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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)

**FULFILMENT OF PROFIT GUARANTEE
IN RELATION TO
THE ACQUISITION OF 35% OF
THE ENTIRE ISSUED SHARE CAPITAL OF
MATSU GAMI IP DEVELOPMENT LIMITED**

References are made to (a) the announcements of Wan Kei Group Holdings Limited (the “**Company**”) dated 10 December 2019, 9 June 2020 and 4 September 2020 (collectively, the “**Acquisition Announcements**”) in relation to the Acquisition of 35% of the issued share capital of Target Company, which is principally engaged in the business of provision of food and beverage catering services utilising well-known intellectual property rights; (b) the announcements of the Company dated 10 August 2021 and 10 September 2021 in relation to, among others, the fulfilment of Guaranteed Profit and Guaranteed IP Right for the 2020-2021 Guaranteed Period in relation to the Acquisition; (c) the announcements of the Company dated 29 August 2022 and 25 November 2022 and the circular of the Company dated 8 February 2023 (the “**Circular**”) in relation to, amongst others, the entering into of the 3rd Supplemental Agreement and the 4th Supplemental Agreement in respect of Proposed Partial Exercise of Put Option and Extension of the Remaining Put Option constituting a major transaction; and (d) the announcement of the Company dated 27 March 2023 in relation to, amongst others, the Proposed Partial Exercise of Put Option and Extension of the Remaining Put Option have become effective on 27 March 2023. Unless otherwise defined, capitalised terms used herein shall have same meanings as defined in the Acquisition Announcements and the Circular.

Pursuant to the Sale and Purchase Agreement (as amended and supplemented by the 2nd Supplemental Agreement, the 3rd Supplemental Agreement and the 4th Supplemental Agreement), the Company, the Vendors and the Vendor Guarantors have agreed that:

- (a) If the Actual Profit is less than the guaranteed profit of HK\$13,000,000 during FY2022-2023, the Vendors and the Vendor Guarantors shall, subject to the Company's right to exercise the Remaining Put Option in (b) below, compensate the Company in the amount calculated based on the following:

$$FY\ 2022-2023\ Compensation\ Amount = HK\$13,000,000 - Actual\ Profit$$

- (b) If the Actual Profit of the Target Company is less than the minimum guaranteed profit of HK\$7,400,000 during FY2022-2023, the Company shall have the right to exercise the Remaining Put Option to require the Vendors to purchase the remaining approximately 19.7% interest held by the Company in the Target Company pursuant to the terms and conditions under the Sale and Purchase Agreement (as amended and supplemented by the 2nd Supplemental Agreement, the 3rd Supplemental Agreement and the 4th Supplemental Agreement).

Based on the audit figures of the Target Group for FY2022-2023, the Actual Profit had exceeded HK\$13,000,000. Therefore, the Board is pleased to announce that the guaranteed profit for FY2022-2023 has been fulfilled and the Company no longer has the right to exercise the Remaining Put Option to require the Vendors to purchase the remaining approximately 19.7% interest held by the Company in the Target Company nor be entitled to any compensation amount pursuant to the terms and conditions under the Sale and Purchase Agreement (as amended and supplemented by the 2nd Supplemental Agreement, the 3rd Supplemental Agreement and the 4th Supplemental Agreement). Following the lapse of the Remaining Put Option and as at the date of this announcement, the Company remains as the holder of approximately 19.7% of the total issued shares of the Target Company.

By order of the Board
Wan Kei Group Holdings Limited
Yan Shuai
Chairman

Hong Kong, 2 August 2023

As at the date of this announcement, the executive Directors are Mr. Yan Shuai and Mr. Zhu Jiayu; the non-executive Directors are Mr. Zhang Zhenyi and Mr. Chui Kwong Kau; and the independent non-executive Directors are Mr. Lo Wa Kei Roy, Mr. Leung Ka Fai Nelson and Mr. Eric Todd.