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China Wacan Group Company Limited

中國網成集團股份有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock code: 1920)

DISCLOSEABLE ANNOUNCEMENT THE LEASE AGREEMENT

THE LEASE AGREEMENT

On 19 May 2025 (after trading hours), the Company entered into the Lease Agreement with the Landlord, pursuant to which the Company agreed to rent the Premises from the Landlord at a rental fee of HK\$332,541.00 per month for a term of three years commencing from 16 April 2025 for use as its principal place of business in Hong Kong.

LISTING RULES IMPLICATION

As one or more of the applicable percentage ratios (as defined in the Listing Rules) in respect of the value of the right-of-use assets in connection with the lease of the Premises under the Lease Agreement exceed 5% but all are less than 25%, the transaction contemplated thereunder constitutes a discloseable transaction for the Company and is subject to the notification and announcement requirements but exempt from the shareholders' approval requirement under the Listing Rules.

However, due to the Inadvertent Misunderstanding (as defined below), the Lease Agreement and the transaction contemplated thereunder have not been notified and announced by the Company in a timely manner in accordance with Rules 14.34 of the Listing Rules.

On 19 May 2025 (after trading hours), the Company entered into the Lease Agreement with the Landlord, pursuant to which the Company agreed to rent the Premises from the Landlord at a rental fee of HK\$332,541.00 per month for a term of three years commencing from 16 April 2025 for use as its principal place of business in Hong Kong. The principal terms of the Lease Agreement are set out below.

LEASE AGREEMENT

Date	:	19 May 2025
Landlord	:	Hongville Limited
Tenant	:	The Company
Premises	:	Unit 2 on the 35th Floor, East Tower (having a gross floor area of approximately 3,359 square feet) of Cheung Kong Center II erected on All That piece or parcel of land registered in the Land Registry as Inland Lot No.8286.
Usage	:	For use as an office for the Company's business.
Term	:	Three years commencing from 16 April 2025.
Rental fee	:	HK\$332,541.00 (i.e. HK\$99.00 per square feet (gross)) per calendar month, exclusive of Government rent, rates, taxes, assessments, duties, charges, impositions and outgoings of an annual or recurring nature now or hereafter to be assessed, imposed or charged by the Government of Hong Kong or other lawful authority upon the Premises or upon the owner or occupier thereof (property tax excepted). The rental fee payable under the Lease Agreement has been determined after arm's length negotiations between the Landlord and the Company, after taking into consideration the prevailing market price for comparable premises in the vicinity of the Premises. The rental fees payable will be satisfied by the Group's internal resources.
Service charge	:	HK\$43,667.00 being the service charges for the supply of air-conditioning to the Premises and provision of management service shall be payable by the Company per calendar month.
Deposit	:	The Company shall deposit a sum of HK\$1,504,832.00 being four months' rent and service charges payable to the Landlord during the term of the Lease Agreement as security for the due payment of the rental fees and the due performance and observance of the Lease Agreement.

The value (unaudited) of the right-of-use assets to be recognised by the Company under the Lease Agreement is approximately HK\$9,432,000 which is the present value of lease payments throughout the lease term under the Lease Agreement in accordance with HKFRS 16.

INFORMATION OF THE PARTIES

Information about the Company

The Company is a company incorporated with limited liability in the Cayman Islands. The Group is principally engaged in (i) provision of wet trades works and other wet trades related ancillary works and (ii) provision of construction information technology services. In 2025, the Group also commences a new beauty business in addition to its existing business, the new beauty business will be developed around comprehensive consumer services to meet consumers' needs for beauty products and services, including: cosmetics, beauty and skin care products, nutritional and healthy food, lifestyle beauty, medical beauty and health management and other fields.

Information about the Landlord

The Landlord is a limited company incorporated in Hong Kong, which is principally engaged in real estate activities.

To the best knowledge, information and belief of the Directors and having made all reasonable enquiries, the Landlord and its respective ultimate beneficial owners are Independent Third Parties.

REASONS AND BENEFITS FOR ENTERING INTO THE LEASE AGREEMENT

As announced by the Company on 27 August 2025, the Company changed its principal place of business in Hong Kong from Room 9, 2/F, Hang Bong Commercial Centre, 28 Shanghai Street, Jordan, Kowloon, Hong Kong (the “**Previous Office**”) to the Premises with effect from 5 August 2025. The Premises has a gross floor area of approximately 3,359 square feet, which is more than 5 times bigger in size than the Previous Office. The Board is of the view that the entering into the Lease Agreement to rent the Premises will enable the Company to increase its manpower in its Hong Kong's principal place of business catering for the future business development of the Group.

The terms and conditions of the Lease Agreement were arrived at after arm's length negotiation with reference to (i) the terms of lease agreements of comparable premises in the vicinity of the Premises; and (ii) the attributes of the Premises such as geographical location, size and lease term. The Directors consider that the terms and conditions of the Lease Agreement are fair and reasonable and in the interests of the Company and its shareholders as a whole.

LISTING RULES IMPLICATIONS

In accordance with HKFRS 16 “Leases”, the Group will recognise right-of-use assets in the consolidated financial statements of the Group in connection with the tenancy of the Premises. Accordingly, the lease transaction under the Lease Agreement will be regarded as an acquisition of assets by the Group for the purpose of the Listing Rules.

As one or more of the applicable percentage ratios (as defined in the Listing Rules) in respect of the value of the right-of-use assets in connection with the lease of the Premises under the Lease Agreement exceed 5% but all are less than 25%, the transaction contemplated thereunder constitutes a discloseable transaction for the Company and is subject to the notification and announcement requirements but exempt from the shareholders’ approval requirement under the Listing Rules.

When entering into the Lease Agreement, the responsible staff of the Company inadvertently assumed that the Premises was for use as an office of the Company to carry on its business in Hong Kong, the entering into of the Lease Agreement was in an ordinary course of business and should be exempt from disclosure under Chapter 14 of the Listing Rules pursuant to Rule 14.04(g) of the Listing Rules (the “**Inadvertent Misunderstanding**”). This Inadvertent Misunderstanding has led to a delay in issue of the announcement disclosing the Lease Agreement and the transaction contemplated thereunder. The delay was purely inadvertent and unintentional.

REMEDIAL ACTIONS

In order to ensure that the Company will fully comply with the requirements under Chapter 14 of the Listing Rules and prevent the occurrence of similar incidents, the Company will take the following remedial measures:

- (a) The Company has specifically advised and urged the administrative manager of the Company who are responsible for handling leasing and real estate matters of the Group to consult the finance department of the Group and seek legal advice at an early stage for assessing whether announcement requirements under the Listing Rules may be triggered;
- (b) Procedures have been set so that every transaction in an amount equal to or exceeding HK\$1 million (notwithstanding the nature of the transactions, including and not limited to any such leasing matters) proposed to be undertaken by the Group will have to be first assessed and approved by internal compliance and legal advisers and also Ms. Peng Yunying, the President and executive Director of the Company;
- (c) The Company will continue to strengthen training provided to the responsible staff of the Group and reinforce their knowledge and understanding relating to notifiable transactions, and their awareness and ability to identify potential issues at the early stage. A training on the notifiable transactions under the Listing Rules will be provided to such responsible staff at the end of October 2025; and

- (d) The Company will work more closely with its internal compliance and legal advisers on compliance issues generally, and where deemed necessary and appropriate consult other professional advisers before committing any potentially notifiable transaction, and/or may consult the Stock Exchange on proper treatment of the proposed transaction.

DEFINITIONS

Unless the context otherwise requires, terms used in this announcement shall have the following respective meanings:

“Board”	the board of Directors
“Company”	China Wacan Group Company Limited (Stock Code: 1920), a company duly incorporated in the Cayman Islands with limited liability, and the shares of which are listed on the Main Board of the Stock Exchange
“connected person(s)”	has the same meaning as ascribed to it in the Listing Rules
“Director(s)”	the director(s) of the Company
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollar(s), the lawful currency of Hong Kong
“HKFRS”	Hong Kong Financial Reporting Standards issued by the Hong Kong Institute of Certified Public Accountants
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Independent Third Party(ies)”	any persons or company and their respective ultimate beneficial owner(s) which, to the best of the Directors’ knowledge, information and belief having made all reasonable enquires, are third parties independent of and not connected with the Company and its connected persons (or any of their respective associate)
“Landlord”	Hongville Limited, a limited company incorporated in Hong Kong

“Lease Agreement”	the tenancy agreement entered into between the Landlord and the Company dated 19 May 2025 in respect of the lease of the Premises
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“PRC”	the People’s Republic of China, which for the purpose of this announcement, excludes Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan
“Premises”	Unit 2 on the 35th Floor, East Tower (having a gross floor area of approximately 3,359 square feet) of Cheung Kong Center II erected on All That piece or parcel of land registered in the Land Registry as Inland Lot No. 8286
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“%”	per cent or percentage

By order of the Board
China Wacan Group Company Limited
Zhou Zhenlin
Chairman of the Board and Executive Director

Hong Kong, 24 October 2025

As at the date of this announcement, the Board comprises Mr. Zhou Zhenlin, Ms. Peng Yunying and Mr. Guo Xianjiao as executive Directors and Ms. Ding Xin, Ms. Zhang Lingke and Professor Lam Sing Kwong Simon as independent non-executive Directors.