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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)

(1) DISCLOSEABLE TRANSACTION IN RELATION TO ACQUISITION OF TARGET COMPANIES; (2) NON-COMPLIANCE WITH LISTING RULES AND (3) CONTINUED SUSPENSION OF TRADING

THE ACQUISITIONS

The Board is pleased to announce that on 18 July 2025, the Purchaser, an indirect wholly-owned subsidiary of the Company, and the Vendor entered into Sale and Purchase Agreement I and Sale and Purchase Agreement II, pursuant to which the Vendor conditionally agreed to sell and the Purchaser conditionally agreed to acquire Sale Shares I and Sale Shares II at the Consideration of HK\$2,865,000 and HK\$2,756,000, respectively.

Completion took place on the Completion Date, and the Target Companies became indirect wholly-owned subsidiaries of the Company and the financial results, assets and liabilities of the Target Companies will be consolidated into the financial statements of the Group.

LISTING RULES IMPLICATIONS

Given that the Acquisitions are entered into by the Purchaser with the same party (i.e. the Vendor), pursuant to Rule 14.22 of the Listing Rules, the Acquisitions shall be aggregated and treated as one transaction.

As one or more of the applicable percentage ratios (as defined under Rule 14.07 of the Listing Rules) in relation to the Acquisitions exceeds 5% but all are less than 25%, the Acquisitions constitute a discloseable transaction of the Company and is subject to notification and announcement requirements under Chapter 14 of the Listing Rules.

NON-COMPLIANCE WITH THE LISTING RULES

The Acquisitions constituted a discloseable transaction under Chapter 14 of the Listing Rules. Due to inadvertent oversight of the management, the Company failed to report and announce the Acquisitions. Accordingly, the Acquisitions constituted non-compliance of Chapter 14 of the Listing Rules.

The Company acknowledges its unintentional non-compliance with the Listing Rules was an oversight and reiterates its belief that continuing compliance with the Listing Rules and other applicable regulatory requirements is of utmost importance. Responsible staff shall obtain necessary approval and/or consent prior to entering into any agreement that would constitute notifiable and/or connected transaction for the Company going forward.

INTRODUCTION

On 18 July 2025, the Purchaser and the Vendor entered into the Sale and Purchase Agreements pursuant to which the Purchaser agreed to acquire and the Vendor agreed to sell Sale Shares I and Sale Shares II at the Consideration of HK\$2,865,000 and HK\$2,756,000, respectively.

To the best of the Directors' knowledge, information and belief after having made all reasonable enquiries, the Vendor is an Independent Third Party.

THE SALE AND PURCHASE AGREEMENTS

A summary of the principal terms of the two Sale and Purchase Agreements is set out below:

Sale and Purchase Agreement I

Date:	18 July 2025
Parties:	(i) Shining Proud Limited (an indirect wholly-owned subsidiary of the Company), as the Purchaser; and (ii) Mr. Chan Chuen San, as the Vendor
Subject matter:	Sale Shares I, being 1,000,000 shares of Target Company I, representing the entire issued share capital of Target Company I
Consideration:	HK\$2,865,000, which is satisfied in full by cash on the Completion Date. Consideration I is funded by internal resources of the Group.

Basis of Consideration: Consideration I was arrived at after arm's length negotiations between the Vendor and the Purchaser and was determined with reference to the (i) historical financial performance of Target Company I for the six months ended 30 June 2025 and the unaudited net asset value of Target Company I as at 30 June 2025; and (ii) the reasons for and benefits of the Acquisitions as described under the section headed "Reasons for and benefits of the Acquisitions" below.

Having considered the aforesaid factors, the Board considered that Consideration I is fair and reasonable.

Conditions precedents: Completion is conditional upon the fulfilment (or waiver) of the following conditions:

- the Purchaser is satisfied with the results of due diligence review on the business affairs, operations and financial position of Target Company I;
- the warranties provided by the Vendor in Sale and Purchase Agreement I remain true and accurate in all material aspects and are not misleading;
- there has not been any material adverse change in Target Company I since the date of entering into Sale and Purchase Agreement I;
- all necessary consents, authorisations, approval, licence, permission, order on the party of the Vendor in connection with Sale and Purchase Agreement I and the transaction contemplated thereunder having been obtained by the respective parties;
- all necessary consents, authorisations, approval, licence, permission, order (or, as the case may be, relevant waiver) on the party of the Purchaser in connection with Sale and Purchase Agreement I and the transaction contemplated thereunder having been obtained by the respective parties; and
- Target Company I has fully paid the amounts due to its shareholder.

Completion: Subject to the fulfilment of the conditions set out in Sale and Purchase Agreement I, Completion shall take place on the Completion Date.

Upon Completion, Target Company I will become an indirect wholly-owned subsidiary of the Company, and the financial results, assets and liabilities of Target Company I will be consolidated into the financial statements of the Group.

Sale and Purchase Agreement II

Date: 18 July 2025

Parties: (i) Shining Proud Limited (an indirect wholly-owned subsidiary of the Company), as the Purchaser; and
(ii) Mr. Chan Chuen San, as the Vendor

Subject matter: Sale Shares II, being 1 share of Target Company II, representing the entire issued share capital of Target Company II

Consideration: HK\$2,756,000, which is in full satisfied by cash on the Completion Date.

Consideration II is funded by internal resources of the Group.

Basis of Consideration: Consideration II was arrived at after arm's length negotiations between the Vendor and the Purchaser and was determined with reference to the (i) historical financial performance of Target Company II for the six months ended 30 June 2025 and the unaudited net asset value of Target Company II as at 30 June 2025; and (ii) the reasons for and benefits of the Acquisitions as described under the section headed "Reasons for and benefits of the Acquisitions" below.

Having considered the aforesaid factors, the Board considered that Consideration II is fair and reasonable.

- Conditions precedents: Completion is conditional upon the fulfilment (or waiver) of the following conditions:
- the Purchaser is satisfied with the results of due diligence review on the business affairs, operations and financial position of Target Company II;
 - the warranties provided by the Vendor in Sale and Purchase Agreement II remain true and accurate in all material aspects and are not misleading;
 - there has not been any material adverse change in Target Company II since the date of entering into Sale and Purchase Agreement II;
 - all necessary consents, authorisations, approval, licence, permission, order on the party of the Vendor in connection with Sale and Purchase Agreement II and the transaction contemplated thereunder having been obtained by the respective parties;
 - all necessary consents, authorisations, approval, licence, permission, order (or, as the case may be, relevant waiver) on the party of the Purchaser in connection with Sale and Purchase Agreement II and the transaction contemplated thereunder having been obtained by the respective parties; and
 - Target Company II has fully paid the amount due to its shareholder.

Completion: Subject to the fulfilment of the conditions set out in Sale and Purchase Agreement II, Completion shall take place on the Completion Date.

Upon Completion, Target Company II will become an indirect wholly-owned subsidiary of the Company, and the financial results, assets and liabilities of Target Company II will be consolidated into the financial statements of the Group.

INFORMATION ON THE TARGET COMPANIES

Target Company I

Target Company I is a private company incorporated in Hong Kong with limited liability on 27 November 2015. It is principally engaged in the operation of restaurants. As at the date of this announcement, Target Company I operated one of the Chinese Restaurants located in Shek Mun, Hong Kong.

Set out below is a summary of the financial information of Target Company I which is extracted from the unaudited financial statements of Target Company I for the two years ended 31 March 2025:

	For the year ended 31 March	
	2024	2025
	(unaudited)	(unaudited)
	HK\$'000	HK\$'000
Revenue	64,188	34,559
Profit before tax	5,957	788
Profit after tax	5,957	788

Based on the unaudited financial statements of Target Company I for the year ended 31 March 2025, the net asset value of Target Company I was approximately HK\$1,265,000 as at 31 March 2025.

Target Company II

Target Company II is a private company incorporated in Hong Kong with limited liability on 10 February 2023. It is principally engaged in the operation of restaurants. As at the date of this announcement, Target Company II operated one of the Chinese Restaurants located in Kowloon Bay, Hong Kong.

Set out below is a summary of the financial information of Target Company II which is extracted from the unaudited financial statements of Target Company II for the two years ended 31 March 2025:

	For the year ended 31 March	
	2024	2025
	(unaudited)	(unaudited)
	HK\$'000	HK\$'000
Revenue	–	20,300
Profit before tax	–	341
Profit after tax	–	341

Based on the unaudited financial statements of Target Company II for the year ended 31 March 2025, the net asset value of Target Company II was approximately HK\$3,011,000 as at 31 March 2025.

INFORMATION ON THE PURCHASER AND THE GROUP

Shining Proud Limited, the Purchaser, is an indirect wholly-owned subsidiary of the Company incorporated in Hong Kong with limited liability. It is principally engaged in investment holding.

The Company is a company incorporated in the Cayman Islands with limited liability and is an investment holding company. The Group is principally engaged in the operation of restaurants. It operates Chinese restaurants under the brand names of Palace and Royal Courtyard. The Group is involved in the provision of Cantonese dining services and banquet services. The Cantonese dining services include the provision of Cantonese food, dim sum and seasonal food. Seasonal food includes rice cakes, rice dumplings, and moon cakes, among others. The Group also provides banquet services for events, including wedding, birthday parties, graduation dinners, babies' hundred days celebration, corporate annual dinners and other celebration dinners. The Group also operates Hong Kong-style cafes, also known as Cha Chaan Tengs.

INFORMATION ON THE VENDOR

Mr. Chan Chuen San, the Vendor, is an investor and a resident of Hong Kong. To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, the Vendor is an Independent Third Party.

REASONS FOR AND BENEFITS OF THE ACQUISITIONS

The Chinese Restaurants are strategically located in the business districts of Hong Kong.

The Board considers the Chinese Restaurants have significant potential for growth and development and are expected to generate a consistent and stable financial return to the Group. Initially, the Company considered the possibility of acquiring the legal entities that hold the said Chinese Restaurants. Due to the fact that the lease agreements between the Target Companies and the respective landlords contain non-assignment clauses, prohibiting the transfer of leasehold interests over the Chinese Restaurants to a third party without the respective landlords' consent, an immediate transfer of the leasehold interests over the Chinese Restaurants to the Group is not feasible until consent is obtained from the landlords. In the absence of the said consents, the Company acquired the Operational Rights of the Chinese Restaurants operated by Target Companies on 2 May 2025 to secure immediate operational control of the said Chinese Restaurants.

On 15 July 2025, the respective landlords notified the Vendor that, subject to completion of the Acquisitions, they consented to the transfer of the leasehold interests over the Chinese Restaurants to the Group. Accordingly, the Sale and Purchase Agreements were entered into on 18 July 2025 and the Operational Rights were simultaneously terminated on even date. The Acquisitions will expand the restaurant portfolio of the Group, broaden the revenue base of the Group and extend its market presence. Further, the Company also considered that the Acquisitions will solidify the Company's bargaining position to negotiate rental fees of the Chinese Restaurants directly with the respective landlords.

The terms of the Sale and Purchase Agreements were determined after arm's length negotiations between the Purchaser and the Vendor. In view of the above, the Directors (including the independent non-executive Directors) are of the view that the terms of the Sale and Purchase Agreements are fair and reasonable, on normal commercial terms and in the interest of the Company and the Shareholders as a whole.

COMPLETION OF THE ACQUISITIONS

The Board is pleased to announce that all the conditions of the Sale and Purchase Agreements have been fulfilled, and Completion took place on 22 July 2025, being the Completion Date, in accordance with the Sale and Purchase Agreements. Following the Completion, the Company indirectly owned the entire issued share capital of the Target Companies, and the Target Companies became indirect wholly-owned subsidiaries of the Company and their financial results, assets and liabilities will be consolidated into the financial statements of the Group.

LISTING RULES IMPLICATIONS

Given that the Acquisitions are entered into by the Purchaser with the same party (i.e. the Vendor), pursuant to Rule 14.22 of the Listing Rules, the Acquisitions shall be aggregated and treated as one transaction.

As one or more of the applicable percentage ratios (as defined under Rule 14.07 of the Listing Rules) in relation to the Acquisitions exceeds 5% but all are less than 25%, the Acquisitions constitute a discloseable transaction of the Company and are subject to notification and announcement requirements under Chapter 14 of the Listing Rules.

NON-COMPLIANCE WITH THE LISTING RULES AND REMEDIAL ACTIONS

The Acquisitions constituted a discloseable transaction under Chapter 14 of the Listing Rules. Due to inadvertent oversight of the management, the Company failed to report and announce the Acquisitions. Accordingly, the Acquisitions constituted non-compliance of Chapter 14 of the Listing Rules.

The Company acknowledges its unintentional non-compliance with the Listing Rules was an oversight and reiterates its belief that continuing compliance with the Listing Rules and other applicable regulatory requirements is of utmost importance. Responsible staff shall obtain necessary approval and/or consent prior to entering into any agreement that would constitute notifiable and/or connected transaction for the Company going forward.

The Company takes the incident seriously. In order to prevent the occurrence of similar non-compliance incident in the future and to comply with the requirements under the Listing Rules on an on-going basis, the Company will (i) enhance regular training on regulatory compliance matters relating to notifiable transactions and connected transactions for responsible staff, including the Directors, to ensure that they comprehend the requirements of the Listing Rules; and (ii) review its internal control and compliance system on an annual basis to identify any weakness. The Company would like to stress that it will use its best endeavours to carry out necessary measures and appropriate actions to ensure the full compliance with the Listing Rules on an on-going basis.

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.

Trading in the Shares will continue to be suspended until further notice.

DEFINITIONS

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

“Acquisitions”	together, the acquisition of Sale Shares I and the acquisition of Sale Shares II, as contemplated under the Sale and Purchase Agreements
“associate(s)”	has the meaning ascribed thereto in the Listing Rules
“Board”	the board of Directors
“Chinese Restaurants”	together, the two Chinese restaurants located in (i) Shek Mun, Hong Kong operated by Target Company I; and (ii) Kowloon Bay, Hong Kong operated by Target Company II

“Company”	Welif Technology Limited, a company incorporated under the laws of the Cayman Islands with limited liability and the Shares of which are listed on the Main Board of the Stock Exchange (Stock Code: 1703)
“Completion”	the completion of the Acquisitions pursuant to the terms and conditions of the Sale and Purchase Agreements
“Completion Date”	22 July 2025, or any other date agreed in writing by the Purchaser and the Vendor
“Consideration I”	HK\$2,865,000, being the consideration of the acquisition of Sale Shares I
“connected person(s)”	has same meaning ascribed thereto in the Listing Rules
“Consideration II”	HK\$2,756,000, being the consideration of the acquisition of Sale Shares II
“Director(s)”	director(s) of the Company
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“HK\$”	Hong Kong Dollar, the lawful currency of Hong Kong
“Independent Third Party(ies)”	an individual(s) or a company(ies) who or which is/are independent of and not connected with (within the meaning of the Listing Rules) any Director, chief executive or substantial shareholders (within the meaning of the Listing Rules) of the Company, its subsidiaries or any of their respective associates
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange, as amended, supplemented or otherwise modified from time to time
“Operational Rights”	the operational rights of the Chinese Restaurants
“Purchaser”	Shining Proud Limited, an indirect wholly-owned subsidiary of the Company incorporated in Hong Kong with limited liability

“PRC”	the People’s Republic of China which, for the purpose of this announcement excludes Hong Kong, Macau Special Administrative Region and Taiwan
“Sale and Purchase Agreement I”	the sale and purchase agreement dated 18 July 2025 entered into between the Purchaser and the Vendor in respect of the acquisition of Sale Shares I
“Sale and Purchase Agreement II”	the sale and purchase agreement dated 18 July 2025 entered into between the Purchaser and the Vendor in respect of the acquisition of Sale Shares II
“Sale and Purchase Agreements”	together, Sale and Purchase Agreement I and Sale and Purchase Agreement II
“Sale Shares I”	1,000,000 shares of Target Company I
“Sale Shares II”	1 share of Target Company II
“Share(s)”	ordinary share(s) of the Company
“Shareholder(s)”	shareholder(s) of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“substantial shareholder(s)”	has same meaning ascribed thereto in the Listing Rules
“Target Company I”	Barry Investments Limited, a private company incorporated in Hong Kong with limited liability
“Target Company II”	Best State Limited, a private company incorporated in Hong Kong with limited liability
“Target Companies”	together, Target Company I and Target Company II
“Vendor”	Mr. Chan Chuen San

“%”

per cent.

By order of the Board
Welfare 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 non-executive Directors are Mr. Char Shik Ngor Stephen, Mr. Wong Che Sang, Ms. Zhao Ming and Ms. Yin Shilu.