

 **易生活控股有限公司**  
**Elife Holdings Limited**  
*(Incorporated in the Cayman Islands with limited liability)*  
(Stock Code: 223)

*Executive Directors:*

Mr. Xiang Xin (*Chairman*)  
Mr. Qiu Bin (*Vice Chairman*)  
Ms. Chen Xinqiong  
Mr. Chan Wai Cheong  
Ms. Qin Jiali (*duties suspended*)  
Mr. Zhao Zhenzhong (*duties suspended*)

*Non-executive Directors:*

Mr. Chiu Sui Keung (*duties suspended*)  
Mr. Zhang Shaoyan (*duties suspended*)  
Mr. Guo Wei

*Independent non-executive Directors:*

Mr. Lam Williamson (*duties suspended*)  
Mr. Wong Tsz Fung (*duties suspended*)  
Mr. Moy Yee Wo, Matthew (*duties suspended*)  
Mr. Chou Chiu Ho  
Mr. Cho Ka Wing  
Ms. Chan Lok Yin  
Mr. Ma Kin Ling

*Registered office:*

Cricket Square  
Hutchins Drive  
P. O. Box 2681  
Grand Cayman KY1-1111  
Cayman Islands

*Principal place of business in*

*Hong Kong:*  
Unit 806, Level 8, Core D  
Cyberport 3, 100 Cyberport Road  
Hong Kong

7 February 2025

*To the Qualifying Shareholders,*

Dear Sir or Madam,

**VOLUNTARY CONDITIONAL CASH PARTIAL OFFER  
BY VBG CAPITAL LIMITED  
FOR AND ON BEHALF OF THE OFFEROR  
TO ACQUIRE 67,808,588 SHARES IN  
ELIFE HOLDINGS LIMITED  
(OTHER THAN THOSE ALREADY OWNED OR  
AGREED TO BE ACQUIRED BY THE OFFEROR AND  
PARTIES ACTING IN CONCERT WITH HER)**

**INTRODUCTION**

Reference is made to the Rule 3.7 Announcement, whereby the Board was notified in writing by the Offeror on 30 September 2024 that the Offeror intended to make the Partial Offer for 67,808,588

Offer Shares, representing approximately 5.00% of the entire issued share capital of the Company as at the date of the Rule 3.7 Announcement, not already owned by the Offeror and parties acting in concert with her.

References are also made to the announcements of the Offeror dated 1 November 2024 and 12 December 2024, whereby the Offer Price, further details of the Partial Offer and the revised timetable of the Partial Offer were announced by the Offeror.

The Offer Document accompanied with the Form of Acceptance were despatched on 22 November 2024.

The purpose of this Response Document is to provide with, among other things, information relating to the Group and the Partial Offer, the recommendation of the Board and the Independent Board Committee to the Qualifying Shareholders in respect of the Partial Offer, and the advice from the Independent Financial Adviser to the Independent Board Committee on the Partial Offer.

**You are advised to read this Response Document, the recommendation of the Board and the Independent Board Committee and the advice from the Independent Financial Adviser carefully before taking any action in respect of the Partial Offer.**

#### **THE PARTIAL OFFER**

The terms of the Partial Offer are set out in the Offer Document and the Form of Acceptance. You are recommended to refer to the Offer Document and the Form of Acceptance for further details.

#### **Principal terms of the Partial Offer**

The Partial Offer is made by VBG Capital, for and on behalf of the Offeror, in compliance with the Takeovers Code on the following basis:

**For each Offer Share ..... HK\$0.11 in cash**

The Partial Offer is extended to all Qualifying Shareholders in accordance with the requirements of the Takeovers Code.

The making of the Partial Offer is subject to the obtaining of consent from the Executive in respect of the Partial Offer pursuant to Rule 28.1 of the Takeovers Code. According to the announcement made by the Offeror on 5 November 2024, the consent from the Executive in respect of the Partial Offer has been obtained and the Pre-Condition has been fulfilled on 4 November 2024.

As at the Latest Practicable Date, the Company did not have outstanding dividends which had been declared but not yet paid and the Company did not have any intention to declare or pay any further dividend or make other distribution on the Shares prior to the close of the Partial Offer.

Further details of the Partial Offer including, among others, the expected timetable, the conditions, terms and procedures of acceptance of the Partial Offer, are set out in the Offer Document, the Form of Acceptance, the announcement of the Offeror dated 12 December 2024 in respect of, among other things, the revised timetable of the Partial Offer, and further announcements made or to be made by the Offeror (if applicable).

#### **Pre-Condition to the Partial Offer**

As disclosed in the announcement of the Offeror dated 1 November 2024, the making of the Partial Offer was subject to the obtaining of consent from the Executive in respect of the Partial Offer pursuant to Rule 28.1 of the Takeovers Code.

As disclosed in the announcement of the Offeror dated 5 November 2024 in relation to the update on the Partial Offer, the Offeror announced that the Pre-Condition had been satisfied on 4 November 2024.

#### **Condition to the Partial Offer**

As disclosed in the Offer Document, the Partial Offer is subject to the Condition that valid acceptances are received (and not, where permitted, withdrawn) in respect of a minimum of 67,808,588 Offer Shares at or before 4:00 p.m. (Hong Kong time) on the First Closing Date, which shall be at least 28 days following the Despatch Date of the Offer Document issued by the Offeror in respect of the Partial Offer, or such later date as may be announced by the Offeror in accordance with the requirements of the Takeovers Code.

In the event that valid acceptances are received:

- (i) for less than the required number of 67,808,588 Offer Shares by the First Closing Date, unless the First Closing Date is extended in accordance with the requirements of the Takeovers Code, the Partial Offer will not proceed and will lapse immediately; and
- (ii) for not less than the required number of 67,808,588 Offer Shares on or before the First Closing Date, the Offeror will declare the Partial Offer unconditional as to acceptances on or before the First Closing Date.

For the avoidance of doubt, the Company has no knowledge and information as to whether the Condition has been fulfilled as at the Latest Practicable Date.

Pursuant to the Offer Document, the Offeror will issue an announcement in relation to the revision, extension or lapse of the Partial Offer or the fulfilment of the Condition in accordance with the Takeovers Code and the Listing Rules. The latest time on which the Offeror can declare the Partial Offer unconditional in all respects is 7:00 p.m. on Monday, 24 March 2025.

**WARNING: Shareholders and potential investors in the Company should note that the Partial Offer is subject to the satisfaction of the Condition. Accordingly, the Partial Offer may or may not become unconditional and will lapse if it does not become unconditional. Shareholders and potential investors of the Company are advised to exercise caution when dealing in the securities of the Company. Persons who are in doubt as to the action they should take should consult their licensed securities dealers or registered institutions in securities, bank managers, solicitors, professional accountants or other professional advisers.**

#### **INFORMATION ON THE OFFEROR**

With reference to the Offer Document, the Offeror, aged 45, is a businesswoman based in Hong Kong and the PRC. The Offeror holds and has held senior positions in the pharmaceutical companies as set out below.

The Offeror has been a vice president of 真健康(廣東橫琴)醫療科技有限公司 (True Health (Guangdong Hengqin) Medical Technology Co., Ltd\*) since March 2022, which is a medical surgical robot technology company that blends robotics and artificial intelligence, and acts as legal representatives of several of its subsidiaries. Since August 2012, she has also been the general manager of 廣州獅馬龍藥業有限公司 (Guangzhou Shi Ma Long Drug Co., Ltd\*), a company which sells traditional Chinese medicinal oil and cream consumer products.

Between 30 May 2013 and 30 April 2017, the Offeror was an executive director of China Biotech Services Holdings Limited (previously known as Rui Kang Pharmaceutical Group Investments Limited and Longlife Group Holdings Limited), a company listed on GEM of the Stock Exchange (stock code: 8037), and acted as its chief executive officer between 16 August 2013 and 30 April 2017. Save as disclosed above, the Offeror does not hold any current directorships or other positions in any other listed companies.

The Offeror graduated from the China Pharmaceutical University (中國藥科大學) with a bachelor's degree of Science in Pharmacy.

As disclosed in the Offer Document, the Offeror confirmed that, as at the latest practicable date of the Offer Document, the Offeror and parties acting in concert with her were not interested directly or indirectly in any voting rights over any Share, convertible securities, warrant, option of the Company or any derivative in respect of such securities.

Reference is made to the announcement of the Company dated 10 December 2024, whereby it is disclosed that as the Offeror is a resident of the PRC and has been engaging in commercial activities in the PRC for a substantial period, the Company is highly cautious on the legality of her source of funding for the Partial Offer. However, given that VBG Capital has declined the Company's request for details on the background of the Offeror, her source of funding of the Partial Offer and her compliance in respect of the restrictions on the transfer of funds under the PRC laws and regulations, the Company is unable to ascertain (i) the compliance of the Offeror's source of funding with the relevant PRC laws and regulations; and (ii) whether or not it has any impact on the Partial Offer.

**The Company recommends any Qualifying Shareholders who may require advice in this regard to consult their solicitor or other professional adviser before making the decision to, whether or not, accept the Partial Offer.**

## **REASONS FOR THE PARTIAL OFFER**

According to the information disclosed in the Offer Document, the Partial Offer is conducted as part of the Offeror's investment diversification efforts. She is familiar with the Group's supply chain business for branded goods and consumer products in the Greater China region, having been personally involved in, among others, consumer pharmaceutical and medicine businesses for over 20 years.

Based on the Offeror's assessment, notwithstanding the Group's loss-making financial performance in recent years, the Offeror is confident of the Group's business outlook and corporate development having considered (i) its improved financial position given its fund raising exercises in 2024; (ii) the improved gross profit margin in the recent financial year; and (iii) its initiative to expand its sales channels at various levels and to develop various value-added services such as brand building, management and promotion for brand owners (or their advertising agents) since 2023 as mentioned in its public announcements.

According to the Offeror's assessment, in the past six months including the suspension of trading from 2 October 2024 to 24 October 2024 (both dates inclusive), the monthly average daily closing price of the Shares as quoted on the Stock Exchange ranged from HK\$0.13 per Share to HK\$0.27 per Share and the average daily trading volume per month ranged from 589,420 Shares to 7,273,684 Shares, whilst the monthly average daily Volume Weighted Average Price ("VWAP"), calculated based on the daily highest price, lowest price and closing price and the trading volume of the Shares, ranged from HK\$0.13 per Share to HK\$0.27 per Share. Generally, trading in the Shares has been thin. The average daily trading volume to total number of issued Shares held by the public as at 1 November 2024, being the last trading day as defined in the Offer Document, for each month is below 0.25% with the exception in June 2024, September 2024 and October 2024 of around or below 0.9% during the past six months. Given the fluctuation of trading volume, market price and VWAP of the Shares in the past six months, it is the Offeror's view that it would be difficult for the Offeror to build up such a sizeable stake of 5% in the Company at a constant price from the open market.

In addition, the Share price as at 1 November 2024, being the last trading day as defined in the Offer Document, was quoted at only HK\$0.119 per Share, and the average closing price of the Shares was approximately HK\$0.13 per Share in September 2024 and October 2024. With reference to the average closing price of the Shares in the past six months (i.e. approximately HK\$0.21 per Share from May 2024 to October 2024), the Offeror believed the Share price was of good value. As such, the Offeror considers the Partial Offer to be an opportunity for her to acquire the Shares and obtain high potential returns in the future. The Offeror has considered the cost and time required to build up a 5.00% stake in the open market, given the illiquidity of the Shares over the past six months, it is not favourable for her to purchase such a stake in the open market.

With reference to the Offer Document, taking into account her own financial resources needed for the Partial Offer, the Offeror considers that the Partial Offer represents a feasible mechanism for her to acquire a 5.00% stake in the Company. As a result, the Offeror will become the second largest shareholder of the Company upon completion of the Partial Offer.

## **INTENTION OF THE OFFEROR AND THE BOARD REGARDING THE GROUP**

The Partial Offer is uninvited and as at the Latest Practicable Date, the Offeror and the Board have not had any discussion on the long-term strategic and development plan on the Group and its employees. Further, no concrete or detailed plan was provided by the Offeror in the Offer Document for the business of the Group and its employees. As such, the Board is unable to form any view on the Offeror's intentions in respect of the Group and its employees.

## **COMPULSORY ACQUISITION AND MAINTAINING THE LISTING STATUS OF THE COMPANY**

With reference to the Offer Document, the Offeror will not have the power of compulsory acquisition of any Offer Shares outstanding and not acquired under the Partial Offer after the close of the Partial Offer.

As disclosed in the Offer Document, the Offeror intends that the Company to remain listed on the Stock Exchange.

## **INFORMATION ON THE GROUP**

The Group is principally engaged in the supply chain business for branded goods and consumer products in the Greater China region. The Group's core activities encompass a comprehensive range of brand digitisation services, such as brand management, brand promotion and brand supply chain, thereby establishing an integrated industry chain. In addition, the Company is also engaged in the supply chain, sales and marketing, and brand building of daily cleaning, anti-epidemic and licensed branded consumer goods.

The financial information of the Group is set out in Appendix I to this Response Document. Please also refer to the section headed "Material Changes in respect of the Group" in Appendix I to this Response Document for further details in relation to the material changes of the Group subsequent to 31 March 2024.

## **REPORT ON THE PROFIT WARNING PURSUANT TO RULE 10 OF THE TAKEOVERS CODE**

Reference is made to the Profit Warning Announcement, which contains the following statements that constitutes profit forecasts under Rule 10 of the Takeovers Code (the "Profit Warning Statements"):

- (a) based on the preliminary review on the Group's unaudited consolidated financial statements for the six months ended 30 September 2024, the Group expected to record (i) a significant increase in revenue of approximately HK\$49.4 million; (ii) a significant decrease in gross profit of approximately HK\$4.9 million; and (iii) an increase in loss for the six months ended 30 September 2024 of approximately HK\$48.8 million compared to that of the previous corresponding period;

- (b) despite the growth in revenue of the Group by approximately 68% for the six months ended 30 September 2024 compared to that of the previous corresponding period, which was mainly attributable to the development of the supply chain business segment of the Group, the overall gross profit is expected to drop due to a reduction in the gross profit margin of the brand promotion businesses caused by the unfavourable market conditions and increased market competition, where the Group had to offer larger price concession to customers in order to sustain a stable business relationship with them; and
- (c) the increase in loss for the Period was mainly due to (i) an one-off unaudited net loss of approximately HK\$40.6 million as a result of the disposal of approximately 51.2% equity interests in Admiral Glory Global Limited (“**Admiral Glory**”) by the Company (the “**Disposal**”). The principal business of Admiral Glory and its subsidiaries was the provision of esmart digital services in China before the Group’s discontinuation of this business segment during the financial year ended 31 March 2024; (ii) a decrease in the gross profit margin of the brand promotion business; and (iii) an increase in sales-related expenses for the development of the Group’s supply chain business segment.

The Profit Warning Statements were prepared by the Directors based on the Group’s unaudited consolidated financial statements for the six months ended 30 September 2024 with the comparative figures for the corresponding period in 2023. The Profit Warning Statements were prepared, to the best of the Directors’ knowledge having made all reasonable inquiries, in all material respects in accordance with the accounting policies consistent with those normally adopted by the Group set out in the annual report of the Group for the year ended 31 March 2024.

With the commencement of the Offer Period, pursuant to Rule 10 of the Takeovers Code, the Profit Warning Statements constitute a profit forecast and must be reported on by the Company’s financial advisers and auditors in accordance with Rule 10.4 of the Takeovers Code. However, as Independent Forensic Accountant is still in the course of preparing its independent investigation report for the independent investigation committee of the Board as at the Latest Practicable Date, the Company was not able to appoint financial advisers and auditors for the preparation of the report on the Profit Warning Statements. As such, no confirmation from financial advisers or auditors can be included in this Response Document to the effect that so far as the accounting policies and calculations are concerned, the Profit Warning Statements has been properly complied in accordance with a basis consistent in all material respects with the accounting policies normally adopted by the Group as set out in the annual report of the Group for the year ended 31 March 2024 and that the Profit Warning Statements were made by the Directors with due care and consideration, which constitutes a non-compliance of Rule 10 of the Takeovers Code by the Company.

The above constitutes non-compliance with the relevant requirements under the Takeovers Code. The Executive reserves its positions to take further actions as appropriate.

Further announcement(s) will be made by the Company if there is any material development in the investigation of the Independent Forensic Accountant.

**WARNING: The Company would like to draw the attention of the Shareholders and the potential investors of the Company that the Profit Warning Statements do not meet the standard required by Rule 10 of the Takeovers Code and have not been reported on in accordance with the Takeovers Code, and thus they are advised to exercise caution in placing reliance on the Profit Warning Statements and in assessing the merits/demerits of the Partial Offer.**

**Persons who are in doubt as to the action they should take should consult their licensed securities dealers or registered institutions in securities, bank managers, solicitors, professional accountants or other professional advisers. Shareholders and potential investors are advised to exercise caution when dealing in the securities of the Company.**

#### **PUBLIC FLOAT OF THE COMPANY**

The Stock Exchange has stated if, at the close of the Partial Offer, less than the minimum prescribed percentage applicable to the Company, being 25% of the Shares, are held by the public, or if the Stock Exchange believes that:

- (a) a false market exists or may exist in the trading of the Shares; or
- (b) there are insufficient Shares in the public hands to maintain an orderly market,

then it will consider exercising its discretion to suspend dealings in the Shares.



As at the Latest Practicable Date, the Company had a public float of approximately 66.45% of the Shares in issue. Assuming (i) full acceptances of the Partial Offer by the Qualifying Shareholders; and (ii) that there are no changes to the issued share capital of the Company between the Latest Practicable Date and up to the Final Closing Date, the Company will have a public float in excess of 25% of the Shares in issue immediately following the close of the Partial Offer. Accordingly, the number of Shares in public hands will continue to meet the 25% minimum public float requirement under Rule 8.08 of the Listing Rules.

## SHAREHOLDING STRUCTURE OF THE COMPANY

The following table sets out the shareholding structure of the Company as at the Latest Practicable Date:

Shareholders	As at the Latest Practicable Date	
	Number of Shares	Approximate%
China Innovation Investment Limited	226,000,000	16.66
<b>Directors of the Company and its subsidiaries</b>		
Mr. Chiu Sui Keung ( <i>duties suspended</i> )	14,014,200	1.03
Mr. Zhang Shaoyan ( <i>duties suspended</i> )	12,966,000	0.96
Ms. Qin Jiali ( <i>duties suspended</i> )	51,672,000	3.81
Mr. Zhao Zhenzhong ( <i>duties suspended</i> )	63,192,000	4.66
Mr. Guo Wei	41,688,000	3.07
Mr. Lam Williamson ( <i>duties suspended</i> )	436,200	0.03
Other directors of the subsidiaries of the Company	45,000,000	3.32
<b>Sub-total:</b>	<b>454,968,400</b>	<b>33.55</b>
Public Shareholders	901,203,354	66.45
<b>Total:</b>	<b>1,356,171,754</b>	<b>100.00</b>

*Note:* Percentage figures are rounded to two decimal places, and certain percentage figures included in the above table have been subject to rounding adjustments. Accordingly, figures shown as totals may not be an arithmetic aggregation of the figures preceding them.

## INDEPENDENT BOARD COMMITTEE AND INDEPENDENT FINANCIAL ADVISER

Pursuant to Rule 2.8 of the Takeovers Code, the Independent Board Committee, comprising Mr. Chou Chiu Ho, Mr. Cho Ka Wing, Ms. Chan Lok Yin and Mr. Ma Kin Ling, being all independent non-executive Directors, who have no direct or indirect interest in the Partial Offer other than as holders of the Shares (if any), was formed to give advice to the Qualifying Shareholders as to whether the terms of the Partial Offer are fair and reasonable and as to the acceptance of the Partial Offer.

As Mr. Chiu Sui Keung, Mr. Zhang Shaoyan and Mr. Guo Wei, being non-executive Directors who shall be members of the Independent Board Committee under Rule 2.8 of the Takeovers Code, were re-designated from executive Directors to non-executive Directors with effect from 24 December 2024 during the Offer Period, Mr. Chiu Sui Keung, Mr. Zhang Shaoyan and Mr. Guo Wei shall not act as members of the Independent Board Committee for the purpose of the Partial Offer under Rule 2.8 of the Takeovers Code. In addition, the duties of Mr. Chiu Sui Keung and Mr. Zhang Shaoyan were suspended with effect from 23 January 2025.

Furthermore, as the duties of Mr. Lam Williamson, Mr. Wong Tsz Fung, Mr. Moy Yee Wo Matthew, being the independent non-executive Directors who shall be members of the Independent Board Committee under Rule 2.8 of the Takeovers Code, have been suspended with effect from 23 January 2025, Mr. Lam Williamson, Mr. Wong Tsz Fung, Mr. Moy Yee Wo Matthew are not members of the Independent Board Committee for the purpose of the Partial Offer under Rule 2.8 of the Takeovers Code.

The Board has appointed Alpha Financial Group Limited, a corporation licensed under the SFO to carry out Type 1 (dealing in securities) and Type 6 (advising on corporate finance) regulated activities under the SFO, as the Independent Financial Adviser to advise the Independent Board Committee and the Qualifying Shareholders in respect of the Partial Offer and, in particular, as to whether the terms of the Partial Offer are fair and reasonable and as to the acceptance of the Partial Offer. The appointment of Alpha Financial Group Limited as the Independent Financial Adviser has been approved by the Independent Board Committee in accordance with Rule 2.1 of the Takeovers Code. The letter of advice from the Independent Financial Adviser in respect of the Partial Offer and the recommendations as to the Independent Board Committee and the Qualifying Shareholders is included in this Response Document.

## **RECOMMENDATION**

Your attention is drawn to (i) the letter from the Independent Board Committee set out on pages 19 to 20 of this Response Document, which contains its recommendation to the Qualifying Shareholders in respect of the Partial Offer; and (ii) the letter from the Independent Financial Adviser set out on pages 21 to 49 of this Response Document, which contains its advice to the Independent Board Committee in connection with the Partial Offer, as well as the principal factors and reasons considered by it in arriving at its recommendation. Qualifying Shareholders should read these letters in conjunction with the Offer Document carefully before taking any action in respect of the Partial Offer.

Having considered the terms of the Partial Offer and the advice from the Independent Financial Adviser, the Independent Board Committee considers that the terms of the Partial Offer are fair and reasonable so far as the Qualifying Shareholders are concerned and accordingly recommends the Qualifying Shareholders to accept the Partial Offer.

The Directors (excluding the members of the Independent Board Committee whose view is set out in the "Letter from the Independent Board Committee" in this Response Document) concur with the views of the Independent Board Committee and the Independent Financial Adviser and are of the view that the terms of the Partial Offer are fair and reasonable so far as the Qualifying Shareholders are concerned and accordingly recommend the Qualifying Shareholders to accept the Partial Offer.

**ADDITIONAL INFORMATION**

Your attention is drawn to the additional information contained in the appendices to this Response Document.

You are also recommended to read carefully the Offer Document and the accompanying Form of Acceptance for further details in respect of the procedures for acceptance of the Partial Offer.

Yours faithfully,  
For and on behalf of the Board  
**Elife Holdings Limited**



**Xiang Xin**  
*Chairman*

\* *For identification purpose only*