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**WANKAONLINE**

**WANKA ONLINE INC.**

**萬咖壹聯有限公司\***

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

**(Stock Code: 1762)**

**DISCLOSURE PURSUANT TO RULE 13.19 OF THE LISTING RULES  
AND  
PROFIT WARNING**

This announcement is made by Wanka Online Inc. (the “**Company**”, together with its subsidiaries and consolidated affiliated entities, the “**Group**”) pursuant to Rules 13.09(2)(a) and 13.19 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 in the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Cap. 571 of the Laws of Hong Kong).

**DISCLOSURE PURSUANT TO RULE 13.19 OF THE LISTING RULES**

Pursuant to a banking facility (the “**Loan Facility**”) with East West Bank (China) Limited (the “**Lender**”), the Group is required to satisfy certain financial covenants including but not limited to the ratio of consolidated EBITDA to the consolidated funded debt. Based on a preliminary review of the unaudited consolidated management accounts of the Group for the year ended 31 December 2022, subject to finalisation and possible adjustments upon review and audit by the Company’s auditors, the Group has failed to satisfy such financial covenants under the Loan Facility with the Lender (the “**Breach**”). The Breach constitutes an event of default under the Loan Facility, in which case the Lender shall be entitled to declare that the loan under the Loan Facility, together with accrued interest, be immediately due and payable. The Breach has not resulted in any triggering of cross default provisions under other loan agreements and/or banking facilities entered into by the Group. As at the date of this announcement, the aggregate outstanding principal amount of the Loan Facility is approximately RMB60.0 million.

The Group has yet to obtain a waiver from the Lender in respect of the Breach. As at the date of this announcement, the Lender has not made any demand for immediate repayment of the loan under the Loan Facility. Further announcement regarding the Loan Facility and the status of the waiver will be made as and when appropriate.

Notwithstanding the Breach, the Group has not experienced any difficulties in obtaining financing with its banks for its working capital. Based on the Group’s current cash position, the Company considers that the Group has sufficient financial resources to repay its indebtedness and there is no material adverse impact on the operation of the Group as a result of the Breach.

## **PROFIR WARNING**

The board of directors (the “**Board**”) of the Company wishes to inform the shareholders of the Company (the “**Shareholders**”) and potential investors that, based on the preliminary assessment of the information currently available to the Board, including the unaudited consolidated management accounts of the Group for the year ended 31 December 2022, the Group is expected to record a loss after taxation of not less than approximately RMB125.0 million for the year ended 31 December 2022, as compared to a profit after taxation of approximately RMB62.3 million for the year ended 31 December 2021. Based on the information currently available, the Board believes that the above result was primarily attributable to (1) the decrease in overall gross profit and gross profit margin which was in turn primarily due to the increase in cost of traffic acquisition; and (2) an impairment loss on goodwill of the cash-generating unit of the online-video distribution services segment of not less than approximately RMB150.0 million.

The Company is still in the course of compiling its audited consolidated annual results of the Group for the year ended 31 December 2022, the information contained in this announcement is only a preliminary assessment made by the Board based on the information currently available to the Board, which have not been reviewed or audited by the Company’s auditors nor reviewed by the audit committee of the Board and is subject to possible adjustments. The actual results of the Group for the year ended 31 December 2022 may differ from the information contained in this announcement. Shareholders and potential investors of the Company are advised to refer to the annual results announcement of the Company for the year ended 31 December 2022, which is expected to be published on 27 March 2023.

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

By order of the Board  
**Wanka Online Inc.**  
**GAO Dinan**  
*Chairman*

Hong Kong, 20 March 2023

*As at the date of this announcement, the board of directors of the Company comprises Mr. GAO Dinan, Mr. NIE Xin and Ms. JIANG Yu as executive Directors; Mr. ZHENG Wei as non-executive Director; and Mr. CHEN Baoguo, Mr. JIN Yongsheng and Mr. YU Limin as independent non-executive Directors.*

\* *For identification purposes only*