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WAI HUNG GROUP HOLDINGS LIMITED

偉鴻集團控股有限公司

(incorporated in the Cayman Islands with limited liability)

(Stock Code: 3321)

(1) INSIDE INFORMATION; AND (2) RESUMPTION OF TRADING

This announcement is made by Wai Hung Group Holdings Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) pursuant to Rule 13.09(2) of the Listing Rules of the Stock Exchange (the “**Listing Rules**”) and the Inside Information Provisions under Part XIVA of the Securities and Futures Ordinance (Cap. 571 of the Laws of Hong Kong) (the “**SFO**”).

Reference is made to the Company’s announcement dated 10 November 2023 in relation to, among other things, the key findings of independent investigation (the “**10 November 2023 Announcement**”). Unless otherwise defined, capitalised terms used herein shall have the same meanings as those in the 10 November 2023 Announcement.

Since the engagement of the Independent Forensic Accountant to carry out the Independent Investigation in July 2022, Mr. Kennedy Li, the former chief financial officer of the Company, has failed to cooperate with the Independent Forensic Accountant and refused to attend any interview for the purpose of the Independent Investigation. To the best knowledge and belief of the Board, the Board is of the view that the content on the Investigation Report remains true and accurate.

The Company hereby announces that the Company was informed that Mr. Li Kam Hung (“**Mr. Li**”), an executive director and the chairman of the Company, and Mr. Yu Ming Ho (“**Mr. Yu**”), an executive director of the Company, were arrested by the Independent Commission Against Corruption (the “**ICAC**”) for investigation and were under investigation by the Securities and Futures Commission (the “**SFC**”) on 19 August 2024, in connection with an offence or offences suspected, *inter alia*, to have been committed under the Prevention of Bribery Ordinance (Cap. 201 of the Laws of Hong Kong) (the “**POBO**”) and the SFO. Searches were conducted at the Company’s principal place of business in Hong Kong and Macau, and Mr. Li and Mr. Yu’s residential addresses.

The alleged offences include, *inter alia*, fictitious transactions and false accounting, offence of agent using documents with intent to deceive his principal under the POBO, misconduct in relation to the conduct of the business or affairs of a listed company under the SFO. Preliminary investigation revealed that Mr. Li and other individuals concerned had allegedly falsified business documents and accounting records of the Company’s subsidiaries in Hong Kong and Macao, while the Company’s trade receivables totaling over MOP113 million (approximately HK\$110 million) were reduced. Meanwhile, the individuals concerned had also allegedly used false documents and accounting records to conceal the misappropriation of the Company’s funds over HK\$9 million.

As at the date of this announcement, Mr. Li and Mr. Yu were released on bail on 20 August 2024 and no charges have been laid against them. All the three independent non-executive directors of the Company (the “**INEDs**”) have no prior knowledge of any prior acts or behaviour of Mr. Li and Mr. Yu in relation to the investigation/the arrest until the meeting of the board (the “**Board**”) of directors (the “**Directors**”) of the Company held on 22 August 2024. Duties of Mr. Li as an executive Director and Chairman of the Company and Mr. Yu as an executive Director have been suspended since 19 August 2024 until further notice to cooperate with the investigation of the ICAC and the SFC when necessary.

The Board wishes to clarify that the abovementioned arrest/investigation have not caused any material adverse impact to the Group and its daily business and operation, based on the following:

1. The abovementioned investigation is still in progress and no charges have been laid against Mr. Li and Mr. Yu as at the date of this announcement;
2. Mr. Li Chun Ho, the non-executive Director of the Company, will be appointed as the Chairman of the Board;
3. The Company is seeking suitable candidates with sufficient knowledge, skills and experience to take up the position as an executive director of the Company, and will make further announcement in due course;
4. The Company further notes that the daily operations of the Group follow established procedures with clear delegation of authorities with robust internal control systems in place. The Group’s internal control system requires, among other things, that all payments are processed and authorised by the Group’s finance department and are subject to approval by various senior members of staff under delegation of authority guidelines; and
5. The INEDs will constitute a special committee (the “**Special Committee**”) in due course to, among other things, (i) closely monitor the progress of the aforementioned investigation on the matters relating to the arrest and the search, (ii) consider the impact of any further developments on the operations and financial position of the Group and to recommend action to be taken by the Board, and (iii) report on any irregularities from the results of any investigations to the Board as and when the Special Committee considers appropriate and to make recommendations to the Board on the action to be taken.

Therefore, the Board (including the INEDs) is of the view that it is appropriate at this stage to retain Mr. Li and Mr. Yu on the Board, but their duties as executive Directors will be temporarily suspended during the investigation.

At the request of the Company, trading in the shares of the Company (the “**Shares**”) on The Stock Exchange of Hong Kong Limited was suspended with effect from 2:44 p.m. on 19 August 2024 and an application has been made for the Shares to resume trading with effect from 9:00 a.m. on 29 August 2024.

Save as disclosed above, the Board is not aware of any other unpublished inside information. The Company will accordingly make further announcements as and when appropriate pursuant to the requirements under the Listing Rules.

By order of the Board
Wong Sze Lok
Company Secretary

Hong Kong, 28 August 2024

As at the date of this announcement, the Board comprises Mr. Li Kam Hung, Mr. Yu Ming Ho and Mr. Yau Yan Ming Raymond as executive Directors; Mr. Li Chun Ho as non-executive Director; and Ms. Rita Botelho dos Santos, Mr. Wu Chou Kit and Mr. Lam Chi Wing as independent non-executive Directors.