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)

ANNOUNCEMENT OF INTERIM RESULTS FOR THE SIX MONTHS ENDED 30 JUNE 2026 AND QUARTERLY UPDATE ON PROGRESS OF RESUMPTION

INTERIM RESULTS

The board of directors (the "**Board**") of Wenye Group Holdings Limited (the "**Company**") hereby announces the unaudited condensed consolidated interim results of the Company and its subsidiaries (together, the "**Group**") for the period ended 30 June 2026 ("**1H2026**") together with the comparative figures for the period ended 30 June 2025 ("**1H2025**").

FINANCIAL HIGHLIGHTS

	For the six months ended 30 June	
	2026	2025
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
Revenue	**84,288**	4,176
Gross profit margin	**11.1%**	12.0%
(Loss)/Profit for the period attributable to owners of the Company	**(4,249)**	885,804
Basic and diluted (loss)/profit per share *(RMB cents)*	**(0.56)**	131.58

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

		Six months ended 30 June	
		2026	2025
	Notes	***RMB'000***	*RMB'000*
		(Unaudited)	(Unaudited)
Revenue	*5*	**84,288**	4,176
Cost of sales		**(74,947)**	(3,674)
Gross profit		**9,341**	502
Other income		**—**	951,651
Other (losses)/gains, net		**(26)**	92
General and administrative expenses		**(6,741)**	(6,698)
Recognition of financial liability at fair value through profit or loss		**(4,485)**	(59,534)
Finance costs, net		**(416)**	(209)
Net impairment losses on financial and contract assets		**(1,824)**	—
(Loss)/Profit before tax		**(4,151)**	885,804
Income tax expense	*6*	**(98)**	—
(Loss)/Profit for the period	*7*	**(4,249)**	885,804
Other comprehensive income			
Item that may be reclassified to profit or loss:			
Exchange differences on translation of foreign operations		**—**	—
OTHER COMPREHENSIVE INCOME FOR THE PERIOD, NET OF TAX		**—**	—
TOTAL COMPREHENSIVE (LOSS)/PROFIT FOR THE PERIOD		**(4,249)**	885,804
(LOSS)/PROFIT PER SHARE ATTRIBUTABLE TO OWNERS OF THE COMPANY			
— Basic and diluted *(RMB cents)*	*9*	**(0.56)**	131.58

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Notes	**As at 30 June 2026 RMB'000 (Unaudited)**	As at 31 December 2025 RMB'000 (Audited)
NON-CURRENT ASSETS			
Property, plant and equipment		**—**	—
Right-of-use assets		**1,000**	1,215
		1,000	1,215
CURRENT ASSETS			
Contract assets	*10*	**100,135**	9,093
Trade and other receivables	*11*	**9,095**	47,981
Restricted cash		**59**	59
Bank and cash balances	*12*	**18,252**	36,595
		127,541	93,728
CURRENT LIABILITIES			
Trade and other payables	*13*	**129,754**	61,130
Contract liabilities	*10*	**118**	118
Other borrowings		**—**	35,000
Lease liabilities		**421**	411
Amount due to related parties		**2,210**	2,412
Financial guarantee contracts		**66,674**	62,189
Current income tax liabilities		**6,882**	6,747
		206,059	168,007
NET CURRENT LIABILITIES		**(78,518)**	(74,279)
TOTAL ASSETS LESS CURRENT LIABILITIES		**(77,518)**	(73,064)

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION (CON'T)

	Notes	**As at 30 June 2026** *RMB'000* **(Unaudited)**	As at 31 December 2025 *RMB'000* (Audited)
NON-CURRENT LIABILITIES			
Lease liabilities		**596**	809
		596	809
NET LIABILITIES		**(78,114)**	(73,873)
CAPITAL AND RESERVES			
Share capital		**73**	73
Reserves		**(78,187)**	(73,938)
Equity attributable to owners of the Company		**(78,114)**	(73,865)
Non-controlling interests		**—**	(8)
TOTAL EQUITY		**(78,114)**	(73,873)

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

1. GENERAL INFORMATION

Wenye Group Holdings Limited ("**the Company**") was incorporated in the Cayman Islands on 13 November 2018 as an exempted company with limited liability under Companies Law Cap. 22 (Law 3 of 1961, as consolidated and revised) of the Cayman Islands. The address of the Company's registered office is P.O. Box 31119, Grand Pavilion, Hibiscus Way, 802 West Bay Road, Grand Cayman, KY1-1205, Cayman Islands.

The Company is an investment holding company and its subsidiaries (together, the "**Group**") are principally engaged in provision of interior and exterior building decoration and design services (the "**Business**") in the People's Republic of China (the "**PRC**").

The shares of the Company were listed on the Main Board of The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**") on 14 January 2020 (the "**Listing**").

The consolidated financial statements are presented in thousands of Renminbi ("**RMB'000**"), unless otherwise stated.

2. GOING CONCERN BASIS

As at 30 June 2026, the Group had net current liabilities and net liabilities of approximately RMB78,518,000 and RMB78,114,000 respectively. The Group's financial liabilities in relation to financial guarantee contracts amounted to approximately RMB66,674,000 as at 30 June 2026 while its cash and cash equivalents amounted to approximately RMB18,252,000.

As at 30 June 2026, the Group had corporate financial guarantee contracts in respect of banking facilities and other borrowings granted to the disposed subsidiaries. According to the recent court rulings and related legal proceedings, including cases relating to bank borrowings and small loan contract disputes, the amount of accumulated interest payable by the Group under such corporate financial guarantee contracts was approximately RMB24,989,000.

The above conditions indicate the existence of material uncertainties which cast significant doubt regarding the Group's ability to continue as a going concern.

The Directors have undertaken a number of plans and measures to improve the Group's liquidity and financial position, including: (i) the Group has been actively seeking and communicating with new customers on the projects of interior and exterior building decoration and design; (ii) the Group has been actively negotiating with the bank and other lenders on the extension of overdue bank borrowing and overdue other borrowings; and (iii) the Group has been actively seeking potential new fundings through various channels, including but not limited to new financing in terms of issuance of new shares of the Company and from potential investors.

2. GOING CONCERN BASIS (CON'T)

The Directors have reviewed the Group's cash flow projections for a period of not less than twelve months from 30 June 2026. Such projections have considered the expected collection schedules from existing projects, expected operating expenses, payment arrangements for trade payables, litigation and related liabilities/provisions, as well as the financing and debt arrangements in respect of which the Group is negotiating with creditors and potential investors. Based on the above measures, the Directors are of the opinion that it is appropriate to prepare the Group's condensed consolidated interim financial information for the six months ended 30 June 2026 on a going concern basis.

Should the Group be unable to continue as a going concern, adjustments would have to be made to the consolidated financial statements to adjust value of the Group's assets to their recoverable amounts, to provide for any further liabilities which might arise, and to reclassify non-current assets and non-current liabilities as current assets and current liabilities, respectively. The effect of these adjustments has not been reflected in the consolidate financial statements.

3. ADOPTION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS

In the current half year, the Group has adopted all the new and revised Hong Kong Financial Reporting Standards ("**HKFRSs**") issued by the Hong Kong Institute of Certified Public Accountants (the "**HKICPA**") that are relevant to its operations and effective for its accounting year beginning on 1 January 2026. HKFRSs comprise Hong Kong Financial Reporting Standards ("**HKFRS**"); Hong Kong Accounting Standards ("**HKAS**"); and Interpretations. The adoption of these new and revised HKFRSs did not result in significant changes to the Group's accounting policies, presentation of the Group's consolidated financial statements and amounts reported for the current year and prior years.

The Group has not applied the new HKFRSs that have been issued but are not yet effective. The application of these new HKFRSs will not have material impact on the consolidated financial statements of the Group.

3.1. Significant Accounting Policies

These consolidated financial statements have been prepared in accordance with HKFRSs issued by the HKICPA and the applicable disclosures required by the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited and by the Hong Kong Companies Ordinance.

These consolidated financial statements have been prepared under the historical cost convention, as modified by the revaluation of investment properties, investments and derivatives which are carried at their fair values/fair values less costs to sell.

The preparation of consolidated financial statements in conformity with HKFRSs requires the use of certain key assumptions and estimates. It also requires the directors to exercise its judgements in the process of applying the accounting policies.

4. SEGMENT INFORMATION

Management has determined the operating segments based on the reports reviewed by chief operation decision-maker ("**CODM**"). The CODM, who is responsible for allocating resources and assessing performance of the operating segment, has been identified as the executive directors of the Company.

The Group is principally engaged in provision of interior and exterior building decoration and design services in the PRC. The CODM reviews the operating results of the business as one segment to make decisions about resources to be allocated. Therefore, the CODM regards that there is only one segment which is used to make strategic decisions. Revenue and profit before income tax are the measure reported to the CODM for the purpose of resources allocation and performance assessment.

The Group's revenue was mainly derived in the PRC during the six months ended 30 June 2026 and 2025.

As at 30 June 2026, all of the non-current assets were located in the PRC (31 December 2025: Same).

The revenue from external parties is derived from numerous external customers and the revenue reported to the CODM is measured in a manner consistent with that in the consolidated financial statements.

5. REVENUE

	For the six months ended 30 June	
	2026	2025
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
Revenue from construction services	**84,156**	4,176
Design service income	**132**	—
	84,288	4,176

6. INCOME TAX EXPENSE

	For the six months ended 30 June	
	2026	2025
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
Current income tax	**98**	—

Current taxation primarily represented the provision for PRC Corporate Income Tax ("**CIT**") for companies operating in the PRC. These companies are subject to CIT on their taxable income as reported in their respective statutory financial statements adjusted in accordance with the relevant tax laws and regulations in the PRC. Pursuant to the PRC Corporate Income Tax Law, the CIT rate for domestic enterprises and foreign invested enterprises is 25% (2025: 25%).

No provision for Hong Kong Profits Tax has been made since the Group did not have any taxable profits arising in or derived from Hong Kong during the six months ended 30 June 2026 and 2025.

7. (LOSS)/PROFIT FOR THE PERIOD

The Group's (loss)/profit for the period is stated after charging the following:

	Six months ended 30 June	
	2026	2025
	RMB'000	*RMB'000*
Depreciation of property, plant and equipment	**—**	4
Depreciation of right-of-use assets	**214**	—
Impairment of trade receivables	**(362)**	—
Impairment of contract assets	**2,170**	—
Impairment of other receivables	**16**	—
Changes in fair value of financial guarantee contracts	**4,485**	—
Aggregate fair value changes of financial assets, contract assets and financial guarantee contracts	**6,309**	—
Staff costs including directors' remuneration:		
Salaries, wages and bonuses	**2,268**	1,671
Housing funds, medical insurances and other social insurances	**303**	56
Other welfare and allowances	**14**	—
	2,585	1,727

8. DIVIDENDS

The directors do not recommend the payment of any dividend for each of the periods ended 30 June 2026 (ended 30 June 2025: nil).

9. (LOSS)/PROFIT PER SHARE

(a) Basic (loss)/profit per share

The calculation of basic (loss)/profit per share attributable to owners of the Company is based on the loss for the period attributable to owners of the Company of approximately RMB4,249,000 (30 June 2025: profit of RMB885,804,000) and the weighted average number of ordinary shares of 762,598,356 (30 June 2025: 673,200,000 as adjusted to reflect the capitalisation of 444,510,000 shares which took place on 14 January 2020) and excluded shares held under the restricted share unit scheme ("**RSU scheme**") in issue during the six months ended 30 June 2026 (30 June 2025: Same).

(b) Diluted (loss)/profit per share

Diluted (loss)/profit per share is the same as basic (loss)/profit per share as the Company did not have any dilutive potential ordinary shares during the six months ended 30 June 2026 and 2025.

10. CONTRACT ASSETS AND LIABILITIES

Disclosures of revenue-related items:

	As at 30 June 2026	As at 31 December 2025
	RMB'000	*RMB'000*
	(Unaudited)	(Audited)
Contract assets — construction services	**102,547**	9,335
Contract assets — design services	**—**	—
	102,547	9,335
Less: Provision for loss allowance	**(2,412)**	(242)
Total contract assets	**100,135**	9,093
Contract liabilities — construction services	**118**	118
Contract liabilities — design services	**—**	—
Total contract liabilities	**118**	118
Contract receivables (include in trade receivables)	**—**	—

	Six months ended 30 June	
	2026	2025
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
Revenue recognized in the period that was included in contract liabilities at beginning of year:		
— Construction services	**—**	—
— Design services	**—**	—
	—	—

11. TRADE AND OTHER RECEIVABLES

	Notes	**As at 30 June 2026** *RMB'000* **(Unaudited)**	As at 31 December 2025 *RMB'000* (Audited)
Trade receivables	*(i)*	**8,083**	47,421
Provision for loss allowance		**(861)**	(800)
Trade receivables, net		**7,222**	46,621
Prepayments		**1,166**	337
Other receivables		**329**	1,057
Reversal of/(provision for) loss allowance		**378**	(34)
Total trade and other receivables		**9,095**	47,981
Analysed as:			
Current assets		**9,095**	47,981
Non-current assets		**—**	—
		9,095	47,981

Notes:

(i) The credit terms of trade receivables are generally stated as up to 60 days from the invoice date. The ageing analysis of the trade receivables based on the invoice date is as follows:

	As at 30 June 2026 *RMB'000* **(Unaudited)**	As at 31 December 2025 *RMB'000* (Audited)
Unbilled revenue *(Note (i))*	**—**	45,864
Within 30 days	**5,196**	—
31 days to 6 months	**2,119**	842
6 months to 1 year	**768**	715
	8,083	47,421

11. TRADE AND OTHER RECEIVABLES (CON'T)

Notes: (Con't)

Note (i): The balances above included unbilled revenue for projects completed by the Group but yet to bill, which has excluded the portion of retention receivables. The Group has unconditional right to the payment of these unbilled revenue and hence classified as trade receivables.

The carrying amounts of trade receivables approximate their fair values and are denominated in RMB.

12. BANK AND CASH BALANCES

	As at 30 June 2026	As at 31 December 2025
	RMB'000	*RMB'000*
	(Unaudited)	(Audited)
Bank and cash balances	**18,252**	36,595
Restricted cash	**59**	59
Total bank and cash balances	**18,311**	36,654

	As at 30 June 2026	As at 31 December 2025
	RMB'000	*RMB'000*
	(Unaudited)	(Audited)
Denominated in:		
RMB	**18,252**	36,595
HK$	**59**	59
	18,311	36,654

Certain of the Group's bank balances and deposits denominated in RMB are deposited with banks in the PRC. The conversion of these RMB denominated balances into foreign currencies and the remittance of fund out of the PRC is subject to the rules and regulations of foreign exchange control promulgated by the government of the PRC.

13. TRADE AND OTHER PAYABLES

	As at 30 June 2026 *RMB'000* **(Unaudited)**	As at 31 December 2025 *RMB'000* (Audited)
Trade payables	**99,380**	43,157
Accruals and other payables		
— Accrued staff benefits	**4,655**	2,612
— Other payables and accruals	**25,719**	15,361
	30,374	17,973
	129,754	61,130

As at 30 June 2026 and 31 December 2025, the carrying amounts of trade and other payables approximate their fair values and are denominated in RMB:

The ageing analysis of the trade payable, based on invoice date, is as follows:

	As at 30 June 2026 *RMB'000* **(Unaudited)**	As at 31 December 2025 *RMB'000* (Audited)
Within 30 days	**75,906**	33,699
31 days to 6 months	**22,463**	9,458
6 months to 1 year	**1,011**	—
	99,380	43,157

PROGRESS OF RESUMPTION, RULE 13.24 OF THE LISTING RULES AND QUARTERLY UPDATES

This section also constitutes the quarterly update made by the Company pursuant to Rule 13.24A of the Listing Rules.

Reference is made to the Company's announcement dated 12 December 2025 in relation to the resumption guidance issued by the Stock Exchange to the Company; and the Company's announcements dated 6 March 2026, 13 March 2026 and 10 June 2026 in relation to, among other things, the quarterly updates on progress of resumption. Pursuant to the resumption guidance issued by the Stock Exchange, the Company is required to: (i) demonstrate its compliance with Rule 13.24 of the Listing Rules; and (ii) inform the market of all material information for the Company's shareholders and investors to appraise the Company's position.

As disclosed in the Company's quarterly update announcement dated 10 June 2026, the Group's business has operated as usual in all material respects notwithstanding the suspension of trading in the shares. The Group is principally engaged in the provision of interior and exterior building decoration and design services and continues to focus on restoring and strengthening its core business, optimising revenue streams, controlling administrative costs, improving gross profit margins and minimising unnecessary capital expenditure to improve the Group's business operations and financial position.

The Company published its audited annual results announcement and annual report for the financial year ended 31 December 2025 on 31 March 2026 and 30 April 2026, respectively. For the financial year ended 31 December 2025, the Group's revenue amounted to approximately RMB106.5 million, representing a significant increase from approximately RMB13.5 million for the financial year ended 31 December 2024, whilst the Group's net liability position improved from approximately RMB930.4 million as at 31 December 2024 to approximately RMB73.9 million as at 31 December 2025.

In 1H2026, the Group's core business continued its gradual recovery. The Group recorded revenue of approximately RMB84.3 million for the six months ended 30 June 2026, representing an increase of approximately RMB80.1 million or approximately 1,918.4% as compared with approximately RMB4.2 million for the corresponding period in 2025. For the six months ended 30 June 2026, the Company successfully secured 11 contracts with an aggregate project sum of approximately RMB233.7 million (exclusive of VAT). As at the date of this announcement, work for 5 of these 11 contracts had been completed, and work for the remaining 6 contracts is expected to be completed in the last quarter of 2026. To the best of the Directors' knowledge, information and belief, having made reasonable enquiries, the customers under the 11 contracts are third parties independent of the Company and its connected persons. As at 30 June 2026, the Group had a total of 53 employees, of whom 31 were responsible for engineering management, to support the execution of the Group's existing projects and daily operations.

As at the date of this announcement, the Group continues to advance its resumption plan and is committed to providing the Stock Exchange with such information as required once it completes a full business cycle to demonstrate the viability and sustainability of its business and its compliance with Rule 13.24 of the Listing Rules. The Board considers that the contracts secured, revenue and operational scale improved by the Group during 1H2026 reflect the gradual recovery of the Group's core business. Nevertheless, as at 30 June 2026, the Group still recorded net current liabilities of approximately RMB78.5 million and net liabilities of approximately RMB78.1 million, and the shares remained suspended from trading. The Company will continue to take necessary and appropriate measures to improve its business operations, financial position and ability to continue as a going concern, with a view to seeking to re-comply with Rule 13.24 of the Listing Rules and fulfilling the resumption guidance.

The Company will continue to work closely with its professional advisers and proactively take all necessary and appropriate steps to comply with the resumption guidance, with the aim of resuming trading in its shares on the Stock Exchange as soon as practicable. The Company will make further announcements and quarterly update announcements as and when appropriate in accordance with Rule 13.24A of the Listing Rules and other applicable Listing Rules requirements, to keep the Company's shareholders and potential investors informed of the progress of resumption and any material developments.

MANAGEMENT DISCUSSION AND ANALYSIS

The Group is a building decoration services provider based in Shenzhen City, Guangdong Province, the PRC. With approximately 30 years of operating history, the Group possesses a range of the highest level of qualifications and licences in the building decoration industry in the PRC. The Group's projects cover a wide range of buildings and properties, including public infrastructure, commercial buildings and residential buildings.

The Company's core business consists of interior and exterior building decoration and design services, primarily encompassing the construction of indoor and outdoor decoration, and fitment for office buildings, public facilities, star hotels, residential properties and curtain wall, as well as customized indoor design and curtain wall design services.

BUSINESS REVIEW

In 1H2026, the Company's management continued to focus on the principal business of the Company, making every effort to ensure the smooth operation of core business and actively expanding high-quality project resources. As a result, the business demonstrated a positive trend of "gradual recovery and healthy operation".

On 5 December 2025, trading of the Company's shares on the Stock Exchange was suspended due to its failure to comply with Rule 13.24 of the Listing Rules. Faced with a complex and severe operating environment, the Company's management, under the strategic guidance of the Board, firmly focused on the core objectives of "stabilizing operations, optimizing structure, mitigating risks, and pursuing development". By fulfilling their duties with diligence and taking proactive measures, they coordinated key initiatives including business expansion, asset optimization, debt restructuring, financing assurance, and efforts to resume trading. These efforts effectively alleviated debt pressures ensured the normal operation of core business.

The building decoration and design industry as a whole is exhibiting a development trend characterized by "sluggish recovery, intensifying competition, and structural optimization". Affected by the slowdown in macroeconomic growth, the real estate sector continues to undergo adjustments, with demand for commercial and residential property renovations contracting, exerting pressure on the industry's overall demand side. At the same time, the large number of small and medium-sized enterprises in the industry has led to increasingly fierce market competition, with price-based competition remaining the dominant form of competition, which has squeezed corporate profit margins to some extent.

On the other hand, driven by consumption upgrades and the standardization of the industry, clients are placing increasingly higher demands on the quality, environmental friendliness, and intelligent features of decoration and design. As a result, demand for high-value-added, specialized decoration design and construction services is gradually increasing, and industry concentration is trending upward, creating development opportunities for enterprises with core competitiveness.

In 1H2026, the Company's core efforts have focused on making every effort to resume trading by fulfilling the resumption guidance and effectively safeguarding the legitimate rights and interests of shareholders. Through the collective efforts of all employees, the Company's operational performance has gradually improved, and phased results have been achieved across all areas of work.

The Group's revenue increased from approximately RMB4.2 million for 1H2025 by approximately RMB80.1 million or approximately 1,918.4%, to approximately RMB84.3 million for 1H2026.

The Group had successfully secured 11 contracts with an aggregate value of approximately RMB233.7 million (exclusive of VAT), of which 11 are expected to be completed in 2026. As at the date of this announcement, work for 5 contracts had been completed. Work for the remaining 6 contracts is expected to be completed in the last quarter of 2026.

To support the execution of new projects, the Group has expanded its workforce to 53 employees as of 30 June 2026, with 31 employees responsible for engineering management.

OUTLOOK AND STRATEGY

Driven by policy measures, the PRC property market is expected to gradually stabilize and recuperate. The PRC government has implemented different supportive measures for the real estate sector, such as abolishing various restrictive home purchase policies and allow market forces to determine the supply of real estate to deter high borrowing levels among real estate developers. These initiatives have helped to stabilize the PRC real estate market, enabling market participants (including the Company) to revitalize operations, and now finally move beyond the severe impact of COVID-19 and the financial fallout of the real estate market in recent years, as evidenced by the Company's robust business recovery. Together with contracts on hand, the management of the Company maintains cautiously optimistic for the second half of 2026.

The Company, learning from past experience with larger projects such as government contracts with longer completion timeline and required substantial capital with higher risk of delayed payment, currently focuses on subcontracting projects which offer shorter cycles and eliminate bid bond and payment guarantee requirements to reduce upfront cash outlays. Additionally, these projects feature faster payment cycles, ensuring timely capital replenishment and less bad debt. This approach significantly eases financial pressure, maintains smooth cash flow, and provides strong support for stable operations. Leveraging years of industry expertise and a solid reputation, the Company fosters long-term partnerships with developers, commercial clients, and engineering firms, securing projects through direct engagements.

The business model of the Company's building decoration and design business is asset-light by nature and has remained consistent since listing. The Company now operates a subcontracting model whereby when projects are secured, these providers supply both skilled workers and construction materials, enabling the Company to significantly reduce procurement costs for raw materials and equipment. This collaborative model eliminates labour expenses during idle periods while enhancing operational flexibility. By outsourcing workforce and material provisioning, the Company minimizes inventory carrying costs and optimizes labour expenditures, ultimately driving stronger profitability.

The Company's personnel are primarily responsible for project management. The project department staff primarily handle administrative and design tasks for projects, with their main duties include coordinating on-site construction teams and project clients. The Company will continue optimizing operational efficiency by maintaining its third-party outsourcing model for project execution in the PRC and overseas while retaining full project management control. This strategic approach delivers multiple cost advantages and streamlined organizational structure decreases fixed overheads including office expenses. Together, these measures strengthen the Company's financial position and create a platform for sustainable growth and market expansion.

FINANCIAL REVIEW

Revenue

The Group principally derives its revenue from provision of building decoration works and design services in the PRC. Revenue generated by service type was set out below:

	Six months ended 30 June			
	2026		2025	
	RMB million	*%*	*RMB million*	*%*
	(Unaudited)		(Unaudited)	
Revenue from construction contracts	**84.2**	**99.9**	4.2	100.0
Design service income	**0.1**	**0.1**	—	—
Total	**84.3**	**100.0**	4.2	100.0

The Group's revenue increased by approximately RMB80.1 million to approximately RMB84.3 million for 1H2026 from approximately RMB4.2 million for 1H2025, representing an increase of approximately 1,918.4%.

Cost of sales

The cost of sales of the Group increased to approximately RMB74.9 million for 1H2026 from approximately RMB3.7 million for 1H2025, representing an increase of approximately 1,939.9% which is in line with the increase of revenue.

Gross profit and gross profit margin

The gross profit of the Group increased to approximately RMB9.3 million for 1H2026 from approximately RMB0.5 million for 1H2025, representing an increase of approximately 1,760.8%.

The gross profit margin slightly decreased from 12.0% for 1H2025 to 11.1% for 1H2026, the gross profit margin remained broadly stable.

Other income

Other income for 1H2025 mainly arose from the one-off gain on disposal of Wenye Decoration, details of which were disclosed in the Company's announcement of 2025 annual results.

Other (losses)/gains, net

The Group recorded net other losses of approximately RMB26,000 for 1H2026 (Other gains for 1H2025: RMB92,000).

General and administrative expenses

The general and administrative expenses of the Group primarily consist of employee benefit expenses, legal and professional fees and depreciation of property, plant and equipment, investment properties and right-of-use assets.

The general and administrative expenses remained flat at approximately RMB6.7 million for both 1H2025 and 1H2026.

Recognition of financial liability at fair value through profit or loss

In 1H2026, the Group recognised fair value changes/related expenses of approximately RMB4.5 million in respect of the financial liability at fair value through profit or loss. As at 30 June 2026, the Group recognised financial guarantee contract liabilities of approximately RMB66.7 million in respect of the financial guarantee provided by the Company to certain bank and other borrowing by a then subsidiary in prior periods. The subsidiary was disposed on 12 June 2025.

Net impairment losses on financial and contract assets

In 1H2026, the net impairment losses on financial and contract assets amounted to approximately RMB1,824,000 (1H2025: nil).

(Loss)/Profit for the period

The Group turned from a profit of approximately RMB885.8 million for 1H2025 to a loss of approximately RMB4.2 million for 1H2026. The profit for 2025 was mainly due to the disposal of Wenye Decoration.

Financial position, liquidity and financial resources

Trade and other receivables

The trade and other receivables decreased from approximately RMB48.0 million as at 31 December 2025 to approximately RMB9.1 million as at 30 June 2026, representing a decrease of approximately 81.0%. The trade receivables are the amount due from customers.

Trade and other payables

The trade and other payables increased from approximately RMB61.1 million as at 31 December 2025 to approximately RMB129.8 million as at 30 June 2026. The increase was mainly attributable to the increase in amounts due to suppliers and subcontractors resulting from the increase in new projects undertaken in 1H2026.

Bank Borrowings

As at 30 June 2026, the Group had no bank borrowings (31 December 2025: nil).

Financial guarantee contracts

As at 30 June 2026, the Group recognised financial guarantee contract liabilities of approximately RMB66.7 million. The amount was related to the financial guarantee provided by the Company in respect of certain bank and other borrowings of a then subsidiary in prior periods, and the subsidiary was disposed on 12 June 2025. In 1H2026, the Group recognised an impact on profit or loss of approximately RMB4.5 million in respect of such financial guarantee.

Working capital management

The Group is committed to maintaining sound financial policy. The Group intends to improve its operational efficiency in order to improve the healthiness of the working capital primarily through capital contribution from operating activities, fund raising from the capital market from time to time and interest-bearing bank borrowings.

Liquidity ratios

As at 30 June 2026, the Group had bank and cash balances of approximately RMB18.3 million, of which restricted cash amounted to approximately RMB59,000 (31 December 2025: bank and cash balances of approximately RMB36.7 million, of which restricted cash amounted to approximately RMB59,000). The Group's current ratio and gearing ratio are as follows:

	30 June 2026 (Unaudited)	31 December 2025 (Audited)
Current ratio	**61.9%**	55.8%
Gearing ratio	**NA***	NA*

Current ratio is calculated by dividing the current assets by the current liabilities as at the respective dates.

Gearing ratio is calculated by dividing the net debt (being total bank and other borrowings and lease liabilities net of cash and cash equivalents) as at the respective dates by equity attributable to our Shareholders as at the respective dates.

Significant investments, material acquisitions and disposals

The Group had not made any significant investment, material acquisitions or disposal of subsidiaries, associates or joint ventures during 1H2026.

Capital commitments

As at 30 June 2026, the Group had no capital commitment (31 December 2025: nil).

Contingent Liabilities

Save for the litigation and related liabilities/provisions disclosed in the section headed "Going Concern Basis" in this announcement, as at 30 June 2026, the Group and the Company did not have any other significant contingent liabilities (31 December 2025: nil).

Dividends

The Board does not recommend the payment of an interim dividend for the period ended 30 June 2026 (30 June 2025: nil).

Foreign currency exposure

The Group mainly operates in the PRC with most of the transactions settled in RMB.

As at 30 June 2026, foreign exchange risks on financial assets and liabilities denominated in other currencies were insignificant to the Group, and therefore, the Group did not have any hedging activities during the year.

Important events after the end of the period

The Group had no subsequent important event after 30 June 2026 and up to the date of this announcement.

OTHER INFORMATION

Purchases, sale or redemption of the Company's listed securities

Neither the Company nor any of its subsidiaries purchased, sold or redeemed any listed securities of the Company during the six months ended 30 June 2026.

Compliance with the code or corporate governance practices

The Company is committed to maintaining high quality corporate governance. The corporate governance principles of the Company are to promote effective internal management measures, to maintain high quality ethics, transparency, responsibility and integrity in all aspects of business, to ensure that its business and operations are conducted in accordance with applicable laws and regulations and to enhance the transparency and accountability of the Board to all shareholders. The Company's corporate governance practice is based on the principles and code provisions as set out in Corporate Governance Code (the "**CG Code**") contained in Appendix C1 to the Listing Rules.

Save for the deviation from code provision C.2.1 of the Corporate Governance Code as disclosed below, during the six months ended 30 June 2026, the Company has complied with all the applicable code provisions of the CG Code as set out in Appendix C1 to the Listing Rules. The Company will continue to review and enhance its corporate governance practice to ensure compliance with the CG Code. As at the date of this announcement, the roles of chairman/co-chairman and chief executive officer of the Company are not completely separated and Ms. Fan Shuying currently acts as the co-chairwoman and chief executive officer of the Company. The Board believes that vesting the roles of co-chairwoman and chief executive officer in Ms. Fan Shuying has the benefit of ensuring consistent internal leadership within the Group and enables effective and efficient general strategic planning for the Company. The Board is of the view that the balance of power and authority achieved by the present arrangement will not be impaired and is adequately ensured by the current Board which comprises experienced and high calibre individuals with sufficient number of independent non-executive Directors.

Code of Conduct Regarding Directors' securities Transaction

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix C3 to the Listing Rules (the "**Model Code**") as its own code of conduct for dealing in securities in the Company. Having made specific enquiry to all Directors of the Company, all Directors have confirmed that they have strictly complied with the required standard set out in the Model Code during the six months ended 30 June 2026.

REVIEW OF THE INTERIM RESULTS BY AUDIT COMMITTEE

As at the date of this announcement, the audit committee of the Board (the "**Audit Committee**") comprises all the independent non-executive Directors, namely Mr. Ma Kin Ling (chairman), Ms. Shen Hongmei and Ms. Ye Jinyu.

The Audit Committee has reviewed together with the management the accounting principles and practices adopted by the Group and has discussed internal control and financial reporting matters, including the review of the consolidated financial statements. The Audit Committee has also reviewed the interim results of the Group for the six months ended 30 June 2026. The interim results of the Group for the six months ended 30 June 2026 have not been audited or reviewed by the Company's auditor.

PUBLICATION OF INTERIM RESULTS ANNOUNCEMENT AND INTERIM REPORT

This interim results announcement is published on the website of the Stock Exchange (www.hkexnews.hk) and the website of the Company (www.szwyzs.com.cn). The interim report of the Company for the six months ended 30 June 2026 containing all the information required by the Listing Rules will be published on the websites of the Stock Exchange and the Company in due course, and will be dispatched to the shareholders in accordance with applicable requirements.

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.

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

Shenzhen, PRC, 31 August 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 Ms. Shen Hongmei, Mr. Ma Kin Ling and Ms. Ye Jinyu.