

*Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.*

## **WELIFE TECHNOLOGY LIMITED**

### **維力生活科技有限公司**

*(formerly known as Palace Banquet Holdings Limited 首灃控股有限公司)*

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

**(Stock Code: 1703)**

### **CONNECTED TRANSACTIONS**

### **LEASE AGREEMENTS OF SHEK MUN RESTAURANT**

Reference is made to the announcement dated 4 March 2021 and in relation to, among other things, the connected transactions on the Existing Lease Agreements entered into between Barry Investments and Able Cheer to lease the Premises, and between Barry Investments and Art Ocean to lease the Warehouse.

As the Existing Lease Agreements in relation to the aforesaid connection transactions will expire on 31 March 2023, Barry Investments, on 13 March 2023, entered into Lease Agreements with Able Cheer to lease the Premises and Art Ocean to lease the Warehouse for a term of one year from 1 April 2023 to 31 March 2024 (both days inclusive) for the continuation of operation of the Shek Mun Restaurant.

As at the date of this announcement, Able Cheer and Art Ocean are owned as to 100% by Mr. Chan, who was a Director of the Company in the last 12 months from the date of the Lease Agreements and therefore a connected person of the Company pursuant to Rule 14A.07(2) of the Listing Rules. Accordingly, Able Cheer and Art Ocean are associates of Mr. Chan and thus connected persons of the Company pursuant to Rule 14A.07(4) of the Listing Rules and the transactions contemplated under the Lease Agreements therefore constitute connected transactions of the Company under Chapter 14A of the Listing Rules.

Given that the terms of the leases under the Lease Agreements of the Premises and Warehouse were entered into or completed within a 12-month period and the landlords under the Lease Agreements are the same, the transactions under the Lease Agreements of the Premises and the Warehouse are required to be aggregated pursuant to Rules 14A.81 to 14A.83 of the Listing Rules.

As one or more relevant applicable percentage ratios (as defined under Rule 14.07 of the Listing Rules) in respect of the aggregate of the transactions contemplated under the Lease Agreements of the Premises and the Warehouse are more than 0.1% but less than 5%, the entering into the Lease Agreements falls within the ambit of Rule 14A.76(2) of the Listing Rules and is subject to announcement and reporting requirements, but is exempt from the circular (including independent financial advice) and shareholders' approval requirements under Chapter 14A of the Listing Rules.

## LEASE AGREEMENTS

As the Existing Lease Agreements will expire on 31 March 2023, Barry Investments, on 13 March 2023, entered into Lease Agreements with Able Cheer to lease the Premises and with Art Ocean to lease the Warehouse for a term of one year from 1 April 2023 to 31 March 2024 (both days inclusive) for the continuation of operation of the Shek Mun Restaurant.

The Lease Agreements and the transactions contemplated thereunder were approved by the Board. None of the Directors has a material interest in the transactions contemplated under the Lease Agreements.

Major terms of the Lease Agreements are as follows:

- (1) Date: 13 March 2023
- Parties: (i) Able Cheer, as the landlord  
(ii) Barry Investments, as the tenant
- Location: Shop No. R1, 3/F., Kings Wing Plaza 2, No. 1 On Kwan Street, Sha Tin, New Territories
- Use: Shek Mun Restaurant operating under the brand “Royal Courtyard (煌苑)”
- (2) Date: 13 March 2023
- Parties: (i) Art Ocean, as the landlord  
(ii) Barry Investments, as the tenant
- Location: Shop No. 310, 3/F Kings Wing Plaza 2, No. 1 On Kwan Street, Shek Mun, Sha Tin, New Territories
- Use: Warehouse
- Term: 1 April 2023 to 31 March 2024 (both days inclusive)
- Aggregate rent payable: HK\$8,280,000 per annum (exclusive of government rates, management fee, air conditioning inspection fee and other outgoings)
- The terms of the Lease Agreements were negotiated on an arm’s length basis by reference to the annual aggregate rental value of approximately HK\$8,033,000. The Directors believe that the Premises is located in a prime location at Shek Mun, Hong Kong, with easy transportation access, are of great convenience to the Group’s customers and can further strengthen the branding and presence of the Group.
- Deposit: HK\$1,380,000 (equivalent to two months’ rent)

## **REASON FOR AND THE BENEFITS OF ENTERING INTO THE LEASE AGREEMENT**

The Group is currently leasing the Premises for the operation of Shek Mun Restaurant. The entering into of the Lease Agreements by the Group will ensure the Group to continue the operation of the Shek Mun Restaurant in the Premises without interruption to the business of the Group.

The Directors, including the independent non-executive Directors, are of the opinion that:

- (i) the transactions contemplated under the Lease Agreements were entered into in the ordinary and usual course of business of the Group; and
- (ii) the terms of the Lease Agreements are on normal commercial terms after arm's length negotiations between the parties and were fair and reasonable and in the interests of the Company and the Shareholders as a whole.

## **INFORMATION OF THE PARTIES**

### **The Group**

The Company is an investment holding company that holds all the subsidiaries of the Group, the shares of which are listed on the Main Board of the Stock Exchange (stock code: 1703). The Group is a full-service restaurant group in Hong Kong offering Cantonese dining service and banquet service, including wedding banquet service. The Group operates Chinese full-service restaurants under three brand names, namely, brands with the word(s) “煌府 (Palace)”, “Royal Courtyard (煌苑)” and “Sea Moon Cuisine (海月宴會廳)”.

### **Barry Investments**

Barry Investments is a limited liability company incorporated in Hong Kong on 27 November 2015 which is an indirect wholly-owned subsidiary of the Company. Barry Investments operates the Shek Mun Restaurant under the brand name, “Royal Courtyard (煌苑)”.

### **Able Cheer**

Able Cheer is a limited liability company incorporated in Hong Kong on 2 January 2015 and is principally engaged in property investment.

### **Art Ocean**

Art Ocean is a limited company incorporated in Hong Kong on 9 September 2016 and is principally engaged in property investment.

To the best of the Director's information and belief, having made all reasonable enquires, as at the date of this announcement, the issued share capital of Able Cheer and Art Ocean is owned as to 100% by Mr. Chan.

## **RIGHT-OF-USE ASSETS**

Pursuant to HKFRS 16, the Lease Agreements will be recognised as right-of-use assets with the estimated value of approximately HK\$8,645,000, being the present value of the aggregate rentals under the Lease Agreements, and entering into the Lease Agreements and the transactions contemplated thereunder will be recognised as an acquisition of right-of-use assets by the Group for the purpose of the Listing Rules. Shareholders should note that the above figure is unaudited and may be subject to adjustment in the future.

## **LISTING RULES IMPLICATION**

Able Cheer and Art Ocean are owned as to 100% by Mr. Chan, who was a Director of the Company in the last 12 months from the date of the Lease Agreements and therefore connected persons of the Company pursuant to Rule 14A.07(2) of the Listing Rules. Accordingly, Able Cheer and Art Ocean are associates of Mr. Chan and thus connected persons of the Company pursuant to Rule 14A.07(4) of the Listing Rules and the transactions contemplated under the Lease Agreements therefore constitute one-off connected transactions of the Company under Chapter 14A of the Listing Rules.

Given that the terms of the leases under the Lease Agreements of the Premises and Warehouse were entered into or completed within a 12-month period and the landlords under the Lease Agreements are the same, the transactions under the Lease Agreements of the Premises and the Warehouse are required to be aggregated pursuant to Rules 14A.81 to 14A.83 of the Listing Rules.

As one or more relevant applicable percentage ratios (as defined under Rule 14.07 of the Listing Rules) in respect of the transactions contemplated under the Lease Agreements are more than 0.1% but less than 5%, the entering into the Lease Agreements falls within the ambit of Rule 14A.76(2) of the Listing Rules and is subject to announcement and reporting requirements, but is exempt from the circular (including independent financial advice) and shareholders' approval requirements under Chapter 14A of the Listing Rules.

## **DEFINITIONS**

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

“Able Cheer”	Able Cheer Development Limited (雅悦發展有限公司), a company incorporated in Hong Kong on 2 January 2015 with limited liability and owned as to 100% by Mr. Chan
“Art Ocean”	Art Ocean Limited (雅浩有限公司), a company incorporated in Hong Kong on 9 September 2016 with limited liability and owned as to 100% by Mr. Chan

“Barry Investments”	Barry Investments Limited (百力投資有限公司), a company incorporated in Hong Kong on 27 November 2015 with limited liability and an indirect wholly-owned subsidiary of the Company
“Board”	the Board of Directors of the Company
“Company”	Welif Technology Limited (維力生活科技有限公司), formerly known as Palace Banquet Holdings Limited (首禮控股有限公司), an exempted company incorporated in the Cayman Islands with limited liability on 7 June 2018
“connected person(s)”	has the meaning ascribed to it under the Listing Rules
“Director(s)”	director(s) of the Company
“Existing Lease Agreements”	the agreements include: <ul style="list-style-type: none"> <li>(1) a lease dated 4 March 2021 entered into between Able Cheer and Barry Investments in relation to the lease of the Premises; and</li> <li>(2) a lease dated 4 March 2021 entered into between Art Ocean and Barry Investments in relation to the lease of the Warehouse</li> </ul>
“Group”, “we”, “us”, “our”	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 People’s Republic of China
“Independent Third Party(ies)”	an individual(s) or a company(ies) who or which, to the best knowledge and information of the Directors and having made all reasonable enquiries, is/are independent of and not considered as connected person(s) of the Company under the Listing Rules
“Lease Agreements”	the lease agreements include: <ul style="list-style-type: none"> <li>(1) a lease dated 13 March 2023 entered into between Able Cheer and Barry Investments in relation to the lease of the Premises; and</li> <li>(2) a lease dated 13 March 2023 entered into between Art Ocean and Barry Investments in relation to the lease of the Warehouse</li> </ul>

“Listing Rules”	Rules governing the Listing of Securities on the Stock Exchange
“Mr. Chan”	Mr. Chan Shou Ming, being a former Director of the Company in the last 12 months from the date of the Lease Agreements
“Premises”	Shop No. R1, 3/F., Kings Wing Plaza 2, No. 1 On Kwan Street, Sha Tin, New Territories
“Shareholders”	holder(s) of the ordinary share(s) of HK\$0.01 each in the share capital of the Company
“Shek Mun Restaurant”	the restaurant located at Shop No. R1, 3/F., Kings Wing Plaza 2, No. 1 On Kwan Street, Sha Tin, New Territories and operated by Barry Investments under the brand name “Royal Courtyard (煌苑)”
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Warehouse”	Shop No. 310, 3/F Kings Wing Plaza 2, No. 1 On Kwan Street, Shek Mun, Sha Tin, New Territories
“%”	percent

By order of the Board  
**Welif Technology Limited**  
**Hu Zhi Xiong**  
*Chairman*

Hong Kong, 13 March 2023

*As at the date of this announcement, the non-executive Director is Mr. Hu Zhi Xiong, the executive Directors are Mr. Tam Kar Wai and Mr. Cheng Man Cheong; and the independent non-executive Directors are Mr. Wong Tat Keung, Mr. Wong Wai Ming and Mr. Tang Tsz Tung.*