**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)**

# FURTHER CHANGE IN USE OF PROCEEDS FROM THE 2016 PLACING

References are made to (i) the announcements of Wan Kei Group Holdings Limited (the "**Company**", together with its subsidiaries, the "**Group**") dated 29 November 2016 (the "**2016 Announcement**"), 16 December 2016, 2 October 2018, 17 August 2021, 3 January 2023 (the "**January 2023 Announcement**"), 17 November 2023 and 28 March 2025 (the "**March 2025 Announcement**") in relation to the placing of 160,000,000 new ordinary shares of the Company (the "**2016 Placing**") and change in and update on use of proceeds from the 2016 Placing; and (ii) the annual report of the Company for the year ended 31 March 2026 (the "**2026 Annual Report**").

## DETAILS OF FURTHER CHANGE IN USE OF PROCEEDS FROM THE 2016 PLACING

As disclosed in the 2016 Announcement, the net proceeds from the 2016 Placing received by the Company amounted to approximately HK$134,000,000 (the "**Net Proceeds**").

As at the date of this announcement, the Group had utilised HK$130,600,000 of the Net Proceeds, representing approximately 97.46% of the Net Proceeds. The amount of the unutilised Net Proceeds is HK$3,400,000, representing approximately 2.54% of the Net Proceeds. As at the date of this announcement, the Net Proceeds have been used in the manner consistent with that set out in the January 2023 Announcement.

As further disclosed in the March 2025 Announcement, the unutilised Net Proceeds for the further possible acquisitions were intended to be fully utilised by 30 September 2026. Nevertheless, based on the reasons set out in the paragraphs headed "Reasons for Further Change in Use of Net Proceeds" below, and after careful consideration and detailed evaluation of the Group's business operations and strategies, the board (the "**Board**") of directors ("**Director(s)**") of the Company resolved to further change the uses of the Net Proceeds and reallocate the unutilised amount of the Net Proceeds of approximately HK$3,400,000 from funding further possible acquisition(s) to general working capital purposes, details of which are summarised in the table below:

| | **Allocation of use of Net Proceeds as disclosed in the January 2023 Announcement**<br>*HK$ million (approximately)* | **Utilised amount, in aggregate, up to 31 March 2026**<br>*HK$ million (approximately)* | **Unutilised amount as at 31 March 2026**<br>*HK$ million (approximately)* | **Utilised amount up to the date of this announcement**<br>*HK$ million (approximately)* | **Unutilised amount as at the date of this announcement**<br>*HK$ million (approximately)* | **Reallocation of unutilised Net Proceeds**<br>*HK$ million (approximately)* | **Expected timeline for full utilisation of the Net Proceeds** |
|---|---|---|---|---|---|---|---|
| **Funding further possible acquisition(s)** | 25.7 | 22.3 | 3.4 | – | 3.4 | – | N/A |
| **General working capital** | 45.0 | 45.0 | – | – | – | 3.4 | By 30 June 2027 |
| | 70.7 | 67.3 | 3.4 | – | 3.4 | 3.4 | |

## REASONS FOR FURTHER CHANGE IN USE OF NET PROCEEDS

As disclosed in the 2026 Annual Report, the Group conducted three acquisitions following the publication of the January 2023 Announcement, which include (i) on 30 April 2024, the Company entered into an agreement and supplemental agreement to acquire the remaining 49% equity interests in Pure Luck International Limited from the non-controlling shareholder and to assume the relevant outstanding indebtedness from such non-controlling shareholder, for a cash consideration of HK$5,000,000; (ii) on 25 November 2025, the Company entered into a sale and purchase agreement with Wanyou (Group) Holdings Limited as vendor to acquire 51% equity interests in Wanyou Technology (HK) Limited, a company principally engaged in e-commerce business, for a total cash consideration of HK$15,000,000 (for details, please refer to the announcements of the Company dated 25 November 2025 and 24 December 2025); and (iii) on 5 February 2026, the Group entered into a sale and purchase agreement with a vendor to acquire 70% equity interests in House Clover Ventures Limited, a company principally engaged in food and beverage business, for a total cash consideration of HK$2,310,000 (for details, please refer to the voluntary announcement of the Company dated 5 February 2026).

While the Group's strategy of diversifying and expanding its businesses remains unchanged, the Board considers that it is prudent and in the best interests of the Company and its shareholders as a whole to reallocate the unutilised Net Proceeds of approximately HK$3,400,000, which were originally earmarked for funding further possible acquisition(s) to general working capital (the "**Further Change in Use of Net Proceeds**"). The Further Change in Use of Net Proceeds will release the relevant funds from their originally designated purpose and provide the Group with greater flexibility in deploying its financial resources in response to its prevailing business and operational requirements. In particular, the reallocation will enable the Group to utilise the relevant Net Proceeds more efficiently as general working capital to meet its imminent operational needs, including but not limited to settlement of the Directors' fee, remuneration and staff costs, rental payments, audit fees, and legal and professional fees, all of which are recurring and unavoidable in nature and necessary to support the Group's normal daily operations, which are expected to be fully utilised by 30 June 2027. Specifically, the Company intends to apply the reallocated Net Proceeds as follows: (i) approximately HK$2.6 million for settlement of the Directors' fees, remuneration and staff salaries; (ii) approximately HK$0.6 million for settlement of the legal, audit and other professional fees; and (iii) approximately HK$0.2 million for settlement of the office rental payments. The Board believes that such reallocation represents a more efficient deployment of the Group's financial resources in light of its current operational requirements, while preserving the Group's ability to pursue suitable acquisition and expansion opportunities should they arise in the future. In light of the foregoing, the Board considers that the Further Change in Use of Net Proceeds is fair and reasonable and in the interests of the Company and its shareholders as a whole.

The Board considers that the Further Change in Use of Net Proceeds will not have any material adverse impact on the Group's existing business and operations. Save as disclosed in this announcement, there is no other change to the plan for the utilisation of the unutilised Net Proceeds.

The Board will continue to review and assess the plans for the use of the unutilised Net Proceeds from time to time, and may revise or amend such plans as necessary to respond to changing market conditions with a view to achieving better performance of the Group.

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

By Order of the Board
**Wan Kei Group Holdings Limited**
**Xu Lin**
*Chairman*

Hong Kong, 23 September 2026

*As at the date of this announcement, the executive Director is Mr. Bai Huawei; the non-executive Director is Mr. Xu Lin; and the independent non-executive Directors are Mr. Jiang Senlin, Mr. Zhang Yi and Ms. Dan Xi.*