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 2019

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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 2019, together with the comparative figures for the year ended 30 June 2018 as follows:

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the year ended 30 June 2019

	Note	**2019** *HK$'000*	2018 *HK$'000*
Revenue	*4*	**82,775**	44,995
Cost of sales	*5*	**(65,510)**	(37,174)
Gross profit		**17,265**	7,821
Other income	*4*	**16**	262
Administrative expenses	*5*	**(8,827)**	(17,752)
Loss allowances of financial assets and contract assets		**(904)**	–
Operating profit/(loss)		**7,550**	(9,669)
Finance income	*6*	**27**	58
Finance costs	*6*	**(18)**	(31)
Finance income, net	*6*	**9**	27
Profit/(loss) before income tax		**7,559**	(9,642)
Income tax (expense)/credit	*7*	**(1,123)**	79
Profit/(loss) and total comprehensive income/(loss) for the year attributable to owners of the Company		**6,436**	(9,563)
Earnings/(loss) per share (expressed in HK cents per share)			
Basic and diluted	*8*	**0.6**	(1.1)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
As at 30 June 2019

	Note	2019 HK$'000	2018 HK$'000
ASSETS			
Non-current assets			
Property and equipment		**788**	1,101
Deposits and prepayments		**203**	88
		991	1,189
Current assets			
Trade and retention receivables	9	**20,542**	35,305
Contract assets		**20,245**	–
Deposits, prepayments and other receivables		**3,855**	2,739
Amounts due from customers for contract works		**–**	4,965
Current income tax recoverable		**2,589**	–
Restricted cash		**4,682**	4,652
Cash and cash equivalents		**29,726**	30,045
		81,639	77,706
Total assets		**82,630**	78,895
EQUITY			
Share capital	11	**10,000**	10,000
Share premium	11	**36,855**	36,855
Other reserves		**10,100**	10,100
Retained earnings		**13,760**	12,247
Total equity		**70,715**	69,202
LIABILITIES			
Non-current liabilities			
Obligations under finance leases		**184**	334
Deferred income tax liabilities		**97**	66
		281	400
Current liabilities			
Trade and retention payables	10	**6,709**	2,493
Accruals and other payables		**4,775**	4,268
Amounts due to customers for contract works		**–**	1,489
Obligations under finance leases		**150**	143
Current income tax liabilities		**–**	900
		11,634	9,293
Total liabilities		**11,915**	9,693
Total equity and liabilities		**82,630**	78,895

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 30 June 2019

	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 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	–	–	–	–	–
Capitalisation of shares *(Note 11)*	7,500	(7,500)	–	–	–
Issue of new shares upon Listing *(Note 11)*	2,500	52,500	–	–	55,000
Listing expenses charged to share premium *(Note 11)*	–	(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
At 1 July 2018, as originally presented	**10,000**	**36,855**	**10,100**	**12,247**	**69,202**
Changes in accounting policies *(Note 2.2)*	**–**	**–**	**–**	**(4,923)**	**(4,923)**
At 1 July 2018, as restated	**10,000**	**36,855**	**10,100**	**7,324**	**64,279**
Comprehensive income:					
Profit and total comprehensive income for the year	**–**	**–**	**–**	**6,436**	**6,436**
At 30 June 2019	**10,000**	**36,855**	**10,100**	**13,760**	**70,715**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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 (together the "**Group**") are principally engaged in the business of specialised works and general building works in Hong Kong.

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

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.

2 BASIS OF PREPARATION AND CHANGES IN ACCOUNTING POLICIES

2.1 Basis of preparation

The consolidated financial statements of the Group 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 consolidated 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.

(a) New standards, amendments to standards and interpretation adopted by the Group

The Group has applied the following standards and amendments for the first time for their annual reporting period commencing 1 July 2018:

Annual Improvement projects	Annual improvements 2014–2016 cycle (Amendments)
HKAS 40 (Amendments)	Transfers of investment property
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
HK(IFRIC)-Int 22	Foreign currency transactions and advance consideration

The Group had to change its accounting policies but no retrospective adjustments were resulted following the adoption of HKFRS 9 "Financial Instruments" ("**HKFRS 9**") and HKFRS 15 "Revenue from Contracts with Customers" ("**HKFRS 15**"). The impact of these standards and new accounting policies are disclosed in Note 2.2.

Save as disclosed in Note 2.2 below, the adoption of other amendments to standards and interpretation did not have any material impact on the consolidated financial statements of the Group for the year.

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

HKFRS 16 "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. 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 statement of comprehensive income, the operating lease expenses will decrease, while depreciation and amortisation and finance costs will increase.

HKFRS 16 is mandatory for financial years commencing on or after 1 July 2019. The Group will not adopt the standard before its effective date. The Group intends to apply the simplified transition approach and will not restate comparative amount for the year prior to first adoption, and management expects the impact on the Group's net profit upon the adoption of HKFRS 16 to be insignificant. The Group's future aggregate minimum lease payments under non-cancellable operating leases as at 30 June 2019 are HK$791,000 (2018: HK$447,000).

There are no other standards and interpretations that are not yet effective that would be expected to have a material impact on the entity in the current or future reporting periods and on foreseeable future transactions.

2.2 Changes in accounting policies

This note explains the impacts of the adoption of HKFRS 9 and HKFRS 15 on the Group's consolidated financial statements. As explained below, HKFRS 9 and HKFRS 15 were generally adopted without restating comparative information. The reclassifications and the adjustments arising from the new standards are therefore not reflected in the consolidated statement of financial position as at 30 June 2018, but are recognised in the opening consolidated statement of financial position on 1 July 2018.

(a) HKFRS 9 Financial Instruments

HKFRS 9 replaces the provisions of HKAS 39 "Financial Instruments: Recognition and Measurement" ("**HKAS 39**") that relate to the recognition, classification and measurement of financial assets and financial liabilities, derecognition of financial instruments, impairment of financial assets and hedge accounting.

The adoption of HKFRS 9 from 1 July 2018 resulted in changes in accounting policies and adjustments to the amounts recognised in the consolidated financial statements. In accordance with the transitional provisions in HKFRS 9, comparative figures have not been restated.

Impact of adoption:

(i) Classification and measurement

On 1 July 2018 (the date of initial application of HKFRS 9), the Group's management has assessed which business models apply to the financial assets held by the Group and has classified its financial instruments into the appropriate HKFRS 9 categories. The adoption of HKFRS 9 did not have material impact on the classification and measurement of the Group's financial assets and liabilities.

(ii) Impairment of financial and contract assets

The Group has three types of financial and contract assets that are subject to HKFRS 9's new expected credit loss model:

- Trade and retention receivables;
- Contract assets; and
- Other financial assets at amortised cost.

The Group was required to revise its impairment methodology under HKFRS 9 for each of these classes of assets.

Trade and retention receivables and contract assets

The Group applies HKFRS 9 simplified approach in measuring expected credit losses which uses a lifetime expected loss allowance for all trade and retention receivables and contract assets.

The change in impairment methodologies resulted in an increase in the loss allowances on 1 July 2018 by HK$1,533,000 for trade and retention receivables and HK$122,000 for contract assets respectively.

The loss allowances increased by a further HK$756,000 to HK$2,289,000 for trade and retention receivables and by HK$148,000 to HK$270,000 for contract assets during the current reporting period.

Other financial assets at amortised cost

For other financial assets at amortised cost, the loss allowance is measured based on the 12-month expected credit loss. It is the portion of lifetime expected credit loss that results from default events on a financial instrument that are possible within 12 months after the reporting date. However, when there has been a significant increase in credit risk since origination, the loss allowance will be measured based on the lifetime expected credit loss. Management has closely monitored the credit quality and the collectability of the other financial assets at amortised cost and considers that the resulted increase in loss allowance at 1 July 2018 was immaterial.

While bank deposits and cash and cash equivalents are also subject to the impairment requirements of HKFRS 9, the identified impairment loss was immaterial.

(b) HKFRS 15 Revenue from Contracts with Customers

HKFRS 15 establishes a comprehensive framework for recognising revenue and some costs from contracts with customers. HKFRS 15 replaces HKAS 18 "Revenue" ("**HKAS 18**"), which covered revenue arising from sale of goods and rendering of services, and HKAS 11 "Construction Contracts" ("**HKAS 11**"), which specified the accounting for construction contracts. The Group has elected to use the modified retrospective approach which means that the cumulative impact of the adoption will be recognised in retained earnings at 1 July 2018. Therefore, comparative information has not been restated and continues to be reported under HKAS 11 and HKAS 18. As allowed by HKFRS 15, the Group has applied the new requirements only to contracts that were not completed before 1 July 2018.

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 of 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, surveyors or other representatives appointed by the customers and estimation of value of works completed but yet to be certified at the end of each reporting period. Accordingly, the Group re-measured its trade and retention receivables and contract assets, in relation to the estimation of value of works completed but yet to be certified, as at 1 July 2018 with the impact recognised to the retained earnings.

(i) Accounting for construction services

Under HKAS 11, the Group charged the incurred construction costs to the consolidated statement of comprehensive income by reference to the stage of completion of the contract activity at the end of relevant reporting period. Construction costs that have been incurred but deferred to be recognised in the consolidated statement of comprehensive income are included in amounts due from customers for contract works. Similarly, amounts due to customers for contract works result from the excess of the recognition of construction costs as expenses according 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, construction cost incurred up to each reporting date in satisfying the performance obligation is recognised as expense in the consolidated statement of comprehensive income, unless such cost is qualified for capitalisation based on either the costs to obtain or costs to fulfill the contract guidance. Accordingly, those amounts due from/(to) customers for contract works recognised under HKAS 11 have been charged/(credited) to the retained earnings.

(ii) *Presentation of assets and liabilities related to contracts with customers*

Before the adoption of HKFRS 15, retention receivables arising from construction contracts, that were conditional on the satisfaction of the service quality by the customers over a certain period as stipulated in the contracts or mutually agreed, were included in the trade and retention receivables. Upon adoption of HKFRS 15, those retention receivables recognised under HKAS 11 that are conditional on factors other than passage of time are reclassified to contract assets. Accordingly, the Group reclassified certain trade and retention receivables to contract assets as at 1 July 2018.

(c) Impacts to the consolidated financial statements of adoption of HKFRS 9 and HKFRS 15

The following table summarises the impacts of adopting HKFRS 9 and HKFRS 15 on the Group's opening consolidated statement of financial position as at 1 July 2018:

	As originally presented	**Effects of the adoption of HKFRS 9**	**Effects of the adoption of HKFRS 15**	**As restated**
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*
At 1 July 2018				
Non-current (liabilities)/assets				
Deferred income tax	(66)	273	699	906
Current assets				
Trade and retention receivables	35,305	(1,533)	(9,749)	24,023
Contract assets	–	(122)	8,985	8,863
Amounts due from customers for contract works	4,965	–	(4,965)	–
Current liabilities				
Amounts due to customers for contract works	(1,489)	–	1,489	–
Equity				
Retained earnings	(12,247)	1,382	3,541	(7,324)

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 (2018: same). During the year, revenue from 4 (2018: 3) customers individually contributed over 10% of the Group's revenue. The revenue from each of these customers during the year are summarised below:

	2019	2018
	HK$'000	*HK$'000*
Customer A	**31,986**	N/A *(Note)*
Customer B	**18,705**	18,772
Customer C	**18,393**	11,580
Customer D	**10,626**	N/A *(Note)*
Customer E	**N/A** *(Note)*	5,941

Note: 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 year are as follows:

	2019	2018
	HK$'000	*HK$'000*
Revenue:		
Contract revenue	**82,775**	44,995
Other income:		
Sundry income	**16**	262

Contract revenue are recognised over time during the year ended 30 June 2019.

5 EXPENSES BY NATURE

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

	2019	2018
	HK$'000	*HK$'000*
Construction costs recognised in cost of sales	**65,510**	37,174
Employee benefits expenses, including Directors' emoluments	**4,633**	4,660
Depreciation	**368**	349
Listing expenses	**–**	9,176
Legal and professional fees	**1,636**	1,641
Auditors' remuneration		
— Audit services	**950**	900
Operating lease charges in respect of the Group's office premises	**272**	265
Motor vehicle expenses	**390**	380
Utility expenses	**79**	73
Others	**499**	308
Total cost of sales and administrative expenses	**74,337**	54,926

6 FINANCE INCOME, NET

	2019	2018
	HK$'000	*HK$'000*
Finance income		
Bank interest income	**27**	58
Finance costs on:		
— Finance lease liabilities	**(18)**	(31)
	9	27

7 INCOME TAX EXPENSE/(CREDIT)

Hong Kong profits tax has been provided for at the rate of 16.5% on the estimated assessable profit for the year ended 30 June 2019 (2018: No Hong Kong profits tax has been provided as the Group did not have assessable profit for the year).

On 21 March 2018, the Hong Kong Legislative Council passed The Inland Revenue (Amendment) (No. 7) Bill 2017 (the "**Bill**") which introduces the two-tiered profits tax rates regime. The Bill was signed into law on 28 March 2018 and was gazette on the following day.

Under the two-tiered profits tax rates regime, the first HK$2,000,000 of profits of qualifying corporations will be taxed at 8.25%, and profits above HK$2,000,000 will be taxed at 16.5%. The two-tiered profits tax rates regime is applicable to the Group's companies with estimated assessable profits for annual reporting periods ending on or after 1 April 2018.

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 (2018: same).

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

	2019	2018
	HK$'000	*HK$'000*
Current income tax		
— Hong Kong profits tax	**120**	–
Deferred income tax	**1,003**	66
Over provision in prior year	**–**	(145)
Income tax expense/(credit)	**1,123**	(79)

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

	2019	2018
	HK$'000	*HK$'000*
Profit/(loss) before income tax	**7,559**	(9,642)
Tax calculated at a tax rate of 16.5% (2018: 16.5%)	**1,247**	(1,590)
Tax effect under two-tiered profits tax rates regime	**(120)**	–
Expenses not deductible for tax purposes	**–**	1,666
Income not subject to tax	**(4)**	(10)
Over provision in prior year	**–**	(145)
Income tax expense/(credit)	**1,123**	(79)

8 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 outstanding during the financial year. In determining the weighted average number of ordinary shares for the year ended 30 June 2018, the additional 749,999,000 shares issued pursuant to the capitalisation issue in respect of the Listing were treated as if they had been issued since 1 July 2017.

	2019	2018
Profit/(loss) attributable to owners of the Company (in HK$'000)	**6,436**	(9,563)
Weighted average number of ordinary shares for the purpose of basic and diluted earnings/(loss) per share	**1,000,000,000**	876,712,329
Earnings/(loss) per share (HK cents per share)	**0.6**	(1.1)

(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 years.

9 TRADE AND RETENTION RECEIVABLES

	2019	2018
	HK$'000	*HK$'000*
Trade receivables	**21,848**	27,449
Retention receivables	**983**	7,856
Trade and retention receivables	**22,831**	35,305
Less: Loss allowance	**(2,289)**	–
Trade and retention receivables, net	**20,542**	35,305

The Group's credit terms granted to third-party customers other than those retention receivables which are not yet unconditional range from 30 days to 180 days. The Group does not hold any collateral as security.

As at 30 June 2019, the ageing analysis of the third-party trade receivables, based on invoice date, was as follows:

	2019	2018
	HK$'000	*HK$'000*
Up to 30 days	**9,370**	7,837
31–60 days	**2,579**	1,566
61–90 days	**–**	5,384
91–120 days	**–**	652
121–365 days	**404**	12,010
Over 1 year	**9,495**	–
	21,848	27,449

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, was as follows:

	2019	2018
	HK$'000	*HK$'000*
Up to 1 year	**45**	4,256
Over 1 year	**938**	3,600
	983	7,856

The movements of loss allowance of trade and retention receivables are as follows:

	HK$'000
Loss allowance as at 1 July 2017 and 30 June 2018 under HKAS 39	–
Changes in accounting policies *(Note 2.2)*	1,533
Loss allowance as at 1 July 2018 under HKFRS 9	1,533
Loss allowance for the year	756
Loss allowance as at 30 June 2019 under HKFRS 9	2,289

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.

	2019	2018
	HK$'000	*HK$'000*
Trade payables	**3,890**	1,389
Retention payables	**2,819**	1,104
	6,709	2,493

As at 30 June 2019, the ageing analysis of the trade payables, based on invoice date, was as follows:

	2019	2018
	HK$'000	*HK$'000*
Up to 30 days	**3,852**	1,351
31–60 days	**–**	–
61–90 days	**–**	38
Over 90 days	**38**	–
	3,890	1,389

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:

	2019	2018
	HK$'000	*HK$'000*
Up to 1 year	**1,875**	990
Over 1 year	**944**	114
	2,819	1,104

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

11 SHARE CAPITAL AND SHARE PREMIUM

	Number of shares	**Total**	**Share premium**
	(in thousand)	*HK$'000*	*HK$'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 30 June 2019	5,000,000	50,000	–

	Number of shares	**Total**	**Share premium**
	(in thousand)	*HK$'000*	*HK$'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 30 June 2019	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 Cheung Fai Patrick, Mr. Yip Shiu Ching and Mr. Kam Kin Bun, 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 listing of the shares of the Company by way of placing and public 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.

(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 year ended 30 June 2019 (2018: nil).

On 1 December 2017, Wai Tat Foundation & Engineering Limited declared a special dividend amounting to HK$3,000,000 to the then shareholders, which had been settled before Listing.

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 Cheung Fai Patrick	Shareholder and executive Director
Mr. Yip Shiu Ching	Shareholder and executive Director
Mr. Kam Kin Bun	Shareholder and executive Director
Ms. Du Juan	Executive Director (appointed on 4 December 2018 and resigned on 30 August 2019)

(b) Key management compensation

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

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

	2019	2018
	HK$'000	*HK$'000*
Salaries, bonuses, other allowances and benefits in kind	**5,601**	4,738
Retirement benefit costs — defined contribution plans	**81**	57
	5,682	4,795

14 SUBSIDIARIES

The Group's principal subsidiaries as at 30 June 2019 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 of incorporation	Kind of legal entity	Principal activities	Issued and paid up capital	Ownership interest held by the Group	
					2019	2018
					%	%
Directly held						
Vision Perfect Ventures Limited	BVI	Limited liability company	Investment holding	US$1,000	**100**	100
Healthy Luck Holdings Limited	BVI	Limited liability company	Investment holding	US$100	**100**	N/A
Indirectly held						
Wai Tat Foundation & Engineering Limited	Hong Kong	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
Million Sea Development Limited	Hong Kong	Limited liability company	Dormant	HK$100	**100**	N/A

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 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 2019, the Group recorded a net profit of approximately HK$6.4 million as compared to net loss of approximately HK$9.6 million for the corresponding year in 2018. Net loss of the Group for the year ended 30 June 2018 was mainly attributable to the non-recurring Listing expenses of approximately HK$9.2 million incurred. 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 was approximately HK$0.4 million. The reversal of Group's net loss to net profit was mainly attributable to the increase in revenue as a result of the acceleration of the progress of the projects during the year ended 30 June 2019.

FUTURE PROSPECTS

The construction industry in Hong Kong is challenging and competitive. Despite the opportunities in the construction industry 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 is prudently optimistic about the construction market and will continue to exercise due care in pursuing the 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 2018 and 2019, our Group generated total revenue of approximately HK$45.0 million and HK$82.8 million, respectively. The increase in revenue was mainly attributable to the acceleration of the progress of the projects during the year ended 30 June 2019, especially the residential project in Repulse Bay and the school campus redevelopment project in Tai Po Road.

Gross profit

For the years ended 30 June 2018 and 2019, the Group recorded gross profit of approximately HK$7.8 million and HK$17.3 million, respectively and the gross profit margin of the Group was approximately 17.4% and 20.9% for the respective years. Increase in gross profit margin was primarily attributable to the projects mix that we carried out during the year ended 30 June 2019 which had generated a higher gross profit margin than those projects carried out during the year ended 30 June 2018.

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$17.8 million and HK$8.8 million for the year ended 30 June 2018 and 2019, respectively. Administrative expenses for the year ended 30 June 2018 included the non-recurring Listing expenses of approximately HK$9.2 million. Excluding the non-recurring Listing expenses, the administrative expenses for the year ended 30 June 2018 amounted to approximately HK$8.6 million. There was no significant change of the administrative expenses for the year ended 30 June 2019 compared to the corresponding year in 2018 (excluding non-recurring Listing expenses).

Loss allowances of financial assets and contract assets

For the year ended 30 June 2019, the Group recorded loss allowances of financial assets and contract assets of approximately HK$0.9 million due to an increase in credit risk of amount due to a customer.

Income tax expense/credit

For the years ended 30 June 2018 and 2019, the Group recorded income tax credit of approximately HK$0.1 million and income tax expense of approximately HK$1.1 million, respectively. The reversal of the income tax credit to income tax expense was mainly attributable to the reversal of the net loss for the year ended 30 June 2018 to net profit for the year ended 30 June 2019.

In calculating the income tax expense for the year ended 30 June 2019, the Group has applied the two-tiered profits tax rates regime that the first HK$2,000,000 of profits of qualifying corporation will be taxed at 8.25% and profits above HK$2,000,000 will be taxed at 16.5%.

Profit/loss and total comprehensive income/loss 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 year ended 30 June 2018 and 2019 amounted to approximately HK$9.6 million and HK$6.4 million, respectively. Loss and total comprehensive loss for the year ended 30 June 2018 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, normalised loss and total comprehensive loss (which is adjusted for the non-recurring Listing expenses) for the year ended 30 June 2018 was approximately HK$0.4 million. The reversal of the loss and total comprehensive loss to profit and total comprehensive income attributable to owners of the Company for the year ended 30 June 2019 compared to the corresponding year in 2018 was mainly attributable to the increase in revenue as a result of the acceleration of the progress of the Group's certain projects during the year ended 30 June 2019.

LIQUIDITY AND FINANCIAL RESOURCES

The Group maintained a sound financial position during the year ended 30 June 2019. As at 30 June 2019, the Group had bank balances and cash of approximately HK$29.7 million (2018: approximately HK$30.0 million) and restricted cash balances of approximately HK$4.7 million (2018: approximately HK$4.7 million). The current ratio as at 30 June 2019 was approximately 7.0 times (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 debts divided by total equity as at the respective reporting date. Total debts represent the obligations under the finance leases. As at 30 June 2019, the Group recorded gearing ratio of approximately 0.5% (2018: approximately 0.7%).

CHARGE OVER THE GROUP'S ASSETS

As at 30 June 2019, the Group pledged its deposits in insurance companies of approximately HK$4.7 million (2018: approximately HK$4.7 million) as collateral for performance bonds.

As at 30 June 2019, the Group pledged the leased motor vehicles of approximately HK$0.4 million (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

For the year ended 30 June 2019, 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

During the year ended 30 June 2019, there has been no change in the capital structure of the Group. The capital structure of the Group comprises of ordinary shares and reserves. The Group mainly finances its operations, working capital, capital expenditures and other liquidity requirements through a combination funds generated from operations and net proceeds from the share offer.

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$0.8 million as at 30 June 2019 (2018: approximately HK$0.4 million). As at 30 June 2019, the Group did not have any other capital commitment (2018: nil).

SEGMENT INFORMATION

Segment information is presented for the Group as disclosed on note 3 to 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 2019. The Group did not have material acquisition and disposal of subsidiaries and associated companies during the year ended 30 June 2019 saved for the set up of Healthy Luck Holdings Limited ("**Healthy Luck**"), a directly wholly-owned subsidiary of the Company incorporated in the BVI and Million Sea Development Limited ("**Million Sea**"), an indirectly wholly-owned subsidiary of the Company incorporated in Hong Kong. There was no other plan for material investments or capital assets as at 30 June 2019.

CONTINGENT LIABILITIES

As at 30 June 2019, the Group has given guarantees on performance bonds issued by insurance companies of approximately HK$4.7 million in respect of three construction contracts of the Group in its ordinary course of business (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 any claim will be made against the Group.

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

EMPLOYEES AND REMUNERATION POLICIES

As at 30 June 2019, excluding the independent non-executive Directors, the Group employed a total of 17 employees (2018: 19 employees). The staff costs, including Directors' emoluments, of the Group were approximately HK$11.1 million for the year ended 30 June 2019 (2018: approximately HK$10.4 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 AND DIVIDEND POLICY

The Company has adopted a dividend policy and the declaration and recommendation of dividends are subject to the decision of the Board after considering, among others, the Group's actual and expected financial performance, the retained earnings and distributable reserves of the Company and each of the subsidiaries of the Group, the Group's working capital and capital expenditure requirements as well as future business and expansion plans, the Group's liquidity position and the general economic conditions, business cycle of the Group's business and other internal or external factors that may have an impact on the business or financial performance and position of the Group. The Board will also review and reassess the dividend policy and its effectiveness on a regular basis or as required.

The Directors do not recommend payment of final dividend for the year ended 30 June 2019 (2018: nil).

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 2019 is set out below:

Business objective as stated in the Prospectus	Business plan stated in the Prospectus	Actual business progress up to 30 June 2019
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 project in Central, Hong Kong (note b) respectively. Bank balances of approximately HK$2.5 million (note a) reserved for the surety bond requirement of Project A and the unutilised portion of the net proceeds of approximately HK$3.2 million which had been reserved for the surety bond requirement of Project B as stated in the Prospectus were resolved to be reallocated to finance the upfront costs and working capital requirements at the early stage of certain new projects awarded in 2019 and other potential new projects that the Group targets to secure.
	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$12.6 million had been utilised to finance the upfront cost and working capital requirement of Project B and the project in Central, Hong Kong (note b). Bank balances of approximately HK$0.5 million had been utilised to finance the upfront cost and working capital requirement of other projects awarded during the year ended 30 June 2019.
	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 is continuing to identify suitable business opportunities and review the tendering strategies to compete for more foundation and site formation projects and superstructure building works projects. During the year ended 30 June 2019, 12 new projects including foundation and site formation works, demolition works and ground investigations works were awarded to the Group.

Business objective as stated in the Prospectus	Business plan stated in the Prospectus	Actual business progress up to 30 June 2019
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 three foremen to enhance our project implementation capabilities and one management trainee to support accounting functions.
	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.

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 and the announcement dated 23 July 2019 in relation to the change in use of proceeds.

As at 30 June 2019, 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	Revised net proceeds from the Share Offer	Amount utilised up to 30 June 2019	Unutilised balance up to 30 June 2019
	HK$'million	*HK$'million*	*HK$'million*	*HK$'million*
Taking out surety bond for Project A and Project B	8.6	2.9	2.9	–
Financing the upfront cost and working capital requirement at the early stage of Project A and Project B and other projects	16.4	22.1	13.1	9.0
Further strengthening the Group's manpower	4.1	4.1	2.0	2.1
General working capital	2.6	2.6	2.6	–
Total	31.7	31.7	20.6	11.1

As at 30 June 2019, approximately HK$11.1 million of the net proceeds has not yet been utilised by the Group.

Notes:

(a) The Group had not received any further tender queries or other correspondence from the potential customer of Project A for over six months. Therefore, bank balances of approximately HK$2.5 million reserved for the surety bond requirement of this project were resolved to be reallocated to finance the upfront cost and capital equipments at the early stage of certain new projects.

(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 finance the surety bond requirement of the project. As at 30 June 2019, bank balances of approximately HK$5.2 million had been utilised to finance the upfront cost and working capital requirement of this project.

CHANGE IN USE OF PROCEEDS

Reference is made to the announcement dated 23 July 2019 in relation to the change in use of proceeds, an aggregate amount of approximately HK$5.7 million reserved for the surety bond requirement of certain construction projects were resolved to be reallocated to finance the upfront cost and working capital requirement for certain new projects awarded in 2019 and other potential new projects that the Group targets to secure.

CORPORATE GOVERNANCE PRACTICE

The Board is responsible for performing the corporate governance duties in the Corporate Governance Code (the "**CG Code**") as set out in Appendix 15 of the GEM Listing Rules. Throughout the year ended 30 June 2019, to the best knowledge of the Board except for the deviation from code provision A.2.1 of CG Code, the Company has complied with all the applicable code provisions set out in the CG Code.

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 Shiu Ching ("**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.

Director's Security 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 2019.

RESTORATION OF PUBLIC FLOAT AND SUFFICIENCY OF PUBLIC FLOAT

Reference is made to the announcements of the Company dated 16 January 2019, 15 February 2019 and 18 March 2019. As disclosed in these announcements, the public float of the Company was approximately 22.38% at the relevant times, which was below 25% of the total issued share capital of the Company and that prescribed by Rule 11.23(7) of the GEM Listing Rules.

The controlling shareholder of the Company, Talent Gain, has on 8 April 2019, 9 April 2019 and 10 April 2019 disposed in aggregate 26,400,000 shares of the Company on the Stock Exchange, representing 2.64% of the issued share capital of the Company (the "**Disposals**"). To the best knowledge, information and belief of the Directors, immediately after the Disposals as disclosed in the announcement of the Company dated 10 April 2019, the public float of the Company was approximately 25.02%, details of which are set out in the announcement of the Company dated 15 April 2019. As such, the public float of the Company has been restored and the Company has fulfilled the minimum public float requirement under Rule 11.23(7) of the GEM Listing Rules.

Saved as disclosed above, based on the information that is publicly available to the Company and within the knowledge of the Directors, the Company has maintained the prescribed minimum public float under the GEM Listing Rules during the year ended 30 June 2019 and at any time up to the date of this announcement.

CANCELLATION OF PROPOSED CHANGE OF COMPANY NAME

Reference is made to the announcements dated 30 April 2019 and 23 August 2019 in relation to the proposed change of the Company name. The announcement dated 30 April 2019 proposed to change the English name of the Company from "WT Group Holdings Limited" to "WT Dao Ning Construction Holdings Group Company Limited" and to change the Chinese name of the Company from "WT集團控股有限公司" to "WT道寧建設控股集團有限公司". Such proposed change of Company name was cancelled after taking into accounts of various stakeholders' views by the Board, details of which are set out in the announcement dated 23 August 2019 of the Company.

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 2019.

ANNUAL GENERAL MEETING AND CLOSURE OF REGISTER OF MEMBERS

The annual general meeting ("**AGM**") of the Company will be held on Thursday, 31 October 2019. A notice convening the meeting will be issued and sent to the shareholders of the Company 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 Monday, 28 October 2019 to Thursday, 31 October 2019, 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 Friday, 25 October 2019.

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 2019 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 2019.

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 2019, the Board is not aware of any significant events subsequent to the year ended 30 June 2019 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 2019 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 2019 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 2019 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.

PUBLICATION OF ANNUAL RESULTS AND ANNUAL REPORT

This results announcement is published on the GEM website of the Stock Exchange at www.hkgem.com and of the Company's website at www.wtgholdings.com. The annual report of the Company for the year ended 30 June 2019 will be despatched to the shareholders of the Company and will be available on the respective websites of the Stock Exchange and the Company in due course.

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

Hong Kong, 23 September 2019

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.