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(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 223)

**DISCLOSEABLE TRANSACTION
SUPPLEMENTAL AGREEMENT IN RELATION TO THE ACQUISITION OF
51% ISSUED SHARE CAPITAL OF THE TARGET COMPANY**

Reference is made to the announcement of the Company dated 15 October 2018 in relation to, among others, the acquisition of 51% issued share capital of the Target Company involving issue of Convertible Bonds under General Mandate (the “**Announcement**”) and the clarification announcement of the Company dated 18 October 2018. Terms used herein shall have the same meanings as defined in the Announcement unless otherwise stated.

SUPPLEMENTAL AGREEMENT

On 25 October 2018, the Company, Ms. Zhang, Ms. Yao and the Target Company entered into a supplemental agreement to the Share Transfer Agreement (the “**Supplemental Agreement**”) to amend certain terms of the Share Transfer Agreement. A summary of the principal amendments are as follows:

1. With regard to the Consideration of RMB80,000,000 payable by the Company for purchase of the Sale Shares, (a) RMB40,000,000 shall be payable by the Company to the Vendors in cash on or before 30 June 2019, which shall remain unchanged; and (b) RMB40,000,000 shall be payable by the Company by issue of the Promissory Notes in the principal amount of the HK\$ equivalent of RMB40,000,000 (subject to downward adjustment in accordance with the GMV Guarantee) to the Vendors (or their nominees) on the Completion Date, instead of by issue of the Convertible Bonds.
2. As no Convertible Bond and thus Conversion Share will be issued by the Company, item (h) of the condition precedent “the Listing Committee of the Stock Exchange having granted the approval for the listing of, and permission to deal in, the Conversion Shares to be issued upon exercise of the conversion rights attached to the Convertible Bonds” shall be deleted in its entirety.

3. With regard to the GMV Guarantee, the principal amounts of the Shareholder’s Loan and the Promissory Notes (instead of the principal amounts of the Shareholder’s Loan and the Convertible Bonds) will be adjusted in accordance with the Guaranteed GMV, details of which are as follows:

(a) In the event that the actual GMV of the Target Group for the year ending 31 December 2019 (the “**2019 Actual GMV**”) reaches or exceeds the Guaranteed GMV, the Shareholder’s Loan shall be capitalised in full on 1 February 2020. In the meantime, there shall not be any adjustment to the principal amount of the Promissory Notes.

(b) In the event that the 2019 Actual GMV is less than the Guaranteed GMV, the principal amounts of the Shareholder’s Loan and the Promissory Notes shall both be adjusted downwards to an amount calculated in accordance with the following formula:

$$RMB80,000,000 \times (2019 \text{ Actual GMV} / \text{Guaranteed GMV})$$

The adjustment shall be made half on the principal amount of the Shareholder’s Loan and half on the principal amount of the Promissory Notes. For instance, if the Target Company can only achieve half of the Guaranteed GMV, that is, the 2019 Actual GMV is RMB400,000,000, the principal amount of the Shareholder’s Loan and the principal amount of the Promissory Notes shall both be adjusted to RMB20,000,000.

In this scenario, on 1 February 2020, the principal amount of the adjusted Shareholder’s Loan shall be capitalised by the Target Company, and the shortfall amount shall be repaid by the Target Company to the Company in cash on or before 1 May 2020. In the meantime, on or before 1 February 2020 (i) the Vendors shall return the Promissory Notes issued on the Completion Date (the “**Old Promissory Notes**”) to the Company for cancellation; and (ii) after the cancellation of the Old Promissory Notes, the Company shall issue new promissory notes with the adjusted principal amount (the “**New Promissory Notes**”) and pay the adjusted principal amount to the Vendors in accordance with the terms of the New Promissory Notes.

4. The principal terms of the Promissory Notes are summarised as follows:

Issuer : The Company

Noteholder : The Vendors

Principal amount	: HK\$ equivalent of RMB40 million (among which, the principal amounts of the Promissory Notes to be issued to Ms. Zhang and Ms. Yao are HK\$ equivalent of RMB28 million and RMB12 million, respectively)
Maturity date	: 1 February 2020
Interest	: Nil
Payment	: Payment shall be made in HK\$ equivalent, RMB or other currency to the designated bank accounts of the Vendor
Redemption	: The Company may at its sole discretion elect to repay all or any part of the principal amount of the Promissory Note together with interest accrued thereon (if any) at any time prior to the maturity date.
Transferability	: Holder(s) of the Promissory Notes may only transfer the Promissory Notes with the prior written consent of the Company.
Status	: The Promissory Notes constitute direct, unsubordinated, and unsecured obligations of the Company. Except for the priority provided by mandatory provisions of the applicable law, the Promissory Notes shall at all times rank pari passu among themselves and with all existing and future unsecured obligations of the Company.

REASONS FOR ENTERING INTO THE SUPPLEMENTAL AGREEMENT

According to the Share Transfer Agreement, RMB40,000,000 shall be payable by the Company by issue of the Convertible Bonds in the principal amount of HK\$ equivalent of RMB40,000,000 (subject to downward adjustment in accordance with the GMV Guarantee) to the Vendors. One of the conditions precedent to the Completion is that the Listing Committee of the Stock Exchange shall have granted the approval for the listing of, and the permission to deal in, the Conversion Shares to be issued upon exercise of the conversion rights attached to the Convertible Bonds.

Following the entering into of the Share Transfer Agreement on 15 October 2018 and publication of the Announcement on 16 October 2018, the Stock Exchange raised the concern under Rule 13.64 of the Listing Rules, where the share price of a listed issuer approaches the extremity of HK\$0.01, the Stock Exchange may require the listed issuer to take appropriate actions to resolve the issue. As the share price of the Company approaches the extremity of HK\$0.01, the Stock Exchange has reminded the Company that listing approval of the Conversion Shares may not be granted.

As it is noted that the share price performance of a majority of the Hong Kong listed companies completed share consolidation in the past 12 months showed a general decreasing trend, the Board is of the view that it is not in the interest of the Company and its Shareholders as a whole to conduct a consolidation of its Shares at this stage. Representatives of the Company and the Vendors then entered into arm's length negotiations and agreed that the Company will issue the interest-free Promissory Notes instead of the Convertible Bonds to satisfy the relevant portion of the Consideration for the purchase of the Sale Shares.

In light of the reasons set out in the paragraph headed "Reasons for and Benefits of the Acquisition" in the Announcement, the Company is of the view that the O2O e-commerce business of Shanghai Malls and its unique business model will create synergy with the Group's existing consumer goods and related value-added services businesses, and the Acquisition will enhance the future development of the Group's businesses. On this basis and in light of the fact that the Supplemental Agreement will enable the Company to proceed with the Acquisition, the Board is of the view that the terms of the Supplemental Agreement and the issue of the Promissory Notes are fair and reasonable and in the best interests of the Company and its Shareholders as a whole.

DEFINITION

In this announcement, unless the context requires otherwise, the following term shall have the following meaning:

"Promissory Notes"	the promissory notes in the principal amount of the HK\$ equivalent of RMB40 million (subject to downward adjustment in accordance with the GMV Guarantee) to be issued by the Company to the Vendors or its nominee(s) to settle part of the Consideration for the Share Transfer pursuant to the terms and conditions of the Share Transfer Agreement (as amended and supplemented by the Supplemental Agreement)
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Save as amended by the Supplemental Agreement, the Share Transfer Agreement shall remain in full force and effect in all respects.

By order of the Board
Elife Holdings Limited
Chow Chi Fai
Company Secretary

Hong Kong, 25 October 2018

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