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## **Wan Kei Group Holdings Limited**

**宏基集團控股有限公司**

*(Incorporated in the Cayman Islands with limited liability)*

**(Stock Code: 1718)**

### **PROFIT WARNING**

This announcement is made by Wan Kei Group Holdings Limited (the “**Company**”, and together with its subsidiaries, 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 (the “**Board**”) of directors (the “**Directors**”) of the Company wishes to inform the shareholders of the Company (the “**Shareholders**”) and potential investors that, based on its initial assessment of the latest unaudited consolidated management accounts of the Group and the information currently available to the Company, the Group expects to record a loss for the six months ended 30 September 2018 in an amount that is similar to the loss recorded for the corresponding period in 2017, which was approximately HK\$26.4 million.

As disclosed in the annual report of the Company for the year ended 31 March 2018 (the “**2018 Annual Report**”), the Board estimates that the growth of the overall foundation industry in Hong Kong will continue to slow down in the coming years. During the six months ended 30 September 2018 and as at the date of this announcement, the number of available Government project tenders and the projects available in the market has remained low. The low bidding price on the tenders and the keen competition in the industry exerted pressure on the profit of the foundation industry business of the Group. The estimated loss for the six months ended 30 September 2018 is primarily attributable to the gross loss margin of the newly tendered foundation works projects of the Group as a result of the lower bidding prices on the new tenders.

Despite a loss may potentially be recorded by the Group for the six months ended 30 September 2018, the Board considers that the Group's overall financial position remains healthy and the Board remains positive on the long-term prospects of the Group.

The information contained in this announcement is only a preliminary assessment by the Board based on information currently available to the Company and is not based on any figures or information that has been audited or reviewed by the Company's auditors. Shareholders and potential investors are advised to read carefully the interim results announcement of the Group for the six months ended 30 September 2018, which will be published before the end of November 2018.

**Shareholders and potential investors should exercise caution when dealing in the securities of the Company.**

By Order of the Board of  
**Wan Kei Group Holdings Limited**  
**Fong Hon Hung**  
*Chairman*

Hong Kong, 24 October 2018

*As at the date of this announcement, the executive Directors are Mr. Fong Hon Hung, Mr. Zhang Zhenyi, Mr. Chan Kwan and Mr. Yan Shuai; and the independent non-executive Directors are Mr. Lo Wa Kei Roy, Ms. Wang Qing and Mr. Leung Ka Fai Nelson.*