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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)**

#### **DECISION OF THE LISTING COMMITTEE ON LISTING RULE 13.24**

This announcement is made by Wenye Group Holdings Limited (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 under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

Reference is made to the announcements of the Company dated 15 July 2025 and 24 July 2025 in relation to the decision of the Listing Division (the “**LD Decision**”) on Rule 13.24 of the Listing Rules and the Company’s review application of the LD Decision to the Listing Committee (the “**Announcements**”). Unless otherwise defined herein, capitalized terms used in this announcement shall have the same meaning as those defined in the Announcements.

#### **DECISION OF THE LISTING COMMITTEE ON RULE 13.24**

The Company wishes to inform the Shareholders and potential investors of the Company that the review hearing of the LD Decision by the Listing Committee was held on 2 September 2025. The Company received a letter from the Listing Committee of the Stock Exchange (the “**Listing Committee**”) dated 23 September 2025 (the “**Letter**”), notifying the Company that the Listing Committee has considered the Company’s case and decided that the Company had failed to maintain a sufficient level of operations and assets of sufficient value to support its operations as required under Rule 13.24 to warrant the continued listing of its shares. The Listing Committee therefore decided to uphold the LD Decision to suspend trading in the Company’s shares under Rule 6.01(3).

The Listing Committee arrived at its decision (the “**LC Decision**”) having considered the following reasons, which have been extracted from the Letter:

#### **On operations**

The building decorative and design business, being the Company’s only business since listing, had diminished to a minimal scale of operation. In FY2024 and the six months ended 30 June 2025, the Company recognized minimal revenue and failed to materialize its previously submitted business plan. The Company recorded mostly net losses, net liabilities and net operating cash outflow in the past four years. The trade receivables and contract assets of the Company were substantially impaired in previous years. In June 2025, the Company disposed of Shenzhen Wenye Decoration Design Engineering Co., Ltd\* (深圳文業裝飾設計工程有限公司) (“**Wenye Decoration**”), its major operating subsidiary.

Even following the Disposal, the Company maintained only minimal cash balance and remained in a position of net current liabilities and net liabilities. Overall, the Listing Committee considered that the Company's deteriorating financial performance did not represent a temporary downturn, and that there was no persuasive evidence that the building decorative and design business was viable and sustainable, for the following reasons:

- (i) The business had diminished to a minimal level of operation. Its revenue had declined by 99% over the past five years, from RMB1,247 million in FY2020 to RMB13 million in FY2024, with only RMB4.2 million recorded for the six months ended 30 June 2025 (which fell short of the forecasted revenue of RMB27.8 million under the forecast submitted by the Company on 5 June 2025 (the "**June Forecast**"). The Company attributed its poor performance to the downturn in the PRC real estate market and liquidity constraints arising from the non-recovery of trade receivables and contract assets from customers. Consequently, the Company failed to meet its repayment obligations on loans and other payables, which triggered successive tightening of credit by financial institutions. These liquidity constraints significantly impaired the Company's ability to secure new contracts, leading to a substantial reduction in the project volume in recent years.
- (ii) The Company secured 16 projects shortly after the Disposal, a majority of which were entered into with independent third parties. The Listing Committee noted that most of these contracts were short-term in nature and entered into with customers of a different profile, focusing on private enterprises instead of state-owned enterprises and government enterprises with which the Company had previously contracted and had experience. There was uncertainty as to whether the Company could continue expanding its customer base and securing contracts at a level sufficient to sustain the business and significantly improve the scale of operation.
- (iii) It was uncertain whether the Company would be able to perform and generate revenue from the existing signed contracts, given its prior failure to complete contracts and projects as set out in its resumption proposal submitted in December 2023. Further, given its net liabilities position and preliminary fundraising plan (details set out below), the Company did not appear to have sufficient working capital to support the execution of its secured projects or to procure or finance new projects. As for the Saipan Project, which represented the Company's largest project in terms of projected revenue, it remained unclear whether the Company possessed the relevant infrastructure to carry out off-site preparation of prefabricated structures in the PRC and detailed arrangements for on-site installation in Saipan. The Listing Committee further noted that the Company had made limited progress on the Saipan Project, which had a contract period ending in April 2026. As of June 2025, the Company had only completed RMB810,000 of work under the US\$20 million contract. Overall, the Company had not demonstrated it had prospects of completing the existing contracts and thereby improving the Company's scale of operation.
- (iv) The Company projected revenue of RMB142.6 million and RMB305.7 million for FY2025 and FY2026 respectively based on the 16 existing secured contracts. A substantial portion of the forecast was supported by the Saipan Project, which accounted for approximately 30% of the projected revenue for FY2025 and FY2026. However, it was uncertain whether the existing contracts could be completed. Further, the Company did not provide detailed basis to demonstrate that the expected gross profit margin of 12%, which was substantially higher than that for the past four years (ranging from 6.3% to 9.5%), was achievable. The Company's previous failure in fulfilling its business plans as set out in the resumption proposal submitted in December 2023 and meeting the June Forecast further undermined the credibility of the Company's forecast.

## **On assets**

The Company transitioned from a net assets position to a net liabilities position in FY2021 and its financial position continued to deteriorate thereafter. Its auditors issued a disclaimer of opinion on the Company's ability to continue as a going concern since FY2021. As at 31 December 2024, the Company recorded net current liabilities of RMB919 million and net liabilities of RMB930 million, with a cash balance of RMB0.5 million.

Following the Disposal, the Company's total assets decreased significantly from RMB203 million to RMB4.6 million, of which 97% represented other receivables. Its cash balance further declined from RMB0.5 million to less than RMB0.1 million, which was insufficient to repay its liabilities.

The Company continued to record net current liabilities and net liabilities of RMB50 million, primarily due to two overdue bank borrowings from China Construction Bank totalling RMB28.8 million and two overdue other borrowings of RMB13.4 million from independent third parties, of which RMB12.9 million represented a loan owed by Wenye Decoration for which the Company acted as a guarantor.

Notwithstanding the Company's obtaining of two loans totalling RMB30 million from independent third parties, the Listing Committee remained concerned about the extent to which the Company's financial condition could be materially improved, and how its operations and potential liabilities would be financed. The Company sought to conduct a rights issue to restore its net liabilities position to a net asset position.

At the review hearing, the Company acknowledged that the funds to be raised from the proposed rights issue were essential for financing or securing new projects. However, the proposed rights issue remained preliminary with no concrete timetable and subject to shareholders' approval.

The Listing Committee further noted that the proposed rights issue was subject to formal agreement and that the terms upon which the underwriter/placing agent had offered to conduct the fund-raising exercise were only valid until 30 September 2025. As such, there was uncertainty as to whether the proposed rights issue would materialize. The Listing Committee considered that the Company had not demonstrated its ability to secure sufficient funding to sustain or continue its business.

## **RIGHT TO REVIEW**

Under Chapter 2B of the Listing Rules, the Company has the right to have the LC Decision referred to the Listing Review Committee for review. Any request for review must be served on the Secretary of the Listing Review Committee within seven business days from the date of the LC Decision (i.e. on or before 3 October 2025). Trading in the Company's shares will be suspended on 6 October 2025 after the expiry of seven business days from the date of the LC Decision, unless the Company applies for a review of the LC Decision.

The Company is in the process of reviewing the LC Decision, and is discussing the same internally and with its professional advisers, and will consider whether to lodge a request for the LC Decision to be referred to the Listing Review Committee for review.

Shareholders and potential investors of the Company are reminded that (i) the Company may or may not proceed with the review by the Listing Review Committee; and (ii) the outcome of such review, if undertaken, is uncertain. Shareholders who have any queries about the implication of the LC Decision are advised to seek independent professional advice.

**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**  
**Kong Guojing**  
*Chairman*

Hong Kong, 24 September 2025

*As at the date of this announcement, the Board of the Company comprises (i) four executive directors, namely Mr. Kong Guojing (Chairman), Ms. Fan Shuying (Co-Chairwoman and Chief Executive Officer) Mr. Chen Zhouyu (Co-Chairman) and Mr. Peng Jiwei; (ii) two non-executive directors, namely, Mr. Mak Ho Fai and Ms. Jia Yuanyuan; and (iii) three independent non-executive directors, namely Mr. Huang Wei, Mr. Ma Kin Ling and Ms. Ye Jinyu.*

*In the event of any discrepancy between the English and Chinese versions of this announcement, the English version shall prevail.*

*\*for identification purposes only*