WT GROUP HOLDINGS LIMITED
WT 集團控股有限公司

(Incorporated in the Cayman Islands with limited liability)

Stock Code : 8422

INTERIM REPORT **2017/2018**

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

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This report, for which the directors (the "Directors") of WT Group Holdings Limited (the "Company", together with its subsidiaries, the "Group") collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on the GEM of the Stock Exchange (the "GEM Listing Rules") for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquires, confirm that to the best of their knowledge and belief, the information contained in this report 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 report misleading.

CORPORATE INFORMATION

BOARD OF DIRECTORS

Executive Directors:
Mr. Yip Shiu Ching *(Chairman)*
Mr. Kung Cheung Fai Patrick
Mr. Kam Kin Bun

Independent Non-executive Directors:
Mr. Leung Chi Hung
Ms. Wong Lai Na
Ms. Hung Siu Woon Pauline

AUDIT COMMITTEE

Mr. Leung Chi Hung *(Chairman)*
Ms. Wong Lai Na
Ms. Hung Siu Woon Pauline

REMUNERATION COMMITTEE

Ms. Wong Lai Na *(Chairman)*
Mr. Leung Chi Hung
Ms. Hung Siu Woon Pauline

NOMINATION COMMITTEE

Ms. Hung Siu Woon Pauline *(Chairman)*
Mr. Leung Chi Hung
Ms. Wong Lai Na

COMPANY SECRETARY

Mr. Lei Wai Hoi, *CPA*

AUTHORISED REPRESENTATIVES

Mr. Yip Shiu Ching
Mr. Lei Wai Hoi

REGISTERED OFFICE

Cricket Square, Hutchins Drive
P.O. Box 2681
Grand Cayman KY1-1111
Cayman Islands

HEAD OFFICE AND PRINCIPAL PLACE OF BUSINESS IN HONG KONG

Flat A, 6/F, Evernew Commercial Centre
33 Pine Street, Tai Kok Tsui
Kowloon, Hong Kong

PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE IN THE CAYMAN ISLANDS

Conyers Trust Company (Cayman) Limited
Cricket Square, Hutchins Drive
P.O. Box 2681
Grand Cayman KY1-1111
Cayman Islands

BRANCH SHARE REGISTRAR AND TRANSFER OFFICE IN HONG KONG

Union Registrars Limited
Suites 3301–04, 33/F.
Two Chinachem Exchange Square
338 King's Road
North Point
Hong Kong

COMPLIANCE ADVISER

Titan Financial Services Limited

LEGAL ADVISERS TO THE COMPANY AS TO HONG KONG LAW

D. S. Cheung & Co.

PRINCIPAL BANKERS

Bank of China (Hong Kong) Limited
DBS Bank (Hong Kong) Limited

AUDITORS

PricewaterhouseCoopers
Certified Public Accountants

STOCK CODE

8422

COMPANY'S WEBSITE

http://www.wtgholdings.com

FINANCIAL RESULTS

The board of Directors (the "Board") of the Company is pleased to announce the unaudited condensed consolidated financial results of the Group for the three months and six months ended 31 December 2017, together with the comparative unaudited figures for the corresponding periods in 2016 as follows:

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the three months and six months ended 31 December 2017

		Three months ended 31 December		Six months ended 31 December	
	Notes	**2017 HK$'000 (Unaudited)**	2016 HK$'000 (Unaudited)	**2017 HK$'000 (Unaudited)**	2016 HK$'000 (Unaudited)
Revenue	*6*	**11,684**	17,476	**23,901**	31,443
Cost of sales	*9*	**(8,311)**	(12,308)	**(17,675)**	(21,672)
Gross profit		**3,373**	5,168	**6,226**	9,771
Other income	*7*	**–**	470	**262**	551
Other gain	*8*	**–**	–	**–**	12
Administrative expenses	*9*	**(6,125)**	(1,013)	**(13,037)**	(2,232)
Operating (loss)/profit		**(2,752)**	4,625	**(6,549)**	8,102
Finance costs	*10*	**(6)**	(7)	**(18)**	(13)
(Loss)/profit before income tax		**(2,758)**	4,618	**(6,567)**	8,089
Income tax expense	*11*	**(278)**	(762)	**(431)**	(1,335)
(Loss)/profit and total comprehensive (expense)/income for the period attributable to owners of the Company		**(3,036)**	3,856	**(6,998)**	6,754
Dividends	*22*	**3,000**	3,600	**3,000**	5,700
(Loss)/earnings per share attributable to owners of the Company for the period (expressed in HK$ cents per share)					
Basic and diluted	*12*	**(0.4)**	0.6	**(0.9)**	1.0

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 December 2017

	Notes	As at 31 December 2017 HK$'000 (Unaudited)	As at 30 June 2017 HK$'000 (Audited)
ASSETS			
Non-current assets			
Property and equipment	*13*	1,230	1,316
Deposits and prepayments	*15*	71	429
		1,301	1,745
Current assets			
Trade and retention receivables	*14*	28,593	33,702
Deposits, prepayments and other receivables	*15*	850	2,877
Amounts due from customers for contract works	*17*	4,950	1,073
Restricted cash	*16*	4,652	2,507
Cash and cash equivalents	*16*	50,945	14,328
		89,990	54,487
Total assets		91,291	56,232
EQUITY AND LIABILITIES			
EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY			
Share capital/Capital	*21*	10,000	100
Reserves		61,767	34,810
Total equity		71,767	34,910

	Notes	As at 31 December 2017 HK$'000 (Unaudited)	As at 30 June 2017 HK$'000 (Audited)
LIABILITIES			
Non-current liabilities			
Obligations under finance leases	*20*	**401**	576
		401	576
Current liabilities			
Trade and retention payables	*18*	**3,606**	8,114
Accruals and other payables	*19*	**10,622**	4,042
Amounts due to customers for contract works	*17*	**3,279**	6,456
Obligations under finance leases	*20*	**140**	327
Current income tax liabilities		**1,476**	1,807
		19,123	20,746
Total liabilities		**19,524**	21,322
Total equity and liabilities		**91,291**	56,232

UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

For the six months ended 31 December 2017

	Share capital/ Capital HK$'000 *(Note 21)*	Share premium HK$'000 *(Note 21)*	Capital reserve HK$'000 *(Note 21)*	Retained earnings HK$'000	Total HK$'000
At 1 July 2016 (Audited)	100	–	–	21,043	21,143
Comprehensive income:					
Profit and total comprehensive income for the period	–	–	–	6,754	6,754
Transactions with owners in their capacity as owners:					
Dividends *(Note 22)*	–	–	–	(5,700)	(5,700)
At 31 December 2016 (Unaudited)	100	–	–	22,097	22,197
At 1 July 2017 (Audited)	**100**	**–**	**10,000**	**24,810**	**34,910**
Comprehensive expense:					
Loss and total comprehensive expense for the period	**–**	**–**	**–**	**(6,998)**	**(6,998)**
Transactions with owners in their capacity as owners:					
Dividends *(Note 22)*	**–**	**–**	**–**	**(3,000)**	**(3,000)**
Issuance of Shares and effects of the Reorganisation	**(100)**	**–**	**100**	**–**	**–**
Issue of new Shares upon placing and public offer, net of Share issuing expenses	**2,500**	**44,355**	**–**	**–**	**46,855**
Capitalisation of Shares	**7,500**	**(7,500)**	**–**	**–**	**–**
At 31 December 2017 (Unaudited)	**10,000**	**36,855**	**10,100**	**14,812**	**71,767**

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the six months ended 31 December 2017

	Six months ended 31 December	
	2017	2016
	HK$'000	HK$'000
	(Unaudited)	(Unaudited)
Cash flows from operating activities		
Cash (used in)/generated from operations	**(6,012)**	3,255
Interest paid	**(18)**	(13)
Income tax paid	**(761)**	(3,830)
Net cash used in operating activities	**(6,791)**	(588)
Cash flows from investing activities		
Purchase of property and equipment	**(85)**	(127)
Proceeds from disposal of property and equipment	**–**	12
Net cash used in investing activities	**(85)**	(115)
Cash flows from financing activities		
Net proceeds from issuance of Shares	**46,855**	–
Repayments of finance leases	**(362)**	(165)
Dividends paid	**(3,000)**	(5,700)
Net cash generated from/(used in) financing activities	**43,493**	(5,865)
Increase/(decrease) in cash and cash equivalents	**36,617**	(6,568)
Cash and cash equivalents at beginning of the period	**14,328**	16,748
Cash and cash equivalents at end of the period	**50,945**	10,180

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

1 GENERAL INFORMATION AND REORGANISATION

1.1 General information

The Company was incorporated in the Cayman Islands on 11 July 2017 as an exempted company with limited liability under the Companies Law (Cap. 22, Law 3 of 1961 as consolidated and revised) of the Cayman Islands. The address of the Company's registered office is Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman KY1-1111, Cayman Islands and its principal place of business in Hong Kong is Flat A, 6/F, Evernew Commercial Centre, 33 Pine Street, Tai Kok Tsui, Kowloon, Hong Kong. The Company's immediate and ultimate holding company is Talent Gain Ventures Limited ("Talent Gain"), a company incorporated in the British Virgin Islands ("BVI").

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

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

This unaudited condensed consolidated interim financial statements are presented in Hong Kong dollars ("HK$"), which is also the functional currency of the Group and all values are rounded to the nearest thousands (HK$'000), unless otherwise stated.

1.2 Reorganisation

Prior to the incorporation of the Company and the completion of the reorganisation (the "Reorganisation"), the Business was carried out by Wai Tat Foundation & Engineering Limited ("Wai Tat" or the "Operating Company"). Before the completion of the Reorganisation, the Operating Company was controlled by Mr. Kung Cheung Fai Patrick ("Mr. Kung"), Mr. Yip Shiu Ching ("Mr. Yip") and Mr. Kam Kin Bun ("Mr. Kam") (collectively, the "Controlling Shareholders") who owned 34%, 33% and 33%, respectively, of the shareholdings of the Operating Company.

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

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

2 BASIS OF PRESENTATION

The condensed consolidated financial statements have not been audited by the company's auditors, but have been reviewed by the audit committee of the Company.

The unaudited condensed consolidated interim financial statements for the six months ended 31 December 2017 have been prepared in accordance with HKAS 34, 'Interim financial reporting' issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA") and the applicable disclosure provisions of the GEM Listing Rules. The unaudited condensed consolidated interim financial statements should be read in conjunction with the Company's combined financial statements for the year ended 30 June 2017, which have been prepared in accordance with Hong Kong Financial Reporting Standards ("HKFRSs") issued by the HKICPA, as set out in the Prospectus.

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies that have been used in the preparation of these unaudited condensed consolidated interim financial statements are consistent with those followed in the preparation of the Group's combined financial statements for the year ended 30 June 2017.

The Group has adopted and applied the following new standards and amendments to standards that have been issued and effective for the accounting periods beginning on 1 July 2017. The adoption of these new standards and amendments to standards has no material impact on the Group's results and financial position.

HKAS 7 (Amendment)	Statement of cash flows — disclosure initiative
HKAS 12 (Amendment)	Recognition of deferred tax assets for unrealised losses
HKFRS 12 (Amendment)	Disclosure of interest in other entities

The following are new standards and amendments to standards that have been issued but not yet effective for the financial year beginning 1 July 2017 and have not been early adopted:

		Effective for accounting period beginning on or after
HKFRS 1 (Amendment)	First time adoption of HKFRS	1 January 2018
HKFRS 2 (Amendment)	Classification and measurement of share-based payment transactions	1 January 2018
HKFRS 4 (Amendment)	Insurance contracts	1 January 2018
HKFRS 9	Financial instruments	1 January 2018
HKFRS 15	Revenue from contracts with customers	1 January 2018
HKFRS 15 (Amendment)	Classifications to HKFRS 15	1 January 2018
HKAS 28 (Amendment)	Investments in associates and joint ventures	1 January 2018
HK (IFRIC) 22	Foreign Currency Transactions and Advance Consideration	1 January 2018
HK (IFRIC) 23	Uncertainty over income tax treatments	1 January 2019
HKFRS 16	Leases	1 January 2019
HKFRS 10, HKAS 28 (Amendments)	Sale or contribution of assets between an investor and its associate or joint venture	To be determined

3.1 Impact of standards issued but not yet applied by the Group

(i) HKFRS 9 "Financial instruments"

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

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

HKFRS 9 must be applied for financial year commencing on or after 1 January 2018. Based on the transitional provisions in the completed HKFRS 9, early adoption in phases was only permitted for annual reporting periods beginning before 1 February 2015. After that date, the new rules must be adopted in their entirety. The Group does not intend to adopt HKFRS 9 before its mandatory date.

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

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

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

Step 1: Identify the contract(s) with customer.
Step 2: Identify the performance obligations in the contract.
Step 3: Determine the transaction price.
Step 4: Allocate the transaction price to the performance obligations in the contract.
Step 5: Recognise revenue when (or as) the entity satisfies a performance obligation.

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

The Group is currently evaluating the impact of adopting HKFRS 15 on the Group's financial statements and the new standard will likely have an impact on the amounts reported and disclosures made in the Group's financial statements. Under HKFRS 15, the Group is required to identify separate performance obligations in recognising the amount of revenue and recognise the amount of cost related to satisfied performance obligations and fulfilment costs.

Based on the preliminary assessment, the continual use of output method under HKFRS 15 in measuring the percentage of completion is not expected to significantly affect the timing and amount of revenue recognition upon adoption. On the other hand, HKFRS 15 includes contract cost guidance that could result in a change in the measurement and recognition of contract costs as compared to the accounting policy currently adopted by the Group. For the incremental costs of obtaining a contract with a customer and the cost related directly to a contract or an anticipated contract, such as set up costs, that generate or enhance resources to fulfill the future performance, the Group shall recognise this as an asset and amortise such asset over the period of contract performance. The Group will no longer be able to defer costs if the performance obligation qualifies for over-time recognition unless such costs qualify for capitalisation based on either the costs to obtain or costs to fulfill the contract guidance, meaning costs relating to the satisfied performance obligation will be expensed as incurred. Contract costs are recognised as expenses by reference to the stage of completion of the contract activity in accordance to the current standard while costs incurred in satisfying a performance obligation are charged to expense as incurred under HKFRS 15.

Since the Group will continue to use output method to measure progress, which is other than cost-to-cost method, this will likely result in uneven margins in individual reporting periods over the life of the contract. The Group is not yet in a position to provide quantified information and the new standard is not expected to apply until the financial year ending 30 June 2019.

(iii) 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 balance sheet for lessees. The Group is a lessee of various properties which are currently classified as operating leases. The Group's current accounting policy for such leases is set out in Note 2.20 of the accountant's report of the Prospectus with the Group's future operating lease commitments set out in Note 24. 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 balance sheet. 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 balance sheets. 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 balance sheets. As for the financial performance impact in the statements of comprehensive income, the operating lease expenses will decrease, while depreciation and amortisation and the interest expense will increase. The new standard is not expected to apply until the financial year 2019, and the management expects the impacts on the Group's financial results and position upon the adoption of HKFRS16 are not material. The Group's future aggregate minimum lease payments under non-cancellable operating leases as at 30 June 2017 and 31 December 2017 are HK$717,000 and HK$340,000 respectively.

Taxes on income in the interim periods are accrued using the tax rate that would be applicable to expected total annual profit or loss.

4 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

The preparation of the unaudited condensed consolidated interim financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates. In preparing the unaudited condensed consolidated interim financial statements, the significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those applied to the Company's combined financial statements for the year ended 30 June 2017, which have been prepared in accordance with HKFRSs issued by the HKICPA, as set out in the Prospectus.

5 FINANCIAL RISK MANAGEMENT AND FINANCIAL INSTRUMENTS

5.1 Financial risk factors

The Group's activities expose it to a variety of financial risks: foreign exchange risk, credit risk, cash flow and fair value interest rate risk and liquidity risk. The unaudited condensed consolidated interim financial statements do not include all financial risk management information and disclosures required in the annual financial statements, and should be read in conjunction with the Company's combined financial statements for the year ended 30 June 2017, which have been prepared in accordance with HKFRSs issued by the HKICPA, as set out in the Prospectus.

There have been no changes in the risk management policies since 30 June 2017.

5.2 Fair value estimation

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

6 REVENUE AND SEGMENT INFORMATION

	Three months ended 31 December		**Six months ended 31 December**	
	2017 HK$'000 (Unaudited)	2016 HK$'000 (Unaudited)	**2017 HK$'000 (Unaudited)**	2016 HK$'000 (Unaudited)
Revenue:				
Contract revenue	**11,684**	17,476	**23,901**	31,443

The chief operating decision-maker (the "CODM") has been identified as the executive Directors of the Company who reviews the Group's internal reporting in order to assess performance and allocate resources. The CODM assesses the performance based on a measure of profit after income tax and considers all businesses to be included in a single operating segment.

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

All of the Group's activities are carried out in Hong Kong and all of the Group's assets and liabilities are located in Hong Kong. Accordingly, no analysis by geographical basis during the period would be shown.

7 OTHER INCOME

	Three months ended 31 December		Six months ended 31 December	
	2017 HK$'000 (Unaudited)	2016 HK$'000 (Unaudited)	**2017 HK$'000 (Unaudited)**	2016 HK$'000 (Unaudited)
Other income:				
Compensation income received from a customer	**–**	400	**–**	400
Sundry income	**–**	70	**262**	151
	–	470	**262**	551

8 OTHER GAIN

	Three months ended 31 December		Six months ended 31 December	
	2017 HK$'000 (Unaudited)	2016 HK$'000 (Unaudited)	**2017 HK$'000 (Unaudited)**	2016 HK$'000 (Unaudited)
Gain on disposal of property and equipment	**–**	–	**–**	12

9 EXPENSES BY NATURE

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

	Three months ended 31 December		Six months ended 31 December	
	2017	2016	**2017**	2016
	HK$'000	HK$'000	**HK$'000**	HK$'000
	(Unaudited)	(Unaudited)	**(Unaudited)**	(Unaudited)
Construction costs recognised in cost of sales	**8,311**	12,308	**17,675**	21,672
Employee benefits expenses, including directors' emoluments	**925**	646	**1,872**	1,303
Depreciation *(Note 13)*	**86**	79	**171**	149
Listing expenses	**4,446**	–	**9,176**	–
Legal and professional fees	**155**	12	**725**	196
Auditors' remuneration				
— Audit services	**225**	22	**450**	43
— Non-audit services	**4**	41	**54**	83
Operating lease charges in respect of the Group's office	**72**	65	**137**	129
Motor vehicle expenses	**91**	82	**180**	173
Utility expenses	**20**	17	**42**	38
Others	**101**	49	**230**	118
Total cost of sales and administrative expenses	**14,436**	13,321	**30,712**	23,904

10 FINANCE COSTS

	Three months ended 31 December		Six months ended 31 December	
	2017 HK$'000 (Unaudited)	2016 HK$'000 (Unaudited)	**2017 HK$'000 (Unaudited)**	2016 HK$'000 (Unaudited)
Finance costs on:				
— Finance lease liabilities	**6**	7	**18**	13

11 INCOME TAX EXPENSE

Hong Kong profits tax has been provided at the rate of 16.5% on the estimated assessable profit during the six months ended 31 December 2017. The amount of income tax expense charged to the condensed consolidated statement of comprehensive income represents:

	Three months ended 31 December		Six months ended 31 December	
	2017 HK$'000 (Unaudited)	2016 HK$'000 (Unaudited)	**2017 HK$'000 (Unaudited)**	2016 HK$'000 (Unaudited)
Current income tax				
— Hong Kong profits tax	**278**	762	**431**	1,335
Deferred income tax	**–**	–	**–**	–
Income tax expense	**278**	762	**431**	1,335

12 (LOSS)/EARNINGS PER SHARE

(a) Basic

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

	Three months ended 31 December		Six months ended 31 December	
	2017	2016	**2017**	2016
	HK$'000	HK$'000	**HK$'000**	HK$'000
	(Unaudited)	(Unaudited)	**(Unaudited)**	(Unaudited)
(Loss)/earnings attributable to owners of the Company	**(3,036)**	3,856	**(6,998)**	6,754
Weighted average number of ordinary shares for the purpose of basic and diluted (loss)/earnings per share ('000)	**758,242**	675,000	**754,098**	675,000
(Loss)/earnings per share (HK cents per share)	**(0.4)**	0.6	**(0.9)**	1.0

(b) Diluted

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

13 PROPERTY AND EQUIPMENT

	Furniture and equipment HK$'000	Motor vehicles HK$'000	Total HK$'000
Six months ended 31 December 2017			
Opening net book amount	**338**	**978**	**1,316**
Additions	**85**	**–**	**85**
Disposals	**–**	**–**	**–**
Depreciation	**(66)**	**(105)**	**(171)**
Closing net book amount	**357**	**873**	**1,230**
Six months ended 31 December 2016			
Opening net book amount	52	507	559
Additions	127	370	497
Disposals	–	–	–
Depreciation	(12)	(137)	(149)
Closing net book amount	167	740	907

14 TRADE AND RETENTION RECEIVABLES

	As at 31 December 2017 HK$'000 (Unaudited)	As at 30 June 2017 HK$'000 (Audited)
Trade receivables	**21,924**	28,244
Retention receivables	**6,669**	5,458
	28,593	33,702

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

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

	As at 31 December 2017 HK$'000 (Unaudited)	As at 30 June 2017 HK$'000 (Audited)
Up to 30 days	5,057	25,235
31–60 days	3,069	43
61–90 days	1,272	46
91–120 days	51	41
Over 120 days	12,475	2,879
	21,924	28,244

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

	As at 31 December 2017 HK$'000 (Unaudited)	As at 30 June 2017 HK$'000 (Audited)
Up to 1 year	3,424	3,817
Over 1 year	3,245	1,641
	6,669	5,458

During the six months ended 31 December 2016 and 31 December 2017, no trade receivables were written off as uncollectible. As at 30 June 2017 and 31 December 2017, the remaining trade receivables were not impaired.

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

15 DEPOSITS, PREPAYMENTS AND OTHER RECEIVABLES

	As at 31 December 2017 HK$'000 (Unaudited)	As at 30 June 2017 HK$'000 (Audited)
Deposits and other receivables	344	356
Prepayments	577	1,069
Prepayments for listing expenses	–	1,881
	921	3,306
Less: non-current portion:		
Deposits and prepayments	(71)	(429)
	850	2,877

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

16 RESTRICTED CASH AND CASH AND CASH EQUIVALENTS

	As at 31 December 2017 HK$'000 (Unaudited)	As at 30 June 2017 HK$'000 (Audited)
Restricted cash	4,652	2,507

As at 31 December 2017, restricted cash represented deposits of HK$4,652,000 (as at 30 June 2017: HK$2,507,000) placed in insurance companies as collateral for performance bonds. Restricted cash is interest-free.

	As at 31 December 2017 HK$'000 (Unaudited)	As at 30 June 2017 HK$'000 (Audited)
Cash and cash equivalents	50,945	14,328

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

17 CONTRACTING WORK-IN-PROGRESS

	As at 31 December 2017 HK$'000 (Unaudited)	As at 30 June 2017 HK$'000 (Audited)
Contract costs incurred plus attributable profits less foreseeable losses	**49,426**	39,785
Less: progress billings	**(47,755)**	(45,168)
Balance at end of the period	**1,671**	(5,383)

18 TRADE AND RETENTION PAYABLES

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

	As at 31 December 2017 HK$'000 (Unaudited)	As at 30 June 2017 HK$'000 (Audited)
Trade payables	**2,938**	7,338
Retention payables	**668**	776
	3,606	8,114

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

	As at 31 December 2017 HK$'000 (Unaudited)	As at 30 June 2017 HK$'000 (Audited)
Up to 30 days	**2,938**	7,309
31–60 days	**–**	29
	2,938	7,338

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

	As at 31 December 2017 HK$'000 (Unaudited)	As at 30 June 2017 HK$'000 (Audited)
Within 1 year	**668**	776

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

	As at 31 December 2017 HK$'000 (Unaudited)	As at 30 June 2017 HK$'000 (Audited)
HK$	**3,606**	4,679
New Taiwan dollar	**–**	3,435
	3,606	8,114

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

19 ACCRUALS AND OTHER PAYABLES

	As at 31 December 2017 HK$'000 (Unaudited)	As at 30 June 2017 HK$'000 (Audited)
Accruals for legal and professional fees	**479**	159
Accruals for listing expenses	**9,498**	3,511
Other accruals and other payables	**516**	223
Provision for unutilised annual leave	**129**	149
	10,622	4,042

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

20 OBLIGATIONS UNDER FINANCE LEASES

	As at 31 December 2017 HK$'000 (Unaudited)	As at 30 June 2017 HK$'000 (Audited)
The present value of finance lease liabilities is as follows:		
No later than 1 year	**140**	327
Later than 1 year and no later than 5 years	**401**	576
	541	903

21 SHARE CAPITAL/CAPITAL

The capital of the Group as at 31 December 2016 represented the aggregate of share capital of the Companies now comprising the Group. The share capital of the Group as at 31 December 2017 represented the share capital of the Company.

	Number of Shares (in thousand)	**Total** HK$'000 (Unaudited)	**Share premium** HK$'000 (Unaudited)
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 31 December 2017	5,000,000	50,000	–
Issued and fully paid:			
At 11 July 2017 (date of incorporation) *(note a)*	–	–	–
Issue of new Shares on Reorganisation *(note b)*	1	–	–
Issue of new Shares upon Listing *(note e)*	250,000	2,500	44,355
Capitalisation issue *(note d)*	749,999	7,500	(7,500)
At 31 December 2017	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 our Company was HK$380,000.00 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 our Company, which was transferred to Talent Gain on the same day.

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

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

(d) Pursuant to the resolutions passed by the then Shareholders of the Company on 1 December 2017, subject to the share premium account of the Company being credited as a result of the Share Offer or otherwise having sufficient balance, the Directors are authorised to allot and issue 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, net of Share issuing expenses, of HK$46,855,000.

22 DIVIDENDS

On 1 December 2017, the Company declared a special dividend amounting to HK$3,000,000 to the then shareholders, which had been settled by cash before Listing.

During the six months ended 31 December 2016, Wai Tat declared and paid dividend of HK$5,700,000 to the then Shareholders.

23 RELATED PARTY TRANSACTIONS

(a) The Directors are of the view that the following individuals were related parties that had transactions or balances with the Group:

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

(b) As at 30 June 2017, Wai Tat, Mr. Kung and Mr. Yip had entered into indemnity agreements with an insurance company in order to secure for performance bond amounting to HK$2,860,000 in respect of a construction contract of the Group in its ordinary course of business. These personal guarantees given by Mr. Kung and Mr. Yip were released in November 2017 and as at 31 December 2017, this performance bond was only secured by Wai Tat.

(c) **Key management compensation**

Key management includes directors and the senior management of the Group. The compensation paid or payable to key management for employee services is shown below:

	Three months ended 31 December		**Six months ended 31 December**	
	2017 HK$'000 (Unaudited)	2016 HK$'000 (Unaudited)	**2017 HK$'000 (Unaudited)**	2016 HK$'000 (Unaudited)
Salaries, allowances and benefits in kind	**1,195**	1,002	**2,369**	2,045
Retirement benefit costs — defined contribution plans	**26**	21	**50**	42
	1,221	1,023	**2,419**	2,087

24 COMMITMENTS

Operating lease commitments — as lessee

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

	As at 31 December 2017 HK$'000 (Unaudited)	As at 30 June 2017 HK$'000 (Audited)
No later than one year	340	534
Later than one year and no later than five years	–	183
	340	717

25 CONTINGENT LIABILITIES

As at 31 December 2017, the Group has given guarantees on performance bonds issued by insurance companies of HK$4,652,000 in respect of two construction contracts of the Group in its ordinary course of business (as at 30 June 2017: HK$4,882,000 in respect of three construction contracts). The performance bonds are expected to be released in accordance with the terms of the respective construction contracts.

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW AND OUTLOOK

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

For the six months ended 31 December 2017, the Group recorded a net loss of approximately HK$7.0 million as compared to net profit of approximately HK$6.8 million for the corresponding period in 2016. The Directors are of the view that the reversal of the Group's net profit to net loss for the six months ended 31 December 2017 was mainly attributable to the non-recurring Listing expenses of approximately HK$9.2 million incurred during the six months ended 31 December 2017. Setting that aside, the Group's normalised net profit (which is adjusted for the non-recurring Listing expenses) for the six months ended 31 December 2017 would be approximately HK$2.2 million. Such decrease in normalised net profit was primarily due to (i) the increase in administrative expenses in relation to staff cost, as well as audit fees and professional fees charged by an accounting firm for consultancy services; (ii) the decrease in gross profit attributable to the projects mix that we carried out during the six months ended 31 December 2017 which had generated a lower gross profit than those projects carried out during the six months ended 31 December 2016; and (iii) the decrease in revenue resulting from the slowdown of progress of certain projects due to the change of design or change of working schedules as requested by the relevant customers. As at the date of this report, the Group has finalised the revised design and working schedules with such relevant customers. The Directors are of the view that the progress of the abovementioned projects would be made faster and thus more revenue would be generated in the second half of the financial year ending 30 June 2018.

FUTURE PROSPECTS

With the increase in residential and commercial real estate developments as well as investment in infrastructure in Hong Kong, the Directors are of the view that the Group is well-positioned to capture further business opportunities by focusing on the foundation and site formation works and superstructure building works projects in Hong Kong. The Group will continue to pursue its business objectives and strategies: (i) expanding the market share and compete for more foundation and site formation projects, and superstructure building works projects; (ii) further strengthening our manpower; and (iii) adherence to prudent financial management to ensure sustainable growth and capital sufficiency.

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

FINANCIAL REVIEW

Revenue

For the six months ended 31 December 2016 and 2017, our Group generated total revenue of approximately HK$31.4 million and HK$23.9 million, respectively. The decrease in revenue was mainly attributable to the slowdown of progress of certain projects due to the change of design or change of working schedules requested by the relevant customers.

Gross profit

For the six months ended 31 December 2016 and 2017, the Group recorded gross profit of approximately HK$9.8 million and HK$6.2 million, respectively and the gross profit margin of the Group was approximately 31.1% and 26.0% for the respective periods. Decline in gross profit was primarily attributable to the projects mix that we carried out during the six months ended 31 December 2017 which had generated a lower gross profit than those projects carried out during the six months ended 31 December 2016.

Administrative expenses

Our administrative expenses mainly consist of the non-recurring Listing expenses, employee benefits expenses including director's emoluments, audit fees and professional fees charged by an accounting firm for consultancy services. Our administrative expenses amounted to approximately HK$2.2 million and HK$13.0 million for the six months ended 31 December 2016 and 2017, respectively. The increase in administrative expenses was mainly attributable to the effect of the non-recurring Listing expenses, the increase in staff costs, as well as the audit fee and professional fee charged by an accounting firm for consultancy services, as compared to the corresponding period in the previous year.

Income tax expense

Income tax expense of the Group amounted to approximately HK$1.3 million and HK$0.4 million for the six months ended 31 December 2016 and 2017, respectively. The decrease was mainly attributable to the decrease in gross profit and increase in the administrative expenses for the six months ended 31 December 2017 as compared to the corresponding period in the previous year.

Profit/loss and total comprehensive income/expense for the six months ended 31 December 2017 attributable to owners of the Company

Profit and total comprehensive income attributable to owners of the Company and loss and total comprehensive expense for the six months ended 31 December 2016 and 2017 amounted to approximately HK$6.8 million and HK$7.0 million respectively. Such decrease was primarily attributable to (i) the non-recurring Listing expenses incurred for the six months ended 31 December 2017; (ii) the increase in administrative expenses incurred by the Group for the six months ended 31 December 2017; and (iii) the decrease in gross profit for the six months ended 31 December 2017 as compared to the corresponding period in the previous year. Excluding the non-recurring Listing expenses of approximately HK$9.2 million, normalised profit and total comprehensive income for the six months ended 31 December 2017 would be approximately HK$2.2 million, representing a decrease of approximately 67.6% from approximately HK$6.8 million for the corresponding period in the previous year.

LIQUIDITY AND FINANCIAL RESOURCES

The Group maintained a sound financial position during the six months ended 31 December 2017. As at 31 December 2017, the Group had bank balances and cash of approximately HK$50.9 million (as at 30 June 2017: approximately HK$14.3 million) and restricted cash balances of approximately HK$4.7 million (as at 30 June 2017: approximately HK$2.5 million). The current ratio as at 31 December 2017 was approximately 4.7 times (as at 30 June 2017: approximately 2.6 times). The Directors are of the view that the Group is in a healthy financial position to expand its core business and to achieve its business objectives.

GEARING RATIO

The gearing ratio is calculated based on the total debt divided by total equity as at the respective reporting date. Total debt represents the obligations under the finance leases. As at 31 December 2017, the Group recorded gearing ratio of approximately 0.8% (as at 30 June 2017: approximately 2.6%)

CHARGE OVER THE GROUP'S ASSETS

As at 31 December 2017, the Group pledged its deposits in an insurance company of approximately HK$4.7 million (as at 30 June 2017: approximately HK$2.5 million) as collateral for performance bonds.

As at 31 December 2017, the Group pledged the leased motor vehicles of approximately HK$0.6 million (as at 30 June 2017: approximately HK$1.0 million) as collateral to the obligations under finance leases.

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

FOREIGN EXCHANGE EXPOSURE

Most of the revenue-generating operations were transacted in Hong Kong dollars. For the six months ended 31 December 2017, there was no significant exposure to foreign exchange rate fluctuations. As such, the Group currently does not have a foreign currency hedging policy.

CAPITAL STRUCTURE

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

As at 31 December 2017, the Company's issued share capital was HK$10,000,000 and the number of its issued ordinary shares was 1,000,000,000 of HK$0.01 each.

TREASURY POLICY

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

COMMITMENTS

The contractual commitments of the Group were primarily related to the leases of its office premises and Director's quarter. The Group's operating lease commitments amounted to approximately HK$0.3 million as at 31 December 2017 (as at 30 June 2017: approximately HK$0.7 million). As at 31 December 2017, the Group did not have any other capital commitment (as at 30 June 2017: nil).

SEGMENT INFORMATION

Segmental information is presented for the Group as disclosed on note 6 to the unaudited condensed consolidated interim financial statements.

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

Save as disclosed in this report and the Prospectus, there was no significant investment held, material acquisition and disposal of subsidiaries and associated companies by the Company during the six months ended 31 December 2017. Save as disclosed in the Prospectus, the Group currently does not have any other plan for material investments or capital assets.

CONTINGENT LIABILITIES

As at 31 December 2017, the Group has given guarantees on performance bonds issued by insurance companies of approximately HK$4.7 million in respect of two construction contracts of the Group in its ordinary course of business (as at 30 June 2017: approximately HK$4.9 million in respect of three construction contracts). The Group has contingent liabilities to indemnify the insurance companies for any claims from customers under the guarantee due to the failure of the Group's performance. The performance bonds are expected to be released in accordance with the terms of the respective construction contracts. As at the date of this report, the Directors do not consider it is probable that a claim will be made against the Group.

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

EMPLOYEES AND REMUNERATION POLICIES

As at 31 December 2017, the Group employed a total of 17 employees (as at 30 June 2017: 14 employees). The staff costs, including Directors' emoluments, of the Group were approximately HK$4.5 million for the six months ended 31 December 2017 (for the six months ended 31 December 2016: approximately HK$3.4 million).

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

COMPARISON BETWEEN BUSINESS OBJECTIVES WITH ACTUAL BUSINESS PROGRESS

An analysis comparing the business objectives as set out in the Prospectus with the Group's actual business progress for the period from the Listing Date to 31 December 2017 is set out below:

Business objective as stated in the Prospectus	Business plan stated in the Prospectus	Actual business progress up to 31 December 2017
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 balance of approximately HK$8.6 million was reserved for the surety bond requirement of Project A and Project B. For Project A, we are still in the tender queries process; and for Project B, the construction works are expected to commence in the second quarter of 2018 due to the pending of approval of a design plan from Buildings Department.
	Finance the upfront costs and working capital requirement at the early stage of Project A and Project B and other projects	Bank balance of approximately HK$16.4 million was reserved for financing Project A and Project B and other projects.
	Continue to identify suitable business opportunities and review the tendering strategies to compete for more foundation and site formation projects and superstructure building works projects	The Group was in the process of identifying suitable business opportunities.
Further strengthening the Group's manpower	To 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 was in the process of recruiting the corresponding staff.
	To 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 was in the process of seeking suitable training courses for the staff.

USE OF PROCEEDS

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

As at 31 December 2017, the planned application and actual utilisation of the net proceeds from the Listing is set out below:

Business plan as stated in the Prospectus	**Net proceeds from the Share Offer** HK$'million	**Amount utilised up to 31 December 2017** HK$'million	**Unutilised balance up to 31 December 2017** HK$'million
Taking out surety bond for Project A and Project B	8.6	–	8.6
Financing the upfront cost and working capital requirement at the early stage of Project A and Project B and other projects	16.4	–	16.4
Further strengthening the Group's manpower	4.1	–	4.1
General working capital	2.6	–	2.6
Total	31.7	–	31.7

As at 31 December 2017, the Group has not yet utilised the net proceeds of approximately HK$31.7 million.

DISCLOSURE OF INTERESTS

A. DIRECTORS' AND CHIEF EXECUTIVES' INTERESTS AND SHORT POSITIONS IN THE SHARES, THE UNDERLYING SHARES OR DEBENTURES

As at 31 December 2017, the interests and short positions of the Directors or chief executives of the Company in the Shares, the underlying Shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) (the "SFO")) (i) which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which any such director or chief executive was taken or deemed to have under such provision of the SFO); or (ii) which were required, pursuant to Section 352 of the SFO, to be entered in the register referred to therein; or (iii) which were required, pursuant to standard of dealings by Directors as referred to in Rules 5.46 to 5.67 of the GEM Listing Rules, to be notified to the Company and the Stock Exchange were as follows:

(i) Long positions in the Shares

Name of Directors	Capacity	Number of the Shares held/ interested in	Percentage of shareholding
Mr. Kung	Interest in controlled corporation *(Note)*	675,000,000	67.5%
Mr. Yip	Interest in controlled corporation *(Note)*	675,000,000	67.5%
Mr. Kam	Interest in controlled corporation *(Note)*	675,000,000	67.5%

Note:

Talent Gain, which beneficially owns 67.5% of the issued Shares of the Company, is owned as to 34% by Mr. Kung, 33% by Mr. Yip and 33% by Mr. Kam. Since Mr. Kung is entitled to exercise or control the exercise of one-third or more of the voting power at general meetings of Talent Gain, Mr. Kung is deemed to be interested in the Shares in which Talent Gain is interested under the SFO. Further, pursuant to the Concert Party Deed, details of which are set out in the paragraph headed "History and Development — Concert Party Deed" of the Prospectus, immediately following completion of the public offer and the placing and the Capitalisation Issue (without taking into account any Shares to be issued upon exercise of the Offer Size Adjustment Option and any options which may be granted under the Share Option Scheme), Mr. Yip, Mr. Kam and Mr. Kung are acting in concert with one another and each of them is deemed to exercise or control the exercise of 67.5% of the voting power at general meetings of Talent Gain, and is therefore deemed to be interested in the Shares in which Talent Gain is interested under the SFO.

Save as disclosed above, as at 31 December 2017, none of the Directors nor chief executives of the Company has registered an interest or short position in the shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) (i) which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which were taken or deemed to have under such provisions of the SFO); or (ii) which were required, pursuant to Section 352 of the SFO, to be entered in the register referred to therein; or (iii) which were required to be notified to the Company and the Stock Exchange pursuant to Rules 5.46 to 5.67 of the GEM Listing Rules.

B. SUBSTANTIAL SHAREHOLDERS' AND OTHER PERSONS' INTERESTS AND SHORT POSITIONS IN THE SHARES OR UNDERLYING SHARES

So far as the Directors are aware, as at 31 December 2017, the following persons (other than the Directors or chief executives of the Company) or corporations had interests or short positions in the shares or underlying shares of the Company which were required to be kept by the Company under Section 336 of the SFO, or to be disclosed under the provisions of Divisions 2 and 3 of Part XV of the SFO:

Name of shareholders	Nature of interest	Number of the Shares held/ interested in	Percentage of total issued share capital of the Company
Talent Gain	Beneficial owner	675,000,000	67.5%
Ms. Szeto Sin Fun	Family interest *(Note 1)*	675,000,000	67.5%
Ms. Chiu Wai King	Family interest *(Note 2)*	675,000,000	67.5%
Ms. Chan Kit Yee	Family interest *(Note 3)*	675,000,000	67.5%
Excel Jumbo	Beneficial owner	75,000,000	7.5%
Mr. Ho Kwan Chuen	Interest in controlled corporation *(Note 4)*	75,000,000	7.5%
Ms. Tsang Kwong Chee	Family interest *(Note 5)*	75,000,000	7.5%

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

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

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

Note 4. Excel Jumbo is wholly-owned by Mr. Ho Kwan Chuen.

Note 5. Ms. Tsang Kwong Chee is Mr. Ho Kwan Chuen's spouse and is deemed to be interested in the Shares in which Mr. Ho Kwan Chuen is interested under the SFO.

Save as disclosed above, as at 31 December 2017, there was no person or corporation, other than the Directors and chief executives of the Company, had any interest or a short position in the shares or underlying shares of the Company which were required to be kept by the Company under Section 336 of the SFO, or to be disclosed under the provisions of Divisions 2 and 3 of Part XV of the SFO.

COMPETING INTERESTS

The Directors are not aware of any business or interest of the Directors nor the controlling shareholders of the Company nor any of their respective associates (as defined in the GEM Listing Rules) that compete or may compete, directly or indirectly, with the business of the Group or any other conflicts of interest which any such person has or may have with the Group during the six months ended 31 December 2017.

INTEREST OF COMPLIANCE ADVISER

As at 31 December 2017, as notified by the Company's compliance adviser, Titan Financial Services Limited (the "Compliance Adviser"), except for the compliance adviser agreement entered into between the Company and the Compliance Adviser, neither the Compliance Adviser nor any of its directors, employees or close associates (as defined in GEM Listing Rules) had any interests in the share capital of the Company or any member of the Group (including options or rights to subscribe for such securities) or otherwise in relation to the Company which is required to be notified to the Company pursuant to Rule 6A.32 of the GEM Listing Rules.

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

Neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company's listed securities during the six months ended 31 December 2017.

CORPORATE GOVERNANCE CODE

The Company has applied the principles and code provisions in the Corporate Governance Code (the "CG Code") as set out in Appendix 15 to the GEM Listing Rules. Throughout the reporting period, the Company has complied with all the applicable code provisions set out in the CG Code.

DIRECTORS' SECURITIES TRANSACTIONS

The Company has adopted Rules 5.48 to 5.67 of the GEM Listing Rules as its own code of conduct regarding Directors' securities transactions. Having made specific enquiry of all Directors, all Directors confirmed that they had complied with the required standard of dealings and the code of conduct concerning securities transactions by the Directors during the six months ended 31 December 2017.

INTERIM DIVIDEND

The Board does not recommend the payment of interim dividend for the six months ended 31 December 2017 (30 June 2017: nil).

EVENTS AFTER THE REPORTING PERIOD

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

SHARE OPTION SCHEME

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

AUDIT COMMITTEE

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

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

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

The Group's unaudited condensed consolidated financial statements for the six months ended 31 December 2017 and this report had been reviewed by the Audit Committee. The Audit Committee is of the opinion that the unaudited condensed consolidated financial statements of the Group for the six months ended 31 December 2017 comply with applicable accounting standards, GEM Listing Rules and that adequate disclosures have been made.

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

Hong Kong, 9 February 2018

As at the date of this report, 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.