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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)

PROFIT WARNING

The Announcement is made by Wanjia Group Holdings Limited (the “**Company**”, together with its subsidiaries collectively refer to as the “**Group**”) pursuant to Rule 13.09(2)(a) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”) 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 board of directors (the “**Board**”) of the Company wishes to inform the shareholders of the Company and potential investors that, based on the preliminary assessment of the unaudited consolidated management accounts of the Company for the year ended 31 March 2022 (the “**Current Period**”), it is expected that the loss for the Current Period of the Company will increase substantially by not less than HK\$47 million as compared to the loss of approximately HK\$4.477 million recorded for the year ended 31 March 2021. The expected increase was mainly attributable to, among others, the following reasons:

- (a) increase in cost of sales and selling and distribution expenses in the Current Period due to the Covid-19 pandemic in the affected areas in the People’s Republic of China (the “**PRC**”) where, the local government imposed various measures, including restrictions on business activities to prevent new Covid-19 variant outbreak in the early 2022 and adversely affected the Group’s overall profitability in pharmaceutical distribution and hemodialysis services; and

- (b) the provision of impairment loss of goodwill (the “**Impairment**”) for the Current Period. The Impairment was primarily attributable to (i) temporary halt of business cooperation with a jointly-operated hemodialysis treatment centre located in Fujian Province, the PRC in early 2022; and (ii) delay in the business plan in respect of the opening of two self-operated hemodialysis treatment centres in 2022 in the Guangdong Province, the PRC, of which the delay in enrolment of medical insurance list and the opposition of the local villagers for the opening of the hemodialysis treatment centre close to their vicinity. The Group is currently in negotiation with the villagers to resolve the matter. The Board would like to emphasize that the Impairment is a non-cash item and has no effect on the Group’s daily operations and cash flow.

As the Company is still in the process of finalizing the annual results for the year ended 31 March 2022, the information contained in this announcement is only based on a preliminary assessment by the Board with reference to the management accounts of the Group and on the information available for the time being, but not on any data or information audited or reviewed by the auditor of the Company. The Company expects to publish the announcement on the annual results of the Company for the year ended 31 March 2022 on 27 June 2022.

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

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

Chief Executive Officer and Executive Director

Hong Kong, 16 June 2022

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