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 FINAL RESULTS FOR THE YEAR ENDED 31 MARCH 2021

The board (the "**Board**") of directors (the "**Directors**") of Elife Holdings Limited (the "**Company**", together with its subsidiaries, the "**Group**") hereby announces the audited consolidated results of the Group for the year ended 31 March 2021 together with the comparative figures for the year ended 31 March 2020 as follows:

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 31 March 2021

	Notes	**2021** **HK$'000**	2020 *HK$'000*
Turnover	4	**276,040**	54,789
Cost of sales		**(266,582)**	(56,514)
Gross profit/(loss)		**9,458**	(1,725)
Other income	5	**3,999**	4,132
Other losses – net	5	**(4,696)**	(10,376)
Selling expenses		**(994)**	(7,056)
Other operating expenses		**(29,200)**	(52,417)
Equity-settled share-based payment		**(4,957)**	(763)
Impairment loss on goodwill		**–**	(18,320)
Net allowance for expected credit losses on trade and other receivables		**(814)**	(8,846)
Loss from operating activities	6	**(27,204)**	(95,371)
Finance costs	7	**(1,727)**	(570)
Loss before tax		**(28,931)**	(95,941)
Taxation	8	**(1,713)**	(4)
Loss for the year		**(30,644)**	(95,945)
Other comprehensive income/(loss)			
Items that will not be reclassified to profit or loss:			
Change in fair value of financial asset at fair value through other comprehensive income		**(34)**	(1,113)
Items that may be reclassified subsequently to profit or loss:			
Exchange differences on translating foreign operations		**5,442**	(7,327)
Other comprehensive income/(loss) for the year		**5,408**	(8,440)
Total comprehensive loss for the year		**(25,236)**	(104,385)

	Notes	**2021**	2020
		HK$'000	*HK$'000*
Loss for the year attributable to:			
Owners of the Company		**(26,403)**	(76,932)
Non-controlling interests		**(4,241)**	(19,013)
		(30,644)	(95,945)
Total comprehensive loss for the year attributable to:			
Owners of the Company		**(20,285)**	(85,713)
Non-controlling interests		**(4,951)**	(18,672)
		(25,236)	(104,385)
Loss per share			
– Basic	10	**(0.9) cents**	(2.6) cents
– Diluted	10	**(0.9) cents**	(2.6) cents

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 March 2021

	Notes	2021 HK$'000	2020 HK$'000
Non-current assets			
Property, plant and equipment		**9,015**	13,287
Right-of-use assets		**6,108**	4,345
Financial asset at fair value through other comprehensive income		**89**	114
		15,212	17,746
Current assets			
Inventories		**56**	1,559
Trade receivables	11	**16,864**	14,855
Deposits, prepayments and other receivables	12	**76,830**	84,429
Cash and cash equivalents		**14,590**	16,201
Total current assets		**108,340**	117,044
Less: Current liabilities			
Trade payables	13	**113**	1,050
Accrued liabilities and other payables	14	**22,173**	26,901
Contract liabilities		**1,067**	1,186
Lease liabilities		**2,485**	1,728
Amounts due to shareholders		**2,622**	31,960
Amounts due to non-controlling interests		**5,247**	9,045
Tax payables		**1,464**	–
Total current liabilities		**35,171**	71,870
Net current assets		**73,169**	45,174
Total assets less current liabilities		**88,381**	62,920

	2021	2020
	HK$'000	*HK$'000*
Less: Non-current liabilities		
Lease liabilities	**2,446**	1,291
Amounts due to shareholders	**11,878**	–
Amounts due to non-controlling interests	**3,934**	–
	18,258	1,291
Net assets	**70,123**	61,629
Capital and reserves		
Share capital	**61,933**	59,319
Reserves	**73,809**	64,261
Equity attributable to owners of the Company	**135,742**	123,580
Non-controlling interests	**(65,619)**	(61,951)
Total equity	**70,123**	61,629

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2021

1. CORPORATE INFORMATION

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

The Directors consider that Ms. Liu Qiuhua and Mr. Gao Feng are the substantial shareholders of the Company which held approximately 11.6% and 6.6% of existing issued ordinary share capital of the Company respectively.

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

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

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

Amendments to HKFRSs that are mandatorily effective for the current year

In the current year, the Group has applied the Amendments to References to the Conceptual Framework in HKFRS Standards and the following amendments to HKFRSs issued by the Hong Kong Institute of Certified Public Accountants (the "HKICPA") for the first time, which are mandatorily effective for the annual period beginning on or after 1 April 2020 for the preparation of the consolidated financial statements:

Amendments to HKAS 1 and HKAS 8	Definition of material
Amendments to HKFRS 3	Definition of a Business
Amendments to HKFRS 9, HKAS 39 and HKFRS 7	Interest Rate Benchmark Reform

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

In addition, the Group has early applied the Amendment to HKFRS 16 Covid-19-Related Rent Concessions.

Impacts on early application of Amendment to HKFRS 16 Covid-19-Related Rent Concessions

The Group has applied the amendment for the first time in the current year. The amendment introduces a new practical expedient for lessees to elect not to assess whether a Covid-19-related rent concession is a lease modification. The practical expedient only applies to rent concessions occurring as a direct consequence of the Covid-19 that meets all of the following conditions:

- the change in lease payments results in revised consideration for the lease that is substantially the same as, or less than, the consideration for the lease immediately preceding the change;
- any reduction in lease payments affects only payments originally due on or before 30 June 2021; and
- there is no substantive change to other terms and conditions of the lease.

A lessee applying the practical expedient accounts for changes in lease payments resulting from rent concessions the same way it would account for the changes applying HKFRS 16 Leases if the changes were not a lease modification. Forgiveness or waiver of lease payments are accounted for as variable lease payments. The related lease liabilities are adjusted to reflect the amounts forgiven or waived with a corresponding adjustment recognised in the profit or loss in the period in which the event occurs.

The application of the amendment had no impact to the opening accumulated losses at 1 April 2020. The Group has benefited from 3 months waiver of lease payments on several leases in leased office premises. The Group has derecognised the part of lease liability that has been extinguished by the forgiveness of lease payments using the discount rates originally applied to these leases respectively, resulting in a decrease in the lease liabilities of HK$488,000, which has been recognised as variable lease payments in profit or loss for the current year.

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

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

HKFRS 17	Insurance Contracts and the related Amendments[1]
Amendments to HKFRS 3	Reference to the Conceptual Framework[2]
Amendments to HKFRS 9, HKAS 39, HKFRS 7, HKFRS 4 and HKFRS 16	Interest Rate Benchmark Reform — Phase 2[4]
Amendments to HKFRS 10 and HKAS 28	Sales or Contribution of Assets between an Investor and its Associate or Joint Venture[3]
Amendments to HKAS 1	Classification of liabilities as Current or Non Current, and related amendments to Hong Kong Interpretation 5 (2020)[1]
Amendments to HKAS 16	Property, Plant and Equipment: Proceeds before Intended use[2]
Amendments to HKAS 37	Onerous Contracts — Cost of Fulfilling a Contracts[2]
Amendments to HKFRS Standards	Annual Improvement to HKFRS Standards 2018–2020[2]

1 Effective for annual periods beginning on or after 1 January 2023
2 Effective for annual periods beginning on or after 1 January 2022
3 Effective for annual periods beginning on or after date to be determine
4 Effective for annual periods beginning on or after 1 January 2021

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

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

The consolidated financial statements have been prepared in accordance with all applicable HKFRSs, which is a collective term that includes all applicable individual HKFRSs, Hong Kong Accounting Standards ("HKASs"), and Interpretations issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA") and accounting principles generally accepted in Hong Kong. In addition, the consolidated financial statements include applicable disclosures required by the Rules Governing the Listing of Securities on the Stock Exchange (the "Listing Rules") and by the Hong Kong Companies Ordinance.

Basis of preparation

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

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

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

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

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;

- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and

- Level 3 inputs are unobservable inputs for the asset or liability.

4. SEGMENT INFORMATION

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

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 under HKFRS 8 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 years are as following:

	2021	2020
	HK$'000	*HK$'000*
Disaggregation of revenue from contracts with customers		
Recognised at a point in time		
Commodities sales	**276,040**	54,544
Service fee	**–**	245
Total revenue from contracts with customers	**276,040**	54,789

Segment revenue and results

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

2021

	Unconventional gas business	Commodities trading business	Esmart digital services	Consolidated
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*
Turnover				
Turnover from external customers	**–**	**276,040**	**–**	**276,040**
Result				
Segment (loss)/profit	**(940)**	**1,061**	**(7,838)**	**(7,717)**
Unallocated other income				**3,414**
Unallocated corporate expenses				**(17,944)**
Equity-settled share-based payment				**(4,957)**
Finance costs				**(1,727)**
Loss before tax				**(28,931)**
Taxation				**(1,713)**
Loss for the year				**(30,644)**

2020

	Unconventional gas business *HK$'000*	Commodities trading business *HK$'000*	Esmart digital services *HK$'000*	Consolidated *HK$'000*
Turnover				
Turnover from external customers	–	54,536	253	54,789
Result				
Segment loss	(9,751)	(11,765)	(42,622)	(64,138)
Unallocated other income				2,107
Unallocated corporate expenses				(32,577)
Equity-settled share-based payment				(763)
Finance costs				(570)
Loss before tax				(95,941)
Taxation				(4)
Loss for the year				(95,945)

Turnover reported above represents revenue generated from external customers. There were no inter-segment sales during the year ended 31 March 2021 (2020: Nil).

The accounting policies of the reportable segments are the same as the Group's accounting policies described in Note 3. Segment results represent the (loss)/income 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 chief operating decision maker for the purposes of resource allocation and assessment of segment performance.

Segment assets and liabilities

	Unconventional gas business *HK$'000*	Commodities trading business *HK$'000*	Esmart digital services *HK$'000*	Total *HK$'000*
31 March 2021				
Segment assets	**4,067**	**75,079**	**11,807**	**90,953**
Segment liabilities	**108**	**6,404**	**10,114**	**16,626**

	Unconventional gas business *HK$'000*	Commodities trading business *HK$'000*	Esmart digital services *HK$'000*	Total *HK$'000*
31 March 2020				
Segment assets	4,482	83,636	16,836	104,954
Segment liabilities	518	7,455	9,369	17,342

Reconciliation of reportable segment assets and liabilities:

	2021 ***HK$'000***	2020 *HK$'000*
Assets		
Total assets of reportable segments	**90,953**	104,954
Unallocated and other corporate assets:		
Property, plant and equipment	**2,101**	2,627
Right-of-use assets	**2,449**	310
Deposits, prepayments and other receivables	**23,215**	21,887
Cash and cash equivalents	**4,834**	5,012
Consolidated total assets	**123,552**	134,790
Liabilities		
Total liabilities of reportable segments	**16,626**	17,342
Unallocated and other corporate liabilities:		
Accrued liabilities and other payables	**9,958**	11,795
Lease liabilities	**3,164**	3,019
Amounts due to shareholders	**14,500**	31,960
Amounts due to non-controlling interests	**9,181**	9,045
Consolidated total liabilities	**53,429**	73,161

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, amounts due to shareholders and amounts due to non-controlling interests).

Other segment information

For the year ended 31 March 2021

	Unconventional gas business *HK$'000*	**Commodities trading business** *HK$'000*	**Esmart digital services** *HK$'000*	**Unallocated** *HK$'000*	**Total** *HK$'000*
Depreciation of property, plant and equipment	**–**	**696**	**2,400**	**527**	**3,623**
Depreciation of right-of-use assets	**–**	**906**	**69**	**1,010**	**1,985**
Written-off of obsolete and slow-moving inventories	**–**	**213**	**–**	**–**	**213**
Written-off of other receivables	**667**	**2,749**	**–**	**–**	**3,416**
Written-off of prepayments	**529**	**–**	**–**	**–**	**529**
Loss of disposal of property, plant and equipment	**–**	**–**	**2**	**–**	**2**
Loss on written-off of property, plant and equipment	**–**	**–**	**1,026**	**–**	**1,026**
Gain on disposal of an associate	**–**	**–**	**–**	**(336)**	**(336)**
Gain on waiver of other payables	**–**	**(1,320)**	**–**	**–**	**(1,320)**
Loss from scrap materials sold	**–**	**–**	**1,471**	**–**	**1,471**
Net allowance for expected credit losses on trade and other receivables	**(377)**	**271**	**319**	**601**	**814**
Additions to non-current assets*	**–**	**106**	**–**	**–**	**106**

For the year ended 31 March 2020

	Unconventional gas business *HK$'000*	Commodities trading business *HK$'000*	Esmart digital services *HK$'000*	Unallocated *HK$'000*	Total *HK$'000*
Depreciation of property, plant and equipment	886	1,362	3,725	533	6,506
Depreciation of right-of-use assets	–	1,972	270	932	3,174
Additions to non-current assets*	–	32	10	21	63
Impairment loss on goodwill	–	–	18,320	–	18,320
Write-down of inventories	–	–	7,108	–	7,108
Written-off of obsolete and slow-moving inventories	–	836	–	–	836
Loss of disposal of property, plant and equipment	2,368	–	25	–	2,393
Net allowance for expected credit losses on trade and other receivables	377	3,209	792	4,468	8,846

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

Geographical information

The Company is domiciled in Hong Kong. The Group's operations are mainly located in the PRC and Hong Kong. The following analysis of the Group's turnover by geographical area is disclosed for the years ended 31 March 2021 and 2020.

	2021	2020
	HK$'000	*HK$'000*
The PRC	**264,930**	14,388
Hong Kong	**10,438**	40,401
Overseas	**672**	–
	276,040	54,789

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:

	Carrying amount of non-current assets	
	2021	2020
	HK$'000	*HK$'000*
The PRC	**1,794**	5,236
Hong Kong	**7,796**	6,669
Overseas	**5,533**	5,727
	15,123	17,632

Information about major customers

For the year ended 31 March 2021, the Group's largest one customer (2020: three) contributed revenue from commodities trading business of approximately HK$91,336,000 (2020: approximately HK$49,595,000), which represent approximately 33.1% (2020: approximately 90.5%) of total turnover.

	2021	2020
	HK$'000	*HK$'000*
Customer A *(Note (i))*	**91,336**	–*
Customer B *(Note (i))*	**–***	34,074
Customer C *(Note (i))*	**–***	9,194
Customer D *(Note (i))*	**–**	6,327

Notes:

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

(i) Revenue generated from commodities trading business

5. OTHER INCOME AND OTHER LOSSES – NET

	2021	2020
	HK$'000	*HK$'000*
Other income		
Interest income on:		
Bank deposits	**30**	15
Other receivables	**2,616**	3,573
	2,646	3,588
Government grant *(Note)*	**483**	–
Forfeiture of trade deposits from customer	**209**	–
Sundry income	**661**	544
	3,999	4,132
Other losses – net		
Net exchange losses	**(183)**	(39)
Written-off of other receivables	**(3,416)**	–
Written-off of prepayments	**(529)**	–
Written-down of inventories	**–**	(7,108)
Written-off of obsolete and slow-moving inventories	**(213)**	(836)
Gain on disposal of associates	**336**	–
Gain on waiver of other payables	**1,320**	–
COVID-19-related rent concession	**488**	–
Loss on disposal of property, plant and equipment	**(2)**	(2,393)
Loss on written-off of property, plant and equipment	**(1,026)**	–
Loss from scrap materials sold	**(1,471)**	–
	(4,696)	(10,376)

Note:

During the year ended 31 March 2021, the Group recognised government grant of approximately HK$483,000 (2020: Nil) in respect of COVID-19-related subsidies which is related to Employment Support Scheme provided by the Hong Kong government.

6. LOSS FROM OPERATING ACTIVITIES

	2021	2020
	HK$'000	*HK$'000*
The Group's loss from operating activities is arrived at after charging/(crediting):		
Cost of inventory sold	**266,582**	54,142
Depreciation of property, plant and equipment	**3,623**	6,506
Depreciation of right-of-use-assets	**1,985**	3,174
Net allowance for expected credit losses		
– allowance for expected credit losses on trade receivables	**3,925**	1,696
– allowance for expected credit losses on other receivables	**601**	7,585
– reversal of allowance for expected credit losses on trade receivables	**(312)**	(192)
– reversal of allowance for expected credit losses on other receivables	**(3,400)**	(243)
	814	8,846
Staff costs (including directors' remuneration		
– wages and salaries	**13,494**	29,445
– equity-settled share-based payment	**4,957**	763
– retirement benefits scheme contributions	**580**	1,614
	19,031	31,822
Auditors' remuneration		
– audit services	**700**	700
Expenses relating to short-term lease	**551**	150
Loss on lease termination	**–**	210

7. FINANCE COSTS

	2021	2020
	HK$'000	*HK$'000*
Interests on lease liabilities	**339**	390
Imputed interests on amounts due to shareholders	**1,043**	–
Imputed interests on amounts due to non-controlling interests	**345**	–
Interests on amounts due to shareholders	**–**	50
Interests on other borrowings	**–**	128
Interests on bank borrowings	**–**	2
	1,727	570

8. TAXATION

	2021	2020
	HK$'000	*HK$'000*
Current tax		
– Hong Kong	**–**	–
– PRC	**1,713**	–
	1,713	–
Under-provision in prior years		
– Hong Kong	**–**	4
	1,713	4

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 years ended 31 March 2021 and 2020.

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

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

9. DIVIDENDS

The directors of the Company do not recommend the payment of any dividend in respect of the year ended 31 March 2021 (2020: Nil).

10. LOSS PER SHARE ATTRIBUTABLE TO OWNERS OF THE COMPANY

(a) Basic

The calculation of basic loss per share attributable to owners of the Company is based on following data:

	2021	2020
Loss for the year attributable to owners of the Company *(HK$'000)*	**(26,403)**	(76,932)
Weighted average number of ordinary shares in issue *('000)*	**2,998,548**	2,910,349
Basic and diluted loss per share *(HK cents per share)*	**(0.9)**	(2.6)

(b) Diluted

The basic and diluted loss per share are the same for the years ended 31 March 2021 and 2020. The calculation of the diluted loss per share does not assume the exercise of the Company's options because the exercise price of those options was higher than the average market price for shares for the years ended 31 March 2021 and 2020.

11. TRADE RECEIVABLES

	2021	2020
	HK$'000	*HK$'000*
Trade receivables *(Note (i))*	**23,381**	17,759
Less: allowance for expected credit losses on trade receivables, net	**(6,517)**	(2,904)
	16,864	14,855

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

	2021	2020
	HK$'000	*HK$'000*
0 to 30 days	**202**	1,572
31 to 60 days	**–**	–
61 to 90 days	**–**	–
91 to 180 days	**7,441**	7
Over 180 days	**15,738**	16,180
	23,381	17,759

Note:

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

12. DEPOSITS, PREPAYMENTS AND OTHER RECEIVABLES

	2021	2020
	HK$'000	*HK$'000*
Deposits	**913**	1,181
Prepayments	**32,330**	25,271
Other receivables *(Notes (i), (ii) & (iii))*	**124,162**	141,351
	157,405	167,803
Less: allowance for expected credit losses on other receivables, net *(Note (iv))*	**(80,575)**	(83,374)
	76,830	84,429

Notes:

As at 31 March 2021, 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 2021 and 2020.

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

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

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

As at 31 March 2021, the Performance Deposit of approximately HK$16,894,000 (equivalent to RMB14,200,000) (2020: approximately HK$33,529,000) included in other receivables. The Performance Deposit was partially repaid of approximately RMB4,500,000 subsequently in accordance with the repayment schedule to the year ended 31 March 2021.

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

On 11 September 2014, Sino Talent Holdings Limited ("Sino Talent"), a wholly-owned subsidiary of the Company, as lender, entered into a loan agreement (the "Loan Agreement") with Graceful Ocean, as borrower and Mr. Ma Haike ("Mr. Ma") as first guarantor whereby Sino Talent agreed to advance to Graceful Ocean a term loan in the principal amount of HK$18 million (the "Loan") with interest accrued at the rate of 13% per annum. The parties entered into five supplemental agreements to the Loan Agreement between April 2015 and June 2018 to, 25 among other things, postpone the maturity date of the Loan to 31 March 2019. On 24 June 2019, the parties and Mr. Gao Feng ("Mr. Gao"), an executive director and the vice-chairman of the Board, entered into the sixth supplemental agreement to the Loan Agreement with the interest rate of 10% per annum, to further postpone the maturity date of the Loan to 31 March 2020. Meanwhile, as an additional security of the repayment obligations of the borrower under the Loan Agreement (as supplemented by the six supplemental agreements), Mr. Gao, entered into a second guarantee contract ("Mr. Gao's Second Guarantee") with Sino Talent and Graceful Ocean whereby Mr. Gao agreed to act as the second guarantor and in the event and only when Mr. Ma failed to or refused to fulfill its guarantee obligations as the first guarantor, guarantee the due performance of Graceful Ocean in respect of its repayment obligations under the Loan Agreement (as supplemented by the six supplemental agreements). On 12 June 2020, the Seventh supplemental agreement entered into the parties to further postpone the maturity date of the Loan to 31 March 2021. On 23 April 2021, Mr. Gao entered into a repayment agreement with Sino Talent to take up responsibilities to repay the outstanding balances according to the repayment schedule on behalf of Graceful Ocean when Mr. Ma failed to settle of the Loan. The repayment schedule has been agreed and due on 31 December 2022. The interest rate was changed to 5% per annum.

As at 31 March 2021, the total outstanding amount of the Loan and the interest accrued thereon was approximately HK$27,382,000 (2020: approximately HK$25,598,000) and included in other receivables. The loan was repaid of approximately HK$1,582,000 subsequently to year ended 31 March 2021.

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

Due to the expected possibility of repayment from Jetgo in short period of time is very low and assessed its expected credit losses ("ECL") is very high by an independent firm of professional valuers, after thorough consideration, the Board decided to make an allowance for expected credit losses 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 balance in Note (iii), the ECLs are relatively low as supported by the repayment schedules and the personal guarantees, the provision allowance for expected credit losses on other receivables are approximately HK$370,000 and HK$5,616,000 respectively as at 31 March 2021 (2020: HK$688,000 and HK$5,015,000 respectively).

13. TRADE PAYABLES

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

	2021	2020
	HK$'000	*HK$'000*
0 to 30 days	**7**	1,040
31 to 60 days	**–**	–
61 to 90 days	**–**	–
91 to 180 days	**–**	–
Over 180 days	**106**	10
	113	1,050

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

14. ACCRUED LIABILITIES AND OTHER PAYABLES

	2021	2020
	HK$'000	*HK$'000*
Accrued liabilities	**6,629**	11,482
Deposit received	**49**	49
Other payables	**15,495**	15,370
	22,173	26,901

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

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

Commodities Trading Business

During the year ended 31 March 2021, the Company developed its commodities trading into metals commodities, daily cleaning and anti-epidemic products and licensed branded watches in the PRC and overseas. The Joint Venture Group (as defined below) possesses the supply chain including the formula, brand and packages design of the anti-epidemic and daily cleaning products and engages in the sales, marketing and brand building of such products. It also has further differentiated and expanded its business by developing the sales and marketing of personal healthcare and protective products (e.g. medical diagnostic test kit for testing COVID-19 and surgical gloves and nitrile gloves). The profit margin for trading business has improved due to high margin of the daily cleaning and anti-epidemic products.

For the business of licensed branded watches, development of the official website of ROYALELASTICS and Wechat Mall of the AiShang e-buy is almost completed and the watches will be sold online starting from June or July 2021.

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.

RESULTS ANALYSIS

Revenue

For the year ended 31 March 2021, the Group recorded turnover of approximately HK$276,040,000 (2020: approximately HK$54,789,000), representing an increase of approximately 4 times. The revenue was mainly generated from commodities trading and sales of anti-epidemic and daily cleaning products. The increase in revenue during the year was primarily due to (i) an increase in the sales volume of metals trading; (ii) the fact that the Group has been proactively increasing its business activities in the PRC by setting up two joint venture companies for the sales of daily cleaning and anti-epidemic products and licensed branded watches in the PRC and overseas. The revenue generated from the sales of daily cleaning and anti-epidemic products and licensed branded watches contributed approximately HK$39,473,000 and approximately HK$672,000 respectively for the year ended 31 March 2021 (2020: Nil and Nil respectively); and (iii) the Group increased its variety of products and customers.

More details of the Company's performance by business segments are set out in Note 4 on pages 10 to 16 of this announcement.

Cost of Sales

For the year ended 31 March 2021, the cost of sales of the Group amounted to approximately HK$266,582,000 (2020: approximately HK$56,514,000), representing approximately 96.6% (2020: approximately 103.2%) of the Group's revenue and an increase of approximately 3.7 times which is in line with the fluctuation of the turnover.

Gross Profit/(Loss) and Gross Profit/(Loss) Margin

The Group's gross profit for the year ended 31 March 2021 was approximately HK$9,458,000 (2020: gross loss approximately HK$1,725,000). For the year ended 31 March 2021, the gross profit margin in commodities trading business was approximately 3.4% (2020: approximately 0.7%) and gross loss margin in esmart digital services was Nil (2020: gross loss margin approximately 867.5%). The increase of gross profit margin in commodities trading business was due to the sales of daily cleaning and anti-epidemic products with high margin during the year under review.

Selling Expenses

During the year ended 31 March 2021, the Group recorded selling expenses of approximately HK$994,000 (2020: approximately HK$7,056,000). The decrease was mainly due to the scaling down of the esmart digital services segment in light of strong competition in the PRC. The Group also implemented cost control policy to lower the operating costs and streamline the workforce by cutting down the number of staff in the sales department. Thus, the selling expenses dropped accordingly in the current year.

Other Operating Expenses

Other operating expenses incurred by the Group for the year ended 31 March 2021 was approximately HK$34,971,000 (2020: approximately HK$80,346,000), representing a decrease of approximately 56.5%. The decrease was attributable to: (i) the cost savings policy implemented by the Group under the COVID-19 outbreak, especially staff costs, legal and professional fees and other office expenses; and (ii) significant reduction of staff costs by approximately HK$15 million as a result of streamlining the sales department by decreasing the number of sales personnel and the voluntary reduction of salary by the directors by 50%.

Finance Costs

The finance costs incurred by the Group for the year ended 31 March 2021 was approximately HK$1,727,000 (2020: approximately HK$570,000), representing an increase of approximately 203% (2020: approximately 24.7%). The increase was mainly due to the increase of the imputed interests expenses on shareholders' loan incurred during the year.

Loss for the Year Attributable to Owners of the Company

For the year ended 31 March 2021, the Group recorded a loss attributable to shareholders of the Company (the "**Shareholders**") of approximately HK$26,403,000 (2020: approximately HK$76,932,000), representing a decrease of approximately 64.8%. Basic loss per Share was approximately HK0.9 cents (2020: approximately HK2.6 cents) for the year ended 31 March 2021. The substantial decrease in loss for the year was mainly due to the substantial drop in operating costs of approximately HK$29 million after implementing the cost-saving measures during the year. In addition, the gross profit margin of the Group for the year was significantly improved as the COVID-19 pandemic led to a higher demand of the daily cleaning and anti-epidemic products.

FINANCIAL REVIEW

Liquidity, Financial Resources and Capital Structure

The Group derived its working capital mainly from financing activities. For the year ended 31 March 2021, the Group had net cash used in operating activities of approximately HK$10,981,000 (2020: approximately HK$22,963,000), net cash generated from investing activities of approximately HK$264,000 (2020: approximately HK$905,000) and net cash generated from financing activities of approximately HK$8,331,000 (2020: approximately HK$19,787,000). As at 31 March 2021, the Group had available cash and cash balances of approximately HK$14,590,000 (2020: approximately HK$16,201,000).

As at 31 March 2021, surplus on Shareholders' funds of the Group aggregately amounted to approximately HK$70,123,000 (2020: approximately HK$61,629,000). Net current assets of the Group amounted to approximately HK$73,169,000 (2020: approximately HK$45,174,000). The Group's total current assets and current liabilities were approximately HK$108,340,000 (2020: approximately HK$117,044,000) and HK$35,171,000 (2020: approximately HK$71,870,000) respectively, while the current ratio was approximately 3.1 times (2020: approximately 1.6 times). The Group's assets-liabilities ratio (total liabilities to total assets) was approximately 0.4 times (2020: approximately 0.5 times).

As at 31 March 2021, the Group's gearing ratio (total debts to total equity) was approximately 42.9% (2020: approximately 71.4%).

Capital Structure

On 26 October 2018, the Company entered into the subscription agreement with Mr. Gao Feng, Vice-Chairman and executive Director (the "**Subscription Agreement**") whereby Mr. Gao agreed to subscribe for an aggregate of 952,380,952 Shares 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 476,190,476 Shares pursuant to the supplemental agreement dated 15 November 2018 to the Subscription Agreement in order to reflect the adjusted subscription price and the number of subscription Shares once the share consolidation has become effective.

On 26 April 2019, the Company entered into the third supplemental agreement with Mr. Gao whereby Mr. Gao agreed to subscribe for an aggregate of 212,765,957 Shares at the subscription price of HK$0.188 each.

On 15 December 2020, an aggregate of 111,702,127 Shares were issued to Mr. Gao at the subscription price of HK$0.188 each upon receiving part of the cash consideration of HK$21,000,000 from Mr. Gao. On 31 March 2021, 18,973,404 Shares were allotted and issued to Mr. Gao at the subscription price of HK$0.188 each upon receiving part of the cash consideration of HK$3,567,000 from Mr. Gao.

On 31 March 2021, the Company and Mr. Gao entered into the termination agreement (the "**Termination Agreement**"), pursuant to which both parties agreed to terminate the Subscription Agreement with effect from 31 March 2021. Pursuant to the Termination Agreement, the parties to the Subscription Agreement decided not to proceed further with the subscription under the Subscription Agreement and all parties thereto shall be released and discharged from their respective obligations from the Subscription Agreement, and will not proceed with the completion of the subscription in relation to the outstanding subscription amount of HK$15,433,000 payable by Mr. Gao. For details, please refer to the Company's announcement dated 31 March 2021.

The proceeds from the subscription has been used to satisfy the working capital requirements of the Group, including the working capital to maintain the Group's daily operations and the funding for developing the daily consumer goods trading business of the Group.

Capital Expenditures and Capital Commitment

During the year ended 31 March 2021, the capital expenditures mainly for additions in property, plant and equipment amounted to approximately HK$106,000 (2020: approximately HK$63,000). These capital expenditures were funded by internal cash flow from operating activities.

As at 31 March 2021, the Group had capital commitment of approximately HK$281,654,000 (2020: approximately HK$259,476,000) 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 dollars, United States dollars 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 when necessary.

Key Risk Factors and Uncertainties

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

For details, please refer to Note 5 "Financial Risk Management" to the Company's annual report for the year ended 31 March 2021.

Dividend

The Board did not recommend any payment of final dividend to the Shareholders for the year ended 31 March 2021 (2020: Nil).

OTHER EVENTS

Employees and Remuneration Policy

As at 31 March 2021, the Group had a total of 42 employees (2020: 31) in Hong Kong, the PRC and the United States. All employees are remunerated according to their performance, experience and the prevailing industry practices.

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

The existing share option scheme of the Company was adopted on 8 October 2010 and amended on 17 August 2017, with options to be granted to any directors, employees and other parties at the discretion of the Board. During the year ended 31 March 2021, no share options were granted to directors, employees or other parties while 121,960,000 share options lapsed. As at 31 March 2021, 346,557,000 share options remained outstanding.

The Group also adopted a share award scheme on 27 July 2017. During the year ended 31 March 2021, no award was granted to any eligible Directors, employees or other parties.

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

MATERIAL ACQUISITION AND DISPOSAL

Major Transaction and Connected Transaction in Relation to Increase of Shareholding Interests in Subsidiaries Involving Issue of Consideration Shares and Convertible Bonds Under Specific Mandate

On 27 November 2020, the Company (as purchaser), Century Smart Group Limited ("**Century Smart**") (as purchaser) and Mr. Zhu Qian (朱其安先生) (the "**Vendor**") entered into the share transfer agreement (the "**Share Transfer Agreement**"), pursuant to which (a) the Company conditionally agreed to purchase through Century Smart, Century Smart conditionally agreed to purchase and the Vendor conditionally agreed to sell, 49 ordinary shares of Smart Challenger Global Limited ("**Smart Challenger**"), an indirect non wholly-owned subsidiary of the Company, representing 49% shareholding interests in Smart Challenger; and (b) the Company conditionally agreed to purchase and the Vendor conditionally agreed to sell, 19 ordinary shares of Century Smart, a direct non wholly-owned subsidiary of the Company, representing 19% shareholding interests in Century Smart, at a total consideration of RMB34,000,000 (equivalent to approximately HK$40,000,000), which shall be satisfied by the issue of (i) consideration Shares of RMB17,000,000 (equivalent to approximately HK$20,000,000); and (ii) the convertible bonds of RMB17,000,000 (equivalent to approximately HK$20,000,000)(the "**Convertible Bonds**").

The Convertible Bonds carry the conversion rights to convert into the conversion Shares at HK$0.1 each. Assuming the conversion rights are exercised in full and after conversion the Vendor will hold 9.99% of the Shares, a maximum of 129,185,875 conversion Shares may be allotted and issued to the Vendor subject to the condition that the group comprising Century Smart, Smart Challenger, Elife International Trading Limited and Yiansheng International Trading (Yangzhou) Co., Ltd. (易安生國際貿易(揚州)有限公司)("**Yiansheng**") (collectively, the "**Joint Venture Group**") has achieved an aggregate net profit of RMB15 million for the 12 months ending 31 August 2021.

For further information, please refer to the Company's announcement dated 27 November 2020.

On 31 March 2021, the Company, Century Smart and the Vendor entered into the supplemental agreement (the "**Supplemental Agreement**") which (i) extended the long stop date under the Share Transfer Agreement from 31 March 2021 to 30 September 2021; (ii) modified the formula for calculating the principal amount of the Convertible Bonds if the guaranteed profit and the actual profit has been adjusted in favour of the Company; and (iii) required the deposit of the certificate of the Convertible Bonds with an escrow agent which will release the certificate to the Vendor after publication of the auditor's report of the Joint Venture Group for the 12 months ending 31 August 2021. For further information, please refer to the Company's announcement dated 31 March 2021.

The acquisition under the Share Transfer Agreement has not been completed as at the date of this announcement.

Material Related Party Transactions

Details of material related party transactions of the Group as at 31 March 2021 will be set out in Note 38 to the Company's annual report for the year ended 31 March 2021.

Significant Investment

The Group did not hold any significant investment for the year ended 31 March 2021.

EVENT AFTER THE REPORTING PERIOD

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

(a) On 8 April 2021, the Board resolved to grant a total of 5,050,000 awarded Shares to Mr. Zhang Shaoyan ("**Mr. Zhang**") under the share award scheme of the Company. As Mr. Zhang is the chief investment officer of the Group and a director of Yiansheng, an indirect non wholly-owned subsidiary of the Company, Mr. Zhang is a connected person of the Company and the grant of the awarded Shares constitutes a connected transaction of the Company under the Listing Rules. Since (i) Mr. Zhang is a connected person at the subsidiary level, (ii) all the applicable percentage ratios of the grant of the awarded Shares to Mr. Zhang are below 1%, and (iii) the grant of the awarded Shares is on normal commercial terms or better terms, such grant is fully exempt from the reporting, announcement and independent Shareholders' approval requirements under the Listing Rules.

(b) On 8 April 2021, the Board further resolved that 83,000,000 awarded Shares are to be granted to eight non-connected grantees, which shall be satisfied by the allotment and issue of new Shares at par pursuant to the scheme mandate granted by the Shareholders at the 2020 annual general meeting and the terms of the share award scheme adopted by the Company on 27 June 2017.

    All non-connected grantees are employees of the Joint Venture Group but are not Directors or chief executive of the Group. To the best of the Directors' knowledge, information and belief, and having made all reasonable enquiries, none of the non-connected grantees is a connected person of the Company.

    The 83,000,000 awarded Shares represent the value of HK$5,727,000, taking into account of the closing price of HK$0.069 per Share as stated in the daily quotation sheet issued by the Stock Exchange on 7 April 2021.

(c) Subsequent to the financial year ended 31 March 2021 and the entering into of the Termination Agreement, Mr. Gao, as lender and the Company as borrower entered into the loan facility agreement (the "**Loan Facility Agreement**") on 23 April 2021. Under the Loan Facility Agreement, Mr. Gao granted a loan facility with zero interest to the Company in the amount of HK$10 million until 31 December 2022. The borrowing under the loan facility will be used as general working capital for the Company. If one of the events of default happens such as if the Company is not able to repay when the payment is due under the Loan Facility Agreement, the Company will be liable to pay an interest of 5% per annum for the outstanding amount under the Loan Facility Agreement.

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 2021.

COMPLIANCE WITH CORPORATE GOVERNANCE CODE

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

ANNUAL GENERAL MEETING

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

PUBLICATION OF RESULTS ANNOUNCEMENT AND ANNUAL REPORT

The Company's results announcement for the year ended 31 March 2021 containing all information required by Appendix 16 to the Listing Rules is published on the website of the Stock Exchange at http://www.hkexnews.hk and the Company's appointed website at http://www.capitalfp.com.hk/eng/index.jsp?co=223. The annual report will be despatched to the Shareholders and published on the above websites in due course.

By Order of the Board
Elife Holdings Limited
Zhang Xiaobin
Chairman

Hong Kong, 29 June 2021

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