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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)

**UPDATE ON CONNECTED TRANSACTION — SAIPAN CONTRACT;
PROGRESS OF REMEDIAL ACTIONS;
CLARIFICATION OF PREVIOUS ANNOUNCEMENT; AND
CONTINUED SUSPENSION OF TRADING**

UPDATE ON CONNECTED TRANSACTION — SAIPAN CONTRACT

Reference is made to the announcements of Wenye Group Holdings Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) dated (i) 31 March 2026 in relation to, among other things, the connected transaction contemplated under the Saipan Contract and the proposed remedial actions (the “**Saipan Announcement**”); and (ii) 13 April 2026 in relation to, among other things, the remedial actions concerning the Group’s compliance with the connected transaction requirements under the Listing Rules (the “**April Announcement**”).

Unless otherwise defined, capitalised terms used in this announcement shall have the same meanings as those defined in the Saipan Announcement.

This announcement provides an update on the suspension of the Project in Saipan and performance of the Saipan Contract, the arrangements concerning Independent Shareholders’ approval, and the progress of the Company’s remedial actions.

SUSPENSION OF THE PROJECT AND PERFORMANCE OF THE SAIPAN CONTRACT

As disclosed in the Saipan Announcement, on 10 March 2025, Longshin Investment Holdings Limited (“**Longshin**”), a wholly owned subsidiary of the Company, entered into the Saipan Contract with The Palette Inc. in respect of the interior and exterior decoration works and installation of ancillary facilities and equipment for the Project in Saipan, for an estimated total consideration of USD20,250,000.

The entering into of the Saipan Contract constituted a connected transaction of the Company subject to the announcement, circular, Independent Shareholders’ approval and reporting requirements under Chapter 14A of the Listing Rules. The Company acknowledged its failure to comply with the applicable requirements in the Saipan Announcement.

Suspension Agreement

On 26 October 2026, Longshin and The Palette Inc. entered into a written agreement concerning the suspension of construction and performance of the Saipan Contract (the “**Suspension Agreement**”).

Having considered the effects of extreme weather condition in the locality, including the impact of Super Typhoon Sinlaku in April 2026, the regional economic environment and the actual construction conditions affecting the Project in Saipan, the parties agreed that the Project in Saipan did not presently have the conditions necessary for safe, stable and continuous construction. Accordingly, the parties to the Saipan Contract agreed to suspend construction.

The principal terms of the Suspension Agreement are summarised below:

1. Suspension of outstanding work

With effect from the date of execution of the Suspension Agreement, the outstanding construction and related preparatory work under the Saipan Contract are suspended. Longshin shall cease construction activities and related on-site preparatory work for the Project.

2. Protection of the site, completed works and records

The parties shall separately agree in writing on the necessary arrangements for site safety, protection of completed works, materials and equipment, and preservation of relevant records during the suspension.

3. Preservation of accrued rights and obligations

The suspension does not constitute termination or cancellation of the Saipan Contract and does not affect the parties' rights and obligations arising before the suspension.

Completed works, construction inputs and related expenses shall be verified in accordance with the Saipan Contract and applicable requirements, with the final settlement to be supported by a formal statement agreed by both parties.

Such verification and settlement shall not constitute authorisation to resume the Project or performance of the suspended obligations. Any payment or other arrangement subject to applicable regulatory requirements shall be implemented only after those requirements have been satisfied.

4. Conditions precedent to resumption

Resumption of the Project and performance of the suspended obligations under the Saipan Contract are conditional upon the Company obtaining the requisite shareholders' approval, including Independent Shareholders' approval where applicable, under Chapter 14A of the Listing Rules.

Before such approval is obtained, the parties shall not resume construction or perform the suspended obligations, whether through a supplemental agreement, other arrangements or actual performance.

Following the obtaining of the requisite approval, satisfaction of other applicable regulatory requirements and the availability of suitable conditions for resumption, the parties shall separately agree on the resumption date, scope of work, contract price, programme and other arrangements and enter into a written supplemental agreement.

Any supplemental agreement must remain within the scope of the approval obtained. Any changes requiring further approval or compliance procedures shall be subject to those requirements before implementation.

Obtaining shareholders' approval will not, by itself, result in automatic resumption. Construction and related contractual performance may resume only after all relevant conditions have been satisfied, the supplemental agreement has become effective and the parties have confirmed the resumption arrangements in writing.

5. Continuing effect of the Saipan Contract

The Suspension Agreement supplements the Saipan Contract and prevails to the extent of any inconsistency. The remaining terms of the Saipan Contract continue in effect, subject to the suspension arrangements and conditions for resumption.

Settlement and impact on the Group

Other than the retention money under the Saipan Contract, the outstanding amounts payable by The Palette Inc. to Longshin in respect of work performed before the suspension are expected to be settled before December 2026, subject to verification and satisfaction of applicable requirements. The retention money remains subject to the relevant contractual arrangements.

No suspension compensation, penalties, additional fees or waivers of claims have been agreed in connection with the Suspension Agreement.

Based on the information currently available, the Board considers that the suspension will not have a material adverse effect on the financial position or operations of the Group. No impairment, provision or recoverability issue arising from the suspension has been identified as at the date of this announcement.

Mr. Chen Zhouyu, who has a material interest in the transaction, abstained from voting on the relevant Board resolution approving the Suspension Agreement.

UPDATE ON THE CIRCULAR AND EGM ARRANGEMENTS

The Saipan Announcement stated that a circular concerning the Saipan Contract was expected to be despatched on or before 30 April 2026 and that an EGM would be convened for Independent Shareholders to consider and, if thought fit, ratify the Saipan Contract, with an expected completion date of 30 June 2026. The circular has not been despatched and the EGM has not been held.

The work already performed and the proposed settlement of outstanding amounts, the Company will not proceed with the previously proposed circular and EGM at this stage while the Project in Saipan and performance of the outstanding obligations under the Saipan Contract remain suspended.

Accordingly, no Independent Shareholders' approval is being sought at this stage. The requisite Independent Shareholders' approval must, however, be obtained before any resumption of the Project in Saipan or performance of the suspended obligations under the Saipan Contract. The suspension does not alter the connected transaction classification of the Saipan Contract or retrospectively remedy the non-compliance previously disclosed in the Saipan Announcement.

The Company will comply with the applicable announcement, circular, Independent Shareholders' approval and other requirements of the Listing Rules before any resumption. Further announcements will be made as and when appropriate.

PROGRESS OF REMEDIAL ACTIONS

The Company remains committed to strengthening its corporate governance and compliance procedures. The following provides an update on the remedial actions described in the Saipan Announcement and the April Announcement.

Engagement of independent internal control consultant

On 2 July 2026, the Company engaged OCF Corporate Advisory Limited (“OCF” or the “**Internal Control Consultant**”) as its independent internal control consultant to conduct a comprehensive review of the Group’s risk management and internal control procedures, systems and controls, including accounting and management systems, and to provide recommendations for improvement and rectification (the “**Internal Control Review**”).

OCF is a specialist business advisory firm with experience in reviewing and advising on the internal control and corporate governance arrangements of companies listed on the Stock Exchange.

Independence and competence

The Audit Committee reviewed OCF’s written confirmation of independence and noted that OCF had conducted an internal conflict check before accepting the engagement.

Based on OCF’s confirmation, the Audit Committee was satisfied that:

- (a) OCF had not had any business relationship with the Company, its subsidiaries, substantial shareholders or Directors during the two years preceding the engagement;
- (b) OCF did not hold any shares or financial interests in, or have any outstanding amounts due to or from, the Company, its subsidiaries or core connected persons at the time of its engagement; and
- (c) there were no personal or other relationships that might impair OCF’s independence or objectivity.

OCF acts solely in an advisory capacity and is not involved in the management or operation of the Group.

The Audit Committee also considered the qualifications and experience of OCF’s engagement team, including the engagement leader’s more than 25 years of relevant experience and experience leading internal control reviews for companies listed on the Stock Exchange. On this basis, the Audit Committee considers OCF independent, professionally competent and capable of undertaking the Internal Control Review.

Scope and status

The Internal Control Review covers the Group’s operations in Hong Kong and the PRC and includes, among other matters:

- (a) discloseable transaction and connected transaction compliance;
- (b) financial reporting management and accounting system management; and
- (c) information disclosure and handling of inside information.

The review methodology includes management and staff interviews, inspection of relevant documents, walkthrough procedures and sample testing, as appropriate. Follow-up procedures will be undertaken, where appropriate, to assess the implementation of revised policies and rectification measures.

As at the date of this announcement, the initial Internal Control Review remains ongoing. OCF has not issued its review report, and its findings, recommendations and any related rectification timetable have not been finalised.

The Company will assess OCF's recommendations when available, formulate appropriate rectification measures and provide further updates on material developments.

Training

Under the engagement, OCF is expected to deliver training on the connected transaction and information disclosure requirements of the Listing Rules to the Directors and senior management on or before 15 November 2026.

The training is intended to strengthen their understanding of connected persons and associates, identification and escalation of connected transactions, and the applicable announcement and approval requirements, and the disclosure and handling of inside information.

Revised timetable

Changes in the composition of the Board necessitated additional time to coordinate the remedial work and training arrangements. Consequently, the training and internal-control enhancement measures were not completed by the original target date of 30 June 2026.

The current status of the outstanding remedial actions is summarised below:

Outstanding remedial action	Status as at this announcement
Convening an EGM for Independent Shareholders to consider and, if thought fit, ratify the Saipan Contract.	The previously proposed circular and EGM are not being proceeded with at this stage during the suspension. The requisite Independent Shareholders' approval must be obtained before resumption.
Arranging training to strengthen the knowledge of Directors, senior management and business department personnel on the connected transaction requirements of the Listing Rules.	OCF is expected to deliver training to the Directors and senior management on or before 15 November 2026.
Strengthening internal controls relating to the connected transaction requirements of the Listing Rules.	OCF is engaged on 2 July 2026. The initial Internal Control Review remains ongoing, and the findings, recommendations and rectification timetable have not been finalised.

The Board will continue to oversee the remedial work, with the Audit Committee monitoring the progress of the Internal Control Review and the implementation of recommendations arising from it.

CLARIFICATION OF PREVIOUS ANNOUNCEMENT

Reference is made to the announcement of the Company dated 15 October 2026 in relation to, among others, supplemental announcement in relation to the annual report for the year ended 31 December 2025 (the **October Announcement**). Capitalised terms used in this section shall have the same meanings as those defined in the October Announcement.

Under the table of the actual use of the Net Proceeds, the additional allocations under the column headed “Change of use of Net Proceeds” for (i) settlement of professional fees incurred by the Company is approximately HK\$3,285,000; and (ii) general working capital is approximately HK\$4,358,000.

Due to certain inadvertent clerical errors, the Board would like to clarify that the correct amount of the change of use of Net Proceeds for (i) settlement of professional fees incurred by the Company should have been approximately HK\$3,315,000 (instead of approximately HK\$3,285,000); and (ii) general working capital is approximately HK\$4,328,000 (instead of approximately HK\$4,358,000).

Save as disclosed above, all other information contained in the October Announcement remains unchanged.

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 of the Company are advised to exercise caution when dealing in shares of the Company.

By order of the Board
Wenye Group Holdings Limited
Jiang Jun
Chairman and Executive Director

Shenzhen, the PRC, 26 October 2026

As at the date of this announcement, the Board of the Company comprises (i) four executive Directors, namely, Mr. Jiang Jun (Chairman), Ms. Fan Shuying (chief executive officer), Mr. Chen Zhouyu 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. Ma Kin Ling, Ms. Shen Hongmei and Ms. Ye Jinyu.