lee G.	20 October 2016	Period 3	0.3	2,362,000	–	2,362,000
	16 December 2016	Period 4	0.285	2,000,000	–	2,000,000
				4,362,000	–	4,362,000
			Sub-total	376,282,000	(60,000,000)	316,282,000
Employees of the Group						
In aggregate	22 September 2015	Period 2	0.17	61,000,000	(10,000,000)	51,000,000
	20 October 2016	Period 3	0.3	39,000,000	–	39,000,000
	16 December 2016	Period 4	0.285	34,048,000	(5,016,000)	29,032,000
			Sub-total	134,048,000	(15,016,000)	119,032,000
Others						
In aggregate	22 September 2015	Period 2	0.17	37,600,000	–	37,600,000
	20 October 2016	Period 3	0.3	25,000,000	–	25,000,000
	27 June 2017	Period 5	0.21	48,920,000	–	48,920,000
			Sub-total	111,520,000	–	111,520,000
			Total	621,850,000	(75,016,000)	546,834,000
Weighted average exercise price (in HK$) *(Note (c))*				0.245	0.215	0.219

Notes:

(a) Period 1 22 September 2015 to 21 September 2020

Period 2 20 October 2016 to 19 October 2021

Period 3 16 December 2016 to 15 December 2021

Period 4 27 June 2017 to 26 June 2022

(b) The vesting date of the share options for Period 1 to 4 is the date of grant.

(c) The exercise prices of the outstanding share options as at 30 September 2019 range from HK$0.34 to HK$0.6 (30 September 2018: range from HK$0.17 to HK$0.3) per share and their weighted average remaining contractual life as at 30 September 2019 is 2.01 years (six months ended 30 September 2018: 3.01 years).

(d) Exercisable price per share was adjusted on 7 January 2019 upon share consolidation on the basis that every two then issued and unissued shares to be consolidated into one consolidated share. In addition, the board lot size of 2,000 then issued shares was changed to 20,000 consolidated shares. The par value was changed from HK$0.01 per share to HK$0.02 per share.

During the periods ended 30 September 2019 and 2018, the Company did not grant any share options to Directors, employees or other parties.

Share Award Scheme

The Board has approved the adoption of the Share Award Scheme (the "Old Share Award Scheme") on 11 February 2011, pursuant to which existing shares will be purchased by the Bank of East Asia (Trustees) Limited ("Trustee") from the market at the cost of the Company and be held in trust. On 9 March 2011, the Board approved and transferred HK$5,000,000 to the Trustee. As at 30 September 2019, 5,050,000 (after share consolidation) shares were purchased and held by the Trustee, representing approximately 0.17% (31 March 2019: approximately 0.18%) of the issued share capital of the Company. No award shares have been granted to any persons since the commencement of the Old Share Award Scheme.

On 27 June 2017 (the "Adoption Date"), the Board resolved to terminate the Old Share Award Scheme with immediate effect. Such termination shall not affect the share awarded by the Board under the Old Share Award Scheme. On the same day, the Board has conditionally resolved to adopt the new share award scheme (the "New Share Award Scheme").

The purposes and objectives of the New Share Award Scheme are to recognise the contributions by certain employees and persons to the Group and to provide them with incentives in order to retain them for the continual operation and development of the Group and to attract suitable personnel for further development of the Group. Subject to any early termination as may be determined by the Board in accordance with the scheme rules, the New Share Award Scheme shall be valid and effective for 10 years from the Adoption Date.

The Board may select any individual or corporate entity being a director (including executive and non-executive director), employee, officer, agent, advisor, consultant or business partner of the Company or any of its subsidiaries and other persons who/which in the opinion of the Board has contributed or will contribute to the growth and development of the Group (the "Eligible Participant") for participation in the New Share Award Scheme and determine the number of the awarded shares to be awarded to the selected participants (the "Selected Participants").

The Board shall offer the awarded shares ("Awarded Shares") to the Selected Participant(s) by any of the following ways as the Board deems fit:

(a) subject to (i) the passing of an ordinary resolution by the Shareholders in general meeting approving the Scheme Mandate and the transactions contemplated thereunder; and (ii) the Listing Committee granting approval of the listing of, and permission to deal in, any new shares as Awarded Shares, pay such sum to the Trustee for the purpose of subscribing for the new Shares to be allotted and issued to the Trustee for the benefit of the Selected Participant(s) or allot and issue the new Shares as Awarded Shares to the Selected Participant(s) directly; and/or

(b) pay the reference amount to the Trustee (or as it shall direct) and direct the Trustee to purchase Old Awarded Shares. The Board is entitled to impose any conditions as it deems appropriate with respect to the entitlement of the Selected Participant to the Awarded Shares.

Pursuant to the scheme rules, the total number of Shares, whether they are new shares or old shares purchased on-market by the Trustee, underlying all grants made pursuant to the New Share Award Scheme shall not exceed 10% of the total number of issued shares as at the Adoption Date. Such scheme limit may however be refreshed from time to time subject to the certain conditions set out in the New Share Award Scheme. The Company shall not make any further grant of Awarded Share(s) which would result in the total number of the Awarded Shares together with the shares which may be allotted and issued upon exercise of all outstanding share options granted but yet to be exercised under the other share option or award scheme(s) of the Company representing an aggregate over thirty per cent (30%) of the Share in issue as at the date of such grant.

Unless otherwise approved by the shareholders and subject to the adjustment in the event of consolidation or subdivision of shares, the maximum number of Shares which may be awarded to a Selected Participant under the New Share Award Scheme in any 12-month period shall not exceed 1 per cent (1%) of the issued share capital of the Company as at the Adoption Date or the date of refreshment of the scheme limit (as the case may be), excluding all the shares awarded under the New Share Awarded Scheme up to the Adoption Date or the latest date of refreshment.

Any Awarded Shares and the related income thereof held by the Trustee and which are referable to a Selected Participant shall vest in that Selected Participant in accordance with the timetable and conditions as imposed by the Board at its absolute discretion, provided that the Selected Participant remains at all times after the approved by the Board and on the relevant vesting date an Eligible Participant of the Group.

If the Board selects a Director as the Selected Participant, the grant of the Awarded Shares to the Director may constitute a connected transaction of the Company. However, since the grant of awarded shares to a Director forms part of the remuneration of the relevant Director under his/her service contract, such grant of awarded shares is exempted from all the reporting, announcement and independent Shareholder's approval requirement under Rules 14A.31(6) of the Listing Rules.

For the Award Shares to the Selected Participants who are connected persons (excluding Directors), the Company will comply with the relevant provisions of the Listing Rules in relation to the reporting, announcement and independent shareholders' approval requirements. However, any grant to any director or senior management of the Company must first be approved by the Remuneration Committee.

The New Share Award Scheme shall terminate on the earlier of (i) the date falling on the 10th anniversary date of the Adoption Date and (ii) such date of early termination as determined by the Board provided that such termination shall not materially and adversely affect any subsisting rights of any Selected Participant thereunder.

During the period ended 30 September 2019, no award shares granted to any eligible Directors, employees or other parties.

There was no purchase of shares by the Trustee under the New Share Award Scheme during the period ended 30 September 2019 (six months ended 30 September 2018: Nil).

20. CAPITAL COMMITMENTS

As at 30 September 2019, the Group had the following capital commitments:

	As at 30 September 2019 *HK$'000* **(Unaudited)**	As at 31 March 2019 *HK$'000* (Audited)
Authorised and contracted for capital contributions payable to three subsidiaries	**261,447**	277,817

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW AND OUTLOOK

The Group is principally engaged in the provision of esmart digital services for retail stores in the PRC and trading businesses across Asia. It has been developing its business into the consumer product market conforming to the Group's business principle of "making life easier and benefiting people's livehood" (易生活，惠民生).

The Group has been managing the following businesses:

COMMODITIES TRADING BUSINESS

During the period from 1 April 2019 to 30 September 2019 (the "**Period**"), the Group continues to focus on sourcing of domestic quality products for sales to retail channels or lower-tier agents in the PRC. To expand the customer base and trading volume as well as to broaden different type of categories products, the Group continues to adopt the low margin strategy which attracts more sales channels for cooperation. The Group will seek to increase gross profit margin from direct sales or develop customized products to improve the Group's overall profitability.

ESMART DIGITAL SERVICES

Esmart Group leverages on the intelligentisation of retail information as its core technology and relies on the combined application of internet, cloud computing, artificial intelligence and big data to create a brand-new platform that is closely integrated with traditional industries. With digital marketing solution as service objective and retailers as the service object, the Group provides an integrated software and hardware store management system and an information marketing solution, and is an advanced online-to-offline smart retail service provider.

BUSINESS PROSPECTS AND FUTURE DEVELOPMENTS

Since 2018, the global trade and economic landscape have changed tremendously which substantially affected the economic development of the PRC. Traditional industrial sectors have been deteriorating and new economies, particularly e-commerce businesses, have been fluctuating, and only few of them were successful. New technologies have undoubtedly been affecting all sectors and aspects of our daily life. Under the economic turbulence, our businesses were affected and our business development was not smooth.

However, the Company's overall development principle of "making life easier and benefiting people's livelihood" (易生活，惠民生) is in itself a right approach. Since traditional industries are still the basis and foundation of new economic development, the integration of new technologies into traditional industries is the prerequisite for successful transformation.

The Company has begun to diversify its businesses since the first half of 2017. After our new business direction was established, it takes time and resources to develop, test and adjust new businesses. I trust you understand that it is a normal process for the Company's business development and long-term interest.

We see that in today's rapidly changing technology and market, every enterprise faces fierce competition and huge challenges. As a listed company, it is necessary for us to formulate a long-term development plan and diversify our revenue streams in order to maximize the interests of the Shareholders as a whole.

The Company must have a long-term development plan. The PRC has been undergoing a transformation progress to upgrade its technologies, industrial and consumption. In this era of increasing digitalisation and computerisation, lifestyle, consumption habits and way of thinking of people are also changing. As people's income increases continuously, their consumption needs also increase over time.

Since 2019, we have been keeping abreast of the foodstuffs and household necessities retail market in the PRC by analysing the data and results of our market investigations. Members of the public attach great importance to clothing, food, accommodation and transportation. For example, the pork industry in the PRC, which is supported by the PRC government, accounted for more than half of the pork consumption in the world. Due to the outbreak of African swine fever in 2018, the pork industry in the PRC has suffered a devastating blow. In the face of worsening pork shortages, pork prices reached record highs. Accordingly, the amounts of investment and profit in this industry will greatly exceed expectations in the next two to three years. Therefore, in addition to the higher yield from investing and financing in this industry, it will also improve the livelihoods of PRC people as food abundance is of upmost importance to the PRC. Therefore, development in industries that are related to the livelihoods of people will be the main direction of the Company in the future.

Abundance of resources is crucial to the PRC, a country which has a population of more than 1.4 billion. Under the current turbulence in global financial market, every countries are endeavouring to maintain stable domestic currencies. Therefore, we have to consider the long-term development of those industries that are closely related to the financial market.

We are implementing the development goals of the Company. Although we are a small-scale company, all the aforementioned resources, markets and demands are very closely related to our businesses. We develop our businesses by virtue of new technologies, networks, platforms, online and offline integration, and the close connection between big data analysis and enterprises, and our concentration and hardworking are the prerequisites for achieving bright futures. Since changes in business strategies are inevitable, we expect that such changes will create new values to the Shareholders.

RESULTS ANALYSIS

REVENUE

For the period ended 30 September 2019, the Group recorded turnover of approximately HK$41,874,000 (six months ended 30 September 2018: approximately HK$52,496,000), representing a decrease of 20.2%. The revenue was generated from the commodities trading and the esmart digital services segments. The decrease in revenue during the Period was primarily due to (i) the unfavourable market conditions and longer receivable ageing affected by the unfavourable macro-economic environment, the ageing period of trade receivables was increasing to 90 to 120 days on average for the Period. The cash turnover rate decreased and thus the available cash for trading also decreased accordingly. This affected the Group's turnover as compared with the corresponding period last year. Since the Group usually needs to make advance payments to suppliers before delivery of goods, new orders are usually placed only after collection of receivables from customers; and (ii) the decrease in number of customers as compared with the corresponding period last year. This was due to the Group maintaining good credit risk controls on customers' receivables collection and reduced volumes of trading with slower-paying customers.

More details of the Group's performance by business segments are set out in Note 4.

COST OF SALES

For the period ended 30 September 2019, the cost of sales of the Group amounted to approximately HK$41,265,000 (six months ended 30 September 2018: approximately HK$52,285,000), representing a decrease of approximately 21.1% which is also in line with the fluctuation of the turnover.

GROSS PROFIT AND GROSS PROFIT MARGIN

The Group's gross profit for the period ended 30 September 2019 was approximately HK$609,000 (six months ended 30 September 2018: approximately HK$211,000), representing an increase of approximately 188.6%. The gross profit margin of the Group for the period ended 30 September 2019 was approximately 1.5% (six months ended 30 September 2018: approximately 0.4%). The improvement of gross profit and gross profit margin was mainly due to less costs incurred in the esmart digital services segment during the Period.

SELLING EXPENSES

During the period ended 30 September 2019, the Group recorded selling expenses of approximately HK$5,650,000 (six months ended 30 September 2018: approximately HK$3,883,000). The increase was mainly due to an increase of marketing costs in promotion of esmart digital services such as free samples of the POS machinery in different customer base and locations in China. Besides, staff costs, transportation and travelling expenses for salesmen increased significantly in the Period.

OPERATING EXPENSES

Operating expenses incurred by the Group for the period ended 30 September 2019 was approximately HK$28,956,000 (six months ended 30 September 2018: approximately HK$32,558,000), representing a decrease of 11.1%, and approximately 69.1% (six months ended 30 September 2018: approximately 62%) of the Period's total revenue. The decrease was mainly due to (i) a reduction of the legal and professional fees incurred during the Period as compared to that incurred for seeking potential investment in the corresponding period last year; and (ii) a drop in the rental in respect of office premise and staff quarters. The Group will continue to streamline the operating expenses such as staff costs, legal & professional fees and other office expenses in the coming year.

FINANCE COSTS

The finance costs incurred by the Group for the period ended 30 September 2019 were approximately HK$434,000 (six months ended 30 September 2018: approximately HK$202,000), representing approximately 1% of the Group's revenue in the Period. The increase was mainly due to the interest expenses on leases liabilities recognised under HKFRS 16 adoption during the Period, while no such finance costs were incurred in the corresponding period last year.

LOSS FOR THE PERIOD ATTRIBUTABLE TO OWNERS OF THE COMPANY

For the period ended 30 September 2019, the Group recorded a loss attributable to shareholders of approximately HK$23,027,000 (six months ended 30 September 2018: approximately HK$24,707,000), representing a decrease of 6.8%. Basic loss per share was approximately HK$0.8 cents (six months ended 30 September 2018: approximately HK$0.9 cents (restated)) for the period ended 30 September 2019. The slightly decrease was primarily attributable to the reduction of loss for the Period.

INTERIM DIVIDEND

The Board did not recommend payment of an interim dividend for the six months ended 30 September 2019 (six months ended 30 September 2018: HK$Nil).

FINANCIAL REVIEW

LIQUIDITY AND FINANCIAL RESOURCES

For the period ended 30 September 2019, the Group had net cash outflow from operating activities of approximately HK$8,370,000 (six months ended 30 September 2018: approximately HK$35,394,000), net cash outflow from investing activities of approximately HK$12,000 (six months ended 30 September 2018: approximately HK$2,168,000) and net cash outflow from financing activities of approximately HK$2,093,000 (six months ended 30 September 2018: net cash inflow approximately HK$52,974,000). As at 30 September 2019, the Group had available cash and cash balances amounting approximately HK$11,228,000 (31 March 2019: approximately HK$19,383,000).

As at 30 September 2019, surplus on shareholders' funds of the Group aggregately amounted to approximately HK$115,276,000 (31 March 2019: approximately HK$131,749,000). Net current assets of the Group amounted to approximately HK$71,733,000 (31 March 2019: approximately HK$109,428,000). The Group's total current assets and current liabilities were approximately HK$144,976,000 (31 March 2019: approximately HK$179,838,000) and HK$73,603,000 (31 March 2019: approximately HK$70,410,000) respectively, while the current ratio was approximately 2 times (31 March 2019: approximately 2.6 times). The Group's assets-liabilities ratio (total liabilities to total assets) was approximately 0.4 times (31 March 2019: approximately 0.4 times).

As at 30 September 2019, the Group's gearing ratio (total debts to total equity) was approximately 28.2% (31 March 2019: approximately 41%).

CAPITAL STRUCTURE

The Company announced on 26 October 2018 that it entered into two subscription agreements with each of the two Directors (namely Mr. Zhang Xiaobin and Mr. Gao Feng, the Chairman and Vice-Chairman and both being executive Directors) (the "**Subscriptions**") on the same date whereby the two Directors agreed to subscribe for an aggregate of 1,142,857,142 shares of the Company at the subscription price of HK$0.105 each. The subscription price and the number of subscription shares were subsequently adjusted to HK$0.21 and 571,428,571 shares of the Company pursuant to supplemental agreements to the subscription agreements dated 15 November 2018 in order to reflect the adjusted subscription price and the number of subscription shares once the Share Consolidation (as defined below) has become effective.

On 26 April 2019, the Company entered into the third supplemental agreements with two Directors to revise certain major terms of the Subscriptions whereby the two Directors agreed to subscribe for an aggregate of 265,957,446 shares of the Company at the subscription price of HK$0.188 each. The aggregate gross proceeds from the Subscriptions will amount to HK$50,000,000. The extraordinary general meeting was held to pass the above resolutions on 21 June 2019. While all conditions precedent to the Subscriptions have been fulfilled, overall market conditions and sentiment deteriorated since June 2019 due to the social unrest in Hong Kong and the escalation in US-China trade tensions. The subscribers have requested, and the Company has agreed, to extend the date of completion. Up to the date of this announcement, the partial proceeds of RMB5,000,000 has been received.

On 14 November 2018, the Company announced that it proposed to implement a consolidation of its shares on the basis that every two then issued shares be consolidated into one consolidated share (the "**Share Consolidation**"). The Company also proposed to change the board lot size for trading on the Stock Exchange from 2,000 then issued shares to 20,000 consolidated shares following the Share Consolidation has become effective. The par value was to be changed from HK$0.01 per share to HK$0.02 per share. The Share Consolidation was approved at the extraordinary general meeting on 7 January 2019.

On 8 March 2019, Huimin Int'l and Mr. Wang entered into a loan agreement whereby Mr. Wang provided Huimin Int'l with a loan in the principal amount of RMB20,000,000. The loan bears interest at a rate of 8% per annum and would be due on the 60 days from the drawdown date of the loan. On 26 April 2019, the Company, Huimin Int'l and Mr. Wang entered into the Loan Capitalisation Agreement pursuant to which Mr. Wang conditionally agreed to subscribe for, and the Company conditionally agreed to allot and issue, an aggregate of 125,008,842 loan capitalisation shares, at the loan capitalisation subscription price of HK$0.188 each. The subscription amount payable by Mr. Wang under the Loan Capitalisation Agreement was satisfied by capitalising the outstanding principal amount of the loan and the interest accrued. The loan capitalisation took place on 10 May 2019.

CAPITAL EXPENDITURES AND CAPITAL COMMITMENT

During the period ended 30 September 2019, the capital expenditures mainly for additions in property, plant and equipment amounted to approximately HK$12,000 (six months ended 30 September 2018: approximately HK$2,197,000). These capital expenditures were funded by internal cash flow from operating activities.

As at 30 September 2019, the Group had capital commitment of approximately HK$261,447,000 (31 March 2019: approximately HK$277,817,000) in respect of the authorised and contracted for 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 dollar, United States dollar and Renminbi and the books are recorded in Hong Kong dollar. 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 as and when necessary.

CONTINGENT LIABILITIES

The Group did not have any material contingent liabilities as at 30 September 2019.

EMPLOYEES AND REMUNERATION POLICY

As at 30 September 2019, the Group had a total of 67 employees (30 September 2018: 110) 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 schemes for its staff in Hong Kong and the PRC.

The Group introduced a new share option scheme on 8 October 2010, with options to be granted to any Directors, employees and other parties at the discretion of the Board. During the period ended 30 September 2019, no share options granted to eligible Directors, employees or other parties. As at 30 September 2019, 273,417,000 share options remained outstanding.

The Group also adopted a share award scheme on 11 February 2011 and terminated it on 27 June 2017 and adopted the New Share Award Scheme on the same date. During the period ended 30 September 2019, no awarded shares were granted to eligible Directors, employees or other parties.

MATERIAL ACQUISITION AND DISPOSAL

The Group did not have any material acquisition and disposal for the six months ended 30 September 2019.

MATERIAL RELATED PARTY TRANSACTION

The Group did not have any material related party transaction for the six months ended 30 September 2019.

SIGNIFICANT INVESTMENT

The Group did not hold any significant investment for the six months ended 30 September 2019.

EVENTS AFTER THE REPORTING PERIOD

Save as disclosed elsewhere in these condensed consolidated interim financial statements, the Group did not have any events occurred subsequent to the end of the reporting period.

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 six months ended 30 September 2019.

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 of the Committee are Mr. Cheng Wing Keung, Raymond and Mr. Wong Hoi Kuen. The Audit Committee has reviewed and discussed with the Company's management the interim results of the Group for the six months ended 30 September 2019.

COMPLIANCE WITH CODE ON CORPORATE GOVERNANCE PRACTICES

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 throughout the six months ended 30 September 2019.

PUBLICATION OF RESULTS ANNOUNCEMENT AND INTERIM REPORT

The Company's results announcement for the six months ended 30 September 2019 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 interim report of the Company for the six months ended 30 September 2019 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, 29 November 2019

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