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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) CONNECTED TRANSACTION — SAIPAN CONTRACT (2) CONTINUED SUSPENSION OF TRADING

THE SAIPAN CONTRACT

On 10 March 2025 (after trading hours), Longxin entered into the Saipan Contract with The Palette Inc. pursuant to which The Palette Inc. agreed to engage Longxin for the Project for a total consideration of USD20,250,000 (equivalent to approximately HK\$157,950,000).

IMPLICATIONS UNDER THE LISTING RULES

At the material time, The Palette Inc. was ultimately owned 35% by Mr. Chen Li, the former Non-Executive Director of the Company and 30% by his son and Executive Director of the Company, Mr. Chen Zhouyu.

Mr. Chen Li, then being a director of the Company, was a connected person of the Company, and who together with his son Mr. Chen Zhouyu held 65% of the equity interest in The Palette Inc. a majority-controlled company held by Mr. Chen Li and his immediate family member and was therefore an associate of Mr. Chen Li under Listing Rule 14A.12(2)(b) and a connected person of the Company. Accordingly, the entering into of the Saipan Contract constitute connected transactions of the Company under Chapter 14A of the Listing Rules and is subject to the announcement, circular, Independent Shareholders' approval and reporting requirements.

The Company should have complied with the relevant announcement, circular, Independent Shareholders' approval and reporting requirements under Chapter 14A of the Listing Rules in respect of the connected transactions contemplated under the Saipan Contract, which constituted a connected transaction, as and when such obligations arose. Due to inadvertent mistake, the Company failed to comply with the Listing Rules requirements on the Saipan Contract. Such failure was unintentional and was due to a misunderstanding and misinterpretation of the Listing Rules.

GENERAL

An EGM will be convened and held for the Independent Shareholders to, among others, consider and, if thought fit, approve the Saipan Contract and the connected transaction contemplated thereunder.

As Mr. Chen Zhouyu, being an Executive Director of the Company, holds 30% equity interest in The Palette Inc. as at the date of this announcement, he is regarded as having a material interest in the Saipan Contract and the connected transaction contemplated thereunder. Mr. Chen Zhouyu and his associates shall abstain from voting on the resolution(s) approving the Saipan Contract and the connected transaction contemplated thereunder in the EGM.

An Independent Board Committee comprising all the independent non-executive Directors has been formed to advise the Independent Shareholders in respect of the Saipan Contract and the connected transaction contemplated thereunder and how to vote at the EGM, after taking into account the recommendations of the IFA. The Company will appoint an IFA to advise the Independent Board Committee and the Independent Shareholders as to the foregoing matters.

A circular containing, among others, (i) a letter from the Board providing further information on the Saipan Contract and the connected transaction contemplated thereunder; (ii) a letter from the Independent Board Committee with its advice to the Independent Shareholders; (iii) a letter from the IFA setting out its advice to the Independent Board Committee and the Independent Shareholders; and (iv) a notice convening the EGM, together with the proxy form for the EGM, is expected to be despatched to the Shareholders on or before 30 April 2026 as additional time is required by the Company to prepare and finalise certain information to be included in the circular.

SAIPAN CONTRACT

On 10 March 2025 (after trading hours), Longxin entered into the Saipan Contract with The Palette Inc. pursuant to which The Palette Inc. agreed to engage Longxin for renovation and interior decoration service. The principal terms of the Saipan Contract are set out as follows:

- Date:** 10 March 2025
- Parties:** (a) The Palette Inc. as the principal; and
(b) Longxin, as the contractor.
- Scope of service:** Longxin is responsible for the interior and exterior decoration works and the installation of ancillary facilities and equipment based on the design and construction drawings confirmed by The Palette Inc..
- Construction period:** 365 calendar days
- Quality Assurance period:** 1 year upon completion of the Project
- Contract price:** The estimated total project cost is approximately USD20,250,000 (equivalent to approximately HK\$157,950,000), subject to the design and construction drawings, the project budget quotation confirmed by both parties and the completion and settlement audit report accepted by The Palette Inc..
- Payment terms:** The contract price shall be paid in the following manner:
(a) 10% of the contract price to be paid within 7 days upon commencement of work by Longxin;
(b) Thereafter, payments shall be made monthly based on work progress. On the 10th day of each month, Longxin shall report the work to be completed for that month. After confirmation by both parties, The Palette Inc. shall, within 15 days, pay Longxin the relevant sum for the work;

- (c) At completion and upon quality inspection by The Palette Inc., it shall pay Longxin up to 95% of the total contract price;
- (d) The remaining 5% shall be retained by The Palette Inc. as quality assurance deposit which shall be paid upon the expiry of quality assurance period; and
- (e) In the event Longxin failed to remedy the defect within 3 days of notice and The Palette Inc. have to carry out the repairs, the cost of such repair shall be deducted from the quality assurance deposit.

INFORMATION OF THE PARTIES

The Company is a limited liability company incorporated in the Cayman Islands, the shares of which are listed on the main board of the Stock Exchange. The Group is principally engaged in engaged in the provision of interior and exterior building decoration and design services, including but not limited to, the construction of indoor and outdoor decoration and fitment for office buildings, public facilities, high-end star hotels, traffic nubs, commercial properties, residential properties and the provision of customised interior design services.

Longxin is a subsidiary of the Company and is a company incorporated in Hong Kong with limited liability. It is principally engaged in investment holding.

The Palette Inc. is a company incorporated in the United States of America with limited liability. It is principally engaged in investment holding.

As at the date of this announcement, The Palette Inc. is ultimately owned 35% by Mr. Chen Li, the former Non-Executive Director of the Company and 30% by his son and Executive Director of the Company, Mr. Chen Zhouyu.

REASONS FOR AND BENEFITS OF ENTERING INTO THE SAIPAN CONTRACT

The Palette Inc. was engaged as the project company to develop a 5-star luxury hotel in Saipan under a world renowned brand. The Project involves the development of luxury hotel comprising 192 guest rooms in 47 structures plus a clubhouse, situated on a site of approximately 20,485 square meters. The Company was engaged as the main contractor for the interior and exterior decoration works and the installation of ancillary facilities and equipment.

The entering into of the Saipan Contract is beneficial to the Group as it enables the Group to utilize its expertise to showcase its capability in an upscale project, which will enhance the profile and reputation of the Group in the market and generate revenue for the Group.

The Directors (excluding the independent non-executive directors whose view will be expressed in the circular after considering the opinion of the IFA) believe that the terms of the Saipan Contract are fair and reasonable, on normal commercial terms and in the interests of the Company and the Shareholders as a whole.

LISTING RULES IMPLICATIONS

At the material time, The Palette Inc. was ultimately owned 35% by Mr. Chen Li, the then Non-Executive Director of the Company and 30% by his son and current Executive Director of the Company, Mr. Chen Zhouyu.

Mr. Chen Li, being a director of the Company, was a connected person of the Company, and who together with his son Mr. Chen Zhouyu held 65% of equity interest in The Palette Inc. a majority-controlled company held by Mr. Chen Li and his immediate family member and was therefore an associate of Mr. Chen Li under Listing Rule 14A.12(2)(b) and a connected person of the Company. The entering into of the Saipan Contract constitute connected transactions of the Company under Chapter 14A of the Listing Rules.

GENERAL

An EGM will be convened and held for the Independent Shareholders to, among others, consider and, if thought fit, approve the Saipan Contract and the connected transaction contemplated thereunder.

As Mr. Chen Zhouyu, being an Executive Director of the Company, holds 30% equity interest in The Palette Inc. as at the date of this announcement, he is regarded as having a material interest in the Saipan Contract and the connected transaction contemplated thereunder. Mr. Chen Zhouyu and his associates shall abstain from voting on the resolution(s) approving the Saipan Contract and the connected transaction contemplated thereunder in the EGM.

An Independent Board Committee comprising all the independent non-executive Directors has been formed to advise the Independent Shareholders in respect of the Saipan Contract and the connected transaction contemplated thereunder and how to vote at the EGM, after taking into account the recommendations of the IFA. The Company will appoint an IFA to advise the Independent Board Committee and the Independent Shareholders as to the foregoing matters.

A circular containing, among others, (i) a letter from the Board providing further information on the Saipan Contract and the connected transaction contemplated thereunder; (ii) a letter from the Independent Board Committee with its advice to the Independent Shareholders; (iii) a letter from the IFA setting out its advice to the Independent Board Committee and the Independent Shareholders; and (iv) a notice convening the EGM, together with the proxy form for the EGM, is expected to be despatched to the Shareholders on or before 30 April 2026 as additional time is required by the Company to prepare and finalise certain information to be included in the circular.

REASONS FOR NON COMPLIANCE WITH THE LISTING RULES

The Saipan Contract constituted connected transaction for the Company under Chapter 14A of the Listing Rules. The Company's failure to report and announce the connected transactions and to issue circular and seek Independent Shareholders' approval constituted a breach of the Listing Rules. The non-compliance was due to misunderstanding and misinterpretation of definitions of connected persons under the Listing Rules, in particular the definition of associate.

The Company mistakenly believed that The Palette Inc. did not constitute an associate of Mr. Chen Li under Rule 14A.12(2)(b) nor a connected person of the Company under Chapter 14A of the Listing Rules.

REMEDIAL ACTIONS

The Company takes the incident seriously and will take the following actions to prevent similar events from re-occurring and to ensure the applicable Listing Rules requirements will be complied with going forward:

Remedial Action no.	Remedial Action	Expected Completion Date
1.	Publication of this announcement on the Saipan Contract	N/A
2.	An extraordinary general meeting to be convened for Independent Shareholders to consider, and if thought fit, ratify the Saipan Contract.	By 30 June 2026
3.	The Company will arrange training to strengthen knowledge on connected transaction requirements of the Listing Rules for its Directors, senior management and business department personnel.	By 30 June 2026
4.	The Company will strengthen its internal control in relation to connected transaction requirements of the Listing Rules.	By 30 June 2026
5.	The Company will seek advice of professional advisers with respect to its continual compliance with the Listing Rules.	N/A

CONTINUED SUSPENSION OF TRADING

At the request of the Company, trading in the shares on the Stock Exchange has been suspended with effect from 9:00 a.m. on 5 December 2025 and will remain suspended until fulfilment of the resumption guidance. Shareholders and potential investors are advised to exercise caution when dealing in the securities of the Company.

DEFINITIONS

In this announcement, the following expressions have the meanings set out below unless the context requires otherwise:

“associate(s)”	has the meaning ascribed to it under the Listing Rules
“Board”	the board of Directors of the Company
“Company”	Wenye Group Holdings Limited, a company incorporated in the Cayman Islands with limited liability and the issued shares of which are listed on the Stock Exchange (stock code: 1802)
“connected person(s)”	has the meaning ascribed to it under the Listing Rules
“controlling shareholder”	has the meaning ascribed to it under the Listing Rules
“Directors”	the directors of the Company
“EGM”	the extraordinary general meeting of the Company to be convened for the Independent Shareholders to consider, and if thought fit, rectify the entering into of the Saipan Contract and the connected transactions contemplated thereunder
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“IFA”	the independent financial adviser to be appointed by the Company for the purpose of advising the Independent Board Committee and the Independent Shareholders in respect of the connected transaction contemplated under the Saipan Contract
“Independent Shareholder(s)”	Shareholder(s) other than Mr. Chen Zhouyu and his associates, and all other Shareholders with a material interest in the connected transaction contemplated under the Saipan Contract
“Listing Rules”	The Rules Governing the Listing of Securities on the Stock Exchange, as amended from time to time

“Longxin”	Longxin Investment Holdings Limited, a company incorporated in Hong Kong with limited liability
“PRC”	the People’s Republic of China (excluding, for the purposes of this announcement, Hong Kong, the Macau Special Administrative Region and Taiwan)
“Project”	The project in Saipan which Longxin is responsible for the interior and exterior decoration works and the installation of ancillary facilities and equipment
“RMB”	Renminbi, the lawful currency of the PRC
“Saipan Contract”	the construction contract dated 10 March 2025 entered into between Longxin and The Palette Inc. in relation to the Project
“Share(s)”	Ordinary share(s) of par value of HK\$0.0001 each in the share capital of the Company
“Shareholder(s)”	the holder(s) of the Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“The Palette Inc.”	a limited liability company incorporated in the United States of America

For illustration purposes, amounts in USD in this announcement have been translated into HK\$ based on the exchange rate of USD1 = HK\$7.8. Such conversion shall not be construed as representations that amounts in USD were or may have been converted into HK\$ at such rate or any other exchange rate.

By order of the Board
Wenye Group Holdings Limited
KONG Guojing
Chairman

Shenzhen, PRC, 31 March 2026

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.