WAC HOLDINGS LIMITED

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 8619)

PROFIT WARNING

This announcement is made by WAC Holdings Limited (the "**Company**", together with its subsidiaries, the "**Group**") pursuant to Rule 17.10 of the Rules Governing the Listing of Securities on GEM of The Stock Exchange of Hong Kong Limited (the "**GEM Listing Rules**") and the Inside Information Provisions (as defined under the GEM Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

The board of directors of the Company (the "**Directors**") (the "**Board**") wishes to inform the shareholders of the Company (the "**Shareholders**") and potential investors that, based on the preliminary assessment of the Group's unaudited consolidated management accounts for the year ended 31 March 2020 ("**FY2020**") and information currently available to the Board, the Group is expected to record a net loss not exceeding HK$7.0 million for the FY2020 as compared to a net loss of approximately HK$0.4 million for the year ended 31 March 2019.

The increase in the net loss of the Group for FY2020 was mainly due to the (i) decrease in revenue that had been affected by the outbreak of novel coronavirus (COVID-19) in Hong Kong, the People's Republic of China and Macau, the social unrest in Hong Kong, and the work from home arrangement for certain government departments and our certain clients because of COVID-19, resulting in temporary suspension of construction works and delays in project progress during FY2020; (ii) increase in general and administrative expenses due to the increase in legal and professional fees, and payment of one-off discretionary bonus; and (iii) increase in provision of impairment losses on trade receivables and contract assets for FY2020.

The information contained in this announcement is only based on the preliminary assessment made by the Board on the Group's unaudited consolidated management accounts for FY2020 and information currently available to the Board, which have not been reviewed by the Company's auditor or audit committee. As the Company is still in the process of finalising the unaudited consolidated results of the Group for FY2020, the above information may be subject to necessary adjustments.

Shareholders and potential investors are advised to read carefully the annual results announcement of the Company for FY2020, which is expected to be published by the end of 30 June 2020.

Shareholders and potential investors should exercise caution when dealing in the securities of the Company.

By order of the Board
WAC HOLDINGS LIMITED
Dr. Chan Yin Nin
Chairman

Hong Kong, 18 June 2020

As at the date of this announcement, the Board comprises Dr. Chan Yin Nin, Mr. Kwong Po Lam and Ms. Su Xiaoyan as executive Directors; and Ms. Chu Moune Tsi, Stella, Mr. Choy Wai Shek, Raymond and Mr. Sze Kyran as independent non-executive Directors.

This announcement, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the GEM Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, 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.

This announcement will remain on the GEM website of the Stock Exchange at http://www.hkgem.com and the "Latest Company Announcement" page of the Stock Exchange's website at www.hkexnews.hk for at least seven days from the date of its posting. This announcement will also be published on the website of the Company at www.wcce.hk.