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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)

VOLUNTARY ANNOUNCEMENT – BUSINESS UPDATE

This announcement is made by Wai Hung Group Holdings Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) on a voluntary basis to keep shareholders (the “**Shareholders**”) and potential investors of the Company informed of the latest business development of the Group.

The board (the “**Board**”) of directors of the Company (the “**Directors**”) announces that, during the six months ended 30 June 2024, the Group has been actively negotiating and has provided quotation for 70 projects. Out of the 70 projects, under the tireless effort of the Company, there are certain projects which are close to being awarded to the Group (the “**Projects**”). Details of which are as follows:

	Nature of service	Contract sum (Approx. HK\$ million)	Duration
1.	Act as sub-contractor for the provision of a photovoltaic system applicable to a sewage pumping system.	13.86	One and a half years from April 2025
2.	Act as sub-contractor for the fitting-out and installation works on a car park area.	14.88	Half year from March 2025
3.	Act as sub-contractor for the fitting-out and installation works on a car park area.	13.10	Half year from March 2025
4.	Act as sub-contractor for the fitting-out and installation works on a car park area.	8.80	Half year from April 2025
	TOTAL	50.64	

The Company will update the Shareholders and potential investors in a timely manner for any of the above being awarded.

Business Plans and Strategies

The Group has been dedicated to enhancing its operations and seeking new business opportunities to enhance long-term growth and shareholders' value. As at the date of this announcement, the Group has been expediting the following to achieve the aforementioned goals:

1. Strengthening financial resources and reducing financial requirement to undertake projects while increasing the success rate of winning tender

The Company has been actively negotiating with banks to restructure its banking facilities so as to revitalise the Group in terms of its liquidity and financial position of the Group. Meanwhile, the Company is also actively identifying and approaching potential investors/financial institutions for any equity/debt fund raising activities opportunities. The Company will also continue to seek and invite suitable candidate(s) to join the Group and make contribution to the Company.

The Company is seeking to collaborate with potential candidate(s) to jointly undertake and complete identified construction projects and provide each other with necessary financial support and resource integration based on the specific needs of the projects. This can significantly reduce the financial requirement on the Company when undertaking projects while increasing the success rate of winning tender.

2. Expand business scale by participating in fitting-out services in Hong Kong

The Company is actively pursuing and implementing strategies to engage in fitting-out services in Hong Kong, including (i) collaborating with potential candidate(s) to jointly undertake fitting-out projects; and (ii) utilizing the networks and resources of all management members and senior staff to secure business contracts in Hong Kong.

3. Strive to persuade existing clients in Macau to offer business opportunities to the Group

The Company has been making every effort to persuade existing clients (i.e. major licensed casino gaming operators and property owners in Macau) to offer business opportunities to the Group. Since November 2024, certain clients have reinitiated negotiations with the Group for business opportunities and invited the Group to submit tender for projects, which has marked a sign of recovery after the effort of the Company.

4. Seeking opportunities to diversify business operations by leveraging the Company's network and strategic partnerships

On 13 December 2024, Wai Hung Hong Construction Company Limited (“WHH”), a wholly-owned subsidiary of the Company, entered into a memorandum of understanding (“MOU”) in relation to an intended transfer of equity interest of a target company, a company incorporated in the PRC with limited liability (the “**Target Company**”). Pursuant to the MOU, WHH intends to enter into an equity transfer agreement (the “**ETA**”) with the current holders of the equity interests in the Target Company (the “**Holders**”), under which it is intended that the Holders will transfer their equity interests to WHH (the “**Potential Transfer**”). Upon completion of the Potential Transfer, (i) WHH shall hold 51% of the

equity interests in the Target Company; and (ii) the Target Company will be accounted as a subsidiary of the Company and its financial results will be consolidated into the Group's consolidated financial statements.

As at the date of this announcement, to the best of the knowledge, information and belief of the Directors having made all reasonable enquiries, the Holders are third parties independent of the Company and its connected persons (as defined under the Listing Rules).

The Target Company engages in multiple business areas ("**Business Area(s)**"), including but not limited to:

- (a) the distribution of environmentally-friendly high-tech energy-saving construction materials solutions and products ("**Solutions and Products**");
- (b) engineering contracting services;
- (c) Engineering, Procurement, and Construction (EPC) on photovoltaic products; and
- (d) trading in electronic products (including but not limited to integrated circuit chips).

Definitive agreement

Each of the parties to the MOU agreed to negotiate in good faith and to procure the entering into of the ETA in relation to the Potential Transfer on or before the expiry of three (3) months from the date of the MOU (or such later date as agreed by the parties to the MOU) (the "**Relevant Period**"). It is the intention of the Board that the entering into of the ETA shall be subject to the satisfaction of the results in due diligence in relation to the Target Company.

Consideration

The consideration and its corresponding settlement method for the Potential Transfer will be further negotiated between and determined by the parties to the MOU.

Due diligence

Pursuant to the MOU, WHH is entitled to conduct such due diligence as it deems appropriate regarding the assets, liabilities, operations and affairs of the Target Company.

Exclusivity

Pursuant to the MOU, the Holders will not, and will procure that the Target Company and its directors, officers, employees, representatives and agents will not, directly or indirectly, within the Relevant Period (i) initiate or continue negotiations or discussions with or furnish any information to, or (ii) enter into any agreement or statement of intent or understanding with, any person or entity other than WHH with respect to the transfer of the equity interests in the Target Company.

Legal effect

Save for the provisions relating to the exclusivity, due diligence, confidentiality, and governing law and jurisdiction, the MOU does not constitute a legally binding agreement on the parties to the MOU.

Reasons for and benefits of the Potential Transfer

The Company believes that the potential acquisition represents not only a significant opportunity to diversify its revenue streams and business portfolio, but also a pivotal step in the direction of developing more environmentally-friendly construction solutions, empowering the Group to leverage on the Target Company's expertise and established network in delivering bespoke and advanced services. Such Business Area, characterized by its robust growth and high potential, is strategically significant on a global scale. With the extensive market reach of the Target Company, the potential acquisition is expected to significantly enhance the Group's market presence while broadening its customer network. By integrating the Target Company into the Company's existing network and operational expertise, operational efficiencies, cost-saving synergies and profitability could be improved and enhanced.

The Group remains committed to optimizing resource allocation and enhance overall competitiveness by means of technological transformation, so as to amplify asset value, enhance return on equity, and optimize overall financial returns. This diversification strategy also aligns with the Company's goal of generating long-term sustainable growth and reducing reliance on existing business segments.

Further announcement(s) in relation to the update of the Projects and the ETA will also be made by the Company as and when appropriate in accordance with the Listing Rules.

On behalf of the Board
Wai Hung Group Holdings Limited
Mr. Li Chun Ho
Chairman

Hong Kong, 31 December 2024

As at the date of this announcement, the Board comprises Mr. Li Kam Hung, Mr. Au Chi Fung, Mr. Yu Ming Ho, Dr. Chew Chee Wah, Mr. Yau Yik Ming Leao, Ms. Bohra Shilpa Rajesh and Mr. Loke Sebastian Mun Foo as executive Directors; Mr. Li Chun Ho as non-executive Director; and Mr. Koh Kwing Chang, Mr. Lai Chi Leung and Mr. Lum Pak Sum as independent non-executive Directors.