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悟喜生活
WUXI LIFE

**Wuxi Life International Holdings Group Limited**
**悟喜生活國際控股集團有限公司**
*(Incorporated in the Cayman Islands with limited liability)*
**(Stock Code: 8148)**

# COMPLETION OF PLACING OF NEW SHARES UNDER GENERAL MANDATE

**Placing Agent**

英皇證券有限公司
Emperor Securities Limited

Reference is made to the announcement of Wuxi Life International Holdings Group Limited (the "**Company**") dated 29 August 2025 (the "**Announcement**") in relation to the Placing of new shares under general mandate (the "**Placing**"). Unless otherwise defined, capitalised terms used in this announcement shall have the same meaning as defined in the Announcement.

## REASONS AND BENEFITS FOR THE PLACING

The Company's decision to proceed with the Placing at this time aligns with its strategic plan to expand its sale of products business segment by acquisition of proprietary trademarks and the development of a nationwide franchise network (the "**Franchise Business**"), which is complementary to the Company's e-commerce business.

The trademarks are currently used in the Group's product sales business, where related products are sold through online platforms and have been generating revenue. At present, the Group pays approximately RMB3.5 million per annum for the use of these trademarks. As a cost-saving measure, the Group is negotiating with the trademark owners for a potential acquisition. The Company believes that such an acquisition will benefit the Group's business development, supporting both its existing e-commerce operations and the planned franchise business. In addition, the Group intends to expand into offline retail stores to create an integrated online-and-offline shopping experience for customers. As such, the franchise stores under the Franchise Business will act as retail partners, the Group will recognise revenue from selling products directly to the franchise stores and receiving franchise loyalty fees from the franchise stores.

The net proceeds from the previous Rights Issue were primarily applied towards the enhancement of the digital sales channel, including technology investments and operational improvements on existing platforms. The Placing represents a new phase in the Company's development, emphasizing physical brand-building through the planned establishment of direct-operated stores and franchise outlets, which supplements rather than replaces the existing business model. The Company has no intention to discontinue or scale-down software platform services business segment and will continue to operate as usual and remains an integral part of its overall business portfolio. The Company will maintain its focus on leveraging the software platform to support existing operations and future growth opportunities, ensuring this segment contributes to the Group's strategic objectives and market competitiveness.

The software platform services business delivers technology-driven solutions such as client management platforms, interactive voice response systems, web-based translation, and text to speech tools. These products are widely adopted by government departments, public sector organizations, and private enterprises in Hong Kong, helping clients enhance digital operations and accessibility. The business is recognized for its strong client relationships and established reputation, particularly within the public sector.

Going forward, the Company will continue to strengthen its software platform capabilities, maintain ongoing engagement with clients, and actively participate in new project tenders. By consistently aligning its services with industry standards and responding to evolving client needs, the Group ensures that this segment remains a stable and competitive contributor within its overall strategy.

The Group currently operates the e-commerce business and is expanding into a Franchise business. The e-commerce business markets products on digital stores and social media platforms, leveraging established online channels. The Franchise Business constitutes a strategic offline extension of this model, allowing the Group to broaden market reach and enhance consumer engagement through physical retail outlets, thereby creating a complementary omnichannel presence. In the future, the Group will operate both the e-commerce business and Franchise business in the future. As at the date of this announcement, the Company does not own and has no concrete plan to open and operate any direct stores selling products of the Group.

This business expansion requires substantial capital to support physical assets, brand development, and staffing for recruitment, training, and operational support. The expansion into offline channels complements the Company's existing digital strategy by broadening market reach and growth opportunities. The increased capital demands arising from the Franchise Business create a funding gap that the fundraising is intended to fill. The Directors believe the fundraising is fair and reasonable and in the interests of the Company and its shareholders.

The Franchise Business is designed to operate through cooperation with promotional partners in selected provinces and cities in Mainland China. The Company intends to allocate approximately HK$31.7 million of the net proceeds towards marketing, promotional activity, store setup, and operational expenses to support the establishment and ongoing management of about 200 franchise stores within the next 12 months. Each franchisee will procure goods from the Company on a regular basis, contributing to sustainable revenue.

Mr. Liu Guanzhou, an executive Director and chairman of the Board, has extensive experience in enterprise marketing, brand building, and franchise chain management, has been instrumental in advocating the strategy of industrial empowerment and supply chain upgrading. This aims to build and optimize the supply, industrial, and value chains to improve the coordination of people, logistics, capital, and information flows, thereby maximizing resource allocation and operational efficiency. This strategy supports the Company's objectives to foster brand chain development, reduce costs, improve efficiencies, and promote the high-quality development of the real economy. The Company will implement standardised store design and operational guidelines, provide equipment and uniforms, and engage professional trainers to support franchisees. Sales performance will be monitored through periodic reporting; live-streaming promotion will be leveraged to enhance brand awareness and sales effectiveness. The Company confirms that it has put in place appropriate infrastructures and controls to ensure the Franchise Business is effectively managed during expansion.

The Franchise Business is closely related to the Company's existing operations, and represents a planned extension of the Group's current retail and marketing activities. Over the past year, the Company has built brand recognition and distribution through its self-operated products and digital channels, including live-streaming promotion. The Franchise Business concept builds on this foundation, aiming to extend the brand's offline presence through franchising, and thereby create synergy by leveraging the established brand value and supply chain capabilities.

Currently, the Company anticipates around 200 franchise stores will be established in the first year. While the Company expects steady procurement activity by franchisees leading to material sales, the Company emphasises these are operational expectations and not profit forecasts. The Group remains committed to prudent resource allocation to support sustainable and disciplined growth of the Franchise Business.

## USE OF PROCEEDS FROM THE PLACING

The net proceeds from the Placing, amounting to approximately HK$44.0 million, will be primarily utilised for the acquisition of trademarks and the development of franchise business. The Company has formulated the following detailed allocation and expected utilisation schedule:

**For overall business development of the Group**

- An amount of HK$10 million will be allocated to trademark acquisition for the purpose of enhancing brand positioning and supporting market entry, with completion targeted by 30 November 2025. The trademarks are used across a wide range of product categories, including cosmetics, plant-based beverages, health and wellness items such as weight management products and probiotics, incense sticks, tea, casual apparel, adult care products, cleaning supplies, and digital applications. The Group has been utilizing these trademarks in the production of its products, which are sold through e-commerce channels, and has been paying licensing fees to the trademark owner. The Group is of the view that acquiring the trademarks will result in long-term cost savings and will be beneficial to its existing e-commerce business. The Group will extend the products using the same trademarks to the Franchise Business as well.

  Furthermore, the trademarks are applied to everyday consumer products and equipment such as steam chambers and massage devices, as well as supporting initiatives for menstrual care retail stores. This broad application reflects the role of the trademarks in branding diverse consumer goods and lifestyle-related products. The relevant trademarks have previously generated over RMB10 million in sales in 2024, and the annual trademark licensing fee for 2025 has exceeded RMB3.8 million, with year-to-date associated product sales surpassing RMB4 million. By proceeding with the acquisition, the Company expects to generate substantial cost savings from eliminating future licensing fees and to further unlock value by leveraging the trademarks for franchise expansion. Based on the estimated annual savings, the payback period for the investment in the trademarks is less than three years, exclusive of any additional revenue and strategic benefits anticipated from brand enhancement and network growth.

- HK$12.3 million will be used as general working capital to cover staffing, personnel remuneration, training, and other related expenses. General working capital requirements cover a variety of expenses including office rent, utilities, staff salaries, auditing, legal and consultancy fees, employee benefits, online promotional activities, trade shows, administrative costs, hospitality, and supply chain procurement costs, totaling approximately HK$17.2 million per annum. The breakdown is as follow:

| **Item** | **Amount** *(HK$ million)* |
|---|---|
| Office rent | 2.4 |
| Property management and utilities | 0.4 |
| Salaries | 2.4 |
| Audit and financial advisory fees | 0.8 |
| Legal and consultancy fees | 0.1 |
| Employee benefits | 0.5 |
| Corporate operational marketing | 0.5 |
| Exhibitions | 0.3 |
| Office expenses | 1.2 |
| Hospitality expenses | 0.6 |
| Shipping cost | 0.6 |
| Supply chain procurement costs | 7.4 |
| **Total** | **17.2** |

The Company confirms that the net proceeds for general working capital are not related to the Franchise Business but are intended for the Company as a whole. Such proceeds will be applied towards the Company's general corporate and operational purposes, including but not limited to payment of daily operating expenses, staff costs, administrative expenses, and other working capital requirements of the Group. The Company expects all of the above proceeds to be fully utilised by 31 December 2026. The Placing proceeds will enable the Company to expand through the rollout of a new franchise network and enhance its offline business segment, which differs from the Rights Issue proceeds as further elaborated below. The franchise business is closely related to and forms a natural extension of the Company's existing business, leveraging the Group's established expertise in brand promotion, operational management, and supply chain. As part of the Group's strategic development, the Company plans to deploy part of the proceeds for promotional expenses, agency recruitment, store setup, franchise materials, and trademark acquisition, with a target to establish approximately 200 franchise stores within the next 12 months across selected Mainland China cities. This franchise initiative is designed to supplement, not replace, the Company's current digital and product sales operations and is expected to create synergy by amplifying established brand influence and driving further revenue and market penetration for the Group as a whole. The Directors confirm that the Group has adequate infrastructure, technical support, and control systems in place to effectively manage and monitor the franchise network as it expands.

**For the Franchise Business to be developed by the Group**

- A further HK$10 million will be reserved for marketing and promotional activities, focusing on direct agency recruitment and outbound marketing strategies. The Company plans to implement a nationwide franchise promotion strategy through collaboration with promotional agencies in approximately 10 cities across Mainland China (excluding Hong Kong, Macau, and Taiwan), including Hangzhou, Guangzhou, Chongqing, and Tianjin. Each franchise store's promotion fee is estimated at HK$50,000 per annum. The Company projects to onboard approximately 200 franchise stores within 12 months via these agencies, with a material cost ratio of approximately 20%. The estimated gross profit margin on material sales to each store is around 80%, which is expected to offset promotional costs and yield net profitability. The Company notes that, as brand awareness is enhanced through this promotion strategy, the popularity of products under the same brand will increase correspondingly, resulting in broader market presence and expansion for the Company's supply chain and self-operated e-commerce product sales.

- HK$2.1 million will be allocated to franchise fixed costs, which represents the initial investment base for the rollout of franchise stores. Each franchise store will adopt standardized designs and operating procedures, while the Group will provide the necessary equipment. These fixed costs cover the general equipment essential for store operations, which will enable product trials at the franchise stores and enhance the overall customer experience. For a standard franchise store, the fixed cost approximates HK$40,000, while for flagship stores, it approximates HK$69,800. Starting from December 2025, the Company intends to engage promotional agencies in multiple cities with a goal to recruit approximately 200 franchise stores within 12 months.

- HK$8.0 million will be allocated as the production cost of products supplied to franchise stores. The Company plans to open approximately 200 franchise stores, each expected to purchase around HK$20,000 worth of products per month. This translates into an estimated annual revenue of about HK$48 million. The Company has prudently adjusted the allocated budget to HK$8.0 million, slightly below the theoretical cost of HK$9.6 million, considering the profit margin generated from product sales to each franchise store.

- Approximately HK$1.6 million will support merchant operations, including assistance for new and existing merchants. The merchant operations budget supports new and existing franchisees, covering staff salaries across procurement, customer service, operations management, franchise liaison, and technical training. Based on current salaries and incentive payments, the annual aggregate cost is approximately HK$1.63 million.

## USE AND STATUS OF THE NET PROCEEDS FROM THE RIGHTS ISSUE

The net proceeds of approximately HK$28.7 million from the rights issue completed in August 2024 were allocated as follows and are being tracked by business purpose:

| **Purpose** | **Committed** *(HK$ million)* | **Utilised as at 30 June 2025** *(HK$ million)* | **Utilised as at the date of this announcement** *(HK$ million)* | **Unutilised** *(HK$ million)* |
|---|---|---|---|---|
| Further development and optimisation of advertising e-commerce platform and mobile applications | 5.0 | – | 2.5 | 2.5 |
| Marketing and user acquisition strategy | 15.0 | 2.7 | 8.2 | 6.8 |
| Platform operational costs | 5.0 | – | 0.6 | 4.4 |
| Forming strategic partnerships and business development | 2.0 | 1.5 | 1.5 | 0.5 |
| General working capital | 1.7 | 1.7 | 1.7 | – |
| **Total** | **28.7** | **5.9** | **14.5** | **14.2** |

As at the date of this announcement, approximately HK$14.5 million has been utilised in accordance with the above breakdown. The remaining balance will be applied as planned, with full utilisation expected by the first quarter of 2026 for platform, operational, and partnership purposes.

As at 30 June 2025, excluding the net proceeds already utilized from the Rights Issue, the Company held approximately HK$1 million in cash and cash equivalents, which it intends to apply for the ordinary operations and business activities of the Group.

## COMPLETION OF THE PLACING

The Board is pleased to announce that all the conditions set out in the Placing Agreement had been fulfilled and Completion took place on 24 September 2025. An aggregate of 76,358,400 Placing Shares have been successfully placed by the Placing Agent at the Placing Price of HK$0.59 per Placing Share pursuant to the terms and conditions of the Placing Agreement to not less than six Placees.

To the best of the knowledge, information and belief of the Directors having made all reasonable enquiries, the Placees are professional, institutional or other investors who and whose respective ultimate beneficial owners are third parties independent of and not connected with the Company and its connected persons. None of the Placees has become a substantial shareholder (as defined under the Listing Rules) of the Company immediately upon completion of the Placing.

The 76,358,400 Placing Shares represent 20.0% of the existing issued share capital of the Company as at the date of this announcement immediately prior to Completion and approximately 16.67% of the issued share capital of the Company as enlarged by the Placing Shares.

The gross proceeds from the Placing will be approximately HK$45.1 million and the net proceeds from the Placing (after deducting the placing commission for the Placing and other relevant expenses) will be approximately HK$44.0 million. The Company intends to apply the net proceeds from the Placing as set out in the section headed "USE OF PROCEEDS FROM THE PLACING" above.

## EFFECTS ON SHAREHOLDING STRUCTURE OF THE COMPANY

The shareholding structure of the Company immediately before and after Completion are as follows:

| **Name of Shareholders** | **As at the date of this announcement** | | **Immediately after completion of the Placing** | |
|---|---|---|---|---|
| | *Number of Shares* | *Approx. % (Note 2)* | *Number of Shares* | *Approx. % (Note 2)* |
| **Substantial Shareholders** | | | | |
| Mr. Liu Guanzhou *(Note 1)* | 219,729,750 | 57.55 | 219,729,750 | 47.96 |
| **Public Shareholders** | | | | |
| Placee(s) | – | – | 76,358,400 | 16.67 |
| Others | 162,062,250 | 42.45 | 162,062,250 | 35.37 |
| *Sub-total* | *162,062,250* | *42.45* | *238,420,650* | *52.04* |
| **Total** | **381,792,000** | **100.00%** | **458,150,400** | **100.00%** |

*Notes:*

1. Mr. Liu Guanzhou is the chairman of the Board and an executive director of the Company.

2. Certain percentages included in the above table have been subject to rounding adjustments.

By Order of the Board
**Wuxi Life International Holdings Group Limited**
**Liu Guanzhou**
*Chairman*

Hong Kong, 24 September 2025

*As at the date of this announcement, the Board comprises the following Directors:*

*Executive Directors:*
Mr. Liu Guanzhou *(Chairman)*
Ms. Liu Xingmei
Mr. Choi Pun Lap

*Non-executive Directors:*
Ms. Li Hui Ling
Ms. Guan Xiuying

*Independent non-executive Directors:*
Ms. Lai Pik Chi, Peggy
Mr. Fu Yan Ming
Mr. Xia Qiankun

*This announcement, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on GEM of The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**") for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this announcement 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 announcement misleading.*

*This announcement will remain on the "Latest Listed Company Announcements" page of the Stock Exchange's website at www.hkexnews.hk for at least 7 days from the date of its publication and on the website of the Company at www.wuxilife.com.hk.*