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Win Win Way Construction Holdings Ltd.
恒誠建築控股有限公司
(Incorporated in Cayman Islands with limited liability)
(Stock Code: 994)

ANNOUNCEMENT OF UNAUDITED INTERIM RESULTS FOR THE SIX MONTHS ENDED 30 JUNE 2018

INTERIM RESULTS

The Board (the "Board") of directors (the "Directors") of Win Win Way Construction Holdings Ltd. (the "Company") announces the unaudited consolidated interim results of the Company and its subsidiaries (collectively, the "Group") for the six months ended 30 June 2018, together with comparative figures of the corresponding period in 2017.

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the six months ended 30 June 2018 – Unaudited

(Expressed in Hong Kong dollars)

		Six months ended 30 June	
		2018	2017
	Note	***$'000***	*$'000*
Revenue	*4*	**325,215**	412,222
Direct costs		**(275,766)**	(350,316)
Gross profit		**49,449**	61,906
Other income	*5*	**185**	318
General and administrative expenses		**(28,260)**	(38,714)
Profit from operations		**21,374**	23,510
Finance costs	*6(a)*	**(1,448)**	(870)
Profit before taxation	*6*	**19,926**	22,640
Income tax	*7*	**(3,816)**	(5,732)
Profit for the period		**16,110**	16,908
Other comprehensive income for the period			
Item that may be reclassified subsequently to profit or loss:			
Exchange difference on translation of financial statements of overseas subsidiaries		**1**	(2)
Profit and total comprehensive income for the period		**16,111**	16,906
Earnings per share *(Hong Kong cents)*			
Basic and diluted	*8*	**3.09**	4.40

Note: The Group has initially applied HKFRS 15 and HKFRS 9 at 1 January 2018. Under the transition methods chosen, comparative information is not restated. See note 3.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 June 2018

(Expressed in Hong Kong dollars)

	Note	**As at 30 June 2018 (unaudited) *$'000***	As at 31 December 2017 (audited) *$'000*
Non-current assets			
Property, plant and equipment		**2,951**	5,267
Deferred tax assets		**482**	648
		3,433	5,915
Current assets			
Contract assets		**280,212**	–
Gross amounts due from customers for contract work		**–**	215,927
Trade and other receivables	*9*	**98,714**	171,774
Cash and bank balances		**157,704**	56,051
		536,630	443,752
Current liabilities			
Contract liabilities		**9,913**	–
Gross amounts due to customers for contract work		**–**	11,597
Trade and other payables	*10*	**107,617**	130,709
Amounts due to related parties		**–**	4,345
Obligations under finance leases		**5,181**	6,674
Bank loans	*11*	**67,889**	50,996
Tax payable		**7,801**	3,310
		198,401	207,631

	Note	As at 30 June 2018 (unaudited) $'000	As at 31 December 2017 (audited) $'000
Net current assets		**338,229**	236,121
Total assets less current liabilities		**341,662**	242,036
Non-current liability			
Obligations under finance leases		**419**	2,461
		419	2,461
NET ASSETS		**341,243**	239,575
CAPITAL AND RESERVES			
Share capital	*12(b)*	**6,120**	5,120
Reserves		**335,123**	234,455
TOTAL EQUITY		**341,243**	239,575

Note: The Group has initially applied HKFRS 15 and HKFRS 9 at 1 January 2018. Under the transition methods chosen, comparative information is not restated. See note 3.

NOTES TO THE UNAUDITED INTERIM RESULTS ANNOUNCEMENT

(Expressed in Hong Kong dollars)

1. General information

Win Win Way Construction Holdings Ltd. (the "Company") and its subsidiaries (collectively referred to as the "Group") are principally engaged in the provision of construction and related services, which mainly included foundation works and ancillary services and general building works, and sales of piles. The Company was incorporated in the Cayman Islands on 5 October 2015 as an exempted company with limited liability under the Companies Law, Cap. 22 (Law of 1961, as consolidated and revised) of the Cayman Islands. The Company's shares were listed on the Main Board of The Stock Exchange of Hong Kong Limited (the "Stock Exchange") on 17 July 2017 (the "Listing").

2. Basis of preparation and presentation

Pursuant to a group reorganisation completed on 23 June 2017 (the "Reorganisation"), the Company became the holding company of the companies now comprising the Group. Details of the Reorganisation are set out in the prospectus of the Company dated 30 June 2017 (the "Prospectus").

The Group's businesses were conducted principally through Win Win Way Construction Co., Limited ("WWWC"), Smart City Engineering Limited ("SCE"), Win Win Way Materials Supply Limited ("WWWM") and Win Win Way Construction Co., (Saipan) Inc. ("WWWC (Saipan)"). Prior to the Reorganisation, WWWC and WWWM were wholly-owned by Win Win Way Holdings Limited ("WWWH") and WWWC (Saipan) was wholly-owned by Moral Grace Investment Limited ("MGIL"). WWWH and SCE were owned as to 33.33% by Mr. Kan Hou Sek, Jim ("Mr. Kan"), 33.33% by Mr. Lee Sai Man ("Mr. Lee") and 33.33% by Mr. Wong Siu Kwai ("Mr. Wong") and MGIL was held by Cheung Yuk Kwan on trust which was owned as to 33.33% by Mr. Kan, 33.33% by Mr. Lee and 33.33% by Mr. Wong. Mr. Kan, Mr. Lee and Mr. Wong are collectively the "Controlling Shareholders" and were acting in concert during the current and prior periods.

The companies that took part in the Reorganisation were controlled by the Controlling Shareholders before and after the Reorganisation. As the control is not transitory and, consequently, there was a continuation of risks and benefits to the Controlling Shareholders, the Reorganisation is considered to be a restructuring of entities under common control. The financial information for the six months ended 30 June 2017 has been prepared using the merger basis of accounting as if the Group has always been in existence. The net assets of the companies taking part in the Reorganisation are combined using the book values from the Controlling Shareholders' perspective.

The interim results set out in the announcement do not constitute the Group's interim financial report for the six months ended 30 June 2018 but are extracted from that report.

The interim financial report has been prepared in accordance with the applicable disclosure provisions of the Rules Governing the Listing of Securities on the Stock Exchange, including compliance with Hong Kong Accounting Standard ("HKAS") 34, *Interim financial reporting*, issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA").

The interim financial report has been prepared in accordance with the same accounting policies adopted in the 2017 annual financial statements, except for the accounting policy changes that are expected to be reflected in the 2018 annual financial statements. Details of any changes in accounting policies are set out in note 3.

The preparation of an interim financial report in conformity with HKAS 34 requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses on a year to date basis. Actual results may differ from these estimates.

The interim financial report contains condensed consolidated financial statements and selected explanatory notes. The notes include an explanation of events and transactions that are significant to an understanding of the changes in financial position and performance of the Group since the 2017 annual financial statements. The condensed consolidated interim financial statements and notes thereon do not include all of the information required for a full set of financial statements prepared in accordance with Hong Kong Financial Reporting Standards ("HKFRSs").

3. Change in accounting policies

(a) Overview

The HKICPA has issued a number of new HKFRSs and amendments to HKFRSs that are first effective for the current accounting period of the Group. Of these, the following developments are relevant to the Group's financial statements:

- HKFRS 9, *Financial instruments*
- HKFRS 15, *Revenue from contracts with customers*

The Group has not applied any new standard or interpretation that is not yet effective for the current accounting period.

The Group has been impacted by HKFRS 9 in relation to classification of financial assets and measurement of credit losses, and impacted by HKFRS 15 in relation to timing of recognition of contract costs and presentation of contract assets and contract liabilities. Details of the changes in accounting policies are discussed in note 3(b) for HKFRS 9 and note 3(c) for HKFRS 15.

Under the transition methods chosen, the Group recognises cumulative effect of the initial application of HKFRS 9 and HKFRS 15 as an adjustment to the opening balance of equity at 1 January 2018. Comparative information is not restated. The following table gives a summary of the opening balance adjustments recognised for each line item in the consolidated statement of financial position that has been impacted by HKFRS 9 and/or HKFRS 15:

	At 31 December 2017	**Impact on initial application of HKFRS 9** *(Note 3(b))*	**Impact on initial application of HKFRS 15** *(Note 3(c))*	**At 1 January 2018**
	$'000	*$'000*	*$'000*	*$'000*
Deferred tax assets	648	401	–	1,049
Total non-current assets	**5,915**	**401**	**–**	**6,316**
Gross amounts due from customers for contract work	215,927	–	(215,927)	–
Contract assets	–	(626)	295,254	294,628
Trade and other receivables	171,774	(1,805)	(71,280)	98,689
Total current assets	**443,752**	**(2,431)**	**8,047**	**449,368**
Gross amounts due to customers for contract work	11,597	–	(11,597)	–
Contract liabilities	–	–	12,115	12,115
Tax payable	3,310	–	1,242	4,552
Total current liabilities	**207,631**	**–**	**1,760**	**209,391**
Net current assets	**236,121**	**(2,431)**	**6,287**	**239,977**
Total assets less current liabilities	**242,036**	**(2,030)**	**6,287**	**246,293**
Net assets	**239,575**	**(2,030)**	**6,287**	**243,832**
Reserves	234,455	(2,030)	6,287	238,712
Total equity	**239,575**	**(2,030)**	**6,287**	**243,832**

Further details of these changes are set out in sub-sections (b) and (c) of this note.

(b) HKFRS 9, Financial instruments

HKFRS 9 replaces HKAS 39, *Financial instruments: recognition and measurement*. It sets out the requirements for recognising and measuring financial assets, financial liabilities and some contracts to buy or sell non-financial items.

The Group has applied HKFRS 9 retrospectively to items that existed at 1 January 2018 in accordance with the transition requirements. The Group has recognised the cumulative effect of initial application as an adjustment to the opening equity at 1 January 2018. Therefore, comparative information continues to be reported under HKAS 39.

The following table summarises the impact of transition to HKFRS 9 on retained profits and the related tax impact at 1 January 2018.

	$'000
Retained profits	
Recognition of additional expected credit losses on:	
– financial assets measured at amortised cost	(1,805)
– contract assets	(626)
Related tax	401
Net decrease in retained profits at 1 January 2018	(2,030)

Further details of the nature and effect of the changes to previous accounting policies and the transition approach are set out below:

(i) Classification of financial assets and financial liabilities

Under HKFRS 9, the classification for all the Group's financial assets and financial liabilities measured at amortised cost remain the same. The carrying amounts for all financial liabilities at 1 January 2018 have not been impacted by the initial application of HKFRS 9.

(ii) Credit losses

HKFRS 9 replaces the "incurred loss" model in HKAS 39 with the expected credit loss ("ECL") model. The ECL model requires an ongoing measurement of credit risk associated with a financial asset and therefore recognises ECLs earlier than under the "incurred loss" accounting model in HKAS 39.

The Group applies the new ECL model to the following items:

– financial assets measured at amortised cost (including cash and cash equivalents and trade and other receivables); and

– contract assets as defined in HKFRS 15 *(see note 3(c))*.

Measurement of ECLs

ECLs are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all expected cash shortfalls (i.e. the difference between the cash flows due to the Group in accordance with the contract and the cash flows that the Group expects to receive).

The maximum period considered when estimating ECLs is the maximum contractual period over which the Group is exposed to credit risk.

In measuring ECLs, the Group takes into account reasonable and supportable information that is available without undue cost or effort. This includes information about past events, current conditions and forecasts of future economic conditions.

Loss allowances for trade receivables, retentions receivable and contract assets are estimated using a provision matrix based on the Group's historical credit loss experience, adjusted for factors that are specific to the debtors and an assessment of both the current and forecast general economic conditions at the reporting date.

Write-off policy

The gross carrying amount of a financial asset or contract asset is written off (either partially or in full) to the extent that there is no realistic prospect of recovery. This is generally the case when the Group determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off.

Subsequent recoveries of an asset that was previously written off are recognised as a reversal of impairment in profit or loss in the period in which the recovery occurs.

Opening balance adjustment

As a result of this change in accounting policy, the Group has recognised additional ECLs amounting to $2,431,000, which decreased retained profits by $2,030,000 and increased gross deferred tax assets by $401,000 at 1 January 2018.

The following table reconciles the closing loss allowance determined in accordance with HKAS 39 as at 31 December 2017 with the opening loss allowance determined in accordance with HKFRS 9 as at 1 January 2018.

	$'000
Loss allowance at 31 December 2017 under HKAS 39	–
Additional credit loss recognised at 1 January 2018 on:	
– Trade and other receivables	1,805
– Contract assets recognised on adoption of HKFRS 15	626
Loss allowance at 1 January 2018 under HKFRS 9	2,431

(iii) *Transition*

Changes in accounting policies resulting from the adoption of HKFRS 9 have been applied retrospectively, except information relating to comparative periods has not been restated. Differences in the carrying amounts of financial assets resulting from the adoption of HKFRS 9 are recognised in retained profits as at 1 January 2018. Accordingly, the information presented for 2017 continues to be reported under HKAS 39 and thus may not be comparable with the current period.

(c) 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*, which covered revenue arising from sale of goods and rendering of services, and HKAS 11, *Construction contracts*, which specified the accounting for construction contracts.

The Group has elected to use the cumulative effect transition method and has recognised the cumulative effect of initial application as an adjustment to the opening balance of equity at 1 January 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 January 2018.

The following table summarises the impact of transition to HKFRS 15 on retained profits and the related tax impact at 1 January 2018:

	$'000
Retained profits	
Change in timing of contract costs recognition for construction contracts	7,529
Related tax	(1,242)
Net increase in retained profits at 1 January 2018	6,287

Further details of the nature and effect of the changes on previous accounting policies are set out below:

(i) Timing of revenue recognition

Previously, revenue arising from construction contracts was recognised over time, whereas revenue from sale of goods was generally recognised at a point in time when the risks and rewards of ownership of the goods had passed to the customers.

Under HKFRS 15, revenue is recognised when the customer obtains control of the promised good or service in the contract. This may be at a single point in time or over time. HKFRS 15 identifies the following three situations in which control of the promised good or service is regarded as being transferred over time:

A. When the customer simultaneously receives and consumes the benefits provided by the entity's performance, as the entity performs;

B. When the entity's performance creates or enhances an asset (for example work in progress) that the customer controls as the asset is created or enhanced;

C. When the entity's performance does not create an asset with an alternative use to the entity and the entity has an enforceable right to payment for performance completed to date.

If the contract terms and the entity's activities do not fall into any of these 3 situations, then under HKFRS 15 the entity recognises revenue for the sale of that good or service at a single point in time, being when control has passed. Transfer of risks and rewards of ownership is only one of the indicators that is considered in determining when the transfer of control occurs.

The adoption of HKFRS 15 does not have a significant impact on when the Group recognises revenue from construction contracts and sales of piles.

(ii) Timing of recognition of contract costs

Under HKFRS 15, if the costs incurred in fulfilling a contract with a customer are not within the scope of another standard, assets shall only be recognised if the costs incurred (i) relate directly to a contract or an anticipated contract that can be specifically identified; (ii) generate or enhance resources of the entity that will be used in satisfying performance obligations in the future; and (iii) are expected to be recovered. Costs that relate to satisfied performance obligations (or partially satisfied performance obligations) in the contracts and costs for which an entity cannot distinguish whether the costs relate to unsatisfied performance obligations or to satisfied performance obligations shall be expensed as incurred under HKFRS 15.

Previously, contract costs of the Group were recognised by reference to the stage of completion of the contract, which was measured with reference to the progress certificates issued by the customers or the progress payment applications submitted to the customers. Contract costs were deferred or accrued to report a consistent margin percentage over the term of a contract. Under HKFRS 15, contract costs that related to satisfied performance obligations are expensed as incurred.

As a result of this change in accounting policy, the Group had made adjustments to opening balances at 1 January 2018 which increased retained profits by $6,287,000, increased contract assets by $8,047,000, increased contract liabilities by $518,000 and increased tax payable by $1,242,000.

(iii) Presentation of contract assets and liabilities

Under HKFRS 15, a receivable is recognised only if the Group has an unconditional right to consideration. If the Group recognises the related revenue before being unconditionally entitled to the consideration for the promised goods and services in the contract, then the entitlement to consideration is classified as a contract asset. Similarly, a contract liability, rather than a payable, is recognised when a customer pays consideration, or is contractually required to pay consideration and the amount is already due, before the Group recognises the related revenue. For a single contract with the customer, either a net contract asset or a net contract liability is presented. For multiple contracts, contract assets and contract liabilities of unrelated contracts are not presented on a net basis.

Previously, contract balances relating to construction contracts in progress were presented in the statement of financial position under "gross amounts due from customers for contract work" or "gross amounts due to customers for contract work" respectively. Receivables for which the Group's entitlement to the consideration was conditional on achieving certain milestones or satisfactory completion of the retention period were presented in the statement of financial position as "retentions receivable" under "trade and other receivables".

To reflect these changes in presentation, the Group has made the following adjustments at 1 January 2018, as a result of the adoption of HKFRS 15:

a. "Gross amounts due from customers for contract work" and "retentions receivable" under "trade and other receivables" amounting to $215,927,000 and $71,280,000 respectively, are now included under contract assets;

b. "Gross amounts due to customers for contract work" amounting to $11,597,000 is now included under contract liabilities; and

c. As explained in (ii) above, adjustments to opening balances have been made to increase contract assets by $8,047,000 and increase contract liabilities by $518,000.

4. Revenue and segment information

(a) Revenue

Revenue represents revenue from construction contracts earned and sales of piles during the current and prior periods.

	Six months ended 30 June (unaudited)	
	2018	2017
	$'000	*$'000*
Revenue from construction contracts	**271,720**	383,998
Sales of piles	**53,495**	28,224
	325,215	412,222

(b) Segment Information

The Group manages its businesses by business lines. In a manner consistent with the way in which information is reported internally to the Group's most senior executive management for the purposes of resource allocation and performance assessment, the Group has presented the following two reportable segments. No operating segments have been aggregated to form the following reportable segments.

– Construction contracts: this segment provides foundation and general building works to customers in Hong Kong and Saipan.

– Sales of piles: this segment covers sales of piles to customers in Hong Kong.

(i) Segment results, assets and liabilities

For the purpose of assessing segment performance and allocating resources between segments, the Group's most senior executive management monitors the results, assets and liabilities attributable to each reportable segment on the following bases:

Segment assets include all current and non-current assets with the exception of deferred tax assets (if any) and other corporate assets. Segment liabilities include all current and non-current liabilities with the exception of deferred tax liabilities (if any) and other corporate liabilities.

Revenue and expenses are allocated to the reportable segments with reference to revenue generated by those segments and the expenses incurred by those segments or which otherwise arise from the depreciation of assets attributable to those segments. The measure used for reporting segment profit is profit before taxation except that unallocated corporate expenses are excluded from this measurement.

Information regarding the Group's reportable segment as provided to the Group's most senior executive management for the purposes of resource allocation and assessment of segment performance for the period is set out below:

	Six months ended 30 June 2018 (unaudited)		
	Construction contracts	**Sales of piles**	**Total**
	$'000	***$'000***	***$'000***
Revenue from external customers	**271,720**	**53,495**	**325,215**
Reportable segment revenue	**271,720**	**53,495**	**325,215**
Reportable segment profit	**13,231**	**9,955**	**23,186**
Interest expenses	**1,448**	**–**	**1,448**
Depreciation for the period	**393**	**–**	**393**
Additions to non-current segment assets during the period	**92**	**–**	**92**

	At 30 June 2018 (unaudited)		
	Construction contracts	**Sales of piles**	**Total**
	$'000	***$'000***	***$'000***
Reportable segment assets	**522,546**	**34,865**	**557,411**
Reportable segment liabilities	**197,363**	**22,266**	**219,629**

	Six months ended 30 June 2017 (unaudited)		
	Construction contracts	Sales of piles	Total
	$'000	*$'000*	*$'000*
Revenue from external customers	383,998	28,224	412,222
Reportable segment revenue	383,998	28,224	412,222
Reportable segment profit	36,866	2,787	39,653
Interest expenses	870	–	870
Depreciation for the period	331	–	331
Additions to non-current segment assets during the period	854	–	854

	At 31 December 2017 (audited)		
	Construction contracts	Sales of piles	Total
	$'000	*$'000*	*$'000*
Reportable segment assets	448,883	6,984	455,867
Reportable segment liabilities	213,236	2,698	215,934

(ii) Reconciliations of reportable segment profit

	Six months ended 30 June (unaudited)	
	2018	2017
	$'000	*$'000*
Reportable segment profit	**23,186**	39,653
Unallocated corporate expenses	**(3,260)**	(17,013)
Consolidated profit before taxation	**19,926**	22,640

(iii) Geographic information

The following table sets out information about the geographical location of the Group's revenue from external customer. The geographical location of customers is based on the location at which the services were provided or the goods delivered.

	Six months ended 30 June (unaudited)	
	2018	2017
	$'000	*$'000*
Hong Kong (place of domicile)	**255,881**	333,253
Saipan	**69,334**	78,969
	325,215	412,222

5. Other income

	Six months ended 30 June (unaudited)	
	2018	2017
	$'000	*$'000*
Rental income from lease of machinery	**108**	180
Others	**77**	138
	185	318

6. Profit before taxation

Profit before taxation is arrived at after charging/(crediting):

		Six months ended 30 June (unaudited)	
		2018	2017
		$'000	*$'000*
(a)	**Finance costs**		
	Interest on bank overdrafts	**24**	3
	Interest on bank loans	**1,245**	505
	Finance charges on obligation under finance leases	**179**	362
		1,448	870
(b)	**Staff costs (including directors' remuneration)**		
	Contribution to defined contribution retirement plans	**1,417**	1,840
	Salaries, wages and other benefits	**49,281**	55,433
		50,698	57,273
	Less: Amount included in construction contracts in progress	**(40,173)**	(46,313)
		10,525	10,960
(c)	**Other items**		
	Depreciation	**2,408**	7,547
	Less: Amount included in construction contracts in progress	**(2,015)**	(7,216)
		393	331
	Operating lease charges: minimum lease payments in respect of leasing of properties	**2,576**	2,052
	Less: Amount included in construction contracts in progress	**(269)**	(304)
		2,307	1,748
	Cost of goods sold	**42,840**	25,416
	Impairment losses for trade and other receivables and contract assets	**1,227**	–
	Listing expenses	**–**	11,771

7. Income tax

Income tax in the consolidated statement of profit or loss and other comprehensive income represents:

	Six months ended 30 June (unaudited)	
	2018	2017
	$'000	*$'000*
Current tax – Hong Kong Profits Tax		
Provision for the period	**3,249**	5,839
Deferred tax		
Origination and reversal of temporary differences	**567**	(107)
	3,816	5,732

Notes:

(i) Pursuant to the rules and regulations of the Cayman Islands and British Virgin Islands, the Group is not subject to any income tax in the Cayman Islands and British Virgin Islands.

(ii) The provision for Hong Kong Profits Tax is calculated at 16.5% (2017: 16.5%) of the estimated assessable profits for the six months ended 30 June 2018. No provision for overseas taxation as the Group's overseas subsidiaries either did not have assessable profits or have tax credits in excess of assessable profits during the period in the relevant jurisdiction.

8. Earnings per share

(a) Basic earnings per share

The basic earnings per shares is calculated based on the profit for the period of $16,110,000 (2017: $16,908,000) and the weighted average of 520,839,779 ordinary shares (2017: 384,000,000 ordinary shares) for the six months ended 30 June 2018.

(b) Diluted earnings per share

There were no potential dilutive shares in existence during the six months ended 30 June 2018 and 2017 and, therefore, diluted earnings per share are the same as the basic earnings per share.

9. Trade and other receivables

As of the end of the reporting period, the ageing analysis of trade debtors, based on the invoice date and net of loss allowance, is as follows:

	At 30 June 2018 (unaudited) *$'000*	At 31 December 2017 (audited) *$'000*
Within 1 month	**16,501**	10,605
1 to 2 months	**2,934**	2,200
2 to 3 months	**–**	–
Over 3 months	**4,628**	46,296
Trade debtors, net of loss allowance	**24,063**	59,101
Deposits, prepayments and other receivables *(note (i))*	**50,508**	13,858
Retentions receivable, net of loss allowance *(note (ii))*	**20,143**	98,815
Deposit paid for acquisition of subsidiaries *(note (iii))*	**4,000**	–
	98,714	171,774

Notes:

(i) As at 30 June 2018, except for the amount of $639,000 (31 December 2017: $715,000) which was expected to be recovered or recognised as expense after one year, all of the remaining balances were expected to be recovered or recognised as expense within one year.

(ii) As at 30 June 2018, all the retentions receivable was expected to be recovered within one year (31 December 2017: except for the amount $71,744,000 was expected to be recovered after one year, all of the remaining balances were expected to be recovered within one year).

(iii) As at 30 June 2018, the Group has paid $4,000,000 as the deposit for the acquisition of TIEN New Energy Development Limited *(see note 15)*.

In respect of trade and other receivables, individual credit evaluations are performed as part of the acceptance procedures for new contracts. These evaluations focus on the customer's past history of making payments when due and current ability to pay, and take into account information specific to the customer as well as pertaining to the economic environment in which the customer operates. Trade receivables from both of construction contracts business and sales of piles business are due within 0-60 days from the date of billing.

10. Trade and other payables

As of the end of the reporting period, the ageing analysis of trade creditors, based on the invoice date, is as follows:

	At 30 June 2018 (unaudited) *$'000*	At 31 December 2017 (audited) *$'000*
Within 1 month	**34,673**	43,991
1 to 2 months	**17,663**	14,137
2 to 3 months	**2,213**	7,228
Over 3 months	**12,510**	21,536
Trade creditors	**67,059**	86,892
Other payables and accruals	**16,908**	22,744
Retentions payable	**23,650**	21,073
	107,617	130,709

Note:

As at 30 June 2018, except for the amount of $17,018,000 (31 December 2017: $17,856,000) which was expected to be settled after one year, all of the remaining balances were expected to be settled within one year.

11. Bank loans

The bank loans were repayable as follows:

	As at 30 June 2018 (unaudited) *$'000*	As at 31 December 2017 (audited) *$'000*
Within 1 year or on demand	**67,889**	50,996

As at 30 June 2018 and 31 December 2017, the Group's banking facilities were secured and guaranteed by counter-indemnity provided by a subsidiary for the issuance of guarantee or performance bond.

Bank deposits of $70,088,000 (31 December 2017: $36,315,000) were also pledged to secure the banking facilities granted to the Group as at 30 June 2018. In addition, it was provided in the agreement with a bank for banking facilities that if the Controlling Shareholders hold less than 51% interests in the Company, then the bank is entitled to request immediate repayment of any outstanding loans and accrued interest.

For the six months ended 30 June 2018, the bank loans bear interest ranging from 3.75% to 5% per annum (2017: 3.25% to 5% per annum).

The bank loans are classified by the Group as current liabilities as they are repayable within one year or the lender possesses unconditional right to call the loan at any time on demand.

All of the Group's banking facilities are subject to the fulfilment of covenants as are commonly found in lending arrangements with financial institutions. If the Group were to breach the covenants the drawn down facilities would become payable on demand. The Group regularly monitors its compliance with these covenants. As at 30 June 2018, none of the covenants relating to drawn down facilities had been breached.

12. Capital, reserves and dividends

(a) Dividends

The Directors did not recommend the payment of a dividend by the Company for the six months ended 30 June 2018. (2017: $nil).

(b) Share capital

The Company

	Par value	At 30 June 2018 (unaudited) No. of shares	Amount	At 31 December 2017 (audited) No. of shares	Amount
	$		$		$
Authorised ordinary shares:					
At the beginning of the reporting period	0.01	**1,000,000,000**	**10,000**	38,000,000	380
Increase in authorised ordinary shares *(note (i))*	0.01	**–**	**–**	962,000,000	9,620
At the end of the reporting period		**1,000,000,000**	**10,000**	1,000,000,000	10,000
Issued and fully paid ordinary shares:					
At the beginning of the reporting period	0.01	**512,000,000**	**5,120**	30,000	–*
Issuance of new shares under the reorganisation *(note (ii))*	0.01	**–**	**–**	23,400,000	234
Issuance of new shares under IPO, net of issuing expenses *(note (iii))*	0.01	**–**	**–**	128,000,000	1,280
Capitalisation issue *(note (iv))*	0.01	**–**	**–**	360,570,000	3,606
Placing of new shares *(note (v))*	0.01	**100,000,000**	**1,000**	–	–
At the end of the reporting period		**612,000,000**	**6,120**	512,000,000	5,120

* The balance represents an amount of less than $1,000.

Notes:

(i) On 23 June 2017, the authorised share capital of the Company was increased from $380,000 divided into 38,000,000 ordinary shares of par value of $0.01 each to $10,000,000 divided into 1,000,000,000 ordinary shares of par value of $0.01 each by the creation of an additional 962,000,000 ordinary shares of par value of $0.01 each.

(ii) On 23 June 2017, Mr. Kan, Mr. Lee and Mr. Wong (as vendors) and the Company (as purchaser) entered into a sales and purchase agreement, pursuant to which the Company acquired the entire issued share capital of Win Win Way Investment Holdings Limited held by Mr. Kan, Mr. Lee and Mr. Wong (the "Transfer"). In consideration of the Transfer, the Company issued a total of 23,400,000 ordinary shares to Condover Assets Limited ("Condover Assets") at the direction of Mr. Kan, Mr. Lee and Mr. Wong.

(iii) On 17 July 2017, the Company was successfully listed on the Stock Exchange following the completion of its share offer of 128,000,000 shares issued at a price of $0.86 per share. The Company received net proceeds of approximately $90,825,000 (after deducting listing expenses) in respect of the Listing.

(iv) On 17 July 2017, a total of 360,570,000 shares were allotted and issued, credited as fully paid at par, to Condover Assets by way of capitalisation of a sum of $3,606,000 standing to the credit of the share premium account of the Company (the "Capitalisation Issue").

(v) On 15 June 2018, a total of 100,000,000 shares were allotted and issued at a price of $0.84 per share. The Company received net proceeds of approximately $81,300,000 (after deducting issuing expenses) in respect of the placing of new shares under general mandate.

13. Commitments

At 30 June 2018, the Group's total future minimum lease payments under non-cancellable operating leases were payable as follows:

	At 30 June 2018 (unaudited) ***$'000***	At 31 December 2017 (audited) *$'000*
Within 1 year	**2,477**	2,984
After 1 year but within 3 years	**2,411**	3,700
	4,888	6,684

The Group is the lessee in respect of a number of properties held under operating leases. The leases typically run for an initial period of 1 to 3 years, with an option to renew the lease when all terms are renegotiated. None of the leases includes contingent rentals.

14. Contingent liabilities and claims

(a) At 30 June 2018, the Group had contingent liabilities in respect of performance bonds to guarantee the due and proper performance of the obligation undertaken by the Group's subsidiaries for projects amounting to $59,427,500 (31 December 2017: $64,667,500).

(b) In 2012, Win Win Way Construction Co., Limited ("WWW Construction"), one of the subsidiaries of the Company, set up an arrangement with a third party to jointly undertaken a construction project with a contract sum of $270,000,000. Pursuant to the requirements of the construction contract (the "Contract"), WWW Construction and the third party entered into an agreement with the customer to jointly and severally guarantee the due and proper performance of the Contract and thus the Group had contingent liabilities in this respect as at 30 June 2018. Given the defect liability period for the Contract had expired in October 2015 and no claims were received from the customer up to the date of this interim results announcement, the directors do not consider it is probable that a claim would be made against the Group and no provision has been made in the financial statements.

(c) The Group initiated legal proceedings in December 2015 and filed a statement of claims in January 2016 against a subcontractor and its director for their breach of a sub-contracting agreement in relation to a project (the "Project") and claimed an amount of approximately $9,914,000, representing the Group's direct payments to other subcontractors in relation to the Project which were made on behalf of the subcontractor. In May 2016, the subcontractor filed a defence and made passing reference to a counterclaim of approximately $41,328,000. However, no counterclaim is formulated and presented in the defence by the subcontractor. Based on the opinion of the Group's legal adviser, the directors are of the view that the claim from the subcontractor is invalid with little prospect of success and accordingly no provision has been made in the financial statements.

Having considered the pending determination of the final account of the Project between the Group and the customer, the Group took out a stay summons on 7 August 2017 and a discontinuance summons on 16 August 2017 on its legal proceedings against the subcontractor so as to consolidate the claim of $9,914,000 against the subcontractor with the determination of final account of the Project. In September 2017, the High Court of the Hong Kong Special Administrative Region granted leave to the Group to withdraw the stay summons and to discontinue the legal proceedings.

Regarding the aforesaid Project, there was a delay in its completion by the Group. The architect appointed by the customer indicated that the customer was entitled to deduct a sum of approximately $21,125,000 for liquidated damages ("LD Claim"), in addition to the liquidated damages of approximately $1,950,000 already deducted by the customer. The Group has engaged an external contract consultant to assess the exposure of the potential LD Claim. Based on the opinion of the contract consultant, the Directors consider that the likelihood of the Group being liable to such LD Claim is highly unlikely and hence no provision has been made in the financial statements.

The final account of the Project had been recently issued by the customer with no negative cash flow effect to the Group. The Group will now proceed to issue its sub-contract final account to the subcontractor for its approval and payment.

15. Non-adjusting events after the reporting period

On 20 June 2018, the Group entered into a sales and purchase agreement ("Agreement") with the vendor to acquire 100% of the issued share capital of TIEN New Energy Development Limited ("Target Company") at a consideration of $24,000,000. All the conditions precedent under the Agreement have fulfilled and the acquisition was completed on 6 July 2018 ("Completion"). Upon the Completion, the Target Company became an indirect wholly-owned subsidiary of the Company and its result and financial position will be consolidated into the financial statements of the Group.

16. Review of interim results announcement

The unaudited interim financial report for the six months ended 30 June 2018 has been reviewed by the Audit Committee with no disagreement.

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

The principal activities of the Group are the provision of construction services which mainly include foundation works and ancillary services and general building works, and sales of piles. The Group mainly serves customers in Hong Kong from the private sector but also serves customers from the public sector.

In October 2014, the Group entered into a construction contract in Saipan as main contractor, providing foundation works and ancillary services and general building works ("Saipan Project"), which is a construction project of a resort hotel located at San Antonio, Saipan, Commonwealth of the Northern Mariana Islands ("CNMI"). The foundation works lasted from May 2015 to October 2015. The general building works commenced in May 2016 and was preliminarily expected to complete in or around February 2018. However, due to (i) the inclement weather; (ii) change of policy on worker visa application, such that a substantial amount of workers could not obtain the necessary work permit carry out the work in Saipan; and (iii) change in design as instructed by the customer, and permit for this work not having been obtained, the progress of the Saipan Project was hindered. Since the delay was not due to factors attributable to the fault of our Group, we have applied for extension of time with the customer. On 19 March 2018, the customer has issued a letter to us indicating its agreement to our application for extension of time and the completion date of the Saipan Project was extended to February 2019. During the six months ended 30 June 2018 and up to the date of this interim results announcement, the aforementioned factors (ii) and (iii) are still affecting the progress of Saipan Project. The Board will continuously review the expected completion date, closely monitor the progress of the Saipan Project and apply for further extension of time with the customer if necessary.

Construction services

As at 30 June 2018, the Group had a total of 12 contracts on hand (including contracts in progress and contracts yet to be commenced) and the relevant awarded contract sum of these contracts on hand amounted to approximately HK$1,700.9 million (31 December 2017: HK$1,943.4 million). The amount of contract sum yet to be recognised as at 30 June 2018 amounted to approximately HK$476.5 million (31 December 2017: HK$708.8 million).

Foundation Works and Ancillary Services

Foundation works mainly include mini-piling, percussive piling, rock socketed in steel H-pile and bored pile, together with pile cap. Ancillary services mainly include site formation and demolition works, for example, clearance of the site, excavation, demolition of a building or any substantial part of a building.

During the six months ended 30 June 2018, there were 14 (2017: 35) foundation works and ancillary services projects contributing revenue of HK$36.4 million (2017: HK$79.1 million) to this business segment. The decrease was mainly due to 8 foundation works and ancillary services projects completed and only 3 new projects awarded during the year ended 30 June 2018.

General Buildings Works

General building works mainly include structural alteration and additional works, development of superstructures such as entire dwelling, office buildings, stores, public utility buildings, farm buildings, etc.

During the six months ended 30 June 2018, there were 9 (2017: 9) general building works projects contributing revenue of HK$235.3 million (2017: HK$304.9 million) to this business segment. The decrease was mainly due to 1 general building work project completed and no new project awarded during the six months ended 30 June 2018.

Trading of Piles

The piles are manufactured and supplied by 廣州羊城管樁有限公司 (“GZYC”), the related party of the Company. Win Win Way Materials Supply Limited (“WWW Materials”), the indirect wholly owned subsidiary of the Company, has been granted the exclusive distribution right by GZYC for its pile products in Hong Kong from August 2010 to July 2020. The piles sourced from GZYC are “YANGCHENG” precast prestressed concrete piles (the “PHC Piles”).

On 1 March 2017 and 24 June 2017, WWW Materials entered into a purchase agreement and a supplemental purchase agreement, respectively (collectively, the "2017 PHC Pile Purchase Agreement"), with GZYC pursuant to which the WWW Materials agreed to make a one-off purchase of a total of 164,000 meters of PHC Piles of four different specifications and 4,500 units of steel cross shoes from GZYC to satisfy our Hong Kong customers' demand. In light of the delays in certain projects of the Group's customers, WWW Material and GZYC have agreed to extend the expiry date of the 2017 PHC Piles Purchase Agreement from 31 December 2017 to 30 June 2018 by the supplemental agreement to the PHC Piles Purchase Agreement dated 15 November 2017.

On 15 November 2017 and 8 December 2017, WWW Materials entered into a purchase agreement and a supplemental agreement, respectively with GZYC (collectively, the "2018 PHC Piles Purchase Agreement") pursuant to which WWW Materials has conditionally agreed to make a one-off purchase of a total of 106,000 meters of PHC Piles of four different specifications and 3,600 units of steel cross shoes from GZYC.

During the six months ended 30 June 2018, trading of piles contributed HK$53.5 million (2017: HK$28.2 million) revenue to the Group.

FINANCIAL REVIEW

For the six months ended 30 June 2018, the Group's unaudited consolidated revenue amounted to approximately HK$325.2 million (2017: HK$412.2 million). The decrease was mainly attributable to (i) the number of projects on hand decreased to 12 as at 30 June 2018 (31 December 2017: 18); and (ii) only 3 foundation work and ancillary services projects awarded during the six months ended 30 June 2018.

For the six months ended 30 June 2018, the overall gross profit was HK$49.4 million (2017: HK$61.9 million), while the overall gross profit margin was 15.2% (2017: 15.0%). The gross profit and gross profit margin of the projects are affected by a number of factors, including scope of work, technical complexity, geological conditions of the work sites, variation orders and/or work programme, and therefore varies from project to project. Foundation work projects undertaken by the Group generally had a higher gross profit margin compared with general building work projects. During the six months ended 30 June 2018, there are 86.6% (2017: 79.4%) revenue of construction contract segment contributed from general building work projects.

General and administrative expenses (the "G&A Expenses") primarily comprise staff costs, business development expenses, transportation expenses, depreciation, bank charges, office expenses and professional charges. The G&A Expenses for the period decreased by HK$10.4 million to approximately HK$28.3 million, compared with approximately HK$38.7 million of the corresponding period in 2017, which was mainly the listing expenses of approximately $11.8 million incurred in last period.

As a result, profit for the period decreased to approximately HK$16.1 million, representing a decrease of 4.7% over the corresponding period of approximately HK$16.9 million in 2017. Excluding the non-recurring listing related expenses, the adjusted profit for the six months ended 30 June 2017 amounted to approximately HK$28.7 million.

LIQUIDITY, FINANCIAL RESOURCES AND CAPITAL STRUCTURE

	As at 30 June 2018	As at 31 December 2017
Current ratio[1]	**2.7**	2.1
Gearing ratio (%)[2]	**21.5**	25.1
Net debt to equity ratio *(%)*[3]	**N/A**	1.7

Notes:

1. Current ratio based on the total current assets divided by the total current liabilities.

2. Gearing ratio based on the total debt (which includes bank loans and obligations under finance leases) divided by total equity and multiplied by 100%.

3. Net debt to equity ratios based on net debts (which include bank loans and obligations under finance leases less cash and cash equivalents) divided by total equity and multiplied by 100%.

Current ratio increased from 2.1 as at 31 December 2017 to 2.7 as at 30 June 2018, mainly due to increase in cash and bank balances. Gearing ratio decreased from 25.1% as at 31 December 2017 to 21.5% as at 30 June 2018, mainly due to the addition in equity after new shares issued under the general mandate. Net debt to equity ratio is not applicable as at 30 June 2018 due to the cash and cash equivalents larger than the total of bank loans and obligations under finance leases at that date.

As at 30 June 2018, the Group had cash and bank balances of approximately HK$157.7 million (31 December 2017: HK$56.1 million).

The capital structure of the Group consisted of equity of HK341.2 million (31 December 2017: HK$239.6 million) and debts (bank loans and obligations under finance leases) of HK$73.5 million (31 December 2017: HK$60.1 million) as at 30 June 2018. The details of bank loans of the Group is set out in note 11 to this interim results announcement.

The Group adopts a prudent approach in cash management. Apart from certain debts including bank loans and obligations under finance leases, the Group did not have any material outstanding debts as at 30 June 2018. In any case, the Group may utilise its banking facilities of HK$160.0 million, of which HK$47.9 million remain unused as at 30 June 2018.

USE OF NET PROCEEDS

Net proceeds from the listing

Following the listing, in response to the growth in the construction industry and the strong prospects for both public and private development projects, the Board resolved to revise its proposed use of proceeds from the listing. Please refer to the announcement of the Company dated 10 April 2018 for details. The table below sets out the proposed applications of the net proceeds and actual usage up to 30 June 2018:

	Proposed application *HK$'million*	**Actual usage up to 30 June 2018** *HK$'million*
Strengthen our Hong Kong market position to capture profitable projects	39.8	39.8
General working capital	7.3	7.3
	47.1	47.1

Net proceeds from the placing under general mandate

On 23 May 2018, the Company and the placing agent entered into the placing agreement, pursuant to which the Company has appointed the placing agent to procure, on a best effort basis, the placees to subscribe for the placing shares at a price of HK$0.84 per share.

On 13 June 2018, all the conditions set out in the placing agreement have been fulfilled and the placing has become unconditional. On 15 June 2018, 100,000,000 shares were issued at subscription price of HK$0.84 each and the Company received net proceeds of approximately HK$81.3 million (after deducting issuing expenses). The table below sets out the proposed applications of the net proceeds and actual usage up to 30 June 2018:

	Proposed application *HK$'million*	**Actual usage up to 30 June 2018** *HK$'million*
Settlement of consideration of the potential acquisition	20.0	4.0
General working capital	61.3	–
	81.3	4.0

EMPLOYEES

The Group had 305 employees (31 December 2017: 353 employees) as at 30 June 2018. The Group offers competitive remuneration package that is based on overall market rates and employee performance, as well as performance of the Group. Remuneration package is comprised of salary, performance-based bonus, and other benefits including training and provident funds.

CAPITAL COMMITMENTS

The Group had no capital commitments as at 30 June 2018.

CHARGES ON GROUP ASSETS

As at 30 June 2018, the Group had obligation under finance leases of approximately HK$5.6 million (31 December 2017: HK$9.1 million). The Group had no obligation under finance leases secured by the lessors' charge over the leased assets with net book values of HK$nil (31 December 2017: HK$0.1 million) as at 30 June 2018. In addition, as at 30 June 2018, bank deposits of HK$70.1 million (31 December 2017: HK$36.3 million) were pledged to secure the banking facilities granted to the Group.

CONTINGENT LIABILITIES

Save as disclosed in note 14 to the unaudited interim results announcement, the Group had no other contingent liabilities and claims as at 30 June 2018.

FOREIGN CURRENCY EXCHANGE RISK

The Group has no significant exposure to foreign currency risk as substantially all of the Group's transactions are denominated in Hong Kong dollars and United States dollars. As the Hong Kong dollars is pegged to the United States dollars, the Group considers the risk of movements in exchange rates between the Hong Kong dollars and the United States dollars to be insignificant.

As at 30 June 2018, the Group does not have a foreign currency hedging policy in respect of its foreign currency assets and liabilities. The Group will monitor its foreign currency exposure closely and will consider using hedging instruments in respect of significant foreign currency exposure as and when appropriate.

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

Acquisition of TIEN New Energy Development Limited ("TIEN New Energy") and its subsidiaries (collectively, "TIEN New Energy Group")

Reference is made to the announcements of the Company dated 23 May 2018 (the "Announcement"), 6 June 2018 and 12 June 2018. Unless otherwise defined, terms used herein still have the same meanings as those defined in the Announcement.

On 23 May 2018, the Vendor and the Company entered into a non-legal binding MOU in relation to the Potential Acquisition. The MOU is subject to, among others, the execution of the Formal Agreement.

The Vendor and the Purchaser entered into the Formal Agreement on 20 June 2018. Subsequent to the end of the six months ended 30 June 2018, all the conditions precedent under the Formal Agreement have been fulfilled and completed and the Formal Agreement was taken place on 6 July 2018. Upon Completion, TIEN New Energy has become an indirect wholly-owned subsidiary of the Company. The TIEN New Energy Group is principally engaged in engineering development and qualified for main engineering, procurement and construction ("EPC") in electric power projects in the PRC with a focus in application of renewable energy in the construction sector of the PRC.

Save for the aforementioned, there were no significant investments held, material acquisitions or disposals of subsidiaries and affiliated companies during the six months ended 30 June 2018.

FUTURE PROSPECTS

Taking into account the Government of the Hong Kong Administrative Region's policy in increasing land supply and commitment to infrastructure investment, the Group expects a steady growth in Hong Kong's construction industry in the long run. In view of the growth prospects for both public and private development projects, the Group intend to (i) expand the business capacity and scale to strength the market position in Hong Kong to capture more sizeable and profitable projects; and (ii) further diversify the customer base by bidding works from more private residential developers.

On 6 July 2018, the acquisition of TIEN New Energy Group (the "Acquisition") was completed. The Board believes that the Acquisition will extend the business of the Group. Both the Group and TIEN New Energy Group can take up cross border construction projects giving the close connection and increasing cross border investments between Hong Kong and the PRC companies. The Board also believes that the Acquisition will be beneficial to the Group in the long run.

DIVIDEND

The Directors did not recommend the payment of a dividend for the six months ended 30 June 2018 (2017: $nil).

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

Neither the Company nor its subsidiaries had purchased, sold or redeemed any of the Company's listed securities during the period.

CONNECTED TRANSACTIONS AND CONTINUING CONNECTED TRANSACTIONS

The Group has entered into certain agreements with the Company's connected persons (as defined under Chapter 14A of the Listing Rules) constitute connected transactions and continuing connected transactions of the Company under Chapter 14A of the Listing Rules. The independent non-executive Directors of the Company confirmed that the continuing connected transactions for the six months ended 30 June 2018 and that they were entered into:

1. in the ordinary course of the business of the Group;

2. on normal commercial terms or better; and

3. in accordance with the relevant written agreements governing them on terms that are fair and reasonable and in the interests of the shareholders of the Company as a whole.

Details of the connected and continuing connected transactions of the Company for the six months ended 30 June 2018 are as follows:

Connected Transactions – Purchase of materials from GZYC

Connected person

GZYC is a 30%-controlled company held indirectly by Dr. Kan, Poon Man Yee (Dr. Kan's spouse) on behalf of Dr. Kan, Mr. Lee and Mr. Wong, and is therefore an associate of Dr. Kan, Mr. Lee and Mr. Wong and a connected person of the Company under the Listing Rules.

Description of the transactions

2017 PHC Pile Purchase Agreement

On 1 March 2017, 24 June 2017 and 15 November 2017, WWW Materials entered into a purchase agreement, a supplemental purchase agreement and second supplemental purchase agreement, respectively, with GZYC (collectively, the "2017 PHC Piles Purchase Agreement") pursuant to which WWW Materials has agreed to make a one-off purchase of a total of 164,000 meters of PHC Piles of four different specifications and 4,500 units of steel cross shoes from GZYC. In light of the delays in certain projects of the Group's customers, WWW Material and GZYC have agreed to extend the expiry date of the 2017 PHC Piles Purchase Agreement from 31 December 2017 to 30 June 2018 by the supplemental agreement to the PHC Piles Purchase Agreement dated 15 November 2017.

2018 PHC Pile Purchase Agreement

On 15 November 2017 and 8 December 2017, WWW Materials entered into a purchase agreement and a supplemental purchase agreement, respectively, with GZYC (collectively, the "2018 PHC Piles Purchase Agreement") pursuant to which WWW Materials has conditionally agreed to make a one-off purchase of a total of 106,000 meters of PHC Piles of four different specifications and 3,600 units of steel cross shoes from GZYC.

On 29 December 2017, the Company obtained independent shareholders' approval at the extraordinary general meeting in accordance with the Listing Rules.

During the six months ended 30 June 2018, the total purchase from GZYC amounted to approximately HK$32.3 million.

Details of the above-mentioned transactions were disclosed in the prospectus dated 30 June 2017; announcements dated 15 November 2017 and 8 December 2017; and circular dated 12 December 2017 of the Company.

Exempt continuing connected transaction – Provision of consultancy services by Wong & Cheng Consulting Engineers Limited ("Wong & Cheng")

Connected person

Wong & Cheng is owned by Mr. Kwong Po Lam ("Mr. Kwong"), the executive Director of the Company, as to approximately 32% and by an independent third party as to 68%. Wong & Cheng is an associate of Mr. Kwong, and is therefore a connected person of the company under Listing Rules.

Description of the transaction

The Company engaged Wong & Cheng for the provision of consultancy services relating to submission of works such as piling foundation, ELS and hoarding amendment to the relevant government departments, including the Buildings Department for approval on an ad-hoc basic ("W&C Consultancy Services"). On 23 June 2017, Win Win Way Construction Co., Limited ("WWW Construction"), the indirect wholly-owned subsidiary of the Company, entered into a framework consultancy agreement (the "W&C Framework Consultancy Agreement") with Wong & Cheng pursuant to which Wong & Cheng shall provide W&C Consultancy Services to the WWW Construction from time to time.

Listing Rules implications

Since each of the relevant percentage ratio under the Listing Rules in respect of the total annual consideration of the transactions under the W&C Framework Consultancy Agreement is expected to be less than 5% and the total annual consideration is expected to be less than HK$3 million, the transaction constitutes de minimis transaction under Rule 14A.76(1) which is fully exempt from the shareholders' approval, annual review and all disclosure requirements.

During the six months ended 30 June 2018, the total consultancy fee paid to Wong & Cheng amounted to approximately HK$62,000.

Non-exempt continuing connected transactions – Provision of consultancy services by Paul Tong & Associates Consulting Engineers Limited ("Paul Tong")

Connected person

Paul Tong is a Hong Kong incorporated private company principal engaged in the provision of general construction consulting services and certification of piles manufactured by GZYC. It is held as to 75% by Dr. Kan and as to 25% by Mr. Yeung Nai Cheong, a senior management of the Company, and is therefore an associate of Dr. Kan and a connected person of the Company under the Listing Rules. Paul Tong obtained the Building Department's approval for the use of PHC Piles in 2006 subject to certain conditions and requirements being met, rendering Paul Tong's certification necessary for use of the PHC Piles in Hong Kong.

Description of the transactions

2017 Paul Tong Framework Consultancy Agreement

On 2 May 2017, WWW Materials entered into a consultancy agreement (the "2017 Paul Tong Framework Consultancy Agreement") with Paul Tong pursuant to which Paul Tong will provide PHC Piles Consultancy Services to the Group from time to time during the term of that agreement.

2018 Paul Tong Framework Consultancy Agreement

On 15 November 2017, WWW Materials entered into a consultancy agreement (the "2018 Paul Tong Framework Consultancy Agreement") with Paul Tong pursuant to which Paul Tong will provide PHC Piles Consultancy Services to the Group from time to time during the term of that agreement.

Listing Rules implications

As Paul Tong is a connected person of the company and in light of the view of the Directors (including the independent non-executive Directors) as described below, the transactions as contemplated under the 2017 Paul Tong Framework Consultancy Agreement and the 2018 Paul Tong Framework Consultancy Agreement (collectively, the "Paul Tong Framework Consultancy Agreements") constitute continuing connected transactions of the Company and are subject to the reporting, annual review and announcement requirements, but are exempt from the independent shareholders' approval requirements pursuant to Chapter 14A of the Listing Rules.

The transaction amount for the six months ended 30 June 2018 and the annual cap for the year ending 31 December 2018 under the Paul Tong Framework Consultancy Agreements was as follows:

Agreement	**Transaction amount for the six months ended 30 June 2018** *HK$'000*	**Annual Cap for the year ending 31 December 2018** *HK$'000*
Paul Tong Framework Consultancy Agreements	4,525	7,309

Details of the above-mentioned transactions were disclosed in the prospectus dated 30 June 2017 and announcements dated 15 November 2017 of the Company.

SUFFICIENCY OF PUBLIC FLOAT

Based on the information that is publicly available to the Company and within the knowledge of the Directors, the Company has maintained the prescribed public float under the Listing Rules from the Listing Date and up to the date of this interim results announcement.

CORPORATE GOVERNANCE

During the six months ended 30 June 2018, the Company has complied with all the code provisions as set out in the Corporate Governance Code (the "CG Code") contained in Appendix 14 to the Listing Rules, except for the following:

(a) Code provision E.1.2 stipulates that the chairman of the board should attend the annual general meeting. The chairman should also invite the chairman of the audit, remuneration, nomination and any other committees to attend.

    The chairman absence in annual general meeting, he has appointed and authorised Dr. Kan, an executive Director, to act on behalf on himself at the annual general meeting.

COMPLIANCE WITH THE MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code for Securities Transactions by Directors of the Listed Issuers contained in Appendix 10 to the Listing Rules as its own code of conduct of dealings in securities of the Company by Directors (the "Model Code"). Upon specific enquires of all the Directors, each of them confirmed that they have complied with the required standards set out in the Model Code during the period.

EVENT AFTER THE REPORTING PERIOD

Save as those disclosed in note 15 to the unaudited interim results announcement, there is no other material subsequent event undertaken by the Company or the Group after 30 June 2018 and up to the date of this interim results announcement.

DISCLOSURE OF INFORMATION ON DIRECTORS PURSUANT TO RULE 13.51B(1) OF THE LISTING RULES

Pursuant to Rule 13.51B(1) of the Listing Rules, the changes in information of Directors subsequent to the date of the 2017 Annual Report of the Company is set out below:

Name of Director	Details of change
Mr. Guo Jianfeng *Executive Director*	Appointed as an executive Director with effect from 6 July 2018

AUDIT COMMITTEE

An Audit Committee was established by the Board with written terms of reference which are consistent with the provisions as set out in the CG Code. The Audit Committee comprises three independence non-executive Directors, namely, Mr. Lo Chi Leung (chairman of the Audit Committee), Mr. Fan Siu Kay and Mr. Leung William Wai Kai.

The Audit Committee is principally responsible for reviewing with the management of the Company the accounting principles and practices adopted by the Group and discussed auditing, internal controls and financial reporting matters including the review of the Group's unaudited interim financial report for the six months ended 30 June 2018 with no disagreement.

PUBLICATION OF INTERIM RESULTS AND INTERIM REPORT

This results announcement is published on the Company's website at www.winwinway.com.hk and the Stock Exchange's website at www.hkexnews.hk. The interim report will be despatched to shareholders and will also be published on the websites of both the Stock Exchange and the Company in due course.

APPRECIATION

The Board would like to express its sincere gratitude to the management of the Group and all the staff for their hard work and dedication, as well as its shareholders, business associates and other professional parties for their support throughout the period.

By order of the Board of Directors
Win Win Way Construction Holdings Ltd.
Lee Kai Lun
Chairman

Hong Kong, 24 August 2018

As at the date of this announcement, the Board of Directors of the Company comprises Mr. Lee Kai Lun as Chairman and executive Director; Dr. Kan Hou Sek, Jim, Mr. Lee Sai Man, Mr. Wong Siu Kwai, Mr. Kwong Po Lam and Mr. Guo Jianfeng, as executive Directors; and Mr. Fan Siu Kay, Mr. Leung William Wai Kai and Mr. Lo Chi Leung, as independent non-executive Directors.