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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)**

### **UPDATE ON EXPECTED TIMELINE FOR USE OF PROCEEDS**

References are made to (i) the announcements of Wan Kei Group Holdings Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) dated 29 November 2016 (the “**2016 Announcement**”), 16 December 2016, 2 October 2018, 17 August 2021, 3 January 2023 (the “**January 2023 Announcement**”) and 17 November 2023 (the “**November 2023 Announcement**”) in relation to, among others, placing of 160,000,000 new ordinary shares of the Company (the “**Placing**”) and change in and update on use of proceeds from the Placing; and (ii) the interim report of the Company for the six months ended 30 September 2024 published on 16 December 2024 (the “**2024/2025 Interim Report**”).

### **STATUS AND THE UPDATED EXPECTED TIMELINE FOR USE OF PROCEEDS**

As disclosed in the 2016 Announcement, the net proceeds from Placing received by the Company amounted to approximately HK\$134,000,000 (the “**Net Proceeds**”).

As at the date of this announcement, the Group had utilised HK\$113,300,000 of the Net Proceeds, representing approximately 84.6% of the Net Proceeds. The amount of the unutilised Net Proceeds is HK\$20,700,000, representing approximately 15.4% of the Net Proceeds. As at the date of this announcement, the Net Proceeds have been used in a manner consistent with that set out in the January 2023 Announcement.

As disclosed in the January 2023 Announcement, the unutilised Net Proceeds for the further possible acquisitions (the “**Further Acquisitions**”) were intended to be fully utilised by 31 March 2025. For the reasons set out in the paragraphs headed “Reasons for Extending the Expected Timeline for Use of Proceeds” below, the board (the “**Board**”) of directors (the “**Directors**”) of the Company has resolved to extend the expected timeline of the use of the unutilised Net Proceeds as below.

The table below sets forth the allocation and status of utilisation of the Net Proceeds as at the date of this announcement and the updated expected timeline of the use of the unutilised Net Proceeds:

	<b>The allocation of Net Proceeds</b> <i>(Note 1)</i> <i>HK\$ million</i> <i>(approximately)</i>	<b>Aggregated amount utilised as at the date of this announcement</b> <i>HK\$ million</i> <i>(approximately)</i>	<b>Unutilised Net Proceeds as at the date of this announcement</b> <i>HK\$ million</i> <i>(approximately)</i>	<b>Expected timeline for full utilisation as disclosed in the 2024/2025 Interim Report</b>	<b>Updated expected timeline for full utilisation</b> <i>(Note 2)</i>
Funding further possible acquisition(s)	25.7	5.0	20.7	By 31 March 2025	By 30 September 2026
General working capital	45.0	45.0	–	N/A	N/A
<b>Total:</b>	<b><u>70.7</u></b>	<b><u>50.0</u></b>	<b><u>20.7</u></b>		

*Notes:*

1. The allocation of the Net Proceeds was last revised on 3 January 2023.
2. The updated expected timeline for utilisation of the unutilised Net Proceeds above is based on the Group's best estimation and is subject to change based on the future development of market conditions.

## **REASONS FOR EXTENDING THE EXPECTED TIMELINE FOR USE OF PROCEEDS**

As discussed in the November 2023 Announcement, the Group intends to utilise the unutilised Net Proceeds allocated for Further Acquisitions to acquire equity interests in target company(ies) engaged in the food and beverage and/or the construction sectors, and/or other sector(s) if such acquisition is considered by the Board to be conducive in broadening the source of the revenue for the Group or otherwise in the best interest of the Company and its shareholders (the "Shareholders") as a whole.

As at the date of this announcement, the Board intends to utilise the unutilised Net Proceeds allocated for Further Acquisitions in the funding of acquisition of the same possible targets as discussed in the November 2023 Announcement. However, it is expected that the Company would not be able to fully utilise such unutilised Net Proceeds by 31 March 2025.

In order to maintain a stable and sustainable development of the Group's existing businesses as well as diversifying and expanding the Group's businesses at the same time, the Company aims to leverage on its industrial experience, the advantage of its existing resources and talented team to seek cooperation and investment opportunities with high-quality companies. In view of the sluggish growth of foundation industry in Hong Kong, the Company had been actively exploring new business opportunities by diversifying into the trading business and the e-commerce sales, live streaming and promotion business. During the current financial year, the Company has performed preliminary investigation on potential acquisition targets, however, no suitable target has currently been identified. In order to allow the Group to expand its business on a prudent approach to better respond to the dynamic operating environment and to create shareholder value through careful investment, the Board is of the view that additional time is required for further exploring and considering of potential opportunities.

The Board considers that such extension of the expected timeline for full utilisation of the Net Proceeds will not have any material adverse impact on the existing business and operations of the Group and is in the best interest of the Company and the Shareholders as a whole. Save as disclosed in this announcement, there are no other changes to the plan for utilising the Net Proceeds.

The Board will continuously assess the plans for the use of the unutilised Net Proceeds and may revise or amend such plans where necessary to cope with the changing market conditions in order to strive for a better performance of the Group.

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

By order of the Board  
**Wan Kei Group Holdings Limited**  
**Xu Lin**  
*Chairman*

Hong Kong, 28 March 2025

*As at the date of this announcement, the executive Directors are Mr. Bai Huawei and Mr. Wang Yu; the non-executive Directors are Mr. Lui Kwok Wai and Mr. Xu Lin; and the independent non-executive Directors are Mr. Jiang Senlin, Mr. Zhang Yi and Ms. Dan Xi.*