WT GROUP HOLDINGS LIMITED
WT 集團控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock code: 8422)

ANNOUNCEMENT OF INTERIM RESULTS FOR THE SIX MONTHS ENDED 31 DECEMBER 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.

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 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.*

FINANCIAL RESULTS

The board of Directors (the "**Board**") of the Company is pleased to announce the unaudited condensed consolidated interim results of the Group for the three months and six months ended 31 December 2018, together with the comparative unaudited figures for the corresponding periods in 2017 as follows:

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

		For the three months ended 31 December		**For the six months ended 31 December**	
		2018	2017	**2018**	2017
	Notes	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*
		(Unaudited)	(Unaudited)	**(Unaudited)**	(Unaudited)
Revenue	*5*	**20,423**	11,684	**37,731**	23,901
Cost of sales	*7*	**(16,033)**	(8,311)	**(29,835)**	(17,675)
Gross profit		**4,390**	3,373	**7,896**	6,226
Other income	*6*	**–**	–	**–**	262
Administrative expenses	*7*	**(2,272)**	(6,125)	**(4,254)**	(13,037)
Operating profit/(loss)		**2,118**	(2,752)	**3,642**	(6,549)
Finance income/(costs), net	*8*	**(3)**	(6)	**17**	(18)
Profit/(loss) before income tax		**2,115**	(2,758)	**3,659**	(6,567)
Income tax expense	*9*	**–**	(278)	**–**	(431)
Profit/(loss) and total comprehensive income/(expense) for the period attributable to owners of the Company		**2,115**	(3,036)	**3,659**	(6,998)
Dividends	*20*	**–**	3,000	**–**	3,000
Earnings/(loss) per share (expressed in HK$ cents per share)					
Basic and diluted	*10*	**0.2**	(0.4)	**0.4**	(0.9)

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Notes	As at 31 December 2018 HK$'000 (Unaudited)	As at 30 June 2018 HK$'000 (Audited)
ASSETS			
Non-current assets			
Property and equipment	*11*	**970**	1,101
Deposits and prepayments	*13*	**52**	88
		1,022	1,189
Current assets			
Trade and retention receivables	*12*	**21,631**	35,305
Deposits, prepayments and other receivables	*13*	**1,690**	2,739
Amounts due from customers for contract works		**–**	4,965
Contract assets	*15*	**19,646**	–
Current tax recoverable		**2,709**	–
Restricted cash	*14*	**7,542**	4,652
Cash and cash equivalents	*14*	**24,929**	30,045
		78,147	77,706
Total assets		**79,169**	78,895
EQUITY			
Share capital	*19*	**10,000**	10,000
Share premium	*19*	**36,855**	36,855
Other reserves		**10,100**	10,100
Retained earnings		**12,838**	12,247
Total equity		**69,793**	69,202
LIABILITIES			
Non-current liabilities			
Obligations under finance leases	*18*	**261**	334
Deferred income tax liabilities		**96**	66
		357	400

	Notes	As at 31 December 2018 HK$'000 (Unaudited)	As at 30 June 2018 HK$'000 (Audited)
Current liabilities			
Trade and retention payables	*16*	**4,747**	2,493
Accruals and other payables	*17*	**4,132**	4,268
Amounts due to customers for contract works		**–**	1,489
Obligations under finance leases	*18*	**140**	143
Current income tax liabilities		**–**	900
		9,019	9,293
Total liabilities		**9,376**	9,693
Total equity and liabilities		**79,169**	78,895

UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

For the six months ended 31 December 2018

	Attributable to owners of the Company				
	Share capital *HK$'000* *(Note 19)*	**Share premium** *HK$'000* *(Note 19)*	**Other reserves** *HK$'000*	**Retained earnings** *HK$'000*	**Total** *HK$'000*
At 1 July 2017 (Audited)	–	–	10,100	24,810	34,910
Comprehensive loss:					
Loss and total comprehensive loss for the period	–	–	–	(6,998)	(6,998)
Transactions with owners in their capacity as owners:					
Capitalisation of Shares *(Note 19)*	7,500	(7,500)	–	–	–
Issue of new Shares upon Share Offer *(Note 19)*	2,500	52,500	–	–	55,000
Listing expenses charged to share premium	–	(8,145)	–	–	(8,145)
Dividends *(Note 20)*	–	–	–	(3,000)	(3,000)
At 31 December 2017 (Unaudited)	10,000	36,855	10,100	14,812	71,767
At 1 July 2018 (Restated)	10,000	36,855	10,100	9,179	66,134
Comprehensive income:					
Profit and total comprehensive income for the period	–	–	–	3,659	3,659
At 31 December 2018 (Unaudited)	10,000	36,855	10,100	12,838	69,793

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

	For the six months ended 31 December	
	2018	2017
	HK$'000	*HK$'000*
	(Unaudited)	(Unaudited)
Net cash used in operating activities	**(5,016)**	(6,791)
Net cash used in investing activities	**(24)**	(85)
Net cash (used in)/generated from financing activities	**(76)**	43,493
(Decrease)/increase in cash and cash equivalents	**(5,116)**	36,617
Cash and cash equivalents at beginning of the period	**30,045**	14,328
Cash and cash equivalents at end of the period	**24,929**	50,945

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED INTERIM 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 KY1-1111, 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 unaudited condensed consolidated interim 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**"), 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 Cheung Fai Patrick ("**Mr. Kung**"), Mr. Yip Shiu Ching ("**Mr. Yip**") and Mr. Kam Kin Bun ("**Mr. Kam**") (collectively, the "**Controlling Shareholders**") who owned 34%, 33% and 33%, respectively, of the shareholdings of the Operating Company.

Upon completion of the Reorganisation on 24 November 2017, the Company became the holding company of other companies now comprising the Group.

Details of the Reorganisation are set out in the section headed "History and Development" in the prospectus of the Company dated 13 December 2017 (the "**Prospectus**").

1.3 Basis 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 unaudited condensed consolidated interim financial statements are prepared using the carrying values of the Listing Business under the Controlling Shareholders for all the periods 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 BASIS OF PREPARATION AND ACCOUNTING POLICIES

The unaudited condensed consolidated interim financial statements for the six months ended 31 December 2018 have been prepared in accordance with the Hong Kong Financial Reporting Standards ("**HKFRSs**") issued by the Hong Kong Institute of Certified Public Accountants ("**HKICPA**") and the applicable disclosure requirements of chapter 18 of the GEM Listing Rules.

The unaudited condensed consolidated interim financial statements do not include all information and disclosures as required in the annual financial statements and should be read in conjunction with the Company's consolidated financial statements for the year ended 30 June 2018, which have been prepared in accordance with the HKFRSs issued by the HKICPA, as set out in the latest annual report.

The accounting policies that have been used in the preparation of these unaudited condensed consolidated interim financial statements are consistent with those used in the preparation of the Company's consolidated financial statements for the year ended 30 June 2018.

The Group has adopted and applied the following new standards, amendments to standards and interpretations that have been issued and effective for the accounting periods beginning on 1 July 2018.

Annual Improvements 2014-2016 Cycle	Improvements to HKFRSs in relation to HKAS 28 "Investments in Associates and Joint Ventures"
HKFRS 1 (Amendment)	First Time Adoption of HKFRS
HKFRS 2 (Amendments)	Classification and Measurement of Share-based Payment Transactions
HKFRS 4 (Amendments)	Applying HKFRS 9 Financial Instruments with HKFRS 4 Insurance Contracts
HKFRS 9	Financial Instruments
HKFRS 15	Revenue from Contracts with Customers
HKFRS 15 (Amendments)	Clarifications to HKFRS 15
HKAS 28 (Amendment)	Investments in Associates and Joint Ventures
HKAS 40 (Amendments)	Transfers of Investment Property
HK (IFRIC) 22	Foreign Currency Transactions and Advance Consideration

Saved as described below, the adoption of these new standards, amendments to standards and interpretations has no material impact on the Group's results and financial position.

Impacts and changes in accounting policies on application of HKFRS 15 "Revenue from Contracts with Customers"

The Group has applied HKFRS 15 for the first time in current period. HKFRS 15 superseded HKAS 18 "Revenue", HKAS 11 "Construction Contracts" and the related interpretations.

The Group has applied HKFRS 15 retrospectively with the cumulated effect of the adoption recognised in the retained earnings as of 1 July 2018 and that comparatives has not been restated. Accordingly, certain comparative information may not be comparable as comparative information was prepared under HKAS 18 "Revenue" and HKAS 11 "Construction Contracts" and the related interpretations.

Key changes in accounting policies resulting from application of HKFRS 15 are:

(1) Under HKFRS 15, the Group recognises revenue over time when (or as) the control of an underlying performance obligation, i.e. a good or service (or a bundle of goods or services) that is distinct or a series of distinct goods or services that are substantially the same, is transferred to the customer over time.

In line with HKFRS 15, the Group continues to apply the output method in recognising the revenue from construction contracts over time by reference to the progress towards complete satisfaction of the relevant performance obligation. The progress towards complete satisfaction of a relevant performance obligation is measured based on the progress certificate (which would make reference to the amounts of the completed works during the relevant period) certified by the architects who are appointed by the customers. The current practice adopted by the Group is consistent with output method in recognising revenue under HKFRS 15. Hence, there were no adjustments made to the recognised revenue.

(2) Under HKAS 11, the Group charged the incurred construction costs to profit or loss by reference to the stage of completion of the contract activity at the end of relevant reporting period. Under HKFRS 15, those incurred construction costs which qualified to be recognised as assets are amortised to profit or loss on a systematic basis that is consistent with the transfer to the customer of the performance obligation to which the assets relate. Accordingly, construction costs that have been incurred but deferred to be recognised in profit or loss and included in amounts due from customers for contract work under HKAS 11 were charged to retained earnings. The related tax effects were recognised in tax liabilities and retained earnings.

(3) Under HKAS 11, the amounts due to customers for contract works result from the excess of the recognition of contract costs as expenses according to the percentage of completion when revenue was recognised by reference to the percentage of completion over the actual costs incurred (which mainly represent the amount paid or payable to our suppliers and subcontractors) up to the end of each reporting period. Under HKFRS 15, those excess cost according to the percentage of completion will not be recorded. Accordingly, the excess cost recognised and included in amounts due to customers for contract works were credited to retained earnings. The related tax effects were recognised in tax liabilities and retained earnings.

(4) Under HKFRS 15, unbilled revenue and retention receivables arising from the construction contracts that are conditional on issuance of progress certificates by architects and included in trade and retention receivables under HKAS 11 were reclassified to contract assets.

(5) In determining the transaction price, the Group adjusts the promised amount of consideration for the effects of the time value of money if the timing of payments agreed (either explicitly or implicitly) provides the customer or the Group with a significant benefit of financing the transfer of goods or services to the customer. In those circumstances, the contract contains a significant financing component. A significant financing component may exist regardless of whether the promise of financing is explicitly stated in the contract or implied by the payment terms agreed to by the parties to the contract. For contracts where the period between payment and transfer of the associated goods or services is less than one year, the Group applies the practical expedient of not adjusting the transaction price for any significant financing component.

For those new standards, amendments to standards and interpretations which have been issued but are not yet effective and have not been early adopted, the Group is in the process of assessing their impact on the Group's results and financial position.

3 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

The preparation of the unaudited condensed consolidated interim financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates. In preparing the unaudited condensed consolidated interim financial statements, the significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those applied to the Company's consolidated financial statements for the year ended 30 June 2018, which have been prepared in accordance with HKFRSs issued by the HKICPA, as set out in the latest annual report.

4 FINANCIAL RISK MANAGEMENT AND FINANCIAL INSTRUMENTS

4.1 Financial risk factors

The Group's activities expose it to a variety of financial risks: credit risk, cash flow and fair value interest rate risk and liquidity risk. The unaudited condensed consolidated interim financial statements do not include all financial risk management information and disclosures required in the annual financial statements, and should be read in conjunction with the Company's consolidated financial statements for the year ended 30 June 2018, which have been prepared in accordance with HKFRSs issued by the HKICPA, as set out in the latest annual report.

There have been no changes in the risk management policies since 30 June 2018.

4.2 Fair value estimation

The carrying amounts of the Group's current financial assets, including trade and retention receivables, deposits and other receivables, restricted cash and cash and cash equivalents, and current financial liabilities, including trade and retention payables, accruals and other payables, and finance lease liabilities, approximate their fair values as at the reporting date due to their short maturities. The nominal value less estimated credit adjustments for financial assets and liabilities with maturities of less than one year are assumed to approximate their fair values. The carrying value of non-current finance lease liabilities is assumed to approximate its fair value as the amount bears interest at commercial rate.

5 REVENUE AND SEGMENT INFORMATION

	Three months ended 31 December		**Six months ended 31 December**	
	2018	2017	**2018**	2017
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*
	(Unaudited)	(Unaudited)	**(Unaudited)**	(Unaudited)
Revenue:				
Contract revenue	**20,423**	11,684	**37,731**	23,901

The chief operating decision-maker (the "**CODM**") has been identified as the executive Directors of the Company who reviews the Group's internal reporting in order to assess performance and allocate resources. 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 during the period would be shown.

6 OTHER INCOME

	For the three months ended 31 December		For the six months ended 31 December	
	2018	2017	**2018**	2017
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*
	(Unaudited)	(Unaudited)	**(Unaudited)**	(Unaudited)
Other income:				
Sundry income	**–**	–	**–**	262
	–	–	**–**	262

7 EXPENSES BY NATURE

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

	For the three months ended 31 December		For the six months ended 31 December	
	2018	2017	**2018**	2017
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*
	(Unaudited)	(Unaudited)	**(Unaudited)**	(Unaudited)
Construction costs recognised in cost of sales	**16,033**	8,311	**29,835**	17,675
Employee benefits expenses, including directors' emoluments	**1,214**	925	**2,310**	1,872
Depreciation *(Note 11)*	**91**	86	**182**	171
Listing expenses	**–**	4,446	**–**	9,176
Legal and professional fees	**376**	155	**653**	725
Auditors' remuneration				
— Audit services	**225**	225	**450**	450
— Non-audit services	**–**	4	**–**	54
Operating lease charges in respect of the Group's office	**118**	72	**150**	137
Motor vehicle expenses	**45**	91	**181**	180
Utility expenses	**15**	20	**38**	42
Others	**188**	101	**290**	230
Total cost of sales and administrative expenses	**18,305**	14,436	**34,089**	30,712

8 FINANCE INCOME/(COSTS), NET

	For the three months ended 31 December		For the six months ended 31 December	
	2018	2017	**2018**	2017
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*
	(Unaudited)	(Unaudited)	**(Unaudited)**	(Unaudited)
Finance income				
Bank interest income	**3**	–	**27**	–
Finance costs				
Finance lease liabilities	**(6)**	(6)	**(10)**	(18)
	(3)	(6)	**17**	(18)

9 INCOME TAX EXPENSE

No Hong Kong profits tax has been provided as the Group utilised tax losses to offset the estimated assessable profit during the six months ended 31 December 2018. Hong Kong profits tax has been provided at the rate of 16.5% on the estimated assessable profit for the six months ended 31 December 2017.

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 (for the six months ended 31 December 2017: nil).

The amount of income tax expense charged to the condensed consolidated statement of comprehensive income represents:

	For the three months ended 31 December		**For the six months ended 31 December**	
	2018	2017	**2018**	2017
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*
	(Unaudited)	(Unaudited)	**(Unaudited)**	(Unaudited)
Current income tax				
— Hong Kong profits tax	**310**	278	**439**	431
Deferred income tax	**(310)**	–	**(439)**	–
Income tax expense	**–**	278	**–**	431

10 EARNINGS/(LOSS) PER SHARE

(a) Basic

Basic earnings/(loss) per share is calculated by dividing the profit/(loss) 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.

	For the three months ended 31 December		**For the six months ended 31 December**	
	2018	2017	**2018**	2017
	(Unaudited)	(Unaudited)	**(Unaudited)**	(Unaudited)
Profit/(loss) attributable to owners of the Company (in HK$'000)	**2,115**	(3,036)	**3,659**	(6,998)
Weighted average number of ordinary shares for the purpose of basic and diluted earnings/(loss) per share	**1,000,000,000**	758,241,758	**1,000,000,000**	754,098,361
Earnings/(loss) per share (HK cents per share)	**0.2**	(0.4)	**0.4**	(0.9)

(b) Diluted

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

11 PROPERTY AND EQUIPMENT

	Furniture and equipment *HK$'000*	Motor vehicles *HK$'000*	Total *HK$'000*
Six months ended 31 December 2018			
Opening net book amount	**375**	**726**	**1,101**
Additions	**51**	**–**	**51**
Depreciation	**(56)**	**(126)**	**(182)**
Closing net book amount	**370**	**600**	**970**
Six months ended 31 December 2017			
Opening net book amount	338	978	1,316
Additions	85	–	85
Depreciation	(66)	(105)	(171)
Closing net book amount	357	873	1,230

12 TRADE AND RETENTION RECEIVABLES

	As at 31 December 2018 ***HK$'000*** **(Unaudited)**	As at 30 June 2018 *HK$'000* (Audited)
Trade receivables	**21,631**	27,449
Retention receivables	**–**	7,856
	21,631	35,305

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.

The ageing analysis of the third-party trade receivables, based on invoice date, are as follows:

	As at 31 December 2018	As at 30 June 2018
	HK$'000	*HK$'000*
	(Unaudited)	(Audited)
Up to 30 days	**2,068**	7,837
31–60 days	**6,657**	1,566
61–90 days	**–**	5,384
91–120 days	**–**	652
Over 120 days *(Note)*	**12,906**	12,010
	21,631	27,449

Note: Included in these balances were trade receivables from a customer of approximately HK$11,824,000, which have been past due for over 120 days up to the financial announcement date. In June 2018, a repayment schedule has been submitted by the customer who proposed to settle these balances in full before July 2019 by instalments. Up to the date of this announcement, the customer settled approximately HK$2,000,000 of these balances in accordance with such repayment schedule. The Directors have evaluated the operational and financial circumstances of this customer and are of the opinion that there is no impairment on the recoverability of these receivables as at 31 December 2018.

As at 30 June 2018, retention receivables were classified as current assets based on operating cycle in the consolidated statements of financial position. The ageing of the retention receivables, based on invoice date, are as follows:

	As at 31 December 2018	As at 30 June 2018
	HK$'000	*HK$'000*
	(Unaudited)	(Audited)
Up to 1 year	**–**	4,256
Over 1 year	**–**	3,600
	–	7,856

As at 31 December 2018, retention receivables were reclassified to contract assets under HKFRS 15.

During the six months ended 31 December 2017 and 31 December 2018, no trade receivables were written off as uncollectible. As at 30 June 2018 and 31 December 2018, the remaining trade receivables were not impaired.

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

13 DEPOSITS, PREPAYMENTS AND OTHER RECEIVABLES

	As at 31 December 2018 *HK$'000* (Unaudited)	As at 30 June 2018 *HK$'000* (Audited)
Deposits and other receivables	**374**	326
Prepayments	**1,368**	2,501
	1,742	2,827
Less: non-current portion		
Deposits and prepayments	**(52)**	(88)
	1,690	2,739

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

14 RESTRICTED CASH AND CASH AND CASH EQUIVALENTS

	As at 31 December 2018 *HK$'000* (Unaudited)	As at 30 June 2018 *HK$'000* (Audited)
Restricted cash	**7,542**	4,652

As at 31 December 2018, restricted cash represented deposits of HK$7,542,000 (as at 30 June 2018: HK$4,652,000) placed in insurance companies as collateral for performance bonds. Restricted cash is interest-free.

	As at 31 December 2018 *HK$'000* (Unaudited)	As at 30 June 2018 *HK$'000* (Audited)
Cash and cash equivalents	**24,929**	30,045

The carrying amounts of cash and cash equivalents are denominated in HK$ and approximate their fair values.

15 CONTRACT ASSETS

	As at 31 December 2018 *HK$'000* (Unaudited)	As at 30 June 2018 *HK$'000* (Audited)
Unbilled revenue	**11,030**	–
Retention receivables	**8,616**	–
Balance at end of the period	**19,646**	–

16 TRADE AND RETENTION PAYABLES

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

	As at 31 December 2018 *HK$'000* (Unaudited)	As at 30 June 2018 *HK$'000* (Audited)
Trade payables	**3,169**	1,389
Retention payables	**1,578**	1,104
	4,747	2,493

The ageing analysis of the trade payables, based on invoice date, are as follows:

	As at 31 December 2018 *HK$'000* (Unaudited)	As at 30 June 2018 *HK$'000* (Audited)
Up to 30 days	**3,169**	1,351
61–90 days	**–**	38
	3,169	1,389

The ageing of the retention payables by invoice date are as follows:

	As at 31 December 2018 *HK$'000* (Unaudited)	As at 30 June 2018 *HK$'000* (Audited)
Up to 1 year	**1,181**	990
Over 1 year	**397**	114
	1,578	1,104

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

17 ACCRUALS AND OTHER PAYABLES

	As at 31 December 2018 *HK$'000* (Unaudited)	As at 30 June 2018 *HK$'000* (Audited)
Accruals for legal and professional fees	**975**	1,020
Other accruals and other payables	**3,082**	3,061
Provision for unutilised annual leave	**75**	187
	4,132	4,268

The carrying amounts of accruals and other payables are denominated in HK$ and approximate their fair values.

18 OBLIGATIONS UNDER FINANCE LEASES

	As at 31 December 2018 *HK$'000* (Unaudited)	As at 30 June 2018 *HK$'000* (Audited)
The present value of finance lease liabilities is as follows:		
No later than 1 year	**140**	143
Later than 1 year and no later than 5 years	**261**	334
	401	477

19 SHARE CAPITAL AND SHARE PREMIUM

The share capital of the Group as at 31 December 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 and 31 December 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 and 31 December 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, 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.

(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.

20 DIVIDENDS

No dividend has been paid or declared by the Company during the six months ended 31 December 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.

21 RELATED PARTY TRANSACTIONS

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:

	For the three months ended 31 December		**For the six months ended 31 December**	
	2018	2017	**2018**	2017
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*
	(Unaudited)	(Unaudited)	**(Unaudited)**	(Unaudited)
Salaries, allowances and benefits in kind	**1,308**	1,195	**2,617**	2,369
Retirement benefit costs — defined contribution plans	**18**	26	**36**	50
	1,326	1,221	**2,653**	2,419

22 COMMITMENTS

Operating lease commitments — as lessee

The Group had future aggregate minimum lease payments under non-cancellable operating leases as follows:

	As at 31 December 2018	As at 30 June 2018
	HK$'000	*HK$'000*
	(Unaudited)	(Audited)
No later than one year	**494**	321
Later than one year and no later than five years	**318**	126
	812	447

23 CONTINGENT LIABILITIES

As at 31 December 2018, the Group has given guarantees on performance bonds issued by insurance companies of HK$12,931,000 in respect of four construction contracts of the Group in its ordinary course of business (as at 30 June 2018: HK$4,652,000 in respect of two construction contracts). The performance bonds are expected to be released in accordance with the terms of the respective construction contracts.

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW AND OUTLOOK

The Group is principally engaged in the provision of specialised works and general building works as a main contractor in Hong Kong, through Wai Tat, the 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 undertake general building works including superstructure building works, slope maintenance works, hoarding works, alteration and addition works and other miscellaneous construction works.

For the six months ended 31 December 2018, the Group recorded a net profit of approximately HK$3.7 million as compared to net loss of approximately HK$7.0 million for the corresponding period in 2017. Net loss of the Group for the six months ended 31 December 2017 was mainly attributable to the non-recurring Listing expenses of approximately HK$9.2 million incurred. Setting that aside, the Group's consolidated net profit (which is adjusted for the non-recurring Listing expenses) for the six months ended 31 December 2017 was approximately HK$2.2 million. The increase in the net profit of the Group was mainly attributable to the increase of revenue as a result of the acceleration of the progress of the projects during the six months ended 31 December 2018.

FUTURE PROSPECTS

The construction industry in Hong Kong is always challenging. 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 remains difficult. 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 the Group's 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. Currently, the Group has not identified any investment opportunities.

FINANCIAL REVIEW

Revenue

For the six months ended 31 December 2017 and 2018, the Group generated total revenue of approximately HK$23.9 million and HK$37.7 million, respectively. The increase in revenue was mainly attributable to the acceleration of the progress of the projects for the six months ended 31 December 2018, especially the residential project in Repulse Bay.

Gross profit

For the six months ended 31 December 2017 and 2018, the Group recorded gross profit of approximately HK$6.2 million and HK$7.9 million, respectively and the gross profit margin of the Group was approximately 26.0% and 20.9% for the respective periods. Decline in gross profit margin was primarily attributable to the projects mix that we carried out during the six months ended 31 December 2018 which had generated a lower gross profit margin than those projects carried out during the six months ended 31 December 2017.

Administrative expenses

Our administrative expenses mainly consist of employee benefits expenses including director's emoluments, audit fees and other professional fees. Our administrative expenses amounted to approximately HK$13.0 million and HK$4.3 million for the six months ended 31 December 2017 and 2018, respectively. Administrative expenses for the six months ended 31 December 2017 included the non-recurring Listing expenses of approximately HK$9.2 million. Excluding the non-recurring Listing expenses, the administrative expenses for the six months ended 31 December 2017 amounted to approximately HK$3.8 million. The increase of the administrative expenses for the six months ended 31 December 2018 compared to the corresponding period in 2017 was mainly due to the increase in staff costs.

Income tax expense

No income tax expense of the Group has been provided for the six months ended 31 December 2018 and income tax expense of the Group amounted to approximately HK$0.4 million for the six months ended 31 December 2017. With the utilisation of the tax losses, no estimated assessable profit was recorded for the six months ended 31 December 2018.

Loss/profit and total comprehensive expense/income for the six months ended 31 December 2018 attributable to owners of the Company

Loss and total comprehensive loss attributable to owners of the Company and profit and total comprehensive income for the six months ended 31 December 2017 and 2018 amounted to approximately HK$7.0 million and HK$3.7 million respectively. Loss and total comprehensive loss for the six months ended 31 December 2017 attributable to owners of the Company was mainly attributable to the non-recurring Listing expenses of approximately HK$9.2 million incurred. Setting that aside, profit and total comprehensive profit (which is adjusted for the non-recurring Listing expenses) for the six months ended 31 December 2017 was approximately HK$2.2 million. The increase of the profit and total comprehensive profit attributable to owners of the Company was mainly attributable to the increase in revenue as a result of the acceleration of the progress of the Group's projects during the six months ended 31 December 2018.

LIQUIDITY AND FINANCIAL RESOURCES

The Group maintained a sound financial position during the six months ended 31 December 2018. As at 31 December 2018, the Group had bank balances and cash of approximately HK$24.9 million (as at 30 June 2018: approximately HK$30.0 million) and restricted cash balances of approximately HK$7.5 million (as at 30 June 2018: approximately HK$4.7 million). The current ratio as at 31 December 2018 was approximately 8.7 times (as at 30 June 2018: approximately 8.4 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 31 December 2018, the Group recorded gearing ratio of approximately 0.6% (as at 30 June 2018: approximately 0.7%).

CHARGE OVER THE GROUP'S ASSETS

As at 31 December 2018, the Group pledged its deposits in an insurance company of approximately HK$7.5 million (as at 30 June 2018: approximately HK$4.7 million) as collateral for performance bonds.

As at 31 December 2018, the Group pledged the leased motor vehicles of approximately HK$0.4 million (as at 30 June 2018: approximately HK$0.5 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

Most of the revenue-generating operations were transacted in Hong Kong dollars. For the six months ended 31 December 2018, 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 31 December 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.

PRINCIPAL RISKS AND UNCERTAINTIES

The Group believes that there are certain risks and uncertainties involved in the operations, some of which are beyond the Group's control. Some of the major risks include:

(i) the Group's revenue relies on successful tenders or quotations of specialised works and general building works projects which are non-recurring in nature, and there is no guarantee that the customers will provide the Group with new business or that the Group will secure new customers;

(ii) the Group make estimation of our project costs in our tenders and quotations and any failure to accurately estimate the costs involved and/or delay in completion of any project may lead to cost overruns or even result in losses;

(iii) the Group rely on our subcontractors to perform a portion of the site works and unsatisfactory performance or unavailability of the Group's subcontractors may adversely affect our operations and profitability;

(iv) the Group are exposed to our customers' credit risks and the Group's liquidity position may be adversely affected if our customers fail to make payment on time or in full;

(v) the Group's performance depends on trends and developments in the construction industry in Hong Kong; and

(vi) the Group's performance depends on market conditions and the general economic and political conditions in Hong Kong.

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$0.8 million as at 31 December 2018 (as at 30 June 2018: approximately HK$0.4 million). As at 31 December 2018, the Group did not have any other capital commitment (as at 30 June 2018: nil).

SEGMENT INFORMATION

Segmental information is presented for the Group as disclosed on note 5 to the unaudited condensed consolidated interim financial statements.

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

Save as disclosed in this announcement, there was no significant investment held, material acquisition and disposal of subsidiaries and associated companies by the Company during the six months ended 31 December 2018. The Group currently does not have any other plan for material investments or capital assets.

CONTINGENT LIABILITIES

As at 31 December 2018, the Group has given guarantees on performance bonds issued by insurance companies of approximately HK$12.9 million in respect of four construction contracts of the Group in its ordinary course of business (as at 30 June 2018: approximately HK$4.7 million in respect of two 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 a claim will be made against the Group.

Save as disclosed above, the Group has no other material contingent liabilities (as at 30 June 2018: nil).

EMPLOYEES AND REMUNERATION POLICIES

As at 31 December 2018, the Group employed a total of 18 employees (as at 30 June 2018: 19 employees). The staff costs, including Directors' emoluments, of the Group were approximately HK$5.5 million for the six months ended 31 December 2018 (for the six months ended 31 December 2017: approximately HK$4.5 million).

The Group remunerate 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.

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 31 December 2018 is set out below:

Business objective as stated in the Prospectus	Business plan stated in the Prospectus	Actual business progress up to 31 December 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$1.8 million and HK$1.1 million (note b) were deposited for the surety bond requirement of Project B and the new project in Central, Hong Kong (note b) respectively. Bank balances of approximately HK$2.5 million (note a) were reserved for the surety bond requirement of Project A. Bank balances of approximately HK$3.2 million were reserved for the surety bond requirement of other potential new projects.

Business objective as stated in the Prospectus	Business plan stated in the Prospectus	Actual business progress up to 31 December 2018
	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$9.0 million had been utilised to finance the upfront cost and working capital requirement of Project B and the new project in Central, Hong Kong (note b). The tender result of Project A is pending as at the date of this announcement and the respective proceeds have not been utilised. Considered the delay of the tendering result of Project A and the commencement of the new project in Central, Hong Kong in late July 2018 (note b), bank balances of approximately HK$2.6 million had been allocated to and used in such project. Bank balances of approximately HK$0.5 million had been utilised to finance the upfront cost and working capital requirement of other projects with notional contract value less than HK$0.5 million awarded during the period ended 31 December 2018.
	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.
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 two foreman to enhance our project implementation capabilities and one management trainee to support accounting functions.

Business objective as stated in the Prospectus	Business plan stated in the Prospectus	Actual business progress up to 31 December 2018
	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 for the period ended 31 December 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 31 December 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	Amount utilised up to 31 December 2018	Unutilised balance up to 31 December 2018
	HK$'million	*HK$'million*	*HK$'million*
Taking out surety bond for Project A and Project B	8.6	2.9	5.7
Financing the upfront cost and working capital requirement at the early stage of Project A and Project B and other projects	16.4	9.5	6.9
Further strengthening the Group's manpower	4.1	1.2	2.9
General working capital	2.6	2.0	0.6
Total	31.7	15.6	16.1

As at 31 December 2018, the Group had unutilised net proceeds of approximately HK$16.1 million.

Notes:

(a) Tender result of Project A has not been announced as at the date of this announcement. Bank balances of approximately HK$5.9 million were reserved for financing upfront costs and working capital requirement at the early stage of Project A after allocating approximately HK$2.6 million to the new project in Central mentioned in note b below.

(b) 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. In October 2018, HK$1.1 million was utilised to partly finance the surety bond requirement of HK$2.2 million, representing approximately 10% of the notional contract value. As at 31 December 2018, bank balances of approximately HK$2.6 million had been utilised to finance the upfront cost and working capital requirement of this project.

DISCLOSURE OF INTERESTS

A. Directors' and Chief Executives' Interests and Short Positions in the Shares, the Underlying Shares or Debentures

As at 31 December 2018, the interests and short positions of the Directors or chief executives of the Company in the Shares, the underlying Shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) (the "**SFO**")) (i) which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which any such director or chief executive was taken or deemed to have under such provision of the SFO); or (ii) which were required, pursuant to Section 352 of the SFO, to be entered in the register referred to therein; or (iii) which were required, pursuant to standard of dealings by Directors as referred to in Rules 5.46 to 5.67 of the GEM Listing Rules, to be notified to the Company and the Stock Exchange were as follows:

(i) Long positions in the Shares

Name of Directors	Capacity	Number of the Shares held/ interested in	Approximate percentage of total issued share capital of the Company
Mr. Kung	Interest in controlled corporation *(Note)*	675,000,000	67.50%
Mr. Yip	Interest in controlled corporation *(Note)*	675,000,000	67.50%
Mr. Kam	Interest in controlled corporation *(Note)*	675,000,000	67.50%

Note:

Talent Gain, which beneficially owns 67.5% of the issued Shares of the Company, is owned as to 34% by Mr. Kung, 33% by Mr. Yip and 33% by Mr. Kam. Since Mr. Kung is entitled to exercise or control the exercise of one-third or more of the voting power at general meetings of Talent Gain, Mr. Kung is deemed to be interested in the Shares in which Talent Gain is interested under the SFO. Further, pursuant to the Concert Party Deed, details of which are set out in the paragraph headed "History and Development — Concert Party Deed" of the Prospectus, Mr. Yip, Mr. Kam and Mr. Kung are acting in concert with one another and each of them is deemed to exercise or control the exercise of the voting power of Talent Gain at general meetings of the Company, and is therefore deemed to be interested in the Shares in which Talent Gain is interested under the SFO.

Save as disclosed above, as at 31 December 2018, none of the Directors nor chief executives of the Company has registered an interest or short position in the shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) (i) which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which were taken or deemed to have under such provisions of the SFO); or (ii) which were required, pursuant to Section 352 of the SFO, to be entered in the register referred to therein; or (iii) which were required to be notified to the Company and the Stock Exchange pursuant to Rules 5.46 to 5.67 of the GEM Listing Rules.

B. Substantial Shareholders' and Other Persons' Interests and Short Positions in the Shares or Underlying Shares

So far as the Directors are aware, as at 31 December 2018, the following persons (other than the Directors or chief executives of the Company) or corporations had interests or short positions in the shares or underlying shares of the Company which were required to be kept by the Company under Section 336 of the SFO, or to be disclosed under the provisions of Divisions 2 and 3 of Part XV of the SFO:

Name of shareholders	**Nature of interest**	**Number of the Shares held/ interested in** *(Note 4)*	**Approximate percentage of total issued share capital of the Company**
Talent Gain	Beneficial owner	675,000,000 (L)	67.50%
Ms. Kung Szeto Pauline Sin Fun	Family interest *(Note 1)*	675,000,000 (L)	67.50%
Ms. Chiu Wai King Clara	Family interest *(Note 2)*	675,000,000 (L)	67.50%
Ms. Chan Kit Yee	Family interest *(Note 3)*	675,000,000 (L)	67.50%
China Silver Asset Management Limited	Investment manager	95,840,000 (L) 35,000,000 (S)	9.58% 3.50%
CS Asia Opportunities Master Fund	Beneficial owner	95,840,000 (L) 35,000,000 (S)	9.58% 3.50%

Notes:

1. Ms. Kung Szeto Pauline Sin Fun is Mr. Kung's spouse and is deemed to be interested in the Shares in which Mr. Kung is interested under the SFO.

2. Ms. Chiu Wai King Clara is Mr. Yip's spouse and is deemed to be interested in the Shares in which Mr. Yip is interested under the SFO.

3. Ms. Chan Kit Yee is Mr. Kam's spouse and is deemed to be interested in the Shares in which Mr. Kam is interested under the SFO.

4. The Letter "L" denotes the person's long position in the shares or underlying shares. The Letter "S" denotes the person's short position in the shares or underlying shares

Save as disclosed above, as at 31 December 2018, there was no person or corporation, other than the Directors and chief executives of the Company, had any interest or a short position in the shares or underlying shares of the Company which were required to be kept by the Company under Section 336 of the SFO, or to be disclosed under the provisions of Divisions 2 and 3 of Part XV of the SFO.

SUFFICIENCY OF PUBLIC FLOAT

Reference is made to the announcement of the company dated 16 January 2019. To the best knowledge, information and belief of the Directors as at the date of this announcement, the public float of the Company is approximately 22.38%, which is below 25% of the total issued share capital of the Company held by the public and prescribed by Rule 11.23(7) of the GEM Listing Rules. The Company is considering various options to restore its public float and will make further announcements as to the proposal to restore its public float and the status.

COMPETING INTERESTS

The Directors are not aware 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 six months ended 31 December 2018.

INTEREST OF COMPLIANCE ADVISER

As notified by Titan Financial Services Limited ("**Titan**"), the Company's compliance adviser, save for the compliance agreement entered into between the Company and Titan dated 20 July 2017 in connection with the Listing, none of Titan or its directors, employees or associates (as defined in the GEM Listing Rules) had any interest in the Company as at 31 December 2018, which is required to be notified to the Company pursuant to Rule 6A.32 of the GEM Listing Rules.

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 six months ended 31 December 2018.

CORPORATE GOVERNANCE CODE

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 principle 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 the Group to have Mr. Yip taking up both roles for effective management and business development.

Therefore, the 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.

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 six months ended 31 December 2018.

INTERIM DIVIDEND

The Board does not recommend the payment of interim dividend for the six months ended 31 December 2018 (for the six months ended 31 December 2017: nil).

EVENTS AFTER THE REPORTING PERIOD

As of the date of this announcement, save as disclosed in this announcement, the Board is not aware of any significant events after the reporting period that requires disclosure.

SHARE OPTION SCHEME

The Share Option Scheme was adopted pursuant to a resolution passed by the Company's then Shareholders on 1 December 2017. No share option was granted, lapsed, exercised or cancelled by the Company under the Share Option Scheme during the six months ended 31 December 2018 and there was no outstanding share option as at the date of this announcement.

AUDIT COMMITTEE

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 unaudited condensed consolidated interim financial statements for the six months ended 31 December 2018 and this announcement had been reviewed by the Audit Committee. The Audit Committee is of the opinion that the unaudited condensed consolidated interim financial statements of the Group for the six months ended 31 December 2018 comply with applicable accounting standards, GEM Listing Rules and that adequate disclosures have been made.

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

Hong Kong, 12 February 2019

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

This announcement will remain on the "Latest Listed Company Information" 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.