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(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 223)

PLACING OF NEW SHARES UNDER GENERAL MANDATE

Placing Agent



PLACING OF NEW SHARES UNDER GENERAL MANDATE

The Board is pleased to announce that on 13 October 2023 (after trading hours), the Company entered into the Placing Agreement with the Placing Agent pursuant to which the Placing Agent conditionally agreed to place as the Company's placing agent on a best effort basis the Placing Shares up to 180,641,742 new Shares to not less than six Places at the Placing Price of HK\$0.14 per Placing Share. The Placing Shares will be allotted and issued pursuant to the General Mandate granted to the Directors at the AGM.

The Placing Shares represent (i) approximately 20% of the existing total number of issued Shares as at the date of this announcement; and (ii) approximately 16.67% of the total number of issued Shares as enlarged by the allotment and issue of the Placing Shares in full, assuming there will be no change in the issued share capital of the Company between the date of this announcement and the Closing Date. The aggregate nominal value of the maximum number of Placing Shares under the Placing will be HK\$18,064,174.2.

Assuming that all the Placing Shares are successfully placed by the Placing Agent, the maximum gross proceeds from the Placing are estimated to be approximately HK\$25,289,843, and the maximum net proceeds, after deducting the placing commission, professional fees and all related expenses which may be borne by the Company, from the Placing are estimated to be approximately HK\$24,500,000.

The maximum net proceeds from the Placing of approximately HK\$24,500,000 are intended to be used for the purposes of replenishing the working capital of the Group and developing the Group's businesses.

Completion of the Placing is subject to the satisfaction of the conditions precedent under the Placing Agreement. As the Placing may or may not proceed, Shareholders and potential investors are advised to exercise caution when dealing in the Shares.

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THE PLACING AGREEMENT

The principal terms and conditions of the Placing Agreement are as follows:

Date

13 October 2023 (after trading hours)

Parties

Issuer: The Company

Placing Agent: DL Securities (HK) Limited

To the best of the Directors' knowledge, information and belief having made all reasonable enquiry, the Placing Agent and its ultimate beneficial owners are Independent Third Parties.

Placing commission

The Placing Agent will charge the Company a placing commission of 2.5% of the amount equal to the Placing Price multiplied by the number of Placing Shares actually placed. The placing commission was negotiated on an arm's length basis between the Company and the Placing Agent, and determined with reference to, amongst other things, the market rate and the price performance of the Shares.

Placees

Pursuant to the Placing Agreement, the Placing Agent will procure the Placing Shares to be placed to not less than six Placees, who/which will be professional, institutional, corporate and/or individual investors selected and procured by or on behalf of the Placing Agent on a best effort basis.

The Placing Agent will, to the extent practicable and lawful, use its reasonable endeavours to ensure that the Placees (if applicable, together with their respective ultimate beneficial owners) will be (i) Independent Third Parties; and (ii) independent from, not connected or associated with, and not acting in concert with one another or any of the Directors, chief executive or substantial Shareholders of the Company and any of its subsidiaries and their respective associates. The Placing Agent shall also use its best endeavours to ensure that no Placee shall become a substantial Shareholder of the Company as a result of the Placing (taking into account other securities held by such Placee(s) at the time of his/her/its subscription of the Placing Shares).

Number of Placing Shares

The Company has conditionally agreed to place, through the Placing Agent on a best effort basis, up to 180,641,742 new Shares, representing (i) approximately 20% of the existing total number of issued Shares as at the date of this announcement; and (ii) approximately 16.67% of the total number of issued Shares as enlarged by the allotment and issue of the Placing Shares in full, assuming there will be no change in the issued share capital of the Company between the date of this announcement and the Closing Date. The aggregate nominal value of the maximum number of Placing Shares under the Placing will be HK\$18,064,174.2.

Placing Price

The Placing Price of HK\$0.14 represents:

- (i) a discount of approximately 13.04% to the closing price of HK\$0.161 per Share as quoted on the Stock Exchange on the date of the Placing Agreement; and
- (ii) a discount of approximately 12.61% to the average closing price of HK\$0.1602 per Share as quoted on the Stock Exchange for the last five trading days immediately prior to the date of the Placing Agreement.

The Placing Price was determined with reference to the prevailing market price and the recent trading volume of the Shares and was negotiated on an arm's length basis between the Company and the Placing Agent.

The net issue price per Placing Share (after deduction of the placing commission, professional fees and all and related expenses) is approximately HK\$0.136, assuming that the Placing is completed in full.

Ranking of the Placing Shares

The Placing Shares, when allotted and issued, will rank pari passu in all respects with the other existing Shares in issue on the date of allotment and issue of the Placing Shares.

Conditions of the Placing

Completion of the Placing is conditional upon the satisfaction or waiver (where permissible) of the following conditions:

- (a) the Listing Committee having granted the listing of and permission to deal in the Placing Shares (and such listing and permission not subsequently revoked);
- (b) all necessary consents and approvals having been obtained by the Company and the Placing Agent to effect the execution, completion and performance of the obligations and other terms of Placing Agreement;
- (c) the warranties of the Company and the Placing Agent under the Placing Agreement being true and correct in all material respects as of the Closing Date as though made on and as of such date except to the extent that any such representation and warranty expressly speaks as of an earlier date, in which case such representation and warranty shall be true and correct as of such earlier date; and
- (d) each of the parties to the Placing Agreement shall have performed or complied in all material respects with all agreements and covenants required by Placing Agreement to be performed or complied with by it on or prior to the Closing Date.

The conditions set out in (a) & (b) cannot be waived by the Company or the Placing Agent. Each of the Company and the Placing Agent shall use their respective best endeavours to procure the satisfaction of the conditions.

Completion of the Placing

Completion of the Placing shall take place on the third (3rd) Business Day following satisfaction or waiver (where permissible) of all the conditions or such other time or date as the Company and the Placing Agent shall agree in writing on which Completion shall take place.

Termination of the Placing Agreement

During the period from the date of the Placing Agreement to the Closing Date:

- (a) if any of the conditions shall not have been satisfied to the satisfaction of or waived by the Placing Agent and the Company by the Long Stop Date, the Placing Agreement and the respective obligations of the parties hereunder shall cease and terminate immediately at that time (without any further action of any party required); or
- (b) the Placing Agreement may be terminated by the mutual agreement of the parties thereof; or
- (c) if there develops, occurs or comes into force any of the following during the period from the date of the Placing Agreement to 8:00 a.m on the Closing Date:
 - (i) any new law or regulation or any change in existing laws or regulations which in the reasonable opinion of the Placing Agent has or may be or is likely to have a material adverse effect on the financial position of the Company or any of its subsidiaries as a whole;
 - (ii) any event or circumstances in the nature of force majeure (including, without limitation, acts of government, strikes, labour disputes, lock-outs, fire, explosion, flooding, civil commotion, economic sanctions, epidemic, terrorism, acts of war and acts of God), in each case involving or affecting Hong Kong or any jurisdiction relevant to any member of the Group;
 - (iii) a general moratorium on commercial banking activities declared by relevant authorities in Hong Kong or any jurisdiction relevant to any member of the Group or a material disruption in commercial banking or foreign exchange trading or securities settlement or clearance services in any of Hong Kong or any jurisdiction relevant to any member of the Group;
 - (iv) any prohibition on the Company for whatever reason from offering, allotting or issuing any of the Placing Shares pursuant to the terms of the Placing Agreement;

- (v) any order or petition for the winding up of any member of the Group or any composition or arrangement being made by any member of the Group with its creditors or any scheme of arrangement being entered into by any member of the Group or any resolution for the winding up of any member of the Group being entered into by any member of the Group or the appointment of a provisional liquidator, receiver or manager over all or part of the material assets or undertaking of any member of the Group or anything analogous thereto occurring in respect of any member of the Group;
- (vi) any material adverse change (whether or not permanent) in local, national or international financial, political, economic conditions, financial, banking, capital markets, currency exchange rates, credit default swap prices, secondary bond prices, exchange controls, or the occurrence of any event or series of events outside of the Placing Agent's or the Company's control;
- (vii) any material adverse change in or affecting any taxation, exchange controls, currency exchange rates or foreign exchange regulations or the implementation of any exchange control in Hong Kong or any jurisdiction relevant to any member of the Group; or
- (viii) any moratorium, suspension or material restriction on trading in shares or securities generally on the Stock Exchange due to exceptional financial circumstances or other similar reasons,

which, in the reasonable opinion of the Placing Agent, is (i) likely to or does prejudice materially (A) the success of the offering and distribution of the Placing Shares or (B) dealings in the Placing Shares in the secondary market, or (ii) make it (A) impractical or (B) inadvisable, to market the Placing Shares, then and in any such case, the Placing Agent may terminate the Placing Agreement without liability to the Company by giving reasonable notice in writing to the Company, and the Company shall not be liable to pay any commission pursuant to the Placing Agreement.

General Mandate to allot and issue the Placing Shares

The Placing Shares will be allotted and issued under the General Mandate to allot, issue and deal with Shares granted to the Directors by resolution of the Shareholders passed at the AGM subject to the limit up to 20% of the then issued share capital of the Company as at the date of the AGM. Under the General Mandate, the Company is authorised to issue up to 180,641,742 Shares and will utilise 100% thereof. Up to the date of this announcement, no new Shares have been issued under the General Mandate. Accordingly, the allotment and issue of the Placing Shares is not subject to the approval of the Shareholders.

Application for listing

The Company will apply to the Listing Committee of the Stock Exchange for the listing of, and permission to deal in, the Placing Shares.

REASONS FOR AND BENEFITS OF THE PLACING AND USE OF PROCEEDS

The Group is principally engaged in commodities trading, sales, marketing and brand building of anti-epidemic, daily cleaning products and licensed branded watches businesses. It has also been expanding its businesses into the consumer products market including but not limited to health food and supplements, functional food and food additives in the PRC conforming to the Group's business principle and mission of delivering "an easier life, greater health and better livelihood" (易生活，大健康，惠民生).

Assuming that all the Placing Shares are successfully placed by the Placing Agent, the maximum gross proceeds from the Placing are estimated to be approximately HK\$25,289,843, and the maximum net proceeds, after deducting the placing commission, professional fees and all related expenses which may be borne by the Company, from the Placing are estimated to be approximately HK\$24,500,000.

The maximum net proceeds from the Placing of approximately HK\$24,500,000 are intended to be used as to HK\$2,500,000 for replenishing the working capital of the Group and as to HK\$22,000,000 for developing the Group's businesses.

The Board is of the view that the Placing will strengthen the financial position of the Company and represents a good opportunity to broaden the Shareholders' base and capital base of the Company.

Having considered above, the Directors (including the independent non-executive Directors) consider that the terms of the Placing Agreement and the transactions contemplated thereunder (including the Placing, the Placing Price and the Placing commission payable to the Placing Agent) are fair and reasonable, and are in the interests of the Group and the Shareholders as a whole.

FUND RAISING ACTIVITIES OF THE COMPANY DURING THE PAST TWELVE MONTHS

Apart from the fund raising activity mentioned below, the Company has not conducted any other fund raising activities involving the issue of its equity securities in the 12 months immediately preceding the date of this announcement.

Date of announcement	Fund raising activity	Net proceeds raised	Proposed use of proceeds	Actual use of Proceeds
12 December 2022, 5 January 2023, 20 January 2023, 16 February 2023, 10 March 2023, 31 March 2023, 21 April 2023, 12 May 2023, 2 June 2023, 23 June 2023 and 27 June 2023	Placing of 150,520,000 new Shares at the placing price of HK\$0.103 each to not less than six placees under general mandate	Approximately HK\$14,578,000	The net proceeds are intended to be used as to HK\$8,000,000 for replenishing the working capital of the Group and as to HK\$6,578,000 for developing the Group's businesses.	As at the date hereof, approximately HK\$5,988,000 and HK\$3,157,000 have been used by the Group for replenishing its working capital and for developing its businesses, respectively. Approximately HK\$5,433,000 of the net proceeds has not been utilised.

CHANGES IN SHAREHOLDING STRUCTURE OF THE COMPANY

The following table sets out the shareholding structure of the Company (i) as at the date of this announcement, and (ii) immediately after the Completion, assuming that all of the Placing Shares are placed in full and no further Shares have been issued or repurchased before the Completion and there will be no change in the issued share capital of the Company between the date of this announcement and the Closing Date based on the best knowledge, information and belief of the Directors:

	As at the date of this announcement		Immediately after the Completion <i>(assuming that all of the Placing Shares are placed in full and there will be no change in the issued share capital of the Company between the date of this announcement and the Closing Date)</i>	
	Number of Shares	Approximate shareholding percentage% <i>(Note 2)</i>	Number of Shares	Approximate shareholding percentage% <i>(Note 3)</i>
Directors of the Company and its subsidiaries				
Mr. Chiu Sui Keung	5,654,200	0.63	5,654,200	0.52
Ms. Qin Jiali	43,060,000	4.77	43,060,000	3.97
Mr. Zhang Shaoyan	5,346,000	0.59	5,346,000	0.49
Mr. Cheng Wing Keung, Raymond	408,200	0.04	408,200	0.04
Mr. Lam Williamson	436,200	0.05	436,200	0.04
Mr. Wong Hoi Kuen	436,200	0.05	436,200	0.04
Dr. Lam Lee G	200,000	0.02	200,000	0.02
Other directors of the subsidiaries of the Company	57,189,200	6.33	57,189,200	5.28
Ex-Directors				
Mr. Zhang Xiaobin <i>(Note 2)</i>	19,130,298	2.12	19,130,298	1.76
Mr. Gao Feng <i>(Notes 1 & 2)</i>	50,351,506	5.57	50,351,506	4.64
Sub-total:	<u>182,211,804</u>	<u>20.17</u>	<u>182,211,804</u>	<u>16.81</u>
Public				
Places	–	–	180,641,742	16.67
Other public Shareholders	<u>720,996,908</u>	<u>79.83</u>	<u>720,996,908</u>	<u>66.52</u>
Total:	<u>903,208,712</u>	<u>100.00</u>	<u>1,083,850,454</u>	<u>100.00</u>

Notes:

1. Mr. Gao Feng is beneficially interested in the entire issued share capital of ACE Channel Limited. By virtue of the SFO, he is deemed to be interested in the 17,800,000 Shares beneficially owned by ACE Channel Limited.
2. Both Mr. Zhang Xiaobin and Mr. Gao Feng retired as executive Directors with effect from 29 September 2023. They are no longer required to make disclosure of any change in shareholding of the Company as a Director after 29 September 2023. Their shareholdings set out in the above table are derived from public information and based on the best knowledge of the Directors.
3. The percentages are subject to rounding difference, if any.

Completion of the Placing is subject to the satisfaction of the conditions precedent under the Placing Agreement. As the Placing may or may not proceed, Shareholders and potential investors are advised to exercise caution when dealing in the Shares.

DEFINITIONS

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

“acting in concert”	has the meaning ascribed thereto in the Codes on Takeovers and Mergers and Share Buybacks issued by the Securities and Futures Commission
“AGM”	the annual general meeting of the Company held on 29 September 2023
“associates”	has the meaning ascribed thereto under the Listing Rules
“Board”	the board of Directors
“Business Day(s)”	any day (other than a Saturday, a Sunday or a public holiday or a day on which a tropical cyclone warning No.8 or above or a “black rainstorm” warning signal is hoisted in Hong Kong at any time between 9:00 a.m. and 5:00 p.m.) on which commercial banks are open for general banking business in Hong Kong
“Closing Date”	the date of Completion
“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 Placing pursuant to the Placing Agreement, which shall take place on the Closing Date
“connected person(s)”	has the meaning ascribed thereto under the Listing Rules
“Director(s)”	director(s) of the Company
“General Mandate”	the general mandate granted to the Directors to allot, issue and deal in not more than 180,641,742 new Shares by the Shareholders at the AGM
“Group”	the Company and its subsidiaries
“Hong Kong”	Hong Kong Special Administrative Region of the People’s Republic of China
“HK\$”	Hong Kong dollar(s), the lawful currency of Hong Kong
“Independent Third Party(ies)”	independent third parties who are not connected person(s) of the Company and are independent of and not connected with the Company or Directors, chief executive, or substantial Shareholders of the Company or any of its subsidiaries or their respective associates
“Listing Committee”	the listing committee appointed by the Stock Exchange for considering applications for listing and approving the listing of and dealing with securities on the Stock Exchange
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Long Stop Date”	3 November 2023 or such later date as may be agreed between the Company and the Placing Agent
“Placee(s)”	any professional, institutional and other investors selected and procured by or on behalf of the Placing Agent to subscribe any of the Placing Shares on the terms and subject to the conditions set out in the Placing Agreement
“Placing”	the placing, on a best effort basis, of a total of up to 180,641,742 new Shares to be allotted and issued under the General Mandate pursuant to the terms of the Placing Agreement

“Placing Agent”	DL Securities (HK) Limited, a licensed corporation to carry out business in Type 1 (dealing in securities), Type 4 (advising on securities) and Type 6 (advising on corporate finance) regulated activities under the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Placing Agreement”	the conditional placing agreement dated 13 October 2023 entered into between the Company and the Placing Agent in relation to the Placing
“Placing Price”	HK\$0.14 per Placing Share
“Placing Share(s)”	up to 180,641,742 new Shares to be placed under the Placing
“Share(s)”	ordinary share(s) of HK\$0.1 each in the share capital of the Company
“Shareholder(s)”	holder(s) of the Shares
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“subsidiary(ies)”	has the meaning ascribed to it in the Listing Rules
“substantial Shareholder(s)”	has the meaning ascribed to it in the Listing Rules
“%”	per cent.

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

Hong Kong, 16 October 2023

As at the date of this announcement, the executive Directors are Mr. Chiu Sui Keung, Ms. Qin Jiali and Mr. Zhang Shaoyan and the independent non-executive Directors are Mr. Cheng Wing Keung Raymond, Mr. Lam Williamson, Mr. Wong Hoi Kuen and Dr. Lam Lee G.