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Wei Yuan Holdings Limited

偉源控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1343)

PROFIT WARNING

This announcement is made by Wei Yuan Holdings Limited (the “**Company**” and its subsidiaries, collectively the “**Group**”) pursuant to Rule 13.09 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 under the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

The board of directors (the “**Board**”) of the Company hereby informs the shareholders of the Company (the “**Shareholders**”) and the potential investors of the Company that based on the preliminary assessment of the unaudited consolidated management accounts of the Group for the year ended 31 December 2020, the Group expected that the consolidated results for the year ended 31 December 2020 would record a net loss within the range of approximately S\$3.7 million to S\$4.2 million as compared to a net profit of approximately S\$6.7 million for the corresponding year in 2019.

The Board considers that the net loss for the year ended 31 December 2020 is mainly due to significant decrease in the gross profit (as compared to the corresponding year in 2019) as a result of the material adverse impact from the work suspension and delays arising from various measures implemented by the Singapore Government to contain the outbreak of the coronavirus (COVID-19), in which (a) elevated set of safe distancing measures (the “**Circuit Breaker**”) implemented by the Singapore Government from 7 April 2020 to 1 June 2020 after our listing on the Main Board of The Stock Exchange of Hong Kong Limited on 12 March 2020 where our Group experienced disruption which our operations did not immediately resume to its normal level even after Circuit Breaker was lifted which led to decrease in the revenue; (b) our Group had to pay wages for our direct labours during the Circuit Breaker period while such costs could not generate any corresponding project revenue during the Circuit Breaker period; and (c) additional costs were incurred in the adoption and implementation of additional safe and controlled restart measures for our employees before resumption of the Group’s operating activities. Subsequent to the end of the Circuit Breaker, precautionary restriction measures were in place as required by the Singapore authorities to minimise the risk of widespread re-emergence of COVID-19 in the community, and the operations of the Group were not resumed at full productivity as compared to the corresponding year in 2019.

The information contained in this announcement is only based on the preliminary assessment by the Board with reference to the unaudited consolidated management accounts of the Group and other information currently available to the management for the year ended 31 December 2020, which are still subject to review by the audit committee of the Company and audit by the auditor of the Company, and shall be subject to adjustments. The detailed financial information of the Group for the year ended 31 December 2020 will be published in the annual results announcement for the year ended 31 December 2020, which expected to be published in March 2021.

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

By Order of the Board
Wei Yuan Holdings Limited
Ng Tian Soo
Chairman and Executive Director

Singapore, 3 March 2021

As at the date of this announcement, the Board comprises two executive Directors, namely Mr. Ng Tian Soo and Mr. Ng Tian Fah; and three independent non-executive Directors, namely Mr. Gary Ng Sin Tong (alias Mr. Gary Huang Chendong), Ms. Lee Wing Yin Jessica and Mr. George Christopher Holland.