WANJIA GROUP HOLDINGS LIMITED
萬嘉集團控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 401)

SUPPLEMENTAL ANNOUNCEMENT

References are made to the interim results announcement of Wanjia Group Holdings Limited (the "**Company**" together with its subsidiaries, the "**Group**") dated 29 November 2018 (the "**Announcement**") and the interim report of the Company dated 29 November 2018 (the "**Report**").

As stated in the Announcement and the Report, the Group recorded an increase in loss for the six months ended 30 September 2018 (the "**Period**") which was mainly due to an impairment loss on goodwill of approximately HK$35.46 million (the "**Impairment**") provided for the Period. The board of directors (the "**Directors**") of the Company would like to inform the shareholders and investors of the Company that the Impairment was mainly attributable to the following factors:

(a) decrease in the sale revenue from and number of treatments provided by joint operation hemodialysis treatment centre operations when compared the valuation between 31 March 2018 (the "**First Valuation Date**") and 30 September 2018 (the "**Second Valuation Date**"), which was particularly caused by the change in number of patient visits in the joint operation hemodialysis treatment centres located in Yanzhou, Jining city, Shandong, the PRC due to the keen competition as a result of the launch of promotion campaigns by nearby state-owned hospital.

(b) the postponement in the application for enrolment of the hemodialysis treatment provided by self-run hemodialysis treatment centre (the "**Self-run Centre**") in the medical insurance list which resulted in the delay of the business plan for Self-run Centre of the Group; and

(c) decrease in sale revenue from hemodialysis equipment trading between the First Valuation Date and the Second Valuation Date.

By order of the Board
Wanjia Group Holdings Limited
Wang Jia Jun
Executive Director

Hong Kong, 4 February 2019

As at the date of this announcement, the Board comprises two executive Directors, namely Mr. Chen Jinshan and Mr. Wang Jia Jun, and three independent non-executive Directors, namely Mr. Wong Hon Kit, Dr. Liu Yongping and Mr. Ho Man.