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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)

PLACING OF NEW SHARES UNDER GENERAL MANDATE

Placing Agent



Reference is made to the announcement of Wan Kei Group Holdings Limited (the “**Company**”) dated 3 February 2026 (the “**Announcement**”) in relation to the placing of new Shares under the General Mandate. Unless otherwise defined, capitalised terms used herein shall have the same meanings as defined in the Announcement.

FURTHER INFORMATION ON THE REASONS FOR THE PLACING

Based on the latest information available, the Group had cash and cash equivalents of approximately HK\$103.3 million (after excluding the unutilised net proceeds from the previously placing in 2016 of HK\$5.7 million for further possible acquisition(s)) as at 31 December 2025. The Board estimates that the Company needs to maintain sufficient cash reserves of approximately HK\$113.0 million to fund its operations by having considered the Group’s current involvement in multiple business segments of (i) foundation construction; (ii) ground investigation services; (iii) financial services; (iv) trading of consumer products; and (v) e-commerce sales, live streaming and promotion business in the social media. Such cash reserves are intended to cover (i) general and administrative expenses; (ii) working capital for money lending business, e-commerce sales, live streaming and promotion business, trading of consumer products, foundation construction business and fixed asset acquisition; (iii) provision for long service payment due to the abolition of Mandatory Provident Fund offsetting arrangement; (iv) repayment of interest to the amount due to related party and directors of subsidiaries in January 2026; and (v) cash reserved for loan repayment.

The above estimations are based on the Group's actual historical results and adjusted for anticipated business conditions, and subject to uncertainty. The amount may increase if: (a) customer payment cycles lengthen, (b) competitive pressures require additional customer support or incentives, or (c) macroeconomic conditions place further strain on the Group's existing business performance.

In addition, for the six months ended 30 September 2025, the Group recorded a net cash used in operating activities of approximately HK\$44.0 million and the Group had an amount due to a related company of approximately HK\$57.4 million and amounts due to directors of subsidiaries of approximately HK\$111.8 million as at 30 September 2025. The improvement of liquidity by way of the Placing will serve as supplementary working capital to cushion potential timing mismatches in customer payments and scaling-related expenditures, the primary drivers of the Group's current cash burn, which can increase the Group's financial resources available without incurring interests, thereby expanding the spectrum of potential business development and/or investment opportunities that the Group may explore as well as enhancing the Group's flexibility in capturing those opportunities when they arise.

Furthermore, the Company understood from the market that a certain number of professional and institutional investors were interested in investing in the Company. As such, the Board considers that in addition to raising additional funds, the Placing will also provide a good opportunity to broaden the shareholder base of the Company and also improve the trading liquidity of the Shares, which is in the interests of the Company and the Shareholders as a whole.

COMPLETION OF PLACING OF NEW SHARES UNDER GENERAL MANDATE

The Board is pleased to announce that all the conditions of the Placing Agreement have been fulfilled and the Completion took place on 27 February 2026. An aggregate of 50,680,000 Placing Shares were allotted and issued to not less than six Placees at the Placing Price of HK\$0.25 per Placing Share pursuant to the terms and conditions of the Placing Agreement, representing (i) approximately 20.00% of the existing issued share capital of the Company of 253,440,000 Shares immediately before the Completion; and (ii) approximately 16.66% of the issued share capital of the Company as enlarged by the allotment and issue of the Placing Shares immediately upon completion of the Placing.

To the best of the Directors' knowledge, information and belief having made all reasonable enquiry, the Placees are individual investors who are third parties independent of and not connected with the Company and its connected persons. None of the Placees has become a substantial shareholder (as defined under the Listing Rules) of the Company immediately upon completion of the Placing.

The net proceeds from the Placing are approximately HK\$12.5 million. The Directors intend to apply the entire net proceeds of the Placing for general working capital purposes, of which (i) approximately HK\$9.4 million for director's fee, remuneration and staff salaries; (ii) approximately HK\$1.6 million for rental expense; and (iii) approximately HK\$1.5 million for legal and professional fees.

EFFECTS ON SHAREHOLDING STRUCTURE OF THE COMPANY

The shareholding structure of the Company immediately before completion of the Placing and upon completion of the Placing are set out as follows:

	Immediately before Completion		Immediately upon Completion	
	<i>Number of issued Shares</i>	<i>Approximate %</i>	<i>Number of issued Shares</i>	<i>Approximate %</i>
Shareholders				
Placees	–	–	50,680,000	16.66
Other public Shareholders	<u>253,440,000</u>	<u>100.00</u>	<u>253,440,000</u>	<u>83.34</u>
Total	<u><u>253,440,000</u></u>	<u><u>100.00</u></u>	<u><u>304,120,000</u></u>	<u><u>100.00</u></u>

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

Hong Kong, 27 February 2026

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