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WELIFE TECHNOLOGY LIMITED

維力生活科技有限公司

(formerly known as Palace Banquet Holdings Limited 首豐控股有限公司)

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1703)

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This announcement is made by Welife Technology Limited (formerly known as Palace Banquet Holdings Limited) (the “**Company**”, together with the subsidiaries, the “**Group**”) pursuant to Rule 13.09 of the Rules Governing the Listing of Securities (the “**Listing Rules**”) on the Main Board of The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”), the Inside Information Provisions (as defined under the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Cap. 571, Laws of Hong Kong) (the “**SFO**”) and Rule 3.7 of The Code on Takeovers and Mergers (the “**Takeovers Code**”) issued by the Securities and Futures Commission (the “**SFC**”).

Reference is made to (a) the announcements of the Company dated 11 August 2023 and 14 September 2023 (collectively, the “**Announcements**”) in relation to, among other things, the appointment of the Receivers over the Charged Shares and the disputes in relation thereto; (b) the monthly update announcements of the Company dated 16 October 2023 and 17 November 2023 pursuant to Rule 3.7 of the Takeovers Code and (c) the trading halt announcement of the Company dated 28 November 2023. Unless otherwise stated, capitalized terms shall have the same meanings as those defined in the Announcements.

BACKGROUND

As disclosed in the Announcements, on 8 August 2023, the Board has received a letter from the Receivers, purportedly being appointed as the joint and several receivers and managers of the Charged Shares, representing 51% of the total issued shares of the Company (the “**Shares**” and each a “**Share**”) and were charged in favour of PF Securities pursuant to a Deed of Share Charge dated 30 November 2022 granted by Wonderful Cosmos in favour of PF Securities in relation to the Charged Shares as security for a term loan facility granted by PF Securities and Juk Coeng Holding Company Limited in favour of Wonderful Cosmos, informing the Company on the receivership over the Charged Shares (the “**Receivership**”). On 24 August 2023, the Receivers informed the Company through its legal advisors that the Receivers were actively looking for potential purchaser(s) for the Charged Shares. As informed by Wonderful Cosmos, the Receivership were, and still is, disputed by Wonderful Cosmos.

PURPORTED DISPOSALS OF THE CHARGED SHARES BY THE RECEIVERS

On 27 November 2023, the Company has received a letter from the Receivers through its legal advisors informing the Company that on 15 November 2023, the Receivers have entered into 3 sale and purchase agreements with Brilliant Global Assets Limited (“**Brilliant Global**”), Happy Century Global Limited (“**Happy Century**”) and Zhong MiaoXian (“**Ms. Zhong**”, and collectively with Brilliant Global and Happy Century, the “**Purchasers**”) respectively disposing certain portions of the Charged Shares, and effectively disposing of all the Charged Shares under the Receivership (the “**Purported Disposals**”) particulars of which are as follows:

Sale and Purchase Agreement 1

Date:	15 November 2023
Parties:	(1) The Receivers (as the receivers over the Charged Shares) (2) Brilliant Global (as the purchaser of portion of the Charged Shares)
Number of Charged Shares:	340,000,000 (representing approximately 29.57% of the total issued Shares as at the date of this announcement)
Consideration:	Based on the disclosure of interests given by Brilliant Global under Part XV of the SFO, the average consideration per Charged Share acquired by Brilliant Global is HK\$0.10, which is equivalent to approximately HK\$34,000,000.

Sale and Purchase Agreement 2

Date:	15 November 2023
Parties:	(1) The Receivers (as the receivers over the Charged Shares) (2) Happy Century (as the purchaser of portion of the Charged Shares)
Number of Charged Shares:	189,500,000 (representing approximately 16.48% of the total issued Shares as at the date of this announcement)
Consideration:	Based on the disclosure of interests given by Happy Century under Part XV of the SFO, the average consideration per Charged Share acquired by Happy Century is HK\$0.09, which is equivalent to approximately HK\$17,055,000.

Sale and Purchase Agreement 3

Date:	15 November 2023
Parties:	(1) The Receivers (as the receivers over the Charged Shares) (2) Ms. Zhong, an individual (as the purchaser of portion of the Charged Shares)
Number of Charged Shares:	57,000,000 (representing approximately 4.96% of the total issued Shares as at the date of this announcement)
Consideration:	The consideration has not been disclosed to the Company and is not available in publicly available information.

As disclosed in the monthly update announcement of the Company dated 17 November 2023 (the “**Monthly Update Announcement**”), the Receivers have informed the Board that they were still looking for potential purchasers of the Charged Shares as at the date of the Monthly Update Announcement. However, as disclosed above, the Receivers have informed the Company that the Receivers have on 15 November 2023 entered into the Share Purchase Agreements. The Board is aware that there have been inconsistencies of the matters disclosed above and those in the Monthly Update Announcement. In this regard, the Board wishes to inform Shareholders and potential investors that such inconsistencies were due to the inaccurate information provided by the Receivers to the Company.

Completion of the Sale and Purchase Agreements

Although details of the Share Purchase Agreements are not available for the Company, each of Brilliant Global and Happy Century has disclosed that a relevant event (as defined under Part XV of the SFO) has occurred on 24 November 2023 in respect of their acquisition of the respective portions of the Charged Shares.

Immediately after completion of the Purported Disposals, Wonderful Cosmos does not hold any Shares and ceases to be a controlling shareholder or a substantial shareholder (as defined in the Listing Rules) of the Company and each of Wonderful Cosmos, its ultimate beneficial owner and parties acting in concert with any of them (including Mr. Tam) ceases to own any shareholding in the Company.

Information on the Purchasers

Based on the publicly available information, Brilliant Global is a company incorporated under the laws of the British Virgin Islands and is wholly-owned by Mr. Chen Suqian (陳蘇強) (“**Mr. Chan**”), an individual.

Based on the publicly available information, Happy Century is a company incorporated under the laws of the British Virgin Islands and is wholly-owned by Mr. Lo, Chor Cheong Colin (盧楚鏘) (“**Mr. Lo**”), an individual.

Based on the publicly available information, Brilliant Global, Happy Century and their ultimate beneficial owners are third parties independent of the Company and its connected persons (as defined in the Listing Rules).

Shareholding Structure of the Company

The table below sets out the shareholding structures of the Company (i) immediately prior to the completion of the Purported Disposals and (ii) immediately upon completion of the Purported Disposals and on the date of this announcement, based on the publicly available information.

	Immediately before the completion of the Purported Disposals		Immediately after the completion of the Purported Disposals and on the date of this announcement	
	<i>Number of Shares</i>	<i>Percentage of shareholding approximately (%)</i>	<i>Number of Shares</i>	<i>Percentage of shareholding approximately (%)</i>
Wonderful Cosmos ⁽¹⁾	586,500,000	51.00	–	–
Brilliant Global ⁽²⁾	–	–	340,000,000	29.57
Happy Century ⁽³⁾	–	–	189,500,000	16.48
Ms. Zhong	–	–	57,000,000	4.96
Public Shareholders	563,500,000	49.00	563,500,000	49.00
Total	<u>1,150,000,000</u>	<u>100.00</u>	<u>1,150,000,000</u>	<u>100.00</u>

Notes:

- (1) Wonderful Cosmos is wholly-owned by Mr. Tam Kar Wai (“**Mr. Tam**”), an executive Director. Pursuant to Part XV of the SFO, Mr. Tam is deemed to have an interest in all Shares in which Wonderful Cosmos has, or deemed to have an interest.
- (2) Based on the publicly available information, Brilliant Global is wholly-owned by Mr. Chan. Pursuant to Part XV of the SFO, Mr. Chan is deemed to have an interest in all Shares in which Brilliant Global has, or deemed to have an interest.
- (3) Based on the publicly available information, Happy Century is wholly-owned by Mr. Lo. Pursuant to Part XV of the SFO, Mr. Lo is deemed to have an interest in all Shares in which Happy Century has, or deemed to have an interest.

NO MANDATORY GENERAL OFFER OBLIGATION IS TRIGGERED AS A RESULT OF THE PURPORTED DISPOSALS

Under Rule 26.1 of the Takeovers Code, any person acquires, whether by a series of transactions over a period of time, or two or more persons acting in concert, acquire 30% or more of the voting rights in the Company would trigger an obligation on such persons to make a mandatory general offer for all the issued Shares (other than those already owned or acquired or agreed to be acquired by such persons), unless a waiver is granted by the Executive (as defined under the Takeovers Code).

As at the date of this announcement, the Board has not received any general offer from any of the Purchasers under the Takeovers Code and based on publicly available information, there is no indication that any of the Purchasers together with their respective concert parties hold 30% or more of the voting rights of the Company as a result of the Purported Disposals.

DISPUTES IN RELATION TO THE PURPORTED DISPOSALS OF CHARGED SHARES BY RECEIVERS

On 30 November 2023, the Company has received a letter from the legal advisors of Wonderful Cosmos that it will dispute the Purported Disposals and will take appropriate steps as may be necessary to set aside the Purported Disposals. On 6 December 2023, the Company has received a letter from the legal advisors of Wonderful Cosmos addressed to the Purchasers disputing the Purported Disposals. However, the Company has not been informed of the basis upon which such disputes were based. The Company will continuously monitor the progress of such disputes and will update the shareholders and potential investors on material developments in relation thereto if and when appropriate.

END OF OFFER PERIOD

Given all the Charged Shares had been disposed through the Purported Disposals and based on publicly available information there is no indication that any of the Purchasers together with their respective concert parties hold 30% or more of the voting rights of the Company as a result of the Purported Disposals, for the purposes of the Takeovers Code the offer period for the Company ends on the date of this announcement.

CONTINUED SUSPENSION OF TRADING

At the request of the Company, trading in the Shares on the Stock Exchange was halted from 9:00 a.m. on Tuesday, 28 November 2023, pending the release of this announcement.

As disclosed in the Company's announcement dated 4 December 2023, trading in the Shares will continue to be suspended until further notice pending the publication of the interim results of the Group for the six months ended 30 September 2023.

WARNING Shareholders and potential investors of the Company should exercise caution when dealing in the securities of the Company, and if they are in any doubt about their position, they should consult their professional adviser(s).

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

Hong Kong, 16 January 2024

As at the date of this announcement, the non-executive Director is Mr. Hu Zhi Xiong and the executive Director is Mr. Tam Kar Wai.

All Directors jointly and severally accept full responsibility for the accuracy of information contained in this announcement and confirm, having made all reasonable inquiries, 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.