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CHINA INNOVATION INVESTMENT LIMITED **中國創新投資有限公司**

(incorporated in the Cayman Islands with limited liability)

(Stock Code: 1217)

ANNOUNCEMENT

VOLUNTARY CONDITIONAL CASH PARTIAL OFFER TO ACQUIRE 180,000,000 SHARES IN ELIFE HOLDINGS LIMITED (STOCK CODE: 223) (OTHER THAN THOSE ALREADY OWNED BY THE OFFEROR AND PARTIES ACTING IN CONCERT WITH IT)

OFFEROR'S RESPONSE TO THE COLLECTIVE DOCUMENTS ISSUED BY THE OFFEREE COMPANY

References are made to (i) the announcements and documents issued by Elife Holdings Limited (the “**Offeree Company**” or “**Elife**”) dated 18 November 2025 (the “**Collective Documents**”), in relation to, among other things, the key findings and results of the forensic investigation (the “**Forensic Investigation**”), the key findings and results of the internal control review (the “**Internal Control Review**”), the interim results for the six months ended 30 September 2024 and the corresponding interim report (“**2024 Interim Results**”), the annual results for the year ended 31 March 2025 and the corresponding annual report (“**2025 Annual Results**”) and the response document relating to the Partial Offer (the “**Response Document**”); (ii) the announcements issued by China Innovation Investment Limited (the “**Offeror**” or “**Company**”) dated 14 May 2025, 4 June 2025, 3 July 2025, 1 August 2025, 20 August 2025, 19 September 2025, 8 October 2025, 28 October 2025 in relation to the Partial Offer; and (iii) the Offer Document issued by the Offeror dated 4 November 2025.

Unless otherwise defined herein, capitalised terms used in this announcement shall have the same meanings as those defined in the Collective Documents and the Offer Document.

Based on the Collective Documents, the Company would like to respond by way of this announcement.

(1) Response to the Offeree Company's rejection recommendation to the Partial Offer

The Offeror is of the view that the arguments put forward by the board of directors of the Offeree Company (the “**Elife Board**”) and the independent financial advisor of the Offeree Company (the “**IFA**”) to reject the Partial Offer are untenable.

The Elife Board stated that it had reasonable grounds to believe that the Company’s repeated extensions of the long stop date for fulfilling the Pre-Conditions might form part of a calculated strategy designed to impair and prevent Elife from taking timely action to satisfy the Resumption Guidance. Furthermore, the Elife Board mentioned that the management of Elife was proactively taking all necessary and appropriate steps to comply with the Resumption Guidance.

Such representation ignores the fact that, as a listed company, Elife is required to publish its interim and annual results on time according to the requirement of the Listing Rules. The Company’s extension of the long stop date, for obtaining the approval of the regulatory authorities, does not prevent the Elife Board from fulfilling these responsibilities. Due to the Elife Board’s prolonged failure to fulfill these fundamental responsibilities, and in the absence of the latest financial report of Elife, the Company has had to undertake substantial work and incur additional time to meet the regulatory requirements and ultimately fulfill the deadlines. The representation and the speculation reverse the causation. Not only it is unreasonable but also disrespectful to the role of regulatory authorities.

On the contrary, Elife’s 2024 Interim Results and 2025 Annual Results have been overdue by approximately 1 year and five months respectively and their publication exactly fell on the deadline date for the Offeree Company to publish the Response Document. It just shows that the Partial Offer has reminded the Elife Board to fulfill these fundamental responsibilities.

What’s more, the Company noticed that the “Latest Practicable Date” of the Response Document is 17 November 2025, whereas its contents included the financials and information stated in 2024 Interim Results and 2025 Annual Results, both of which were published on 18 November 2025. The fact that IFA had already analyzed such financials in the Response Document indicates that the Elife Board appears to be ignoring its responsibility to release results as soon as possible.

The Company also noticed that Elife's Response Document stated that, for the avoidance of doubt, the Stock Exchange is not satisfied that the Offeree Company has fulfilled all resumption guidance. Yet, the IFA mainly compared the offer price with Elife's share price before trading suspension (the “**Last Trading Price**”) and the previous offer price (the “**Last Offer Price**”) of the previous partial offer made by another offeror approximately a year ago. And the IFA concluded that the Offer Price was unfair and unreasonable. Such conclusion failed to address and consider (i) the Last Trading Price and the Last Offer Price were past prices from approximately 1 year ago and were prior to the trading suspension; (ii) such prices did not reflect the decline in revenue and continued loss making (as further elaborated below), including the net loss of approximately HK\$100 million in the latest financial year; (iii) although the Takeovers Code does not require such information, in order to have a fair response with substance (and the Company does not believe the response is such), the Company does not see profit forecast prepared regarding the future operations, particularly the profit and loss impact of the business travel supply chain purchase agreement dated 15 October 2025 and the strategic partnership forged on 1 September 2025; (iv) lack of the corresponding cash flow forecast and funding requirement for the continued operation and sustainability of the business of the Offeree Company and no analysis on whether the interests of the Qualifying Shareholders will be accordingly diluted; (v) the low share trading volume of the Offeree Company prior to suspension; (vi) the fact that reflecting the latest financials of Elife, the implied price-to-book ratio based on the Offer Price was approximately 1.5 times, whereas based on the latest market information, the average price-to-book ratio of listed Peer Comparables was just approximately 0.23 times; and (vii) a reasonable discount should be applied for the probability that the Offeree Company may be delisted if the Stock Exchange is not satisfied that the Offeree Company has fulfilled all resumption guidance.

At the same time, the IFA was of the view that the Partial Offer can provide an opportunity for Qualifying Shareholders to exit at a price which is at a premium to the closing price of the Shares prior to the suspension of trading of the Shares since 2 December 2024. It is unclear how the Offer Price, being HK\$0.056, is at premium to the aforesaid closing price, being HK\$0.109. The analysis is hence contradictory and quite unprofessional.

For ease of reading and analysis, the following is an extract of Elife's financial information:

Continuing operations	For the six months ended		
	31/3/2024	30/9/2024	31/3/2025
	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
	<i>(Note 1)</i>	<i>(Note 2)</i>	<i>(Note 3)</i>
Revenue	141,218	119,526	58,025
<i>(period change)</i>		<i>-15.4%</i>	<i>-51.5%</i>
Cost of sales	(115,821)	(110,030)	(51,610)
Gross profit	25,397	9,496	6,415
<i>Gross profit margin</i>	<i>18.0%</i>	<i>7.9%</i>	<i>11.1%</i>
Other income and other losses (net)	481	56	278
Selling expenses	(3,132)	(8,096)	(2,614)
Other operating expenses	(14,135)	(9,632)	(14,498)
Net allowance for expected credit losses on trade and other receivables and impairment losses on property, plant and equipment and right-of-use assets	(27,940)	(20,328)	(14,656)
Loss from operating activities	(19,329)	(28,504)	(25,075)
Finance costs	(236)	(191)	(144)
Loss before tax	(19,565)	(28,695)	(25,219)
Taxation	(5,193)	(60)	(1,758)
Loss for the period from continuing operations	(24,758)	(28,755)	(26,977)

Note 1: Derived from the audited annual results for the year ended 31 March 2024, minus the unaudited interim results for the six months ended 30 September 2023, as disclosed in the comparative figures in the 2025 Annual Results and 2024 Interim Results respectively

Note 2: Extracted from the unaudited interim results for the six months ended 30 September 2024 as disclosed in the 2024 Interim Results

Note 3: Derived from the audited annual results for the year ended 31 March 2025, minus the unaudited interim results for the six months ended 30 September 2024, as disclosed in the 2025 Annual Results and 2024 Interim Results respectively

Based on Elife's latest published financial reports, the Company has noticed that its business has been declining for the past three half-year periods. In particular, the Offeree Company's half-year revenue fell by 15.4% and 51.5% respectively in the last two half-year periods. At the same time, its gross profit margin also showed a significant decline. These trends raise concerns about the sustainability of its business.

The IFA believed that the trading suspension of Elife was one of the main factors contributed to the deteriorated results in FY2025. However, no detailed explanation has been provided as to why the trading suspension could affect the business. Furthermore, given that the Stock Exchange is not satisfied that the Offeree Company has fulfilled all resumption guidance and hence the “trading suspension effect” remains, it is difficult to conclude that the business has recovered following the Board Composition Change.

(2) Governance Issues and Directorship Issues

As disclosed in the “REASONS FOR THE PARTIAL OFFER” of the Offer Document, the Company, for various reasons stated below, is not satisfied with the progress that the Offeree Company’s management has made to resume the trading of the Shares and to follow up on the Governance Issues and the Directorship Issues.

(i) Revenue recognition and lack of VAT invoices for revenue

The Forensic Investigation revealed that the customers of Yitie, a subsidiary of the Offeree Company, have already paid certain amount in revenue for which VAT invoices have not been issued. It is alleged that a significant portion of such uninvited revenue was due to the limited invoicing quota of a customer. The Company finds it difficult to understand how the customer’s invoicing quota would affect the subsidiary’s issuance of its own invoices.

The Forensic Investigation stated that the revenue recognition of Yitie for the 2024 Interim Period was supported by customary supporting documents such as the independent broadcast report (the “**Documents**”). The Forensic Investigation then further stated that in order to avoid the recurrence of the incident where the directors of the Offeree Company do not have sufficient time to review the financial statements and supporting documents and hence lead to failure of the Offeree Company to issue the financial results as required under the Listing Rules, the financial personnel of the Offeree Company should submit the financial information and relevant supporting documents to the Elife Board for review as early as possible to ensure a more smooth and efficient review process. The Internal Control Review repeated the same message.

However, the Documents were not provided on the date of board meeting of the Offeree Company, 29 November 2024, which the Offeree Company’s directors nominated by the Offeror attended, to approve the interim results for the six months ended 30 September 2024. Both the Forensic Investigation and the Internal Control Review failed to further investigate but hastily and arbitrarily reached a conclusion, contrary to the facts, that Elife’s directors did not have sufficient time to review the financial related documents.

In addition, both the Forensic Investigation and the Internal Control Review failed to cover the issues regarding the recognition of revenue in Yitie’s statutory accounts in the absence of the VAT invoices and the assessment of such impact.

(ii) Gross profit margin issues

Continuing operations	For the six months ended				
	30/9/2023 HK\$'000	30/9/2023 HK\$'000	31/3/2024 HK\$'000	30/9/2024 HK\$'000	31/3/2025 HK\$'000
(as originally stated)	(restated)				
	(Note 1)	(Note 2)	(Note 3)	(Note 4)	(Note 5)
Revenue	73,125	42,868	141,218	119,526	58,025
Cost of sales	(66,662)	(36,405)	(115,821)	(110,030)	(51,610)
Gross profit	6,463	6,463	25,397	9,496	6,415
<i>Gross profit margin</i>	8.8%	15.1%	18.0%	7.9%	11.1%

Note 1: Extracted from the unaudited interim results for the six months ended 30 September 2023 published on 29 November 2023

Note 2: Extracted from the unaudited interim results for the six months ended 30 September 2023 as disclosed in the comparative figures of the 2024 Interim Results

Note 3: Derived from the audited annual results for the year ended 31 March 2024, minus the unaudited interim results for the six months ended 30 September 2023, as disclosed in the comparative figures in the 2025 Annual Results and 2024 Interim Results respectively

Note 4: Extracted from the unaudited interim results for the six months ended 30 September 2024 as disclosed in the 2024 Interim Results

Note 5: Derived from the audited annual results for the year ended 31 March 2025, minus the unaudited interim results for the six months ended 30 September 2024, as disclosed in the 2025 Annual Results and 2024 Interim Results respectively

The Company noted that the gross profit margin has fluctuated significantly and is not stable over the past four half-years, at 15.1%, 18.0%, 7.9%, and 11.1%, respectively.

The Company also noted that the 2023 figures have been restated in the 2024/2025 interim report. According to note 11 to the financial statements, the comparative figures were restated to re-present the results of discontinued operations accordingly. It is further noted that the restated figures show a decrease of HK\$30,257,000 in both revenue and costs compared to the figures originally stated, resulting in a change in the gross profit margin from 8.8% to 15.1%. However, note 11 does not provide any explanation to this change.

The Forensic Investigation indicated that the gross profit margin of a subsidiary of Elife was negative, and that the gross loss brought by a supplier was insignificant. However, it did not provide comprehensive data on that subsidiary's turnover, selling expenses, and administrative expenses, nor did it provide information on the cause of the gross loss and whether it was reasonable under such data.

The Forensic Investigation also indicated that Yitie's gross profit margin was notably adjusted upward by several percentage points due to accounting adjustments, and attributed this to the fact that the financial staff had not sought advice from the financial controller and chief financial officer. Such explanation is far from convincing and such practice violates the requirement of the relevant provision of the Corporate Governance Code contained in the Listing Rules that the board should ensure the adequacy of resources, staff qualifications and experience, training programmes and budget of the issuer's accounting, internal audit and financial reporting functions.

(iii) Unauthorised investment

According to the relevant provision of the Corporate Governance Code contained in the Listing Rules, when the board delegates aspects of its management and administration functions to management, it must, at the same time, give clear directions as to the management's powers, in particular, where management should report back and obtain prior board approval before making decisions or entering into any commitments on the issuer's behalf. The board should not delegate matters to a board committee, executive directors or management to an extent that would significantly hinder or reduce the ability of the board as a whole to perform its functions. Directors should clearly understand delegation arrangements in place.

Both the Forensic Investigation and the Internal Control Review failed to mention the above Listing Rule requirement. The Forensic Investigation only took note on the internal Investment Management Standards (Provisional) (《投資管理標準(試行)》) of the relevant investing subsidiary (the "**Investment Standards**") and allowed such subsidiary to determine its investment activities on its own, without explaining how the above provision of the Corporate Governance Code contained in the Listing Rules has been fulfilled. The upper limit of the Investment Standard is not associated with the size tests required by the Listing Rules. The arrangement for nil-consideration acquisition violates general business practice and does not take into account whether there were capital commitments and lack of the corresponding size test information. Instead, the investments were then hastily disposed of, without taking into account the capital commitments and lack of the corresponding size test and without addressing whether the relevant Listing Rules requirement for director approval, disclosure and shareholder approval, where applicable, have been fulfilled.

(iv) Potential related party transactions and connected transactions

(a) Fund transfers to selected directors' personal accounts

The Forensic Investigation described the fund transfers to selected directors' personal accounts as "Entrustment Arrangement". Both the Forensic Investigation and the Internal Control Review failed to mention the above listing rule requirement for board approval and once again relied on the internal Payment Management Guidelines (付款管理指引) which set out the procedures for requesting payments (for payments more than HK\$200,000 or for payments equal to or below such amount respectively) for non-operating expenses or capital expenditures. For payments more than HK\$200,000, no reference was made to the unusually large amount of fund transfers to selected directors' personal accounts and the unusual purpose of such payments which was very different from the normal approval process for expense and billing settlement through banks.

The Forensic Investigation states that Yitie successfully applied for foreign debt registration with the State Administration of Foreign Exchange in November 2023. However, the relevant subsidiary of the Offeree Company had already transferred a substantial sum of money to selected directors' personal accounts before that, casting significant doubt on the impartiality and accuracy of the Forensic Investigation. The Forensic Investigation further indicated that, given the foreign debt quota was insufficient to support Yitie's operations, an Entrustment Arrangement was implemented until the registered capital account was opened in February 2024. However, the Forensic Investigation has not addressed the issue as to whether a foreign debt registration or a registered capital account is required when Yitie's registered capital has not yet been fully paid up.

Mainland China implements strict foreign exchange controls. If a company itself encounters challenges in making remittances, it is illogical to assume that individuals would be legally permitted to do so. Notably, the Forensic Investigation does not address these pertinent legal implications. Additionally, even if transfer via underground banks became necessary, it would have been more appropriate for the respective subsidiary of the Offeree Company to execute such transfers directly.

The Forensic Investigation failed to mention the time lag between the large sums of money transferred to the directors' personal accounts and their subsequent transfer to Yitie. Forensic evidence could have been easily obtained by requiring the parties to provide details of the fund flows. Both Forensic Investigation and Internal Control Review did not cover issues of interest and exchange rate differences arising from the delay in fund transfers. The Company did not notice any corresponding related party disclosures or the maximum outstanding amounts regarding the Entrustment Arrangement in the annual report of Elife. The Company also did not notice any connected transaction announcements in relation to the Entrustment Arrangement. Both the Forensic Investigation and the Internal Control Review did not address the corresponding implications, such as whether the underlying transactions shall be disclosed and announced under Chapter 14A of the Listing Rules, and whether shareholder approval is required.

(b) Transactions with Suppliers

Yitie has prepaid a substantial amount in advertising fees to six suppliers, including one where a director of the Offeree Company served as vice chief executive officer. Such arrangement is inconsistent with the usual practice of suppliers providing services prior to receiving payment. Both the Forensic Investigation and the Internal Control Review failed to address such unusual arrangement. The Forensic Investigation also failed to explain the rationale for considering the respective supplier not a connected party given that such director was the vice chief executive officer. The Company did not notice any corresponding related party disclosures in the annual report of Elife. Neither the Forensic Investigation nor the Internal Control Review addressed the rationale as to why the transactions did not fall within the definition of related party transactions.

(v) Compliance with relevant law and regulations

The Company noticed that, after Mr. Zhao Zhenzhong, Mr. Guo Wei and Ms. Qin Jiali were removed as directors on 11 March 2025, they were reappointed as directors (the "**Appointed Directors**") by the Elife Board the following day, effective from 12 March 2025. According to the amended and restated articles of association of Elife, (i) the Appointed Directors shall hold office only until the first annual general meeting of Elife after such appointment and shall then be eligible for re-election; and (ii) annual general meeting must be held within six (6) months after the end of Elife's financial year (i.e. 30 September 2025).

Since the deadline for holding annual general meeting was passed on 30 September 2025 and the Appointed Directors have not been reappointed accordingly, it is unclear whether their appointments are still valid subsequently. The Internal Control Review failed to address the validity of the appointment and the implications, including the validity of the Elife Board's views disclosed in the Response Document.

WARNING

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

By order of the board of directors of
China Innovation Investment Limited
Xiang Xin
Chairman and Chief Executive Officer

Hong Kong, 8 December 2025

*As at the date of this announcement, the board of directors of the Offeror comprises Mr. **Xiang Xin** (Chairman) and Mr. **Chan Cheong Yee**, as executive directors; Ms. **An Jing**, Ms. **Zhou Zan** and Ms. **Qin Han**, as independent non-executive directors; and Ms. **Kung Ching**, as an alternate director to Mr. Xiang Xin.*

The directors of the Offeror jointly and severally accept full responsibility for the accuracy of the information contained in this announcement and confirm, having made all reasonable enquiries, that to the best of their knowledge, opinions expressed in this announcement have been arrived at after due and careful consideration and there are no other facts not contained in this announcement, the omission of which would make any statement in this announcement misleading.

In case of any inconsistency, the English text of this announcement shall prevail over the Chinese text.