e Lighting Group

E Lighting Group Holdings Limited
壹照明集團控股有限公司

(Incorporated in the Cayman Islands with limited liability)

Stock Code: 8222

ANNUAL RESULTS ANNOUNCEMENT
FOR THE YEAR ENDED 31 MARCH 2023

CHARACTERISTICS OF GEM OF THE STOCK EXCHANGE OF HONG KONG LIMITED (THE "STOCK EXCHANGE")

GEM has been positioned as a market designed to accommodate small and mid-sized companies to which a higher investment risk may be attached than other companies listed on the Stock Exchange. Prospective investors should be aware of the potential risks of investing in such companies and should make the decision to invest only after due and careful consideration.

Given that the companies listed on GEM are generally small and mid-sized companies, there is a risk that securities traded on GEM may be more susceptible to high market volatility than securities traded on the Main Board and no assurance is given that there will be a liquid market in the securities traded on GEM.

This announcement, for which the directors (the "Directors") of E Lighting Group Holdings Limited (the "Company" or "E Lighting") collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on GEM of the Stock Exchange (the "GEM Listing Rules") for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that, to the best of their knowledge and belief the information contained in this announcement is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this announcement misleading.

FINANCIAL HIGHLIGHTS

For the year ended 31 March 2023:

- Revenue was approximately HK$78,927,000 for the year ended 31 March 2023, representing a decrease of approximately 5.9% as compared with that of the preceding year, which was mainly due to continuous impact of the local epidemic in the retail market.

- The Group recorded a loss of approximately HK$6,845,000 for the year ended 31 March 2023.

- Loss per share was approximately HK1.52 cents for the year ended 31 March 2023.

- The board of Directors does not recommend the payment of final dividend for the year ended 31 March 2023.

ANNUAL RESULTS

The board of Directors (the "Board") of the Company announces the audited consolidated results of the Company and its subsidiaries (collectively referred to as the "Group") for the year ended 31 March 2023, together with the comparative figures for the preceding year ended 31 March 2022 as follows:

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 31 March 2023

	Notes	**2023**	2022
		HK$'000	*HK$'000*
Revenue	5	**78,927**	83,891
Cost of sales		**(36,619)**	(37,652)
Gross profit		**42,308**	46,239
Other income, gains and losses	6	**(841)**	305
Selling and distribution expenses		**(28,318)**	(27,422)
Administrative and other expenses		**(17,094)**	(15,373)
Expected credit losses recognised on financial assets		**(1,603)**	(1,139)
Interest on lease liabilities		**(924)**	(761)
(Loss)/profit before income tax	7	**(6,472)**	1,849
Income tax (expense)/credit	9	**(373)**	546
(Loss)/profit and total comprehensive income for the year attributable to the owners of the Company		**(6,845)**	2,395
(Loss)/earnings per share	11		
– Basic and diluted (HK cents)		**(1.52)**	0.53

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 March 2023

	Notes	2023 HK$'000	2022 HK$'000
Non-current assets			
Property, plant and equipment		**645**	383
Right-of-use assets	*12*	**17,609**	18,804
Rental deposits	*13*	**4,722**	2,540
Deferred tax assets		**930**	970
		23,906	22,697
Current assets			
Inventories		**12,297**	10,955
Trade and other receivables	*13*	**3,460**	6,843
Cash and bank balances		**9,938**	13,855
		25,695	31,653
Total assets		**49,601**	54,350
Current liabilities			
Trade and other payables	*14*	**6,467**	5,648
Contract liabilities	*15*	**1,181**	1,268
Lease liabilities		**14,073**	13,758
Current tax liabilities		**152**	40
		21,873	20,714
Net current assets		**3,822**	10,939
Total assets less current liabilities		**27,728**	33,636
Non-current liabilities			
Lease liabilities		**7,528**	6,591
		7,528	6,591
Total liabilities		**29,401**	27,305
NET ASSETS		**20,200**	27,045
EQUITY			
Share capital	*16*	**4,510**	4,510
Reserves		**15,690**	22,535
TOTAL EQUITY		**20,200**	27,045

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 31 March 2023

	Share capital *HK$'000*	Share premium *HK$'000*	Other reserve *HK$'000*	Accumulated losses *HK$'000*	Total equity *HK$'000*
As at 1 April 2021	4,510	67,066	2	(46,928)	24,650
Profit and total comprehensive income for the year	–	–	–	2,395	2,395
As at 31 March 2022 and 1 April 2022	**4,510**	**67,066**	**2**	**(44,533)**	**27,045**
Loss and total comprehensive income for the year	**–**	**–**	**–**	**(6,845)**	**(6,845)**
As at 31 March 2023	**4,510**	**67,066**	**2**	**(51,378)**	**20,200**

NOTES

1. CORPORATE INFORMATION

The Company was incorporated in the Cayman Islands as an exempted company with limited liability on 29 November 2013 under the Companies Law. Cap. 22 (Law 3 of 1961, as consolidated and revised) of the Cayman Islands. The address of the Company's registered office is 4th Floor, Harbour Place, 103 South Church Street, George Town, P.O. Box 10240, Grand Cayman KY1-1002, Cayman Islands and its principal place of business in Hong Kong is 10/F, Tiffan Tower, 199 Wanchai Road, Wanchai, Hong Kong.

The Company's issued shares have been listed on GEM of the Stock Exchange since 29 September 2014.

The Company's principal activity is investment holding while the Group is principally engaged in retail chain business in lighting, designer label furniture and household products in Hong Kong and wholesale of tableware, giftware and other trading.

The directors consider that the Company's parent and ultimate parent is Time Prestige Venture Limited, a company incorporated in British Virgin Islands ("BVI").

The Group's financial statements for the year ended 31 March 2023 were approved and authorised for issue by the Board on 23 June 2023.

2. BASIS OF PREPARATION

(a) Statement of compliance

The consolidated financial statements have been prepared in accordance with all Hong Kong Financial Reporting Standards ("HKFRSs"), Hong Kong Accounting Standards ("HKASs") and Interpretations (hereinafter collectively referred to as the "HKFRSs") and the disclosure requirements of the Hong Kong Companies Ordinance. In addition, the consolidated financial statements include applicable disclosures required by the GEM Listing Rules.

(b) Basis of measurement

The consolidated financial statements have been prepared under the historical cost basis.

(c) Functional and presentation currency

The consolidated financial statements are presented in Hong Kong dollar ("HK$"), which is the same as the functional currency of the Company. These consolidated financial statements are presented in thousands of units of Hong Kong dollars (HK$'000), unless otherwise stated.

3. ADOPTION OF HKFRSs

(a) Adoption of new/revised HKFRSs – Effective on 1 April 2022

In the current year, the Group has applied for the first time for following amendments to HKFRSs issued by Hong Kong Institute of Certified Public Accountants, which are relevant to and effective for the Group's financial statements for annual period beginning on 1 April 2022:

Annual Improvements to HKFRSs 2018-2020	Amendments to HKFRS 9 Financial Instruments, and Illustrative Examples accompanying HKFRS 16 Leases
Amendments to HKAS 16	Property, plant and Equipment-Proceeds before Intended Use
Amendments to HKAS 37	Onerous Contracts – Cost of Fulfilling a Contract
Amendments to HKFRS 3	Reference to the Conceptual Framework

The amendments to HKFRSs that are effective from 1 April 2022 did not have any significant impact on the Group's accounting policies or financial results and financial position.

(b) New/revised HKFRSs that have been issued but are not yet effective

The following new and amendments to HKFRSs, potentially relevant to the Group's financial statements, have been issued, but are not yet effective and have not been early adopted by the Group. The Group's current intention is to apply these changes on the date they become effective.

Amendments to HKAS1 and HKFRS Practice Statement 2	Disclosure of Accounting Policies[1]
Amendments to HKAS 8	Definition of Accounting Estimates[1]
Amendments to HKAS 12	Deferred Tax related to Assets and Liabilities arising from a Single Transaction[1]
Amendments to HKAS 1	Classification of Liabilities as Current or Non-current and HK Interpretation 5 (2022), Presentation of Financial Statements – Classification by the Borrower of a Term Loan that Contains a Repayment on Demand Clause[2]
Amendments to HKAS 1	Non-current Liabilities with Covenants[2]
Amendments to HKFRS 16	Lease Liability in a Sale and Leaseback[2]

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

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

The Group has already commenced an assessment of the impact of adopting the above amendments to HKFRSs on the Group's results and financial position in the first year of application. The directors of the Company anticipate that the application of these amendments to HKFRSs will have no material impact on the Group's financial performance and positions and/or the disclosure to these consolidated financial statements of the Group.

4. SEGMENT INFORMATION

Operating segments are reported in a manner consistent with the internal reporting, in accordance with the Group's internal organisation and reporting structure, provided to the chief operating decision-maker to make strategic decisions.

The Group has two reportable segments. The segments are managed separately as each business offers different products and requires different business strategies. The following summary describes the operations in each of the Group's reportable segments:

Lighting and furniture business	:	retail of lighting products and household furniture in Hong Kong
Tableware, giftware and other business	:	retail and wholesale of tableware and giftware and other trading

Inter-segment transactions are priced with reference to prices charged to external parties for similar order. Central revenue and expenses are not allocated to the operating segments as they are not included in the measure of the segments' profit that is used by the chief operating decision-maker for assessment of segment performance.

(a) Business segment

<u>For the year ended 31 March 2023</u>

	Lighting and furniture business *HK$'000*	**Tableware, giftware and other business** *HK$'000*	**Total** *HK$'000*
Revenue from external customers	**78,903**	**24**	**78,927**
Reportable segment result	**13,589**	**(1,943)**	**11,646**
Other segment information:			
Depreciation of property, plant and equipment	**295**	–	**295**
Depreciation of right-of-use assets	**15,769**	–	**15,769**
Impairment loss on property, plant and equipment	**52**	–	**52**
Impairment loss on right-of-use assets	**2,318**	–	**2,318**
Additions to property, plant and equipment	**615**	–	**615**
Additions to right-of-use assets	**6,168**	–	**6,168**
Expected credit losses recognised on trade and other receivables	**18**	**1,585**	**1,603**

For the year ended 31 March 2022

	Lighting and furniture business *HK$'000*	Tableware, giftware and other business *HK$'000*	Total *HK$'000*
Revenue from external customers	83,420	471	83,891
Reportable segment result	19,486	(1,497)	17,989
Other segment information:			
Depreciation of property, plant and equipment	227	–	227
Depreciation of right-of-use assets	13,070	–	13,070
Impairment loss on property, plant and equipment	8	–	8
Impairment loss on right-of-use assets	415	–	415
Additions to property, plant and equipment	557	–	557
Additions to right-of-use assets	3,867	–	3,867
Expected credit losses recognised on trade and other receivables	62	1,077	1,139

(b) Reconciliation of reportable segment results

	2023 ***HK$'000***	2022 *HK$'000*
Reportable segment result	**11,646**	17,989
Other gains or losses – impairment loss on property, plant and equipment	**(6)**	–
Other gains or losses – impairment loss on right-of-use assets	**(93)**	(6)
Interest on lease liabilities	**(924)**	(761)
Unallocated warehousing and general office expenses	**(12,496)**	(11,269)
Other unallocated corporate expenses *(note)*	**(4,599)**	(4,104)
Consolidated (loss)/profit before income tax	**(6,472)**	1,849

Note: Other unallocated corporate expenses mainly consist of professional expenses and other administrative expenses.

(c) Segment assets and liabilities

	2023	2022
	HK$'000	*HK$'000*
Assets		
Lighting and furniture business	**49,580**	52,749
Tableware, giftware and other business	**21**	1,601
Consolidated total assets	**49,601**	54,350
Liabilities		
Lighting and furniture business	**28,420**	26,735
Tableware, giftware and other business	**981**	570
Consolidated total liabilities	**29,401**	27,305

(d) Geographic information

The following table provides an analysis of the Group's revenue from external customers, determined based on location of the customers:

	2023	2022
	HK$'000	*HK$'000*
Hong Kong (place of domicile)	**78,927**	83,492
North America	**–**	399
	78,927	83,891

(e) Information about major customers

The Group had no customer for whom the revenue raised individually accounted for more than 10% of the Group's total revenue during the year ended 31 March 2023 (2022: Nil).

5. REVENUE

Disaggregation of revenue from contracts with customers by products and timing of revenue recognition are as follows:

	2023	2022
	HK$'000	*HK$'000*
Revenue from contracts with customers:		
Sales of lighting and furniture products	**78,903**	83,420
Sales of tableware and giftware and other products	**24**	471
	78,927	83,891
Timing of revenue recognition:		
At a point in time	**78,927**	83,891

6. OTHER INCOME, GAINS AND LOSSES

	2023	2022
	HK$'000	*HK$'000*
Government grants		
Employment Support Scheme *(note a)*	**1,124**	–
Impairment loss on right-of-use assets	**(2,411)**	(421)
Impairment loss on property, plant and equipment	**(58)**	(8)
Others *(note b)*	**504**	734
	(841)	305

Notes:

(a) The amount represented the government grants obtained from Employment Support Scheme ("ESS") under the Anti-epidemic Fund launched by the Hong Kong SAR Government supporting the payroll of the Group's employees for the year ended 31 March 2023. The Group did not have any unfulfilled obligations relating to this scheme.

(b) During the year ended 31 March 2023, the Group recognised negative variable lease payments of HK$252,000 (2022: HK$387,000) in others under other income, gains and losses in respect of the Covid-19-related rent concessions provided by lessors.

7. (LOSS)/PROFIT BEFORE INCOME TAX

(Loss)/profit before income tax is arrived at after charging/(crediting):

	2023	2022
	HK$'000	*HK$'000*
Auditor's remuneration	**730**	680
Carrying amount of inventories sold	**29,069**	31,664
Provision/(reversal of provision) for impairment loss on inventories	**31**	(216)
Cost of inventories recognised as expenses	**29,100**	31,448
Depreciation of property, plant and equipment	**295**	227
Depreciation of right-of-use assets	**15,769**	13,070
Expected credit losses recognised on		
– trade receivables	**18**	62
– other receivables	**1,585**	1,077

8. EMPLOYEE COSTS

	2023	2022
	HK$'000	*HK$'000*
Employee costs (including directors' emoluments) comprise:		
Salaries and other benefits	**19,583**	18,453
Contributions on defined contribution retirement plan (note)	**629**	662
	20,212	19,115

Note: For the year ended 31 March 2023, no forfeited contribution in respect of the defined contribution retirement plan was utilised by the Group to reduce the contribution payable to the plan (2022: Nil). As at 31 March 2023, no forfeited contribution under this plan is available to reduce future contribution (2022: Nil).

9. INCOME TAX EXPENSE/(CREDIT)

The amount of income tax expense/(credit) in the consolidated statements of profit or loss and other comprehensive income represents:

	2023	2022
	HK$'000	*HK$'000*
Current tax – Hong Kong Profits Tax		
– charge for the year	**228**	115
– under-provision in respect of prior years	**105**	71
	333	186
Deferred tax	**40**	(732)
Income tax expense/(credit)	**373**	(546)

Hong Kong Profits Tax has been provided at the rate of 16.5% (2022: 16.5%) on the Group's estimated assessable profits arising in Hong Kong for the year, except for one subsidiary of the Group which is a qualifying entity under the two-tiered profits tax rates regime. The first HK$2 million of assessable profits of the qualifying entity is taxed at 8.25% and the remaining assessable profits are taxed at 16.5%.

10. DIVIDENDS

The Board does not recommend payment of any dividend for the year ended 31 March 2023, nor has any dividend been proposed since the end of reporting period (2022: Nil).

11. (LOSS)/EARNINGS PER SHARE

The calculation of basic and diluted (loss)/earnings per share is based on the following data:

	2023	2022
	HK$'000	*HK$'000*
(Loss)/earnings:		
(Loss)/profit for the year attributable to owners of the Company	**(6,845)**	2,395

	2023	2022
	'000	*'000*
Number of shares:		
Weighted average number of shares for the purpose of calculating basic and diluted (loss)/earnings per share	**451,036**	451,036

Notes:

(i) Basic (loss)/earnings per share was calculated by dividing the (loss)/profit attributable to the owners of the Company by the weighted average number of ordinary shares in issue during the year.

(ii) For the years ended 31 March 2023 and 2022, diluted (loss)/earnings per share was the same as basic (loss)/earnings per share as there were no dilutive potential ordinary shares outstanding during the years ended 31 March 2023 and 2022.

12. RIGHT-OF-USE ASSETS

	Properties leased for own use
	HK$'000
Cost	
As at 1 April 2021	**41,410**
Additions	**3,867**
Lease modification	**10,299**
As at 31 March 2022 and 1 April 2022	**55,576**
Additions	**6,168**
Lease modification	**10,817**
De-recognise upon lease expiry	**(3,066)**
As at 31 March 2023	**69,495**
Accumulated depreciation and impairment losses	
As at 1 April 2021	**23,281**
Depreciation	**13,070**
Impairment loss recognised *(note)*	**421**
As at 31 March 2022 and 1 April 2022	**36,772**
Depreciation	**15,769**
Impairment loss recognised *(note)*	**2,411**
De-recognise upon lease expiry	**(3,066)**
As at 31 March 2023	**51,886**
Net book value	
As at 31 March 2023	**17,609**
As at 31 March 2022	**18,804**

Note:

The impairment loss related to right-of-use assets amounting to HK$2,411,000 (2022: HK$421,000) has been recognised and recorded in other income, gains and losses to write down the carrying amount of the CGUs to its recoverable amount. For the purpose of impairment testing, the Group's retail shops are determined as CGUs. The impairment losses attributable to those CGUs were then allocated to write down the assets in the CGUs (including property, plant and equipment and related right-of-use assets).

The recoverable amounts of the CGUs, in which the right-of-use assets were included, have been determined from value-in-use calculations based on cash flow projections of the remaining lease periods from formally approved budgets and adopted pre-tax discount rate of 11.48% (2022: 18.42%). The key assumptions for the value-in-use calculations are budgeted gross margin of 31% to 58% (2022: 46% to 55%), growth rate of 0% to 9.0% (2022: 0% to 12.1%) and wage inflation of 3% (2022: 3%). The budgeted gross margin and growth rate are determined based on the CGU's past performance and management's expectations regarding market development. Wage inflation has been estimated with reference to the independent economic data published by the Census and Statistics Department of the Government of the Hong Kong Special Administrative Region. In addition, to mitigate the deviation of the projected financial performance resulting from the uncertainties about future events, the management has considered multiple scenarios in projecting the revenue during the forecast period, each of which are probability weighted.

Due to the local epidemic in the retail market, the Group's retail stores fell short of the expected results and there have been significant impacts to consumer sentiment and product demand, which adversely affected the Group's retail business performance during the year ended 31 March 2023. Accordingly, this had an impact on the estimated value in use of certain CGUs, and impairment losses on property, plant and equipment and right-of-use assets were recognised.

13. TRADE AND OTHER RECEIVABLES

	2023	2022
	HK$'000	*HK$'000*
Trade receivables, net	**219**	367
Deposits and other receivables	**6,748**	8,078
Prepayments	**1,215**	938
Total	**8,182**	9,383
Less: non-current – rental deposits	**(4,722)**	(2,540)
	3,460	6,843

Trade receivables are non-interest bearing. The average credit period on sales of goods is ranged from 0 – 30 days from invoice date. At the end of reporting period, ageing analysis of the trade receivables (net of impairment losses of HK$363,000 (2022: HK$345,000)), based on invoice date, is as follows:

	2023	2022
	HK$'000	*HK$'000*
Within 30 days	**102**	188
31 to 90 days	**63**	77
91 to 180 days	**44**	70
Over 180 days	**10**	32
	219	367

14. TRADE AND OTHER PAYABLES

	2023	2022
	HK$'000	*HK$'000*
Trade payables	**2,593**	2,712
Accruals and other payables	**3,874**	2,936
	6,467	5,648

Trade payables are non-interest bearing. The Group is normally granted credit terms ranging from 30 to 180 days. At the end of reporting period, aging analysis of the trade payables, based on invoice date, is as follows:

	2023	2022
	HK$'000	*HK$'000*
Within 30 days	**1,630**	1,436
31 to 60 days	**578**	635
61 to 90 days	**364**	610
Over 90 days	**21**	31
	2,593	2,712

15. CONTRACT LIABILITIES

	2023	2022
	HK$'000	*HK$'000*
Contract liabilities arising from lighting and furniture business	**1,181**	1,268

	2023	2022
	HK$'000	*HK$'000*
Movements in contract liabilities:		
Balance at the beginning of the year	**1,268**	1,058
Decrease in contract liabilities as a result of recognising revenue during the year that was included in the contract liabilities at the beginning of the year	**(491)**	(395)
Increase in contract liabilities as a result of advanced consideration received from customers	**404**	605
Balance at the end of the year	**1,181**	1,268

When the Group receives sales deposits from customers before the delivery of goods, this will give rise to contract liabilities at the start of a contract. Contract liabilities are recognised until the goods are delivered and accepted by the customers. The unsatisfied performance obligations are expected to be recognised within one year.

16. SHARE CAPITAL

	Number of ordinary shares	Nominal value of ordinary shares *HK$'000*
Authorised:		
Ordinary shares of HK$0.01 each as at 1 April 2021, 31 March 2022 and 31 March 2023	**1,000,000,000**	10,000
Issued and fully paid:		
As at 1 April 2021, 31 March 2022 and 31 March 2023	**451,035,713**	4,510

17. RELATED PARTY TRANSACTIONS

The Group had the following material transactions with its related parties during the years ended 31 March 2023 and 2022:

Compensation of key management personnel

Key management personnel includes directors and senior management. The compensation paid or payable to key management personnel for employee services is shown below:

	2023 ***HK$'000***	2022 *HK$'000*
Salaries and other benefits	**8,503**	6,657
Contributions on defined contribution retirement plan	**126**	134
	8,629	6,791

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

Retail chain business in lighting and designer label furniture

Retail chain business in lighting and designer label furniture is the core business of the Group. Being one of the most established retail chain groups of lighting products in Hong Kong, E Lighting possesses rich experience in the sale of quality lighting and designer label furniture products from all over the world. During the year ended 31 March 2023 (the "Financial Year"), the Group timely adjusted its product strategies and actively carried out promotion activities.

During the Financial Year, revenue of the retail chain business in lighting and designer label furniture was approximately HK$78,903,000, accounted for approximately 99% of the Group's revenue.

Tableware, giftware and other business

Tableware, giftware and other business is mainly for wholesale of tableware, giftware and other trading worldwide, which has expanded the Group's business portfolio, and broadened its source of income and generated additional cash flows.

During the Financial Year, revenue of the business in tableware, giftware and other business was approximately HK$24,000, accounted for approximately 1% of the Group's revenue.

FUTURE OUTLOOK

The Directors foresee that the Hong Kong retail market remains challenging, retail market would continue to be affected by the development of post-local epidemic in the near term. The Group will closely monitor the trend of the business environment, maintain pragmatic approach for its business and take every chance to identify any suitable opportunity in the market for the Group.

The Group will continue to concentrate on the consolidation of its retail network, optimisation of product mix and intensification of cost control, and will also continue to seize opportunities to stabilise growth through cautious strategic planning.

In the meantime, the Group is actively developing smart home and related products and closely looking for new opportunities for those businesses.

Looking forward, housing is one of the biggest concerns and needs for Hong Kong citizens and housing is closely related to demand of lighting and household products. Therefore, the Group is afforded with new opportunities in its various lines of business. The Group will adopt more cautious strategies, which will be executed with prudence and closely control its expenditure in order to maintain its competitiveness. The Group will strive to maintain a streamlined business operation, while catering for consumers' specific needs and being responsive to market changes. Leveraging the support of the capital market, its own strengths, and the global trends of saving energy, protecting the environment and pursuing a higher quality of life, the Group is cautiously confident of its development in the future. The Group will strive to maintain steady growth and to maximise returns for the investors.

FINANCIAL REVIEW

Revenue

During the Financial Year, the Group's revenue was approximately HK$78,927,000, representing a decrease of approximately 5.9% from approximately HK$83,891,000 as compared with that of the preceding year, which was mainly due to the continuous impact of the local epidemic in the retail market.

During the Financial Year, revenue of the retail chain business in lighting and designer label furniture was approximately HK$78,903,000, representing a decrease of approximately 5.4% from approximately HK$83,420,000 as compared with that of the preceding year.

During the Financial Year, revenue of the tableware, giftware and other business was approximately HK$24,000, representing a decrease of approximately 94.9% from approximately HK$471,000 as compared with that of the preceding year.

Gross Profit and Gross Profit Margin

During the Financial Year, the Group's gross profit was approximately HK$42,308,000, representing a decrease of approximately 8.5% from approximately HK$46,239,000 as compared with that of the preceding year. The decrease was primarily due to decrease in sales and gross profit margin. During the Financial Year, the Group's overall gross profit margin was approximately 53.6%.

Selling and Distribution Expenses

During the Financial Year, the Group's selling and distribution expenses was approximately HK$28,318,000, representing an increase of approximately 3.3% from approximately HK$27,422,000 as compared with that of the preceding year. Selling and distribution expenses primarily consists of rentals for retail outlets and related expenses, depreciation on right-of-use assets, staff costs (including salaries and sales commission to salespersons) and electronic payment charges. The increase was primarily due to increase in depreciation on right-of-use assets.

Administrative and Other Expenses

During the Financial Year, the Group's administrative and other expenses was approximately HK$17,094,000, representing an increase of approximately 11.2% from approximately HK$15,373,000 as compared with that of the preceding year. Administrative and other expenses primarily consists of rentals for warehousing facilities, depreciation of right-of-use assets of office premises and warehousing facilities, staff costs (including salaries to administrative staff and emoluments to Directors) and professional expenses. The increase was primarily due to increase in depreciation of right-of-use assets and staff costs.

Loss/profit for the Year

The Group recorded a loss of approximately HK$6,845,000 during the Financial Year (2022: profit of approximately HK$2,395,000).

SIGNIFICANT INVESTMENTS HELD, MATERIAL ACQUISITIONS AND DISPOSALS OF SUBSIDIARIES

(i) Renewal of Tenancy Agreement of Wanchai Shop:

On 8 July 2022 (after trading hours), Element Lighting Design Limited (a wholly-owned subsidiary of the Company) as tenant finalised the renewal terms with Win Data Limited as landlord to renew the existing tenancy agreement for operation of retail store of retail business of the Group (the "Renewal of Tenancy Agreement of Wanchai Shop").

Principal terms of Renewal of Tenancy Agreement of Wanchai Shop:

Effective date: 1 August 2022

Parties:

(i) Win Data Limited as landlord; and

(ii) Element Lighting Design Limited as tenant.

The landlord is a company incorporated in Hong Kong and principally engaged in investment holding.

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, the landlord of the premises and their respective ultimate beneficial owner (Mr. Fung Yui Sum) is the parties independent of and not connected with the Company and its connected persons (the "Independent Third Parties").

Premises:	Shop A, G/F, Tak On Mansion, Nos. 32-34 Morrison Hill Road, Hong Kong
Term:	Two years from 1 August 2022 to 31 July 2024 (both days inclusive)
The aggregate value of consideration payable:	Not less than approximately HK$2,208,000, being the monthly basic rental in aggregate for the term of two years (exclusive of rates, air-conditioning and management charges, promotion levy and all other outgoings). Tenant shall pay the lease payment on monthly basis by internal resources.

Reasons for and benefits of Renewal of Tenancy Agreement of Wanchai Shop:

Due to nature of its retail business in Hong Kong, the Group has to enter into tenancy agreements for leasing of retail stores from time to time. It would be beneficial to lease the said premises as it will enable the Group to secure its stable operation at the said premises without incurring additional costs and expenses in identifying, renovating and relocating to other retail store and ensure that there will be no disruption to the operations, business and growth of the Group.

The terms of Renewal of Tenancy Agreement of Wanchai Shop (including the rental charge) were determined after arm's length negotiations between the parties and with reference to the open market rent of comparable properties in the nearby districts and the rental payment made by the Group under the existing tenancy agreement. The Board considers that the terms of Renewal of Tenancy Agreement of Wanchai Shop were entered into on normal commercial terms, in the ordinary and usual course of business of the Group and are fair and reasonable and in the interests of the Company and the shareholders as a whole.

Implications under the GEM Listing Rules of Renewal of Tenancy Agreement of Wanchai Shop:

In accordance with HKFRS 16 "Lease", the Company recognises the value of the right-of-use assets on its consolidated statement of financial position in connection with the lease of the premises. Accordingly, the Renewal of Tenancy Agreement of Wanchai Shop is regarded as acquisitions of assets by the Group for the purpose of the GEM Listing Rules.

As the applicable percentage ratios (as defined under Rule 19.07 of the GEM Listing Rules) for the lease transaction contemplated under the Renewal of Tenancy Agreement of Wanchai Shop exceed 5% but are below 25%, such transaction constitutes a discloseable transaction of the Company, and is subject to reporting and announcement requirements but exempt from shareholders' approval requirement.

For details, please refer to the announcement of the Company dated 8 July 2022.

(ii) Renewal of Tenancy Agreement of Warehouse:

On 28 July 2022 (after trading hours), ELG Operations Limited (a wholly-owned subsidiary of the Company) as tenant has finalised the renewal terms with Associated Development Company Limited as landlord to renew the existing tenancy agreement for operation of warehouse of the Group (the "Renewal of Tenancy Agreement of Warehouse").

Principal terms of Renewal of Tenancy Agreement of Warehouse:

Effective date:	1 August 2022
Parties:	(i) Associated Development Company Limited as landlord; and (ii) ELG Operations Limited as tenant. The landlord is a company incorporated in Hong Kong and principally engaged in investment holding. To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, the landlord of the premises and its respective ultimate beneficial owners (Mr. Yeung Kwok Kin and Mr. Yeung Kwok Hong) are the Independent Third Parties.
Premises:	Flat B, 3/F & Flat B, C & D, 14/F, Gee Chang Hong Centre, No. 65 Wong Chuk Hang Road, Hong Kong
Term:	Two years from 1 August 2022 to 31 July 2024 (both days inclusive)
The aggregate value of consideration payable:	Not less than approximately HK$2,611,000, being the monthly rental in aggregate for the term of two years (exclusive of rates, air-conditioning and management charges, promotion levy and all other outgoings). Tenant shall pay the lease payment on monthly basis by internal resources.

Reasons for and benefits of Renewal of Tenancy Agreement of Warehouse:

Due to nature of its retail business in Hong Kong, the Group has to enter into tenancy agreements for leasing of retail stores and warehouse from time to time. It would be beneficial to lease the said premises as it will enable the Group to secure its stable operation at the said premises without incurring additional costs and expenses in identifying, renovating and relocating to other warehouse and ensure that there will be no disruption to the operations, business and growth of the Group.

The terms of Renewal of Tenancy Agreement of Warehouse (including the rental charge) were determined after arm's length negotiations between the parties and with reference to the open market rent of comparable properties in the nearby districts and the rental payment made by the Group under the existing tenancy agreement. The Board considers that the terms of Renewal of Tenancy Agreement of Warehouse were entered into on normal commercial terms, in the ordinary and usual course of business of the Group and are fair and reasonable and in the interests of the Company and the shareholders as a whole.

Implications under the GEM Listing Rules of Renewal of Tenancy Agreement of Warehouse:

In accordance with HKFRS 16 "Lease", the Company recognises the value of the right-of-use assets on its consolidated statement of financial position in connection with the lease of the premises. Accordingly, the Renewal of Tenancy Agreement of Warehouse is regarded as acquisitions of assets by the Group for the purpose of the GEM Listing Rules.

As the applicable percentage ratios (as defined under Rule 19.07 of the GEM Listing Rules) for the lease transaction contemplated under the Renewal of Tenancy Agreement of Warehouse exceed 5% but are below 25%, such transaction constitutes a discloseable transaction of the Company, and is subject to reporting and announcement requirements but exempt from shareholders' approval requirement.

For details, please refer to the announcement of the Company dated 28 July 2022.

(iii) Tenancy Agreements of Mongkok Shop:

Mongkok Shop Premises 1

On 26 October 2022 (after trading hours), Major Will Limited (a wholly-owned subsidiary of the Company) as tenant finalised the terms with Paradon Investment Limited as landlord to enter a tenancy agreement for operation of retail store of retail business of the Group (the "Tenancy Agreement of Mongkok Shop Premises 1").

Principal terms of Tenancy Agreement of Mongkok Shop Premises 1:

Effective date: 1 January 2023

Parties: (i) Paradon Investment Limited as landlord; and

(ii) Major Will Limited as tenant.

The landlord is a company incorporated in Hong Kong and principally engaged in investment holding.

	To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, the landlord and its respective ultimate beneficial owners (Ms. Leung Choi King and Mr. Ho Kwok Sum) are the Independent Third Parties.
Premises 1:	Shop No. 1 on Ground Floor, Kar Wong Building, Nos. 639, 641, 641A, 643 & 645, Shanghai Street and No. 1H Fife Street, Kowloon
Term:	Two years from 1 January 2023 to 31 December 2024 (both days inclusive)
The aggregate value of consideration payable:	Not less than HK$2,070,000, being the monthly basic rental in aggregate for the term of two years (exclusive of rates, air-conditioning and management charges, promotion levy and all other outgoings). Tenant shall pay the lease payment on monthly basis by internal resources.

Mongkok Shop Premises 2

On 26 October 2022 (after trading hours), Major Will Limited (a wholly-owned subsidiary of the Company) as tenant finalised the terms with Oceancity Development Limited as landlord to enter a tenancy agreement for operation of retail store of retail business of the Group (the "Tenancy Agreement of Mongkok Shop Premises 2").

Principal terms of Tenancy Agreement of Mongkok Shop Premises 2:

Effective date:	1 January 2023
Parties:	(i) Oceancity Development Limited as landlord; and (ii) Major Will Limited as tenant. The landlord is a company incorporated in Hong Kong and principally engaged in investment holding. To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, the landlord and its respective ultimate beneficial owners (Ms. Leung Choi King and Mr. Ho Kwok Sum) are the Independent Third Parties.

Premises 2:	Shop No. 2 on Ground Floor, Kar Wong Building, Nos. 639, 641, 641A, 643 & 645, Shanghai Street and No. 1H Fife Street, Kowloon
Term:	Two years from 1 January 2023 to 31 December 2024 (both days inclusive)
The aggregate value of consideration payable:	Not less than HK$2,070,000, being the monthly basic rental in aggregate for the term of two years (exclusive of rates, air-conditioning and management charges, promotion levy and all other outgoings). Tenant shall pay the lease payment on monthly basis by internal resources.

<u>Reasons for and benefits of Tenancy Agreement of Mongkok Shop Premises 1 and Tenancy Agreement of Mongkok Shop Premises 2:</u>

Due to nature of its retail business in Hong Kong, the Group has to enter into tenancy agreements for leasing of retail stores from time to time. It would be beneficial to lease the said premises as it can create synergies with the Group's existing retail network. It will also enable the Group to expand its retail network and lay the foundation for future growth in the long term.

The terms of Tenancy Agreement of Mongkok Shop Premises 1 and Tenancy Agreement of Mongkok Shop Premises 2 (including the rental charge) were determined after arm's length negotiations between the parties and with reference to the open market rent of comparable properties in the nearby districts and the rental payment made by the Group under the existing tenancy agreements. The Board considers that the terms of Tenancy Agreement of Mongkok Shop Premises 1 and Tenancy Agreement of Mongkok Shop Premises 2 were entered into on normal commercial terms, in the ordinary and usual course of business of the Group and are fair and reasonable and in the interests of the Company and the shareholders as a whole.

<u>Implications under the GEM Listing Rules of Tenancy Agreement of Mongkok Shop Premises 1 and Tenancy Agreement of Mongkok Shop Premises 2:</u>

In accordance with HKFRS 16 "Lease", the Company recognises the value of the right-of-use assets on its consolidated statement of financial position in connection with the lease of the premises. Accordingly, the Tenancy Agreement of Mongkok Shop Premises 1 and Tenancy Agreement of Mongkok Shop Premises 2 are regarded as acquisitions of assets by the Group for the purpose of the GEM Listing Rules.

As the applicable percentage ratios (as defined under Rule 19.07 of the GEM Listing Rules) for the lease transaction contemplated under the Renewal of Tenancy Agreement of Mongkok Shop Premises 1 and Tenancy Agreement of Mongkok Shop Premises 2 exceed 5% but are below 25%, such transactions constitute discloseable transactions of the Company, and are subject to reporting and announcement requirements but exempt from shareholders' approval requirement.

For details, please refer to the announcement of the Company dated 26 October 2022.

(iv) Renewal of Tenancy Agreement of Shatin Shop 103:

On 6 January 2023 (after trading hours), Good Harvest Surplus Limited (a wholly-owned subsidiary of the Company) as tenant has finalised the renewal terms with Sun Hung Kai Real Estate (Sales and Leasing) Agency Limited as agent for the owner to renew the existing tenancy agreement for operation of retail business of the Group (the "Renewal of Tenancy Agreement of Shatin Shop 103").

Principal terms of Renewal of Tenancy Agreement of Shatin Shop 103:

Effective date: 18 January 2023

Parties:

(i) Sun Hung Kai Real Estate (Sales and Leasing) Agency Limited, as agent for the owner; and

(ii) Good Harvest Surplus Limited as tenant.

The agent for the owner is a company incorporated in Hong Kong, principally engaged in property leasing and is a wholly-owned subsidiary of Sun Hung Kai Properties Limited, the shares of which are listed on the Main Board of Stock Exchange (stock code: 16). Sun Hung Kai Properties Limited is also the ultimate owner of the premises.

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, the agent for the owner, the ultimate owner of the premises and their respective ultimate beneficial owners are the Independent Third Parties.

Premises:	Shop No. 103 on level 1 of 138 Shatin Rural Committee Road, Shatin, New Territories, Hong Kong
Term:	Two years from 18 January 2023 to 17 January 2025 (both days inclusive)
The aggregate value of consideration payable:	Not less than approximately HK$1,984,000, being the monthly rental in aggregate for the term of two years (exclusive of rates, air-conditioning and management charges, promotion levy and all other outgoings). Tenant shall pay the lease payment on monthly basis by internal resources. The tenant is also subject to monthly additional turnover rental, being an amount by which 10% of the monthly gross receipt(s) of the tenant's business at the said premises during and for the rental payable month (without any deduction) exceeds the basic rental.

Reasons for and benefits of Renewal of Tenancy Agreement of Shatin Shop 103:

Due to nature of its retail business in Hong Kong, the Group has to enter into tenancy agreements for leasing of retail stores from time to time. It would be beneficial to lease the said premises as it will enable the Group to secure its stable operation at the said premises without incurring additional costs and expenses in identifying, renovating and relocating to other retail store and ensure that there will be no disruption to the operations, business and growth of the Group.

The terms of Renewal of Tenancy Agreement of Shatin Shop 103 (including the rental charge) were determined after arm's length negotiations between the parties and with reference to the open market rent of comparable properties in the nearby districts and the rental payment made by the Group under the existing tenancy agreement. The Board considers that the terms of Renewal of Tenancy Agreement of Shatin Shop 103 were entered into on normal commercial terms, in the ordinary and usual course of business of the Group and are fair and reasonable and in the interests of the Company and the shareholders as a whole.

Implications under the GEM Listing Rules of Renewal of Tenancy Agreement of Shatin Shop 103:

In accordance with HKFRS 16 "Lease", the Company recognises the value of the right-of-use assets on its consolidated statement of financial position in connection with the lease of the premises. Accordingly, the Renewal of Tenancy Agreement of Shatin Shop 103 is regarded as acquisitions of assets by the Group for the purpose of the GEM Listing Rules.

As the applicable percentage ratios (as defined under Rule 19.07 of the GEM Listing Rules) for the lease transaction contemplated under the Renewal of Tenancy Agreement of Shatin Shop 103 exceed 5% but are below 25%, such transaction constitutes a discloseable transaction of the Company, and is subject to reporting and announcement requirements but exempt from shareholders' approval requirement.

For details, please refer to the announcement of the Company dated 6 January 2023.

(v) Renewal of Tenancy Agreement of Morrison Shop 20:

On 11 January 2023 (after trading hours), Element Lighting Design Limited (a wholly-owned subsidiary of the Company) as tenant has finalised the renewal terms with Knight Frank (Service) Limited as the attorney of the owner to renew the existing tenancy agreement for operation of retail business of the Group (the "Renewal of Tenancy Agreement of Morrison Shop 20").

<u>Principal terms of Renewal of Tenancy Agreement of Morrison Shop 20:</u>

Effective date: 1 March 2023

Parties:

(i) Knight Frank (Service) Limited as attorney of the owner; and

(ii) Element Lighting Design Limited as tenant.

The attorney for the owner is a company incorporated in Hong Kong and principally engaged in provision of nominee service.

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, the attorney of the owner and its respective ultimate beneficial owners are the Independent Third Parties.

The owner is Chi Hong Ching Yuen Limited, a company limited by guarantee without a share capital incorporated in Hong Kong and is an approved charitable organization. The principal activities of the owner are the promotion of Buddhism and related matters as well as operating the Chi Hong Primary School and properties holding.

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, the founder members of the owner are Sik Chee Hoi, Sik Sui Tung, Sik Sui Yung, Sik Sui Cheung, Sik Sui Hang, Sik Chun Ming and Lum Ling Chun, all of whom are Independent Third Parties.

Premises:	Shop B1, 20-30 Morrison Hill Road, Hong Kong
Term:	Two years from 1 March 2023 to 28 February 2025 (both days inclusive)
The aggregate value of consideration payable:	Not less than approximately HK$1,728,000, being the monthly rental in aggregate for the term of two years (exclusive of rates, air-conditioning and management charges, promotion levy and all other outgoings). Tenant shall pay the lease payment on monthly basis by internal resources.

<u>Reasons for and benefits of Renewal of Tenancy Agreement of Morrison Shop 20:</u>

Due to nature of its retail business in Hong Kong, the Group has to enter into tenancy agreements for leasing of retail stores from time to time. It would be beneficial to lease the said premises as it will enable the Group to secure its stable operation at the said premises without incurring additional costs and expenses in identifying, renovating and relocating to other retail store and ensure that there will be no disruption to the operations, business and growth of the Group.

The terms of Renewal of Tenancy Agreement of Morrison Shop 20 (including the rental charge) were determined after arm's length negotiations between the parties and with reference to the open market rent of comparable properties in the nearby districts and the rental payment made by the Group under the existing tenancy agreement. The Board considers that the terms of Renewal of Tenancy Agreement of Morrison Shop 20 were entered into on normal commercial terms, in the ordinary and usual course of business of the Group and are fair and reasonable and in the interests of the Company and the shareholders as a whole.

<u>Implications under the GEM Listing Rules of Renewal of Tenancy Agreement of Morrison Shop 20:</u>

In accordance with HKFRS 16 "Lease", the Company recognises the value of the right-of-use assets on its consolidated statement of financial position in connection with the lease of the premises. Accordingly, the Renewal of Tenancy Agreement of Morrison Shop 20 is regarded as acquisitions of assets by the Group for the purpose of the GEM Listing Rules.

As the applicable percentage ratios (as defined under Rule 19.07 of the GEM Listing Rules) for the lease transaction contemplated under the Renewal of Tenancy Agreement of Morrison Shop 20 exceed 5% but are below 25%, such transaction constitutes a discloseable transaction of the Company, and is subject to reporting and announcement requirements but exempt from shareholders' approval requirement.

For details, please refer to the announcement of the Company dated 11 January 2023.

(vi) Renewal of Tenancy Agreement of Shatin Shop 345:

On 17 January 2023 (after trading hours), 228 Inc Limited (a wholly-owned subsidiary of the Company) as tenant has finalised the renewal terms with Sun Hung Kai Real Estate (Sales and Leasing) Agency Limited as agent for the owner to renew the existing tenancy agreement for operation of retail business of the Group (the "Renewal of Tenancy Agreement of Shatin Shop 345").

Principal terms of Renewal of Tenancy Agreement of Shatin Shop 345:

Effective date:	14 February 2023
Parties:	(i) Sun Hung Kai Real Estate (Sales and Leasing) Agency Limited, as agent for the owner; and (ii) 228 Inc Limited as tenant. The agent for the owner is a company incorporated in Hong Kong, principally engaged in property leasing and is a wholly-owned subsidiary of Sun Hung Kai Properties Limited, the shares of which are listed on the Main Board of Stock Exchange (stock code: 16). Sun Hung Kai Properties Limited is also the ultimate owner of the premises. To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, the agent for the owner, the ultimate owner of the premises and their respective ultimate beneficial owners are the Independent Third Parties.
Premises:	Shop No. 345 on level 3 of 138 Shatin Rural Committee Road, Shatin, New Territories, Hong Kong
Term:	Two years from 14 February 2023 to 13 February 2025 (both days inclusive)

The aggregate value of consideration payable:	Not less than approximately HK$1,917,000, being the monthly rental in aggregate for the term of two years (exclusive of rates, air-conditioning and management charges, promotion levy and all other outgoings). Tenant shall pay the lease payment on monthly basis by internal resources. The tenant is also subject to monthly additional turnover rental, being an amount by which 15% of the monthly gross receipt(s) of the tenant's business at the said premises during and for the rental payable month (without any deduction) exceeds the basic rental.

Reasons for and benefits of Renewal of Tenancy Agreement of Shatin Shop 345:

Due to nature of its retail business in Hong Kong, the Group has to enter into tenancy agreements for leasing of retail stores from time to time. It would be beneficial to lease the said premises as it will enable the Group to secure its stable operation at the said premises without incurring additional costs and expenses in identifying, renovating and relocating to other retail store and ensure that there will be no disruption to the operations, business and growth of the Group.

The terms of Renewal of Tenancy Agreement of Shatin Shop 345 (including the rental charge) were determined after arm's length negotiations between the parties and with reference to the open market rent of comparable properties in the nearby districts and the rental payment made by the Group under the existing tenancy agreement. The Board considers that the terms of Renewal of Tenancy Agreement of Shatin Shop 345 were entered into on normal commercial terms, in the ordinary and usual course of business of the Group and are fair and reasonable and in the interests of the Company and the shareholders as a whole.

Implications under the GEM Listing Rules of Renewal of Tenancy Agreement of Shatin Shop 345:

In accordance with HKFRS 16 "Lease", the Company recognises the value of the right-of-use assets on its consolidated statement of financial position in connection with the lease of the premises. Accordingly, the Renewal of Tenancy Agreement of Shatin Shop 345 is regarded as acquisitions of assets by the Group for the purpose of the GEM Listing Rules.

As the applicable percentage ratios (as defined under Rule 19.07 of the GEM Listing Rules) for the lease transaction contemplated under the Renewal of Tenancy Agreement of Shatin Shop 345 exceed 5% but are below 25%, such transaction constitutes a discloseable transaction of the Company, and is subject to reporting and announcement requirements but exempt from shareholders' approval requirement.

For details, please refer to the announcement of the Company dated 17 January 2023.

(vii) Renewal of Tenancy Agreement of Shatin Shop 336:

On 15 February 2023 (after trading hours), Central Sky Holdings Limited (a wholly-owned subsidiary of the Company) as tenant has finalised the renewal terms with Sun Hung Kai Real Estate (Sales and Leasing) Agency Limited as agent for the owner to renew the existing tenancy agreement for operation of retail business of the Group (the "Renewal of Tenancy Agreement of Shatin Shop 336").

Principal terms of Renewal of Tenancy Agreement of Shatin Shop 336:

Effective date:	20 March 2023
Parties:	(i) Sun Hung Kai Real Estate (Sales and Leasing) Agency Limited, as agent for the owner; and (ii) Central Sky Holdings Limited as tenant. The agent for the owner is a company incorporated in Hong Kong, principally engaged in property leasing and is a wholly-owned subsidiary of Sun Hung Kai Properties Limited, the shares of which are listed on the Main Board of Stock Exchange (stock code: 16). Sun Hung Kai Properties Limited is also the ultimate owner of the premises. To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, the agent for the owner, the ultimate owner of the premises and their respective ultimate beneficial owners are the Independent Third Parties.
Premises:	Shop No. 336 on level 3 of 138 Shatin Rural Committee Road, Shatin, New Territories, Hong Kong
Term:	Two years from 20 March 2023 to 19 March 2025 (both days inclusive)

The aggregate value of consideration payable:	Not less than approximately HK$3,307,000, being the monthly rental in aggregate for the term of two years (exclusive of rates, air-conditioning and management charges, promotion levy and all other outgoings). Tenant shall pay the lease payment on monthly basis by internal resources. The tenant is also subject to monthly additional turnover rental, being an amount by which 15% of the monthly gross receipt(s) of the tenant's business at the said premises during and for the rental payable month (without any deduction) exceeds the basic rental.

Reasons for and benefits of Renewal of Tenancy Agreement of Shatin Shop 336:

Due to nature of its retail business in Hong Kong, the Group has to enter into tenancy agreements for leasing of retail stores from time to time. It would be beneficial to lease the said premises as it will enable the Group to secure its stable operation at the said premises without incurring additional costs and expenses in identifying, renovating and relocating to other retail store and ensure that there will be no disruption to the operations, business and growth of the Group.

The terms of Renewal of Tenancy Agreement of Shatin Shop 336 (including the rental charge) were determined after arm's length negotiations between the parties and with reference to the open market rent of comparable properties in the nearby districts and the rental payment made by the Group under the existing tenancy agreement. The Board considers that the terms of Renewal of Tenancy Agreement of Shatin Shop 336 were entered into on normal commercial terms, in the ordinary and usual course of business of the Group and are fair and reasonable and in the interests of the Company and the shareholders as a whole.

Implications under the GEM Listing Rules of Renewal of Tenancy Agreement of Shatin Shop 336:

In accordance with HKFRS 16 "Lease", the Company recognises the value of the right-of-use assets on its consolidated statement of financial position in connection with the lease of the premises. Accordingly, the Renewal of Tenancy Agreement of Shatin Shop 336 is regarded as acquisitions of assets by the Group for the purpose of the GEM Listing Rules.

As the applicable percentage ratios (as defined under Rule 19.07 of the GEM Listing Rules) for the lease transaction contemplated under the Renewal of Tenancy Agreement of Shatin Shop 336 exceed 5% but are below 25%, such transaction constitutes a discloseable transaction of the Company, and is subject to reporting and announcement requirements but exempt from shareholders' approval requirement.

For details, please refer to the announcement of the Company dated 15 February 2023.

(viii) Renewal of Tenancy Agreement of Morrison Shop 48:

On 8 March 2023 (after trading hours), RS Holdings Limited (a wholly-owned subsidiary of the Company) as tenant has finalised the renewal terms with Mori Investments Limited as landlord to renew the existing tenancy agreement for operation of retail business of the Group (the "Renewal of Tenancy Agreement of Morrison Shop 48").

Principal terms of Renewal of Tenancy Agreement of Morrison Shop 48:

Effective date:	7 May 2023
Parties:	(i) Mori Investments Limited as landlord; and (ii) RS Holdings Limited as tenant. The landlord is a company incorporated in Hong Kong and principally engaged in property investment. The landlord is a wholly-owned subsidiary of Emperor International Holdings Limited, the shares of which are listed on the Main Board of Stock Exchange (stock code: 163). To the best of the Directors' knowledge, information and belief having made all reasonable enquiries the landlord of the premises and its respective ultimate beneficial owner(s) are the Independent Third Parties.
Premises:	Shop on G/F, 48 Morrison Hill Road, Hong Kong
Term:	Two years from 7 May 2023 to 6 May 2025 (both days inclusive)
The aggregate value of consideration payable:	Not less than approximately HK$1,452,000, being the monthly rental in aggregate for the term of two years (exclusive of rates, air-conditioning and management charges, promotion levy and all other outgoings). Tenant shall pay the lease payment on monthly basis by internal resources.

Reasons for and benefits of Renewal of Tenancy Agreement of Morrison Shop 48:

Due to nature of its retail business in Hong Kong, the Group has to enter into tenancy agreements for leasing of retail stores from time to time. It would be beneficial to lease the said premises as it will enable the Group to secure its stable operation at the said premises without incurring additional costs and expenses in identifying, renovating and relocating to other retail store and ensure that there will be no disruption to the operations, business and growth of the Group.

The terms of Renewal of Tenancy Agreement of Morrison Shop 48 (including the rental charge) were determined after arm's length negotiations between the parties and with reference to the open market rent of comparable properties in the nearby districts and the rental payment made by the Group under the existing tenancy agreement. The Board considers that the terms of Renewal of Tenancy Agreement of Morrison Shop 48 were entered into on normal commercial terms, in the ordinary and usual course of business of the Group and are fair and reasonable and in the interests of the Company and the shareholders as a whole.

Implications under the GEM Listing Rules of Renewal of Tenancy Agreement of Morrison Shop 48:

In accordance with HKFRS 16 "Lease", the Company recognises the value of the right-of-use assets on its consolidated statement of financial position in connection with the lease of the premises. Accordingly, the Renewal of Tenancy Agreement of Morrison Shop 48 is regarded as acquisitions of assets by the Group for the purpose of the GEM Listing Rules.

As the applicable percentage ratios (as defined under Rule 19.07 of the GEM Listing Rules) for the lease transaction contemplated under the Renewal of Tenancy Agreement of Morrison Shop 48 exceed 5% but are below 25%, such transaction constitutes a discloseable transaction of the Company, and is subject to reporting and announcement requirements but exempt from shareholders' approval requirement.

For details, please refer to the announcement of the Company dated 8 March 2023.

Save as otherwise disclosed, there were neither significant investments held as at 31 March 2023 nor material acquisitions and disposals of subsidiaries during the Financial Year.

FUTURE PLANS FOR MATERIAL INVESTMENTS OR CAPITAL ASSETS

(i) Renewal of Tenancy Agreement of Tsuen Wan Shop:

On 2 May 2023 (after trading hours), Lighting Connected Limited (a wholly-owned subsidiary of the Company) as tenant has finalised the renewal terms with CDW Building Limited as landlord to renew the existing tenancy agreement for operation of retail business of the Group (the "Renewal of Tenancy Agreement of Tsuen Wan Shop").

Principal terms of Renewal of Tenancy Agreement of Tsuen Wan Shop:

Effective date:	22 June 2023
Parties:	(i) CDW Buildings Limited as landlord; and (ii) Lighting Connected Limited as tenant. The landlord is a company incorporated in Hong Kong and principally engaged in property investment. The landlord is a wholly-owned subsidiary of HKR International Limited, the shares of which are listed on the Main Board of Stock Exchange (stock code: 480). To the best of the Directors' knowledge, information and belief having made all reasonable enquiries the landlord of the premises and its respective ultimate beneficial owner(s) are the Independent Third Parties.
Premises:	Shop No. 310 of 3rd Floor, CDW Building, 388 Castle Peak Road, Tsuen Wan, Hong Kong
Term:	Three years from 22 June 2023 to 21 June 2026 (both days inclusive)
The aggregate value of consideration payable:	Not less than approximately HK$1,150,000, being the monthly rental in aggregate for the term of three years (exclusive of rates, air-conditioning and management charges, promotion levy and all other outgoings). Tenant shall pay the lease payment on monthly basis by internal resources.

Reasons for and benefits of Renewal of Tenancy Agreement of Tsuen Wan Shop:

Due to nature of its retail business in Hong Kong, the Group has to enter into tenancy agreements for leasing of retail stores from time to time. It would be beneficial to lease the said premises as it will enable the Group to secure its stable operation at the said premises without incurring additional costs and expenses in identifying, renovating and relocating to other retail store and ensure that there will be no disruption to the operations, business and growth of the Group.

The terms of Renewal of Tenancy Agreement of Tsuen Wan Shop (including the rental charge) were determined after arm's length negotiations between the parties and with reference to the open market rent of comparable properties in the nearby districts and the rental payment made by the Group under the existing tenancy agreement. The Board considers that the terms of Renewal of Tenancy Agreement of Tsuen Wan Shop were entered into on normal commercial terms, in the ordinary and usual course of business of the Group and are fair and reasonable and in the interests of the Company and the shareholders as a whole.

Implications under the GEM Listing Rules of Renewal of Tenancy Agreement of Tsuen Wan Shop:

In accordance with HKFRS 16 "Lease", the Company recognises the value of the right-of-use assets on its consolidated statement of financial position in connection with the lease of the premises. Accordingly, the Renewal of Tenancy Agreement of Tsuen Wan Shop is regarded as acquisitions of assets by the Group for the purpose of the GEM Listing Rules.

As the applicable percentage ratios (as defined under Rule 19.07 of the GEM Listing Rules) for the lease transaction contemplated under the Renewal of Tenancy Agreement of Tsuen Wan Shop exceed 5% but are below 25%, such transaction constitutes a discloseable transaction of the Company, and is subject to reporting and announcement requirements but exempt from shareholders' approval requirement.

For details, please refer to the announcement of the Company dated 2 May 2023.

(ii) Renewal of Tenancy Agreement of Kowloon Bay Shop:

On 5 June 2023 (after trading hours), Urban Lifestyle Limited (a wholly-owned subsidiary of the Company) as tenant has finalised the renewal terms with MegaBox Development Company Limited as landlord to renew the existing tenancy agreement for operation of retail business of the Group (the "Renewal of Tenancy Agreement of Kowloon Bay Shop").

Principal terms of Renewal of Tenancy Agreement of Kowloon Bay Shop:

Effective date:	23 June 2023
Parties:	(i) MegaBox Development Company Limited as landlord; and (ii) Urban Lifestyle Limited as tenant. The landlord is a company incorporated in Hong Kong and principally engaged in property investment. The landlord is a wholly-owned subsidiary of Kerry Properties Limited, the shares of which are listed on the Main Board of Stock Exchange (stock code: 683). To the best of the Directors' knowledge, information and belief having made all reasonable enquiries the landlord of the premises and its respective ultimate beneficial owner(s) are the Independent Third Parties.
Premises:	Unit 6 on Level 5 of MegaBox, Enterprise Square Five, 38 Wang Chiu Road, Kowloon Bay, Kowloon, Hong Kong
Term:	Two years from 23 June 2023 to 22 June 2025 (both days inclusive)
The aggregate value of consideration payable:	Not less than approximately HK$1,992,000, being the monthly rental in aggregate for the term of two years (exclusive of rates, air-conditioning and management charges, promotion levy and all other outgoings). Tenant shall pay the lease payment on monthly basis by internal resources. The tenant is also subject to monthly additional turnover rental, being an amount by which 15% of the monthly gross receipt(s) of the tenant's business at the said premises during and for the rental payable month (without any deduction) exceeds the basic rental.

Reasons for and benefits of Renewal of Tenancy Agreement of Kowloon Bay Shop:

Due to nature of its retail business in Hong Kong, the Group has to enter into tenancy agreements for leasing of retail stores from time to time. It would be beneficial to lease the said premises as it will enable the Group to secure its stable operation at the said premises without incurring additional costs and expenses in identifying, renovating and relocating to other retail store and ensure that there will be no disruption to the operations, business and growth of the Group.

The terms of Renewal of Tenancy Agreement of Kowloon Bay Shop (including the rental charge) were determined after arm's length negotiations between the parties and with reference to the open market rent of comparable properties in the nearby districts and the rental payment made by the Group under the existing tenancy agreement. The Board considers that the terms of Renewal of Tenancy Agreement of Kowloon Bay Shop were entered into on normal commercial terms, in the ordinary and usual course of business of the Group and are fair and reasonable and in the interests of the Company and the shareholders as a whole.

Implications under the GEM Listing Rules of Renewal of Tenancy Agreement of Kowloon Bay Shop:

In accordance with HKFRS 16 "Lease", the Company recognises the value of the right-of-use assets on its consolidated statement of financial position in connection with the lease of the premises. Accordingly, the Renewal of Tenancy Agreement of Kowloon Bay Shop is regarded as acquisitions of assets by the Group for the purpose of the GEM Listing Rules.

As the applicable percentage ratios (as defined under Rule 19.07 of the GEM Listing Rules) for the lease transaction contemplated under the Renewal of Tenancy Agreement of Kowloon Bay Shop exceed 5% but are below 25%, such transaction constitutes a discloseable transaction of the Company, and is subject to reporting and announcement requirements but exempt from shareholders' approval requirement.

For details, please refer to the announcement of the Company dated 5 June 2023.

Save as otherwise disclosed, there is no plan for material investments or capital assets as at the date of this announcement.

LIQUIDITY AND FINANCIAL RESOURCES

As at 31 March 2023, the Group had cash and bank balances of approximately HK$9,938,000 (2022: HK$13,855,000). The gearing ratio of the Group, calculated as total bank borrowings over total equity, was nil as at 31 March 2023 (2022: Nil), as the Group mainly financed the operations from internally generated funds and had no bank borrowings as at 31 March 2023 (2022: Nil).

The Group closely monitors the cash flow position to ensure that the Group has sufficient working capital available to fulfill its operational requirement. The Group takes into account the trade receivables, trade payables, cash and bank balances, administrative and capital expenditures to prepare cash flow forecast to forecast the Group's future liquidity.

TREASURY POLICIES

The Group adopts a conservative treasury policy. As financial management, sales proceed is immediately deposit to reputable and creditworthy banks to ensure security, liquidity and for meeting future funding requirements.

CAPITAL STRUCTURE

The capital of the Group comprises only ordinary shares. As at 31 March 2023, there were 451,035,713 ordinary shares in issue.

Total equity attributable to the owners of the Company amounted to approximately HK$20,200,000 as at 31 March 2023 (2022: HK$27,045,000).

CONTINGENT LIABILITIES

As at 31 March 2023, save as otherwise disclosed, the Group did not have any material contingent liabilities (2022: Nil).

FOREIGN CURRENCY RISK

The Group undertakes certain purchase transactions denominated in Hong Kong dollar, Euro, United States dollar and Renminbi, hence exposure to exchange rate fluctuations arises. We are mainly exposed to foreign exchange fluctuation of the Euro and Renminbi against Hong Kong dollar, as Hong Kong dollar is pegged to United States dollar. The Group currently does not have a foreign currency hedging policy. However, the management of the Group monitors foreign exchange exposure and will consider hedging significant foreign currency exposure should the need arises. The Directors are of the view that the transactional exposure of the Group in currencies other than the functional currencies is maintained at an acceptable level.

CHARGES ON GROUP ASSETS

As at 31 March 2023, there was no charges on the Group's assets (2022: Nil).

CAPITAL COMMITMENTS

As at 31 March 2023, the Group did not have any significant capital commitments (2022: Nil).

DIVIDEND

The Board does not recommend the payment of any dividend for the Financial Year (2022: Nil).

EMPLOYEE INFORMATION

Total remuneration of the Group for the Financial Year (including (i) Directors' emoluments, (ii) salaries to staff and (iii) MPF contributions) was approximately HK$20,212,000 (2022: HK$19,115,000).

As at 31 March 2023, the Group had 46 employees (2022: 50 employees).

REMUNERATION POLICIES

The remuneration payable to the employees includes salaries and allowances. The Group's remuneration policies are formulated based on the performance of individual employees and are reviewed regularly. Subject to the Group's profitability, the Group may also provide a discretionary bonus to employees as an incentive for their contribution to the Group.

CORPORATE GOVERNANCE AND OTHER INFORMATION

Corporate Governance Practices

The Company is committed to achieving high standards of corporate governance to safeguard the interests of the shareholders of the Company and enhance its corporate value. The Company's corporate governance practices are based on the principles and code provisions as set out in part 2 of the Corporate Governance Code in Appendix 15 to the GEM Listing Rules (the "CG Code"). To the best knowledge of the Board, the Company has complied with the code provisions in the CG Code during the Financial Year.

Directors' Securities Transactions

The Company has adopted a code of conduct for dealing in securities of the Company by the Directors in accordance with the required standard of dealings as set out in the Rules 5.48 to 5.67 of the GEM Listing Rules (the "Required Standard of Dealings"). The Company has made specific enquiries with all Directors and the Directors confirmed that they have complied with the Required Standard of Dealings and the code of conduct for dealing in securities of the Company during the Financial Year.

Purchase, Sale or Redemption of the Company's Listed Securities

Neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities during the Financial Year.

Directors' and Chief Executives' Interests and Short Positions in Shares, Underlying Shares and Debentures of the Company or any Associated Corporations

As at 31 March 2023, the interests and short positions of the Directors and the chief executives of the Company (the "Chief Executives") in the shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance ("SFO")), as recorded in the register required to be kept under section 352 of the SFO, or as otherwise notified to the Company and the Stock Exchange pursuant to the Required Standard of Dealings were as follows:

Long positions in ordinary shares of the Company

Name	**Capacity/Nature of interests**	**Number of securities**	**Approximate percentage of shareholding**
Mr. Hui Kwok Keung Raymond	Interest in controlling corporation	210,000,000 *(Note)*	46.56%
Mr. Hue Kwok Chiu	Beneficial Owner	45,000,000	9.98%

Note:

These shares are held by Time Prestige Ventures Limited, a company wholly-owned by Mr. Hui Kwok Keung Raymond.

Save as disclosed above, as at 31 March 2023, none of the Directors or the Chief Executives had any interests or short positions in the shares, underlying shares or debentures of the Company or any of its associated corporations as recorded in the register required to be kept under section 352 of the SFO, or as otherwise notified to the Company and the Stock Exchange pursuant to the Required Standard of Dealings.

Substantial Shareholders' and Other Persons' Interests and Short Positions in the Shares and Underlying Shares of the Company

As at 31 March 2023, to the best of the knowledge of the Directors and the Chief Executives and based on the public records filed on the website of the Stock Exchange and records kept by the Company, the interests and short positions of the persons or corporations (other than the Directors and the Chief Executives) in the shares or underlying shares of the Company as recorded in the register required to be kept under section 336 of the SFO were as follows:

Long positions in ordinary shares of the Company

Name	Capacity/Nature of interests	Number of securities	Approximate percentage of shareholding
Time Prestige Ventures Limited	Beneficial Owner	210,000,000	46.56%
Ms. Ng Hiu Ying *(Note)*	Interest of spouse	45,000,000	9.98%

Note:

Ms. Ng Hiu Ying is the spouse of Mr. Hue Kwok Chiu. Under the SFO, Ms. Ng Hiu Ying is deemed to be interested in the same number of shares in which Mr. Hue Kwok Chiu is interested.

Save as disclosed above, as at 31 March 2023, no person or corporation (other than the Directors and the Chief Executives) who had any interests or short positions in the shares or underlying shares of the Company were recorded in the register required to be kept by the Company under section 336 of the SFO.

Share Option Scheme

The purpose of the share option scheme is to attract and retain the best available personnel, to provide additional incentive to employees (full-time and part-time), directors, consultants, advisers, distributors, contractors, suppliers, agents, customers, business partners or service providers of the Group (the "Eligible Participants") and to promote the success of the business of the Group.

The Company conditionally adopted a share option scheme (the "Scheme") on 11 September 2014 whereby the Board is authorised, at its absolute discretion and subject to the terms of the Scheme, to grant options to the Eligible Participants to subscribe for the shares of the Company. The Scheme will be valid and effective for a period of ten years commencing from the date of adoption of the Scheme.

At the beginning and the end of the Financial Year, the number of options available for grant under the Share Option Scheme is 40,000,000 shares. As at the date of this announcement, the total number of shares available for issue under the Scheme is 40,000,000 shares, representing approximately 8.87% of the total number of issued shares of the Company. Since the adoption of the Scheme, no share option has been granted by the Company.

Rights to Acquire Shares or Debentures

Save as disclosed above, at no time during the Financial Year was the Company, or any of its holding companies or any of its subsidiaries a party to any arrangement to enable the Directors and the Chief Executives (including their spouses and children under 18 years of age) to hold any interests or short positions in the shares, or underlying shares, or debentures of the Company or its associated corporations (within the meaning of Part XV of the SFO).

Competing Interests

As at 31 March 2023, none of the Directors, the substantial shareholders of the Company and their respective close associates (as defined in the GEM Listing Rules) has any interests in a business which competes or is likely to compete, either directly or indirectly, with the business of the Group.

Compliance Adviser's Interests

After the completion of the engagement of Ample Capital Limited as the compliance adviser of the Company in compliance with Rule 6A.19 of the GEM Listing Rules on 30 June 2017, the Company did not have compliance adviser.

Audit Committee

The audit committee of the Company (the "Audit Committee") was established by the Board on 11 September 2014 with written terms of reference in compliance with Rules 5.28 and 5.29 of the GEM Listing Rules and code provision C.3.3 of the CG Code. The Audit Committee currently comprises three independent non-executive Directors and is chaired by Mr. Leung Wai Chuen. The other members are Mr. Chung Wai Man and Ms. Wong Long Yan Milka. The primary duties of the Audit Committee are mainly to oversee the relationship with the Company's external auditor, review the Company's financial information and oversee the Company's financial reporting system, risk management and internal control systems.

The Audit Committee had reviewed the consolidated results of the Group for the Financial Year with the management and is of the view that such results complied with the applicable accounting standards, the requirements under the GEM Listing Rules and other applicable legal requirements, and that adequate disclosures had been made.

Sufficiency of Public Float

Based on information that is publicly available to the Company and within the knowledge of the Directors, the Company has maintained a sufficient public float as required by the GEM Listing Rules.

Scope of Work of BDO Limited

The figures in respect of the Group's consolidated statement of financial position, consolidated statement of profit or loss and comprehensive income, consolidated statement of changes in equity and the related notes thereto for the Financial Year as set out in this announcement have been agreed by the Group's auditor, BDO Limited, to the amounts set out in the Group's audited consolidated financial statements for the Financial Year. The work performed by BDO Limited in this respect did not constitute an assurance engagement and consequently no assurance has been expressed by BDO Limited on this announcement.

PUBLICATION OF ANNUAL RESULTS AND ANNUAL REPORT

This announcement is published on the websites of the Stock Exchange (www.hkexnews.hk) and the Company (www.elighting.asia). The annual report of the Company for the year ended 31 March 2023 containing all the information required by the GEM Listing Rules will be dispatched to the Company's shareholders and published on the above websites in due course.

By order of the Board
E Lighting Group Holdings Limited
壹照明集團控股有限公司
Hue Kwok Chiu
Chairman

Hong Kong, 23 June 2023

As at the date of this announcement, the executive Directors are Mr. Hue Kwok Chiu, Mr. Hui Kwok Keung Raymond and Mr. Hui Kwok Wing; the independent non-executive Directors are Mr. Chung Wai Man, Mr. Leung Wai Chuen and Ms. Wong Long Yan Milka.

This announcement will be published on the Stock Exchange's website at www.hkexnews.hk and on the Company's website at www.elighting.asia.