

*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**

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

**(Stock Code: 1703)**

### **(I) DECISION OF THE LISTING COMMITTEE ON CANCELLATION OF LISTING; AND (II) REQUEST TO THE LISTING REVIEW COMMITTEE TO REVIEW DECISION ON CANCELLATION OF LISTING**

**Financial adviser to the Company**

**ADVENT**  
**宏智融資**

*Advent Corporate Finance Limited*

This announcement is made by Welife Technology Limited (the “**Company**”, together with its subsidiaries, collectively the “**Group**”) pursuant to Rule 13.09(2) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”) and the Inside Information Provisions under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

References are made to: (i) the announcements of the Company dated 4 June 2024 and 16 March 2025, in relation to, *inter alia*, the Resumption Guidance; (ii) the announcements of the Company dated 27 August 2024, 27 November 2024, 5 December 2024, 27 February 2025, 16 March 2025 and 9 June 2025, in relation to, *inter alia*, the quarterly update on the resumption progress; (iii) the announcement of the Company dated 3 July 2025, in relation to, *inter alia*, the business update of the Company (the “**Previously Published Documents**”). Unless the context otherwise specified, capitalised terms used herein shall have the same meanings as those defined in the Previously Published Documents.

# THE STOCK EXCHANGE'S NOTICE TO CANCEL THE LISTING OF THE COMPANY

The board of directors of the Company (the “**Board**”) regrets to inform the shareholders of the Company (the “**Shareholders**”) and potential investors that, on 4 July 2025, the Company received a letter (the “**LC Decision Letter**”) from the Stock Exchange stating that, after considering all the submissions (both written and oral) made by the Company and the Listing Division, the Listing Committee decided that the Company had failed to maintain a sufficient level of operations and assets of sufficient value to support its operation under Listing Rule 13.24, and to conduct independent internal control review and demonstrate adequate internal controls and procedures. The Listing Committee therefore decided to cancel the Company’s listing under Rule 6.01A(1) of the Listing Rules (the “**Decision**”).

## Reasons for the Decision

Pursuant to and as extracted from the LC Decision Letter, the Listing Committee arrived at its decision for the reasons, including but not limited to, as follows:

### Failure to Maintain a Sufficient Level of Operations and Assets of Sufficient Value to Support Its Operation under Listing Rule 13.24

1. Following the change in the management in May 2024, the scale of the Company’s Chinese restaurant operations has continued to shrink. The Company has ceased the operation of three Chinese restaurants, leaving only one restaurant whose lease will expire in March 2027. Only when approaching the trading resumption deadline did the Company pivot to open two Cha Chaan Tengs in March 2025, and subsequently entered into operating rights arrangements for these two licensed restaurants in May 2025. The Company now intends to rely on these restaurants to demonstrate its compliance with Rule 13.24. For the reasons set out below, the Committee considered that the Company has failed to maintain sufficient business operations and assets to comply with Rule 13.24.

## Information on Businesses

### *Chinese Restaurant Business*

2. The number of Chinese restaurants has continued to decline over the past four financial years. After 31 March 2025, the Company's current Board decided not to renew leases for three restaurants, leaving only one Chinese restaurant in Tsim Sha Tsui, which recorded revenue of approximately HK\$40.1 million and a net loss of HK\$7.4 million during the 2024/25 financial year. The scale of operations has become negligible. According to the latest unaudited data provided by the Company, this restaurant recorded revenue of HK\$14.3 million and net profit of HK\$1 million for the three months ended 30 June 2025. Whether such improvement in performance can be sustained remains questionable.
3. Prior to approaching the deadline for resumption of trading, the Group entered into operating arrangements for two licensed restaurants, adopting a business model distinct from previous practices. Following deliberation, the Committee expressed reservations regarding the substance, feasibility and sustainability of this model, with reasoning as follows:
  - 3.1 Under this arrangement, the Company claimed to have been authorized by the lessor to fully operate the two licensed restaurants, thereby enabling it to fully recognize all revenues, expenses and profits of these restaurants effective from 31 May 2025. However, the lessor remains the legal entity owning the operating assets and bears responsibility for business operations. The Company utilized bank accounts, business licenses and equipment held by the lessor. All employees continued to have employment contracts with the lessor, customers/suppliers transacted directly with the lessor, and trade receivables/payables were legally owned by the lessor. Within this operating model, the Company has not established an operational infrastructure demonstrating effective control and/or substantive interest in the restaurants, resulting in heavy reliance on the lessor. The Committee has raised concerns that any material adverse change in the relationship between the Company and the lessor could materially impact the operation and control of the two licensed restaurants.
  - 3.2 Despite the Committee's inquiry, the Company failed to explain why it adopted this operating rights arrangement immediately before the trading resumption deadline, which failed to grant the Company effective control over the assets of the two licensed restaurants. The Company neither operated the restaurants through its own legal entity nor had formal lease agreements with the property owners, and it remains unclear whether the lessors had the authority to grant restaurant operating rights to the Company. These issues collectively called into question the business substance and rationale of this operating model.

3.3 In this business model, as the Company does not directly hold ownership of the operating entity, it is exposed to unnecessary operational and financial risks, further raising concerns about business continuity. The terms of the current arrangement appear insufficient to adequately protect Company's interests in the licensed restaurants, such as:

- Although the Group claims operational control and exclusive use rights over the bank accounts, the legal ownership of these accounts remains vested with the lessor;
- The Group assumes all responsibilities and risks under the operational arrangements. The Company has not provided any legal protections against liabilities arising from the lessor;
- The protective measures do not extend to the shareholders of the lessor. Any shareholders' resolutions passed at the lessor level may affect control over its board of directors and authorized signatories of the bank accounts.

Such defects also raised concerns regarding the commercial substance, feasibility and its sustainability.

3.4 The current management has a limited track record in operating the two licensed restaurants. The operating rights were only granted to the Company in May 2025 (after the deadline for resumption of trading), with the effective date of the relevant arrangement being 31 May 2025. The ability of the new management to consistently generate sufficient revenue and profits remains uncertain. According to unaudited data provided by the Company, during the 2024/25 financial year under the landlord's management, the two licensed restaurants recorded revenues of HK\$27 million and HK\$46 million respectively, with profits of merely HK\$435,000 and HK\$827,000. After accounting for the monthly operating right fees of HK\$40,000 and HK\$80,000 respectively, these two licensed restaurants would actually operate at a loss. Based on the latest unaudited data provided by the Company, the two licensed restaurants recorded total revenue of HK\$11.3 million and a consolidated net profit of HK\$926,000 in June 2025. However, given the limited track record, the sustainability of this performance is questionable.

4. Based on the foregoing analysis, the Company has failed to demonstrate that the two licensed restaurants operated through the operating rights arrangement possess commercial substance, viability and sustainability. Furthermore, the meager scale of the sole Chinese restaurant in Tsim Sha Tsui failed to support the Company's compliance with Rule 13.24.

5. The plan to open the proposed new restaurants remains at a preliminary stage and is subject to uncertainties: (i) it remains unclear whether the Kwun Tong restaurant can commence operations pursuant to the scheduled timeline; and (ii) the Tung Chung restaurant proposal is still in its conceptual phase. Nevertheless, the Company has not demonstrated how these plans, if implemented, would substantially enhance the scale of operations and profitability.

### ***Cha Chaan Teng Business***

6. The Cha Chaan Teng business was newly launched in March 2025. With an operating history of less than four months, it lacks sufficient track record to demonstrate viability and sustainability. For the three months ended 30 June 2025, these restaurants recorded unaudited total revenue of HK\$15 million, yet achieved only HK\$890,000 in consolidated net profit. Additionally, the property title transfer process for one of the restaurants to the Group remains ongoing. The Company has not formulated specific business plans to improve financial performance. Given the limited operating history, thin profit margins, and lack of concrete business plans, it remains uncertain whether these restaurants can generate sufficient revenue and profits to support business viability and sustainability.

### **Information on Assets**

As of 31 March 2025, the Group's total assets amounted to HK\$79.2 million, while its net current liabilities amounted to HK\$15.9 million. Based on the above reasons, the Committee didn't consider the Company to have sufficient assets to enable it to operate a substantial, viable and sustainable business.

In light of the above, the Listing Committee was of the view that Company has not demonstrated compliance with Listing Rule 13.24.

### **Failure to Conduct Independent Internal Control Review and Demonstrate Adequate Internal Controls and Procedures**

7. As mentioned above, the Committee expressed concerns regarding whether the licensed restaurants maintained sufficient safeguards and internal controls. Given the materiality of licensed restaurants to the Group, it raises doubts about whether the Company has adequate internal controls and procedures to fulfill its responsibilities under the Listing Rules. Furthermore, although the internal control consultant has provided a draft internal control review report, the final internal control review report has not yet been issued, and the Company has not disclosed the review findings. Consequently, the Committee was not satisfied that Resumption Guidance 4 has been fulfilled.

## **Submission of Review Request**

The Board regrets the Decision and considers that the Listing Committee has not thoroughly taken into account of the evidence submitted by the Company. The Board hereby announces that, after internal discussions and consultations with its professional advisers, the Company lodged a written request with the Listing Review Committee on 15 July 2025, seeking a further and final review by the Listing Review Committee pursuant to Rule 2B.06(2) of the Listing Rules. The Company will make a further announcement in due course regarding any developments relating to the review by the Listing Review Committee as required under the Listing Rules.

## **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.

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

Hong Kong, 15 July 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.*