

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

2018/2019

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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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CORPORATE INFORMATION

BOARD OF DIRECTORS

Executive Directors:

Mr. Yip Shiu Ching (*Chairman*)
Mr. Kung Cheung Fai Patrick
Mr. Kam Kin Bun
Ms. Du Juan (*appointed with effect from 4 December 2018*)

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

COMPLIANCE OFFICER

Mr. Yip Shiu Ching

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
(up to 1 April 2019)
Advent Corporate Finance Limited
(appointed with effect from 1 April 2019)

LEGAL ADVISER TO THE COMPANY

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 nine months ended 31 March 2019, together with the comparative unaudited figures for the corresponding periods in 2018 as follows:

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the three months and nine months ended 31 March 2019

	Notes	Three months ended 31 March		Nine months ended 31 March	
		2019 HK\$'000 (Unaudited)	2018 HK\$'000 (Unaudited)	2019 HK\$'000 (Unaudited)	2018 HK\$'000 (Unaudited)
Revenue	3	21,172	10,573	58,903	34,474
Cost of sales		(16,908)	(8,482)	(46,743)	(26,157)
Gross profit		4,264	2,091	12,160	8,317
Other income	4	–	–	–	262
Administrative expenses		(2,201)	(2,298)	(6,455)	(15,335)
Operating profit/(loss)		2,063	(207)	5,705	(6,756)
Finance income/(costs), net		(4)	(5)	13	(23)
Profit/(loss) before income tax		2,059	(212)	5,718	(6,779)
Income tax (expense)/credit	5	(322)	45	(322)	(386)
Profit/(loss) and total comprehensive income/(expense) for the period attributable to owners of the Company		1,737	(167)	5,396	(7,165)
Dividends	7	–	–	–	3,000
Earnings/(loss) per share (expressed in HK\$ cents per share)					
Basic and diluted	6	0.17	(0.02)	0.54	(0.86)

UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

For the nine months ended 31 March 2019

	Attributable to owners of the Company				
	Share capital	Share premium	Other reserve	Retained earnings	Total
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
At 1 July 2017 (Audited)	–	–	10,100	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:					
Capitalisation of Shares	7,500	(7,500)	–	–	–
Issue of new Shares upon Share Offer	2,500	52,500	–	–	55,000
Listing expenses charged to share premium	–	(8,145)	–	–	(8,145)
Dividends (Note 7)	–	–	–	(3,000)	(3,000)
At 31 March 2018 (Unaudited)	10,000	36,855	10,100	14,645	71,600
At 1 July 2018 (Restated)	10,000	36,855	10,100	9,179	66,134
Comprehensive income:					
Profit and total comprehensive income for the period	–	–	–	5,396	5,396
At 31 March 2019 (Unaudited)	10,000	36,855	10,100	14,575	71,530

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

1 GENERAL INFORMATION, 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. The Group is principally engaged in the business of specialised works and general building works in Hong Kong (the "**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**").

These unaudited condensed consolidated financial statements are presented in Hong Kong dollars ("**HK\$**") 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 Listing 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 on 24 November 2017, 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 conducted by the Operating Company. Pursuant to the Reorganisation, the Listing Business were 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 remain the same. Accordingly, the unaudited condensed consolidated financial statements are prepared using the carrying values of the Listing Business under the Controlling Shareholders for all the periods presented, or since the respective dates of incorporation/establishment of the subsidiaries within the Group, or since the date when the subsidiaries within the Group first came under the control of the Controlling Shareholders, whichever is later.

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

2 BASIS OF PREPARATION AND ACCOUNTING POLICIES

The unaudited condensed consolidated financial statements for the nine months ended 31 March 2019 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.

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 consolidated financial statements for the year ended 30 June 2018, which have been prepared in accordance with the HKFRSs issued by the HKICPA, as set out in the latest annual report.

The accounting policies that have been used in the preparation of these unaudited condensed consolidated financial statements are consistent with those used in the preparation of the Company’s consolidated financial statements for the year ended 30 June 2018.

The Group has adopted and applied the following new standards, amendments to standards and interpretations that have been issued and effective for the accounting periods beginning on 1 July 2018.

Annual Improvements 2014–2016 Cycle	Improvements to HKFRSs in relation to HKFRS 1 “First Time Adoption of HKFRSs” and HKAS 28 “Investments in Associates and Joint Ventures”
HKAS 40 (Amendments)	Transfers of Investment Property
HKFRS 2 (Amendments)	Classification and Measurement of Share-based Payment Transactions
HKFRS 4 (Amendments)	Applying HKFRS 9 Financial Instruments with HKFRS 4 Insurance Contracts
HKFRS 9	Financial Instruments
HKFRS 15	Revenue from Contracts with Customers
HKFRS 15 (Amendments)	Clarifications to HKFRS 15
HK (IFRIC) 22	Foreign Currency Transactions and Advance Consideration

Saved as described below, the adoption of these new standards, amendments to standards and interpretations has no material impact on the Group's results and financial position.

Impacts and changes in accounting policies on application of HKFRS 15 "Revenue from Contracts with Customers"

The Group has applied HKFRS 15 for the first time in current period. HKFRS 15 superseded HKAS 18 "Revenue", HKAS 11 "Construction Contracts" and the related interpretations. The Group has applied HKFRS 15 retrospectively with the cumulated effect of the adoption recognised in the retained earnings as of 1 July 2018 and that comparatives has not been restated. Accordingly, certain comparative information may not be comparable as comparative information was prepared under HKAS 18 "Revenue" and HKAS 11 "Construction Contracts" and the related interpretations.

Key changes in accounting policies resulting from application of HKFRS 15 are:

- (1) Under HKFRS 15, the Group recognises revenue over time when (or as) the control of an underlying performance obligation, i.e. a good or service (or a bundle of goods or services) that is distinct or a series of distinct goods or services that are substantially the same, is transferred to the customer over time.

In line with HKFRS 15, the Group continues to apply the output method in recognising the revenue from construction contracts over time by reference to the progress towards complete satisfaction of the relevant performance obligation. The progress towards complete satisfaction of a relevant performance obligation is measured based on the progress certificate (which would make reference to the amounts of the completed works during the relevant period) certified by the architects who are appointed by the customers. The current practice adopted by the Group is consistent with output method in recognising revenue under HKFRS 15. Hence, there were no adjustments made to the recognised revenue.

- (2) Under HKAS 11, the Group charged the incurred construction costs to profit or loss by reference to the stage of completion of the contract activity at the end of relevant reporting period. Under HKFRS 15, those incurred construction costs which qualified to be recognised as assets are amortised to profit or loss on a systematic basis that is consistent with the transfer to the customer of the performance obligation to which the assets relate. Accordingly, construction costs that have been incurred but deferred to be recognised in profit or loss and included in amounts due from customers for contract work under HKAS 11 were debited to retained earnings. The related tax effects were recognised in tax assets and retained earnings.

- (3) Under HKAS 11, the amounts due to customers for contract works result from the excess of the recognition of contract costs as expenses according to the percentage of completion when revenue was recognised by reference to the percentage of completion over the actual costs incurred (which mainly represent the amount paid or payable to our suppliers and subcontractors) up to the end of each reporting period. Under HKFRS 15, those excess cost according to the percentage of completion will not be recorded. Accordingly, the excess cost recognised and included in amounts due to customers for contract works were credited to retained earnings. The related tax effects were recognised in tax liabilities and retained earnings.
- (4) Under HKFRS 15, unbilled revenue and retention receivables arising from the construction contracts that are conditional on issuance of progress certificates by architects and included in trade and retention receivables under HKAS 11 were reclassified to contract assets.
- (5) In determining the transaction price, the Group adjusts the promised amount of consideration for the effects of the time value of money if the timing of payments agreed (either explicitly or implicitly) provides the customer or the Group with a significant benefit of financing the transfer of goods or services to the customer. In those circumstances, the contract contains a significant financing component. A significant financing component may exist regardless of whether the promise of financing is explicitly stated in the contract or implied by the payment terms agreed to by the parties to the contract. For contracts where the period between payment and transfer of the associated goods or services is less than one year, the Group applies the practical expedient of not adjusting the transaction price for any significant financing component.

For those new standards, amendments to standards and interpretations which have been issued but are not yet effective and have not been early adopted, the Group is in the process of assessing their impact on the Group's results and financial position.

The preparation of financial statements in conformity with HKFRSs requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Group's accounting policies. Actual results may differ from these estimates.

3 REVENUE AND SEGMENT INFORMATION

	Three months ended 31 March		Nine months ended 31 March	
	2019 HK\$'000 (Unaudited)	2018 HK\$'000 (Unaudited)	2019 HK\$'000 (Unaudited)	2018 HK\$'000 (Unaudited)
Revenue:				
Contract revenue	21,172	10,573	58,903	34,474

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.

4 OTHER INCOME

	Three months ended 31 March		Nine months ended 31 March	
	2019 HK\$'000 (Unaudited)	2018 HK\$'000 (Unaudited)	2019 HK\$'000 (Unaudited)	2018 HK\$'000 (Unaudited)
Other income:				
Sundry income	–	–	–	262
	–	–	–	262

5 INCOME TAX (EXPENSE)/CREDIT

Hong Kong profits tax has been provided at the rate of 8.25% on the first HK\$2 million of the estimated assessable profit and 16.5% on the estimated assessable profit above HK\$2 million during the nine months ended 31 March 2019 (for the nine months ended 31 March 2018: 16.5%).

No overseas profits tax has been calculated for entities of the Group that are incorporated in the BVI or the Cayman Islands as they are exempted from tax (for the nine months ended 31 March 2018: Nil).

6 EARNINGS/(LOSS) PER SHARE

(a) Basic

Basic earnings/(loss) per share is calculated by dividing the profit/(loss) attributable to owners of the Company by the weighted average number of ordinary shares 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	
	2019 (Unaudited)	2018 (Unaudited)	2019 (Unaudited)	2018 (Unaudited)
Profit/(loss) attributable to owners of the Company (in HK\$'000)	1,737	(167)	5,396	(7,165)
Weighted average number of ordinary shares for the purpose of basic and diluted earnings/(loss) per share	1,000,000,000	1,000,000,000	1,000,000,000	835,164,835
Earnings/(loss) per share (HK cents per share)	0.17	(0.02)	0.54	(0.86)

(b) Diluted

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

7 DIVIDENDS

No dividend has been paid or declared by the Company during the nine months ended 31 March 2019.

On 1 December 2017, Wai Tat declared a special dividend amounting to HK\$3,000,000 to the then Shareholders, which had been settled before Listing.

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, the 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 2019, the Group recorded a net profit of approximately HK\$5.4 million as compared to net loss of approximately HK\$7.2 million for the corresponding period in 2018. Net loss of the Group for the nine months ended 31 March 2018 was mainly attributable to the non-recurring Listing expenses of approximately HK\$9.2 million incurred. Setting that aside, the Group's consolidated net profit (which is adjusted for the non-recurring Listing expenses) for the nine months ended 31 March 2018 was approximately HK\$2.0 million. The increase in the net profit of the Group was mainly attributable to the increase of revenue as a result of the acceleration of the progress of the projects during the nine months ended 31 March 2019.

FUTURE PROSPECTS

The construction industry in Hong Kong is always challenging. Despite the increase in residential and commercial real estate developments as well as investment in infrastructure in Hong Kong, competition is very keen and securing a construction contract remains difficult. With the experienced and professional management team, established relationship with the customers and suppliers as well as our commitment to maintaining high safety and working standard, the Directors are of the view that the Group is well-positioned to capture further business opportunities in the area of 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. As at the date of this report, the Group has not identified any investment opportunities.

FINANCIAL REVIEW

Revenue

For the nine months ended 31 March 2018 and 2019, the Group generated total revenue of approximately HK\$34.5 million and HK\$58.9 million, respectively. The increase in revenue was mainly attributable to the acceleration of the progress of the projects during the nine months ended 31 March 2019, especially the residential project in Repulse Bay and the school campus redevelopment project in Tai Po Road.

Gross profit

For the nine months ended 31 March 2018 and 2019, the Group recorded gross profit of approximately HK\$8.3 million and HK\$12.2 million, respectively and the gross profit margin of the Group was approximately 24.1% and 20.6% for the respective periods. Decline in gross profit margin was primarily attributable to the projects mix that we carried out during the nine months ended 31 March 2019 which had generated a lower gross profit margin than those projects carried out during the nine months ended 31 March 2018.

Administrative expenses

Our administrative expenses mainly consist of employee benefits expenses including director's emoluments, audit fees and other professional fees. Our administrative expenses amounted to approximately HK\$15.3 million and HK\$6.5 million for the nine months ended 31 March 2018 and 2019, respectively. Administrative expenses for the nine months ended 31 March 2018 included the non-recurring Listing expenses of approximately HK\$9.2 million. Excluding the non-recurring Listing expenses, the administrative expenses for the nine months ended 31 March 2018 amounted to approximately HK\$6.1 million. The increase of the administrative expenses for the nine months ended 31 March 2019 compared to the corresponding period in 2018 was mainly due to the increase in staff costs.

Income tax expense

For the nine months ended 31 March 2018 and 2019, the Group recorded income tax expense of approximately HK\$0.4 million and HK\$0.3 million, respectively. Despite the increase in profit before income tax for the nine months ended 31 March 2019 as compared to the corresponding period in the previous year, the decrease in the income tax expenses was mainly attributable to the utilisation of the tax losses from prior periods and the application of the two-tiered profit tax rates regime with the first HK\$2.0 million of the estimated assessable profit lowered to 8.25%.

Profit/loss and total comprehensive income/expense attributable to owners of the Company

Loss and total comprehensive expense attributable to owners of the Company and profit and total comprehensive income for the nine months ended 31 March 2018 and 2019 amounted to approximately HK\$7.2 million and HK\$5.4 million, respectively. Loss and total comprehensive loss for the nine months ended 31 March 2018 attributable to owners of the Company was mainly attributable to the non-recurring Listing expenses of approximately HK\$9.2 million incurred. Setting that aside, profit and total comprehensive income (which is adjusted for the non-recurring Listing expenses) for the nine months ended 31 March 2018 was approximately HK\$2.0 million. The increase of the profit and total comprehensive income attributable to owners of the Company for the nine months ended 31 March 2019 compared to the corresponding period in 2018 was mainly attributable to the increase in revenue as a result of the acceleration of the progress of the Group's projects during the nine months ended 31 March 2019.

DISCLOSURE OF INTERESTS

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

As at 31 March 2019, 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	Approximate percentage of total issued share capital of the Company
Mr. Kung	Interest in controlled corporation (Note)	675,000,000	67.50%
Mr. Yip	Interest in controlled corporation (Note)	675,000,000	67.50%
Mr. Kam	Interest in controlled corporation (Note)	675,000,000	67.50%

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, 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 the voting power of Talent Gain at general meetings of the Company, 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 2019, 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 2019, 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 recorded in the register 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 (Note 4)	Approximate percentage of total issued share capital of the Company
Talent Gain	Beneficial owner	675,000,000 (L)	67.50%
Ms. Kung Szeto Pauline Sin Fun	Family interest (Note 1)	675,000,000 (L)	67.50%
Ms. Chiu Wai King Clara	Family interest (Note 2)	675,000,000 (L)	67.50%
Ms. Chan Kit Yee	Family interest (Note 3)	675,000,000 (L)	67.50%
China Silver Asset Management Limited	Investment manager	101,150,000 (L) 35,000,000 (S)	10.12% 3.50%
CS Asia Opportunities Master Fund	Beneficial owner	101,150,000 (L) 35,000,000 (S)	10.12% 3.50%

Notes:

1. Ms. Kung Szeto Pauline 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 Clara 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. The Letter "L" denotes the person's long position in the Shares or underlying Shares. The Letter "S" denotes the person's short position in the Shares or underlying Shares.

Save as disclosed above, as at 31 March 2019, 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 recorded in the register 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.

RESTORATION OF PUBLIC FLOAT

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

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

PROPOSED CHANGE OF COMPANY NAME

On 30 April 2019, the Board proposed to change the English name of the Company from “WT Group Holdings Limited” to “WT Dao Ning Construction Holdings Group Company Limited” and to change the Chinese name of the Company from “WT 集團控股有限公司” to “WT 道寧建設控股集團有限公司”, subject to (i) the passing of a special resolution by the Shareholders to approve the proposed change of Company name at an extraordinary general meeting of the Company ; and (ii) the approval of the Registrar of Companies in the Cayman Islands having been obtained for the proposed change of Company name. The Company will then carry out the necessary filing procedures with the Companies Registry in Hong Kong. Details of the proposed change of Company name are set out in the announcement of the Company dated 30 April 2019.

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 2019.

CHANGE OF COMPLIANCE ADVISER

As disclosed in the Company’s announcement dated 25 March 2019, Titan Financial Services Limited (“**Titan**”) and the Company have mutually agreed to terminate the compliance adviser agreement with effect from 1 April 2019 due to changes in personnel of Titan.

Advent Corporate Finance Limited (“**Advent**”) has been appointed as the new compliance adviser to the Company as required pursuant to Rule 6A.27 of the GEM Listing Rules with effect from 1 April 2019.

INTEREST OF COMPLIANCE ADVISER

As notified by Titan, save for the compliance agreement entered into between the Company and Titan dated 20 July 2017 in connection with the Listing, none of Titan or its directors, employees or associates (as defined in the GEM Listing Rules) had any interest in the Company as at 31 March 2019, which is required to be notified to the Company pursuant to Rule 6A.32 of the GEM Listing Rules.

Also notified by Advent, save for (i) the compliance agreement entered into between the Company and Advent dated 22 March 2019 in connection with the compliance with the GEM Listing Rules and (ii) the advisory agreement entered into between the Company and Advent dated 10 May 2019 in connection with the proposed change of Company name, none of Advent or its directors, employees or associates (as defined in the GEM Listing Rules) had any interest in the Company as at the date of this report, 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 2019.

CORPORATE GOVERNANCE CODE

The Company has complied with the principles and code provisions in the Corporate Governance Code (the "CG Code") as set out in Appendix 15 to the GEM Listing Rules except the following:

The principle of code provision A.2.1 of CG Code stipulates that there should be a clear division of the management of the Board and the day-to-day management of the business. The Group has not appointed the chief executive officer. However, the management of the Board and the day-to-day management of the business are primarily performed by Mr. Yip. The Group is of the view that there is a deviation from code provision A.2.1 of CG Code. In view of Mr. Yip has been operating and managing Wai Tat, our operating subsidiary, since 2002, the Board believes that it is in the best interest of the Group to have Mr. Yip taking up both roles for effective management and business development.

Therefore, the Directors consider that the deviation from code provision A.2.1 of CG Code is appropriate in such circumstance. The Board believes that the balance of power and authority is ensured by the operations of the Board which comprises experienced and competent individuals, with three of them being independent non-executive Directors.

Except for the deviation from code provision A.2.1 of CG Code, the Company's corporate governance practices have complied with the CG Code.

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 2019.

DIVIDEND

The Board does not recommend the payment of the dividend for the nine months ended 31 March 2019 (for the nine months ended 31 March 2018: 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 require 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 2019 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 nine months ended 31 March 2019 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 nine months ended 31 March 2019 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, 14 May 2019

As at the date of this report, the Board comprises Mr. Yip Shiu Ching (Chairman), Mr. Kung Cheung Fai Patrick, Mr. Kam Kin Bun and Ms. Du Juan as executive Directors; Mr. Leung Chi Hung, Ms. Wong Lai Na and Ms. Hung Siu Woon Pauline as independent non-executive Directors.

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

This 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.