



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

INTERIM RESULTS ANNOUNCEMENT FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2021

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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 six months ended 30 September 2021:

- Revenue was approximately HK\$45,083,000 for the six months ended 30 September 2021, representing an increase of approximately 9.8% as compared with that of the corresponding period in last period, which was mainly due to the Group timely adjusted its product strategies and actively carried out promotion activities and expanded its business.
- The Group recorded a profit of approximately HK\$2,932,000 during the six months ended 30 September 2021.
- Profit per share was approximately HK0.65 cents for the six months ended 30 September 2021.
- The board of Directors does not recommend the payment of any dividend for the six months ended 30 September 2021.

INTERIM RESULTS

The board of Directors (the “Board”) of the Company announces the unaudited consolidated results of the Company and its subsidiaries (collectively referred to as the “Group”) for the six months ended 30 September 2021 (the “Reporting Period”), together with the comparative unaudited figures for the previous corresponding period in 2020 as follows:

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the six months ended 30 September 2021

	Notes	Three months ended 30 September		Six months ended 30 September	
		2021 HK\$'000 (Unaudited)	2020 HK\$'000 (Unaudited)	2021 HK\$'000 (Unaudited)	2020 HK\$'000 (Unaudited)
Revenue	4	24,359	27,471	45,083	41,069
Cost of sales		<u>(10,778)</u>	<u>(14,696)</u>	<u>(20,181)</u>	<u>(21,213)</u>
Gross Profit		13,581	12,775	24,902	19,856
Other income	5	5	1,375	15	3,039
Selling and distribution expenses		(8,004)	(7,167)	(14,458)	(13,225)
Administrative and other expenses		(3,523)	(3,462)	(6,695)	(6,468)
Interest on lease liabilities		<u>(187)</u>	<u>(154)</u>	<u>(380)</u>	<u>(291)</u>
Profit before tax	6	1,872	3,367	3,384	2,911
Income tax expense	8	<u>(269)</u>	<u>(329)</u>	<u>(452)</u>	<u>(254)</u>
Profit and total comprehensive income for the period attributable to the owners of the Company		<u>1,603</u>	<u>3,038</u>	<u>2,932</u>	<u>2,657</u>
Profit per share	10				
- Basic and diluted (HK cents)		<u>0.36</u>	<u>0.67</u>	<u>0.65</u>	<u>0.59</u>

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 September 2021

		As at 30 September 2021 HK\$'000 (Unaudited)	As at 31 March 2021 HK\$'000 (Audited)
Non-current assets			
Property, plant and equipment	11	422	61
Right-of-use assets		15,362	18,129
Rental deposits	12	4,806	3,808
Deferred tax assets		238	238
Total non-current assets		<u>20,828</u>	<u>22,236</u>
Current assets			
Inventories		8,549	7,891
Trade and other receivables	12	6,498	6,290
Cash and bank balances		19,479	17,557
Total current assets		<u>34,526</u>	<u>31,738</u>
Current liabilities			
Trade and other payables	13	8,073	7,355
Contract liabilities		1,672	1,058
Lease liabilities		11,956	11,844
Current tax liabilities		710	258
Total current liabilities		<u>22,411</u>	<u>20,515</u>
Net current assets		<u>12,115</u>	<u>11,223</u>
Total assets less current liabilities		<u>32,943</u>	<u>33,459</u>
Non-current liabilities			
Lease liabilities		5,361	8,809
NET ASSETS		<u>27,582</u>	<u>24,650</u>
EQUITY			
Share capital	14	4,510	4,510
Reserves		23,072	20,140
TOTAL EQUITY		<u>27,582</u>	<u>24,650</u>

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 30 September 2021

	Share capital HK\$'000	Share premium HK\$'000	Other reserve HK\$'000	Accumulated losses HK\$'000	Total equity HK\$'000
As at 1 April 2020 (audited)	4,510	67,066	2	(55,085)	16,493
Profit and total comprehensive income for the period	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,657</u>	<u>2,657</u>
As at 30 September 2020 (unaudited)	<u>4,510</u>	<u>67,066</u>	<u>2</u>	<u>(52,428)</u>	<u>19,150</u>
As at 1 April 2021 (audited)	4,510	67,066	2	(46,928)	24,650
Profit and total comprehensive income for the period	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,932</u>	<u>2,932</u>
As at 30 September 2021 (unaudited)	<u>4,510</u>	<u>67,066</u>	<u>2</u>	<u>(43,996)</u>	<u>27,582</u>

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

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 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 and giftware worldwide.

2. BASIS OF PREPARATION

The unaudited condensed consolidated financial statements of the Group for the Reporting Period have been prepared in accordance with Hong Kong Accounting Standard 34 "Interim Financial Reporting" and all applicable Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards ("HKASs") and Interpretations (hereinafter collectively referred to as the "HKFRSs") and the applicable disclosure requirements of the Hong Kong Companies Ordinance and GEM Listing Rules.

The unaudited condensed consolidated financial statements have been prepared under the historical cost convention. The accounting policies and methods of computation used in the preparation of the unaudited condensed consolidated financial statements are consistent with those used in the annual financial statements of the Group for the year ended 31 March 2021 as set out in the Annual Report 2020/21 of the Company, which have been prepared in accordance with HKFRSs. The unaudited condensed consolidated financial statements should be read in conjunction with the annual financial statements of the Group for the year ended 31 March 2021.

In the current period, the HKICPA has issued a number of new and revised HKFRSs and interpretations that are first effective for the current accounting period of the Group. The Group has adopted all these new and revised HKFRSs and interpretations that are relevant to its operation. The adoption of these new and revised HKFRSs had no significant effects on the results of the Group for the current and prior periods.

The Group has not early adopted the new and revised HKFRSs that have been issued, but are not yet effective for the current period. The Group's current intention is to apply these changes on the date they become effective. The Group is in the process of assessing, where applicable, the potential impact of these new and revised HKFRSs that will be effective in future periods but is not yet in a position to state whether these new and revised HKFRSs would have a material impact on the Group's results of operation.

The preparation of the unaudited condensed consolidated financial statements in conformity with the HKFRSs requires the use of certain critical accounting estimates. It also requires the management to exercise their judgments in the process of applying the Group's accounting policies.

The unaudited condensed consolidated financial statements are presented in Hong Kong dollars ("HK\$"), which is the same as the functional currency of the Company.

The unaudited condensed consolidated financial statements have been reviewed by the Company's audit committee.

3. 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 worldwide

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

For the six months ended 30 September 2021

	Lighting and furniture business HK\$'000 (Unaudited)	Tableware, giftware and other business HK\$'000 (Unaudited)	Total HK\$'000 (Unaudited)
Revenue to external customers	<u>44,862</u>	<u>221</u>	<u>45,083</u>
Reportable segment result	<u>10,531</u>	<u>(72)</u>	<u>10,459</u>
Interest on lease liabilities			(380)
Unallocated corporate expenses (note)			<u>(6,695)</u>
Consolidated profit before tax			<u>3,384</u>

Note : The unallocated corporate expenses mainly consist of rentals for office premises and warehousing facilities, employee costs (including salaries to administrative staff and emoluments to directors) and professional expenses.

3. SEGMENT INFORMATION (Continued)

(a) Business segment (Continued)

For the six months ended 30 September 2020

	Lighting and furniture business HK\$'000 (Unaudited)	Tableware, giftware and other business HK\$'000 (Unaudited)	Total HK\$'000 (Unaudited)
Revenue to external customers	<u>35,543</u>	<u>5,526</u>	<u>41,069</u>
Reportable segment result	<u>7,016</u>	<u>81</u>	<u>7,097</u>
Other income - Government subsidies			2,573
Interest on lease liabilities			(291)
Unallocated corporate expenses (note)			<u>(6,468)</u>
Consolidated profit before tax			<u>2,911</u>

Note : The unallocated corporate expenses mainly consist of rentals for office premises and warehousing facilities, employee costs (including salaries to administrative staff and emoluments to directors) and professional expenses.

(b) Segment assets and liabilities

	As at 30 September 2021 HK\$'000 (Unaudited)	As at 31 March 2021 HK\$'000 (Audited)
Assets		
Lighting and furniture business	52,614	51,223
Tableware, giftware and other business	<u>2,740</u>	<u>2,751</u>
Consolidated total assets	<u>55,354</u>	<u>53,974</u>
Liabilities		
Lighting and furniture business	27,372	29,185
Tableware, giftware and other business	<u>400</u>	<u>139</u>
Consolidated total liabilities	<u>27,772</u>	<u>29,324</u>

4. REVENUE

	Three months ended 30 September		Six months ended 30 September	
	2021 HK\$'000 (Unaudited)	2020 HK\$'000 (Unaudited)	2021 HK\$'000 (Unaudited)	2020 HK\$'000 (Unaudited)
Sales of goods	<u>24,359</u>	<u>27,471</u>	<u>45,083</u>	<u>41,069</u>

5. OTHER INCOME

	Three months ended 30 September		Six months ended 30 September	
	2021 HK\$'000 (Unaudited)	2020 HK\$'000 (Unaudited)	2021 HK\$'000 (Unaudited)	2020 HK\$'000 (Unaudited)
Government subsidies	-	1,064	-	2,493
Other income	<u>5</u>	<u>311</u>	<u>15</u>	<u>546</u>
	<u>5</u>	<u>1,375</u>	<u>15</u>	<u>3,039</u>

6. PROFIT BEFORE TAX

Profit before tax is arrived at after charging:

	Three months ended 30 September		Six months ended 30 September	
	2021 HK\$'000 (Unaudited)	2020 HK\$'000 (Unaudited)	2021 HK\$'000 (Unaudited)	2020 HK\$'000 (Unaudited)
Auditor's remuneration	175	150	350	300
Costs of inventories recognised as expenses	9,258	13,360	17,430	18,956
Depreciation				
- property, plant and equipment	86	74	164	201
- right-of-use assets	3,815	2,120	6,601	5,045
Lease expenses				
- short-term leases	393	600	785	1,118
- variable lease payments	14	2	19	2
Employee costs (note 7)	<u>4,670</u>	<u>4,386</u>	<u>9,022</u>	<u>8,033</u>

7. EMPLOYEE COSTS

	Three months ended 30 September		Six months ended 30 September	
	2021 HK\$'000 (Unaudited)	2020 HK\$'000 (Unaudited)	2021 HK\$'000 (Unaudited)	2020 HK\$'000 (Unaudited)
Employee costs (including directors) comprise:				
Salaries and other benefits	4,498	4,238	8,689	7,748
Contributions to defined contribution retirement plans	172	148	333	285
	4,670	4,386	9,022	8,033

8. INCOME TAX EXPENSES

	Three months ended 30 September		Six months ended 30 September	
	2021 HK\$'000 (Unaudited)	2020 HK\$'000 (Unaudited)	2021 HK\$'000 (Unaudited)	2020 HK\$'000 (Unaudited)
Hong Kong Profits Tax	269	329	452	254

In March 2018, the Hong Kong Government introduced a two-tiered profits tax rates regime by enacting the Inland Revenue (Amendment) (No. 3) Ordinance 2018 (the "Ordinance"). Under the two-tiered profits tax rates regime, the first HK\$2 million of assessable profits of qualifying corporations is taxed at 8.25% and the remaining assessable profits at 16.5%. The Ordinance is effective from the year of assessment 2018/19.

Accordingly, the provision for Hong Kong Profits Tax for each reporting period of the qualified subsidiary is calculated in accordance with the two-tiered profits tax rates and the remaining subsidiaries are calculated at a single tax rate of 16.5%.

9. DIVIDEND

The Board does not recommend payment of any dividend for the six months ended 30 September 2021 (six months ended 30 September 2020: Nil).

10. PROFIT PER SHARE

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

	Three months ended 30 September		Six months ended 30 September	
	2021 HK\$'000 (Unaudited)	2020 HK\$'000 (Unaudited)	2021 HK\$'000 (Unaudited)	2020 HK\$'000 (Unaudited)
Profit:				
Profit for the period for the purpose of calculating basic and diluted profit per share	<u>1,603</u>	<u>3,038</u>	<u>2,932</u>	<u>2,657</u>
	'000 shares	'000 shares	'000 shares	'000 shares
Number of shares:				
Weighted average number of shares for the purpose of calculating basic and diluted profit per share	<u>451,036</u>	<u>451,036</u>	<u>451,036</u>	<u>451,036</u>

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

For the six months ended 30 September 2021 and 2020, diluted profit per share was the same as basic profit per share as there were no dilutive potential ordinary shares outstanding during the six months ended 30 September 2021 and 2020.

11. PROPERTY, PLANT AND EQUIPMENT

During the six months ended 30 September 2021, the Group acquired property, plant and equipment of approximately HK\$525,000 (six months ended 30 September 2020: approximately HK\$2,000).

12. TRADE AND OTHER RECEIVABLES

	As at 30 September 2021 HK\$'000 (Unaudited)	As at 31 March 2021 HK\$'000 (Audited)
Trade receivables	1,252	355
Deposits and other receivables	5,977	6,051
Prepayments	4,075	3,692
	<hr/>	<hr/>
Total	11,304	10,098
Less: non-current – rental deposits	(4,806)	(3,808)
	<hr/>	<hr/>
	6,498	6,290
	<hr/> <hr/>	<hr/> <hr/>

The average credit period on sales of goods is 30 days from invoice date. At the end of reporting period, ageing analysis of the trade receivables (net of impairment losses), based on invoice dates, are as follows:

	As at 30 September 2021 HK\$'000 (Unaudited)	As at 31 March 2021 HK\$'000 (Audited)
Within 30 days	132	185
31 to 90 days	602	117
91 to 180 days	54	29
Over 180 days	464	24
	<hr/>	<hr/>
	1,252	355
	<hr/> <hr/>	<hr/> <hr/>

13. TRADE AND OTHER PAYABLES

	As at 30 September 2021 HK\$'000 (Unaudited)	As at 31 March 2021 HK\$'000 (Audited)
Trade payables	5,176	4,581
Accruals and other payables	2,897	2,774
	<hr/>	<hr/>
	8,073	7,355
	<hr/> <hr/>	<hr/> <hr/>

13. TRADE AND OTHER PAYABLES (Continued)

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, ageing analysis of the trade payables, based on invoice dates, are as follows:

	As at 30 September 2021 HK\$'000 (Unaudited)	As at 31 March 2021 HK\$'000 (Audited)
Within 30 days	1,372	1,714
31 to 60 days	2,230	1,301
61 to 90 days	965	1,268
Over 90 days	609	298
	<u>5,176</u>	<u>4,581</u>

14. SHARE CAPITAL

	Number of ordinary shares	Nominal value of ordinary shares HK\$'000
Authorised: Ordinary shares of HK\$0.01 each as at 31 March 2021 and 30 September 2021	<u>1,000,000,000</u>	<u>10,000</u>
Issued and fully paid: As at 31 March 2021 and 30 September 2021	<u>451,035,713</u>	<u>4,510</u>

All new shares issued rank pari passu in all respects with the then existing shares.

15. CONTINGENT LIABILITIES

As at 30 September 2021 and 31 March 2021, the Group did not have any contingent liabilities.

16. RELATED PARTY TRANSACTIONS

The Group had the following material transactions with its related parties during the Reporting Period.

Compensation of key management personnel

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

	Three months ended 30 September		Six months ended 30 September	
	2021 HK\$'000 (Unaudited)	2010 HK\$'000 (Unaudited)	2021 HK\$'000 (Unaudited)	2010 HK\$'000 (Unaudited)
Salaries and other benefits	1,401	1,278	2,787	2,289
Contributions to defined contribution retirement plans	32	32	63	62
	<u>1,433</u>	<u>1,527</u>	<u>2,850</u>	<u>3,050</u>

MANAGEMENT DISCUSSION AND ANALYSIS

Business Review and Future Outlook

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 Reporting Period, the Group timely adjusted its product strategies and actively carried out promotion activities.

During the Reporting Period, revenue of the retail chain business in lighting and designer label furniture was approximately HK\$44,862,000, accounted for approximately 99.5% 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. The Group has established relevant professional team to carry out actively the international trading of COVID-19 related products. During the Reporting Period, revenue of the tableware, giftware and other business was approximately HK\$221,000, accounted for approximately 0.5% of the Group's revenue.

Future Outlook

With reference to the monthly figures released by the Census and Statistics Department of the Government of the Hong Kong Special Administrative Region (the “Government”), the value of total retail sales stopped decreasing in February 2021 and continued to grow for 8 consecutive months from February 2021 to September 2021 over the previous year. The stable local epidemic and improving employment and income conditions, together with the Consumption Voucher Scheme, should remain supportive to the retail sector in the near term. However, the retail sales volume was still below its pre-pandemic level.

The Directors foresee that the Hong Kong retail market remains challenging, retail market would continue to be affected by the development of local epidemic in the near term. The decline in global infection rates and mass vaccination programs around the world have shed some light on the situation.

The Directors expect a significant recovery when social distancing rules are relaxed. The Directors believe that the electronic Consumption Voucher Scheme organized by the Government will be a catalyst for local consumption in the second half this year. The Group will closely monitor the trend of the business environment, timely adjust its product strategies and actively carry out promotion activities, 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 COVID-19 related products and other international trading 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 Reporting Period, the Group's revenue was approximately HK\$45,083,000, representing an increase of approximately 9.8% from approximately HK\$41,069,000, as compared with that of the corresponding period in last year, which was mainly due to the Group timely adjusted its product strategies and actively carried out promotion activities and expanded its business.

During the Reporting Period, revenue of the retail chain business in lighting and designer label furniture was approximately HK\$44,862,000, representing an increase of approximately 26.2% from approximately HK\$35,543,000 as compared with that of the corresponding period in last year.

During the Reporting Period, revenue of the tableware, giftware and other business was approximately HK\$221,000, representing a decrease of approximately 96.0% from approximately HK\$5,526,000 as compared with that of the corresponding period in last year.

Gross Profit and Gross Profit Margin

During the Reporting Period, the Group's gross profit was approximately HK\$24,902,000, representing an increase of approximately 25.4% from approximately HK\$19,856,000 as compared with that of the corresponding period in last year. The increase was primarily due to increase in sales. During the Reporting Period, the Group's overall gross profit margin was approximately 55.2%.

Selling and Distribution Expenses

During the Reporting Period, the Group's selling and distribution expenses was approximately HK\$14,458,000, representing an increase of approximately 9.3% from approximately HK\$13,225,000 as compared with that of the corresponding period in last year. Selling and distribution expenses primarily consists of rentals for retail outlets and related expenses, staff costs (including salaries and sales commission to salespersons), electronic payment charges and depreciation. The increase was primarily due to increase in staff costs.

Administrative and Other Expenses

During the Reporting Period, the Group's administrative and other expenses was approximately HK\$6,695,000, representing an increase of approximately 3.5% from approximately HK\$6,468,000 as compared with that of the corresponding period in last year. Administrative and other expenses primarily consists of rentals for 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 staff costs.

Profit for the Period

The Group recorded a profit of approximately HK\$2,932,000 during the Reporting Period (six months ended 30 September 2020: profit of approximately HK\$2,657,000).

Dividend

The Board does not recommend the payment of any dividend for the six months ended 30 September 2021 (six months ended 30 September 2020: Nil).

Significant Investments held, Material Acquisitions and Disposals of Subsidiaries

Renewal of Tenancy Agreement of Shatin Shop 335:

On 14 September 2021 (after trading hours), E Lighting Group Limited (a wholly-owned subsidiary of the Company) as tenant finalised the renewal terms with Sun Hung Kai Real Estate (Sales and Leasing) Agency Limited as the agent for the owner to renew the existing tenancy agreement for operation of retail store of retail business of the Group. (“Renewal of Tenancy Agreement of Shatin Shop 335”)

Principal terms of Renewal of Tenancy Agreement of Shatin Shop 335:

Effective date: 1 October 2021

Parties: (i) Sun Hung Kai Real Estate (Sales and Leasing) Agency Limited, as agent for the owner; and
(ii) E Lighting Group 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 parties independent of and not connected with the Company and its connected persons (the “Independent Third Parties”).

Premises: Shop No. 335 on level 3 of 138 Shatin Rural Committee Road, Shatin, New Territories, Hong Kong

Term: Three years from 1 October 2021 to 30 September 2024 (both days inclusive)

The aggregate value of consideration payable: Not less than approximately HK\$5,635,000, being the monthly basic rental in aggregate for the term of three years (exclusive of rates, air-conditioning and management charges, promotion levy and all other outgoings).

The 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 335:

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 335 (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 335 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 335:

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, Renewal of Tenancy Agreement of Shatin Shop 335 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 335 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 14 September 2021.

Save as otherwise disclosed, there were neither significant investments held as at 30 September 2021 nor material acquisitions and disposals of subsidiaries during the Reporting Period.

Future Plans for Material Investments or Capital Assets

Renewal of Tenancy Agreement of Shatin Shop 308:

On 25 October 2021 (after trading hours), Culture Art Limited (a wholly-owned subsidiary of the Company) as tenant finalised the renewal terms with Sun Hung Kai Real Estate (Sales and Leasing) Agency Limited as the agent for the owner to renew the existing tenancy agreement for operation of retail store of retail business of the Group. (“Renewal of Tenancy Agreement of Shatin Shop 308”).

Principal terms of Renewal of Tenancy Agreement of Shatin Shop 308:

Effective date:	3 November 2021
Parties:	(i) Sun Hung Kai Real Estate (Sales and Leasing) Agency Limited, as agent for the owner; and (ii) Culture Art 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 landlord and its respective ultimate beneficial owners are the Independent Third Parties.
Premises:	Shop No. 308 on level 3 of 138 Shatin Rural Committee Road, Shatin, New Territories, Hong Kong
Term:	Two and half years from 3 November 2021 to 2 May 2024 (both days inclusive)
The aggregate value of consideration payable:	Not less than approximately HK\$2,992,000, being the monthly rental in aggregate for the term of two and half years ((exclusive of rates, air-conditioning and management charges, promotion levy and all other outgoings). The 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 308:

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 308 (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 308 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 308:

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, Renewal of Tenancy Agreement of Shatin Shop 308 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 308 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 25 October 2021.

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 30 September 2021, the Group had cash and bank balances of approximately HK\$19,479,000 (31 March 2021: approximately HK\$17,557,000). The gearing ratio of the Group, calculated as total bank borrowings over total equity, was nil as at 30 September 2021 (31 March 2021: Nil), as the Group financed the operations from internally generated funds and had no bank borrowings as at 30 September 2021 (31 March 2021: 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 30 September 2021, there were 451,035,713 ordinary shares in issue.

Total equity attributable to the owners of the Company amounted to approximately HK\$27,582,000 as at 30 September 2021 (31 March 2021: approximately HK\$24,650,000).

Contingent Liabilities

As at 30 September 2021, save as otherwise disclosed, the Group did not have any material contingent liabilities (31 March 2021: 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 arise. 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 30 September 2021, there was no charges on the Group's assets (31 March 2021: Nil).

Segment Information

The Group's segmental information is set out in note 3 to the condensed consolidated financial statements.

Capital Commitments

As at 30 September 2021, the Group did not have any significant capital commitments (31 March 2021: Nil).

Employee Information

Total remuneration of the Group for the Reporting Period (including (i) Directors' emoluments, (ii) salaries to staff and (iii) MPF contributions) was approximately HK\$9,022,000 (six months ended 30 September 2020: approximately HK\$8,033,000).

As at 30 September 2021, the Group had 57 employees (31 March 2021: 49 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 the Corporate Governance Code and Corporate Governance Report 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 Reporting Period.

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 Reporting Period.

Rights to Acquire Shares or Debentures

At no time during the Reporting Period 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 of the Company (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 any of its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (the "SFO")).

Competing Interests

As at 30 September 2021, 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.

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 Reporting Period.

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

As at 30 September 2021, the interests and short positions of the Directors and 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 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 the total number of issued shares
Mr. Hui Kwok Keung Raymond (Note 1)	Interest in controlling corporation	210,000,000	46.56%
Mr. Hue Kwok Chiu	Beneficial Owner	45,000,000	9.98%

Note:

(1) 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 30 September 2021, 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 30 September 2021, 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 the total number of issued shares
Time Prestige Ventures Limited	Beneficial Owner	210,000,000	46.56%
Ms. Ng Hiu Ying (Note 1)	Interest of spouse	45,000,000	9.98%

Note:

(1) 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 30 September 2021, 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 "Share Option Scheme") on 11 September 2014 whereby the Board is authorised, at its absolute discretion and subject to the terms of the Share Option Scheme, to grant options to the Eligible Participants to subscribe for the shares of the Company. The Share Option Scheme will be valid and effective for a period of ten years commencing from the date of adoption of the Share Option Scheme.

As at 30 September 2021, the total number of shares available for issue under the Share Option 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 Share Option Scheme, no share option has been granted by the Company.

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 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. Yeung Mo Sheung Ann. 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 unaudited consolidated results of the Group for the six months ended 30 September 2021 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 at the date of this announcement.

PUBLICATION OF INTERIM RESULTS AND INTERIM REPORT

This announcement is published on the websites of the Stock Exchange (www.hkexnews.hk) and the Company (www.elighting.asia). The interim report of the Company for the six months ended 30 September 2021 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, 10 November 2021

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. Yeung Mo Sheung Ann.

This announcement will remain on the “Latest Listed Company Information” page of the GEM website at www.hkgem.com for at least 7 days from the date of its posting and will also be published on the Company’s website at www.elighting.asia.