



WAI KEE HOLDINGS LIMITED

(Incorporated in Bermuda with limited liability)

(Stock Code: 610)

PROFIT WARNING

This announcement is made by the Company pursuant to Rule 13.09 of the Listing Rules.

A Taiwan construction contract of a wholly-owned subsidiary of Build King is liable to be terminated due to delays and may suffer losses of approximately NT\$130 million (or approximately HK\$34 million), excluding any liability for further damages that might be claimed against it.

The Group is expected to incur further substantial unrealised losses on the Investments, in addition to the losses of HK\$10 million which has been reported in the Interim Report of the Company for the six months ended 30 June, 2008.

The termination of the Taiwan construction contract together with further substantial unrealised losses on the Investments is likely to have a material adverse impact on the results of the Group.

This announcement is made by Wai Kee Holdings Limited (the “Company”) pursuant to Rule 13.09 of the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited (the “Listing Rules”).

Taiwan construction project

As of 23 October, 2008, the value of work done by Hsin Lung Construction Company Limited (“HLCL”), a wholly-owned subsidiary of Build King Holdings Limited (“Build King”) which is a 60.8% owned subsidiary of the Company, under a contract for the construction of No.1 & 2 Pier at Shuitou Port, Kinmen, Taiwan, was 20% less than that scheduled. The dredging work, which represented approximately one-third of the contract sum, was sublet to a local subcontractor. However, the dredging progress was behind schedule, forcing HLCL to terminate the subcontract with this subcontractor. In the meantime, HLCL has been unable to secure in Taiwan appropriate plant and equipment at appropriate rates to catch up the delay. Under the contract, the client has the right to terminate the contract if the progress was 20% less than that scheduled.

Based on recent discussions with the client, the directors of Build King believe that such termination is highly likely. Build King estimates that HLCL will suffer losses on this project of approximately NT\$130 million (or approximately HK\$34 million), excluding any liability for further damages that might be claimed by the client. Losses recorded by HLCL will be consolidated into the Company's consolidated financial statements.

Unrealised losses on listed securities held by the Group

As mentioned in the Company's Annual Report for the year ended 31 December, 2007, the Company and its subsidiaries (together the "Group") have made certain equity securities ("Investments") and the Group is exposed to equity security price risk through such Investments. These Investments have been classified as "held-for-trading investments" in the Group's financial statements and are measured at fair value at each balance sheet date. As reported in the Interim Report of the Company for the six months ended 30 June, 2008, the market values of the Investments as at 30 June, 2008 were approximately HK\$95 million.

With reference to the great volatility in the current stock market, the valuation of the Investments held by the Group has decreased and the Group is expected to incur further substantial unrealised losses on the Investments, in addition to the losses of HK\$10 million which has been reported in the Interim Report of the Company for the six months ended 30 June, 2008.

Potential material adverse effect

Should the Taiwan construction contract be terminated and the Group incurs further substantial unrealised losses on the Investments, both events together are likely to have a material adverse impact on the results of the Group.

By Order of the Board
Wai Kee Holdings Limited
Anriena Chiu Wai Yee
Company Secretary

Hong Kong, 27 October, 2008

As at the date of this announcement, the Board comprises four executive directors, namely Mr. William Zen Wei Pao, Mr. Derek Zen Wei Peu, Mr. Dennis Wong Wing Cheung and Miss Anriena Chiu Wai Yee, three non-executive directors, namely Mr. Patrick Lam Wai Hon, Mr. Chu Tat Chi and Dr. Leslie Cheng Chi Pang and three independent non-executive directors, namely Dr. Steve Wong Che Ming, Mr. Samuel Wan Siu Kau and Mr. Francis Wong Man Chung.