THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

If you are in any doubt about this circular or as to the action to be taken, you should consult a stockbroker or their registered dealer in securities, bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your shares in **Elife Holdings Limited**, you should at once hand this circular, together with the enclosed form of proxy, to the purchaser or transferee or to the bank, licensed securities dealer or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

易生活控股有限公司
Elife Holdings Limited

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 223)

(1) PROPOSED REFRESHMENT OF GENERAL MANDATE; AND (2) NOTICE OF EXTRAORDINARY GENERAL MEETING

Financial Adviser to the Company

勝利資本
VS CAPITAL

Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders

瓏盛資本有限公司
Draco Capital Limited

A letter from the Board is set out on pages 3 to 14 of this circular. A letter from the Independent Board Committee is set out on page 15 of this circular. A letter from the Independent Financial Adviser containing its advice to the Independent Board Committee and the Independent Shareholders is set out on pages 16 to 29 of this circular.

A notice convening the EGM to be held at Unit 806, Level 8, Core D, Cyberport 3, 100 Cyberport Road, Hong Kong on Monday, 29 April 2024 at 11:30 a.m., is set out on pages EGM-1 to EGM-3 of this circular. Whether or not you are able to attend the EGM, please complete the form of proxy in accordance with the instructions printed thereon and return the same to the Hong Kong branch share registrar and transfer office, Tricor Tengis Limited at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong, or via the designated URL (https://spot-emeeting.tricor.hk) by using the username and password provided on the notification letter sent by the Company as soon as possible and in any event no later than forty-eight (48) hours before the time appointed for holding the EGM or any adjournment thereof. Completion and return of the form of proxy will not preclude you from attending and voting in person at the EGM or any adjournment thereof should you so wish and, in such event, the form of proxy shall be deemed to be revoked.

The Chinese translation of this circular is for reference only, and in case of any inconsistency, the English version shall prevail.

2 April 2024

CONTENTS

Pages

DEFINITIONS	1
LETTER FROM THE BOARD	3
LETTER FROM THE INDEPENDENT BOARD COMMITTEE	15
LETTER FROM THE INDEPENDENT FINANCIAL ADVISER	16
NOTICE OF EGM	EGM-1

DEFINITIONS

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

"AGM"	the annual general meeting of the Company held on 29 September 2023
"associate(s)"	has the meaning ascribed to it under the Listing Rules
"Board"	the board of Directors
"Company"	Elife Holdings Limited (Stock Code: 223), a company incorporated in the Cayman Islands with limited liability, the Shares of which are listed on the Main Board of the Stock Exchange
"Director(s)"	the director(s) of the Company
"EGM"	the extraordinary general meeting of the Company to be convened for the Independent Shareholders to consider and, if thought fit, approve, among other things, the Proposed Refreshment of General Mandate
"Existing General Mandate"	the general mandate granted to the Directors pursuant to an ordinary resolution passed at the AGM to allot and issue up to 180,641,742 Shares, representing approximately 20% of the total number of issued Shares on the date of passing such resolution
"Financial Adviser"	VS Capital Limited, a corporation licensed under the SFO to carry out business in Type 6 (advising on corporate finance) regulated activities, and appointed by the Company as its financial adviser in respect of the Proposed Refreshment of General Mandate
"Group"	the Company and its subsidiaries
"HK$"	Hong Kong dollars, the lawful currency of Hong Kong
"Hong Kong"	the Hong Kong Special Administrative Region of the PRC
"Independent Board Committee"	the independent board committee (comprising all the independent non-executive Directors) which has been established by the Board to make recommendation to the Independent Shareholders on the Proposed Refreshment of General Mandate
"Independent Financial Adviser" or "Draco Capital"	Draco Capital Limited, a corporation licensed under the SFO to carry out business in Type 6 (advising on corporate finance) regulated activities, and appointed, with the approval of the Independent Board Committee, by the Company as the independent financial adviser to advise the Independent Board Committee and the Independent Shareholders in respect of the Proposed Refreshment of General Mandate

"Independent Shareholders"	Shareholder(s) other than any controlling shareholders and their associates or, where there are no controlling shareholders, any Directors (excluding independent non-executive Directors) and the chief executive of the Company and their respective associates who shall hold Shares as at the date of the EGM
"Latest Practicable Date"	25 March 2024, being the latest practicable date for ascertaining certain information in this circular
"Listing Rules"	the Rules Governing the Listing of Securities on the Stock Exchange
"New General Mandate"	the new general mandate proposed to be granted to the Directors pursuant to an ordinary resolution to be proposed at the EGM to allot and issue up to 20% of the total number of issued Shares on the date of passing such resolution
"November Placing"	the placing of 180,640,000 new Shares under the Existing General Mandate
"PRC"	the People's Republic of China
"Proposed Refreshment of General Mandate"	the proposed granting of the New General Mandate to the Directors at the EGM
"SFO"	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), as amended or supplemented from time to time
"Share(s)"	ordinary share(s) of HK$0.10 each in the share capital of the Company
"Share Option(s)"	the share option(s) of the Company granted pursuant to the Share Option Scheme
"Share Option Scheme"	the share option scheme adopted by the Company on 8 October 2010
"Shareholder(s)"	the holder(s) of the Shares
"Stock Exchange"	The Stock Exchange of Hong Kong Limited
"%"	"%" per cent.

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. Chiu Sui Keung
Ms. Qin Jiali
Mr. Zhang Shaoyan
Mr. Zhao Zhenzhong
Mr. Guo Wei

Independent non-executive Directors:
Mr. Cheng Wing Keung Raymond
Mr. Lam Williamson
Mr. Wong Hoi Kuen

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

2 April 2024

To the Shareholders

Dear Sir or Madam,

(1) PROPOSED REFRESHMENT OF GENERAL MANDATE; AND (2) NOTICE OF EXTRAORDINARY GENERAL MEETING

INTRODUCTION

The purpose of this circular is to provide the Shareholders with information relating to (i) the Proposed Refreshment of General Mandate; (ii) recommendation from the Independent Board Committee to the Independent Shareholders in respect of the Proposed Refreshment of General Mandate; (iii) the recommendation from the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders in respect of the Proposed Refreshment of General Mandate; and (iv) the notice of EGM.

PROPOSED REFRESHMENT OF GENERAL MANDATE

Existing General Mandate

At the AGM, the Shareholders approved, among other things, an ordinary resolution to grant to the Directors the Existing General Mandate to allot and issue not more than 180,641,742 Shares, being approximately 20% of the total number of issued Shares as at the date of passing of the resolution at the AGM.

Reference is made to the announcements of the Company dated 16 October 2023 and 1 November 2023 in relation to the November Placing.

On 16 October 2023, the Company entered into a placing agreement in relation to the November Placing, which was completed on 1 November 2023. Upon completion of the November Placing, an aggregate of 180,640,000 Shares have been allotted and issued under the Existing General Mandate, with a remaining balance of 1,742 Shares which can be issued under the Existing General Mandate.

As at the Latest Practicable Date, the Company had not refreshed the Existing General Mandate since the AGM.

As at the Latest Practicable Date, there are 26,814,359 outstanding Share Options granted by the Company. Such outstanding Share Options are exercisable into 26,814,359 Shares. Save for the foregoing, the Company has no other outstanding convertible bonds, options, derivatives, warrants, conversion rights or other similar rights entitling holders thereof to subscribe for or convert into or exchange for new Shares.

Proposed grant of the New General Mandate

Taking into consideration that almost all of the Existing General Mandate has been utilised as at the Latest Practicable Date, the Company will convene the EGM at which ordinary resolutions will be proposed to the Independent Shareholders that:

(i) the Directors be granted the New General Mandate to allot and issue Shares not exceeding 20% of the total number of the issued Shares as at the date of passing of the relevant ordinary resolution at the EGM; and

(ii) the New General Mandate be extended to Shares repurchased by the Company pursuant to the repurchase mandate granted to the Directors at the AGM.

The Company has not refreshed the Existing General Mandate since the AGM. The New General Mandate proposed will last until whichever is the earliest of:

(i) the conclusion of the next annual general meeting of the Company;

(ii) the expiration of the period within which the next annual general meeting of the Company is required by the articles of association of the Company or any other applicable laws to be held; or

(iii) the passing of an ordinary resolution by the Shareholders in general meeting revoking or varying the authority given to the Directors under the New General Mandate.

As at the Latest Practicable Date, the Company had 1,130,171,754 Shares in issue. On the basis that there are no changes in the issued share capital of the Company from the Latest Practicable Date and up to the date of the EGM, the Directors will be authorised to allot and issue up to 226,034,350 new Shares under the New General Mandate, representing 20% of the total number of issued Shares as at the date of the EGM.

Reasons for the grant of the New General Mandate

The Company is an investment holding company incorporated in the Cayman Islands. The Group is principally engaged in the supply chain business for branded goods and consumer products in the Greater China region. In 2023, the Group has restructured and upgraded its supply chain business by expanding its sales channels at various levels, upgrading the traditional business to business (B2B) model to business to channels to customers (B2C2C) model covering different online and offline sales channels, and developing various value-added services such as brand building, management and promotion for brand owners (or their advertising agents).

In assessing the needs for the grant of the New General Mandate, the Board has considered the following:

(i) The Existing General Mandate has been almost fully utilised

During the period from the date of grant of the Existing General Mandate to the Latest Practicable Date, most of the Existing General Mandate (i.e. 180,640,000 out of 180,641,742 Shares) has been utilised as a result of the November Placing.

As the next annual general meeting of the Company will not be held until around September 2024 (the "**2024 AGM**"), the Company will no longer have the flexibility to promptly meet fund raising opportunities for about six months should any fund-raising opportunity with attractive terms arises prior to the 2024 AGM. Given the current economic condition, the Company believes that it is important for the Company to have the option to raise funding at short notice if the opportunity presents itself.

(ii) Funding needs for business development and acquisition opportunities

References are made to the announcements of the Company dated 28 December 2023 and 9 February 2024 (the "**RI Results Announcement**"), and the prospectus of the Company dated 22 January 2024 (the "**Prospectus**") in relation to the proposed offer of rights Shares on the basis of one rights Share for every five existing Shares (the "**Rights Issue**").

The Group, guided by its business philosophy of delivering "an easier life and better livelihood", serves as a brand digital and intelligence service provider and specialises in providing comprehensive lifecycle digitalisation service for brands, focusing on brand management, brand promotion and brand supply chain. Leveraging an extensive array of scenario-based digital media in hotel platforms, the Group aims to offer brand strategic services and digital advertising system. The overarching goal is to assist brands in creating an experience-driven economy and fostering scenario-based integrated marketing. The Group's operating objective is to expand its brand promotion and brand supply chain business into the six major segments of modern human production and living, namely "dining, lodging, transportation, travel, shopping and entertainment". In November and December 2023, the Group took the lead in launching an all-round cooperation with (i) the brand "Skyworth Auto" in respect of new energy automobiles, (ii) the tourism bureaus of Anshun City and Qiannan Buyei and Miao Autonomous Prefecture in relation to tourism segment, and (iii) Guitai Liquor Brand in respect of catering sector. For details, please refer to the announcements of the Company dated 27 November 2023, 11 December 2023 and 28 December 2023.

The Group has strategically reallocated its workforce and resources towards the development of the supply chain business, with focus on brand promotion. In June and November 2023, the Company completed two rounds of share placements, raising net proceeds totaling approximately HK$39 million, which has been fully utilised as intended. Over the course of the six months ended 30 September 2023, the Group generated approximately HK$57.8 million in revenue from provision of brand promotion services, accounting for approximately 79.02% of the total revenue of the Group, which highlights the Group's proactive endeavours in this area.

The Group plans to continue developing its brand promotion and brand supply chain businesses and requires substantial financial and operational resources to expand and raise the scale of the operations. The Company conducted the Rights Issue in early 2024 in order to obtain the necessary funding to facilitate the development and expansion of the Group's brand promotion business and brand supply chain business as well as strengthening the financial positions of the Group. The maximum net proceeds from the Rights Issue (after deducting the expenses) were estimated to be approximately HK$94.38 million. The Company intended to apply the net proceeds from the Rights Issue as to (i) approximately HK$40.00 million, being approximately 42.38% of the net proceeds, for developing the Group's brand promotion business, including deposits and prepayment for the purchase of media resources and the expansion of the sales and marketing team; (ii) approximately HK$40.00 million, being approximately 42.38% of the net proceeds, for developing the Group's brand supply chain business, including the establishment of additional operating centres in the PRC and the purchase of a retail platform for the digitalisation of the supply chain business of approximately HK$7.00 million; and (iii) approximately HK$14.38 million, being approximately 15.24% of the net proceeds, as general working capital of the Group, including but not limited to staff costs, rental expenses, utilities expenses and other general overhead expenses.

The Rights Issue has been completed in February 2024 and was under-subscribed by 170,446,700 Rights Shares, representing approximately 78.63% of the maximum number of 216,769,742 Rights Shares offered under the Rights Issue. Due to the under-subscription, the Company only raised net proceeds of approximately HK$19.38 million, which was approximately HK$75.00 million less than the estimated maximum net proceeds. As disclosed in the RI Results Announcement, the Company intended to carry out further fund-raising activity(ies).

The Group's current budget for developing brand promotion business remains at approximately HK$40.00 million, of which approximately 80% will be used for deposits and prepayments to purchase media resources, and the remaining will be used for expansion of the sales and marketing team and promotion expenses. As of 31 January 2024, (i) the Company has entered into 11 framework agreements with media resource owners on the terms of ad placements on their respective platforms, including but not limited to ad spaces in metros, trains, airport and lifts, as well as top social media platforms, and the hotel retail sales channel that include TV screens in hotel rooms, lobbies, lifts or reception; and (ii) the contractual commitments arising from these framework agreements amounted to approximately RMB68.23 million (equivalent to approximately HK$75.87 million), which are payable by the Group by July 2024. Taking into account the unutilised proceeds from the Rights Issue of approximately HK$3.91 million, there was a funding gap of at least approximately HK$71.96 million for the development of brand promotion business. The Company is currently considering to (i) negotiate with financial institutions for accounts receivables financing; and (ii) negotiate with placing agent(s) to conduct further round(s) of share placements. As at the Latest Practicable Date, the Company has no concrete plan and has not entered into any agreement, arrangement, understanding or undertaking with financial institutions or placing agents. As at the Latest Practicable Date, the Group had unaudited cash and cash equivalents of approximately HK$6.94 million. It is the industry norm for brand promotion business requiring deposits and prepayments to purchase media resources. In addition, there is usually a three to six months time-lapse between making the deposits and prepayments, and receiving the accounts receivables from the clients. Considering (i) the current cash position of the Group; (ii) the Group recorded an unaudited net loss of approximately HK$5.3 million for the six months ended 30 September 2023; and (iii) the contractual commitments arising from the framework agreements as disclosed above, the Directors are of the view that the Company's internal generated cash flow is not sufficient to cover the above-mentioned funding gap. The Company will adjust its scale of business development based on its financial condition in the best interest of the Company and the Shareholders as a whole. The Directors have confirmed that they would exercise due and careful consideration when choosing the optimal financing method available to the Group to the best of their knowledge and belief. The granting of the Refreshed General Mandate is of paramount importance to the Company and can provide the Company with flexibility and enable the Company to seize any suitable fund-raising opportunities in time and within a short period of time in order to achieve the above objectives of the Group.

In addition to the development and expansion of the Group's brand promotion business and brand supply chain business, the Group is also looking for acquisition opportunities of suitable companies engaging in brand investment, brand operation and brand supply chain that can provide a synergy effect to the existing business of the Group. Although the Group has no concrete acquisition plan as at the Latest Practicable Date, the Directors take the view that the Proposed Refreshment of General Mandate can better prepare the Group to timely and promptly seize the acquisition opportunities whenever these opportunities arise.

(iii) The net proceeds from previous fund-raising activities have been mostly utilised

The Company has raised net proceeds of approximately HK$14.58 million from the June Placing (as defined below) and approximately HK$24.50 million from the November Placing, which have been fully utilised as intended. The Company has raised net proceeds of approximately HK$19.38 million from the Rights Issue, in which approximately HK$15.47 million has been utilised as intended and the unutilised proceeds from the Rights Issue is expected to be fully utilised as intended by June 2024. For further details, please refer to the section headed "Fund raising activities of the Company in the past twelve months".

The Directors considered that if the New General Mandate is granted, it is in the interests of the Company to raise additional capital in a timely manner to strengthen the cash flow position of the Group in the long run for its business development.

(iv) Alternative financing methods

The Directors have also considered other financing alternatives such as debt financing, rights issue, open offer or issuing shares under specific mandate or internal cash resources to meet the financial requirements of the Group, if appropriate, taking into account the then financial position, capital structure and flexibility of the Group as well as the prevailing market condition. However, the Board believes that the proposed grant of the New General Mandate serves the best interests of the Company and the Shareholders considering that:

(a) Debt financing may be subject to lengthy due diligence and negotiations and impose interest burden on the Group. In addition, bank borrowings generally require asset pledging and corporate guarantees. The Directors consider that, currently, the Group does not have material assets suitable and available for pledging to secure substantial amount of bank borrowings;

(b) Pre-emptive fundraising methods such as rights issue or open offer may involve substantial time to complete as compared to equity financing by issuance of new Shares under general mandate. In particular, a rights issue or an open offer normally takes at least five to six weeks, and lengthy discussions with potential commercial underwriters may also be involved. If shareholders' approval is required, it may take over two months, which is primarily due to the time for the issuer to prepare a circular and the notice period for the shareholders' meeting. Therefore, it would not allow the Company to satisfy its funding requirements in a timely manner if required; and

(c) As compared to equity financing by issuance of new Shares under general mandate, issuing Shares under specific mandate would involve extra time from the finalisation of the relevant terms of the fundraising plan, the preparation, printing and despatch of the relevant circular and other documentations, as well as the holding and convening of extraordinary general meeting on each occasion of issue, and equity financing by issuance of new Shares under general mandate would allow the Company to avoid the uncertainties in such circumstances where the approval for specific mandate may not be obtained in a timely manner. Accordingly, the Directors consider that the Proposed Refreshment of General Mandate offers the Company with greater financing flexibility to cope with the funding needs of the Company by providing a more efficient process of fund raising and avoiding the uncertainties of not obtaining a specific mandate in a timely fashion.

In light of the above, the Directors are of the view that the Proposed Refreshment of General Mandate is fair and reasonable and is in the interests of the Company and the Shareholders as a whole.

As at the Latest Practicable Date, the Company has no intention to further refresh the New General Mandate before the 2024 AGM.

FUND RAISING ACTIVITIES OF THE COMPANY IN THE PAST TWELVE MONTHS

Save for equity fund raising activities mentioned below, the Company has not carried out any other equity fund raising activities in the past twelve-month period immediately preceding the Latest Practicable Date:

Date of announcements	**Event**	**Net proceeds (raised) (approximately)**	**Intended 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 (the "**June Placing**")	HK$14,578,000	The net proceeds were 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 Latest Practicable Date, the net proceeds have been fully utilised as intended.
16 October 2023 and 1 November 2023	Placing of 180,640,000 new Shares at the placing price of HK$0.14 each to not less than six placees under general mandate	HK$24,500,000	The net proceeds were 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.	As at the Latest Practicable Date, the net proceeds have been fully utilised as intended.
28 December 2023, 22 January 2024 and 9 February 2024	Rights issue	HK$19,380,000	The net proceeds were intended to be used as to HK$8,213,000 for developing the Group's brand promotion business, as to HK$8,213,000 for developing the Group's brand supply chain business and as to HK$2,954,000 for general working capital of the Group.	As at the Latest Practicable Date, the net proceeds of approximately HK$15,472,000 have been utilised as intended and the unutilised proceeds is expected to be fully utilised as intended by June 2024.

Potential dilution to shareholdings of the Shareholders

The table below sets out the shareholding structure of the Company (i) as at the Latest Practicable Date; and (ii) upon full utilisation of the New General Mandate (assuming that there is no change in the total number of issued Shares from the Latest Practicable Date up to the date of the full utilisation of the New General Mandate), for illustrative and reference purpose:

	As at the Latest Practicable Date		Immediately after the full utilisation of the Refreshed General Mandate	
	No. of Shares	*Approximate %*	*No. of Shares*	*Approximate %*
Directors of the Company and its subsidiaries				
Mr. Chiu Sui Keung	15,654,200	1.39	15,654,200	1.15
Ms. Qin Jiali	51,672,000	4.57	51,672,000	3.81
Mr. Zhang Shaoyan	15,346,000	1.36	15,346,000	1.13
Mr. Zhao Zhenzhong	63,192,000	5.59	63,192,000	4.66
Mr. Guo Wei	41,392,000	3.66	41,392,000	3.05
Mr. Cheng Wong Keung, Raymond	408,200	0.04	408,200	0.03
Mr. Lam Williamson	436,200	0.04	436,200	0.03
Mr. Wong Hoi Kuen	436,200	0.04	436,200	0.03
Other directors of the subsidiaries of the Company	51,060,000	4.52	51,060,000	3.76
Ex-Directors				
Mr. Zhang Xiaobin *(Note 1)*	19,130,298	1.69	19,130,298	1.41
Mr. Gao Feng *(Note 1)*	50,351,506	4.46	50,351,506	3.71
Dr. Lam Lee G. *(Note 2)*	200,000	0.02	200,000	0.01
Sub-total:	**309,278,604**	**27.37**	**309,278,604**	**22.80**
Other Shareholders				
Public Shareholders	820,893,150	72.63	820,893,150	60.53
Maximum number of Shares to be issued under the New General Mandate	–	–	226,034,350	16.67
Sub-total:	**820,893,150**	**72.63**	**1,046,927,500**	**77.20**
Total:	**1,130,171,754**	**100.00**	**1,356,206,104**	**100.00**

Notes:

1. 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.

2. Dr. Lam Lee G. resigned as an independent non-executive Director with effect from 7 February 2024. He is no longer required to make disclosure of any change in shareholding of the Company as a Director after 7 February 2024. His shareholding set out in the above table is derived from public information and based on the best knowledge of the Directors.

3. 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.

As illustrated in the table above, assuming that (i) the grant of New General Mandate is approved at the EGM; and (ii) no Shares will be issued or repurchased by the Company from the Latest Practicable Date up to and including the date of the EGM, upon full utilisation of the New General Mandate, 226,034,350 new Shares can be issued, which represent 20% of the total number of issued Shares as at the Latest Practicable Date and approximately 16.67% of the issued share capital of the Company as enlarged by the issue of such new Shares and the shareholding of the existing public Shareholders would be diluted from approximately 72.63% as at the Latest Practicable Date to approximately 60.53% upon full utilisation of the New General Mandate.

Having considered the factors as set out in the paragraph headed "Reasons for the grant of the New General Mandate" above, the Directors are of the view that the aforesaid dilution impact on the shareholding of the existing public Shareholders to be acceptable and the Proposed Refreshment of General Mandate is in the interests of the Company and the Shareholders as a whole.

LISTING RULES IMPLICATIONS

Pursuant to Rule 13.36(4) of the Listing Rules, the approval of the Proposed Refreshment of General Mandate will be subject to Independent Shareholder's approval at a general meeting of the Company. Any controlling shareholders and their associates or, where there are no controlling shareholders, directors (excluding independent non-executive directors) and the chief executive of the issuer and their respective associates shall abstain from voting in favour of the resolution to approve the Proposed Refreshment of General Mandate.

As at the Latest Practicable Date, to the best knowledge, belief and information of the Directors having made all reasonable enquiries, the Company has no controlling Shareholder. Accordingly, Mr. Chiu Sui Keung, Ms. Qin Jiali, Mr. Zhang Shaoyan, Mr. Zhao Zhenzhong and Mr. Guo Wei, all being executive Directors with interests in the Shares, together with their associates are required to abstain from voting in favour of the resolution(s) to approve the Proposed Refreshment of General Mandate. As at the Latest Practicable Date, Mr. Chiu Sui Keung, Ms. Qin Jiali, Mr. Zhang Shaoyan, Mr. Zhao Zhenzhong and Mr. Guo Wei, who were interested in an aggregate of approximately 16.57% of the issued share capital of the Company, shall abstain from voting in favour of the resolution(s) to approve the Proposed Refreshment of General Mandate at the EGM.

To the best of the Director's knowledge, information and belief having made all reasonable enquiries, save as disclosed and as at the Latest Practicable Date, no Shareholder is required to abstain from voting on the proposed resolution(s) on the Proposed Refreshment of General Mandate at the EGM.

EGM

The EGM will be convened and held for the Independent Shareholders to consider and if thought fit, among other things, the Proposed Refreshment of General Mandate.

The EGM will be held at Unit 806, Level 8, Core D, Cyberport 3, 100 Cyberport Road, Hong Kong on Monday, 29 April 2024 at 11:30 a.m.. The notice of the EGM is set out on pages EGM-1 to EGM-3 of this circular. Whether or not you are able to attend the EGM, please complete the form of proxy in accordance with the instructions printed thereon and return the same to the Registrar, Tricor Tengis Limited at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong, or via the designated URL (https://spot-emeeting.tricor.hk) by using the username and password provided on the notification letter sent by the Company as soon as possible and in any event not later than 48 hours before the time appointed for holding the EGM or any adjournment thereof. Completion and return of the form of proxy will not preclude you from attending and voting in person at the EGM or any adjournment thereof should you so wish and, in such event, the proxy form shall be deemed to be revoked.

The votes of the Independent Shareholders at the EGM will be taken by poll in accordance with Rule 13.39(4) of the Listing Rules and the Company will announce the results of the poll in the manner prescribed under Rule 13.39(5) of the Listing Rules. To the best knowledge, information and belief of the Directors after making all reasonable enquiries, save for Mr. Chiu Sui Keung, Ms. Qin Jiali, Mr. Zhang Shaoyan, Mr. Zhao Zhenzhong and Mr. Guo Wei, all being executive Directors with interests in the Shares, who shall abstain from voting in respect of the resolution(s) relating to the Proposed Refreshment of General Mandate, none of the Shareholders is required to abstain from voting on the resolution(s) to be proposed at the EGM.

CLOSURE OF REGISTER OF MEMBERS

For the purposes of determining Shareholders' eligibility to attend and vote at the EGM, the register of members of the Company will be closed from Wednesday, 24 April 2024 to Monday, 29 April 2024, both days inclusive, during which period no transfer of Shares will be registered. The record date for such purposes is Wednesday, 24 April 2024.

In order to be eligible to attend and vote at the EGM, all properly completed transfer forms accompanied by the relevant share certificates must be lodged with the Registrar, Tricor Tengis Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong, not later than 4:30 p.m. on Tuesday, 23 April 2024.

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, has been established to advise the Independent Shareholders on the Proposed Refreshment of General Mandate.

Draco Capital has been appointed as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders in respect of the Proposed Refreshment of General Mandate.

RESPONSIBILITY STATEMENT

This circular, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Group. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this circular is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this circular misleading.

RECOMMENDATIONS

Based on the above, the Directors (including members of the Independent Board Committee whose views are set out in the letter from the Independent Board Committee in this circular after taking into account the advice of the Independent Financial Adviser) consider that the Proposed Refreshment of General Mandate is fair and reasonable and is in the best interests of the Company and the Shareholders as a whole, and recommend the Independent Shareholders to vote in favour of the relevant resolution(s) to be proposed at the EGM as set out in the notice of EGM attached to this circular.

Your attention is drawn to the letter of advice from the Independent Financial Adviser set out on pages 16 to 29 of this circular which contains its advice to the Independent Board Committee and the Independent Shareholders in connection with the Proposed Refreshment of General Mandate and the letter from the Independent Board Committee set out on page 15 of this circular which contains its recommendation to the Independent Shareholders in relation to the Proposed Refreshment of General Mandate.

Yours faithfully,
By Order of the Board
Elife Holdings Limited
Chow Chi Fai
Company Secretary

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

2 April 2024

To the Independent Shareholders

Dear Sir or Madam,

PROPOSED REFRESHMENT OF GENERAL MANDATE

We refer to the circular (the "**Circular**") dated 2 April 2024 issued by the Company, of which this letter forms part. Capitalised terms used in this letter shall have the same meanings as those defined in the Circular unless specified otherwise.

We have been appointed by the Board as the Independent Board Committee to advise the Independent Shareholders as to whether, in our opinion, the Proposed Refreshment of General Mandate is in the interests of the Company and the Shareholders as a whole and whether the terms of the Proposed Refreshment of General Mandate are fair and reasonable so far as the Independent Shareholders are concerned, and how the Independent Shareholders should vote at the EGM, after taking into account the recommendation of the Independent Financial Adviser.

We wish to draw your attention to the letter from the Independent Financial Adviser as set out on pages 16 to 29 of this circular.

Having considered the Proposed Refreshment of General Mandate and the principal factors and reasons considered by and the opinion of the Independent Financial Adviser as set out in its letter of advice, we consider that the Proposed Refreshment of General Mandate is in the interests of the Company and the Shareholders as a whole and the terms of which are fair and reasonable so far as the Company and the Independent Shareholders are concerned. Accordingly, we recommend the Independent Shareholders to vote in favour of the resolution(s) to approve the Proposed Refreshment of General Mandate at the EGM.

Yours faithfully,
For and on behalf of the Independent Board Committee

Mr. Cheng Wing Keung Raymond	**Mr. Lam Williamson**	**Mr. Wong Hoi Kuen**
Independent non-executive Director	*Independent non-executive Director*	*Independent non-executive Director*

The following is the text of the letter of advice from Draco Capital, the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders, which has been prepared for the purpose of inclusion in this circular.

Draco Capital Limited
4/F Connaught Harbourfront House
35 Connaught Road West,
Sheung Wan, Hong Kong

+852 3619 2588

2 April 2024

To: the Independent Board Committee and the Independent Shareholders

Dear Sirs,

PROPOSED REFRESHMENT OF GENERAL MANDATE

INTRODUCTION

We refer to our appointment to advise the Independent Board Committee and the Independent Shareholders in relation to (i) the proposed granting of the New General Mandate. Details of the New General Mandate, are contained in the circular of the Company to the Shareholders dated 2 April 2024 (the "**Circular**"), of which this letter forms part. Unless the context otherwise requires, terms used in this letter shall have the same meanings as defined in the Circular.

As the proposed granting of the New General Mandate is being made prior to the Company's next annual general meeting, pursuant to Rule 13.36(4) of the Listing Rules, the New General Mandate is subject to the Independent Shareholders' approval by way of an ordinary resolution at the EGM. Any controlling Shareholders and their respective associates or, where there is no controlling Shareholder, the Directors (excluding independent non-executive Directors) and the chief executive of the Company and their respective associates, shall abstain from voting in favour of the relevant resolution with respect to the proposed granting of the New General Mandate.

As at the Latest Practicable Date, the Company has no controlling shareholder. Therefore, Mr. Chiu Sui Keung, Ms. Qin Jiali, Mr. Zhang Shaoyan, Mr. Zhao Zhenzhong and Mr. Guo Wei, each an executive Director, and their respective associates, shall abstain from voting in favour of the relevant resolution with respect to the proposed granting of the New General Mandate.

The Independent Board Committee comprising all the independent non-executive Directors, namely Mr. Cheng Wing Keung, Raymond, Mr. Lam Williamson and Mr. Wong Hoi Kuen, has been established to advise the Independent Shareholders as to whether the proposed granting of the New General Mandate is fair and reasonable so far as the Independent Shareholders are concerned, and in the interests of the Company and the Shareholders as a whole. We, Draco Capital, have been appointed to advise the Independent Board Committee and the Independent Shareholders in this regard.

During the past two years, there were no engagements between the Company and Draco Capital. As at the Latest Practicable Date, there were no relationships or interests between (i) Draco Capital and (ii) the Group, or their respective substantial shareholders, subsidiaries and associates that could reasonably be regarded as a hindrance to our independence as defined under Rule 13.84 of the Listing Rules to act as the Independent Financial Adviser.

In formulating our opinion and recommendation, we have relied on the information and facts supplied, and the opinions expressed, by the Directors and management of the Group and have assumed that such information, facts and opinions were true, accurate and complete in all material aspects and will remain so up to the time of the EGM. We have reviewed, among others, the relevant information contained in (i) the annual report of the Company for the year ended 31 March 2023, (ii) the interim report of the Company for the six months ended 30 September 2023, and (iii) the Circular. We have also discussed with the management of the Group regarding the businesses and funding needs of the Group, the utilisation status of the Existing General Mandate granted to the Directors at the Company's annual general meeting held on 29 September 2023 (the "**AGM**"), as well as the reasons for and benefits for the New General Mandate. We have also sought and received confirmation from the Directors that all material relevant information has been supplied to us and no material facts have been omitted from the information supplied and opinions expressed to us. We have no reason to believe that any material information has been omitted or withheld from us, or to doubt the truth, accuracy or completeness of the information provided. We have relied on such information and consider that the information we have received is sufficient for us to reach an informed view. We have, however, not conducted any independent investigation into the business, affairs and financial position of the Group and the respective subsidiaries or associates, nor have we carried out any independent verification of the information supplied.

PRINCIPAL FACTORS AND REASONS CONSIDERED

In arriving at our opinion and recommendation on the proposed granting of the New General Mandate, we have taken into consideration the following principal factors and reasons:

A. 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. In 2023, the Group has restructured and upgraded its supply chain business by expanding its sales channels at various levels, upgrading the traditional business to business (B2B) model to business to channels to customers (B2C2C) model covering different online and offline sales channels, and developing various value-added services such as brand building, management and promotion for brand owners (or their advertising agents).

Shares of the Company are listed on the Stock Exchange and the Company had a market capitalisation of approximately HK$281 million as at the Latest Practicable Date.

B. Proposed Refreshment of Existing General Mandate

1. Financial information of the Group

Financial performance

The following table set out a summary of consolidated statements of comprehensive income of the Group for the two years ended 31 March 2022 ("**2021/2022**") and 2023 ("**2022/2023**"), and for the six months ended 30 September 2022 and 2023, as extracted and summarised from the Company's 2022/2023 annual report and interim report for the six months ended 30 September 2022 and 2023:

	For the six months ended 30 September		For the year ended 31 March	
	2023	**2022**	**2023**	**2022**
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*
	(unaudited)	(unaudited)	(audited)	(audited)
Continuing operations				
Turnover	73,125	134,121	238,840	152,600
Cost of sales	(66,662)	(133,100)	(236,973)	(144,751)
Gross profit	6,463	1,021	1,867	7,849
Other income	516	879	1,579	1,469
Other gains, net	52	678	701	678
Selling expenses	(1,079)	(862)	(1,898)	(832)
Other operating expenses	(10,270)	(11,972)	(23,452)	(24,017)
Equity-settled share-based payment	–	(661)	(697)	(12,684)
Net allowance for expected credit losses on trade and other receivables	–	–	(442)	(14,889)
Impairment losses on property, plant and equipment and right-of-use assets	–	–	(599)	–
Loss from operating activities	(4,318)	(10,917)	(22,941)	(42,426)
Finance costs	(928)	(974)	(2,262)	(2,489)
Loss before tax	(5,246)	(11,891)	(25,203)	(44,915)
Taxation	–	(8)	(33)	(1,645)
Loss for the period/year from continuing operations	(5,246)	(11,899)	(25,236)	(46,560)
Discontinued operation				
Loss for the period/year from a discontinued operation	–	–	–	(2,815)
Loss for the period/year	(5,246)	(11,899)	(25,236)	(49,375)

Revenues of the Group, mainly generated from commodities trading business, raised to approximately HK$238.8 million in 2022/2023, representing an increase of approximately 56.5% from approximately HK$152.6 million in 2021/2022. For the six months ended 30 September 2023, revenues of the Group decreased by approximately 45.5% to approximately HK$73.1 million, from approximately HK$134.1 million for the six months ended 30 September 2022, mainly due to a scale down of sales in copper rod, given its low gross profit margin.

While revenues of the Group increased largely in 2022/2023, gross profit dropped substantially from approximately HK$7.8 million in 2021/2022 to approximately HK$1.9 million in 2022/2023, with gross profit margin decreased from approximately 51.4% in 2021/2022 to approximately 0.78% in 2022/2023. The decreases were mainly attributable to the reduced margin in daily cleaning, anti-epidemic and other consumable products segment. The gross profit margin in daily cleaning, anti-epidemic and other consumable segment has dropped to approximately 5.0% (2021/2022: approximately 18.6%) as a result of decreased sales to export trading customers which is of generally higher margin. For the six months ended 30 September 2023, gross profit of the Group increased to approximately HK$6.5 million, from approximately HK$1.0 million for the six months ended 30 September 2022, largely due to an enhanced margin from the provision of brand promotion services under the supply chain business segment. Gross profit margin improved from approximately 0.76% for the six months ended 30 September 2022 to approximately 8.8% for the six months ended 30 September 2023.

Significant amounts of equity-settled share-based payment and net allowance for expected credit losses on trade and other receivables were recorded in 2021/2022, amounting to approximately HK$12.7 million and 14.9 million respectively, which mainly related to that a) the Group recognised total expenses for the issuance of awarded shares in relation to the new share award scheme and b) the management of the Company considered those receivable balances are unlikely to be recoverable or partially recoverable, respectively.

Net finance costs of the Group mainly comprised interest expenses on amount due to shareholders, amounts due to non-controlling interests and lease liabilities. The amount remains stable from HK$2.5 million in 2021/2022 to HK$2.3 million in 2022/2023, and remains stable from HK$0.97 million in 2021/2022 to HK$0.93 million in 2022/2023.

Loss after taxation of the Group decreased significantly from approximately HK$49.4 million in 2021/2022 to approximately HK$25.2 million in 2022/2023, mainly due to the decrease in equity-settled share-based payment and net allowance for expected credit losses on trade and other receivables as explained above. The Group recorded a loss after taxation of approximately HK$5.2 million for the six months ended 30 September 2023, as opposed to a loss of approximately HK$11.9 million for the six months ended 30 September 2022, mainly attributable to the increase in gross profit as a result of an enhanced margin from the provision of brand promotion services under the supply chain business segment during the period.

Financial position

The following table sets out a summary of the consolidated statements of financial position of the Group as at 31 March 2023 and 30 September 2023, as extracted and summarised from the Company's 2022/2023 annual report and interim report for the six months ended 30 September 2023:

	As at 30 September 2023 *HK$'000* (unaudited)	**As at 31 March 2023** *HK$'000* (audited)
Non-current assets		
Property, plant and equipment	3,216	3,599
Right-of use assets	3,918	639
Financial asset at fair value through other comprehensive income	257	274
	7,391	4,512
Current assets		
Inventories	2,465	2,701
Trade receivables	13,323	7,705
Deposits, prepayments and other receivables	67,314	60,949
Cash and cash equivalents	6,843	2,283
Total current assets	89,945	73,638
Less: Current liabilities		
Trade payables	15,903	2,318
Accrued liabilities and other payables	17,928	20,139
Contract liabilities	366	1,015
Lease liabilities	1,542	888
Amounts due to shareholders	17,071	5,849
Amounts due to non-controlling interests	8,691	7,560
Tax payables	1,084	1,154
Total current liabilities	62,585	38,923
Net current assets	27,360	34,715
Total assets less current liabilities	34,751	39,227

	As at 30 September 2023 *HK$'000* (unaudited)	As at 31 March 2023 *HK$'000* (audited)
Less: Non-current liabilities		
Lease liabilities	2,854	515
Amounts due to shareholders	–	12,034
Amounts due to non-controlling interests	–	1,066
	2,854	13,615
Net assets	31,897	25,612
Capital and reserves		
Share capital	90,321	75,269
Reserves	14,548	23,556
Equity attributable to owners of the Company	104,869	98,825
Non-controlling interests	(72,972)	(73,213)
Total equity	31,897	25,612

As at 30 September 2023, major assets of the Group included (i) deposits prepayments and other receivables of approximately HK$67.3 million, (ii) trade receivables of approximately HK$13.3 million, (iii) cash and cash equivalents of approximately HK$6.8 million.

As at 30 September 2023, major liabilities of the Group included (i) accrued liabilities and other payables of approximately HK$17.9 million, (ii) amount due to shareholders of approximately HK$17.1 million, and (iii) trade payables of approximately HK$15.9 million.

As at 31 March 2023, the Group's current assets exceeded its current liabilities by only HK$34.7 million. Subsequently, net current assets position decreased to approximately HK$27.4 million as at 30 September 2023.

As at 30 September 2023, the Group had net debt (calculated as the sum of amounts due to shareholders, amounts due to non-controlling interests and lease liabilities minus cash and cash equivalents) of approximately HK$23.3 million, as compared to approximately HK$12.5 million as at 31 March 2023.

2. Recent developments

As analysed in the section above, the Group recorded a net loss of approximately HK$25.2 million for the year ended 31 March 2023. As at 30 September 2023, the Group had net debt of approximately HK$23.3 million, comprising of amount due to shareholders of approximately HK$17.1 million, the amount due to non-controlling interests of HK$8.7 million and lease liabilities of HK$4.4 million, while the Group had cash and cash equivalents of approximately HK$6.8 million. We note the amount due to shareholders and non-controlling interests are either due within 1 year or repayable on demand.

Against this background, the Directors and management of the Group gave careful consideration to the future liquidity, operating performance and available resources of financing of the Group. In terms of operational aspects, the Group has been adjusting its business strategy to focus on the supply chain business businesses, so as to improve the Group's revenue quality, profitability and cash generation capability. At the same time, the Group has been actively reviewing and optimising its cost structure and organisational structure in order to achieve cost reduction and efficiency improvement.

In terms of financing aspects, in October 2023, the Company announced (i) the proposed placing of new Shares at HK$0.14 each under the Existing General Mandate. The October Share Issue was completed on 1 November 2023 (the "**November Placing**"), with an estimated net proceeds of approximately HK$24.5 million (after deduction of commission and other estimated expenses payable).

The Directors stated in the relevant announcements that the November Placing was mainly for developing the Group's business and replenishing the working capital of the Group, which is therefore in the interests of the Company and its Shareholders as a whole. As at the Latest Practicable Date, all net proceeds from the November Placing had been utilised for the stated purposes.

As announced by the Company on 28 December 2023, the Company proposes to implement the Rights Issue to raise up to approximately HK$95.38 million before expenses (on the basis that no Shares are issued or repurchased on or before the record date) mainly for developing the Group's brand promotion business and brand supply chain business. As announced by the Company on 9 February 2024, the Rights Issue was under-subscribed by 78.6% due to the continuous slump of the Hang Seng Index which has adversely affected the market sentiment.

3. Background to and reasons for the proposed granting of the New General Mandate

The Company has carried out a series of financing activities in 2023, including those as described in the previous sections. The November Placing Issue and the Rights Issue were mainly to finance business development as mentioned in the previous section. Based on our discussions with the management of the Group, the Group plans to continue developing its brand promotion and brand supply chain businesses and requires substantial financial and operational resources to expand and raise the scale of the operations.

Following the above financing activities, we have reviewed the Company's disclosures and noted that during the period from the grant of the Existing General Mandate to the Latest Practicable Date, most of the Existing General Mandate (i.e. 180,640,000 out of 180,641,742 Shares) has been utilised as a result of the November Placing. We have discussed with the management, as the next annual general meeting of the Company will not be held until around September 2024 (the "**2024 AGM**"), the Company will no longer have the flexibility to promptly meet fund raising opportunities for about six months should any fund-raising opportunities with attractive terms arises prior to the 2024 AGM. Given the current economic condition, the Company believes that it is important for the Company to have the option to raise funding at short notice if the opportunity presents itself.

Business development needs

We have discussed with the management of the Group about the future funding needs of its business development plan, and are advised that the Group, guided by its business philosophy of delivering "an easier life and better livelihood", serves as a brand digital and intelligence service provider and specialises in providing comprehensive lifecycle digitalisation service for brands, focusing on brand management, brand promotion and brand supply chain. Leveraging an extensive array of scenario-based digital media in hotel platforms, the Group aims to offer brand strategic services and digital advertising system.

As advised by the management, the overarching goal is to assist brands in creating an experience-driven economy and fostering scenario-based integrated marketing. The Group's operating objective is to expand its brand promotion and brand supply chain business into the six major segments of modern human production and living, namely "dining, lodging, transportation, travel, shopping and entertainment". In November and December 2023, the Group took the lead in launching an all-round cooperation with (i) the brand "Skyworth Auto" in respect of new energy automobiles, (ii) the tourism bureaus of Anshun City and Qiannan Buyei and Miao Autonomous Prefecture in relation to tourism segment, and (iii) Guitai Liquor Brand in respect of catering sector. We have reviewed the announcements of the Company dated 27 November 2023, 11 December 2023 and 28 December 2023 for the relevant details.

Per review of the Company's financial statement, over the course of the six months ended 30 September 2023, the Group generated approximately HK$57.8 million in revenue from provision of brand promotion services, accounting for approximately 79.02% of the total revenue of the Group, it is our view that this has reflected the Group's proactive endeavours in this area.

The business development requires significant investments, as reflected by the previous announcement that In June and November 2023, the Company completed two rounds of share placements, raising net proceeds totaling approximately HK$39 million, which has been fully utilised as intended. The Company conducted the Rights Issue in early 2024 in order to obtain the necessary funding to facilitate the development and expansion of the Group's brand promotion business and brand supply chain business as well as strengthening the financial positions of the Group. The maximum net proceeds from the Rights Issue (after deducting the expenses) were estimated to be approximately HK$94.38 million. The Company intended to apply the net proceeds from the Rights Issue as to (i) approximately HK$40.00 million, being approximately 42.38% of the net proceeds, for developing the Group's brand promotion business, including deposits and prepayment for the purchase of media resources and the expansion of the sales and marketing team; (ii) approximately HK$40.00 million, being approximately 42.38% of the net proceeds, for developing the Group's brand supply chain business, including the establishment of additional operating centres in the PRC and the purchase of a retail platform for the digitalisation of the supply chain business of approximately HK$7.00 million; and (iii) approximately HK$14.38 million, being approximately 15.24% of the net proceeds, as general working capital of the Group, including but not limited to staff costs, rental expenses, utilities expenses and other general overhead expenses.

We reviewed the budget forecast with business plan provided by the Group for the period up to February 2025, and per discussion with the management of the Group, the Group's current budget for developing brand promotion business remains at approximately HK$40.00 million, of which approximately 80% will be used for deposits and prepayments to purchase media resources, and the remaining will be used for expansion of the sales and marketing team and promotion expenses. As of the Latest Practicable Date, we have reviewed that the Company has entered into eleven framework agreements with media resource owners on the terms of ad placements on their respective platforms, including but not limited to ad spaces in metros, trains, airport and lifts, as well as top social media platforms, and the hotel retail sales channel that include TV screens in hotel rooms, lobbies, lifts or reception.

We reviewed that the contractual commitments arising from these framework agreements amounted to approximately RMB68.23 million (equivalent to approximately HK$75.87 million), which are payable by the Group by July 2024. Taking into account the unutilised proceeds from the Rights Issue of approximately HK$3.91 million, there was a funding gap of at least approximately HK$71.96 million for the development of brand promotion business.

We have reviewed the announcement that the Rights Issue has been completed in February 2024 and was under-subscribed by 170,446,700 Rights Shares, representing approximately 78.63% of the maximum number of 216,769,742 Rights Shares offered under the Rights Issue. Due to the under-subscription, the Company only raised net proceeds of approximately HK$19.38 million, which was approximately HK$75.00 million less than the estimated maximum net proceeds. As disclosed in the RI Results Announcement, the Company intended to carry out further fund-raising activity(ies). Because of the contractual commitments as mentioned above, any unfulfilled funding gap would delay or adversely affect the business operation of the Group, we are of the view that the granting of the New General Mandate is of paramount importance to the Company and can provide the Company with flexibility and enable the Company to seize any suitable fund-raising opportunities in time and within a short period of time in order to achieve the above objectives of the Group, which is in the interests of the shareholders as a whole.

Per discussion with the management, in addition to the development and expansion of the Group's brand promotion business and brand supply chain business, the Group is also looking for acquisition opportunities of suitable companies engaging in brand investment, brand operation and brand supply chain that can provide a synergy effect to the existing business of the Group. Although the Group has no concrete acquisition plan as at the Latest Practicable Date, we are of the view that the Proposed Refreshment of General Mandate can better prepare the Group to timely and promptly seize the acquisition opportunities whenever these opportunities arise. We have discussed with management and reviewed the announcements. Going forward, we understand from the management that the Group will continue to deploy resources on business development as mentioned above.

Reasons for and Benefits of the New General Mandate

As set out in the letter from the Board, as at the Latest Practicable Date, although the Company had no definite arrangements for financing plans for the year 2024, per discussion with the management of the Group, the Company is currently considering to (i) negotiate with financial institutions for accounts receivables financing; and (ii) negotiate with placing agent(s) to conduct further round(s) of share placements. The Directors have confirmed that they would exercise due and careful consideration when choosing the optimal financing method available to the Group to the best of their knowledge and belief. Despite the above, we reviewed the budget forecast with business plan provided by the Group for the period up to February 2025, and per discussion with the management of the Group, as well as we have reviewed that the Company has entered into eleven framework agreements with media resource owners as disclosed in the subsection "Business development needs" with assessment and workdone above, we concur with the Company's view that the Group has legitimate reasons to refresh the Existing General Mandate. If the New General Mandate is granted, it can allow flexibility for the Group to raise new fund via equity issue before its next annual general meeting, without the need to go through the lengthy process in obtaining further approval from the Shareholders. In view of the current depressed sentiment in the Hong Kong capital market, we consider it important for the Company to have the ability to grasp any future window of opportunity between now and the next annual general meeting, for example when there is an improvement in the market price of the Shares, to conduct equity financing efficiently and avoid the uncertainties that may result from not obtaining a specific mandate in a timely manner, if and when the Company enters into such transactions. Comparisons between the New General Mandate against other financing alternatives are further elaborated in the section below headed "4. Other financing alternatives".

We have reviewed the recently disclosed financial results, given that the new business development from the provision of brand promotion services under the supply chain business segment has resulted in remarkable increase in gross profit and gross profit margin, we consider the benefit of the business development would outweigh the potential dilution effect and is in the interests of the Shareholders as a whole.

Taking into account that (i) the unutilised portion of the Existing General Mandate is very limited following the November Placing, (ii) the importance for the Group to have the flexibility to further rebalance its capital structure towards equity to reduce its level of debt and the relevant finance costs, in view of its current liquidity and financial resources, and (iii) the need for the Group to continue investing in its brand promotion and brand supply chain business, which requires substantial expenditures, we consider that the proposed granting of the New General Mandate would afford the Company a greater financing flexibility, allowing the Company to respond promptly to the market and providing a more efficient process of financing should funding needs arises.

4. Other financing alternatives

Based on our discussions with the management of the Group, the Group has considered different forms of financing alternatives, including further debt financing and other forms of equity financing, such as rights issue or public offering, and the combination of both debt and equity financing, to fund its liquidity and capital expenditures, and this would depend on the Group's financial conditions, future development plans, market conditions and other commercial factors.

According to the management of the Group, sole reliance on debt financing (excluding convertible bonds) is not considered to be preferable given (i) the Group is operating asset-light business, and per our review of the Group's financial statements, the Group does not currently have meaningful amount of assets suitable to be pledged against additional borrowings and the Company is operating at a loss in the latest financial year and the debt of the Group were amounts due to shareholders and non-controlling interests, therefore, we consider that assessment on financial ratio of the Group would not reflect the full picture; (ii) further debt financing may be required to undergo a due diligence and negotiation process, and additional financial covenant requirements may be imposed by financial institutions on the Group, which would limit the Group's funding and operational flexibility; and (iii) the fact that debt financing will inevitably impose an interest burden to the Group, which will in turn erode the Group's profitability and negatively affect refinancing ability.

As discussed earlier, the Group has recently obtained financing following the November Placing. Given that the issue price of any new Shares are generally determined with reference to the prevailing market price of the Shares, if the New General Mandate is granted, the Group would have a greater flexibility for the issuance of new Shares under the New General Mandate prior to the next annual general meeting, as and when needed, and does not require further approval from the Shareholders. Management of the Group considers that the issuance of new shares and new convertible bonds under the New General Mandate provides funding to the Group at a relatively lower funding cost and in a timely manner, strengthens the Group's financial position, and reduces the Group's gearing ratio as compared to pure debt financing.

In respect of other forms of equity financing, such as another rights issue and public offering, the management of the Group are of the view that although rights issue and public offering would allow all Shareholders to participate in and maintain their respective pro-rata shareholding interests in the Company, there are relatively higher uncertainties when compared to equity financing by issuance of new Shares and new convertible bonds under the New General Mandate, for example, whether adequate funds could be raised from rights issue or public offering depending on market conditions and the acceptance level from the Shareholders and we noted that the Company's recent rights issue as mentioned in "recent development" above was under-subscribed by 78.6%, and it would require a relatively lengthy process to complete the financing exercises. In respect of the allotment and issue of new Shares under a specific mandate, the management of the Group consider it may not be suitable for the Company to grasp the equity financing opportunities in time as compared to that under the New General Mandate and we concur with the management's view.

In our opinion, while all possible financing alternatives should be considered whenever there are funding needs by the Group and a decision should only be made after considering specific circumstances at the time, there are drawbacks for each of the alternatives as discussed above. Consequently, the proposed granting of the New General Mandate can be seen as an additional choice to the Group and provide the Company a greater flexibility and discretion in deciding the most appropriate financing method that meet the Group's future funding and business development plans, prior to the next annual general meeting. Therefore, we concur with the Directors' view regarding the shortcomings of other financing alternatives as discussed above, and that the proposed granting of the New General Mandate is in the interests of the Company and the Shareholders as a whole.

5. Terms and conditions of the New General Mandate

The Company will convene the EGM at which ordinary resolution will be proposed to the Independent Shareholders that: (i) the Directors be granted the New General Mandate to allot and issue Shares not exceeding 20% of the total number of the issued Shares as at the date of passing of the relevant ordinary resolution at the EGM; and (ii) the New General Mandate be extended to Shares repurchased by the Company pursuant to the repurchase mandate granted to the Directors at the AGM.

As at the Latest Practicable Date, the Company had a total of 1,130,171,754 issued Shares. Subject to the passing of the resolution to be proposed for the granting of the New General Mandate at the EGM and in the event that no further Shares are issued, repurchased and/or cancelled by the Company from the Latest Practicable Date to the convening date of the EGM, the Company would be allowed to issue up to 226,034,350 Shares pursuant to the New Issue Mandate, representing 20% of the total issued Shares of the Company as at the Latest Practicable Date.

6. Potential dilution effect to the existing public Shareholders

The table below sets out the shareholding structure of the Company (i) as at the Latest Practicable Date; and (ii) upon full utilisation of the New General Mandate (assuming that there is no change in the total number of issued Shares from the Latest Practicable Date up to the date of the full utilisation of the New General Mandate), for illustrative and reference purpose:

	As at the Latest Practicable Date		**Immediately after the full utilisation of the Refreshed General Mandate**	
	No. of Shares	*Approximate %*	*No. of Shares*	*Approximate %*
Directors of the Company and its subsidiaries				
Mr. Chiu Sui Keung	15,654,200	1.39	15,654,200	1.15
Ms. Qin Jiali	51,672,000	4.57	51,672,000	3.81
Mr. Zhang Shaoyan	15,346,000	1.36	15,346,000	1.13
Mr. Zhao Zhenzhong	63,192,000	5.59	63,192,000	4.66
Mr. Guo Wei	41,392,000	3.66	41,392,000	3.05
Mr. Cheng Wong Keung, Raymond	408,200	0.04	408,200	0.03
Mr. Lam Williamson	436,200	0.04	436,200	0.03
Mr. Wong Hoi Kuen	436,200	0.04	436,200	0.03
Other directors of the subsidiaries of the Company	51,060,000	4.52	51,060,000	3.76
Ex-Directors				
Mr. Zhang Xiaobin *(Note 1)*	19,130,298	1.69	19,130,298	1.41
Mr. Gao Feng *(Note 1)*	50,351,506	4.46	50,351,506	3.71
Dr. Lam Lee G. *(Note 2)*	200,000	0.02	200,000	0.01
Sub-total:	**309,278,604**	**27.37**	**309,278,604**	**22.80**
Other Shareholders				
Public Shareholders	820,893,150	72.63	820,893,150	60.53
Maximum number of Shares to be issued under the New General Mandate	–	–	226,034,350	16.67
Sub-total:	**820,893,150**	**72.63**	**1,046,927,500**	**77.20**
Total:	**1,130,171,754**	**100.00**	**1,356,206,104**	**100.00**

Notes:

1. 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.

2. Dr. Lam Lee G. resigned as an independent non-executive Director with effect from 7 February 2024. He is no longer required to make disclosure of any change in shareholding of the Company as a Director after 7 February 2024. His shareholding set out in the above table is derived from public information and based on the best knowledge of the Directors.

3. Percentage figures around 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.

As illustrated in the table above, the full utilisation of the New General Mandate would dilute the shareholding interest of the existing public Shareholders. Nevertheless, having considered (i) the reasons for and benefits of the New General Mandate as discussed above; and (ii) the shareholding interests of all the existing Shareholders will be diluted in proportion to their respective shareholdings upon any utilisation of the New General Mandate, we consider that such potential dilution in shareholding interest of the existing public Shareholders is acceptable.

OPINION AND RECOMMENDATION

Having taken into account the above principal factors and reasons, we consider that the proposed granting of the New General Mandate is fair and reasonable so far as the Independent Shareholders are concerned and in the interest of the Company and the Shareholders as a whole.

Accordingly, we advise the Independent Board Committee to recommend, and we ourselves recommend, the Independent Shareholders to vote in favour of the relevant resolutions to be proposed at the EGM to approve the proposed granting of the New General Mandate.

Yours faithfully,
For and on behalf of
Draco Capital Limited
Kevin Choi **Ivan Chan**
Managing Director *Director*

Mr. Kevin Choi and Mr. Ivan Chan are licensed persons under the SFO to carry out type 6 (advising on corporate finance) regulated activity under the SFO and regarded as responsible officers of Draco Capital Limited. Mr. Kevin Choi and Mr. Ivan Chan have over 12 and 7 years of experience in corporate finance industry, respectively.

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

NOTICE OF EXTRAORDINARY GENERAL MEETING

NOTICE IS HEREBY GIVEN that the extraordinary general meeting (the "**EGM**") of shareholders of Elife Holdings Limited (the "**Company**") will be held at Unit 806, Level 8, Core D, Cyberport 3, 100 Cyberport Road, Hong Kong at 11:30 a.m. on Monday, 29 April 2024 or any adjournment thereof to consider and, if thought fit, to pass with or without amendments, the following resolutions. Unless otherwise indicated, capitalised terms used herein shall have the same meanings as those defined in the circular of the Company dated 2 April 2024 (the "**Circular**")

ORDINARY RESOLUTIONS

1. "**THAT**

(a) the general mandate (the "**Existing General Mandate**") granted to the directors of the Company (the "**Directors**") to allot, issue and deal with the unissued shares of the Company pursuant to an ordinary resolution passed at the annual general meeting of the Company held on 29 September 2023 (the "**AGM**") be and is hereby revoked (without prejudice to any valid exercise of the Existing General Mandate prior to the passing of this resolution);

(b) subject to paragraph (d) below, the exercise by the Directors during the Relevant Period (as hereinafter defined) of all the powers of the Company to allot, issue and deal with additional shares in the capital of the Company and to make or grant offers, agreements, options (including bonds, warrants and debentures convertible into shares of the Company) and rights of exchange or conversion which might require the exercise of such powers, subject to and in accordance with all applicable laws and requirements of the Listing Rules, be and is hereby generally and unconditionally approved;

(c) the approval in paragraph (b) above shall authorise the Directors during the Relevant Period to make or grant offers, agreements, options (including bonds, warrants and debentures convertible into shares of the Company) and rights of exchange or conversion which might require the exercise of such powers after the end of the Relevant Period;

(d) the total number of shares of the Company to be allotted or agreed conditionally or unconditionally to be allotted (whether pursuant to an option or otherwise) by the Directors pursuant to the approval granted in paragraph (b) above, otherwise than pursuant to (i) a Rights Issue (as hereinafter defined), or (ii) the exercise of options under any share option scheme or similar arrangement adopted by the Company for the grant or issue to the employees and Directors and/or any of its subsidiaries and/or other eligible participants specified thereunder of options to subscribe for or rights to acquire shares of the Company, or (iii) an issue of shares upon the exercise of the subscription rights attaching to any warrants which may be issued by the Company; or (iv) an issue of shares of the Company as scrip dividend or similar arrangement in accordance with the memorandum and articles of association of the Company, shall not exceed 20% of the total number of shares of the Company in issue as at the date of the passing of this resolution, and the said approval shall be limited accordingly; and

(e) for the purpose of this resolution: “**Relevant Period**” means the period from the date of passing of this resolution until whichever is the earliest of:

(i) the conclusion of the next annual general meeting of the Company;

(ii) the expiration of the period within which the next annual general meeting of the Company is required by the articles of association of the Company or any other applicable laws to be held; and

(iii) the date on which the authority sets out in this resolution is revoked or varied by an ordinary resolution of the Company in general meeting.

“**Rights Issue**” means an offer of shares of the Company open for a period fixed by the Directors to holders of shares on the register of members of the Company on a fixed record date in proportion to their then holdings of such shares (subject to such exclusions or other arrangements as the Directors may deem necessary or expedient in relation to fractional entitlements or having regard to any legal restrictions under the laws of any relevant jurisdiction, or the requirements of any recognized regulatory body or any stock exchange, in any territory outside Hong Kong).”

2. "**THAT** conditional upon the passing of resolution numbered 1 as set out in the notice convening the EGM, the general and unconditional mandate granted to the Directors to exercise the powers of the Company to allot, issue or otherwise deal with Shares pursuant to resolution numbered 1 as set out in the notice convening the EGM be and is hereby extended by the addition thereto an amount representing the total number of Shares bought back by the Company under the authority granted pursuant to resolution numbered 4(b) as set out in the notice convening the AGM, provided that such amount shall not exceed 10% of the total number of Shares in issue at the date of the AGM."

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

Hong Kong, 2 April 2024

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

Notes:

(a) Any shareholder of the Company entitled to attend and vote at the EGM is entitled to appoint one or more proxies to attend and vote on his behalf. A proxy needs not be a shareholder of the Company. To be valid, a form of proxy in the prescribed form together with the power of attorney or other authority, if any, under which it is signed, or a notarially certified copy of such power or authority, must be deposited with the Company's share registrar in Hong Kong, Tricor Tengis Limited at Level 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong, or via the designated URL (https://spot-emeeting.tricor.hk) by using the username and password provided on the notification letter sent by the Company not less than 48 hours before the time fixed for holding the EGM or any adjourned meeting thereof.

(b) As at the date of this notice, the Board comprised eight Directors, of which Mr. Chiu Sui Keung, Ms. Qin Jiali, Mr. Zhang Shaoyan, Mr. Zhao Zhenzhong and Mr. Guo Wei are executive Directors and Mr. Cheng Wing Keung, Raymond, Mr. Lam Williamson and Mr. Wong Hoi Kuen are independent non-executive Directors.

(c) The register of members of the Company will be closed from Wednesday, 24 April 2024 to Monday, 29 April 2024 (both days inclusive), during which period no transfer of the shares of the Company will be effected. In order to qualify for attending the EGM, all transfers accompanied by the relevant share certificates and transfer forms must be lodged with the Company's share registrar in Hong Kong, Tricor Tengis Limited at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong not later than 4:30 p.m. on Tuesday, 23 April 2024.

(d) Completion and return of the proxy form does not preclude a member from attending and voting in person at the EGM (or any adjournment of such meeting) and, in such event, the proxy form shall be deemed to be revoked.

(e) Where there are joint holders of any shares of the Company, any one of such joint holders may vote, either in person or by proxy, in respect of such shares as if he was solely entitled thereto; but if more than one of such joint holders are present at the EGM (and any adjournment of such meeting), the most senior will alone be entitled to vote, whether in person or by proxy. For this purpose, seniority will be determined by the order in which the names stand in the register of members of the Company in respect of the joint holding.