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WAI KEE HOLDINGS LIMITED

(Incorporated in Bermuda with limited liability)

(Stock Code: 610)

PROFIT WARNING

This announcement is made by Wai Kee Holdings Limited (the “Company”, together with its subsidiaries, the “Group”) pursuant to the requirements of Rule 13.09(2)(a) 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 in the Listing Rules).

Based on the Company’s preliminary review of the Group’s estimated results in the unaudited consolidated management accounts of the Group for the year ended 31st December, 2023 (“YE2023”), it expects to record an unaudited consolidated loss attributable to owners of the Company in the range of approximately from HK\$1,550 million to HK\$1,700 million before taking into account the effect (if any) of impairment assessment on the entire carrying amount of the Group’s interest in Road King Infrastructure Limited (“Road King”, stock code 1098, a Hong Kong listed associate of the Company, whose results are reported in the Group’s property development and investment, toll road, investment and asset management segment) as at 31st December, 2023. The audited consolidated loss attributable to owners of the Company for the year ended 31st December, 2022 (“YE2022”) was HK\$7 million.

The significant increase in the Group’s unaudited consolidated loss for YE2023 is mostly attributable to the significant increase in share of unaudited consolidated loss attributable to owners of Road King for YE2023. Road King announced in its profit warning announcement dated 11th March, 2024 (to which your attention is drawn) that it expects to record unaudited consolidated loss attributable to owners of Road King for YE2023 in the range of approximately HK\$3,900 million to HK\$4,200 million, as compared with the audited consolidated loss attributable to owners of Road King of HK\$495 million for YE2022. Road King explained that its unaudited consolidated loss for YE2023 is primarily attributable to: (i) the overall sluggish property market and severe operating environment in the industry, which resulted in the reduction in delivery area and substantial deterioration in profit margin of the property projects in Mainland China and Hong Kong and the increase in impairment provision for properties and related assets; and (ii) the exchange loss of approximately HK\$660 million that arose from the continued depreciation of Renminbi during YE2023.

Other than the impact of Road King's results, the Group expects to report slight decline in its results for YE2023 due to the net effect of (i) the increase in profit contribution for YE2023 from Build King Holdings Limited ("Build King", stock code 240, the Company's Hong Kong listed subsidiary, whose results are reported in the Group's construction, sewage treatment and steam fuel segment) in line with the improvement of its operating performance reported earlier that financial year; (ii) the increase in net profit of the Group's construction materials segment which is partially offset by the decrease in net profit of the Group's quarrying segment for YE2023; (iii) the increase in recognition of net loss for YE2023 from the Group's investments in equity securities and debt securities (excluding those investments held by Build King); (iv) a loss for YE2023 on change in fair value of the Group's participation rights in 32.5% of the economic interest attributable to Road King's 70% interest in a property development project in Guangzhou, the PRC; and (v) the absence of the Group's share of profits for YE2022 from two US joint venture companies holding two residential rental properties in the USA.

The Group is still in the process of finalizing the Group's results for YE2023 including ascertaining the impact (if any) of impairment assessment on the entire carrying amount of the Group's interest in Road King referred to above. The Company will make a further announcement if and when appropriate. The information contained in this announcement is only based on the Company's preliminary review of the unaudited consolidated management accounts of Group, which have not been reviewed or audited by the Company's audit committee or auditor. The results of the Group for YE2023 will be announced on 20th March, 2024 and the related Annual Report 2023 will be published thereafter.

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

By Order of the Board
Wai Kee Holdings Limited
Anriena Chiu Wai Yee
Company Secretary

Hong Kong, 11th March, 2024

As at the date of this announcement, the Board comprises three executive directors, namely Mr. William Zen Wei Pao, Mr. Derek Zen Wei Peu and Miss Anriena Chiu Wai Yee, two non-executive directors, namely Mr. Brian Cheng Chi Ming and Mr. Ho Gilbert Chi Hang, and four independent non-executive directors, namely Dr. Steve Wong Che Ming, Mr. Samuel Wan Siu Kau, Mr. Francis Wong Man Chung and Ms. Tsang Wing Yee.