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WELIFE TECHNOLOGY LIMITED

維力生活科技有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1703)

VOLUNTARY ANNOUNCEMENT BUSINESS UPDATE AND LETTER FROM SHAREHOLDER

This announcement is made by Welif Technology Limited (the “**Company**”, together with its subsidiaries, collectively the “**Group**”) on a voluntary basis, for the purpose of providing updated development of the resumption of trading in the shares of the Group to the shareholders and potential investors of the Company.

Reference is made to the announcements of the Company dated 25 October 2023, 31 October 2023, 28 November 2023, 4 December 2023, 4 January 2024, 16 January 2024, 22 January 2024, 15 February 2024, 28 March 2024, 17 May 2024, 4 June 2024, 5 June 2024, 12 June 2024, 24 June 2024, 8 August 2024, 27 August 2024, 27 November 2024, 5 December 2024, 27 February 2025, 7 March 2025, 16 March 2025, 27 May 2025, 30 March 2025, 9 June 2025, 3 July 2025 and 15 July 2025 (collectively, the “**Announcements**”). Unless the context otherwise requires, capitalized terms used in this announcement shall have the same meanings as those defined in the Announcements.

BUSINESS UPDATE

As of the date of this announcement, the Group operated three traditional Chinese restaurants (Tsim Sha Tsui, Shek Mun and Kowloon Bay) and two Cha Chaan Teng (Wanchai and Kornhill) in Hong Kong. For photos of business operations, please refer to the appendix of this announcement.

Newly Acquired Traditional Chinese Restaurant

The Group has entered into a three-year tenancy agreement on 26 June 2025 with Jones Lang LaSalle Limited for a property in a commercial complex in Kwun Tong. Site cleaning and refurbishment commenced immediately after the signing of the tenancy agreement. As the previous tenant also operated Chinese restaurant business, the property retained purpose-built facilities and equipment for a traditional Chinese restaurant, thereby reducing opening costs and time. The Group expects to commence operation of its Chinese restaurant business on 17 August 2025 after refurbishment. Under the negotiated terms, the landlord is providing preferential monthly rent comprising management and air-conditioning fees, supplemented by a three-month rent-free period. The Chinese restaurant in Kwun Tong has obtained all necessary licenses, including the licenses for food business, liquor business and fire safety, and the employment of the head chef, service team and management staff has been completed. After a comprehensive assessment of the pedestrian flow and the above favorable conditions, the Board considers that this is the best opportunity to establish a service center for office workers, blue-collar workers and residents in the Central Business District Kwun Tong.

The incurred and forecasted financial performance of the four Chinese restaurants (Tsim Sha Tsui, Shek Mun, Kowloon Bay and Kwun Tong) and three Cha Chaan Teng (Wan Chai, Kornhill and Kwun Tong) up to the date of this announcement is as follows:

(i) Financial performance of Chinese restaurants:

As the Group has leased the above restaurant property in Kwun Tong in June 2025, the Company is actively looking for restaurant shops with reasonable rentals, facilities and renovations. As far as the Company is concerned, the catering industry is now facing operating pressure and at the same time, there are more opportunities for transfer of restaurants at a low price in the market, the Company will continue to carefully consider all suitable development opportunities, especially in terms of rental costs, customer base, cash flow and investment in facilities and renovation, etc. The Company is currently bidding for a medium-sized Chinese restaurant in Tung Chung, aiming at consolidating the Company's confidence in the market and helping expand its business scale. The Company aims to expand from 4 to 5-6 restaurants by 2025, including but not limited to direct leasing, acquisition of operating rights and tendering in order to continue to expand the Chinese restaurant segment.

		As of 30 April 2025	As of 31 May 2025	As of 30 June 2025	As of 31 July 2025	As of 30 September 2025
	FY2025	incurred	incurred	incurred	incurred	forecasted
	(audited)	(unaudited)	(unaudited)	(unaudited)	(unaudited)	(unaudited)
	<i>HKD'000</i>	<i>HKD'000</i>	<i>HKD'000</i>	<i>HKD'000</i>	<i>HKD'000</i>	<i>HKD'000</i>
Revenue	218,275	17,874	34,254	51,125	68,089	109,218
Gross Profit	166,882	11,513	22,096	33,091	44,147	70,938
Net Profit/(Loss)	(32,536)	935	2,252	3,648	5,061	8,736

(ii) Financial performance of Cha Chaan Teng:

In addition to the traditional Chinese restaurant business mentioned above, the Group is actively developing its Cha Chaan Teng business. In response to the market opportunities, the Company acquired two Hong Kong style cafes business in 2025. Under the uncertain economic conditions, Cha Chaan Teng, which is the basic needs of the community at an affordable price, has a stable source of customers and demand. The Company plans to open three additional Cha Chaan Tengs between September 2025 and January 2026 in Kwun Tong, Sha Tin (Pok Hong Estate) and Tung Chung (Mun Tung Estate). The Company believes that Cha Chaan Teng business has demonstrated revenue potential and is expected to become a sustainably profitable component of the Company's business portfolio over time. The Group will proactively adjust its business strategies in line with the changes in the consumption pattern in order to cope with the changes in the market.

		As of 30 April 2025	As of 31 May 2025	As of 30 June 2025	As of 31 July 2025	As of 30 September 2025
	FY2025	incurred	incurred	incurred	incurred	forecasted
	(audited)	(unaudited)	(unaudited)	(unaudited)	(unaudited)	(unaudited)
	<i>HKD'000</i>	<i>HKD'000</i>	<i>HKD'000</i>	<i>HKD'000</i>	<i>HKD'000</i>	<i>HKD'000</i>
Revenue	9,357	4,548	9,700	15,007	20,390	33,737
Gross Profit	5,023	2,650	5,932	9,387	12,892	21,579
Net Profit	564	187	532	890	1,307	2,187

Since the first quarter of the FY2024/25, Hong Kong's retail industry and catering industry have faced numerous challenges, including but not limited to (i) the migration flow in Hong Kong since 2019; (ii) the peak effect of Hong Kong residents increasingly spending weekends in Shenzhen and traveling abroad more frequently; and (iii) the tendency of citizens to stay at home on weekday evenings after the COVID-19 pandemic. Thereafter, the catering industry steadily recovered, due to factors including but not limited to: (i) the slowdown in migration flow; (ii) the resumption of catering-centric social gatherings to pre-pandemic levels; and (iii) a surge in the number of tourists from mainland China and overseas, driven by various government initiatives, including the promotion of numerous sports and arts and cultural events, and the expansion of the "Individual Travel Scheme" to many cities in mainland China. In response to the changes in consumer preferences, the Group actively attracts local customers and encourages repeat visits. The Group provides customers with more value-for-money dishes and launches a dim sum buffet during lunch hours and a Peking duck set meal during dinner hours, achieving satisfactory results. In addition, the Group has seized the opportunities brought by the influx of tourists, mainly from mainland China, by hiring chefs proficient in Chinese regional cuisines and redesigning its menus. While retaining the core Cantonese dishes, regional cuisines have been newly added to cater to the tastes of tourists. The new menus have also attracted local customers, and tourists are more open to and interested in Chinese regional cuisines. The dishes in the menus will be evaluated quarterly based on popularity and cost to improve profitability and enhance customer satisfaction. The Group has also implemented various cost saving measures, including but not limited to: (i) improving flexibility in staff deployment to reduce staff costs, thus better meeting business needs; (ii) negotiating favorable terms with new food and beverage suppliers; and (iii) strategically restructuring the restaurant portfolio to reduce lease costs.

The expected positive growth in revenue, gross profit and net profit for FY2025/26 is mainly due to a series of strategies implemented by the Group, including but not limited to: (i) launching pre-cooked dishes and optimizing menus to reduce overpriced ingredients; (ii) supplementing the labor optimization plan and hiring workers from mainland China to work in Hong Kong; and (iii) upgrading the point-of-sale intelligence system to improve order accuracy and speed, inventory management and staff efficiency, all of which are expected to reduce operating costs.

The outlook of the food and beverage sector in Hong Kong is expected to gradually recover and continue to grow. According to the press release for the "Provisional statistics of restaurant receipts and purchases for second quarter of 2025" issued by the Census and Statistics Department on 1 August 2025 (https://www.censtatd.gov.hk/en/press_release_detail.html?id=5611), a Government spokesperson had commented that restaurant receipts resumed a mild increase in the second quarter of 2025. The value of total restaurant receipts increased by 0.8% over a year earlier, or by 0.2% over the preceding quarter on a seasonally adjusted comparison. Looking ahead, domestic consumption sentiment will continue to be supported by the continued growth of the economy, increase in employment earnings, and the buoyant local stock market. The Government's proactive efforts in promoting tourism and mega events should also benefit the business.

Given the improved financial performance of the Group's Chinese restaurant and Cha Chaan Teng operations coupled with the gradual recovery and growth of Hong Kong's food and beverage sector, the Group is well-positioned for sustained progress. Supported by positive economic indicators, rising domestic consumption, and government initiatives to promote tourism, the Group remains confident in its ability to capitalise on emerging opportunities. Going forward, the Group will continue to refine its business strategies, optimise operational efficiency, and pursue strategic expansion to strengthen its market position and drive long-term growth.

In order to further expand the Company's business, the Group will seek to open more Chinese restaurants and Cha Chaan Teng in the foreseeable future. In order to assess potential sites for newly opened Chinese restaurants and Cha Chaan Teng, the Group will obtain information from shopping mall operators/landlords to understand the actual and/or potential direct competitors at the potential sites. The Group has established a set of site selection criteria to assess the feasibility of opening new restaurants, and a restaurant opening process from identifying potential sites to signing leases, and from the delivery of properties to the opening of new restaurants.

As of the date of this announcement, the Group confirms that its Chinese restaurants and Cha Chaan Tengs will continue operations. We are implementing strategic expansion to consolidate our position in the Hong Kong catering market. Significant progress has been made in the Group's strategic expansion and its commitment to providing premium dining experiences, which directly supports the Group's vision of enhancing customer satisfaction, consolidating the competitive advantages of its Chinese restaurants, actively developing its Cha Chaan Teng business, and improving financial performance. The Group is confident that this course of action aligns with corporate objectives and will achieve shareholder value maximisation. The management foresees no material impediments to sustained performance in the foreseeable future.

LETTER FROM SHAREHOLDER

On 28 July 2025, the Company was in receipt of a letter from a shareholder of the Company addressed to the Board of Directors (the "**Shareholder's Letter**").

The shareholder stated in the Shareholder's Letter that, as a company with annual revenue reaching HK\$227 million, they firmly believe the intrinsic value of the Company far exceeds its pre-suspension market capitalisation. The shareholder is of the view that the Company possesses strong business prospects, upholds corporate social responsibilities by supporting over 220 employees and their families, and actively explores new business opportunities. However, despite submitting substantial evidence to the Listing Committee, the Company received a delisting notice without such evidence being accepted. The shareholder has therefore expressed concerns over the progress of the resumption of trading. The shareholder earnestly hope for an early resumption of trading, as only this would unlock shareholders' investments, prevent the Company from becoming privatised, and avert significant losses in both liquidity and value of their shareholdings. Regarding the Listing Committee's decision, the shareholder conveyed profound disappointment and helplessness. As articulated in the Shareholder's Letter, they urgently expect regulators to prioritise investor protection; should the delisting proceed, the value of the shares of the Company may be significantly impaired or rendered illiquid — an outcome all seek to avoid.

The Shareholder expresses further regret that the Listing Committee appears not to have fully considered the Company's submissions and evidence. The shareholder endorses the Board and management's unwavering commitment during the suspension period to safeguarding shareholders' assets and interests, while actively driving the Group's business continuity. The Company has consistently optimised its traditional Chinese restaurant operations and proactively developed Cha Chaan Teng businesses, thereby strengthening its overall operational foundation.

In exercising the authority over delisting, the shareholder respectfully requests the Listing Review Committee to acknowledge the objective challenges in the post-pandemic economic environment, including the lingering impact of COVID-19, the emigration wave from Hong Kong since 2019, and the Company's current robust operational conditions.

The shareholder hereby respectfully petitions the Listing Review Committee to consider the Company's proactive fulfillment of listing obligations and all efforts made in response to the resumption guidance when reviewing the Company's published announcements and management's replies to the Listing Committee's requirements. Throughout the review process, the Company has submitted relevant documentation to the Committee, comprehensively addressing all matters of concern. The shareholder earnestly hopes the Listing Review Committee will acknowledge the Company's genuine commitment towards the resumption of trading and recognize the significant positive implications of restoring the listing status of the Company for all shareholders and public investors.

The Company wishes to express sincere appreciation for the shareholder's recognition of its positive growth in financial and operational performance, enhanced profitability, and efforts during the resumption process. Furthermore, the successful diversification and expansion of the Group's business demonstrate its sustainable and forward-looking business model. The Company believes delisting does not serve its shareholders' best interests and is implemented without its shareholders' support. Consequently, the Company urges the Listing Review Committee to carefully consider alternative solutions beneficial to its shareholders and the broader investing public, rather than proceeding with direct delisting.

The Board will present its views clearly during the hearing and reiterate its disagreement with the Listing Committee's decision. The Board firmly believes the Group, given its operational scale as described, fully complies with the requirements under Rule 13.24 of the Listing Rules. The Company will diligently safeguard its shareholders' interests and exhaust all avenues to resume trading of the Company's shares.

CONTINUED SUSPENSION OF TRADING

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

Trading in the shares of the Company will continue to be suspended until further notice.

By order of the Board
Welif Technology Limited
Chu Pui Him
Executive Director

Hong Kong, 8 August 2025

As at the date of this announcement, the executive Director is Mr. Chu Pui Him and Mr. Leung Yin Cheuk, the non-executive Director is Mr. Fok Siu Keung, and the independent nonexecutive Directors are Mr. Char Shik Ngor Stephen, Mr. Wong Che Sang, Ms. Zhao Ming and Ms. Yin Shilu.

APPENDIX

Photos of business operations (taken on 3 August 2025)

Chinese restaurant - Tsim Sha Tsui



Chinese restaurant - Shek Mun



Chinese restaurant - Kowloon Bay



Cha Chaan Teng - Kornhill



Cha Chaan Teng - Wanchai

