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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)**

### **ANNUAL RESULTS ANNOUNCEMENT FOR THE YEAR ENDED 31 DECEMBER 2021**

#### **HIGHLIGHTS**

- For the year ended 31 December 2021, the revenue of the Group amounted to approximately MOP260.4 million, representing a decrease of approximately 48.6% as compared to the revenue of last year (2020: MOP506.3 million), and the loss for the year ended 31 December 2021 was approximately MOP231.4 million, while profit for the year ended 31 December 2020 was approximately MOP45.7 million, representing a decrease of approximately 606.0%.
- The Company's basic loss per share for the year ended 31 December 2021 was approximately MOP46.3 cents (2020: basic earnings per share MOP9.1 cents). Such decrease was in line with the decrease of the profit for the year when compared to the year ended 31 December 2020.
- The Board does not recommend the payment of final dividend for the year ended 31 December 2021.

The board (the “**Board**”) of directors (the “**Directors**”) of Wai Hung Group Holdings Limited (the “**Company**”) is pleased to announce the consolidated financial results of the Company and its subsidiaries (collectively, the “**Group**”) for the year ended 31 December 2021 together with the comparative figures for the year ended 31 December 2020.

## CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

*For the year ended 31 December 2021*

*(Expressed in Macau Pataca)*

	<i>Notes</i>	<b>2021</b> <i>MOP'000</i>	2020 <i>MOP'000</i>
<b>Revenue</b>	4	<b>260,444</b>	506,266
<b>Direct costs</b>		<b>(357,951)</b>	(425,897)
<b>Gross (loss) profit</b>		<b>(97,507)</b>	80,369
Other income and other losses	5	<b>(185)</b>	2,241
Impairment loss recognised in respect of trade receivables, net		<b>(31,953)</b>	(1,205)
Impairment loss recognised in respect of other receivables, deposits and prepayments, net		<b>(16,487)</b>	–
Impairment loss recognised in respect of contract assets, net		<b>(48,471)</b>	(1,319)
Administrative expenses		<b>(30,874)</b>	(25,211)
Finance costs	6	<b>(4,903)</b>	(2,071)
<b>(Loss) profit before taxation</b>	7	<b>(230,380)</b>	52,804
Income tax expense	8	<b>(1,010)</b>	(7,076)
<b>(Loss) profit for the year</b>		<b>(231,390)</b>	45,728
Other comprehensive expense			
Item that may be subsequently reclassified to profit and loss:			
Exchange differences arising on translation of foreign operation		<b>(303)</b>	22
<b>(Loss) profit and total comprehensive (expense) income for the year</b>		<b>(231,693)</b>	45,750
<b>(Loss) earnings per share</b>			
Basic ( <i>MOP cents</i> )	10	<b>(46.3)</b>	9.1

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 December 2021

(Expressed in Macau Pataca)

	Notes	2021 MOP'000	2020 MOP'000
<b>Non-current assets</b>			
Property and equipment		2,303	2,832
Right-of-use assets		673	787
Deposits		172	317
		<u>3,148</u>	<u>3,936</u>
<b>Current assets</b>			
Trade receivables	11	77,963	165,517
Other receivables, deposits and prepayments	12	41,883	96,970
Contract assets	13	91,557	144,740
Amount due from a related party		23	23
Pledged bank deposits		34,282	33,012
Bank balances and cash		5,180	54,744
		<u>250,888</u>	<u>495,006</u>
<b>Current liabilities</b>			
Trade and other payables and accruals	14	70,581	84,985
Contract liabilities	13	4,064	174
Tax payable		23,715	22,705
Bank borrowings		67,348	70,375
Bank overdrafts		13,140	13,702
Lease liabilities		496	672
		<u>179,344</u>	<u>192,613</u>
<b>Net current assets</b>		<u>71,544</u>	<u>302,393</u>
<b>Total assets less current liabilities</b>		<u>74,692</u>	<u>306,329</u>
<b>Non-current liabilities</b>			
Lease liabilities		184	128
<b>NET ASSETS</b>		<u><u>74,508</u></u>	<u><u>306,201</u></u>
<b>CAPITAL AND RESERVES</b>			
Share capital		5,150	5,150
Reserves		69,358	301,051
<b>TOTAL EQUITY</b>		<u><u>74,508</u></u>	<u><u>306,201</u></u>

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2021

## 1. GENERAL INFORMATION

Wai Hung Group Holdings Limited (the “**Company**”) is a public limited company incorporated in the Cayman Islands as an exempted company and its shares are listed on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”). The Company’s immediate and ultimate holding company is Copious Astute Limited (“**Copious Astute**”), a limited company incorporated in the British Virgin Islands (“**BVI**”) with limited liability, and wholly-owned by Mr. Li. The address of the registered office is Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman KY1-1111, Cayman Islands and the principal places of business of the Company in Hong Kong and Macau are Unit 13, 24th Floor, Honour Industrial Centre, 6 Sun Yip Street, Chai Wan, Hong Kong and Alameda Dr. Carlos d’Assumpcao, No. 258 Praca Kin Heng Long, 16 Andar G–H, Macau, respectively.

The principal activity of the Company is investment holding. The Group’s principal activities are providing fitting-out services and repair and maintenance services in Macau.

The consolidated financial statements are presented in Macau Pataca (“**MOP**”), which is also the functional currency of the Company and its subsidiaries (collectively referred to as the “**Group**”).

## 2. APPLICATION OF AMENDMENTS TO HONG KONG FINANCIAL REPORTING STANDARDS (“**HKFRSs**”)

### Amendments to HKFRSs that are mandatorily effective for the current year

In the current year, the Group has applied the following amendments to HKFRSs issued by the Hong Kong Institute of Certified Public Accountants (“**HKICPA**”) for the first time, which are mandatorily effective for the annual periods beginning on or after 1 January 2021 for the preparation of the consolidated financial statements:

Amendment to HKFRS 16	Covid-19-Related Rent Concessions
Amendments to HKFRS 9, HKAS 39, HKFRS 7, HKFRS 4 and HKFRS 16	Interest Rate Benchmark Reform – Phase 2

In addition, the Group has early applied the Amendment to HKFRS 16 *Covid-19-Related Rent Concessions beyond 30 June 2021*.

Except as described below, the application of the amendments to HKFRSs in the current year has had no material impact on the Group’s financial performance and positions for the current and prior years and/or on the disclosures set out in these consolidated financial statements.

### 2.1 *Impacts on application of Amendment to HKFRS 16 Covid-19-Related Rent Concessions and early application of Amendment to HKFRS 16 Covid-19-Related Rent Concessions beyond 30 June 2021*

The Group has applied the Amendment to HKFRS 16 *Covid-19-Related Rent Concessions* for the first time and early applied the Amendment to HKFRS 16 *Covid-19-Related Rent Concessions beyond 30 June 2021* in the current year retrospectively. The amendments introduce a new practical expedient for lessees to elect not to assess whether a COVID-19-related rent concession is a lease modification. The practical expedient only applies to rent concessions that occurred as a direct consequence of the COVID-19 pandemic that meets all of the following conditions:

- the change in lease payments results in revised consideration for the lease that is substantially the same as, or less than, the consideration for the lease immediately preceding the change;

- any reduction in lease payments affects only payments originally due on or before 30 June 2022; and
- there is no substantive change to other terms and conditions of the lease.

A lessee applying the practical expedient accounts for changes in lease payments resulting from rent concessions the same way it would account for the changes applying HKFRS 16 *Leases* (“**HKFRS 16**”) if the changes were not a lease modification. Forgiveness or waiver of lease payments are accounted for as variable lease payments. The related lease liabilities are adjusted to reflect the amounts forgiven or waived with a corresponding adjustment recognised in the profit or loss in the period in which the event occurs.

The application of these amendments has had no material impact on the Group’s financial positions and performance in the current and prior years as the Group opted not to apply the practical expedient, but applied the applicable requirements of HKFRS 16 to account for rent concessions provided by certain lessors.

### **New and amendments to HKFRSs in issue but not yet effective**

The Group has not early applied the following new and amendments to HKFRSs that have been issued but are not yet effective:

HKFRS 17 (including the October 2020 and February 2022 Amendments to HKFRS 17)	Insurance Contracts <sup>2</sup>
Amendments to HKFRS 3	Reference to the Conceptual Framework <sup>1</sup>
Amendments to HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture <sup>4</sup>
Amendments to HKAS 1	Classification of Liabilities as Current or Non-current and related amendments to Hong Kong Interpretation 5 (2020) <sup>2</sup>
Amendments to HKAS 1 and HKFRS Practice Statement 2	Disclosure of Accounting Policies <sup>2</sup>
Amendments to HKAS 8	Definition of Accounting Estimates <sup>2</sup>
Amendments to HKAS 12	Deferred Tax related to Assets and Liabilities arising from a Single Transaction <sup>2</sup>
Amendments to HKAS 16	Property, Plant and Equipment – Proceeds before Intended Use <sup>1</sup>
Amendments to HKAS 37	Onerous Contracts – Cost of Fulfilling a Contract <sup>1</sup>
Amendments to HKFRS 16	Lease Liability in a Sale and Leaseback <sup>3</sup>
Amendments to HKFRSs	Annual Improvements to HKFRSs 2018–2020 <sup>1</sup>

<sup>1</sup> Effective for annual periods beginning on or after 1 January 2022.

<sup>2</sup> Effective for annual periods beginning on or after 1 January 2023.

<sup>3</sup> Effective for annual periods beginning on or after 1 January 2024.

<sup>4</sup> Effective for annual periods beginning on or after a date to be determined.

Except for the amendments to HKFRSs mentioned below, the directors of the Company anticipate that the application of all new and amendments to HKFRSs will have no material impact on the consolidated financial statements in the foreseeable future.

***Amendments to HKAS 1 Classification of Liabilities as Current or Non-current and related amendments to Hong Kong Interpretation 5 (2020)***

The amendments provide clarification and additional guidance on the assessment of right to defer settlement for at least twelve months from reporting date for classification of liabilities as current or non-current, which:

- specify that the classification of liabilities as current or non-current should be based on rights that are in existence at the end of the reporting period. Specifically, the amendments clarify that: (i) the classification should not be affected by management intentions or expectations to settle the liability within 12 months; and (ii) if the right is conditional on the compliance with covenants, the right exists if the conditions are met at the end of the reporting period, even if the lender does not test compliance until a later date; and
- clarify that if a liability has terms that could, at the option of the counterparty, result in its settlement by the transfer of the entity's own equity instruments, these terms do not affect its classification as current or non-current only if the entity recognises the option separately as an equity instrument applying HKAS 32 *Financial Instruments: Presentation*.

In addition, Hong Kong Interpretation 5 was revised as a consequence of the Amendments to HKAS 1 to align the corresponding wordings with no change in conclusion.

Based on the Group's outstanding liabilities as at 31 December 2021, the application of the amendments will not result in reclassification of the Group's liabilities.

***Amendments to HKAS 1 and HKFRS Practice Statement 2 Disclosure of Accounting Policies***

HKAS 1 is amended to replace all instances of the term "significant accounting policies" with "material accounting policy information". Accounting policy information is material if, when considered together with other information included in an entity's financial statements, it can reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements.

The amendments also clarify that accounting policy information may be material because of the nature of the related transactions, other events or conditions, even if the amounts are immaterial. However, not all accounting policy information relating to material transactions, other events or conditions is itself material. If an entity chooses to disclose immaterial accounting policy information, such information must not obscure material accounting policy information.

HKFRS Practice Statement 2 *Making Materiality Judgements* (the "**Practice Statement**") is also amended to illustrate how an entity applies the "four-step materiality process" to accounting policy disclosures and to judge whether information about an accounting policy is material to its financial statements. Guidance and examples are added to the Practice Statement.

The application of the amendments is not expected to have significant impact on the financial position or performance of the Group but may affect the disclosures of the Group's significant accounting policies. The impacts of application, if any, will be disclosed in the Group's future consolidated financial statements.

### ***Amendments to HKAS 8 Definition of Accounting Estimates***

The amendments define accounting estimates as “monetary amounts in financial statements that are subject to measurement uncertainty”. An accounting policy may require items in financial statements to be measured in a way that involves measurement uncertainty – that is, the accounting policy may require such items to be measured at monetary amounts that cannot be observed directly and must instead be estimated. In such a case, an entity develops an accounting estimate to achieve the objective set out by the accounting policy. Developing accounting estimates involves the use of judgements or assumptions based on the latest available, reliable information.

In addition, the concept of changes in accounting estimates in HKAS 8 is retained with additional clarifications.

The application of the amendments is not expected to have significant impact on the Group’s consolidated financial statements.

### **3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS**

#### **Going concern basis**

As at 31 December 2021, the Group had accumulated losses of approximately MOP112,108,000 (2020: accumulated profit of MOP119,282,000), the Group’s total borrowings amounted to approximately MOP80,488,000 (2020: MOP84,077,000) while its cash and cash equivalents amounted to approximately MOP5,180,000 (2020: MOP54,744,000) and pledged bank deposits amounted to approximately MOP34,282,000 (2020: MOP33,012,000). As at 31 December 2021, the Group has overdue trade receivables amounted to MOP62,197,000 and long aged other receivables, deposits and prepayments and contract assets amounted to MOP40,114,000 and MOP49,711,000, respectively. The above conditions indicate the existence of material uncertainties which may cast significant doubt about the Group’s ability to continue as a going concern.

In view of such circumstances, the directors of the Company have given careful consideration to the future liquidity and performance of the Group and its available sources of financing in assessing whether the Group will have sufficient financial resources to continue as a going concern. Certain measures have been taken to mitigate the liquidity pressure and to improve its financial position which include, but are not limited to, the following:

- (i) The Group is negotiating with several financial institutions and seeking for renewal of the existing bank facilities to finance the Group’s working capital and commitments in the foreseeable future;
- (ii) The Group will continue to take active measures to control administrative costs through various channels including human resources optimization and capital expenditure control. This measure may reduce the cash outflows of the Group; and
- (iii) With the release of pandemic control policy by the government during the fourth quarter in 2022, the business environment and construction activities in Macau, especially for the casinos operation in Macau, gradually returned to normal, and now the pandemic basically imposes no impacts on the economic activities in Macau. The Group seized the opportunity to actively place tendering for potential projects to increase the Group’s revenue for the coming years.

The directors of the Company have reviewed the Group’s cash flow projections prepared by the management. The cash flow projections cover a period of twelve months of twelve months from the date of this announcement. They are of the opinion that, taking into account the above-mentioned plans and measures, the Group will have sufficient working capital to finance its operations. Accordingly, the directors of the Company are satisfied that it is appropriate to prepare the consolidated financial statements on a going concern basis.

Should the Group failed to achieve the above-mentioned plans and measures, it might not be able to continue to operate as a going concern, and adjustments would have to be made to write down the carrying values of the Group's assets to their recoverable amounts, to provide for any further liabilities which might arise, and to reclassify non-current assets and non-current liabilities as current assets and current liabilities, respectively. The effects of these adjustments have not been reflected in these consolidated financial statements.

#### 4. REVENUE AND SEGMENT INFORMATION

Revenue represents the fair value of amounts received and receivable from the provision of fitting-out and repair and maintenance service by the Group to external customers. The Group's revenue is mainly derived from provision of fitting-out services and repair and maintenance services in Macau and Hong Kong.

##### Revenue

##### *Timing of revenue recognition and category of revenue*

	2021 <i>MOP'000</i>	2020 <i>MOP'000</i>
Recognised over time and short-term contracts:		
– provision of fitting-out services	260,119	505,731
Recognised over time and long-term contracts:		
– provision of repair and maintenance services	325	535
	<u>260,444</u>	<u>506,266</u>

##### *Geographical information*

	2021 <i>MOP'000</i>	2020 <i>MOP'000</i>
Macau	260,444	431,014
Hong Kong	–	75,252
	<u>260,444</u>	<u>506,266</u>

The customers of the Group are mainly hotel and casino operators and individual customers in Macau and Hong Kong. All of the Group's provision of fitting-out services and repair and maintenance services are made directly with the customers. Contracts with the Group's customers are mainly fixed-price contracts.

The Group provides fitting-out and repair and maintenance services to customers. Such services are recognised as a performance obligation satisfied over time as the Group creates or enhances an asset that the customer controls as the asset is created or enhanced. Revenue is recognised for these fitting-out and repair and maintenance services based on the stage of completion of the contract using input method.

The Group's fitting-out and repair and maintenance contracts include payment schedules which require stage payments over the construction period once certain specified milestones are reached. The Group requires certain customers to provide upfront deposits up to 10% of total contract sum, when the Group receives a deposit before fitting-out and repair and maintenance service commences, this will give rise to contract liabilities at the start of a contract, until the revenue recognised on the specific contract exceeds the amount of the deposit.



A contract asset, net of contract liability related to the same contract, is recognised over the period in which the services are performed representing the Group’s right to consideration for the services performed because the rights are conditioned on the Group’s future performance in achieving specified milestones. The contract assets are transferred to trade receivables when the rights become unconditional.

Retention receivables, prior to expiration of defect liability period, are classified as contract assets, which is usually about one year from the date of the practical completion of the fitting-out and repair and maintenance service. The relevant amount of contract asset is reclassified to trade receivables when the defect liability period expires. The defect liability period serves as an assurance that the construction services performed comply with agreed-upon specifications and such assurance cannot be purchased separately.

***Transaction price allocated to the remaining performance obligations***

The following table shows the aggregate amount of the transaction price allocated to performance obligations that are unsatisfied (or partially unsatisfied) as at the end of each reporting period.

	<b>2021</b>	2020
	<b><i>MOP’000</i></b>	<i>MOP’000</i>
Provision of fitting-out services	<b><u>52,719</u></b>	<u>251,533</u>

Based on the information available to the Group at the end of each reporting period, the directors of the Company expect the transaction price allocated to the above unsatisfied (or partially unsatisfied) contracts in respect of provision of fitting-out and repair and maintenance services as of 31 December 2021 will be recognised as revenue during the year ending 31 December 2022 (2020: was recognised as revenue during the year ended 31 December 2021).

**Segment information**

Operating segments are identified on the basis of internal reports about components of the Group that are regularly reviewed by the chief operating decision maker (the “CODM”), being the executive directors of the Company, in order for the CODM to allocate resources and to assess performance. No operating segments identified by the CODM have been aggregated in arriving at the reportable segments of the Group.

Specifically, the Group’s reportable and operating segments under HKFRS 8 *Operating Segments* are as follows:

- fitting-out services; and
- repair and maintenance services.

The CODM makes decisions according to the operating results of each segment. No analysis of segment asset and segment liability is presented as the CODM does not regularly review such information for the purposes of resources allocation and performance assessment. Therefore, only segment revenue and segment results are presented.

### *Segment revenue and results*

*Year ended 31 December 2021*

	<b>Fitting-out services MOP'000</b>	<b>Repair and maintenance services MOP'000</b>	<b>Total MOP'000</b>
Segment revenue	<u>260,119</u>	<u>325</u>	<u>260,444</u>
Segment results	<u><u>(194,485)</u></u>	<u><u>67</u></u>	<u>(194,418)</u>
Other income and other losses			(185)
Administrative expenses			(30,874)
Finance costs			<u>(4,903)</u>
Loss before taxation			<u><u>(230,380)</u></u>

*Year ended 31 December 2020*

	<b>Fitting-out services MOP'000</b>	<b>Repair and maintenance services MOP'000</b>	<b>Total MOP'000</b>
Segment revenue	<u>505,731</u>	<u>535</u>	<u>506,266</u>
Segment results	<u><u>77,743</u></u>	<u><u>102</u></u>	77,845
Other income			2,241
Administrative expenses			(25,211)
Finance costs			<u>(2,071)</u>
Profit before taxation			<u><u>52,804</u></u>

Segment results mainly represented profit earned by each segment, excluding other income, other losses, administrative expenses and finance costs.

### ***Geographical information***

The Group's operations are mainly carried out in Macau and Hong Kong.

The Group's revenue from external customers based on the location of projects are set out below:

	<b>2021</b> <i>MOP'000</i>	2020 <i>MOP'000</i>
Macau	<b>260,444</b>	431,014
Hong Kong	–	75,252
	<b>260,444</b>	506,266

The Group's non-current assets (other than financial assets) by geographical location of the assets are detailed below:

	<b>2021</b> <i>MOP'000</i>	2020 <i>MOP'000</i>
Macau	<b>1,337</b>	1,555
Hong Kong	<b>1,639</b>	2,064
	<b>2,976</b>	3,619

### ***Information about major customers***

Revenue attributed from customers that accounted for 10% or more of the Group's total revenue during the years is as follows:

	<b>2021</b> <i>MOP'000</i>	2020 <i>MOP'000</i>
Revenue from fitting-out services		
Customer A	<b>75,184</b>	156,973
Customer B	<b>96,670</b>	N/A*
Customer C	<b>38,887</b>	N/A*
Customer D	N/A*	66,320
Customer E	–	75,252
Customer F	N/A*	70,430
Customer G	–	60,180
Customer H	N/A*	54,932

\* Revenue from relevant customer was less than 10% of the Group's total revenue for the respective year.

## 5. OTHER INCOME AND OTHER LOSSES

	2021 <i>MOP'000</i>	2020 <i>MOP'000</i>
<b>Other income</b>		
Bank interest income	310	115
Interest income from rental deposits	6	6
Government grants ( <i>Note</i> )	–	2,035
Others	42	85
	<u>358</u>	<u>2,241</u>
<b>Other losses</b>		
Exchange losses	(543)	–
	<u>(185)</u>	<u>2,241</u>

*Note:* For the year ended 31 December 2020, the Group recognised government grants of MOP2,035,000 in respect of COVID-19-related subsidies relates to Employment Support Scheme provided by the Hong Kong Government and the Government of Macau.

## 6. FINANCE COSTS

	2021 <i>MOP'000</i>	2020 <i>MOP'000</i>
Interests on bank borrowings	4,298	1,681
Interest on bank overdraft	575	360
Interest on lease liabilities	30	30
	<u>4,903</u>	<u>2,071</u>

## 7. (LOSS) PROFIT BEFORE TAXATION

	2021 <i>MOP'000</i>	2020 <i>MOP'000</i>
(Loss) profit before taxation has been arrived at after charging:		
Auditor's remuneration	2,500	1,030
Depreciation on property and equipment	689	799
Depreciation of right-of-use assets	890	898
Staff costs (including directors' emoluments):		
Salaries and other benefits	48,872	49,028
Retirement benefits schemes contributions	975	705
	<u>49,847</u>	<u>49,733</u>
Less: staff costs included in direct costs	<u>(39,170)</u>	<u>(33,292)</u>
	<u>10,677</u>	<u>16,441</u>

## 8. INCOME TAX EXPENSE

	2021 <i>MOP'000</i>	2020 <i>MOP'000</i>
Current Tax:		
Macau Complementary Income Tax	–	(7,076)
Enterprise Income Tax	(127)	–
Other tax	(883)	–
	<u>(1,010)</u>	<u>(7,076)</u>

No provision for Macau Complementary Tax is provided for the year ended 31 December 2021 as the Company and its subsidiaries do not have assessable profits for the year ended. Macau Complementary Tax is calculated at 12% of the estimated assessable profits exceeding MOP600,000 for the year ended 31 December 2020.

Under the Law of the PRC on Enterprise Income Tax (the “EIT Law”) and Implementation Regulation of the EIT Law, the tax rate of the PRC group entity is 25% for both years.

Under the PRC law, withholding tax is imposed on dividends declared in respect of profits earned by PRC subsidiaries from 1 January 2008 onwards. Deferred taxation has not been provided for in the consolidated financial statements in respect of temporary differences attributable to retained earnings of the PRC subsidiary amounting to approximately MOP3,520,000 (2020: MOP1,448,000) as at 31 December 2021, as the Group is able to control the timing of the reversal of the temporary differences and it is probable that the temporary differences will not reverse in the foreseeable future.

## 9. DIVIDENDS

No dividend was proposed for ordinary shareholders of the Company during the year ended 31 December 2021, nor has any dividend been proposed since the end of the reporting period (2020: nil).

## 10. (LOSS) EARNINGS PER SHARE

The calculation of basic earnings per share is based on the following data:

	2021 <i>MOP'000</i>	2020 <i>MOP'000</i>
(Loss) earnings:		
(Loss) earnings for the purpose of calculating basic (loss) earnings per share ((loss) profit for the year attributable to owners of the Company)	<u>(231,390)</u>	<u>45,728</u>
	2021 <i>'000</i>	2020 <i>'000</i>
Number of shares:		
Weighted average number of ordinary shares for the purpose of calculating basic (loss) earnings per share	<u>500,000</u>	<u>500,000</u>

No diluted loss or earnings per share for both years was presented as there were no potential ordinary shares in issue during both years.

## 11. TRADE RECEIVABLES

The Group grants credit terms of 30 days to its customers from the date of invoices on progress payments of contract works. An ageing analysis of the trade receivables presented based on the invoice date which is approximately one month after the related revenue being recognised, at the end of each reporting period is as follows:

	2021 <i>MOP'000</i>	2020 <i>MOP'000</i>
0–30 days	15,834	67,777
31–60 days	2,963	24,476
61–90 days	4,044	28,061
91–365 days	–	46,479
Over 365 days	88,351	–
	<u>111,192</u>	<u>166,793</u>
Less: Impairment loss allowance	<u>(33,229)</u>	<u>(1,276)</u>
	<u><u>77,963</u></u>	<u><u>165,517</u></u>

As at 1 January 2020, trade receivables from contract with customers amounted to MOP95,543,000.

Before accepting any new customer, the Group assesses the potential customer's credit quality and defines credit limits by customer. Credit limits attributable to customers are reviewed regularly.

## 12. OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS

	2021 <i>MOP'000</i>	2020 <i>MOP'000</i>
Rental deposits	565	440
Deposits paid for tenders	46,535	46,535
Prepayments to sub-contractors	10,019	49,690
Other receivables and prepayments	1,423	622
	<u>58,542</u>	<u>97,287</u>
Less: Impairment losses allowance	<u>(16,487)</u>	<u>–</u>
Total	<u><u>42,055</u></u>	<u><u>97,287</u></u>
Presented as non-current assets	172	317
Presented as current assets	<u>41,883</u>	<u>96,970</u>
Total	<u><u>42,055</u></u>	<u><u>97,287</u></u>

### 13. CONTRACT ASSETS AND CONTRACT LIABILITIES

	As at 31 December	
	2021	2020
	<i>MOP'000</i>	<i>MOP'000</i>
Contract assets		
Fitting-out services	<u>141,465</u>	<u>146,177</u>
	<b>141,465</b>	146,177
Less: Impairment loss allowance	<u>(49,908)</u>	<u>(1,437)</u>
	<u><b>91,557</b></u>	<u>144,740</u>
Contract liabilities		
Fitting-out services	<u>(4,064)</u>	<u>(174)</u>

As at 1 January 2020, contract assets and contract liabilities amounted to MOP103,089,000 and MOP1,109,000, respectively.

The Group has rights to considerations from customers for the provision of fitting-out services. Contract assets arise when the Group has right to consideration for completion of fitting-out services and not yet billed under the relevant contracts, and their right is conditioned on factors other than passage of time. Any amount previously recognised as a contract asset is reclassified to trade receivables when such right becomes unconditional other than the passage of time. Remaining rights and performance obligations in a particular contract is accounted for and presented on a net basis, as either a contract asset or a contract liability. If the progress payment exceeds the revenue recognised to date under the input method, then the Group recognises a contract liability for the difference.

The Group also requires certain customers to provide upfront deposits up to 10% of total contract sum, when the Group receives a deposit before fitting-out service commences, this will give rise to contract liabilities at the start of a contract, until the revenue recognised on the specific contract exceeds the amount of the deposit.

Included in carrying amounts of contract assets/contract liabilities as stated above comprises retention money of MOP23,097,000 (2020: MOP46,533,000) as at 31 December 2021.

Retention money is unsecured and interest-free and represented the monies withheld by customers of contract works recoverable after the completion of defects liability period of the relevant contracts or in accordance with the terms specified in the relevant contracts, usually being 1 year from the date of completion of respective fitting-out services projects. Accordingly, in respect to the uncompleted project as at the end of each reporting period, the respective retention money is expected to be recovered beyond twelve months from the end of each reporting period.

#### 14. TRADE AND OTHER PAYABLES AND ACCRUALS

	2021 <i>MOP'000</i>	2020 <i>MOP'000</i>
Trade payables	27,080	12,168
Retention payables	36,988	20,648
Accruals for subcontracting costs ( <i>Note (a)</i> )	–	48,359
Accruals and other payables	6,353	3,810
Amount due to a director ( <i>Note (b)</i> )	160	–
	<u>70,581</u>	<u>84,985</u>

*Notes:*

- (a) Amounts represented subcontracting costs being incurred which are yet to be billed by the subcontractors.
- (b) Amount represented the amount due to Mr. Li, which was unsecured, interest-free and repayable on demand.

The credit period grants to the Group by subcontractors/suppliers normally being 0–30 days. The following is an ageing analysis of trade payables based on the invoice date at the end of each reporting period:

	2021 <i>MOP'000</i>	2020 <i>MOP'000</i>
0–30 days	15,321	4,132
31–60 days	3,590	–
61–90 days	133	–
Over 90 days	8,036	8,036
	<u>27,080</u>	<u>12,168</u>

Retention payables to subcontractors are interest-free and payable at the end of the defects liability period of individual contracts (i.e. one year after completion of respective project). All retention payables are expected to be settled within one year based on the expiry date of the defects liability period.



## **EXTRACT OF INDEPENDENT AUDITOR’S REPORT**

The following is the extract of the independent auditor’s report from the external auditor of the Company:

### **DISCLAIMER OF OPINION**

We were engaged to audit the consolidated financial statements of Wai Hung Group Holdings Limited (the “**Company**”) and its subsidiaries (hereinafter collectively referred to as the “**Group**”), which comprise the consolidated statement of financial position as at 31 December 2021, and the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

We do not express an opinion on the consolidated financial statements of the Group. Because of the significance of the matters described in the “Basis for Disclaimer of Opinion” section of our report, we have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on these consolidated financial statements. In all other respects, in our opinion, the consolidated financial statements have been properly prepared in compliance with the disclosure requirements of the Hong Kong Companies Ordinance.

### **BASIS FOR DISCLAIMER OF OPINION**

#### **Multiple Uncertainties Relating to Going Concern**

As described in the consolidated financial statements, the Group had a net loss of approximately MOP231,390,000 for the year ended 31 December 2021 and as at 31 December 2021, the Group’s total borrowings amounted to approximately MOP80,488,000, of which current borrowings amounted to approximately MOP80,488,000, while its cash and cash equivalents amounted to approximately MOP5,180,000 and pledged bank deposits amounted to approximately MOP34,282,000. As at the date of this report, the Group defaulted on payment of certain bank borrowings, which also triggered cross-default of other bank borrowings, such that they will become due for immediate repayment. These conditions, together with other matters described in the consolidated financial statements, indicate the existence of material uncertainties which may cast significant doubt about the Group’s ability to continue as a going concern.

The directors of the Company have been undertaking a number of measures to improve the Group’s liquidity pressure and the financial position of the Group which are set out in the consolidated financial statements. The consolidated financial statements had been prepared by the directors of the Company on a going concern basis, the validity of which depends on the outcome of those plans and measures, which are subject to multiple uncertainties, including (i) the successful negotiations with the lenders for the renewal of extension for repayment of outstanding bank borrowings; (ii) the collection of outstanding trade receivables, other receivables, deposits and prepayments and contract assets balances; (iii) successfully managing the impact of the COVID-19 outbreak on the Group’s operations from time to time

and generate sufficient cash flows from its operations. We are unable to determine whether the use of the going concern assumption in the preparation of the consolidated financial statements is appropriate. Should the Group fail to achieve the abovementioned measures, it might not be able to continue to operate as a going concern, and adjustments would have to be made to write down the carrying values of the Group's assets to their recoverable amounts, to provide for any further liabilities which might arise and to reclassify non-current assets and non-current liabilities as current assets and current liabilities. The effects of these adjustments have not been reflected in these consolidated financial statements.

## **MANAGEMENT DISCUSSION AND ANALYSIS**

### **BUSINESS REVIEW**

The Group is a contractor providing fitting-out services and repair and maintenance services in Macau and Hong Kong. The Group's fitting-out services primarily cover refitting works for existing buildings and extend to casinos, retail areas, hotels, restaurants, commercial properties and residential properties. The Group primarily focuses on providing fitting-out services for the commercial segment, in particular facilities located within integrated resorts in Macau.

The Group undertook projects as both main contractor and subcontractor. The majority of its revenue was derived from projects in which the Group was engaged as main contractor by major licensed casino gaming operators and property owners in Macau. To a lesser extent, the Group were also engaged as subcontractor by other fitting-out contractors in Macau.

The Group has established business relationship with major licensed casino gaming operators and other fitting-out contractors in Macau. Majority of the customers are group companies of the licensed casino gaming operators and other fitting-out contractors in Macau, and the shares of their respective holding companies are listed on the Stock Exchange. The Group believes that its experienced management team with profound industry knowledge, its ability to maintaining long-term business relationships with its major customers and a stable pool of suppliers and subcontractors have contributed to its success.

For the years ended 31 December 2020 and 2021, total revenue amounted to approximately MOP506.3 million and MOP260.4 million, of which revenue generated from providing fitting-out services constituted approximately 99.9% and 99.9% of total revenue, respectively.

### **PROSPECTS**

The widespread and prolonged COVID-19 pandemic has brought unprecedented challenges to Macau's economy, profound effects to all sectors and industries, and various difficulties and challenges to enterprises of all sizes. The Government of the Macau Special Administrative Region has taken active and effective measures in pursuit of economic and social stability, efforts of which include revitalizing the economy, steadily promoting various construction projects in Macau, upgrading accommodation options, cultural facilities, retail stores, transportation facilities, tourist attractions and entertainment facilities, promoting and facilitating the renovation and construction industry in Macau, in a bid to poise itself for

the influx of tourists brought by the resumption of tourism in Macau after the COVID-19 pandemic. To expand the Group's business scope and overall revenue stream, the Group plans to diversify into lithium resources and lithium battery technology.

## **FINANCIAL REVIEW**

For the year ended 31 December 2021, the Group's revenue was approximately MOP260.4 million (2020: approximately MOP506.3 million). For the year ended 31 December 2021, the Group recorded loss for the year of approximately MOP231.4 million (2020: profit for the year approximately MOP45.7 million). During the year ended 31 December 2021, the Group completed 33 fitting-out projects and was awarded with 43 fitting-out projects.

### **Revenue**

The revenue decreased by approximately MOP245.9 million or 48.6% from approximately MOP506.3 million for the year ended 31 December 2020 to approximately MOP260.4 million for the year ended 31 December 2021. Such decrease was attributable to the fierce competition in the second half of 2021 as compared with the first half of 2021 and previous years. Competitors lowered their tender price significantly and force us to lose project on tender stage.

### **Direct costs**

The total amount of subcontract costs decreased by approximately MOP67.9 million or 16.0% from approximately MOP425.9 million for the year ended 31 December 2020 to approximately MOP358.0 million for the year ended 31 December 2021, which generally reflected the decrease in costs associated with the decrease in revenue.

### **Gross (loss) profit**

The gross profit decreased from approximately MOP80.4 million for the year ended 31 December 2020 to gross loss of approximately MOP97.5 million for the year ended 31 December 2021, representing a decrease of approximately MOP177.9 million. The Group recorded gross profit margin of approximately 15.9% and gross loss margin of approximately 37.4% for the years ended 31 December 2020 and 2021, respectively. The period-to-period decrease in gross profit margin was mainly attributable to the comparatively lower gross profit margin of the sizeable contracts undertaken by the Group during the year ended 31 December 2021 compared to the year ended 31 December 2020.

### **Other income and other losses**

Other income was approximately MOP2.2 million for the year ended 31 December 2020, of which approximately MOP0.1 million was derived from bank interest income. Other losses was approximately MOP0.2 million for the year ended 31 December 2021, of which was mainly exchange loss.

## **Impairment losses**

The total amount of impairment losses increased by approximately MOP94.4 million from MOP2.5 million for the year ended 31 December 2020 to approximately MOP96.9 million for the year ended 31 December 2021, which generally reflected the increase in impairment loss recognised in respect of trade receivables, other receivables, deposits and prepayment and contract assets associated with the increase in trade receivables, other receivables, deposits and prepayment and contract assets.

## **Administrative expenses**

Administrative expenses amounted to approximately MOP25.2 million and MOP30.9 million for the year ended 31 December 2020 and 2021, respectively, which accounted for approximately 5.0% and 11.9% of the total revenue during the respective periods. The largest item under administrative expenses was employee benefit expenses, being staff costs in nature, which amounted to approximately MOP16.4 million and MOP10.7 million for the years ended 31 December 2020 and 2021, respectively, which accounted for approximately 65.1% and 34.6% of the total administrative expenses during the respective periods.

The remaining balance of administrative expenses mainly consisted of marketing expenses, office expenses, depreciation and general expenses.

## **Finance costs**

For the years ended 31 December 2020 and 2021, finance costs amounted to approximately MOP2.1 million and MOP4.9 million, respectively.

## **Income tax expense**

For the years ended 31 December 2020 and 2021, the Group recorded income tax expenses of approximately MOP7.1 million and MOP1.0 million, representing an effective tax rate of approximately 13.4% and -0.4%, respectively.

Income tax decreased by approximately MOP6.1 million from approximately MOP7.1 million for the year ended 31 December 2020 to approximately MOP1.0 million for the year ended 31 December 2021. Such decrease was mainly attributable to the decrease in the profit before taxation from approximately MOP52.8 million for the year ended 31 December 2020 to loss before taxation approximately MOP230.4 million for year ended 31 December 2021.

## **(Loss) Profit for the year**

For the year ended 31 December 2021, the loss for the year amounted to approximately MOP231.4 million, representing a decrease of profit approximately MOP277.1 million from approximately MOP45.7 million for the year ended 31 December 2020.

## **CORPORATE FINANCE AND RISK MANAGEMENT**

### **Liquidity, Financial and Capital Resources**

#### ***Cash position***

As at 31 December 2021, the Group had an aggregate of pledged bank deposits and bank balances and cash of approximately MOP39.5 million (2020: approximately MOP87.8 million), representing a decrease of approximately 55.0% as compared to that as at 31 December 2020. As at 31 December 2021, pledged bank deposits of approximately MOP34.3 million (2020: MOP33.0 million) are pledged to secure banking facilities.

#### ***Borrowings and charges on the Group's assets***

As at 31 December 2021, the Group had an aggregate of bank borrowings and bank overdrafts of approximately MOP80.5 million (2020: approximately MOP84.1 million). The bank borrowings and bank overdrafts will be repayable within one year.

Bank borrowings and other bank facilities including performance guarantee by the Group were secured by the pledged bank deposits of approximately MOP33.0 million and approximately MOP34.3 million and as at 31 December 2020 and 2021, respectively.

#### ***Gearing ratio***

As at 31 December 2021, the gearing ratio (calculated by dividing total debts which include payables incurred not in the ordinary course of business excluding amounts due to related parties with total equity as at the end of the respective year) was approximately 108.0% (2020: approximately 27.5%).

Such increase was primarily attributable to the total equity of the Group decreased from approximately MOP306.2 million as at 31 December 2020 to approximately MOP74.5 million as at 31 December 2021, while bank borrowings of the Group were approximately MOP84.1 million and MOP80.5 million as at 31 December 2020 and 31 December 2021, respectively.

#### ***Treasury policies***

The Group has adopted a prudent treasury management policy to (i) manage the Group's funds ensuring that there is no material shortfall in cash which may cause interruption to the Group's obligations arising from daily business needs; (ii) maintain sufficient level of funds to settle the Group's commitment as and when they fall due; (iii) maintain adequate liquidity to cover the Group's operation cash flow, project expenditures and administrative expenses; and (iv) maintain the relevant financing costs at a reasonable level.

### ***Currency risk***

The group entities collect most of the revenue and incur most of the expenditures in their respective functional currencies. The Group is exposed to currency risk primarily through sales proceeds received from customers that are denominated in a currency other than the group entities' functional currency. The currencies giving rise to this risk are primarily HK\$.

The Group currently does not have a foreign currency hedging policy. However, the management of the Group monitors foreign exchange exposure and will consider hedging significant foreign currency exposure should the need arise.

### ***Authorised share capital***

As at 31 December 2021, the authorised share capital of the Company was HK\$10,000,000 divided into 1,000,000,000 shares (the “**Shares**”) of HK\$0.01 each.

### ***Issued share capital***

As at 31 December 2021, the number of Shares in issue was 500,000,000 Shares of HK\$0.01 each (31 December 2021: 500,000,000 Shares).

### ***Capital commitments***

As at 31 December 2021, the Group had no capital commitments (2020: Nil).

### ***Contingent liabilities***

As at 31 December 2021, the Group had no significant contingent liabilities or outstanding litigation.

### ***Material acquisitions and disposals***

During the year ended 31 December 2021, the Group did not conduct any material acquisitions or disposals of subsidiaries and affiliated companies.

### ***Significant investments held***

As at 31 December 2021, the Group had no significant investments.

### ***Future plans for material investments***

Save as disclosed in the prospectus of the Company in relation to the Share Offer dated 29 March 2019 (the “**Prospectus**”), the Group did not have other plans for material investments and capital assets as at 31 December 2021.

## **EMPLOYEES AND REMUNERATION POLICIES**

As at 31 December 2021, the Group had 90 employees (2020: 110 employees). Total staff costs (including Directors emoluments) were approximately MOP49.9 million for the year ended 31 December 2021, as compared with approximately MOP49.7 million for the year ended 31 December 2020. Such increase was mainly attributable to the increase in average number of working days for day-work workers.

The remuneration packages the Group offered to its employees include salary and discretionary bonuses. In general, the Group determines employees' salaries based on each employee's qualifications, position and seniority. The Group has designed an annual review system to assess the performance of its employees, which forms the basis of determining salary raises, bonuses and promotions. The Group also operates the Share Option Scheme (defined hereafter), pursuant to which options to subscribe for Shares may be granted to the Directors and employees of the Group. The Group also provides various training to its employees and sponsors its employees to attend various training courses, such as those on occupational health and safety in relation to its work. Such training courses include its internal training as well as courses by external parties.

## **SHARE OPTION SCHEME**

The principal terms of the Share Option Scheme were summarised in the Prospectus and this announcement. The purpose of the Share Option Scheme is to provide the Company a flexible means of giving incentive to, rewarding, remunerating, compensating and providing benefits to eligible participants as the Board approves from time to time. Since the adoption of the Share Option Scheme and up to the date of this announcement, no option has been granted, exercised, cancelled or lapsed under the Share Option Scheme.

## **EVENTS AFTER THE REPORTING PERIOD**

- (a) On 15 December 2021, the Company has entered into the placing agreement (together with its supplemental agreement entered into between the Company and the placing agent on 4 January 2022), pursuant to which an aggregate of 4,650,000 placing shares would be allotted and issued to no less than six placees at the placing price of HK\$1.72 per placing share. The net proceeds from the placing, after deduction of the commission payable to the placing agent, professional fee and other related costs and expenses incurred in the placing, amounted to approximately HK\$7.9 million. The placing was completed on 6 January 2022.
- (b) On 22 September 2023, the Company and the subscriber, a company incorporated in the British Virgin Islands with limited liability, entered into the subscription agreement, pursuant to which the subscriber has conditionally agreed to subscribe for, and the Company has conditionally agreed to issue, the convertible bond in the principal amount of HK\$52,000,000 due three years from the date of issue at the initial conversion price of HK\$0.02 per conversion share upon completion. Assuming full conversion

of the convertible bond at the conversion price, a maximum number of 2,600,000,000 conversion shares will be allotted and issued. Subject to the completion, the net proceeds after deducting all the relevant costs and expenses from the issue of the convertible bond will be approximately HK\$51,500,000. The transaction was not completed up to the date of this announcement.

- (c) As at the date of this announcement, the Group defaulted on payment of certain bank borrowings amounting to approximately MOP47.1 million, of which the repayment date was 30 June 2023. It also triggered cross-default of the Group's remaining bank borrowings, such that they will become due for immediate repayment. The Company is currently under discussion with bank for the renewal of banking facility.

## **DIVIDEND**

The Board did not recommend the payment of a final dividend by the Company for the year ended 31 December 2021.

The Board may propose the payment of dividends, if any, on a per share basis, provided that the Group is profitable and without affecting the normal operations and business of the Group, the Board may consider declaring and paying dividends to the Shareholders by taking into account the following factors, among others, (i) the actual and expected financial performance of the Group; (ii) the general business conditions and strategies of the Group; (iii) the expected working capital requirements, capital expenditure requirements and future expansion plans of the Group; (iv) the retained earnings and distributable reserves of the Company and each of the other members of the Group; (v) the level of the Group's debts to equity ratio and return on equity as well as financial covenants to which the Group is subject; and (vi) any other factors that the Board may deem appropriate. Such declaration and payment of dividends by the Company shall remain to be determined at the sole discretion of the Board and subject to the requirements under all applicable laws, rules and regulations as well as the Articles of Association. Any future declarations and payments of dividends may or may not reflect the historical declarations and payments of dividends and will be at the absolute discretion of the Directors. Currently, the Company does not have any predetermined dividend payout ratio.

## **PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S SECURITIES**

None of the Company or any of its subsidiaries had purchased, sold or redeemed any of its listed securities during the Reporting Period.

## **CORPORATE GOVERNANCE**

The Company is committed to maintain high standards of corporate governance to protect the interests of its Shareholders and to enhance corporate value and accountability. The Company has adopted the code provisions and, where applicable, the recommended best practices set out in the Corporate Governance Code ("CG Code") set out in Appendix 14 to the Rules Governing the Listing of Securities on the Stock Exchange (the "Listing Rules").



The Company complies with the CG Code set out in Appendix 14 to the Listing Rules with the exception for Code Provision C.2.1, which requires the roles of chairman and chief executive be different individuals. Pursuant to code provision C.2.1 of the CG Code, the roles of chairman and chief executive officer should be separate and should not be performed by the same individual. However, the Company does not have a separate chairman and chief executive officer and Mr. Li Kam Hung currently performs these two roles. The Board believes that vesting the roles of both chairman and chief executive officer in the same person has the benefit of ensuring the consistent leadership within the Group and enables more effective and efficient overall strategic planning of the Group. Besides, with three independent non-executive Directors out of a total of seven Directors in the Board, there will be sufficient independent voice within the Board to protect the interests of the Company and the Shareholders as a whole. Therefore, the Board considers that the balance of power and authority for the present arrangement will not be impaired and this structure will enable the Company to make and implement decisions promptly and effectively. The Board will continue to review and consider splitting the roles of chairman of the Board and chief executive officer of the Company at a time when it is appropriate and suitable by taking into account the circumstances of the Group as a whole.

## **MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS**

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the “**Model Code**”) as set out in Appendix 10 to the Listing Rules as its own code of conduct regarding Directors’ securities transactions. Having made specific enquiries with all the Directors, each of the Directors has confirmed that he/she has complied with the Model Code since the Listing Date up to the date of this announcement.

## **SCOPE OF WORK OF CL PARTNERS CPA LIMITED**

The figures in respect of the Group’s consolidated statement of financial position, consolidated statement of profit or loss and other comprehensive income and the related notes thereto for the year ended 31 December 2021 as set out in the preliminary announcement have been agreed by the Group’s auditor, CL Partners CPA Limited, to the amounts set out in the Group’s audited consolidated financial statements for the year. The work performed by CL Partners CPA Limited in this respect did not constitute an assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the HKICPA and consequently no assurance has been expressed by CL Partners CPA Limited on the preliminary announcement.

## **AUDIT COMMITTEE**

The audit committee of the Company, comprising three independent non-executive Directors, namely Ms. Rita Botelho dos Santos, Mr. Lam Chi Wing and Mr. Wu Chou Kit, has reviewed with the management the audited annual results for the year ended 31 December 2021, accounting principles and practices adopted by the Group and discussed internal controls, risk management and financial reporting matters including a review of the audited annual financial information.

**PUBLICATION OF THE ANNUAL RESULTS AND ANNUAL REPORT FOR THE YEAR ENDED 31 DECEMBER 2021 ON THE WEBSITES OF THE STOCK EXCHANGE AND THE COMPANY**

This announcement is published on the website of the Stock Exchange ([www.hkexnews.hk](http://www.hkexnews.hk)) and the Company's website ([www.whh.com.hk](http://www.whh.com.hk)). The annual report for the year ended 31 December 2021 containing all the information required by the Listing Rules will be despatched to the shareholders and published on the respective websites of the Stock Exchange and the Company in due course.

By order of the Board  
**Wai Hung Group Holdings Limited**  
**Mr. Li Kam Hung**  
*Chairman*

Hong Kong, 10 November 2023

*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.*