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*(Incorporated in the Cayman Islands with limited liability)*

(Stock Code: 223)

**(1) LOAN CAPITALISATION INVOLVING ISSUE OF NEW SHARES  
UNDER GENERAL MANDATE;  
(2) THIRD SUPPLEMENTAL AGREEMENTS TO  
THE SUBSCRIPTION AGREEMENTS RELATING TO  
SUBSCRIPTION OF NEW SHARES BY TWO DIRECTORS;  
AND  
(3) CLARIFICATION IN RELATION TO  
THE ANNOUNCEMENT DATED 17 APRIL 2019**

**LOAN CAPITALISATION**

On 26 April 2019, the Company, Huimin International and Mr. Wang entered into the Loan Capitalisation Agreement pursuant to which Mr. Wang conditionally agreed to subscribe for, and the Company conditionally agreed to allot and issue, an aggregate of 125,008,842 Loan Capitalisation Shares, at the LC Subscription Price of HK\$0.188 each. The subscription amount payable by Mr. Wang under the Loan Capitalisation Agreement shall be satisfied by capitalising the outstanding principal amount of the Loan and the interest accrued thereon under the Loan Agreement.

Assuming that there will be no change in the number of issued Shares between the date of this announcement and the Loan Capitalisation Completion, the 125,008,842 Loan Capitalisation Shares, in aggregate represent (i) approximately 4.48% of the existing number of issued Shares as at the date of this announcement; and (ii) approximately 4.29% of the number of issued Shares as enlarged by the allotment and issue of the Loan Capitalisation Shares. The Loan Capitalisation Shares will be allotted and issued under the General Mandate, therefore, the allotment and issue of the Loan Capitalisation Shares is not subject to the approval of the Shareholders.

**THIRD SUPPLEMENTAL AGREEMENTS TO THE SUBSCRIPTION  
AGREEMENTS WITH TWO DIRECTORS**

On 26 April 2019, the Company entered into the Third Supplemental Agreements with each of the Subscribers to revise certain major terms of the Subscriptions. Pursuant to

the Subscription Agreements (as amended and supplemented by the Supplemental Agreements), the Company agreed to allot and issue, and the Subscribers agreed to subscribe for, an aggregate of 265,957,446 Subscription Shares at the Subscription Price of HK\$0.188 each for an aggregate cash consideration of HK\$50,000,000.

The Subscription Shares represent approximately 9.54% of the existing number of issued Shares as at the date of this announcement and approximately 8.71% of the number of issued Shares as enlarged by the allotment and issue of the Subscription Shares (assuming that there are no other changes in the share capital of the Company between the date of the Third Supplemental Agreements and the date of Completion).

The aggregate gross proceeds from the Subscriptions will amount to HK\$50,000,000 and the aggregate net proceeds, after deduction of the related expenses, will be approximately HK\$49,500,000, representing a net Subscription Price of approximately HK\$0.186 per Subscription Share. The Company intends to apply the net proceeds from the Subscriptions in the manner set out in the paragraph headed “Reasons for the Entering into the Third Supplemental Agreements and Use of Proceeds” in this announcement. Application will be made to the Listing Committee of the Stock Exchange for the listing of, and permission to deal in, the Subscription Shares on the Stock Exchange.

As the revision to the major terms of the Subscriptions pursuant to the Third Supplemental Agreements constitutes a material variation to the terms of the Subscriptions previously approved by the Shareholders at the extraordinary general meeting of the Company held on 7 January 2019, the Company will re-comply with the reporting, announcement and Independent Shareholders’ approval requirements under Chapter 14A of the Listing Rules in connection with the Subscriptions.

## **GENERAL**

The EGM will be convened for the purpose of considering and, if thought fit, approving, among other things, the Subscription Agreements (as amended and supplemented by the Supplemental Agreements) and the transactions contemplated thereunder, including the grant of Specific Mandate to allot and issue the Subscription Shares. A circular containing (i) details of the Subscription Agreements and the Supplemental Agreements; (ii) the recommendation from the Independent Board Committee to the Independent Shareholders in relation to the Subscription Agreements (as amended and supplemented by the Supplemental Agreements) and the transactions contemplated thereunder; (iii) the letter of advice from the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders in relation to the Subscription Agreements (as amended and supplemented by the Supplemental Agreements) and the transactions contemplated thereunder; and (iv) the notice of the EGM and proxy form, will be despatched to the Shareholders.

As additional time is required to prepare the aforesaid information for inclusion in the circular, it is expected that the circular will be despatched on or before 31 May 2019.

To the best knowledge of the Directors after making all reasonable enquiries, the Subscribers and their associates, who are collectively interested in 163,542,000 Shares, representing approximately 5.87% of the existing number of issued Shares as at the date of this announcement, are required to abstain from voting in respect of the resolution(s) that would be proposed to approve the Subscription Agreements (as amended and supplemented by the Supplemental Agreements) and the transactions contemplated thereunder at the EGM.

**As Completion of each of the Subscriptions is subject to the satisfaction of the conditions precedent as set out in the Subscription Agreements (as supplemented by the Supplemental Agreements), the Subscriptions may or may not proceed. Shareholders and prospective investors of the Company are advised to exercise caution when dealing in the Shares.**

#### **(1) LOAN CAPITALISATION**

On 8 March 2019, Huimin International and Mr. Wang entered into the Loan Agreement whereby Mr. Wang provided Huimin International with the Loan in the principal amount of RMB20,000,000. The Loan bears interest at a rate of 8% per annum and will be due on the sixtieth (60th) day from the drawdown date of the Loan. As at the date of this announcement, the outstanding principal amount of the Loan together with the accrued interest amounted to RMB20,201,643.84 or HK\$23,501,662.36 (the “**Outstanding Sum**”).

On 26 April 2019, the Company, Huimin International and Mr. Wang entered into the Loan Capitalisation Agreement pursuant to which Mr. Wang conditionally agreed to subscribe for, and the Company conditionally agreed to allot and issue, an aggregate of 125,008,842 Loan Capitalisation Shares, at the LC Subscription Price of HK\$0.188 each. The subscription amount payable by Mr. Wang under the Loan Capitalisation Agreement shall be satisfied by capitalising the Outstanding Sum under the Loan Agreement.

#### **THE LOAN CAPITALISATION AGREEMENT**

Date : 26 April 2019

Parties : (1) The Company;  
(2) Huimin International; and  
(3) Mr. Wang.

To the best of the Directors' knowledge, information and belief after having made all reasonable enquiries, Mr. Wang is an Independent Third Party. Mr. Wang is a PRC resident and has extensive experience in asset management in the PRC.

In consideration of Mr. Wang agreeing to capitalize the Outstanding Sum, the Company conditionally agreed to allot and issue, and Mr. Wang conditionally agreed to subscribe for 125,008,842 Loan Capitalisation Shares at the Subscription Price of HK\$0.188 each. Upon the Loan Capitalisation Completion, the Outstanding Sum shall be deemed to have been repaid and Huimin International and Mr. Wang shall be released from their respective rights and obligations under the Loan Agreement.

### **The Loan Capitalisation Shares**

Assuming that there will be no change in the number of issued Shares between the date of this announcement and the Loan Capitalisation Completion, the 125,008,842 Loan Capitalisation Shares, in aggregate represent (i) approximately 4.48% of the existing number of issued Shares as at the date of this announcement; and (ii) approximately 4.29% of the number of issued Shares as enlarged by the allotment and issue of the Loan Capitalisation Shares.

The aggregate nominal value of the Loan Capitalisation Shares is HK\$2,500,176.84.

### **The LC Subscription Price**

The LC Subscription Price of HK\$0.188 per Loan Capitalisation Share:

- (i) represents a premium of approximately 8.05% over the closing price of HK\$0.174 per Share as quoted on the Stock Exchange on the date of the Loan Capitalisation Agreement;
- (ii) equals to the average of the closing price of HK\$0.188 per Share quoted on the Stock Exchange for the last five consecutive trading days immediately prior to the Last Trading Date; and
- (iii) represents a premium of approximately 6.88% over the average of the closing price of HK\$0.1759 per Share quoted on the Stock Exchange for the last ten consecutive trading days immediately prior to the Last Trading Date.

The LC Subscription Price was arrived at after arm's length negotiations between the Company and Mr. Wang with reference to the prevailing market prices of the Shares, the Group's historical performances and present financial position as well as current market condition and equals to the Subscription Price. The Board considers that the LC Subscription Price is fair and reasonable and in the interests of the Company and the Shareholders as a whole.

## **Ranking of the Loan Capitalisation Shares**

The Loan Capitalisation Shares when allotted and issued, shall rank *pari passu* in all respects with the Shares in issue on the date of their allotment and issue.

The Loan Capitalisation Shares will be allotted and issued under the General Mandate, therefore, the allotment and issue of the Loan Capitalisation Shares is not subject to the approval of the Shareholders.

## **Conditions precedent**

The Loan Capitalisation Completion is conditional upon fulfillment of the following conditions:

- (i) the Listing Committee granting the approval for the listing of, and permission to deal in, the Loan Capitalisation Shares;
- (ii) the allotment, issue and subscription of the Loan Capitalisation Shares not being prohibited by any statute, order, rule, regulation, ruling, directive or request promulgated or issued after the date of the Loan Capitalisation Agreement by any legislative, executive or regulatory body or authority (including the Stock Exchange and the Securities and Futures Commission) which is applicable to the Company; and
- (iii) all necessary consents and approvals required to be obtained on the part of the Company and Huimin International in respect of the Loan Capitalisation Agreement and the transactions contemplated thereby having been obtained.

None of the above-mentioned conditions is waivable. If any of the above-mentioned conditions are not fulfilled on or before 31 May 2019 (or such other time and date as the parties shall agree in writing), the Loan Capitalisation Agreement shall terminate and cease to have any effect and the rights and obligations of the parties thereunder shall forthwith cease and terminate.

## **Completion**

The Loan Capitalisation Completion shall take place on a day within three business days after the fulfillment of the conditions precedent (or such other date to be agreed by the parties).

## **General Mandate**

The allotment and issue of the Loan Capitalisation Shares is not subject to further Shareholders' approval. The Loan Capitalisation Shares will be allotted and issued under the General Mandate granted to the Directors at the AGM, subject to the limit of 557,553,540 Shares (representing 20% of the number of Shares in issue on the date which the General Mandate was granted). Up to the date of this announcement, the General Mandate has yet to be utilised. The 125,008,842 Loan Capitalisation Shares to be allotted and issued will utilise approximately 22.42% of the General Mandate.

## **REASONS FOR THE LOAN CAPITALISATION**

The Directors consider that the Loan Capitalisation will allow the Company to early settle the Outstanding Sum without utilising existing financial resources of the Group while reducing the gearing level and hence strengthening the financial position of the Group. In view of the above, the Directors consider that the terms of the Loan Capitalisation Agreements are fair and reasonable and the entering into of the Loan Capitalisation Agreements is in the interests of the Company and the Shareholders as a whole.

### **(2) THIRD SUPPLEMENTAL AGREEMENTS TO THE SUBSCRIPTION AGREEMENTS WITH TWO DIRECTORS**

#### **Background**

References are made to the announcements of the Company dated 26 October 2018, 15 November 2018, 14 December 2018, 7 January 2019, 31 January 2019 and 5 March 2019 and the circular of the Company dated 18 December 2018 in relation to, among other things, the Subscriptions of new Shares by the Directors under the Specific Mandate pursuant to the Subscription Agreements.

On 29 March 2019, the Company announced that the Share Transfer Agreement and the supplemental agreements thereto were terminated with effect from the same date. The Company then entered into negotiations with the two Subscribers on the revisions to the major terms of the Subscriptions and entered into the Third Supplemental Agreements to the Subscription Agreements on 26 April 2019.

#### **Revisions to the major terms of the Subscriptions**

A summary of the revisions to the major terms of the Subscriptions is set out as follows:

1. The total subscription amount and the gross proceeds to be raised from the Subscriptions is adjusted from HK\$120 million to HK\$50 million, out of which, HK\$10 million and HK\$40 million shall be payable by Subscriber A and Subscriber B, respectively.
2. The Subscription Price is adjusted from HK\$0.21 to HK\$0.188.
3. The total number of Subscription Shares is adjusted from 571,428,571 Shares to 265,957,446 Shares.

## **Principal terms of the Subscription Agreements (as supplemented by the Supplemental Agreements)**

### **Date**

Subscription Agreements - 26 October 2018

First Supplemental Agreements – 15 November 2018

Second Supplemental Agreements – 14 December 2018

Third Supplemental Agreements - 26 April 2019

- Parties :**
- (1) The Company; and
  - (2) Subscriber A (for Subscription Agreement A and Supplemental Agreements A)  
  
Subscriber B (for Subscription Agreement B and Supplemental Agreements B)

### **The Subscriptions**

Pursuant to the Subscription Agreement A (as supplemented and amended by the Supplemental Agreements A), the Company conditionally agreed to issue (pursuant to the Specific Mandate), and Subscriber A conditionally agreed to subscribe for, 53,191,489 Subscription Shares at the Subscription Price for each Subscription Share. The cash consideration payable by Subscriber A shall be HK\$10,000,000 (payable in full on the date of the Completion).

Pursuant to the Subscription Agreement B, the Company conditionally agreed to issue (pursuant to the Specific Mandate), and Subscriber B conditionally agreed to subscribe for, 212,765,957 Subscription Shares at the Subscription Price for each Subscription Share. The cash consideration payable by Subscriber B shall be HK\$40,000,000 (payable in full on the date of the Completion).

### **The Subscription Shares**

The 265,957,446 Subscription Shares represent approximately 9.54% of the existing number of issued Shares; and (ii) approximately 8.71% of the number of issued Shares as enlarged by the allotment and issue of the Subscription Shares.

The aggregate nominal value of the Subscription Shares is HK\$5,319,148.92.

## **The Subscription Price**

The Subscription Price of HK\$0.188 per Subscription Share:

- (i) represents a premium of approximately 8.05% over the closing price of HK\$0.174 per Share as quoted on the Stock Exchange on the date of the Third Supplemental Agreements;
- (ii) equals to the average of the closing price of HK\$0.188 per Share quoted on the Stock Exchange for the last five consecutive trading days immediately prior to the Last Trading Date; and
- (iii) represents a premium of approximately 6.88% over the average of the closing price of HK\$0.1759 per Share quoted on the Stock Exchange for the last ten consecutive trading days immediately prior to the Last Trading Date.

The net Subscription Price, after deduction of relevant expenses, is estimated to be approximately HK\$0.186 per Subscription Share. The cash consideration of HK\$10,000,000 under the Subscription Agreement A (as supplemented by the Supplemental Agreements A) and HK\$40,000,000 under the Subscription Agreement B (as supplemented by the Supplemental Agreements B), are payable in cash by the Subscribers respectively on or before the Completion.

The Subscription Price was arrived at after arm's length negotiations between the Company and the Subscribers taking into account the prevailing market price of the Shares, the Group's historical performances and present financial position as well as current market condition and equals to the LC Subscription Price. The Board (other than the Directors who were required to abstain from voting and the independent non-executive Directors who will express their views after receiving advice from the Independent Financial Adviser) considers that the Subscription Price is fair and reasonable.

## **Ranking of the Subscription Shares**

The Subscription Shares, when issued and fully paid, will rank *pari passu* in all respects with Shares in issue at the time of allotment and issue of the Subscription Shares.

## **Conditions Precedent**

Completion is conditional upon the fulfilment of the following conditions:

- (i) the Listing Committee of the Stock Exchange having granted (conditionally or unconditionally) the listing of, and permission to deal in, the Subscription Shares on the Main Board of the Stock Exchange; and



- (ii) the passing of the resolution(s) at the EGM by the Independent Shareholders to approve the Subscription Agreements (as amended and supplemented by the Supplemental Agreements) and the transactions contemplated thereunder, including the grant of the Specific Mandate to allot and issue the Subscription Shares.

None of the conditions aforesaid can be waived by any party to the Subscription Agreements.

The Company shall use its endeavours to make the aforesaid conditions to be fulfilled on or before 31 August 2019. In the event that the aforesaid conditions are not fulfilled on or before 31 August 2019, the Subscription Agreements and the Supplemental Agreements will lapse and become null and void forthwith and the parties thereto shall be released from all obligations thereunder.

The Subscription Agreements are not inter-conditional upon each other.

### **Completion**

Completion of the Subscriptions shall take place within three (3) Business Days after fulfilment of the Conditions Precedent or any other date as agreed by the parties to the Subscription Agreements in writing.

On or before the date of the Completion, Subscriber A and Subscriber B shall pay to the Company cash consideration of HK\$10,000,000 under the Subscription Agreement A and HK\$40,000,000 under the Subscription Agreement B, respectively, for the subscription of the Subscription Shares.

On the date of the Completion, the Company shall issue and deliver share certificates in relation to the Subscription Shares to the Subscribers respectively.

### **Lock-up Undertakings**

The Subscribers undertake to and covenant with the Company that, without the prior written consent of the Company and unless in compliance with the requirements of the Listing Rules, the Subscribers shall not, in the period commencing on the date of the Completion and ending on the date which is 6 months from the date of the Completion, dispose of, or enter into any agreement to dispose of or otherwise create any Encumbrance in respect of, any of the Subscription Shares.

### **Specific Mandate to Issue Subscription Shares**

The Subscription Shares will be allotted and issued pursuant to the Specific Mandate proposed to be sought from the Independent Shareholders at the EGM.

### **Application for listing**

An application will be made by the Company to the Listing Committee of the Stock Exchange for the listing of, and permission to deal in, the Subscription Shares on the Main Board of the Stock Exchange.

### **INFORMATION OF THE COMPANY AND THE SUBSCRIBERS**

The Company is a company incorporated under the laws of the Cayman Islands with limited liability and the issued Shares of which are listed on the Main Board of the Stock Exchange. The Company is an investment holding company and the Group is principally engaged in provision of esmart terminal services for retail stores in the PRC, trading businesses across Asia and developing its business into the consumer product market, which conform to the Group's business principle of "making life easier and benefiting people's livelihood" (易生活，惠民生).

Subscriber A, Mr. Zhang Xiaobin, aged 66, is the Chairman of the Board and an executive Director. Subscriber A holds 42,460,000 Existing Shares, representing approximately 1.52% of the total number of issued Shares.

Subscriber B, Mr. Gao Feng, aged 48, is the Vice-Chairman of the Board and an executive Director. Subscriber B holds 121,082,000 Existing Shares, representing approximately 4.34% of the total number of issued Shares.

### **REASONS FOR ENTERING INTO THE THIRD SUPPLEMENTAL AGREEMENTS AND USE OF PROCEEDS**

As disclosed in the circular of the Company dated 18 December 2018, the aggregate net proceeds from the Subscriptions under the Original Proposal, after deducting the related expenses, will be approximately HK\$119,500,000, which was intended to be used as follows: (i) as to approximately HK\$46 million for settling part of the consideration for the Acquisition; (ii) as to approximately HK\$37 million for developing the Group's daily consumer goods trading and esmart terminal businesses; and (iii) as to approximately HK\$36.5 million for general working capital of the Group.

On 29 March 2019, the Company announced that the Share Transfer Agreement and the supplemental agreements thereto were terminated with effect from the same date. In addition, the Group obtained the Loan from Mr. Wang in the principal amount of RMB20 million in early March 2019. Taking into account the aforesaid, the Company and the Subscribers entered into negotiations and agreed upon the Revised Proposal with the Subscriptions downsized from HK\$120 million to HK\$50 million.

The aggregate gross proceeds of the Subscriptions will amount to HK\$50,000,000 and the aggregate net proceeds, after the deduction of the related expenses, will be approximately HK\$49,500,000, representing a net Subscription Price of approximately HK\$0.186 per Subscription Share.

The Company intends to use the net proceeds from the Subscriptions as follows: (i) as to HK\$35.3 million for development the Group's daily consumer goods trading and esmart terminal businesses; and (ii) as to HK\$14.2 million for general working capital of the Group.

The Subscriptions by the two Subscribers, being the Chairman and Vice-Chairman of the Company, reflects the confidence and commitment of the Board towards the long-term and sustainable growth of the Group, and the continuing support of the Board would be beneficial to the long-term business development of the Group. The Board (other than the Directors who were required to abstain from voting and the independent non-executive Directors who will express their views after receiving advice from the Independent Financial Adviser) is of the view that the terms of the Subscription Agreements (as amended and supplemented by the Supplemental Agreements) and the transactions contemplated thereunder are on normal commercial terms agreed upon after arm's length negotiations between the parties, fair and reasonable and in the interests of the Company and the Shareholders as a whole.

Save and except the Subscribers who are materially interested in the Third Supplemental Agreements and the transactions contemplated thereunder, and therefore, abstained from voting on the relevant Board resolutions approving the Subscription Agreements (as amended and supplemented by the Supplemental Agreements) and the transactions contemplated thereunder, none of the other Directors was in any way materially interested in the Subscription Agreements and/or the Supplemental Agreements and the transactions contemplated thereunder, and was required to abstain from voting on the relevant Board resolutions.

## FUND RAISING ACTIVITIES IN THE PAST TWELVE MONTHS

The Company has conducted the following equity fund raising exercises in the past twelve months immediately prior to the date of this announcement:

<b>Date of announcement</b>	<b>Equity fund raising exercise</b>	<b>Net proceeds raised</b>	<b>Intended use of proceeds</b>	<b>Actual use of proceeds</b>
28 May 2018	Allotment and issue of an aggregate of 95,660,000 Existing Shares at HK\$0.128 each to an independent subscriber (the number of Existing Shares was adjusted to 76,500,000 pursuant to a supplemental agreement entered into between the Company and the independent subscriber on 26 June 2018)	Approximately HK\$9,750,000	For general working capital of the Group and development of the Group's daily consumer goods trading and esmart terminal businesses.	Approximately HK\$9,750,000 has been used for general working capital.
27 April 2018	Allotment and issue of an aggregate of 306,875,000 Existing Shares at HK\$0.128 each to 5 independent subscribers	Approximately HK\$39,200,000	For general working capital of the Group and development of the Group's daily consumer goods trading and esmart terminal businesses.	Approximately HK\$39,200,000 has been used for general working capital and development of the Group's daily consumer goods trading and esmart terminal businesses.

The actual uses of proceeds from the abovementioned equity fund raising exercises are set out as follows:

- (i) approximately HK\$23,950,000 has been used for general working capital;
- (ii) approximately HK\$11,000,000 has been used for the development of the Group's daily consumer goods trading; and
- (iii) approximately HK\$14,000,000 has been used for the development of the Group's esmart terminal business.

## SHAREHOLDING STRUCTURES OF THE COMPANY

The shareholding structures of the Company (i) as at the Latest Practicable Date; (ii) upon the Loan Capitalisation Completion but before Completion of the Subscriptions; and (iii) upon the Loan Capitalisation Completion and the Completion of the Subscriptions are summarised as follows:

	As at the date of this announcement		Upon the Loan Capitalisation Completion but before Completion of the Subscriptions		Upon Completion of the Subscriptions	
	<i>Number of Shares</i>	<i>Approximate shareholding percentage %</i>	<i>Number of Shares</i>	<i>Approximate shareholding percentage %</i>	<i>Number of Shares</i>	<i>Approximate shareholding percentage %</i>
<b>Substantial Shareholder</b>						
Ms. Liu Qihua	358,817,000	12.88	358,817,000	12.32	358,817,000	11.29
<b>Directors</b>						
Mr. Zhang Xiaobin	42,460,000	1.52	42,460,000	1.46	95,651,489	3.01
Mr. Gao Feng	121,082,000	4.34	121,082,000	4.16	333,847,957	10.50
Mr. Chiu Sui Keung	28,271,000	1.01	28,271,000	0.97	28,271,000	0.89
Other Directors/directors of subsidiaries of the Company	57,966,000	2.08	57,966,000	1.99	57,966,000	1.82
<b>Public</b>						
Mr. Wang	–	–	125,008,842	4.29	125,008,842	3.93
Other public Shareholders	2,179,171,700	78.17	2,179,171,700	74.81	2,179,171,700	68.55
<b>Total:</b>	<b>2,787,767,000</b>	<b>100.00</b>	<b>2,912,776,542</b>	<b>100.00</b>	<b>3,178,733,988</b>	<b>100.00</b>

## **LISTING RULES IMPLICATIONS**

The Subscribers are Directors and connected persons under Chapter 14A of the Listing Rules. Accordingly, the Subscriptions constitute connected transactions of the Company under the Listing Rules and are subject to the reporting, announcement and Independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

As the revision to the major terms of the Subscriptions pursuant to the Third Supplemental Agreements constitutes a material variation to the terms of the Subscriptions previously approved by the Shareholders at the extraordinary general meeting of the Company held on 7 January 2019, the Company will re-comply with the reporting, announcement and Independent Shareholders' approval requirements under Chapter 14A of the Listing Rules in connection with the Subscriptions.

## **INDEPENDENT BOARD COMMITTEE AND INDEPENDENT FINANCIAL ADVISER**

The Independent Board Committee, comprising all the independent non-executive Directors, namely Mr. Cheng Wing Keung Raymond, Mr. Lam Williamson, Mr. Wong Hoi Kuen and Dr. Lam Lee G, has been established to consider the terms of the Subscription Agreements (as amended and supplemented by the Supplemental Agreements) and the transactions contemplated thereunder, and to advise the Independent Shareholders as to whether the aforesaid transactions are on normal commercial terms, fair and reasonable and in the interests of the Company and the Shareholders as a whole.

The Independent Financial Adviser will be appointed to advise the Independent Board Committee and the Independent Shareholders in relation to the Subscriptions.

## **GENERAL**

The EGM will be convened for the purpose of considering and, if thought fit, approving, among other things, the Subscription Agreements (as amended and supplemented by the Supplemental Agreements) and the transactions contemplated thereunder, including the grant of Specific Mandate to allot and issue the Subscription Shares. A circular containing (i) details of the Subscription Agreements and the Supplemental Agreements; (ii) the recommendation from the Independent Board Committee to the Independent Shareholders in relation to the Subscription Agreements (as amended and supplemented by the Supplemental Agreements) and the transactions contemplated thereunder; (iii) the letter of advice from the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders in relation to the Subscription Agreements (as amended and supplemented by the Supplemental Agreements) and the transactions contemplated thereunder; and (iv) the notice of the EGM and proxy form, will be despatched to the Shareholders.

As additional time is required to prepare the aforesaid information for inclusion in the circular, it is expected that the circular will be despatched on or before 31 May 2019.

To the best knowledge of the Directors after making all reasonable enquiries, the Subscribers and their associates, who are collectively interested in 163,542,000 Shares, representing approximately 5.87% of the existing number of issued Shares as at the date of this announcement, are required to abstain from voting in respect of the resolution(s) that would be proposed to approve the Subscription Agreements (as amended and supplemented by the Supplemental Agreements) and the transactions contemplated thereunder at the EGM.

**As Completion of each of the Subscriptions is subject to the satisfaction of the conditions precedent as set out in the Subscription Agreements (as supplemented by the Supplemental Agreements), the Subscriptions may or may not proceed. Shareholders and prospective investors of the Company are advised to exercise caution when dealing in the Shares.**

### **(3) CLARIFICATION IN RELATION TO THE ANNOUNCEMENT DATED 17 APRIL 2019**

Reference is made to the announcement dated 17 April 2019 of the Company (the “**17 April Announcement**”) in relation to the Loan Facility Agreement between the Company and Esmart. Capitalised terms used in the 17 April Announcement shall have the same meanings as those used in this section.

The Board would like to clarify that the beneficial interest held by each of Mr. Zhang, Mr. Gao and Mr. Chiu in Esmart as stated on pages 1 and 4 of both English and Chinese versions of the 17 April Announcement should be approximately 7.4%, 37.0% and 0.75% instead of 37.0%, 7.4% and 0.75%.

Except as stated above, all other information and contents set out in the 17 April Announcement remain unchanged.

### **DEFINITIONS**

In this announcement, unless the context requires otherwise, the following terms shall have the following meanings:

“Acquisition”	the proposed acquisition of 51% of the issued share capital of Central Luxuriant pursuant to the terms of the Share Transfer Agreement;
“AGM”	the annual general meeting of the Company held on 27 September 2018;
“Board”	the board of Directors;

“Company”	Elife Holdings Limited, a company incorporated in the Cayman Islands with limited liability, the issued Shares of which are listed on the main board of the Stock Exchange;
“Completion”	the completion of the Subscriptions;
“Director(s)”	the director(s) of the Company;
“EGM”	the extraordinary general meeting of the Company to be convened for the purpose of considering and if thought fit, approving the Subscription Agreements (as amended and supplemented by the Supplemental Agreements) and the transactions contemplated thereunder, including the grant of Specific Mandate to allot and issue the Subscription Shares;
“Encumbrance”	charge, pledge, lien or any other similar rights on the Shares;
“General Mandate”	the mandate granted to the Directors by the Shareholders at the AGM to allot, issue and deal with up to 20% of the then issued share capital of the Company as at the date of the AGM;
“HK\$”	Hong Kong dollar(s), the lawful currency of Hong Kong;
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC;
“Huimin International”	Huimin International (HK) Limited, a company incorporated in Hong Kong with limited liability and a wholly-owned subsidiary of the Company;
“Independent Board Committee”	the independent committee of the Board which comprises all the independent non-executive Directors, namely Mr. Cheng Wing Keung Raymond, Mr. Lam Williamson, Mr. Wong Hoi Kuen and Dr. Lam Lee G, established to advise the Independent Shareholders in respect of the Subscription Agreements (as amended and supplemented by the Supplemental Agreements) and the transactions contemplated thereunder;



“Independent Financial Adviser”	the independent financial adviser to be appointed by the Company to advise the Independent Board Committee and the Independent Shareholders in respect of the Subscriptions;
“Independent Shareholder(s)”	Shareholder(s) other than the Subscribers and their associates who are required to abstain from voting at the EGM;
“Independent Third Party(ies)”	third party(ies) independent of and not connected with the Company and its connected persons (has the meaning ascribed to it in the Listing Rules);
“Last Trading Date”	25 April 2019, being the last full trading day of the Shares on the Stock Exchange immediately prior to the signing of the Third Supplemental Agreements;
“LC Subscription Price”	the issue price of HK\$0.188 per Loan Capitalisation Share for the Loan Capitalisation;
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange;
“Loan”	the loan in the principal amount of RMB20 million provided by Mr. Wang to Huimin International pursuant to the Loan Agreement;
“Loan Agreement”	the loan agreement dated 8 March 2019 between Huimin International and Mr. Wang;
“Loan Capitalisation”	the allotment and issue of the Loan Capitalisation Shares at the LC Subscription Price to settle the Outstanding Sum pursuant to the terms and conditions of the Loan Capitalisation Agreement;
“Loan Capitalisation Agreement”	the loan capitalisation agreement dated 26 April 2019 entered into among the Company, Huimin International and Mr. Wang in respect of the Loan Capitalisation;
“Loan Capitalisation Completion”	the completion of the Loan Capitalisation;

“Loan Capitalisation Shares”	an aggregate of 125,008,842 new Shares to be allotted and issued by the Company to Mr. Wang pursuant to the terms and subject to the conditions of the Loan Capitalisation Agreement;
“Mr. Wang”	Mr. Wang Haoyu (王浩宇先生), an Independent Third Party;
“Original Proposal”	the original proposal for the Subscriptions involving subscription of new Shares by the Subscribers pursuant to the Subscription Agreements for an aggregate cash consideration of HK\$120 million;
“Revised Proposal”	the revised proposal for the Subscriptions involving subscription of new Shares by the Subscribers pursuant to the Subscription Agreements (as amended and supplemented by the Supplemental Agreements) for an aggregate cash consideration of HK\$50 million;
“PRC”	the People’s Republic of China, and for the sole purpose of this announcement excludes Hong Kong, Macau Special Administrative Region and Taiwan;
“Share Transfer Agreement”	the share transfer agreement dated 15 October 2018 between, among others, the Company and Central Luxuriant Limited in relation to the Acquisition, as supplemented by the supplemental agreement thereto dated 28 December 2018, which was terminated pursuant to the termination agreement dated 29 March 2019;
“Shares”	the ordinary shares of HK\$0.02 each in the issued share capital of the Company;
“Shareholder(s)”	holder(s) of the Shares;
“Specific Mandate”	the specific mandate to be sought from the Independent Shareholders at the EGM and to be granted to the Board for the allotment and issue of the Subscription Shares;
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“Subscriber A”	Mr. Zhang Xiaobin (張曉彬), the Chairman of the Board and an executive Director;

“Subscriber B”	Mr. Gao Feng (高峰), the Vice-Chairman of the Board and an executive Director;
“Subscribers”	collectively, Subscriber A and Subscriber B;
“Subscription(s)”	the respective subscription(s) of the Subscription Shares by the Subscribers pursuant to the Subscription Agreements (as amended and supplemented by the Supplemental Agreements);
“Subscription Agreement A”	the conditional subscription agreement dated 26 October 2018 (as supplemented by the Supplemental Agreements) entered into between the Company and Subscriber A in relation to the Subscription;
“Subscription Agreement B”	the conditional subscription agreement dated 26 October 2018 (as supplemented by the Supplemental Agreements B) entered into between the Company and Subscriber B in relation to the Subscription;
“Subscription Agreements”	collectively, Subscription Agreement A and Subscription Agreement B;
“Subscription Price”	the subscription price per Subscription Share, being HK\$0.188;
“Subscription Share(s)”	the new and fully paid Shares to be subscribed for by the Subscribers;
“Supplemental Agreement A”	the supplemental agreements dated 15 November 2018, 14 December 2018 and 26 April 2019 and entered into between the Company and Subscriber A in relation to the Subscription;
“Supplemental Agreement B”	the supplemental agreements dated 15 November 2018, 14 December 2018 and 26 April 2019 and entered into between the Company and Subscriber B in relation to the Subscription;
“Supplemental Agreements”	collectively, the Supplemental Agreements A and the Supplemental Agreements B;
“Third Supplemental Agreement A”	the third supplemental agreement dated 26 April 2019 to the Subscription Agreement A entered into between the Company and Subscriber A

“Third Supplemental Agreement B”	the third supplemental agreement dated 26 April 2019 to the Subscription Agreement B entered into between the Company and Subscriber B
“Third Supplemental Agreements”	collectively, the Third Supplemental Agreement A and the Third Supplemental Agreement B; and
“%”	per cent.

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

Hong Kong, 26 April 2019

*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.*