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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 substantial increase in its consolidated net loss for the year ending 31 March 2018, as compared to the consolidated net loss of approximately HK\$1.0 million for the year ended 31 March 2017.

As disclosed in the interim report of the Company for the six months ended 30 September 2017 (the “**2017 Interim Report**”), the Board estimates that the growth of the overall foundation industry in Hong Kong will further slow down in the coming years. During the second half of the year 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 increase in net loss for the year ending 31 March 2018 is primarily attributable to the decrease in gross profit margin of the newly tendered foundation works projects of the Group.

Although a substantial increase in net loss may potentially be recorded by the Group for the year ending 31 March 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. As disclosed in the 2017 Interim Report, the Group would like to grasp the opportunity for the economic growth of Guangdong, Hong Kong and Macau Bay Area and we will continue to develop and expand our business for capturing the growth of the new economic horizon. The Board believes that the development of the above businesses would maximise the returns and values of the Group and the Shareholders as a whole. The Company will keep the Shareholders updated of the progress on the development of such new businesses when and if necessary.

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 annual results announcement of the Group for the year ending 31 March 2018, which will be published before the end of June 2018.

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

By order of the Board
Wan Kei Group Holdings Limited
Lau Woon Si
Chairman

Hong Kong, 13 March 2018

As at the date of this announcement, the executive Directors are Mr. Lau Woon Si, Mr. Fong Hon Hung, Mr. Chan Chi Ming Tony and Mr. Zhang Zhenyi; and the independent non-executive Directors are Mr. Lo Wa Kei Roy, Ms. Li Zhongye Cindy, Ms. Wang Qing and Mr. Leung Ka Fai Nelson.