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Wenye Group Holdings Limited

文業集團控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1802)

**(1) PROFIT WARNING;
(2) DELAY IN PUBLICATION OF
AUDITED ANNUAL RESULTS ANNOUNCEMENT
FOR THE YEAR ENDED 31 DECEMBER 2021; AND
(3) DATE OF BOARD MEETING**

This announcement is made by Wenye Group Holdings Limited (文業集團控股有限公司) (the “**Company**”, together with its subsidiaries, the “**Group**”) pursuant to Rule 13.09 of the Rules Governing the Listing of Securities (the “**Listing Rules**”) on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) and the Inside Information Provisions (as defined under the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Chapter. 571 of the Laws of Hong Kong) (the “**SFO**”).

Reference is made to the announcement of the Company dated 21 March 2022. The board of directors of the Company (the “**Board**”) wishes to inform the shareholders of the Company (the “**Shareholders**”) and potential investors that, based on the preliminary review of the Group’s unaudited consolidated management accounts for the financial year ended 31 December 2021 (the “**FY2021**”) and information currently available, the Group is expected to record a net loss of not less than RMB60 million, as compared with a net profit of RMB21.1 million for the year ended 31 December 2020.

Based on the information currently available, the expected net loss was mainly attributable to (i) a significant impairment of trade receivables of not less than RMB96 million during FY2021; and (ii) provisions were made for the Group losing the lawsuits and the contingent liabilities arising out of the legal proceedings of the Group of not less than RMB14 million.

The information contained in this announcement is only based on a preliminary assessment made by the Board on the unaudited consolidated management accounts for FY2021 and the information currently available. The information in this announcement has not been reviewed nor audited by the Company's auditor or reviewed by the audit committee of the Company. The Company is still in the process of finalising the results of FY2021 and the actual results of the Group for FY2021 are subject to adjustment and may be different from the information disclosed in this announcement. Shareholders and potential investors are advised to pay attention to and read carefully the annual results announcement of the Company for FY2021.

The Company has endeavoured to publish this profit warning announcement as soon as practicable according to the requirement under the Listing Rules and Inside Information Provisions under the SFO. Since the recent outbreak of the COVID-19 pandemic severely restricted the ability of the management of the Company in finalising the management accounts for the year ended 31 December 2021, including but not limited to strict quarantine and lock-down measures at Shenzhen, the PRC, where the headquarter of the Group is located, the relevant finance staff and management were restricted from gaining full access to the papers and materials located at the headquarter of the Group. As such, the relevant finance staff and management of the Company was unable to ascertain the extent of impairment on account receivables as well as the extent of provisions to be made in relation to the legal proceedings at an earlier stage. In addition, as mentioned in this announcement below, the audit work to be done by the auditors of the Company (the “**Auditors**”) was also severely affected by the national-wide strict quarantine and lock-down measures in the PRC. As such, the Company has already exhausted its best endeavour to ascertain the extent of the net loss incurred during the year ended 31 December 2021 and publish this profit warning announcement as soon as practicable.

DELAY IN PUBLICATION OF AUDITED ANNUAL RESULTS ANNOUNCEMENT FOR THE YEAR ENDED 31 DECEMBER 2021

The Board would like to inform the shareholders of the Company (the “**Shareholders**”) and potential investors that due to travel restrictions and local quarantine measures related to the recent outbreak of the COVID-19 Pandemic in the People’s Republic of China and Hong Kong, the Group’s ability to gather necessary documents (including, among others, confirmations required from banks and financial institutions) has been severely restricted and the auditing process of the Auditors has been adversely affected.

Given that the Company has been informed by the Auditors that their audit for FY2021 does not expect to complete on or before the date of the meeting of the Board (the “**Board Meeting**”), which was originally scheduled to be held on 31 March 2022, it is anticipated that the Company will not be able to publish the 2021 Audited Annual Results on or before 31 March 2022 in accordance with Rules 13.49(1) and 13.49(2) of the Listing Rules. Rule 13.49(3) of the Listing Rules provides that where an issuer is unable to publish its announcement of preliminary results based on its financial statements in accordance with Rules 13.49(1) and 13.49(2) of the Listing Rules, it must announce its results for the financial year based on the financial results which have yet to be agreed with the Auditors. The Board expects to announce the unaudited consolidated annual results of the Group for the year ended 31 December 2021 based on the management accounts (“**FY2021 Management Figures**”), together with the comparative figures for the corresponding year in 2020 on 31 March 2022. The FY2021 Management Figures have not been audited by the Auditors.

Based on the information currently available to the Company, the Company expects to publish the audited annual results for FY2021 upon the completion of the audit by April 2022. Further announcement(s) will be made by the Company as and when appropriate.

DATE OF BOARD MEETING

The Board Meeting to be held on Thursday, 31 March 2022 will still be held but its purposes will be changed to, among other matters, considering and approving the announcement of the 2021 Unaudited Annual Results and its publication on the websites of The Stock Exchange of Hong Kong Limited and the Company, respectively and considering the recommendation of a final dividend, if any.

Shareholders and potential investors are advised to exercise caution when dealing in the shares of the Company.

By order of the Board
Wenye Group Holdings Limited
Fan Shaozhou
Chairman and Chief Executive Officer

Shenzhen, the PRC, 30 March 2022

As at the date of this announcement, the executive directors of the Company are Mr. Fan Shaozhou, Mr. Wan Neng and Mr. Peng Weizhou; the non-executive directors of the Company are Mr. Deng Guanghui and Mr. Chen Li; and the independent non-executive directors of the Company are Ms. Huang Guiqing, Mr. Liu Ziping and Mr. Liu Xiaoyi.