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WAI KEE HOLDINGS LIMITED

(Incorporated in Bermuda with limited liability)

(Stock Code: 610)

POSITIVE PROFIT ALERT

This announcement is made by the Company pursuant to Rule 13.09(2)(a) of the Listing Rules and the Inside Information Provisions (as defined in the Listing Rules) under Part XIVA of the SFO.

The Board wishes to inform the Shareholders and potential investors that based on the Group's estimation, it is expected to record an increase in the consolidated profit attributable to owners of the Company for YE2018 by not less than 20% as compared with that of HK$912 million for YE2017, mainly due to the significant increase in contributions of both Build King and Road King for YE2018, which offset the effect of the significant increase in operating losses of the construction materials and quarrying segments and the impairment provision in respect of a quarry site for YE2018.

The information contained in this announcement is only based on the Company's preliminary review of the consolidated management accounts of the Group, which have not been reviewed or audited by the Company's audit committee or auditor. Such information will be subject to finalisation and necessary adjustments. The audited results of the Group for YE2018 will be announced in March 2019 and the related Annual Report 2018 will be published thereafter.

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

This announcement is made by Wai Kee Holdings Limited (the "Company") 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) under Part XIVA of the Securities and Futures Ordinance (Cap. 571, Laws of Hong Kong) (the "SFO") to provide shareholders of the Company (the "Shareholders") and the public with unaudited financial information of the Company and its subsidiaries (collectively the "Group").

The board of directors of the Company (the "Board") wishes to inform the Shareholders and potential investors that based on the Company's preliminary review of the Group's estimated results in the consolidated management accounts of the Group for the year ended 31st December, 2018 ("YE2018"), it is expected to record an increase in the consolidated profit attributable to owners of the Company for YE2018 by not less than 20% as compared with that of HK$912 million for the year ended 31st December, 2017 ("YE2017"). The increase is mainly due to a significant increase in the contribution of Build King Holdings Limited ("Build King", stock code: 240), a Hong Kong listed subsidiary of the Company whose results are reported in the Group's construction and sewage treatment segment and a significant increase in the contribution of Road King Infrastructure Limited ("Road King", stock code: 1098), a Hong Kong listed associate of the Company, which offset the effect of the significant increase in operating losses of the construction materials and quarrying segments and the provision of impairment losses in respect of a quarry site described below.

With reference to Build King's positive profit alert announcement dated 15th February, 2019, Build King expects to report the consolidated profit attributable to owners of Build King for YE2018 that is more than two times of the consolidated profit attributable to owners of Build King of HK$184 million for YE2017. The significant increase in the profit is attributable to change of accounting methods in profit recognition in 2018 as a result of the application of the new accounting standard HKFRS 15 "Revenue from Contracts with Customers" with effect from 1st January, 2018 as well as improvement of gross profit margin of construction projects. As the profits for the two years are determined by applying different standards, certain information may not be directly comparable. Had the new accounting standard not been applied, the consolidated profit attributable to owners of Build King for YE2018 would have increased only by approximately 40%. This improvement was mainly attributable to the fact that during the year 2018, several major projects approaching completion reported improved profit as a result of tightened control on costs and increased scope of works under the contracts.

With reference to Road King's positive profit alert announcement dated 11th February, 2019, Road King expects to record a significant increase in the consolidated net profit for YE2018 by not less than 45% over the consolidated net profit of HK$2,476 million for YE2017. The expected increase in the consolidated net profit for YE2018 is primarily attributable to the increase in the average selling price and total gross floor area of properties delivered by Road King for YE2018.

With regard to the other operating segments of the Group, both the construction materials and the quarrying segments performed unsatisfactorily and recorded significant losses for YE2018. The factors reported in the Group's interim report for the six months ended 30th June, 2018 ("1H2018"), being severe competition that caused demand and market prices of aggregate, concrete and asphalt to decline and their profit margins to reduce, continued to adversely affect these operating segments. The management assessed the situation and performed impairment assessment on the carrying amounts of property, plant and equipment, and the intangible assets (representing the extraction right of rock reserve and the rehabilitation costs to be incurred) for a quarry site ("PPE & IA") at 30th June, 2018 and considered that their carrying values cannot be fully recovered and therefore recognised impairment losses of HK$58 million in profit or loss for 1H2018. The management reassessed the situation and performed impairment assessment again on the carrying amounts of PPE & IA at the end of YE2018. With the continued deterioration of the operating environment in the second half of year 2018, the management expects to recognise additional impairment losses in respect of PPE & IA. While the exact amount of the additional impairment losses is yet to be determined, it is estimated to be not less than HK$140 million.

The Group is still in the process of finalizing the Group's results for YE2018. The information contained in this announcement is only based on the Company's preliminary review of the consolidated management accounts of the Group, which have not been reviewed or audited by the Company's audit committee or auditor. Such information will be subject to finalisation and necessary adjustments. The audited results of the Group for YE2018 will be announced in March 2019 and the related Annual Report 2018 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, 15th February, 2019

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. Gilbert Ho 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.