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(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 223)

ANNOUNCEMENT OF INTERIM RESULTS FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2022

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 2022 together with the comparative figures of the corresponding period for 2021 as follows:

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the six months ended 30 September 2022

		Six months ended	
		30 September	
		2022	2021
	<i>Notes</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
		(Unaudited)	(Unaudited)
Continuing operations			
Turnover	4	134,121	111,791
Cost of sales		(133,100)	(96,526)
		<hr/>	<hr/>
Gross profit		1,021	15,265
		<hr/>	<hr/>
Other income	5	879	731
Other gains – net	5	678	395
Selling expenses		(862)	(341)
Other operating expenses		(11,972)	(12,126)
Equity-settled share-based payment		(661)	(10,713)
		<hr/>	<hr/>
Loss from operating activities	6	(10,917)	(6,789)
Finance costs	7	(974)	(1,156)
		<hr/>	<hr/>
Loss before tax		(11,891)	(7,945)
Taxation	8	(8)	(3,947)
		<hr/>	<hr/>

		Six months ended	
		30 September	
	<i>Notes</i>	2022	2021
		HK\$'000	HK\$'000
		(Unaudited)	(Unaudited)
Loss for the period from continuing operations		(11,899)	(11,892)
Discontinued operation			
Loss for the period from a discontinued operation	10	—	(3,310)
Loss for the period		(11,899)	(15,202)
Other comprehensive (loss)/income			
Items that will not be reclassified to profit or loss:			
Change in fair value of financial asset at fair value through other comprehensive income		(43)	(93)
Items that may be reclassified subsequently to profit or loss:			
Exchange differences on translation foreign operations		(3,284)	216
Other comprehensive (loss)/income for the period		(3,327)	123
Total comprehensive loss for the period		(15,226)	(15,079)
Loss for the period attributable to owners of the Company			
– from continuing operations		(10,607)	(17,800)
– from a discontinued operation		—	(3,310)
		(10,607)	(21,110)
(Loss)/profit for the period attributable to non-controlling interests			
– from continuing operations		(1,292)	5,908
– from a discontinued operation		—	—
		(1,292)	5,908
		(11,899)	(15,202)
Total comprehensive loss for the period attributable to:			
Owners of the Company		(16,206)	(20,603)
Non-controlling interests		980	5,524
		(15,226)	(15,079)

		Six months ended	
		30 September	
		2022	2021
<i>Notes</i>		HK\$'000	HK\$'000
		(Unaudited)	(Unaudited)
Total comprehensive loss for the period			
attributable to owners of the Company			
	– from continuing operations	(16,206)	(17,293)
	– from a discontinued operation	–	(3,310)
		<u> </u>	<u> </u>
		(16,206)	(20,603)
		<u> </u>	<u> </u>
		Six months ended	
		30 September	
		2022	2021
			(restated)
Loss per share			
From continuing and discontinued operations			
	– Basic	11 <u> </u> (1.5) cents	<u> </u> (3.3) cents
	– Diluted	11 <u> </u> (1.5) cents	<u> </u> (3.3) cents
From continuing operations			
	– Basic	11 <u> </u> (1.5) cents	<u> </u> (2.8) cents
	– Diluted	11 <u> </u> (1.5) cents	<u> </u> (2.8) cents

CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

As at 30 September 2022

		As at 30 September 2022	As at 31 March 2022
	<i>Notes</i>	HK\$'000 (Unaudited)	HK\$'000 (Audited)
Non-current assets			
Property, plant and equipment		3,452	2,086
Right-of use assets		2,821	5,912
Financial asset at fair value through other comprehensive income		430	483
		6,703	8,481
Current assets			
Inventories		2,839	512
Trade receivables	12	18,089	19,775
Deposits, prepayments and other receivables	13	56,181	61,769
Cash and cash equivalents		9,029	10,807
		86,138	92,863
Less: Current liabilities			
Trade payables	14	2,068	261
Accrued liabilities and other payables	15	23,154	24,725
Contract liabilities		1,327	1,912
Lease liabilities	16	1,851	2,334
Amounts due to shareholders	17	17,492	16,973
Amounts due to non-controlling interests	18	8,820	8,851
Tax payables		1,108	1,244
		55,820	56,300
Net current assets		30,318	36,563
Total assets less current liabilities		37,021	45,044

		As at 30 September 2022 HK\$'000 (Unaudited)	As at 31 March 2022 HK\$'000 (Audited)
Less: Non-current liabilities			
Lease liabilities	16	<u>848</u>	<u>1,659</u>
		<u>848</u>	<u>1,659</u>
Net assets		<u>36,173</u>	<u>43,385</u>
Capital and reserves			
Share capital	19	75,269	67,853
Reserves		<u>34,174</u>	<u>49,782</u>
Equity attributable to owners of the Company		109,443	117,635
Non-controlling interests		<u>(73,270)</u>	<u>(74,250)</u>
Total equity		<u>36,173</u>	<u>43,385</u>

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 September 2022

1. CORPORATE INFORMATION

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

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 anti-epidemic, daily cleaning products and licensed branded watches businesses. It has also been expanding its businesses into the consumer products market conforming to the Group’s business principle of “making life easier and benefiting people’s livelihood” (易生活，惠民生).

This condensed consolidated interim financial statement has not been audited.

2. BASIC 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 2022.

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 2022 except that the Group has adopted certain amendments to 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.

Other than additional accounting policies resulting from application of amendments to HKFRSs and application of certain accounting policies which became relevant to the Group, the accounting policies and methods of computation used in the condensed consolidated financial statements for the six months ended 30 September 2022 are the same as those presented in the Group's annual consolidated financial statements for the year ended 31 March 2022.

Amended standards adopted by the Group

In the current interim period, the Group has applied the following amendments to HKFRSs issued by the HKICPA, for the first time, which are mandatorily effective for the Group's annual period beginning on 1 April 2022 for the preparation of the Group's condensed consolidated financial statements:

- HKFRSs (Amendments) Annual Improvements to HKFRSs 2018-2020 Cycle
- HKFRS 3 (Amendments) Reference to the Conceptual Framework
- HKAS 16 (Amendments) Property, Plant and Equipment – Proceeds before Intended Use
- HKAS 37 (Amendments) Onerous Contracts – Costs of Fulfilling a Contract

The adoption of these amended standards did not have a significant impact on the Group's accounting policies and did not require any adjustments.

4. SEGMENT INFORMATION

The Group organised into four operating divisions (2021: three): commodities trading business, daily clearing, anti-epidemic and other consumable products business, licensed branded watches business and esmart digital services. These divisions are the basis on which the Group reports its segment information.

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

Commodities trading business	Provision of agency services and commodities trading in the PRC, Hong Kong and overseas
Daily clearing, anti-epidemic and other consumable products business	Engaged in the sales, marketing and brand building of daily cleaning, anti-epidemic and other consumable products in the PRC and overseas
Licensed branded watches business	Engaged in the online sales via television network and online shopping channels of the licensed branded watches in the PRC and overseas
Esmart digital services	Provision of esmart digital services in the PRC

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

	Six months ended 30 September	
	2022	2021
	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)
Disaggregation of revenue from contracts with customers		
Recognised at a point in time		
Commodities sales	124,739	49,218
Sales of daily cleaning, anti-epidemic and other consumable products	6,408	62,573
Sales of licensed branded watches	2,974	–
Total revenue from contracts with customers	134,121	111,791

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 2022 (Unaudited)

	Continuing operations				
	Commodities trading business	Daily cleaning, anti-epidemic and other consumable products business	Licensed branded watches business	Esmart digital services	Consolidated
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Turnover					
Turnover from external customers	<u>124,739</u>	<u>6,408</u>	<u>2,974</u>	<u>-</u>	<u>134,121</u>
Result					
Segment loss	<u>(2,106)</u>	<u>(127)</u>	<u>(1,555)</u>	<u>(645)</u>	<u>(4,433)</u>
Unallocated other income					1,460
Unallocated corporate expenses					(7,283)
Equity-settled share-based payment					(661)
Finance costs					<u>(974)</u>
Loss before tax					(11,891)
Taxation					<u>(8)</u>
Loss for the period from continuing operations					<u><u>(11,899)</u></u>

For the six months ended 30 September 2021 (Unaudited)

	Continuing operations			
	Commodities trading business <i>HK\$'000</i>	Daily cleaning, anti-epidemic and other consumable products business <i>HK\$'000</i>	Esmart digital services <i>HK\$'000</i>	Consolidated <i>HK\$'000</i>
Turnover				
Turnover from external customers	49,218	62,573	–	111,791
	<u>49,218</u>	<u>62,573</u>	<u>–</u>	<u>111,791</u>
Result				
Segment (loss)/profit	(3,011)	14,683	(1,489)	10,183
	<u>(3,011)</u>	<u>14,683</u>	<u>(1,489)</u>	
Unallocated other income				1,055
Unallocated corporate expenses				(7,314)
Equity-settled share-based payment				(10,713)
Finance costs				<u>(1,156)</u>
Loss before tax				(7,945)
Taxation				<u>(3,947)</u>
Loss for the period from continuing operations				<u>(11,892)</u>

Turnover reported above represents revenue generated from external customers. There were no inter-segment sales in the Period (six months ended 30 September 2021: Nil).

Segment results represent the (loss)/profit generated 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 measurement.

Segment assets and liabilities

	Continuing operations				
	Commodities trading business	Daily cleaning, anti-epidemic and other consumable products business	Licensed branded watches business	Esmart digital services	Consolidated
	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
30 September 2022 (Unaudited)					
Segment assets	<u>29,869</u>	<u>24,093</u>	<u>2,817</u>	<u>5,762</u>	<u>62,541</u>
Segment liabilities	<u>4,637</u>	<u>5,183</u>	<u>1,940</u>	<u>9,356</u>	<u>21,116</u>

	Continuing operations				
	Commodities trading business	Daily cleaning, anti-epidemic and other consumable products business	Esmart digital services		Consolidated
	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>		<i>HK\$'000</i>
31 March 2022 (Audited)					
Segment assets	<u>38,143</u>	<u>26,802</u>	<u>6,948</u>		<u>71,893</u>
Segment liabilities	<u>5,172</u>	<u>5,415</u>	<u>10,475</u>		<u>21,062</u>

Reconciliation of reportable segment assets and liabilities:

	30 September	31 March
	2022	2022
	<i>HK\$'000</i>	<i>HK\$'000</i>
	(Unaudited)	(Audited)
Assets		
Total assets of reportable segments	62,541	71,893
Unallocated and other corporate assets:		
Property, plant and equipment	1,439	1,648
Right-of-use assets	874	1,399
Deposit, prepayments and other receivables	22,047	23,801
Cash and cash equivalents	5,940	2,603
	<hr/>	<hr/>
Consolidated total assets	92,841	101,344
	<hr/> <hr/>	<hr/> <hr/>
Liabilities		
Total liabilities of reportable segments	21,116	21,062
Unallocated and other corporate liabilities:		
Accrued liabilities and other payables	8,013	9,164
Lease liabilities	1,227	1,909
Amounts due to shareholders	17,492	16,973
Amounts due to non-controlling interests	8,820	8,851
	<hr/>	<hr/>
Consolidated total liabilities	56,668	57,959
	<hr/> <hr/>	<hr/> <hr/>

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

- all assets are allocated to reportable segments other than unallocated corporate assets (mainly comprising certain property, plant and equipment, certain right-of-use assets, certain deposits, prepayments and other receivables 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 six months ended 30 September 2022 (Unaudited)

	Commodities trading business	Daily cleaning, anti-epidemic and other consumable products business	Licensed branded watches business	Esmart digital Services	Unallocated	Total
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Continuing operations:						
Depreciation of property, plant and equipment	311	18	–	109	224	662
Depreciation of right-of-use assets	353	44	–	–	525	922
Gain on waiver of rent	21	–	–	–	581	602
Gain on waiver of other payables	–	–	–	–	55	55
Gain on lease termination	13	–	–	–	–	13
Additions to non-current assets*	–	–	–	–	16	16

For the six months ended 30 September 2021 (Unaudited)

	Commodities trading business	Daily cleaning, anti-epidemic and other consumable products business	Esmart digital Services	Unallocated	Total	
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	
Continuing operations:						
Depreciation of property, plant and equipment		296	18	623	228	1,165
Depreciation of right-of-use assets		342	–	–	525	867
Gain on disposal of property, plant and equipment		–	–	–	60	60
Gain on waiver of rent		32	–	–	–	32
Gain on waiver of other payables		305	–	–	–	305

* Additions to non-current assets excluding 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 periods ended 30 September 2022 and 2021.

	Six months ended 30 September	
	2022	2021
	<i>HK\$'000</i>	<i>HK\$'000</i>
	(Unaudited)	(Unaudited)
The PRC	133,961	111,791
Overseas	160	–
	<u>134,121</u>	<u>111,791</u>
	<u><u>134,121</u></u>	<u><u>111,791</u></u>

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

	Carrying amount of non-current assets	
	As at 30 September 2022	As at 31 March 2022
	<i>HK\$'000</i>	<i>HK\$'000</i>
	(Unaudited)	(Audited)
The PRC	475	1,002
Hong Kong	4,827	5,800
Overseas	971	1,196
	<u>6,273</u>	<u>7,998</u>
	<u><u>6,273</u></u>	<u><u>7,998</u></u>

5. OTHER INCOME AND OTHER GAINS – NET

	Six months ended 30 September	
	2022 <i>HK\$'000</i> (Unaudited)	2021 <i>HK\$'000</i> (Unaudited)
Continuing operations:		
Other income		
Interest income on:		
Bank deposit	2	10
Other receivables	578	649
	<u>580</u>	<u>659</u>
Government grant (<i>Note</i>)	231	–
Sundry income	68	72
	<u>68</u>	<u>72</u>
	<u>879</u>	<u>731</u>
Other gains – net		
Net exchange gains/(losses)	8	(2)
Gain on disposal of property, plant and equipment	–	60
Gain on waiver of rent	602	32
Gain on waiver of other payables	55	305
Gain on lease termination	13	–
	<u>13</u>	<u>–</u>
	<u>678</u>	<u>395</u>

Note: Amounts represented the government grants received in respect of COVID-19 which is related to Employment Support Scheme provided by the Hong Kong Government.

6. LOSS FROM OPERATING ACTIVITIES

	Six months ended 30 September	
	2022	2021
	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)
The Group's loss from operating activities from continuing operations is arrived at after charging:		
Cost of inventory sold	133,100	96,526
Depreciation of property, plant and equipment*	662	1,165
Depreciation of right-of-use-assets*	922	867
Staff costs (including directors' remuneration)		
– wages and salaries*	6,364	6,323
– equity-settled share-based payment	661	10,713
– retirement benefits scheme contributions*	384	302
	<u>7,409</u>	<u>17,338</u>
Expenses relating to short-term lease*	<u>130</u>	<u>353</u>

* Expenses included in the “Other operating expenses”.

7. FINANCE COSTS

	Six months ended 30 September	
	2022	2021
	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)
Continuing operations:		
Interests on lease liabilities	195	215
Imputed interests on amounts due to shareholders	585	707
Imputed interests on amounts due to non-controlling interests	194	234
	<u>974</u>	<u>1,156</u>

8. TAXATION

	Six months ended 30 September	
	2022	2021
	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)
Current tax		
– PRC Enterprises Income Tax	<u>8</u>	<u>3,947</u>

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 periods ended 30 September 2022 and 2021.

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

Taxation in other jurisdictions are calculated at the rates prevailing in the respective jurisdictions. No provision has been made as the Group had no assessable profit for the six months ended 30 September 2022 and 2021.

9. DIVIDENDS

The Board of the Company do not recommend a payment of an interim dividend for the six months ended 30 September 2022 (six months ended 30 September 2021: Nil).

10. DISCONTINUED OPERATION

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

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

	Period ended 30 July 2021 HK\$'000 (unaudited)
Other gain	1,187
Other operating expenses	<u>(4,497)</u>
Loss for the period	<u><u>(3,310)</u></u>

The cash flows incurred by the unconventional gas business are as follows:

	Period ended 30 July 2021 HK\$'000 (unaudited)
Net cash inflow from operating activities	<u><u>4,311</u></u>

11. 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:

	Six months ended 30 September	
	2022	2021
	(Unaudited)	(Unaudited and restated)
Continuing and discontinued operations		
Loss for the period attributable to owners of the Company (<i>HK\$'000</i>)	(10,607)	(21,110)
Weighted average number of ordinary shares in issue (<i>'000</i>)	710,138	637,840
Basic and diluted loss per share (<i>HK cents per share</i>)	(1.5)	(3.3)

	Six months ended 30 September	
	2022	2021
	(Unaudited)	(Unaudited and restated)
Continuing operations		
Loss for the period attributable to owners of the Company (<i>HK\$'000</i>)	(10,607)	(17,800)
Weighted average number of ordinary shares in issue (<i>'000</i>)	710,138	637,840
Basic and diluted loss per share (<i>HK cents per share</i>)	(1.5)	(2.8)

	Six months ended 30 September	
	2022	2021
	(Unaudited)	(Unaudited and restated)
Discontinued operation		
Loss for the period attributable to owners of the Company (<i>HK\$'000</i>)	–	(3,310)
Weighted average number of ordinary shares in issue (<i>'000</i>)	710,138	637,840
Basic and diluted loss per share (<i>HK cents per share</i>)	–	(0.5)

Note: The weighted average number of ordinary shares in issue for the six months ended 30 September 2021 has taken into account of the effect of share consolidation (Note 19(iii)) on the basis that every five ordinary shares of HK\$0.02 each in the capital of the Company would be consolidated into one ordinary share of HK\$0.1 each as if the consolidation had occurred at 1 April 2021, the beginning of the earliest period reported.

(b) Diluted

The basic and diluted loss per share are the same for the periods ended 30 September 2022 and 2021. The calculation of the diluted loss per share for both periods did not assume the exercise of the Company's outstanding share options as the effect is anti-dilutive.

12. TRADE RECEIVABLES

	As at 30 September 2022 <i>HK\$'000</i> (Unaudited)	As at 31 March 2022 <i>HK\$'000</i> (Audited)
Trade receivables	40,412	44,851
Less: allowance for expected credit losses on trade receivables, net	<u>(22,323)</u>	<u>(25,076)</u>
	<u>18,089</u>	<u>19,775</u>

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

	As at 30 September 2022 <i>HK\$'000</i> (Unaudited)	As at 31 March 2022 <i>HK\$'000</i> (Audited)
0 to 30 days	2,265	1,475
31 to 60 days	175	59
61 to 90 days	30	175
91 to 180 days	–	19,336
Over 180 days	<u>37,942</u>	<u>23,806</u>
	<u>40,412</u>	<u>44,851</u>

13. DEPOSITS, PREPAYMENTS AND OTHER RECEIVABLES

	As at 30 September 2022 <i>HK\$'000</i> (Unaudited)	As at 31 March 2022 <i>HK\$'000</i> (Audited)
Deposits	1,164	856
Prepayments	27,535	32,058
Other receivables (<i>Note (i), (ii) & (iii)</i>)	<u>104,387</u>	<u>105,760</u>
	133,086	138,674
Less: allowance for expected credit losses on other receivables, net (<i>Note (iii)</i>)	<u>(76,905)</u>	<u>(76,905)</u>
	<u>56,181</u>	<u>61,769</u>

Notes:

As at 30 September 2022, included the other receivables are several significant items as follows:

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

In relation to the third instalment of the consideration of approximately HK\$74,696,000 due 31 December 2018, Jetgo settled HK\$200,000 in June 2018 and approximately HK\$74,496,000 has remained outstanding as at 30 September 2022 (31 March 2022: approximately HK\$74,496,000).

- (ii) *Loan to Graceful Ocean International Group Holding Limited (“Graceful Ocean”)*
On 11 September 2014, Sino Talent Holdings Limited (“Sino Talent”), a wholly-owned subsidiary of the Company, as lender, entered into a loan agreement (the “Loan Agreement”) with Graceful Ocean, as borrower and Mr. Ma Haike (“Mr. Ma”) as first guarantor whereby Sino Talent agreed to advance to Graceful Ocean a term loan in the principal amount of HK\$18 million (the “Loan”) with interest accrued at the rate of 13% per annum. The parties entered into five supplemental agreements to the Loan Agreement between April 2015 and June 2018 to, 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 30 September 2022, the total outstanding amount of the Loan and the interest accrued thereon was approximately HK\$23,283,000 (31 March 2022: approximately HK\$24,655,000) and included in other receivables. The loan was repaid of approximately HK\$317,000 subsequently to period ended 30 September 2022.

Regarding further information of the relationship between Graceful Ocean and Mr. Gao, salient terms of the loan agreement and the supplemental agreements, reasons for Mr. Gao agreeing to act as the second guarantor, basis for continued extension of the maturity date, the expected final repayment date and the board's assessment on the impact to the Group, please refer to the Company's announcement dated 6 October 2022 for details.

- (iii) In respect of the sales consideration in Note (i), on 28 November 2018, 2 January 2019 and 25 April 2019, the Group (either by itself or through its legal advisers) issued demand letters to Jetgo while the management of both parties continued to discuss the means to settle the outstanding amount. The Company sought legal advices from two separate Hong Kong law firms on the viability and pros and cons of taking legal action against Jetgo on its failure to make the repayment in accordance with the Disposal Agreement. The Company will further instruct professionals to assess the assets and financial conditions of the 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 loan balance in Note (ii), the ECL is relatively low as supported by the repayment schedule and the personal guarantees, the provision allowance for expected credit losses on other receivable is approximately HK\$2,302,000 as at 31 March 2022. Since Graceful Ocean continuously to repay the loan (Note (ii) above) as well as the debt not yet been expired, the directors of the Company considered both ECL is relatively low, there is no further provision of the impairment on the respective receivables was made during the six months period ended 30 September 2022.

14. TRADE PAYABLES

	As at 30 September 2022 HK\$'000 (Unaudited)	As at 31 March 2022 HK\$'000 (Audited)
0 to 30 days	819	1
31 to 60 days	156	2
61 to 90 days	536	–
91 to 180 days	326	49
Over 180 days	231	209
	<hr/> 2,068 <hr/>	<hr/> 261 <hr/>

15. ACCRUED LIABILITIES AND OTHER PAYABLES

	As at 30 September 2022 <i>HK\$'000</i> (Unaudited)	As at 31 March 2022 <i>HK\$'000</i> (Audited)
Accrued liabilities	5,793	7,016
Deposits received	374	–
Other payables	16,987	17,709
	<u>23,154</u>	<u>24,725</u>

16. LEASE LIABILITIES

The Group's lease liabilities arise from the leasing of office premises and motor vehicles with a fixed lease term from 2 to 5 years. The weight average incremental borrowing rates applied by the Group range from 2.2% to 13.0% (31 March 2022: 1.9% to 14.0%).

The Group had lease liabilities repayable as follows:

	As at 30 September 2022 (Unaudited)	
	Present value of the minimum lease payments <i>HK\$'000</i>	Total minimum lease payments <i>HK\$'000</i>
Within 1 year	1,851	2,055
Over 1 year, less than 2 years	505	578
Over 2 years, less than 5 years	343	359
	<u>2,699</u>	<u>2,992</u>
Less: total future interest expenses		<u>(293)</u>
Present value of lease liabilities		<u>2,699</u>
Analysis for reporting purpose as:		
Current liabilities		1,851
Non-current liabilities		<u>848</u>
		<u>2,699</u>

	As at 31 March 2022 (Audited)	
	Present value of the minimum lease payments <i>HK\$'000</i>	Total minimum lease payments <i>HK\$'000</i>
Within 1 year	2,334	2,672
Over 1 year, less than 2 years	1,031	1,152
Over 2 years, less than 5 years	<u>628</u>	<u>675</u>
	3,993	4,499
Less: total future interest expenses		<u>(506)</u>
Present value of lease liabilities		<u><u>3,993</u></u>
Analysis for reporting purpose as:		
Current liabilities		2,334
Non-current liabilities		<u>1,659</u>
		<u><u>3,993</u></u>

As at 30 September 2022, the Group's lease liabilities are secured by the lessor's title to the leased assets with net book value of approximately HK\$625,000 (31 March 2022: approximately HK\$2,748,000). The Group's lease liabilities are denominated in Hong Kong dollars, RMB and USD, being the functional currency of the relevant group entity.

17. AMOUNTS DUE TO SHAREHOLDERS

	As at 30 September 2022 <i>HK\$'000</i> (Unaudited)	As at 31 March 2022 <i>HK\$'000</i> (Audited)
Current liabilities		
Amount due to Gao Feng (“Mr. Gao”) <i>(Note (i) & Note (ii))</i>	11,943	11,258
Amount due to Zhang Xiaobin (“Mr. Zhang”) <i>(Note (i) & Note (ii))</i>	4,488	4,662
Amount due to Chiu Sui Keung (“Mr. Chiu”) <i>(Note (i) & Note (ii))</i>	225	216
Amount due to Zhu Qian	836	837
	17,492	16,973

Notes:

- (i) On 27 July 2020, the Company signed a supplementary agreement with shareholders for extending the repayment date of the amounts due to shareholders for approximately HK\$13,995,000. The amounts due to shareholders were non-trade in nature, unsecured, interest-free and repayable with fixed term of two years. The principal amount of the loans were approximately HK\$13,995,000 and the fair value were approximately HK\$10,836,000. Deemed capital contribution arising from shareholders amounted approximately HK\$3,159,000 were the difference of the principal amount and the fair value which initially recognised in other reserve.

As at 31 March 2022, the shareholders’ loans would expire within one year, so they were classified as current liabilities.

- (ii) As at 30 September 2022, the shareholders’ loans have expired and remain unsecured, interest free and repayable on demand.

18. AMOUNTS DUE TO NON-CONTROLLING INTERESTS

On 27 July 2020, the Company signed a supplementary agreement with non-controlling interests for extending the repayment date of the amounts due to with several non-controlling interests for approximately HK\$4,635,000 by 2 years. Deemed capital contribution arising from non-controlling interests amounted approximately HK\$1,046,000 were initially recognised from the difference of principal amount of approximately HK\$4,635,000 and fair value amount of approximately HK\$3,589,000.

The amounts due to non-controlling interests under current liabilities are non-trade in nature, unsecured, interest-free and repayable on demand (31 March 2022: repayable within one year) after the two years' term.

19. SHARE CAPITAL OF THE COMPANY

	Number of shares		Amount	
	As at 30 September 2022 '000	As at 31 March 2022 '000	As at 30 September 2022 '000	As at 31 March 2022 '000
Authorised:				
Ordinary shares				
At beginning of the period/year (of HK\$0.1 each) (As at 1 April 2021: of HK\$0.02 each)	3,000,000	15,000,000	60,000	300,000
Share consolidation (<i>Note (iii)</i>)	-	(12,000,000)	-	(240,000)
	<u>3,000,000</u>	<u>3,000,000</u>	<u>60,000</u>	<u>60,000</u>
At end of the period/year (of HK\$0.1 each)				
Issued and fully paid:				
At beginning of the period/year	678,528	3,096,643	67,853	61,933
Placement of shares (<i>Notes (i)</i>)	74,160	145,000	7,416	2,900
Grant of shares under share award scheme (<i>Note (ii)</i>)	-	96,600	-	3,020
Share consolidation (<i>Note (iii)</i>)	-	(2,659,715)	-	-
	<u>752,688</u>	<u>678,528</u>	<u>75,269</u>	<u>67,853</u>
At the end of the period/year				

Notes:

- (i) On 15 July 2022, the Company successfully placed 74,160,000 Shares at the Placing Price of HK\$0.103 through a Placing Agent to not less than six independent Placees. The gross proceeds from the Placing are HK\$7,638,480, and the net proceeds, after deducting the placing commission, professional fees and all related expenses which may be borne by the Company, are approximately HK\$7,300,000. The net proceeds are intended to be used as to HK\$4,380,000 for replenishing the working capital of the Group and as to HK\$2,920,000 for developing the Group's businesses.

The Company was successfully subscribed 145,000,000 Shares at HK\$0.02 each on 15 September 2021 at a subscription price of HK\$0.055 per share for a total consideration, before expenses of approximately HK\$7,975,000. The proceeds were used for the working capital to maintain the Group's daily operations and funding for developing the Group's business.

- (ii) On 8 April 2021, the Board has resolved to grant 83,000,000 new awarded shares to eight employees of a subsidiary under the share award scheme by way of issue and allotment of new shares with par value at HK\$0.02 each. The Company issued the respective awarded shares at fair value of HK\$0.069 per share.

On 6 December 2021, the Board resolved to, subject to the completion of the share consolidation and approval of the independent shareholders (where necessary), award an aggregate of 13,600,000 awarded shares to seven selected participants under the share award scheme by way of allotment and issue of new shares with par value at HK\$0.1 each. Subsequent to the completion of share consolidation and shareholder approval, the Company issued the respective awarded shares on 28 January 2022. The Company issued the respective awarded shares at fair value of HK\$0.145 per share.

- (iii) On 9 December 2021, The Board proposes to implement the share consolidation on the basis that every five issued and unissued existing shares of HK\$0.02 each be consolidated into one consolidated share HK\$0.1 each (the "Share Consolidation"). The Share Consolidation was approved by the shareholders on 25 January 2022, and became effective on 27 January 2022. Accordingly, the total number of issued capital was consolidated from 3,324,643,562 into 664,928,712 on 27 January 2022.

20. SHARE-BASED PAYMENTS

Share Options Scheme

The Company operates a share option scheme (the "Scheme") for the purpose of enabling the Company to grant share options to the eligible participants as incentive or rewards for their contributions to the Group. Eligible participants of the Scheme include any directors, employees, officers and/or consultants of the Company or its subsidiaries. The Scheme became effective on 23 September 2021 and, unless otherwise cancelled or amended, will remain in force for 10 years from that date. The Scheme replaces the old share option scheme which was adopted on 8 October 2010 and amended on 17 August 2017.

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 on the date of approval of the Scheme by the shareholders at the annual general meeting. 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 any directors, employees and other parties is recognised as an employee cost with a corresponding increase in a share option 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' meetings.

Movement in share options during the six months ended 30 September 2022 are as follows:

Category of participants	Date of grant (Note (b))	Exercisable period (Note (a))	Exercisable price per share HK\$	Adjusted	Adjusted	Outstanding at 1 April 2022	Granted during the year	Exercised during the year	Lapsed during the year	Outstanding at 30 September 2022
				exercisable price per share after Share Consolidation on 8 January 2019 (Note (c)) HK\$	exercisable price per share after Share Consolidation on 27 January 2022 (Note (c)) HK\$					
Directors and chief executive										
Mr. Zhang Xiaobin	21 January 2020	Period 5	0.11	N/A	0.55	5,800,000	-	-	-	5,800,000
Mr. Gao Feng	21 January 2020	Period 5	0.11	N/A	0.55	5,800,000	-	-	-	5,800,000
Mr. Chiu Sui Keung	21 January 2020	Period 5	0.11	N/A	0.55	5,800,000	-	-	-	5,800,000
Mr. Cheng Wing Keung, Raymond	21 January 2020	Period 5	0.11	N/A	0.55	580,000	-	-	-	580,000
Mr. Lam Williamson	21 January 2020	Period 5	0.11	N/A	0.55	580,000	-	-	-	580,000
Mr. Wong Hoi Kuen	21 January 2020	Period 5	0.11	N/A	0.55	580,000	-	-	-	580,000
Dr. Lam Lee G.	21 January 2020	Period 5	0.11	N/A	0.55	580,000	-	-	-	580,000
					Sub-total	19,720,000	-	-	-	19,720,000

Category of participants	Date of grant (Note (b))	Exercisable period (Note (a))	Exercisable price per share HK\$	Adjusted	Adjusted	Outstanding at 1 April 2022	Granted during the year	Exercised during the year	Lapsed during the year	Outstanding at 30 September 2022
				exercisable price per share after Share Consolidation on 8 January 2019 (Note (c)) HK\$	exercisable price per share after Share Consolidation on 27 January 2022 (Note (c)) HK\$					
Employees of the Group										
In aggregate	21 January 2020	Period 5	0.11	N/A	0.55	13,000,000	-	-	-	13,000,000
						Sub-total	-	-	-	13,000,000
Others										
Zhang Shao Yan (Note(d))	21 January 2020	Period 5	0.11	N/A	0.55	5,800,000	-	-	-	5,800,000
Wang Xiao (Note(d))	21 January 2020	Period 5	0.11	N/A	0.55	4,000,000	-	-	-	4,000,000
Xu Ying (Note(e))	21 January 2020	Period 5	0.11	N/A	0.55	580,000	-	-	-	580,000
Sun Qiang (Note(f))	27 June 2017	Period 4	0.21	0.42	2.10	4,892,000	-	-	(4,892,000)	-
	21 January 2020	Period 5	0.11	N/A	0.55	580,000	-	-	-	580,000
						Sub-total	-	-	(4,892,000)	10,960,000
						Total	-	-	(4,892,000)	43,680,000
Weighted average exercise price (in HK\$) (Note (c))						0.7061	-	-	2.1	0.55

Movement in share options during the six months ended 30 September 2021 are as follows:

Category of Participants	Date of grant (Note (b))	Exercisable period (Note (a))	Exercisable price per share HK\$	Adjusted exercisable price per share after share consolidation	Adjusted exercisable price per share after Share Consolidation	Outstanding at 1 April 2021	Granted during the period	Exercised during the period	Lapsed during the period	Reclassified during the period	Outstanding at 30 September 2021
				on 8 January 2019 (Note (c)) HK\$	on 27 January 2022 (Note (c)) HK\$						
Directors											
Mr. Zhang Xiaobin	16 December 2016	Period 3	0.285	0.57	N/A	22,500,000	-	-	-	-	22,500,000
	21 January 2020	Period 5	0.11	N/A	0.55	29,000,000	-	-	-	-	29,000,000
						51,500,000	-	-	-	-	51,500,000
Mr. Gao Feng	16 December 2016	Period 3	0.285	0.57	N/A	22,500,000	-	-	-	-	22,500,000
	21 January 2020	Period 5	0.11	N/A	0.55	29,000,000	-	-	-	-	29,000,000
						51,500,000	-	-	-	-	51,500,000
Mr. Chiu Sui Keung	16 December 2016	Period 3	0.285	0.57	N/A	22,500,000	-	-	-	-	22,500,000
	21 January 2020	Period 5	0.11	N/A	0.55	29,000,000	-	-	-	-	29,000,000
						51,500,000	-	-	-	-	51,500,000
Mr. Sun Qiang (resigned on 24 March 2021) (Note (f))	27 June 2017	Period 4	0.21	0.42	2.10	24,460,000	-	-	-	(24,460,000)	-
	27 January 2020	Period 5	0.11	N/A	0.55	2,900,000	-	-	-	(2,900,000)	-
						27,360,000	-	-	-	(27,360,000)	-
Mr. Cheng Wing Keung, Raymond	16 December 2016	Period 3	0.285	0.57	N/A	1,000,000	-	-	-	-	1,000,000
	21 January 2020	Period 5	0.11	N/A	0.55	2,900,000	-	-	-	-	2,900,000
						3,900,000	-	-	-	-	3,900,000
Mr. Lam Williamson	16 December 2016	Period 3	0.285	0.57	N/A	1,000,000	-	-	-	-	1,000,000
	21 January 2020	Period 5	0.11	N/A	0.55	2,900,000	-	-	-	-	2,900,000
						3,900,000	-	-	-	-	3,900,000
Mr. Wong Hoi Kuen	16 December 2016	Period 3	0.285	0.57	N/A	1,000,000	-	-	-	-	1,000,000
	21 January 2020	Period 5	0.11	N/A	0.55	2,900,000	-	-	-	-	2,900,000
						3,900,000	-	-	-	-	3,900,000

Category of Participants	Date of grant (Note (b))	Exercisable period (Note (a))	Exercisable price per share HK\$	Adjusted exercisable price per share after share consolidation	Adjusted exercisable price per share after Share Consolidation	Outstanding at 1 April 2021	Granted during the period	Exercised during the period	Lapsed during the period	Reclassified during the period	Outstanding at 30 September 2021
				on 8 January 2019 (Note (c)) HK\$	on 27 January 2022 (Note (c)) HK\$						
Dr. Lam Lee G.	20 October 2016	Period 2	0.3	0.6	N/A	1,181,000	-	-	-	-	1,181,000
	16 December 2016	Period 3	0.285	0.570	N/A	1,000,000	-	-	-	-	1,000,000
	21 January 2020	Period 5	0.11	N/A	0.55	2,900,000	-	-	-	-	2,900,000
						5,081,000	-	-	-	-	5,081,000
						Sub-total	198,641,000	-	-	(27,360,000)	171,281,000
Employees of the Group In aggregate	16 December 2016	Period 3	0.285	0.570	N/A	5,516,000	-	-	-	-	5,516,000
	21 January 2020	Period 5	0.11	N/A	0.55	66,000,000	-	-	(1,000,000)	-	65,000,000
						Sub-total	71,516,000	-	(1,000,000)	-	70,516,000
Others											
Zhang Shao Yan (Note(d))	21 January 2020	Period 5	0.11	N/A	0.55	29,000,000	-	-	-	-	29,000,000
Wang Xiao (Note(d))	21 January 2020	Period 5	0.11	N/A	0.55	20,000,000	-	-	-	-	20,000,000
Zheng Xue Feng (Note(e))	21 January 2020	Period 5	0.11	N/A	0.55	2,000,000	-	-	(2,000,000)	-	-
Xu Ying (Note(e))	16 December 2016	Period 3	0.285	0.57	N/A	22,500,000	-	-	-	-	22,500,000
	21 January 2020	Period 5	0.11	N/A	0.55	2,900,000	-	-	-	-	2,900,000
Sun Qiang (Note(f))	27 June 2017	Period 4	0.21	0.42	2.10	-	-	-	-	24,460,000	24,460,000
	21 January 2020	Period 5	0.11	N/A	0.55	-	-	-	-	2,900,000	2,900,000
						Sub-total	76,400,000	-	(2,000,000)	27,360,000	101,760,000
						Total	346,557,000	-	(3,000,000)	-	343,557,000
Weighted average exercise price (in HK\$) (Note (c))						0.27	-	-	0.11	0.39	0.27

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
- Period 5 21 January 2020 to 20 January 2025
- (b) The vesting date of the share options for Period 1 to 4 is the date of grant. The vesting of the share options for Period 5 are divided equally into 8 quarterly vesting which started from 31 March 2020 until 31 December 2021, each quarterly vesting equals 12.5% of the total share options granted.
- (c) The exercise prices after Share Consolidations of the outstanding share options as at 30 September 2022 is HK\$0.55 (2021: from HK\$0.11 to HK\$0.6) per share and their weighted average remaining contractual life as at 30 September 2022 is 2.31 years (2021: 2.23 years).
- (d) The rationale of the grant was to provide incentive and award for services rendered as a consultant in relation to merger and acquisition and business development.
- (e) The rationale of the grant was to provide incentive and award for services rendered as a consultant in relation to business development in the PRC.
- (f) Sun Qiang has resigned as director on 24 March 2021.

The closing prices (before and after Share Consolidation which took effect on 8 January 2019) of the Shares immediately before the following dates on which share options were granted are set out below:

	22 September	20 October	16 December	27 June	21 January
	2015	2016	2016	2017	2020
	<i>HK\$</i>	<i>HK\$</i>	<i>HK\$</i>	<i>HK\$</i>	<i>HK\$</i>
Closing price immediately before the grant date	0.179	0.280	0.280	0.205	0.101
Closing price immediately before the grant date (after Share Consolidation on 8 January 2019)	0.358	0.560	0.560	0.410	0.101
Closing price immediately before the grant date (after Share Consolidation on 27 January 2022)	<u>1.790</u>	<u>2.800</u>	<u>2.800</u>	<u>2.050</u>	<u>0.505</u>

As at the issue date of the consolidated financial statements, the Company had 43,680,000 share options outstanding under the Scheme, representing approximately 5.8% of the total issued shares.

As approved during the 2021 annual general meeting held on 23 September 2021, the mandate limit of the Scheme was refreshed. The total number of shares available for issue under the Scheme was 66,492,871, representing approximately 8.8% of the shares in issue as at the issue date of the consolidated financial statements.

During the six months ended 30 September 2022 and 2021, the Company did not grant any share options to directors, employees or other parties.

The Group did not recognised any expenses during the six months ended 30 September 2022 (2021: Nil) in relation to the Scheme.

The variables and assumptions used in computing the fair value of share options are based on the directors' best estimate. The value of an option varies with different variables of certain subjective assumptions. The fair value of the share options granted during the year ended 31 March 2020 were determined by an independent valuer, APAC Asset Valuation and Consulting Limited, using the Binomial option pricing model (the "Model"). Details of the inputs to the Model are as follows:

	20 October 2016	16 December 2016	27 June 2017	21 January 2020
Grant date share price	HK\$0.3	HK\$0.285	HK\$0.192	HK\$0.107
Grant date share price (after Share Consolidation on 8 January 2019)	HK\$0.6	HK\$0.57	HK\$0.384	HK\$0.107
Grant date share price (after Share Consolidation on 27 January 2022)	HK\$3.0	HK\$2.85	HK\$1.92	HK\$0.535
Exercise price	HK\$0.3	HK\$0.285	HK\$0.21	HK\$0.110
Exercise price (after Share Consolidation on 8 January 2019)	HK\$0.6	HK\$0.57	HK\$0.420	HK\$0.110
Exercise price (after Share Consolidation on 27 January 2022)	N/A	N/A	HK\$2.1	HK\$0.55
Expected volatility	53%	53%	43%	40%
Expected life of the options	5 years	5 years	5 years	5 years
Dividend yield	0%	0%	0%	0%
Risk-free interest rate	0.64%	1.56%	1.09%	1.49%

Share Award Scheme

The Board has adopted a share award scheme (the "Old Share Award Scheme") since 11 February 2011, pursuant to which 5,050,000 shares had been purchased by a trustee from the market at the cost of the Company and were held in trust until they were granted and awarded to a selected participant. No awarded share was 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 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 Rule 14A.31(6) of the Listing Rules.

For the Awarded 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.

The Share Award Scheme Mandate Limit of 66,492,871 shares (after the Share Consolidation) has been refreshed and approved by shareholders during the annual general meeting on 23 September 2021.

On 8 April 2021, 5,050,000 shares (before the Share Consolidation) held by the trustee were granted by the Group to Mr. Zhang Shaoyan, the Chief Investment Officer; on the same day, the Group granted and issued new Awarded Shares of 83,000,000 shares (before the Share Consolidation) to eight employees of a subsidiary. On 28 January 2022, the Group also granted and issued new Awarded Shares of 13,600,000 shares (after Share Consolidation) to seven selected participants, 2,800,000 shares of which were unvested as at 30 September 2022 (at 31 March 2022: 8,400,000 shares) with carrying amount of equity-settled share-based payment expenses of approximately HK\$36,000 (at 31 March 2022: approximately HK\$697,000) being recognised in the consolidated statement of changes in equity.

There was no purchase of shares by any trustee under the New Share Award Scheme during the six months ended 30 September 2022 (six months ended 30 September 2021: Nil). As at 30 September 2022 and 30 September 2021, no shares were held by any trustee under the New Share Award Scheme.

The Group recognised total expenses for the vesting of issued Awarded Shares of approximately HK\$661,000 (six months ended 30 September 2021: HK\$10,713,000) during the period ended 30 September 2022 in relation to New Share Award Scheme.

Movements in the share awards granted during the period ended 30 September 2022 are as follows:

Name of Participants	Date of grant	Fair value per share <i>HK\$</i>	Number of share awards granted		
			Outstanding as at 1 April 2022	Awards vested during period	Outstanding as at 30 September 2022
Connected persons					
Mr. Zhu Qian	28 January 2022	0.145	4,350,000	(2,900,000)	1,450,000
Mr. Zhang Shaoyan	28 January 2022	0.145	<u>4,050,000</u>	<u>(2,700,000)</u>	<u>1,350,000</u>
		Total:	<u>8,400,000</u>	<u>(5,600,000)</u>	<u>2,800,000</u>

Note:

1. For Awarded Shares granted on 28 January 2022, the connected Awarded Shares of Mr. Zhu Qian and Mr. Zhang Shaoyan will be vested in four tranches as follows:
 - (a) 25% of the connected Awarded Shares will be vested on the date of grant;
 - (b) 25% of the connected Awarded Shares will be vested on the 90th day after the date of grant;
 - (c) 25% of the connected Awarded Shares will be vested on the 180th day after the date of grant;
 - (d) 25% of the connected Awarded Shares will be vested on the 270th day after the date of grant.

21. CAPITAL COMMITMENTS

As at 30 September 2022, the Group had the following capital commitments:

	As at 30 September 2022 <i>HK\$'000</i> (Unaudited)	As at 31 March 2022 <i>HK\$'000</i> (Audited)
Authorised and contracted for capital contributions payable to subsidiaries	<u>167,561</u>	<u>188,568</u>

22. RELATED PARTY TRANSACTIONS

In additions to the transactions and balances disclosed elsewhere in condensed consolidated financial statements, during the six months period ended 30 September 2022 and 2021, the Group had the following material related party transactions:

	Six months ended 30 September	
	2022	2021
	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)
Yangzhou Yuanda Daily Chemicals Co., Ltd (Note (ii))		
Procurement daily cleaning and anti-epidemic products (Note (i))	<u>902</u>	<u>19,737</u>
Yangzhou Fuerkan Machinery Manufacturing Co., Ltd and its subsidiaries (Note (ii))		
Sales of daily cleaning and anti-epidemic products	<u>470</u>	<u>–</u>
Graceful Ocean International Group Holding Limited		
Personal guarantee provided by Mr. Gao Feng for a loan (Note 13(ii))	<u><u>23,283</u></u>	<u><u>25,449</u></u>

The above related parties were company controlled by substantial shareholder during the reporting period. The transactions were conducted on terms and conditions mutually agreed between the relevant parties.

Note:

- (i) These related party transactions also constitute non-exempt continuing connected transactions as defined in Chapter 14A of the Listing Rules.
- (ii) Mr. Zhu Qian, a substantial shareholder of the Company is the beneficial owner of the related parties.

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW AND OUTLOOK

Elife Holdings Limited (the “Company” or “Elife”, together with its subsidiaries, the “Group”) is principally engaged in commodities trading, sales, marketing and brand building of anti-epidemic, daily cleaning products and licensed branded watches businesses. It has also been expanding its businesses into the consumer products market conforming to the Group’s business principle of “making life easier and benefiting people’s livelihood” (易生活，惠民生).

The Group has been managing the following businesses:

COMMODITIES TRADING BUSINESS

During the period ended 30 September 2022, the Group continued to focus on sourcing domestic quality products as well as metals commodities for sale to retail channels or lower-tier agents in the PRC.

DAILY CLEANING AND ANTI-EPIDEMIC PRODUCTS BUSINESS

On 31 July 2020, the Company and Mr. Zhu Qian entered into the cooperation agreement to establish a joint venture group (the “Joint Venture Group”) which possesses the brand “易安生”/“E’ANSN” and the supply chain including the formula, brand and package design of the anti-epidemic and daily cleaning products and is principally engaged in the sale, marketing and brand building of such products in the PRC and overseas. The Joint Venture Group 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 of COVID-19, surgical gloves and nitrile gloves).

LICENSED BRANDED WATCHES BUSINESS

Shenzhen Aishang e-buy Technology Co., Ltd. (“Aishang e-buy”), a wholly-owned subsidiary of the Company and the principal operating subsidiary of the licensed branded watches business, has established a presence on television shopping channels throughout the nation since re-organising its team in April 2022, and has commenced cooperation with television networks in Beijing, Jiangxi, Hangzhou, Shandong and Guangxi, three of which are nationwide television networks. Moreover, it has completed its registration on TikTok, an online live-streaming platform, and has preliminarily setup a brand website and a WeChat Mini Shop, which will be able to receive customer flow from live-streaming once TikTok approved the transaction of watches. Due to the resurgence of the pandemic in the PRC, economic activities have been affected to a certain extent. We foresee that as the economy gradually recover, we can elaborate our cooperation with more television networks and online platforms.

BUSINESS PROSPECTS AND FUTURE DEVELOPMENTS

Since January 2020, the outbreak of the novel coronavirus (COVID-19) pandemic had severely impacted the global business environment. During the Period, due to the outbreak of COVID-19 pandemic in the People's Republic of China (the "PRC"), tightened pandemic and control prevention policies are adopted in order to achieve the goal of dynamic clearing. It mainly affected the daily cleaning and anti-epidemic products business supply chain as a result of lock downs of Shanghai and other cities in the Jiangsu Province. The Group will keep continuous attention on the situation of the COVID-19, assess and react actively to its impacts on the financial position and operating results of the Group.

Currently, the focus of the Group's existing businesses is continuing to explore new opportunities in the PRC. The licensed branded watches business has also made great strides, with our team being increasingly focused on expanding sales channels, brand promotion and developing multi-functional products, in addition to the strong supply chain partnerships we have established in the PRC.

Following in-depth research and the establishment of new development targets, and based on our mission of delivering "an easier life, greater health and better livelihood" (易生活，大健康，惠民生), we have already identified some potential business opportunities in the consumer goods market, including but not limited to natural health supplements, high-end health food and seasoning products that are produced under environmentally friendly processes.

The Group will continue to catch up with new opportunities in the markets, in the meantime, the Group will consolidate its resources, strengthen the management and adopt a prudent business strategies to mitigate the pressure and exposure from the economic slowdown.

RESULTS ANALYSIS

REVENUE

For the Period, the Group recorded turnover of approximately HK\$134,121,000 (six months ended 30 September 2021: approximately HK\$111,791,000), representing an increase of 20.0%. The Group's revenue was generated from the commodities trading segment, daily cleaning, anti-epidemic and other consumable products segment and licensed branded watches segment. The increase in revenue during the Period was primarily due to an increase in commodities trading business with turnover of approximately HK\$124,739,000 (six months ended 30 September 2021: approximately HK\$49,218,000) as a result of more resources being put by the Group to boost the sales of copper rod. The revenue from daily cleaning, anti-epidemic and other consumable products business with turnover of approximately HK\$6,408,000 (six months ended 30 September 2021: approximately HK\$62,573,000) has decreased due to the stringent pandemic control measures in the PRC. Lock downs of Shanghai and other major cities in the Jiangsu Province led to temporary factory shutdown of our suppliers as well as created trade barriers on the export sales of our trading customers. The licensed branded watches business has generated revenue for the period of approximately HK\$2,974,000 (six months ended 30 September 2021: Nil) and the group will continue to promote more sales of licensed branded watches through online and television shopping channels.

More details of the Group's performance by business segments are set out in Note 4 to the condensed consolidated financial statements.

COST OF SALES

For the Period, the cost of sales of the Group amounted to approximately HK\$133,100,000 (six months ended 30 September 2021: approximately HK\$96,526,000), representing an increase of approximately 37.9% which is generally in line with the increased revenue from commodities trading business segment and licensed branded watches business segment offsetted by the decreased revenue from daily cleaning, daily cleaning, anti-epidemic and other consumable products segment.

GROSS PROFIT AND GROSS PROFIT MARGIN

The Group's gross profit for the Period was approximately HK\$1,021,000 (six months ended 30 September 2021: approximately HK\$15,265,000), representing a decrease of approximately 93.3%. For the Period, the overall gross profit margin has dropped to approximately 0.8% (six months ended 30 September 2021: approximately 13.7%) mainly due to the reduced margin in daily cleaning, anti-epidemic and other consumable segment. The gross profit margin in daily cleaning, anti-epidemic and other consumable products has dropped to 4.9% (six months ended 30 September 2021: approximately 24.4%) due to a decrease in sales to export trading customers which is of generally higher margin.

SELLING EXPENSES

During the Period, the Group recorded selling expenses of approximately HK\$862,000 (six months ended 30 September 2021: approximately HK\$341,000). The increase was mainly due to more marketing resources in commodities trading segment and the new promotion and development of the group's licensed branded watches business segment.

OTHER OPERATING EXPENSES

Other operating expenses incurred by the Group for the Period was approximately HK\$11,972,000 (six months ended 30 September 2021: approximately HK\$12,126,000), representing a decrease of approximately 1.3%, and approximately 8.9% (six months ended 30 September 2021: approximately 10.8%) of the Period's total revenue. The Group implemented stringent cost control policy to lower the operating costs and streamline the workforce for costs saving.

EQUITY-SETTLED SHARE-BASED PAYMENT

Equity-settled share-based payment has decreased significantly to approximately HK\$661,000 (six months ended 30 September 2021: approximately HK\$10,713,000) which represents the vesting of issued awarded shares and no new share award or share options were granted during the period.

FINANCE COSTS

The finance costs incurred by the Group for the Period has decreased to approximately HK\$974,000 (six months ended 30 September 2021: approximately HK\$1,156,000). The reduced finance costs was mainly due to the expiry of the shareholders' loan in July 2022 and no more imputed interest expenses was incurred after the expiry date.

LOSS FOR THE PERIOD ATTRIBUTABLE TO OWNERS OF THE COMPANY

For the Period, the Group recorded a loss attributable to shareholders of approximately HK\$10,607,000 (six months ended 30 September 2021: approximately HK\$21,110,000), representing a decrease of 49.8%. Basic loss per share from continuing operations was approximately HK\$1.5 cents (six months ended 30 September 2021: approximately HK\$2.8 cents) for the Period. The decrease was primarily attributable to the reduced share-based payment of approximately HK\$661,000 for the Period (six months ended 30 September 2021: approximately HK\$10,713,000); and the Group no longer shared losses from the discontinued operation (six months ended 30 September 2021: approximately HK\$3,310,000).

INTERIM DIVIDEND

The Board did not recommend payment of an interim dividend for the six months ended 30 September 2022 (six months ended 30 September 2021: Nil).

FINANCIAL REVIEW

LIQUIDITY AND FINANCIAL RESOURCES

For the Period, the Group had net cash outflow from operating activities of approximately HK\$7,686,000 (six months ended 30 September 2021: approximately HK\$8,567,000), net cash outflow from investing activities of approximately HK\$14,000 (six months ended 30 September 2021: net cash inflow approximately HK\$123,000) and net cash inflow from financing activities of approximately HK\$6,360,000 (six months ended 30 September 2021: approximately HK\$7,085,000). As at 30 September 2022, the Group had available cash and cash balances amounting approximately HK\$9,029,000 (31 March 2022: approximately HK\$10,807,000).

As at 30 September 2022, surplus on shareholders' funds of the Group aggregately amounted to approximately HK\$36,173,000 (31 March 2022: approximately HK\$43,385,000). Net current assets of the Group amounted to approximately HK\$30,318,000 (31 March 2022: approximately HK\$36,563,000). The Group's total current assets and current liabilities were approximately HK\$86,138,000 (31 March 2022: approximately HK\$92,863,000) and HK\$55,820,000 (31 March 2022: approximately HK\$56,300,000) respectively, while the current ratio was approximately 1.5 times (31 March 2022: approximately 1.6 times). The Group's assets-liabilities ratio (total liabilities to total assets) was approximately 0.6 times (31 March 2022: approximately 0.6 times).

As at 30 September 2022, the Group's gearing ratio (total debts to total equity) was approximately 80.2% (31 March 2022: approximately 68.7%).

CAPITAL STRUCTURE

On 15 July 2022, the Company successfully placed 74,160,000 Shares at the Placing Price of HK\$0.103 through a Placing Agent to not less than six Placees. To the best of the Directors' knowledge and having made all reasonable enquiries, the Placees and their respective ultimate beneficial owners are Independent Third Parties. None of the Placees nor their associates became a substantial Shareholder immediately after the Completion.

The gross proceeds from the Placing are HK\$7,638,480, and the net proceeds, after deducting the placing commission, professional fees and all related expenses which may be borne by the Company, are approximately HK\$7,300,000. The net proceeds are intended to be used as to HK\$4,380,000 for replenishing the working capital of the Group and as to HK\$2,920,000 for developing the Group's businesses.

For details, please refer to the Company's announcements dated 15 July 2022.

CAPITAL EXPENDITURES AND CAPITAL COMMITMENT

During the Period, the capital expenditures mainly for additions in property, plant and equipment amounted to approximately HK\$16,000 (30 September 2021: Nil). These capital expenditures were funded by internal cash flow from operating activities.

As at 30 September 2022, the Group had capital commitment of approximately HK\$167,561,000 (31 March 2022: approximately HK\$188,568,000) 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 2022.

EMPLOYEES AND REMUNERATION POLICY

As at 30 September 2022, the Group had a total of 45 employees (31 March 2022: 45) 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.

During the period ended 30 September 2022, no share options were granted to directors, employees and other parties while 4,892,000 share options lapsed. As at 30 September 2022, 43,680,000 share options remained outstanding.

On 28 January 2022, the Group granted and issued new Awarded Shares of 13,600,000 shares (after Share Consolidation) to seven selected participants, 2,800,000 shares of which were unvested as at 30 September 2022 with carrying amount of equity-settled share-based payment expenses of approximately HK\$36,000 being recognised in the consolidated statement of changes in equity. The Group recognised total expenses for the vesting of Awarded Shares of approximately HK\$661,000 during the period ended 30 September 2022 (six months ended 30 September 2021: approximately HK\$10,713,000) in relation to the above Share Award Scheme.

CONTINUING CONNECTED TRANSACTIONS

On 9 November 2020, Smart Challenger Global Limited (“Smart Challenger”), an indirect non wholly-owned subsidiary of the Company, entered into the Procurement Framework Agreement with Yangzhou Yiyuantang Commodity Co., Ltd (“Yangzhou Yuanda”), pursuant to which Smart Challenger agreed that Smart Challenger or its subsidiaries will procure and Yangzhou Yuanda agreed to supply the daily cleaning and anti-epidemic products for a term of two years and four months from 1 September 2020 to 31 December 2022 (both days inclusive) (the “Procurement Period”). Mr. Zhu Qian (“Mr. Zhu”) controls more than 30% of the voting power in general meetings of Yangzhou Yuanda. Mr. Zhu is also a substantial shareholder of the Company, Century Smart Group Limited (“Century Smart”) and Smart Challenger, and is, therefore, a connected person of the Company. The transactions contemplated under the Procurement Framework Agreement constitute continuing connected transactions of the Company under the Listing Rules.

Pursuant to the Procurement Framework Agreement, Yangzhou Yuanda agreed to supply the cleaning and anti-epidemic products to Smart Challenger and its subsidiaries for a term of the Procurement Period. The selling prices of the cleaning and anti-epidemic products are determined principally by arm’s length commercial negotiation.

The Annual Caps for the Procurement Framework Agreement for the period between 1 September 2020 and 31 December 2020, the year ending 31 December 2021 and the year ending 31 December 2022 are RMB20,000,000, RMB57,000,000 and RMB60,000,000 respectively.

Other than Yangzhou Yuanda, Mr. Zhu currently owns or has invested in other PRC companies. Yangzhou Fuerkan Machinery Manufacturing Co., Limited (“Yangzhou Fuerkan”) is a company owned by Mr. Zhu as to approximately 41% and thus an associate of Mr. Zhu and a connected person of the Company at the subsidiary level. The remaining approximately 59% equity interest in Yangzhou Fuerkan is held by more than 15 corporate and individual equity holders, all Independent Third Parties (except Mr. Zhang Shaoyan, the chief investment officer of the Group and a director of a subsidiary of the Company, holding approximately 1% equity interest).

Yangzhou Tongyang Machinery Co., Ltd. (“Yangzhou Tongyang”) is another PRC company held by Mr. Zhu as to approximately 41% and thus an associate of Mr. Zhu and a connected person of the Company at the subsidiary level. Yangzhou Tongyang is a wholly-owned subsidiary of Yangzhou Fuerkan.

There have been procurement and sales transactions between the Group, Yangzhou Fuerkan and Yangzhou Tongyang since the year ended 31 March 2022 which are not covered under the Procurement Framework Agreement. The transactions were all entered into under normal commercial terms.

For details, please refer to the Company’s announcement dated 30 June 2022.

MATERIAL ACQUISITION AND DISPOSAL

The Group did not have any major acquisition and disposal for the six months ended 30 September 2022.

MATERIAL RELATED PARTY TRANSACTION

Details of material related transactions of the Group as at 30 September 2022 are set out in Note 22 to the condensed consolidated financial statements.

SIGNIFICANT INVESTMENT

The Group did not hold any significant investment for the six months ended 30 September 2022.

EVENTS AFTER THE REPORTING PERIOD

Save as disclosed elsewhere in this announcement, 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 2022.

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 2022.

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 2022.

PUBLICATION OF RESULTS ANNOUNCEMENT AND INTERIM REPORT

The Company's results announcement for the six months ended 30 September 2022 containing all information required by Appendix 16 to the Listing Rules is published on the website of the Stock Exchange at <http://www.hkexnews.hk> and the Company's appointed website at <http://www.capitalfp.com.hk/eng/index.jsp?co=223>. The interim report of the Company for the six months ended 30 September 2022 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, 28 November 2022

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