WT GROUP HOLDINGS LIMITED
WT集團控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock code: 8422)

ANNUAL RESULTS ANNOUNCEMENT FOR THE YEAR ENDED 30 JUNE 2018

CHARACTERISTICS OF GEM OF THE STOCK EXCHANGE OF HONG KONG LIMITED (THE "STOCK EXCHANGE")

GEM has been positioned as a market designed to accommodate small and mid-sized companies to which a higher investment risk may be attached than other companies listed on the Stock Exchange. Prospective investors should be aware of the potential risks of investing in such companies and should make the decision to invest only after due and careful consideration. The greater risk profile and other characteristics of GEM mean that it is a market more suited to professional and other sophisticated investors.

Given the companies listed on GEM are generally small and mid-sized companies, there is a risk that securities traded on GEM may be more susceptible to high market volatility than securities traded on the Main Board of the Stock Exchange and no assurance is given that there will be a liquid market in the securities traded on GEM.

*This announcement, for which the directors (the "**Directors**") of WT Group Holdings Limited (the "**Company**", together with its subsidiaries, the "**Group**") collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on GEM of the Stock Exchange (the "**GEM Listing Rules**") for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquires, confirm that to the best of their knowledge, information and belief, the information contained in this announcement is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this announcement misleading.*

This announcement will remain on the "Latest Company Announcements" page of the GEM website at www.hkgem.com for at least 7 days from the date of its publication and on the Company's website at www.wtgholdings.com.

This announcement is prepared in English language and translated into Chinese. In the event of any inconsistencies between the Chinese and the English version, the latter shall prevail.

FINANCIAL RESULTS

The board of Directors (the "**Board**") of the Company is pleased to announce the consolidated financial results of the Group for the year ended 30 June 2018, together with the comparative figures for the year ended 30 June 2017 as follows:

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the year ended 30 June 2018

	Note	**2018** *HK$'000*	2017 *HK$'000*
Revenue	*4*	**44,995**	75,370
Cost of sales	*5*	**(37,174)**	(52,625)
Gross profit		**7,821**	22,745
Other income	*4*	**262**	558
Other gain		**–**	12
Administrative expenses	*5*	**(17,752)**	(10,831)
Operating (loss)/profit		**(9,669)**	12,484
Finance income	*6*	**58**	–
Finance costs	*6*	**(31)**	(33)
Finance income/(costs), net	*6*	**27**	(33)
(Loss)/profit before income tax		**(9,642)**	12,451
Income tax credit/(expense)	*7*	**79**	(2,984)
(Loss)/profit and total comprehensive (loss)/income for the year attributable to owners of the Company		**(9,563)**	9,467
(Loss)/earnings per share (expressed in HK cents per share)			
Basic and diluted	*8*	**(1.1)**	1.3

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 June 2018

	Note	2018 HK$'000	2017 HK$'000
ASSETS			
Non-current assets			
Property and equipment		**1,101**	1,316
Deposits and prepayments		**88**	429
		1,189	1,745
Current assets			
Trade and retention receivables	*9*	**35,305**	33,702
Deposits, prepayments and other receivables		**2,739**	2,877
Amounts due from customers for contract works		**4,965**	1,073
Restricted cash		**4,652**	2,507
Cash and cash equivalents		**30,045**	14,328
		77,706	54,487
Total assets		**78,895**	56,232
EQUITY			
Share capital	*11*	**10,000**	–
Share premium	*11*	**36,855**	–
Other reserves		**10,100**	10,100
Retained earnings		**12,247**	24,810
Total equity		**69,202**	34,910
LIABILITIES			
Non-current liability			
Obligations under finance leases		**334**	576
Deferred income tax liabilities		**66**	–
		400	576
Current liabilities			
Trade and retention payables	*10*	**2,493**	8,114
Accruals and other payables		**4,268**	4,042
Amounts due to customers for contract works		**1,489**	6,456
Obligations under finance leases		**143**	327
Current income tax liabilities		**900**	1,807
		9,293	20,746
Total liabilities		**9,693**	21,322
Total equity and liabilities		**78,895**	56,232

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 30 June 2018

	Attributable to owners of the Company				
	Share capital *HK$'000* *(Note 11)*	**Share premium** *HK$'000* *(Note 11)*	**Other reserves** *HK$'000*	**Retained earnings** *HK$'000*	**Total** *HK$'000*
At 1 July 2016	–	–	100	21,043	21,143
Comprehensive income:					
Profit and total comprehensive income for the year	–	–	–	9,467	9,467
Transactions with owners in their capacity as owners:					
Issuance of ordinary shares by a company now comprising the Group *(Note 1.2)*	–	–	10,000	–	10,000
Dividends *(Note 12)*	–	–	–	(5,700)	(5,700)
At 30 June 2017	–	–	10,100	24,810	34,910
At 1 July 2017	**–**		**10,100**	**24,810**	**34,910**
Comprehensive loss:					
Loss and total comprehensive loss for the year	**–**	**–**	**–**	**(9,563)**	**(9,563)**
Transactions with owners in their capacity as owners:					
Issuance of Shares and effects of the Reorganisation *(Note 1.2)*	**–**	**–**	**–**	**–**	**–**
Capitalisation of Shares *(Note 11)*	**7,500**	**(7,500)**	**–**	**–**	**–**
Issue of new Shares upon Share Offer *(Note 11)*	**2,500**	**52,500**	**–**	**–**	**55,000**
Listing expenses charged to share premium	**–**	**(8,145)**	**–**	**–**	**(8,145)**
Dividends *(Note 12)*	**–**	**–**	**–**	**(3,000)**	**(3,000)**
At 30 June 2018	**10,000**	**36,855**	**10,100**	**12,247**	**69,202**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1 GENERAL INFORMATION, REORGANISATION AND BASIS OF PRESENTATION

1.1 General information

The Company was incorporated in the Cayman Islands on 11 July 2017 as an exempted company with limited liability under the Companies Law (Cap. 22, Law 3 of 1961 as consolidated and revised) of the Cayman Islands. The address of the Company's registered office is Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman KYI-1111, Cayman Islands and its principal place of business in Hong Kong is Flat A, 6/F, Evernew Commercial Centre, 33 Pine Street, Tai Kok Tsui, Kowloon, Hong Kong. The Company's immediate and ultimate holding company is Talent Gain Ventures Limited ("**Talent Gain**"), a company incorporated in the British Virgin Islands ("**BVI**").

The Company is an investment holding company. The Company and its subsidiaries comprising the group (together the "**Group**") are principally engaged in the business of specialised works and general building works in Hong Kong (the "**Listing Business**").

The shares of the Company (the "**Shares**") were listed on GEM of the Stock Exchange (the "**Listing**") by way of placing and public offer (the "**Share Offer**") on 28 December 2017 (the "**Listing Date**").

These consolidated financial statements are presented in Hong Kong dollars ("**HK$**") and all values are rounded to the nearest thousands (HK$'000), unless otherwise stated.

1.2 Reorganisation

Prior to the incorporation of the Company and the completion of the reorganisation (the "**Reorganisation**") as described below, the Listing Business was carried out by Wai Tat Foundation & Engineering Limited ("**Wai Tat**" or the "**Operating Company**"). Before the completion of the Reorganisation, the Operating Company was controlled by Mr. Kung, Mr. Yip and Mr. Kam (collectively, the "**Controlling Shareholders**") who owned 34%, 33% and 33%, respectively, of the shareholdings of the Operating Company.

In preparation for the Listing, the Group underwent the Reorganisation which principally involved the following steps.

(a) On 22 May 2017, Vision Perfect Ventures Limited ("**Vision Perfect**") was incorporated in the British Virgin Islands ("**BVI**"). On 6 June 2017, 34 shares, 33 shares and 33 shares were allotted and issued to Mr. Kung, Mr. Yip and Mr. Kam, respectively, all credited as fully paid at par value of US$1. As a result, Vision Perfect was owned as to 34% by Mr. Kung, as to 33% to Mr. Yip and as to 33% by Mr. Kam.

(b) On 6 June 2017, Mr. Kung, Mr. Yip and Mr. Kam transferred 34,000 shares, 33,000 shares and 33,000 shares in the Operating Company to Vision Perfect and as consideration of such share transfers, Vision Perfect issued and allotted an aggregate of 800 shares, credited as fully paid, as to 272 shares to Mr. Kung, as to 264 shares to Mr. Yip and as to 264 shares to Mr. Kam. Since then, the Operating Company became a wholly-owned subsidiary of Vision Perfect which was owned as to 34% by Mr. Kung, as to 33% to Mr. Yip and as to 33% by Mr. Kam.

(c) On 9 June 2017, pursuant to a subscription agreement entered into between Excel Jumbo Limited ("**Excel Jumbo**"), an independent third party, and Vision Perfect, Vision Perfect allotted and issued, and Excel Jumbo subscribed for, 100 new shares in Vision Perfect, all credited as fully paid, at a consideration of HK$10,000,000 (the "**Subscription**"). Upon completion of the Subscription, Vision Perfect was owned as to 30.6% by Mr. Kung, as to 29.7% by Mr. Yip, as to 29.7% by Mr. Kam and as to 10% by Excel Jumbo.

(d) On 1 June 2017, Talent Gain was incorporated in the BV1. On 11 July 2017, 34 shares, 33 shares and 33 shares were allotted and issued to Mr. Kung, Mr. Yip and Mr. Kam respectively, all credited as fully paid at par value of US$1. As a result, Talent Gain was owned as to 34% by Mr. Kung, as to 33% to Mr. Yip and as to 33% by Mr. Kam.

(e) The Company was incorporated in the Cayman Islands as an exempted company with limited liability on 11 July 2017. The authorised share capital on the date of incorporation of the Company was HK$380,000 consisting of 38,000,000 Shares with a par value of HK$0.01 each. On the date of incorporation, one Share fully paid at par was allotted and issued to the initial subscriber according to the Memorandum and Articles of Association of the Company, which was transferred to Talent Gain on the same day.

(f) On 24 November 2017, the Company acquired 900 shares in Vision Perfect Ventures Limited ("**Vision Perfect**") from Mr. Kung, Mr. Yip and Mr. Kam, respectively and in consideration of such share transfers, the Company allotted and issued an aggregate of 899 Shares, credited as fully paid, to Talent Gain. On the same day, the Company acquired 100 shares in Vision Perfect from Excel Jumbo Limited ("**Excel Jumbo**"), and in consideration of such share transfer, the Company allotted and issued 100 Shares, credited as fully paid, to Excel Jumbo.

(g) On 1 December 2017, the authorised share capital of the Company was increased from HK$380,000 divided into 38,000,000 Shares of HK$0.01 each to HK$50,000,000 divided into 5,000,000,000 Shares of HK$0.01 each by creation of additional 4,962,000,000 Shares.

(h) Pursuant to the resolutions passed by the then shareholders of the Company (the "**Shareholders**") on 1 December 2017, subject to the share premium account of the Company being credited as a result of the Share Offer or otherwise having sufficient balance, the Directors allotted and issued a total of 749,999,000 shares credited as fully paid at par to the holders of Shares on the register of members of the Company as at 1 December 2017 (or to their respective nominees) in proportion to their shareholdings in the Company by way of capitalisation of the sum of HK$7,499,990 standing to the credit of the share premium account of the Company.

(i) Upon the completion of the Listing, 250,000,000 ordinary shares of HK$0.01 each were issued at a price of HK$0.22 per share for a total consideration, net of Share issuing expenses, of HK$46,855,000.

Upon completion of the Reorganisation, the Company became the holding company of other companies now comprising the Group.

1.3 Basic of presentation

Immediately prior to and after the Reorganisation, the Listing Business has been conducted by the Operating Company. Pursuant to the Reorganisation, the Listing Business were transferred to and held by the Company. The Company has not been involved in any other business prior to the Reorganisation and does not meet the definition of a business. The Reorganisation is merely a reorganisation of the Listing Business with no change in management of such business and the ultimate owners of the Listing Business remain the same. Accordingly, the consolidated financial statements is prepared in accordance with HKFRS 10, Consolidated Financial Statements, issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA"), using the carrying values of the Business under the Controlling Shareholders for all the years presented, or since the respective dates of incorporation/establishment of the subsidiaries within the Group, or since the date when the subsidiaries within the Group first came under the control of the Controlling Shareholders, whichever is later.

Intercompany transactions, balances, unrealised gains/losses on transactions between group companies are eliminated on consolidation.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies applied in the preparation of these consolidated financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

2.1 Basis of preparation

The consolidated financial statements of the Company have been prepared in accordance with Hong Kong Financial Reporting Standards ("**HKFRSs**") issued by the HKICPA and disclosure requirements of the Hong Kong Companies Ordinance (Cap 622). The consolidated financial statements have been prepared under the historical cost convention.

The preparation of the financial statements in conformity with HKFRSs requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements, are disclosed in Note 4.

(a) Amended standards adopted by the group

The Group has applied the following amendments to standards for the first time for their annual reporting period commencing 1 July 2017:

- Disclosure Initiative — Amendments to HKAS 7,
- Recognition of Deferred Tax Assets for Unrealised Losses — Amendments to HKAS 12, and
- Disclosure of Interest in Other Entities — Amendments to HKFRS 12.

The adoption of these amendments did not have any impact on the amounts recognised in prior periods. The amendments to HKAS 7 require disclosure of changes in liabilities arising from financing activities.

(b) ***New standards, amendments to standards and interpretations not yet adopted***

The following new standards, amendments to standards and interpretations have been issued but are not effective for the financial year beginning on or after 1 July 2017 and have not been early adopted:

		Effective for the accounting period beginning on or after
Annual Improvements 2014–2016 Cycle	Improvements to HKFRSs in relation to HKAS 28 "Investments in Associates and Joint Ventures"	1 January 2018
HKAS 40 (Amendments)	Transfers of Investment Property	1 January 2018
HKFRS 1 (Amendment)	First Time Adoption of HKFRS	1 January 2018
HKFRS 2 (Amendments)	Classification and Measurement of Share-based Payment Transactions	1 January 2018
HKFRS 4 (Amendments)	Applying HKFRS 9 Financial Instruments with HKFRS 4 Insurance Contracts	1 January 2018
HKFRS 9 *(Note i)*	Financial Instruments	1 January 2018
HKFRS 15 *(Note ii)*	Revenue from Contracts with Customers	1 January 2018
HKFRS 15 (Amendments) *(Note ii)*	Clarifications to HKFRS 15	1 January 2018
HK (IFRIC) 22	Foreign Currency Transactions and Advance Consideration	1 January 2018
Annual Improvements 2015 –2017 Cycle	Improvements to HKFRSs	1 January 2019
HK (IFRIC) 23	Uncertainty over Income Tax Treatments	1 January 2019
HKAS 28 (Amendment)	Investments in Associates and Joint Ventures	1 January 2019
HKFRS 9 (Amendments)	Prepayment Features with Negative Compensation	1 January 2019
HKFRS 16 *(Note iii)*	Leases	1 January 2019
HKFRS 17	Insurance Contract	1 January 2021
HKFRS 10 and HKAS 28 (Amendments)	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	To be determined

Management is in the process of making an assessment on the impact of these new and revised standards, amendments to standards and interpretations. Other than HKFRS 9, HKFRS 15 and HKFRS 16 which may have an impact on the Group's consolidated financial statements, the directors of the Group do not anticipate that the application of the other new standards, amendments to standards and interpretations will have material impact on the results and financial position of the Group.

(i) HKFRS 9 "Financial instruments"

The new standard addresses the classification, measurement and derecognition of financial assets and financial liabilities, introduces new rules for hedge accounting and a new impairment model for financial assets. HKFRS 9 introduces a new model for the recognition of impairment losses — the expected credit losses ("**ECL**") model, which constitutes a change from the incurred loss model in HKAS 39. HKFRS 9 contains a "three stage" approach, which is based on the change in credit quality of financial assets since initial recognition. Assets move through the three stages as credit quality changes and the stages dictate how an entity measures impairment losses and applies the effective interest rate method. The new rules mean that on initial recognition of a non-credit impaired financial asset carried at amortised cost a day-1 loss equal to the 12-month ECL is recognised in profit or loss. In the case of accounts receivables this day-1 loss will be equal to their lifetime ECL. Where there is a significant increase in credit risk, impairment is measured using lifetime ECL rather than 12-month ECL. The Group has performed assessment of the potential impact of the application of the new model for the recognition of impairment losses. The implementation of the new ECL model is not expected to result in any significant impact on the Group's financial results and position except that it may result in an earlier recognition of credit losses.

There will be no impact on the Group's accounting for financial liabilities, as the new requirements only affect the accounting for financial liabilities that are designated at fair value through profit or loss and the Group does not have any such liabilities. The derecognition rules have been transferred from HKAS 39 Financial Instruments: Recognition and Measurement and have not been changed.

HKFRS 9 must be applied for financial year commencing on or after 1 January 2018. The Group will apply the new rules retrospectively from 1 July 2018, with the practical expedients permitted under the standard. Comparatives will not be restated.

(ii) HKFRS 15 "Revenue from contracts with customers"

HKFRS 15 establishes a comprehensive framework for determining whether, how much and when revenue is recognised. It replaces existing revenue recognition guidance, including HKAS 18, Revenue, HKAS 11, Construction contracts and HK(IFRIC)-Interpretation 13, Customer Loyalty Programmes. It also includes guidance on when to capitalise costs of obtaining or fulfilling a contract not otherwise addressed in other standards, and includes expanded disclosure requirements.

The core principle of HKFRS 15 is that an entity should recognise revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Specifically, the standard introduces a 5 step approach to revenue recognition:

Step 1: Identify the contract(s) with customer.

Step 2: Identify the performance obligations in the contract.

Step 3: Determine the transaction price.

Step 4: Allocate the transaction price to the performance obligations in the contract.

Step 5: Recognise revenue when (or as) the entity satisfies a performance obligation.

The principles in HKFRS 15 provide a more structured approach for measuring and recognising revenue. The standard also introduces extensive qualitative and quantitative disclosure requirements, including disaggregation of total revenue, information about performance obligations, changes in contract asset and liability account balances between periods and key judgements and estimates.

The Group has evaluated the impact of adopting HKFRS 15 on the Group's financial statements. Based on the assessment, the new standard will likely have an impact on the amounts reported and disclosures made in the Group's consolidated financial statements. HKFRS 15 includes contract cost guidance that could result in a change in the measurement and recognition of contract costs as compared to the accounting policy currently adopted by the Group. Under HKFRS 15, the Group is required to identify separate performance obligations in recognising the amount of revenue and recognise the amount of cost related to satisfied performance obligations and fulfilment costs. The Group will no longer be able to defer costs if the performance obligation qualifies for over-time recognition unless such costs qualify for capitalisation based on either the costs to obtain or costs to fulfill the contract guidance. Costs incurred in satisfying a performance obligation are charged to expense as incurred. Since the Group will continue to use output method to measure progress, which is other than cost-to-cost method, this will likely result in uneven margins in individual reporting periods over the life of the contract.

The Group intends to adopt the standard for all uncompleted contracts as at 1 July 2018 using the modified retrospective approach which means that the cumulative impact of the adoption will be recognised in the retained earnings as of 1 July 2018 and that comparatives will not be restated.

(iii) HKFRS16 "Leases"

HKFRS 16 "Leases" addresses the definition of a lease, recognition and measurement of leases and establishes principles for reporting useful information to users of financial statements about the leasing activities of both lessees and lessors. A key change arising from HKFRS 16 is that most operating leases will be accounted for on statement of financial position for lessees. The Group is a lessee of various properties which are currently classified as operating leases and the Group's future operating lease commitments are not reflected in the consolidated statement of financial position. HKFRS 16 provides new provisions for the accounting treatment of leases and will in the future no longer allow lessees to recognise certain leases outside of the statement of financial position. Instead, almost all leases must be recognised in the form of an asset (for the right of use) and a financial liability (for the payment obligation). Thus each lease will be mapped in the Group's consolidated statement of financial position. Short-term leases of less than twelve months and leases of low-value assets are exempt from the reporting obligation. The new standard will therefore result in an increase in assets and financial liabilities in the consolidated statement of financial position. As for the financial performance impact in the consolidated statements of comprehensive income, the operating lease expenses will decrease, while depreciation and amortisation and the interest expense will increase. HKFRS 16 is mandatory for financial years commencing on or after 1 January 2019, and management expects the impacts on the Group's financial results and position upon the adoption of HKFRS 16 are not material. The Group's future aggregate minimum lease payments under non-cancellable operating leases as at 30 June 2018 are approximately HK$447,000 (2017: HK$717,000).

3 SEGMENT INFORMATION

The chief operating decision maker (the "CODM") has been identified as the executive directors who review the Group's internal reporting in order to assess performance and allocate resources. The CODM has determined the operating segments based on these reports.

The CODM assesses the performance based on a measure of profit after income tax and considers all businesses to be included in a single operating segment.

The Group is principally engaged in the business of specialised works and general building works in Hong Kong. Information reported to CODM for the purpose of resources allocation and performance assessment focuses on the operating results of the Group as a whole as the Group's resources are integrated and no discrete operating segment financial information is available. Accordingly, no operating segment information is presented.

All of the Group's activities are carried out in Hong Kong and all of the Group's assets and liabilities are located in Hong Kong. Accordingly, no analysis by geographical basis is presented.

The Group is domiciled in Hong Kong and revenue are all derived from external customers in Hong Kong for the year (2017: same). During the year, revenue from 3 (2017: 4) customers individually contributed over 10% of the Group's revenue. The revenue from each of these customers during the year are summarised below:

	2018	2017
	HK$'000	*HK$'000*
Customer A	**N/A [a]**	12,064
Customer B	**18,772**	20,596
Customer C	**N/A [a]**	15,994
Customer D	**5,941**	8,578
Customer E	**11,580**	N/A [a]

Note:

(a) The corresponding customers did not contribute over 10% of the total revenue of the Group for the specific year.

4 REVENUE AND OTHER INCOME

Revenue and other income recognised during the years are as follows:

	2018	2017
	HK$'000	*HK$'000*
Revenue:		
Contract revenue	**44,995**	75,370
Other income:		
Compensation income received from a customer	**–**	400
Sundry income	**262**	158
	262	558

5 EXPENSES BY NATURE

Expenses included in cost of sales and administrative expenses are analysed as follows:

	2018 HK$'000	2017 HK$'000
Construction costs recognised in cost of sales	**37,174**	52,625
Employee benefits expenses, including directors' emoluments	**4,660**	2,855
Depreciation	**349**	353
Listing expenses	**9,176**	6,006
Legal and professional fees	**1,641**	222
Auditors' remuneration		
— Audit services	**900**	86
— Non-audit services	**–**	210
Operating lease charges in respect of the Group's office	**265**	258
Motor vehicle expenses	**380**	372
Utility expenses	**73**	101
Others	**308**	368
Total cost of sales and administrative expenses	**54,926**	63,456

6 FINANCE INCOME/(COSTS), NET

	2018 HK$'000	2017 HK$'000
Finance Income		
Bank interest income	**58**	–
Finance costs on:		
— Finance lease liabilities	**(31)**	(33)
	27	(33)

7 INCOME TAX (CREDIT)/EXPENSE

No Hong Kong profits tax has been provided as the Group did not have assessable profit for the year (2017: Hong Kong profits tax has been provided for at the rate of 16.5% on the estimated assessable profit for the year).

No overseas profits tax has been calculated for entities of the Group that are incorporated in the BVI or the Cayman Islands as they are exempted from tax (2017: Nil).

The amount of income tax (credit)/expense charged to the consolidated statement of comprehensive income represents:

	2018 HK$'000	2017 HK$'000
Current income tax		
— Hong Kong profits tax	**–**	2,984
Deferred income tax	**66**	–
Over provision in prior year	**(145)**	–
Income tax (credit)/expense	**(79)**	2,984

The tax on the Group's (loss)/profit before income tax differs from the theoretical amount that would arise using the enacted tax rate of the group entities as follows:

	2018	2017
	HK$'000	*HK$'000*
(Loss)/profit before income tax	**(9,642)**	12,451
Tax calculated at a tax rate of 16.5%	**(1,590)**	2,054
Expenses not deductible for tax purposes	**1,666**	1,000
Income not subject to tax	**(10)**	(50)
Over provision in prior year	**(145)**	–
Tax concession	**–**	(20)
Income tax (credit)/expense	**(79)**	2,984

8 (LOSS)/EARNINGS PER SHARE

(a) Basic

Basic (loss)/earnings per share is calculated by dividing the (loss)/profit attributable to owners of the Company by the weighted average number of ordinary shares in issue during the respective periods. In determining the weighted average number of ordinary shares, the additional 749,999,000 Shares issued pursuant to the capitalisation issue in respect of the Listing were treated as if they had been in issue since 1 July 2016.

	2018	2017
(Loss)/profit attributable to owners of the Company (in HK$'000)	**(9,563)**	9,467
Weighted average number of ordinary shares for the purpose of basic and diluted (loss)/earnings per share	**876,712,329**	750,000,000
(Loss)/earnings per share (HK cents per share)	**(1.1)**	1.3

(b) Diluted

Diluted (loss)/earnings per share is the same as basic (loss)/earnings per share due to the absence of dilutive potential ordinary shares during the respective year.

9 TRADE AND RETENTION RECEIVABLES

	2018	2017
	HK$'000	*HK$'000*
Trade receivables	**27,449**	28,244
Retention receivables	**7,856**	5,458
	35,305	33,702

The Group's credit terms granted to third-party customers other than those retention receivables range from 30 days to 180 days. The terms and conditions in relation to the release of retention vary from contract to contract, which is subject to practical completion, the expiry of the defect liability period or a pre-agreed time period. The Group does not hold any collateral as security.

The Group adopts output method for revenue recognition. Revenue, trade and retention receivables are recognised based on work completed up to the end of the reporting periods which are certified by architects.

As at 30 June 2018, the ageing analysis of the third-party trade receivables, based on invoice date, are as follows:

	2018	2017
	HK$'000	*HK$'000*
Up to 30 days	**7,837**	25,235
31–60 days	**1,566**	43
61–90 days	**5,384**	46
91–120 days	**652**	41
Over 120 days	**12,010**	2,879
	27,449	28,244

In the consolidated statement of financial position, retention receivables were classified as current assets based on operating cycle. The ageing of the retention receivables, based on invoice date, are as follows:

	2018	2017
	HK$'000	*HK$'000*
Up to 1 year	**4,256**	3,817
Over 1 year	**3,600**	1,641
	7,856	5,458

Individual receivables which are known to be uncollectible are written off by reducing the carrying amount directly.

Receivables for which an impairment provision was recognised are written off against the provision when there is no expectation of recovering additional cash.

Impairment losses are recognised in consolidated statement of comprehensive income within "administrative expenses".

As at 30 June 2018, the trade and retention receivables of approximately HK$21,528,000 (2017: HK$1,854,000) were past due but not impaired. These relate to a number of independent customers for whom there is no significant financial difficulty and based on past experience, the overdue amounts can be recovered.

The carrying amounts of trade and retention receivables are denominated in HK$ and approximate their fair values.

10 TRADE AND RETENTION PAYABLES

Trade and retention payables at the end of reporting period comprise amounts outstanding to contract creditors and suppliers. The average credit period taken for trade payables is generally 30 days.

	2018	2017
	HK$'000	*HK$'000*
Trade payables	**1,389**	7,338
Retention payables	**1,104**	776
	2,493	8,114

As at 30 June 2018, the ageing analysis of the trade payables, based on invoice date, are as follows:

	2018	2017
	HK$'000	***HK$'000***
Up to 30 days	**1,351**	7,309
31–60 days	**–**	29
61–90 days	**38**	–
	1,389	7,338

In the consolidated statement of financial position, retention payables were classified as current liabilities. The ageing of the retention payables by invoice date was as follows:

	2018	2017
	HK$'000	*HK$'000*
Up to 1 year	**990**	776
Over 1 year	**114**	–
	1,104	776

The carrying amounts of trade and retention payables are denominated in the following currencies:

	2018	2017
	HK$'000	*HK$'000*
HK$	**2,493**	4,679
Taiwan Dollar	**–**	3,435
	2,493	8,114

The carrying amounts of trade and retention payables approximate their fair values.

11 SHARE CAPITAL AND SHARE PREMIUM

The share capital of the Group as at 30 June 2018 represented the share capital of the Company.

	Number of shares *(in thousand)*	Total *HK$'000*	Share premium *HK$'000*
Ordinary shares of HK$0.01 each			
Authorised:			
At 11 July 2017 (date of incorporation) *(note a)*	38,000	380	–
Increase on 1 December 2017 *(note c)*	4,962,000	49,620	–
At 30 June 2018	5,000,000	50,000	–

	Number of shares *(in thousand)*	Total *HK$'000*	Share premium *HK$'000*
Issued and fully paid:			
At 11 July 2017 (date of incorporation) *(note a)*	–	–	–
Issue of new shares on reorganisation *(note b)*	1	–	–
Capitalisation issue *(note d)*	749,999	7,500	(7,500)
Issue of new shares upon listing *(note e)*	250,000	2,500	52,500
Listing expenses charged to share premium *(note e)*	–	–	(8,145)
At 30 June 2018	1,000,000	10,000	36,855

Notes:

(a) The Company was incorporated in the Cayman Islands as an exempted company with limited liability on 11 July 2017. The authorised share capital on the date of incorporation of the Company was HK$380,000 consisting of 38,000,000 Shares with a par value of HK$0.01 each. On the date of incorporation, one Share fully paid at par was allotted and issued to the initial subscriber to the memorandum and Articles of Association of the Company, which was transferred to Talent Gain on the same day.

(b) On 24 November 2017, the Company acquired 900 shares in Vision Perfect Ventures Limited ("**Vision Perfect**") from Mr. Kung, Mr. Yip and Mr. Kam, respectively and in consideration of such share transfers, the Company allotted and issued an aggregate of 899 Shares, credited as fully paid, to Talent Gain. On the same day, the Company acquired 100 shares in Vision Perfect from Excel Jumbo Limited ("**Excel Jumbo**"), and in consideration of such share transfer, the Company allotted and issued 100 Shares, credited as fully paid, to Excel Jumbo.

(c) On 1 December 2017, the authorised share capital of the Company was increased from HK$380,000 divided into 38,000,000 Shares of HK$0.01 each to HK$50,000,000 divided into 5,000,000,000 Shares of HK$0.01 each by creation of additional 4,962,000,000 Shares.

(d) Pursuant to the resolutions passed by the then Shareholders of the Company on 1 December 2017, subject to the share premium account of the Company being credited as a result of the Share Offer or otherwise having sufficient balance, the Directors alloted and issued a total of 749,999,000 shares credited as fully paid at par to the holders of Shares on the register of members of the Company as at 1 December 2017 (or to their respective nominees) in proportion to their shareholdings in the Company by way of capitalisation of the sum of HK$7,499,990 standing to the credit of the share premium account of the Company.

(e) Upon the completion of the Listing, 250,000,000 ordinary shares of HK$0.01 each were issued at a price of HK$0.22 per share for a total consideration of HK$46,855,000, net of Share issuing expenses.

12 DIVIDENDS

No dividend has been paid or declared by the Company during the period from its date of incorporation to 30 June 2018.

On 1 December 2017, Wai Tat declared a special dividend amounting to HK$3,000,000 to the then shareholders, which had been settled before Listing. During the year ended 30 June 2017, Wai Tat declared and paid dividend of HK$5,700,000 to the then shareholders.

13 RELATED PARTIES TRANSACTIONS

(a) Parties are considered to be related to the Group if the party has the ability, directly or indirectly, to exercise significant influence over the Group in making financial and operating decisions. Related parties may be individuals (being members of key management personnel, significant shareholders and/or their close family members) or other entities and include entities which are under the significant influence of related parties of the Group where those parties are individuals. Parties are also considered to be related if they are subject to common control.

The directors are of the view that the following individuals were related parties that had transactions or balances with the Group during the year:

Name	**Relationship with the Group**
Mr. Kung	Shareholder and Executive Director
Mr. Yip	Shareholder and Executive Director
Mr. Kam	Shareholder and Executive Director

(b) As at 30 June 2017, Wai Tat, Mr. Kung and Mr. Yip had entered into indemnity agreements with an insurance company in order to secure performance bond amounting to HK$2,860,000 in respect of a construction contract of the Group in its ordinary course of business. These personal guarantees given by Mr. Kung and Mr. Yip were released in November 2017 and as at 30 June 2018, this performance bond was only secured by Wai Tat.

(c) Key management compensation

Key management includes executive, non-executive directors and the senior management of the Group.

The compensation paid or payable to key management for employee services is shown below:

	2018	2017
	HK$'000	*HK$'000*
Salaries, allowances and benefits in kind	**4,738**	4,052
Retirement benefit costs — defined contribution plans	**57**	85
	4,795	4,137

14 SUBSIDIARIES

The Group's principal subsidiaries at 30 June 2018 are set out below. Unless otherwise stated, they have share capital consisting solely of ordinary shares that are held directly by the Group, and the proportion of ownership interests held equals the voting rights held by the Group. The country of incorporation or registration is also their principal place of business.

Name of entity	Place and date of incorporation	Kind of legal entity	Principal activities	Issued and paid up capital	Ownership interest held by the Group	
					2018	2017
					%	%
Directly held						
Vision Perfect	BVI, 22 May 2017	Limited liability company	Investment holding	US$1,000	**100**	100
Indirectly held						
Wai Tat	Hong Kong, 25 January 2002	Limited liability company	Engaged in business of foundation works, site formation works, superstructure works, demolition works and ground investigation field works	HK$100,000	**100**	100

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW AND OUTLOOK

The Group principally engaged in the provision of specialised works and general building works as a main contractor in Hong Kong, through Wai Tat Foundation & Engineering Limited ("**Wai Tat**"), our key operating subsidiary. The Group undertakes specialised works which include (i) foundation and site formation works; (ii) demolition works; and (iii) ground investigation field works. The Group also undertakes general building works including superstructure building works, slope maintenance works, hoarding works, alternation and addition works and other miscellaneous construction works.

For the year ended 30 June 2018, the Group recorded a net loss of approximately HK$9.6 million as compared to net profit of approximately HK$9.5 million for the corresponding year in 2017. The reversal of the Group's net profit to net loss for the year ended 30 June 2018 was mainly attributable to the non-recurring Listing expenses of approximately HK$9.2 million incurred and the decrease of gross profit during the year ended 30 June 2018 compared to the corresponding year in 2017. Setting that aside, the Group's normalised net loss (which is adjusted for the non-recurring Listing expenses) for the year ended 30 June 2018 would be approximately HK$0.4 million. Such normalised net loss was primarily due to (i) the decrease in revenue resulting from the slowdown of progress of certain projects due to the change of design and change of working schedules as requested by the relevant customers; (ii) the decrease in gross profit attributable to the projects mix that we carried out during the year ended 30 June 2018 which had generated a lower gross profit than those projects carried out during the year ended 30 June 2017; (iii) the provision of the liquidated damage for a project completed during the year ended 30 June 2018; and (iv) the increase in administrative expenses in relation to staff cost, audit fees and professional fees charged by an accounting firm for consultancy services. As at the date of this announcement, the Group has finalised the revised design and working schedules with the relevant customers.

FUTURE PROSPECTS

The upcoming fiscal year may not be easy for the Group. Despite the increase in residential and commercial real estate developments as well as investment in infrastructure in Hong Kong, competition is very keen and securing a construction contract becomes more difficult than before. With the experienced and professional management team, established relationship with the customers and suppliers as well as our commitment to maintaining high safety and working standard, the Directors are of the view that the Group is well-positioned to capture further business opportunities by focusing on the foundation and site formation works and superstructure building works projects in Hong Kong. The Group will continue to pursue its business objectives and strategies: (i) expanding the market share and compete for more foundation and site formation projects, and superstructure building works projects; (ii) further strengthening our manpower; and (iii) adherence to prudent financial management to ensure sustainable growth and capital sufficiency.

Bearing in mind the associated risk and in consideration to maximise the returns to its shareholders, the Directors may also consider other investment opportunities to broaden the base of return of the Group. As at the date of this announcement, the Group has not identified any investment opportunities.

FINANCIAL REVIEW

Revenue

For the years ended 30 June 2017 and 2018, our Group generated total revenue of approximately HK$75.4 million and HK$45.0 million, respectively. The decrease in revenue was mainly attributable to the slowdown of progress of certain projects due to the change of design and change of working schedules as requested by the relevant customers.

Gross profit

For the years ended 30 June 2017 and 2018, the Group recorded gross profit of approximately HK$22.7 million and HK$7.8 million, respectively and the gross profit margin of the Group was approximately 30.2% and 17.4% for the respective years. Decline in gross profit was primarily attributable to the projects mix that we carried out during the year ended 30 June 2018 which had generated a lower gross profit than those projects carried out during the year ended 30 June 2017 and the provision of the liquidated damage for a project completed during the year ended 30 June 2018.

Administrative expenses

Our administrative expenses mainly consist of the non-recurring Listing expenses, employee benefits expenses including director's emoluments, audit fees and professional fees charged by an accounting firm for consultancy services. Our administrative expenses amounted to approximately HK$10.8 million and HK$17.8 million for the year ended 30 June 2017 and 2018, respectively. The increase in administrative expenses was mainly attributable to the effect of the non-recurring Listing expenses, the increase in staff costs and audit fee, as well as the professional fee charged by an accounting firm for consultancy services, as compared to the corresponding year in 2017.

Income tax expense/credit

Income tax expense for the year ended 30 June 2017 and income tax credit for the year ended 30 June 2018 of the Group amounted to approximately HK$3.0 million and HK$0.1 million respectively. The reversal was mainly attributable to the decrease in gross profit and increase in the administrative expenses for the year ended 30 June 2018 as compared to the corresponding year in 2017.

Profit/loss and total comprehensive income/loss attributable to owners of the Company

Profit and total comprehensive income attributable to owners of the Company for the year ended 30 June 2017 and loss and total comprehensive loss for the year ended 30 June 2018 amounted to approximately HK$9.5 million and HK$9.6 million respectively. Such reversal was primarily attributable to (i) the non-recurring Listing expenses incurred for the year ended 30 June 2018; (ii) the decrease in revenue resulting from the slowdown of progress of certain projects due to change of design and change of working schedules as requested by the relevant customers; (iii) the decrease of gross profit for the year ended 30 June 2018; and (iv) the increase in administrative expenses incurred by the Group for the year ended 30 June 2018 compared to the corresponding year in 2017. Excluding the non-recurring Listing expenses of approximately HK$9.2 million, normalised net loss for the year ended 30 June 2018 would be approximately HK$0.4 million compared to the normalised net profit of HK$15.5 million for the corresponding year in 2017.

LIQUIDITY AND FINANCIAL RESOURCES

The Group maintained a sound financial position during the year ended 30 June 2018. As at 30 June 2018, the Group had bank balances and cash of approximately HK$30.0 million (as at 30 June 2017: approximately HK$14.3 million) and restricted cash balances of approximately HK$4.7 million (as at 30 June 2017: approximately HK$2.5 million). The current ratio as at 30 June 2018 was approximately 8.4 times (as at 30 June 2017: approximately 2.6 times). The Directors are of the view that the Group is in a healthy financial position to expand its core business and to achieve its business objectives.

GEARING RATIO

The gearing ratio is calculated based on the total debt divided by total equity as at the respective reporting date. Total debt represents the obligations under the finance leases. As at 30 June 2018, the Group recorded gearing ratio of approximately 0.7% (as at 30 June 2017: approximately 2.6%)

CHARGE OVER THE GROUP'S ASSETS

As at 30 June 2018, the Group pledged its deposits in an insurance company of approximately HK$4.7 million (as at 30 June 2017: approximately HK$2.5 million) as collateral for performance bonds.

As at 30 June 2018, the Group pledged the leased motor vehicles of approximately HK$0.5 million (as at 30 June 2017: approximately HK$1.0 million) as collateral to the obligations under finance leases.

Save as disclosed above, the Group does not have any other charges on its assets.

FOREIGN EXCHANGE EXPOSURE

For the year ended 30 June 2018, most of the revenue-generating operations were transacted in Hong Kong dollars. There was no significant exposure to foreign exchange rate fluctuations. As such, the Group currently does not have a foreign currency hedging policy.

CAPITAL STRUCTURE

The Shares were successfully listed on GEM of the Stock Exchange on 28 December 2017. There has been no change in the capital structure of the Group since the Listing Date and up to the date of this announcement. The capital of the Group only comprises of ordinary shares.

As at 30 June 2018, the Company's issued share capital was HK$10,000,000 and the number of its issued ordinary shares was 1,000,000,000 of HK$0.01 each.

TREASURY POLICY

The Directors will continue to follow a prudent policy in managing the Group's cash balances and maintain a strong and healthy liquidity to ensure that the Group is well placed to take advantage of future growth opportunities.

COMMITMENTS

The contractual commitments of the Group were primarily related to the leases of its office premises and Director's quarter. The Group's operating lease commitments amounted to approximately HK$0.4 million as at 30 June 2018 (as at 30 June 2017: approximately HK$0.7 million). As at 30 June 2018, the Group did not have any other capital commitment (as at 30 June 2017: nil).

SEGMENT INFORMATION

Segmental information is presented for the Group as disclosed on note 3 of this announcement.

SIGNIFICANT INVESTMENTS HELD, MATERIAL ACQUISITIONS AND DISPOSALS OF SUBSIDIARIES AND AFFILIATED COMPANIES, AND FUTURE PLANS FOR MATERIAL INVESTMENTS OR CAPITAL ASSETS

There was no significant investment held as at 30 June 2018. The Group did not have material acquisition and disposal of subsidiaries and associated companies during the year ended 30 June 2018 save for those reorganisation activities as set out in the prospectus of the Company dated 13 December 2017 (the "**Prospectus**"). There was no other plan for material investments or capital assets as at 30 June 2018.

CONTINGENT LIABILITIES

As at 30 June 2018, the Group has given guarantees on performance bonds issued by insurance companies of approximately HK$4.7 million in respect of two construction contracts of the Group in its ordinary course of business (as at 30 June 2017: approximately HK$4.9 million in respect of three construction contracts). The Group has contingent liabilities to indemnify the insurance companies for any claims from customers under the guarantee due to the failure of the Group's performance. The performance bonds are expected to be released in accordance with the terms of the respective construction contracts. As at the date of this announcement, the Directors do not consider it is probable that any claim will be made against the Group.

Save as disclosed above, the Group has no other material contingent liabilities (as at 30 June 2017: nil).

EMPLOYEES AND REMUNERATION POLICIES

As at 30 June 2018, the Group employed a total of 19 employees (as at 30 June 2017: 14 employees). The staff costs, including Directors' emoluments, of the Group were approximately HK$10.4 million for the year ended 30 June 2018 (for the year ended 30 June 2017: approximately HK$7.1 million).

The Group remunerates the employees based on their position, qualifications and performance. On top of the basic salaries, bonuses may be paid with reference to the Group's performance as well as employee's performance. Various types of trainings are provided to the employees for the improvement of their standards and skills.

DIVIDENDS

The Directors do not recommend payment of final dividend for the year ended 30 June 2018.

COMPARISON BETWEEN BUSINESS OBJECTIVES WITH ACTUAL BUSINESS PROGRESS

An analysis comparing the business objectives as set out in the Prospectus with the Group's actual business progress for the period from the Listing Date to 30 June 2018 is set out below:

Business objective as stated in the Prospectus	Business plan stated in the Prospectus	Actual business progress up to 30 June 2018
Continue to expand the market share and compete for more foundation and site formation projects and superstructure building works projects	Take out surety bonds for Project A and Project B	Bank balances of approximately HK$2.5 million (note a) and HK$1.8 million (note b) were reserved for the surety bond requirement of Project A and Project B respectively. Bank balances of approximately HK$1.1 million were reserved for the surety bond requirement of a new project in Central, Hong Kong (note c). Bank balances of approximately HK$3.2 million were reserved for the surety bond requirement of other potential new projects.
	Finance the upfront costs and working capital requirement at the early stage of Project A and Project B and other projects	Bank balances of approximately HK$2.5 million had been utilized to finance the upfront cost and working capital requirement of Project B. For Project A, we are still in the tender queries process and the respective proceeds have not been utilized. Considered the delay of the tendering result of Project A and the commencing of the new project in Central, Hong Kong in late July 2018 (note c), bank balances of approximately HK$2.2 million would be reserved to finance its upfront cost.
	Continue to identify suitable business opportunities and review the tendering strategies to compete for more foundation and site formation projects and superstructure building works projects	The Group was in the process of identifying suitable business opportunities.

Business objective as stated in the Prospectus	Business plan stated in the Prospectus	Actual business progress up to 30 June 2018
Further strengthening the Group's manpower	Hire and employ one project manager, two assistant project managers, one assistant accountant and one site foreman and continue to assess the needs to recruit additional staff in view of the business development	The Group has recruited two senior engineers and one foreman to enhance our project implementation capabilities and one management trainee to support accounting functions therefore delayed the planned recruitment of one project manager, one assistant project manager and one assistant accountant stated in the Prospectus.
	Provide training to our existing and newly recruited staff and/or sponsor our staff to attend training courses on occupational health and safety	The Group has sponsored the staff to attend several training courses on occupational health and safety from the Listing Date to the year ended 30 June 2018.

USE OF PROCEEDS

Based on the offer price of HK$0.22 per Offer Share, the net proceeds from the Listing, after deducting the underwriting commission and other Listing related expenses, amounted to approximately HK$31.7 million. The Group intended to apply such net proceeds in accordance with the purposes set out in the section headed "Future Plans and Use of Proceeds" in the Prospectus.

As at 30 June 2018, the planned application and actual utilisation of the net proceeds from the Listing is set out below:

Business plan as stated in the Prospectus	Net proceeds from the Share Offer *HK$'million*	Amount utilised up to 30 June 2018 *HK$'million*	Unutilised balance up to 30 June 2018 *HK$'million*
Taking out surety bond for Project A and Project B	8.6	–	8.6
Financing the upfront cost and working capital requirement at the early stage of Project A and Project B and other projects	16.4	2.5	13.9
Further strengthening the Group's manpower	4.1	0.3	3.8
General working capital	2.6	0.8	1.8
Total	31.7	3.6	28.1

As at 30 June 2018, the Group has not yet utilised the net proceeds of approximately HK$28.1 million.

Note:

(a) Project A is in the tender queries process. Bank balances of approximately HK$2.5 million were reserved for the surety bond requirement. Bank balances of approximately HK$6.3 million were reserved for financing upfront costs and working capital requirement at the early stage of the project after allocating approximately HK$2.2 million to the new project in Central mentioned in note c below.

(b) For project B, HK$6.1 million, representing approximately 10% of the notional contract value of the project, was reserved for the surety bond requirement. After negotiating with the insurance company, only HK$1.8 million of cash deposit was required for the bond sum of HK$6.1 million, which has been deposited by the Group in July 2018.

(c) The Group has signed a Letter of Acceptance for a project in Central, Hong Kong in July 2018 with the notional contract value of HK$21.7 million. Based on the latest quotation from the insurance company, HK$1.1 million is required to deposit for the surety bond of HK$2.2 million, representing approximately 10% of the notional contract value.

PURCHASE, SALES OR REDEMPTION OF THE COMPANY'S LISTED SECURITIES

Neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company's listed securities during the year ended 30 June 2018.

CORPORATE GOVERNANCE PRACTICE

The Company has complied with the principles and code provisions in the Corporate Governance Code (the "**CG Code**") as set out in Appendix 15 to the GEM Listing Rules except the following:

The principal of code provision A.2.1 of CG Code stipulates that there should be a clear division of the management of the Board and the day-to-day management of the business. The Group has not appointed the chief executive officer.

However, the management of the Board and the day-to-day management of the business are primarily performed by Mr. Yip. The Group is of the view that there is a deviation from code provision A.2.1 of CG Code. In view of Mr. Yip has been operating and managing Wai Tat, our operating subsidiary, since 2002, the Board believes that it is in the best interest of our Group to have Mr. Yip taking up both roles for effective management and business development.

Therefore, our Directors consider that the deviation from code provision A.2.1 of CG Code is appropriate in such circumstance. The Board believes that the balance of power and authority is ensured by the operations of the Board which comprises experienced and competent individuals, with three of them being independent non-executive Directors.

Except for the deviation from code provision A.2.1 of CG Code, the Company's corporate governance practices have complied with the CG Code.

ANNUAL GENERAL MEETING

The first annual general meeting ("**AGM**") of the Company will be held on Wednesday, 31 October 2018. A notice convening the meeting will be issued and sent to the Shareholders in due course.

For determining the entitlement to attend and vote at the forthcoming AGM, the register of members of the Company will be closed from Friday, 26 October 2018 to Wednesday, 31 October 2018, both dates inclusive, during which period no transfer of shares can be registered. In order to be eligible to attend and vote at the AGM, all transfers accompanied by the relevant share certificates must be lodged with the Company's branch share registrar and transfer office in Hong Kong, Union Registrars Limited, at Suites 3301–04, 33/F., Two Chinachem Exchange Square, 338 King's Road, North Point, Hong Kong for registration not later than 4:00 p.m. on Thursday, 25 October 2018.

COMPETING INTERESTS

The Directors are not aware of and had not received any written confirmation from any of our Directors nor controlling shareholders in respect of any business or interest of the Directors nor the controlling shareholders of the Company nor any of their respective associates (as defined in the GEM Listing Rules) that compete or may compete, directly or indirectly, with the business of the Group or any other conflicts of interest which any such person has or may have with the Group during the year ended 30 June 2018 and up to the date of this announcement.

COMPLIANCE OF CODE OF CONDUCT FOR DIRECTORS' SECURITIES TRANSACTIONS

The Company has adopted Rules 5.48 to 5.67 of the GEM Listing Rules as its own code of conduct regarding Directors' securities transactions. Having made specific enquiry of all Directors, all Directors confirmed that they had complied with the required standard of dealings and the code of conduct concerning securities transactions by the Directors during the year ended 30 June 2018.

EVENTS AFTER THE REPORTING PERIOD

As of the date of this announcement, save as disclosed in this announcement and the annual report for the year ended 30 June 2018, the Board is not aware of any significant events after the year ended 30 June 2018 that requires disclosure.

AUDIT COMMITTEE

The audit committee of the Group (the "**Audit Committee**") was established with written terms of reference in compliance with Rules 5.28 and 5.29 of the GEM Listing Rules and code provision C.3.3 and C.3.7 of CG Code. The Audit Committee currently comprises three independent non-executive Directors and is chaired by Mr. Leung Chi Hung. The other members are Ms. Wong Lai Na and Ms. Hung Siu Woon Pauline. The written terms of reference of the Audit Committee are posted on the websites of the Stock Exchange and the Company.

The primary duties of the Audit Committee are mainly to review the financial information and reporting process, internal control procedures and risk management system, audit plan and relationship with external auditors and arrangements to enable employees of the Company to raise, in confidence, concerns about possible improprieties in financial reporting, internal control or other matters of the Company.

The Company has complied with Rule 5.28 of the GEM Listing Rules in that at least one of the members of the Audit Committee (which must comprise a minimum of three members and must be chaired by an independent non-executive Director) is an independent non-executive Director who possesses appropriate professional qualifications or accounting related financial management expertise.

The Group's consolidated financial statements for the year ended 30 June 2018 and this announcement have been reviewed by the Audit Committee. The Audit Committee is of the opinion that the consolidated financial statements of the Group for the year ended 30 June 2018 comply with applicable accounting standards, GEM Listing Rules and that adequate disclosures have been made.

SCOPE OF WORK OF PRICEWATERHOUSECOOPERS

The figures in respect of the Group's consolidated statement of financial position, consolidated statement of comprehensive income, and the related notes thereto for the year ended 30 June 2018 as set out in the preliminary announcement have been agreed by the Group's auditor, PricewaterhouseCoopers, to the amounts set out in the Group's audited consolidated financial statements for the year. The work performed by PricewaterhouseCoopers 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 Hong Kong Institute of Certified Public Accountants and consequently no assurance has been expressed by PricewaterhouseCoopers on the preliminary announcement.

By Order of the Board
WT Group Holdings Limited
Yip Shiu Ching
Chairman and executive Director

Hong Kong, 24 September 2018

As at the date of this announcement, the executive Directors are Mr. Yip Shiu Ching (Chairman), Mr. Kung Cheung Fai Patrick and Mr. Kam Kin Bun; and the independent non-executive Directors are Mr. Leung Chi Hung, Ms. Wong Lai Na and Ms. Hung Siu Woon Pauline.