

WT GROUP HOLDINGS LIMITED

WT 集團控股有限公司

(Incorporated in the Cayman Islands with limited liability)

Stock Code : 8422



THIRD QUARTERLY REPORT **2017/2018**

CHARACTERISTICS OF GEM OF THE STOCK EXCHANGE OF HONG KONG LIMITED (THE “STOCK EXCHANGE”)

GEM has been positioned as a market designed to accommodate small and mid-sized companies to which a higher investment risk may be attached than other companies listed on the Stock Exchange. Prospective investors should be aware of the potential risks of investing in such companies and should make the decision to invest only after due and careful consideration. The greater risk profile and other characteristics of GEM mean that it is a market more suited to professional and other sophisticated investors.

Given the companies listed on GEM are generally small and mid-sized companies, there is a risk that securities traded on GEM may be more susceptible to high market volatility than securities traded on the Main Board of the Stock Exchange and no assurance is given that there will be a liquid market in the securities traded on GEM.

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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.

This report is prepared in English language and translated into Chinese. In the event of any inconsistencies between the Chinese and the English version, the latter shall prevail.

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 ADVISER 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

AUDITOR

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 nine months ended 31 March 2018, together with the comparative unaudited figures for the corresponding periods in 2017 as follows:

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the three months and nine months ended 31 March 2018

	Notes	Three months ended 31 March		Nine months ended 31 March	
		2018 HK\$'000 (Unaudited)	2017 HK\$'000 (Unaudited)	2018 HK\$'000 (Unaudited)	2017 HK\$'000 (Unaudited)
Revenue	4	10,573	13,475	34,474	44,918
Cost of sales		(8,482)	(10,737)	(26,157)	(32,409)
Gross profit		2,091	2,738	8,317	12,509
Other income	5	–	6	262	557
Other gain	6	–	–	–	12
Administrative expenses		(2,298)	(1,333)	(15,335)	(3,565)
Operating (loss)/profit		(207)	1,411	(6,756)	9,513
Finance costs		(5)	(7)	(23)	(20)
(Loss)/profit before income tax		(212)	1,404	(6,779)	9,493
Income tax credit/(expense)	7	45	(156)	(386)	(1,491)
(Loss)/profit and total comprehensive (loss)/ income for the period attributable to owners of the Company		(167)	1,248	(7,165)	8,002
Dividends	9	–	–	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	8	(0.02)	0.18	(0.86)	1.19

UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

For the nine months ended 31 March 2018

	Share capital/ Capital HK\$'000	Share premium HK\$'000	Capital reserve HK\$'000	Retained earnings HK\$'000	Total HK\$'000
At 1 July 2016 (Unaudited)	100	–	–	21,043	21,143
Comprehensive income:					
Profit and total comprehensive income for the period	–	–	–	8,002	8,002
Transactions with owners in their capacity as owners:					
Dividends (Note 9)	–	–	–	(5,700)	(5,700)
At 31 March 2017 (Unaudited)	100	–	–	23,345	23,445
At 1 July 2017 (Audited)	100	–	10,000	24,810	34,910
Comprehensive loss:					
Loss and total comprehensive loss for the period	–	–	–	(7,165)	(7,165)
Transactions with owners in their capacity as owners:					
Dividends (Note 9)	–	–	–	(3,000)	(3,000)
Issuance of Shares and effects of the Reorganisation	(100)	–	100	–	–
Issue of new Shares upon Share Offer, net of Share issuing expenses	2,500	44,355	–	–	46,855
Capitalisation of Shares	7,500	(7,500)	–	–	–
At 31 March 2018 (Unaudited)	10,000	36,855	10,100	14,645	71,600

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

1 GENERAL INFORMATION AND REORGANISATION AND BASIS OF PRESENTATION

1.1 General information

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

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

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

This unaudited condensed consolidated 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.

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

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").

1.3 Basis of presentation

Immediately prior to and after the Reorganisation, the Listing Business has been held by and conducted through Wai Tat which is ultimately controlled by Mr. Kung, Mr. Yip and Mr. Kam. Pursuant to the Reorganisation, Wai Tat and the Listing Business are transferred to and held by the Company. The Company has not been involved in any other business prior to the Reorganisation and does not meet the definition of a business. The Reorganisation is merely a reorganisation of the Listing Business with no change in management of such business and the ultimate owners of the Listing Business. Accordingly, the comparative financial information for the nine months ended 31 March 2017 of the companies now comprising the Group are presented using the carrying values of the Listing Business as if the current group structure has been in existence.

Intercompany transactions, balances, unrealised gains/losses on transactions between group companies are eliminated on combination.

2 BASIS OF PREPARATION

The unaudited condensed consolidated financial statements have been prepared in accordance with the Hong Kong Financial Reporting Standards (“HKFRSs”) issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”) and the applicable disclosure requirements of chapter 18 of the GEM Listing Rules.

3. PRINCIPAL ACCOUNTING POLICIES

The unaudited condensed consolidated financial statements do not include all information and disclosures as required in the annual financial statements and should be read in conjunction with the Company’s combined financial statements for the year ended 30 June 2017, which have been prepared in accordance with the HKFRSs issued by the HKICPA, as set out in the Prospectus.

The accounting policies that have been used in the preparation of these unaudited condensed consolidated 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, amendments and interpretations 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
HKFRS17	Insurance Contracts	1 January 2021
HKFRS 10, HKAS 28 (Amendments)	Sale or contribution of assets between an investor and its associate or joint venture	To be determined

Management is in the process of assessing the impact of these standards, amendments and interpretations to existing HKFRS. Expected impact of HKFRS 9 “Financial instruments”, HKFRS 15 “Revenue from contracts with customers” and HKFRS 16 “Leases” on the Group’s financial performance and position are set out in the Accountant’s Report of the Prospectus.

4 REVENUE AND SEGMENT INFORMATION

	Three months ended 31 March		Nine months ended 31 March	
	2018 HK\$’000 (Unaudited)	2017 HK\$’000 (Unaudited)	2018 HK\$’000 (Unaudited)	2017 HK\$’000 (Unaudited)
Revenue:				
Contract revenue	10,573	13,475	34,474	44,918

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.

5 OTHER INCOME

	Three months ended 31 March		Nine months ended 31 March	
	2018 HK\$'000 (Unaudited)	2017 HK\$'000 (Unaudited)	2018 HK\$'000 (Unaudited)	2017 HK\$'000 (Unaudited)
Other income:				
Compensation income received from a customer	–	–	–	400
Sundry income	–	6	262	157
	–	6	262	557

6 OTHER GAIN

	Three months ended 31 March		Nine months ended 31 March	
	2018 HK\$'000 (Unaudited)	2017 HK\$'000 (Unaudited)	2018 HK\$'000 (Unaudited)	2017 HK\$'000 (Unaudited)
Gain on disposal of property and equipment	–	–	–	12

7 INCOME TAX (CREDIT)/EXPENSE

Hong Kong profits tax has been provided at the rate of 16.5% on the estimated assessable profit during the nine months ended 31 March 2018. The amount of income tax (credit)/expense charged to the condensed consolidated statement of comprehensive income represents:

	Three months ended 31 March		Nine months ended 31 March	
	2018 HK\$'000 (Unaudited)	2017 HK\$'000 (Unaudited)	2018 HK\$'000 (Unaudited)	2017 HK\$'000 (Unaudited)
Current income tax				
— Hong Kong profits tax	(45)	156	386	1,491
Deferred income tax	—	—	—	—
Income tax (credit)/expense	(45)	156	386	1,491

8 (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 March		Nine months ended 31 March	
	2018 HK\$'000 (Unaudited)	2017 HK\$'000 (Unaudited)	2018 HK\$'000 (Unaudited)	2017 HK\$'000 (Unaudited)
(Loss)/earnings attributable to owners of the Company	(167)	1,248	(7,165)	8,002
Weighted average number of ordinary shares for the purpose of basic and diluted (loss)/earnings per share ('000)	1,000,000	675,000	835,165	675,000
(Loss)/earnings per share (HK cents per share)	(0.02)	0.18	(0.86)	1.19

(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.

9 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 Date.

During the nine months ended 31 March 2017, Wai Tat declared and paid dividend of HK\$5,700,000 to the then Shareholders.

10 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 March 2018, 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 March		Nine months ended 31 March	
	2018 HK\$'000 (Unaudited)	2017 HK\$'000 (Unaudited)	2018 HK\$'000 (Unaudited)	2017 HK\$'000 (Unaudited)
Salaries, allowances and benefits in kind	1,700	1,007	4,069	3,052
Retirement benefit costs — defined contribution plans	29	21	79	63
	1,729	1,028	4,148	3,115

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 undertakes specialised works which include (i) foundation and site formation works; (ii) demolition works; and (iii) ground investigation field works. The Group also undertake general building works including superstructure building works, slope maintenance works, hoarding works, alteration and addition works and other miscellaneous construction works.

For the nine months ended 31 March 2018, the Group recorded a net loss of approximately HK\$7.2 million as compared to net profit of approximately HK\$8.0 million for the corresponding period in 2017. The reversal of the Group's net profit to net loss for the nine months ended 31 March 2018 was mainly attributable to the non-recurring Listing expenses of approximately HK\$9.2 million incurred during the nine months ended 31 March 2018. Setting that aside, the Group's normalised net profit (which is adjusted for the non-recurring Listing expenses) for the nine months ended 31 March 2018 would be approximately HK\$2.0 million. Such decrease in normalised net profit was primarily due to (i) 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; (ii) the decrease in gross profit attributable to the projects mix that we carried out during the nine months ended 31 March 2018 which had generated a lower gross profit than those projects carried out during the nine months ended 31 March 2017; and (iii) the increase in administrative expenses in relation to staff cost, audit fees and professional fees charged by an accounting firm for consultancy services. As at the date of this report, the Group has finalised the revised design and working schedules with such relevant customers and the construction works of the abovementioned projects have been resumed.

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 the Group's manpower; and (iii) adherence to prudent financial management to ensure sustainable growth and capital sufficiency.

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

FINANCIAL REVIEW

Revenue

For the nine months ended 31 March 2017 and 2018, our Group generated total revenue of approximately HK\$44.9 million and HK\$34.5 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 as requested by the relevant customers.

Gross profit

For the nine months ended 31 March 2017 and 2018, the Group recorded gross profit of approximately HK\$12.5 million and HK\$8.3 million, respectively and the gross profit margin of the Group was approximately 27.8% and 24.1% for the respective periods. The decline in gross profit was primarily attributable to the projects mix that we carried out during the nine months ended 31 March 2018 which had generated a lower gross profit than those projects carried out during the nine months ended 31 March 2017.

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\$3.6 million and HK\$15.3 million for the nine months ended 31 March 2017 and 2018, respectively. The increase in administrative expenses was mainly attributable to the effect of the non-recurring Listing expenses, the increase in staff costs and audit fee, as well as the 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\$1.5 million and HK\$0.4 million for the nine months ended 31 March 2017 and 2018, respectively. The decrease was mainly attributable to the decrease in gross profit and increase in the administrative expenses for the nine months ended 31 March 2018 as compared to the corresponding period in the previous year.

Profit/loss and total comprehensive income/loss for the nine months ended 31 March 2018 attributable to owners of the Company

Profit and total comprehensive income attributable to owners of the Company and loss and total comprehensive loss for the nine months ended 31 March 2017 and 2018 amounted to approximately HK\$8.0 million and HK\$7.2 million respectively. Such decrease was primarily attributable to (i) the non-recurring Listing expenses incurred for the nine months ended 31 March 2018; (ii) 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; (iii) the decrease in gross profit for the nine months ended 31 March 2018; and (iv) the increase in administrative expenses incurred by the Group for the nine months ended 31 March 2018 as compared to the corresponding period in the previous year. Excluding the non-recurring Listing expenses of approximately HK\$9.2 million, normalised net profit for the nine months ended 31 March 2018 would be approximately HK\$2.0 million, representing a decrease of approximately 75.0% from approximately HK\$8.0 million for the corresponding period in the previous year.

DISCLOSURE OF INTERESTS

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

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

(i) Long positions in the Shares

Name of Directors	Capacity	Number of the Shares held/ interested in	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 Share Offer 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 March 2018, none of the Directors nor chief executives of the Company has registered an interest or short position in the Shares, underlying Shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) (i) which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which were taken or deemed to have under such provisions of the SFO); or (ii) which were required, pursuant to Section 352 of the SFO, to be entered in the register referred to therein; or (iii) which were required to be notified to the Company and the Stock Exchange pursuant to Rules 5.46 to 5.67 of the GEM Listing Rules.

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

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

Name of shareholders	Nature of interest	Number of the Shares held/ interested in	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 Limited	Beneficial owner	53,460,000	5.3%
Mr. Ho Kwan Chuen	Interest in controlled corporation (Note 4)	53,460,000	5.3%
Ms. Tsang Kwong Chee	Family interest (Note 5)	53,460,000	5.3%

Notes:

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.
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.

3. Ms. Chan Kit Yee is Mr. Kam's spouse and is deemed to be interested in the Shares in which Mr. Kam is interested under the SFO.
4. Excel Jumbo Limited is wholly-owned by Mr. Ho Kwan Chuen.
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 March 2018, there was no person or corporation, other than the Directors and chief executives of the Company, had any interest or a short position in the Shares or underlying Shares of the Company which were required to be kept by the Company under Section 336 of the SFO, or to be disclosed under the provisions of Divisions 2 and 3 of Part XV of the SFO.

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 nine months ended 31 March 2018.

INTEREST OF COMPLIANCE ADVISER

As at 31 March 2018, 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 nine months ended 31 March 2018.

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 nine months ended 31 March 2018.

DIVIDEND

The Board does not recommend the payment of dividend for the nine months ended 31 March 2018.

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 nine months ended 31 March 2018 and there was no outstanding share option as at the date of this report.

AUDIT COMMITTEE

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

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

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

The Group's unaudited condensed consolidated financial statements for the nine months ended 31 March 2018 and this report have 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 nine months ended 31 March 2018 comply with applicable accounting standards, GEM Listing Rules and that adequate disclosures have been made.

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

Hong Kong, 11 May 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.

The report will remain on the "Latest Company Announcements" page of the GEM website at www.hkgem.com for at least 7 days from the date of its publication and on the Company's website at www.wtgholdings.com.