

TARGET

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WAN KEI GROUP HOLDINGS LTD: PUZZLES, PUZZLES, AND EVEN MORE PUZZLES

Where Are The Experts In The Trade ?

On or about August 11, 2015, Senior Management of Wan Kei Group Holdings Ltd (宏基集團控股有限公司) (Code: 1718, Main Board, The Stock Exchange of Hongkong Ltd) sought and obtained permission to have its entire Issued and Fully Paid-Up Share Capital listed on the premier equity market of The Hongkong Special Administrative Region (HKSAR) of The People's Republic of China (PRC).

Over the past five Financial Years, ended March 31, 2024, Senior Management of Wan Kei Group Holdings Ltd has recorded unbroken Net Losses Attributable to Shareholders of the Company, aggregating \$HK152,985,580.00.

On or about Thursday, July 18, 2024, Senior Management of Wan Kei Group Holdings Ltd, at Page 265 of the 2023-2024 Annual Report, published and disseminated the following announcement:

'PLACING OF NEW SHARES UNDER GENERAL MANDATE

'On 3 April 2024, the Company entered into a placing agreement (the "Placing Agreement") with a placing agent, pursuant to which, the placing agent has conditionally agreed, as the placing agent of the Company, to procure, on a best effort basis, not less than six placees (the "Placees") to subscribe for up to 19,200,000 placing shares (the "Placing Shares") at placing price of HK\$1.00 per Placing Share. The Placing Shares will be allotted and issued under the General Mandate.

'All the conditions of the Placing Agreement have been fulfilled and completion of the placing took place on 16 April 2024. To the best of the Directors' knowledge, information and belief having made all reasonable enquiry, the Placees are individual investors who are third parties independent of and not connected with the Company and its connected persons.

‘The net proceeds from the placing are approximately HK\$18.7 million. The Company intends to apply the net proceeds from the placing for the administration and operation expenses of the headquarters of the Group in Hong Kong within twelve months from the date of Completion.’

On or about Tuesday, July 28, 2015, Senior Management of Wan Kei Group Holdings Ltd, published and disseminated a ‘**GLOBAL OFFERING**’ in the HKSAR in respect of 200 million, one-cent shares, at the Offer Price of not more than 85 cents per share.

The Global Offering was said to have been somewhat of a success, resulting in the Company, netting about \$HK70.70 million, after all costs, related to the Global Offering, had been expunged.

THE 2023-2024 ANNUAL REPORT OF WAN KEI GROUP HOLDINGS LTD

The 2023-2024 Annual Report of Wan Kei Group Holdings Ltd was published and disseminated in the HKSAR on or about July 18, 2024.

On or about Friday, June 28, 2024, Mr Yan Shuai (嚴帥), the Chairman of the Board of Directors of the Company, had this to impart to shareholders:

‘During the Reporting Period, the Group recorded a decrease in revenue of approximately HK\$26,793,000 or approximately 8.5% to approximately HK\$288,654,000 compared with the year ended 31 March 2023 (the “YR2023”). The decrease in revenue was primarily due to decrease of the number of sizable projects tendered by the Group during the Reporting Period.

‘The Board is of the view that despite the recovery of global economy is not as strong as expected followed by the relaxation of COVID-19, there are hopeful signs of a steady recovery in the long-term development of construction and foundation industry in Hong Kong. The Group will be prudent in tendering potential project while future strategy will depend on the recovery of the economy...’.

(There were three more paragraphs that were inscribed from the pen – or pencil – of Mr Yan Shuai, but they are hardly worth republishing, especially in this medium that attempts to publish factual events and statistics, omitting rubbish where possible.)

At Pages Six through to 10 of the 2023-2024 Annual Report of Wan Kei Group Holdings Ltd, under the heading, ‘**MANAGEMENT DISCUSSION AND ANALYSIS**,’ one was informed of the following intelligence:

‘BUSINESS REVIEW AND OUTLOOK

‘The Group is principally engaged in the provision of (i) foundation construction works; (ii) ground investigation services; (iii) financial services; and (iv) trading of consumer products; and during the Reporting

Period, the Group has expanded its business into e-commerce live streaming and promotion business in the social media.'

'Foundation construction works

'During the Reporting Period, the foundation construction works undertaken by the Group mainly consisted of the construction of socketed H-piles, mini piles, soldier piles, pipe piles and king posts. The Group undertook foundation construction projects in both the public and private sectors in Hong Kong. Revenue from the foundation works contributed approximately 76.1% to the total revenue of the Group during the Reporting Period (YR2023: approximately 80.9%).

'Ground investigation services

'The Group also acted as a contractor to provide ground investigation services in both public and private sectors in Hong Kong during the Reporting Period. Revenue from the ground investigation services contributed approximately 22.7% to the total revenue of the Group during the Reporting Period (YR2023: approximately 18.3%)...

'Outlook

'The Board is of the view that despite the recovery of global economy is not as strong as expected followed by the relaxation of COVID 19, there are hopeful signs of a steady ... [CLICK TO ORDER FULL ARTICLE](#)

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