

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.



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, 2022 (“YE2022”), it expects to record an unaudited consolidated loss attributable to owners of the Company in the range of approximately from HK\$5 million to HK\$15 million before taking into account the effect (if any) of (i) 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) at 31st December, 2022 and (ii) any change in the fair value of the participation rights (referred to in the Company’s announcement dated 30th November, 2021) held by the Group, as compared with the audited consolidated profit attributable to the owners of the Company for the year ended 31st December, 2021 (“YE2021”) of HK\$676 million.

The Group’s results turning from profit for YE2021 to loss for YE2022 is mostly attributable to the share of results (turning from profit for YE2021 to loss for YE2022) from Road King.

With reference to Road King’s profit warning announcement dated 10th March, 2023, Road King expects to record an unaudited consolidated loss attributable to the owners of Road King for YE2022 in the range of approximately from HK\$450 million to HK\$500 million, as compared with the audited consolidated profit attributable to the owners of Road King of HK\$1,028 million for YE2021. The expected decrease in the consolidated profit for YE2022 is primarily attributable to the exchange loss of approximately HK\$1,300 million which arose from the significant depreciation of Renminbi during YE2022. In addition, Road King’s results for YE2022 were also impacted by the pandemic prevention measures and sluggish property market, which resulted in the reduction in delivery area and the profit margin of the properties, and the increase in impairment provision for properties and related assets as compared with YE2021 the effect of which was offset by the gain on repurchase by Road King group of its senior notes. Your attention is drawn also to the profit warning announcement dated 10th March, 2023 issued by Road King.

Other than the impact of Road King's results, the slight decline in the Group's results is the net effect of (i) a significant increase in profit contribution for YE2022 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 decline in net profit of the Group's construction materials segment for YE2022 which is almost offset by the increase in net profit of the Group's quarrying segment for YE2022; (iii) the absence of any gain for YE2022 on bargain purchase on acquisition of additional interest in Road King as a result of purchases of Road King shares (YE2021: gain of HK\$112 million); (iv) a decrease in recognition of net loss for YE2022 from the Group's investments in equity securities and debt securities (not including those investments held by Build King) as a result of the improvement in the quoted prices of debt securities in the second half of YE2022; and (v) the increase in 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 YE2022 including ascertaining the impact (if any) of impairment assessment on the entire carrying amount of the Group's interest in Road King and the fair value of the participation rights 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 YE2022 will be announced on 21st March, 2023 and the related Annual Report 2022 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, 10th March, 2023

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 three independent non-executive directors, namely Dr. Steve Wong Che Ming, Mr. Samuel Wan Siu Kau and Mr. Francis Wong Man Chung.