

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

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Given that 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 “Director(s)”) of WAC 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 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 enquiries, 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 will remain on the “Latest Company Announcements” page of the GEM website at www.hkgem.com for at least seven days from the date of its publication and the Company’s website at www.wcce.hk.

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CORPORATE INFORMATION

BOARD OF DIRECTORS

Executive Directors

Dr. Chan Yin Nin (*Chairman*)

Mr. Kwong Po Lam (*Managing Director*)

Independent Non-Executive Directors

Ms. Chu Moune Tsi, Stella

Mr. Choy Wai Shek, Raymond, *MH, JP*

Mr. Sze Kyran, *MH*

COMPANY SECRETARY

Mr. Chan Kwok Wai

COMPLIANCE OFFICER

Dr. Chan Yin Nin

AUTHORISED REPRESENTATIVES

Dr. Chan Yin Nin

Mr. Chan Kwok Wai

AUDIT COMMITTEE

Ms. Chu Moune Tsi, Stella (*Chairlady*)

Mr. Choy Wai Shek, Raymond, *MH, JP*

Mr. Sze Kyran, *MH*

REMUNERATION COMMITTEE

Mr. Sze Kyran, *MH (Chairman)*

Ms. Chu Moune Tsi, Stella

Mr. Choy Wai Shek, Raymond, *MH, JP*

Dr. Chan Yin Nin

Mr. Kwong Po Lam

NOMINATION COMMITTEE

Mr. Choy Wai Shek, Raymond, *MH, JP*
(*Chairman*)

Ms. Chu Moune Tsi, Stella

Mr. Sze Kyran, *MH*

Dr. Chan Yin Nin

Mr. Kwong Po Lam

AUDITOR

Wellink CPA Limited

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

Floor 9

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Cheung Sha Wan

Kowloon, Hong Kong

PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE

Conyers Trust Company (Cayman) Limited

Cricket Square

Hutchins Drive

P.O. Box 2681

Grand Cayman KY1-1111

Cayman Islands

CORPORATE INFORMATION

HONG KONG BRANCH SHARE REGISTRAR AND TRANSFER OFFICE

Tricor Investor Services Limited
Level 54, Hopewell Centre
183 Queen's Road East
Hong Kong

PRINCIPAL BANKERS

CMB Wing Lung Bank Limited
Industrial and Commercial Bank of
China (Asia) Limited

WEBSITE ADDRESS

www.wcce.hk

PLACE OF LISTING

GEM of the Stock Exchange

STOCK CODE

8619

The board of Directors (the “Board”) of the Company is pleased to announce the unaudited condensed consolidated results of the Group for the six months ended 30 September 2021 together with the unaudited comparative figures for the corresponding period in 2020, as follows:

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	Notes	Three months ended		Six months ended	
		30 September		30 September	
		2021	2020	2021	2020
		HK\$'000	HK\$'000	HK\$'000	HK\$'000
		(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Revenue	4	19,644	20,401	36,502	36,652
Cost of services		(13,753)	(11,467)	(25,459)	(22,256)
Gross profit		5,891	8,934	11,043	14,396
Other income		323	2,571	698	3,162
Other losses, net		(2,349)	(860)	(3,112)	(1,416)
General and administrative expenses		(4,748)	(4,660)	(9,021)	(9,995)
Share of result of an associate		(80)	—	(80)	—
Finance costs		(69)	(19)	(125)	(45)
(Loss)/profit before taxation	5	(1,032)	5,966	(597)	6,102
Income tax expenses	6	(139)	(786)	(356)	(1,108)
(Loss)/profit for the period		(1,171)	5,180	(953)	4,994
Other comprehensive expense					
Items that may be reclassified subsequently to profit or loss:					
Exchange differences on translation of foreign operations		(2)	(80)	(27)	(94)
Other comprehensive expense for the period, net of tax		(2)	(80)	(27)	(94)
Total comprehensive (expenses)/income for the period attributable to owners of the Company		(1,173)	5,100	(980)	4,900
(Loss)/earnings per share					
— Basic and diluted (HK cents)	8	(0.11)	0.54	(0.09)	0.52

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

		At 30 September 2021 HK\$'000 (Unaudited)	At 31 March 2021 HK\$'000 (Audited)
	<i>Notes</i>		
Non-current assets			
Property, plant and equipment	9	544	468
Right-of-use assets		5,249	5,191
Deposits paid		797	797
Deferred tax assets		681	702
Interests in an associate	13	23,312	—
		30,583	7,158
Current assets			
Trade and other receivables	10	26,378	27,034
Contract assets		20,798	14,509
Bank balances and cash		43,694	39,784
		90,870	81,327
Current liabilities			
Trade and other payables	11	6,163	5,644
Contract liabilities		14,863	6,420
Lease liabilities		2,855	2,621
Income tax payable		1,287	951
		25,168	15,636
Net current assets		65,702	65,691
Total assets less current liabilities		96,285	72,849
Non-current liabilities			
Lease liabilities		2,593	2,753
Net assets		93,692	70,096
Capital and reserves			
Share capital	12	11,520	9,600
Reserves		82,172	60,496
Equity attributable to owners of the Company		93,692	70,096

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Attributable to owners of the Company						Total HK\$'000
	Share Capital HK\$'000	Share premium HK\$'000	Merger reserves HK\$'000	Legal reserves HK\$'000	Translation reserves HK\$'000	Retained earnings HK\$'000	
At 1 April 2020 (Audited)	9,600	48,760	647	49	250	4,598	63,904
Profit for the period	—	—	—	—	—	4,994	4,994
Other comprehensive expense	—	—	—	—	(94)	—	(94)
Total comprehensive (expense)/income for the period	—	—	—	—	(94)	4,994	4,900
At 30 September 2020 (Unaudited)	9,600	48,760	647	49	156	9,592	68,804
At 1 April 2021 (Audited)	9,600	48,760	647	49	127	10,913	70,096
Loss for the period	—	—	—	—	—	(953)	(953)
Other comprehensive expense	—	—	—	—	(27)	—	(27)
Total comprehensive expense for the period	—	—	—	—	(27)	(953)	(980)
Issuance of shares in accordance with acquisition of an associate (<i>note 13</i>)	1,920	22,656	—	—	—	—	24,576
At 30 September 2021 (Unaudited)	11,520	71,416	647	49	100	9,960	93,692

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

	Six months ended	
	30 September	
	2021	2020
	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)
Net cash generated from operating activities	5,592	8,714
Net cash generated (used in)/from investing activities	(191)	97
Net cash used in financing activities	(1,492)	(1,478)
Net increase in cash and cash equivalents	3,909	7,333
Cash and cash equivalents at the beginning of the period	39,784	32,318
Effect of foreign exchange rate changes	1	10
Cash and cash equivalents at the end of the period	43,694	39,661

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2021

1. GENERAL INFORMATION

The Company was incorporated in the Cayman Islands as an exempted company with limited liability on 25 August 2017 under the Companies Law, Cap. 22 (Law 3 of 1961 as consolidated and revised) of the Cayman Islands. The ultimate holding company of the Company is Manning Properties Limited (“Manning Properties”), a company incorporated in the British Virgin Islands (“BVI”), which is controlled by Dr. Chan Yin Nin (“Dr. Chan”) and Mr. Kwong Po Lam (“Mr. Kwong”). The registered office of the Company 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 9/F., No. 9 Wing Hong Street, Cheung Sha Wan, Kowloon, Hong Kong.

The Company is an investment holding company and its shares have been listed on GEM of the Stock Exchange since 17 September 2018. The Group is principally engaged in provision of comprehensive structural and geotechnical engineering consultancy services.

The unaudited condensed consolidated financial statements of the Group are presented in Hong Kong dollars (“HK\$”), rounded to the nearest thousand, which is same as the functional currency of the Company.

2. BASIS OF PREPARATION

The unaudited condensed consolidated financial statements of the Group for the six months ended 30 September 2021 have been prepared in accordance with Hong Kong Accounting Standard 34 “Interim Financial Reporting” issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”) and the applicable disclosure requirements of the GEM Listing Rules.

The preparation of the unaudited condensed consolidated financial statements of the Group for the six months ended 30 September 2021 is in conformity with the requirements of the Hong Kong Financial Reporting Standards (“HKFRSs”) in the use of certain critical accounting estimates. The HKFRSs also require the management to exercise their judgements in the process of applying the Group’s accounting policies.

The accounting policies and methods of computation used in the preparation of the unaudited condensed consolidated financial statements of the Group for the six months ended 30 September 2021 are consistent with those adopted in the preparation of the unaudited condensed consolidated financial statements of the Group for the six months ended 30 September 2020 and the audited consolidated financial statements of the Group for the year ended 31 March 2021 shown in the 2021 annual report of the Company.

The unaudited condensed consolidated financial statements of the Group for the six months ended 30 September 2021 have been prepared under the historical cost convention.

The unaudited condensed consolidated financial statements of the Group for the six months ended 30 September 2021 have not been audited by the Company’s independent auditor, but have been reviewed by the Company’s audit committee.

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2021

3. ADOPTION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS

In the current period, the Group has adopted all the new and revised HKFRSs issued by the HKICPA that are relevant to its operation and effective for its accounting period beginning on 1 April 2021. The adoption of the new and revised HKFRSs in the current period has had no material impact on the Group's financial performance and positions for the current and prior periods and/or the disclosures set out in these unaudited condensed consolidated financial statements. The Group has not early applied the new and revised HKFRSs that have been issued but are not yet effective.

4. REVENUE AND SEGMENT INFORMATION

Revenue

The principal activities of the Group are provision of comprehensive structural and geotechnical engineering consultancy services mainly in Hong Kong. Disaggregation of revenue from contracts with customers by services lines is as follows:

	Three months ended 30 September		Six months ended 30 September	
	2021 HK\$'000 (Unaudited)	2020 HK\$'000 (Unaudited)	2021 HK\$'000 (Unaudited)	2020 HK\$'000 (Unaudited)
Disaggregation of revenue from contracts with customers by major services lines				
- Construction of new properties	11,943	12,010	22,911	22,748
- Refurbishment/maintenance of existing properties	3,646	2,975	6,680	6,412
- Others	4,055	5,416	6,911	7,492
	19,644	20,401	36,502	36,652
Timing of revenue recognition:				
- Services transferred over time	19,644	20,346	36,502	36,546
- Sales of goods at a point in time	—	55	—	106
	19,644	20,401	36,502	36,652

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2021

4. REVENUE AND SEGMENT INFORMATION (CONTINUED)

Revenue (Continued)

Revenue mainly represents the contract revenue from provision of comprehensive structural and geotechnical engineering consultancy services recognised over the time during the periods ended 30 September 2021 and 2020.

Others represents (i) revenue from provision of expert witness services and other minor works services recognised over the time for the periods ended 30 September 2021 and 2020; (ii) revenue from provision of e-commerce online platform consulting services recognised over the time during the period ended 30 September 2020; and (iii) revenue from sales of good recognised at a point in time during the period ended 30 September 2020.

The Group currently operates in one single operating segment which is comprehensive structural and geotechnical engineering consultancy services. For the purpose of resources allocation and performance assessment, the chief operating decision makers (i.e. the directors of the Company) review the overall results and financial position of the Group as a whole prepared in accordance with accounting policies which conform to HKFRSs. Accordingly, the Group presents only one single reportable segment.

Geographical information

Almost all of the Group's external revenue for the six months ended 30 September 2021 is derived from services rendered in Hong Kong, the place of domicile of the Group's principal operating entities. Almost all of the non-current assets employed by the Group are located in Hong Kong. Hence, no geographical information is presented.

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2021

5. (LOSS)/PROFIT BEFORE TAXATION

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

	Three months ended		Six months ended	
	30 September		30 September	
	2021	2020	2021	2020
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
(a) Staff costs				
Directors' remuneration	2,847	1,394	4,292	2,790
Salaries, wages and other benefits	10,684	10,610	20,900	21,247
Contributions to defined contribution retirement plan, excluding those of Directors	449	378	871	713
Total staff costs	13,980	12,382	26,063	24,750
Less: Amount included in general and administrative expenses	(1,682)	(1,686)	(3,350)	(3,852)
Total staff costs included in cost of services	12,298	10,696	22,713	20,898
(b) Finance costs				
Interest expenses on bank borrowing	4	—	4	—
Interest expenses on lease liabilities	65	19	121	45
	69	19	125	45
(c) Other items				
Auditor's remuneration (including remuneration for non-audit services)	298	266	447	435
Exchange gains, net	(2)	(44)	(79)	(50)
Depreciation of property, plant and equipment	83	110	160	214
Depreciation of right-of-use assets	693	700	1,388	1,398
Impairment losses on trade receivables and contract assets, net of reversal of impairment losses	1,167	968	2,007	1,624
Government subsidies	—	(2,586)	—	(2,586)
Impairment losses on interest in an associate	1,184	—	1,184	—

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2021

6. INCOME TAX EXPENSES

	Three months ended		Six months ended	
	30 September		30 September	
	2021	2020	2021	2020
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Current tax:				
Hong Kong Profits Tax	264	770	335	1,114
Deferred taxation:				
Origination and reversal of temporary differences	(125)	16	21	(6)
	139	786	356	1,108

(a) Hong Kong Profits Tax

Hong Kong Profits Tax has been provided in accordance with two-tiered profits tax rate regime, the first HK\$2,000,000 of assessable profits of a qualifying group entity is taxed at 8.25% and the assessable profits above HK\$2,000,000 are taxed at 16.5% for the six months ended 30 September 2021 and 2020. The assessable profits of group entities not qualifying for the two-tiered profit tax regime are taxed at a flat rate of 16.5%.

(b) PRC Enterprise Income Tax

No provision for PRC Enterprise Income Tax has been made as the subsidiary incorporated in the People's Republic of China (the "PRC") has estimated tax losses for the six months ended 30 September 2021 and 2020.

(c) Macau Complementary Tax

No provision for Macau Complementary Tax has been made as the subsidiary incorporated in Macau has estimated tax losses for the six months ended 30 September 2021 and 2020.

(d) Cayman Islands and BVI Income Tax

Pursuant to the rules and regulations of the Cayman Islands and the BVI, the Group is not subject to any income tax in the Cayman Islands and the BVI.

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2021

7. DIVIDENDS

The Board does not recommend the payment of an interim dividend for the six months ended 30 September 2021 (for the six months ended 30 September 2020: nil).

8. (LOSS)/EARNINGS PER SHARE

The calculation of basic and diluted (loss)/earnings per share attributable to owners of the Company is based on the following data:

	Three months ended 30 September		Six months ended 30 September	
	2021 HK\$'000 (Unaudited)	2020 HK\$'000 (Unaudited)	2021 HK\$'000 (Unaudited)	2020 HK\$'000 (Unaudited)
(Loss)/profit for the period attributable to owners of the Company	(1,171)	5,180	(953)	4,994
Number of shares:				
Weighted average number of ordinary shares in issue ('000 Number of shares)	1,108,174	960,000	1,034,492	960,000
Basic and diluted (loss)/earnings per share (HK cents)	(0.11)	0.54	(0.09)	0.52

The calculation of basic (loss)/earnings per share is based on the (loss)/profit for the period attributable to owners of the Company and weighted average number of shares in issue of the Company.

Diluted (loss)/earnings per share for those periods are the same as basic (loss)/earnings per share as there were no potential ordinary shares outstanding.

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2021

9. MOVEMENTS IN PROPERTY, PLANT AND EQUIPMENT

During the six months ended 30 September 2021, the Group acquired property, plant and equipment of approximately HK\$236,000 (30 September 2020: HK\$23,000).

10. TRADE AND OTHER RECEIVABLES

	At 30 September 2021 HK\$'000 (Unaudited)	At 31 March 2021 HK\$'000 (Audited)
Trade receivables	32,777	31,418
Less: Allowance for trade receivables	(7,002)	(5,254)
Trade receivables, net of loss allowance	25,775	26,164
Deposits, prepayments and other receivables	603	870
	26,378	27,034

The following is an ageing analysis of the Group's trade receivables presented based on invoice dates at the end of the reporting period, net of allowance for credit losses recognised:

	At 30 September 2021 HK\$'000 (Unaudited)	At 31 March 2021 HK\$'000 (Audited)
Within 30 days	8,019	5,678
Over 30 days and within 90 days	3,639	7,761
Over 90 days and within 180 days	6,049	4,961
Over 180 days	8,068	7,764
	25,775	26,164

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2021

11. TRADE AND OTHER PAYABLES

	At 30 September 2021 HK\$'000 (Unaudited)	At 31 March 2021 HK\$'000 (Audited)
Trade payables	1,335	1,497
Provision for annual leave and long service payment	2,397	1,989
Accrued expenses and other payables	2,431	2,158
	6,163	5,644

The ageing analysis of the Group's trade payables based on the invoice dates is as follows:

	At 30 September 2021 HK\$'000 (Unaudited)	At 31 March 2021 HK\$'000 (Audited)
Within 30 days	653	220
Over 30 days and within 60 days	37	442
Over 60 days and within 90 days	91	563
Over 90 days	554	272
	1,335	1,497

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2021

12. SHARE CAPITAL

	Number of shares	Share capital HK\$'000 (Unaudited)
Ordinary shares of HK\$0.01 each		
Authorised:		
At 1 April 2020, 31 March 2021, 1 April 2021 and 30 September 2021	1,500,000,000	15,000
Issued and fully paid:		
At 1 April 2020, 31 March 2021 and 1 April 2021	960,000,000	9,600
Issued in consideration for the acquisition of the 23.4% issued share capital of an associate (<i>note</i>)	192,000,000	1,920
At 30 September 2021	1,152,000,000	11,520

Note: On 22 July 2021, the Company issued 192,000,000 new ordinary shares for the acquisition of 23.4% issued share capital of an associate (Note 13). The closing share price of the Company's shares at the date of issue is HK\$0.128 per share.

13. INTEREST IN AN ASSOCIATE

	At 30 September 2021 HK\$'000 (Unaudited)
Unlisted investment at cost	24,576
Less:	
Impairment loss	(1,184)
Share of post-acquisition results	(80)
	23,312

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2021

13. INTEREST IN AN ASSOCIATE (CONTINUED)

Note: On 9 July 2021, the Company and its subsidiary, WAC (Hong Kong) Limited (the “Purchaser”), and Alpha Generator Limited (the “Vendor”) entered into sale and purchase agreement, pursuant to which the Purchaser has conditionally purchase, and the Vendor conditionally agreed to sell 23.4% of the issued share capital of OPS Holdings Limited. The consideration was satisfied by the allotment and issue of 192,000,000 new shares to the Vendor at the date of completion (the “Consideration shares”). The Consideration shares were issued under the general mandate. Having satisfied all the terms and conditions of the agreements, the acquisition was completed on 22 July 2021. Please refer to the announcements of the Company dated 9 July 2021, 16 July 2021 and 22 July 2021 for the detail contents and principal terms of the acquisition transaction. For the period ended 30 September 2021, the share of loss of OPS Holdings Limited of approximately HK\$80,000 was recognised in the profit or loss.

14. RELATED PARTY TRANSACTIONS

Transactions

In addition to the related party transactions disclosed elsewhere in the unaudited condensed consolidated financial statements, the Group entered into the following transactions with its related party during the period:

	Three months ended		Six months ended	
	30 September 2021	2020	30 September 2021	2020
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Consultancy fee received from Win Win Way Construction Co., Limited ("Win Win Way"), included in revenue	—	3	—	136

Win Win Way is a subsidiary of CT Vision S.L. (International) Holdings Limited (“CT Vision”), formerly known as CT Vision (International) Holdings Limited and Win Win Way Construction Holdings Ltd. and Mr. Kwong was an executive director of CT Vision up to 26 April 2019. Mr. Kwong has been appointed as a director of Win Win Way since 26 April 2019.

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW AND OUTLOOK

The Group is a construction engineering consultant focusing on the area of comprehensive structural and geotechnical engineering which is mainly provided in Hong Kong. The Group's consultancy services mainly cover: (i) structural engineering; (ii) geotechnical engineering; (iii) certain civil engineering practice areas; and (iv) material engineering.

For structural engineering, it involves loading calculation and stress designs. For geotechnical engineering, it involves calculation of earth surface conditions and assessment of risks posed by site conditions. For certain civil engineering practice areas, it involves infrastructure works (such as drainage). For material engineering, it involves analysing the use of and selecting building materials in a construction project. We also provide some other related services such as Registered Structural Engineers and Authorized Persons (as defined in the prospectus of the Company dated 31 August 2018 (the "Prospectus")) work in relation to alterations and additions works and expert services from time to time as requested by our clients.

During the six months ended 30 September 2021, the Group recorded a slight decrease in revenue of approximately 0.4% to approximately HK\$36.5 million, from approximately HK\$36.7 million for the preceding financial period. The slight decrease was due to the net effect of (i) increase in revenue contribution from structural and geotechnical engineering consultancy services of construction of new properties and refurbishment/maintenance of existing properties; and (ii) no revenue in relation to the e-commerce online platform consulting services, for the six months ended 30 September 2021.

The Group was focusing on developing business opportunities from existing clients and was looking for increasing the types of consultancy services to be provided to various clients. Looking forward, the business and operating environments of the Group will remain challenging. The Group continues to expand its market share by securing more engineering consultancy service contracts.

MANAGEMENT DISCUSSION AND ANALYSIS

FINANCIAL REVIEW

Revenue

The revenue of the Group slightly decreased from approximately HK\$36.7 million for the six months ended 30 September 2020 to approximately HK\$36.5 million for the six months ended 30 September 2021, representing a slight decrease of approximately 0.4%. The slight decrease was due to the net effect of (i) increase in revenue contribution from structural and geotechnical engineering consultancy services of construction of new properties and refurbishment/maintenance of existing properties; and (ii) no revenue in relation to the e-commerce online platform consulting services, for the six months ended 30 September 2021.

On 26 March 2021, the Group disposed of Etuan Technology Limited and hereby disposed of its interests in Hangzhou Zhouji Network Technology Limited (“Zhouji Network”) held through a variable interest entity (the “VIE”) arrangement (“Disposal of Subsidiaries”). Revenue from provision of e-commerce online platform consulting services of approximately HK\$3.0 million was derived from Zhouji Network for the six months ended 30 September 2020.

Cost of Services

The cost of services increased from approximately HK\$22.3 million for the six months ended 30 September 2020 to approximately HK\$25.5 million for the six months ended 30 September 2021, representing an increase of approximately 14.4%. Such increase during the period ended 30 September 2021 was mainly attributable to the net effect of (i) increase in the subconsulting charges incurred for the projects that required subconsulting services undertaken by the Group; (ii) increase in staff costs and benefits related to structural and geotechnical engineering consultancy services included in cost of services; (iii) payment of discretionary bonus to directors during the six months ended 30 September 2021; and (iv) absence of staff costs incurred related to e-commerce online platform undertaken by the Group for the six months ended 30 September 2020.

Gross Profit

Gross profit of the Group decreased by approximately HK\$3.4 million from approximately HK\$14.4 million for the six months ended 30 September 2020 to approximately HK\$11.0 million for the six months ended 30 September 2021. The net decrease was mainly caused by the increase in subconsulting charges, staff costs and benefits and payment of discretionary bonus to directors related to structural and geotechnical engineering consultancy services for the six months ended 30 September 2021 and no staff costs incurred in relation to e-commerce online platform undertaken by the Group in the preceding financial period as discussed above. The overall gross profit margin decreased from approximately 39.3% for the six months ended 30 September 2020 to approximately 30.3% for the six months ended 30 September 2021.

MANAGEMENT DISCUSSION AND ANALYSIS

Other Income

The other income of the Group for the six months ended 30 September 2021 and 2020 were approximately HK\$0.7 million and HK\$3.2 million respectively, representing a decrease of approximately 77.9%. The substantial decrease was mainly attributable to the absence of one-off government subsidies received from the Government of Hong Kong Special Administrative Region of the People's Republic of China ("HKSAR") under the Employment Support Scheme, which occurred during the six months ended 30 September 2020.

Other Losses, net

The other loss of the Group for the six months ended 30 September 2021 and 2020 were approximately HK\$3.1 million and HK\$1.4 million respectively, representing an increase of approximately 119.8%. Such increase was primarily attributable to the impairment loss recognised in respect of the interest in an associate for the six months ended 30 September 2021.

General and Administrative Expenses

General and administrative expenses of the Group decreased by approximately HK\$1.0 million or 9.7% from approximately HK\$10.0 million for the six months ended 30 September 2020 to approximately HK\$9.0 million for the six months ended 30 September 2021. General and administrative expenses primarily consisted of staff costs for accounting and administrative staff, accrued staff bonus, staff training and welfare, depreciation, and legal and professional fees. Such decrease was mainly attributable to the (i) decrease in legal and professional fees; and (ii) decrease in staff costs, staff welfare and benefits for the six months ended 30 September 2021 due to the Disposal of Subsidiaries on 26 March 2021.

Finance Costs

Finance costs amounted to approximately HK\$0.1 million for both periods, they represented interest expenses on lease liabilities and interest expenses on bank borrowings for the six months ended 30 September 2021 and 2020 respectively.

Income Tax Expenses

Income tax expenses of the Group decreased by approximately HK\$0.7 million or 67.9% from approximately HK\$1.1 million for the six months ended 30 September 2020 to approximately HK\$0.4 million for the six months ended 30 September 2021 and such decrease was consistent with the decrease in estimated assessable profits of a major operating subsidiary of the Company.

MANAGEMENT DISCUSSION AND ANALYSIS

(Loss)/Profit for the Period

Loss for the period of the Group amounted to approximately HK\$1.0 million for the six months ended 30 September 2021 (for the six months ended 30 September 2020: profit of approximately HK\$5.0 million). The loss was primarily attributable to the (i) increase in cost of services resulting from (a) increase in the subconsulting charges incurred for the projects that required subconsulting services undertaken by the Group; (b) increase in staff costs included in cost of services; and (c) payment of discretionary bonus to directors; (ii) no one-off government subsidies received from HKSAR Government under the Employment Support Scheme; and (iii) impairment loss recognised in respect of the interest in an associate, for the six months ended 30 September 2021.

LIQUIDITY AND FINANCIAL RESOURCES

The Group has met its liquidity requirements principally through net cash flows generated from its operations. The Group's principal uses of cash have been, and are expected to continue to be, operational costs. The Directors believe that in the long term, the Group's operations will be funded by internally generated cash flows and, if necessary, additional equity financing and/or bank borrowings.

The current ratio decreased from approximately 5.2 times as at 31 March 2021 to approximately 3.6 times as at 30 September 2021. The decrease was mainly due to the increase in contract liabilities as at 30 September 2021.

As at 30 September 2021 and 31 March 2021, the Group had no borrowings. The gearing ratio as at 30 September 2021, calculated based on total debts divided by total equity at the end of the reporting period and multiplied by 100%, was therefore not applicable. The Directors consider the Group's financial position is sound and strong and the Group has sufficient liquidity to satisfy its funding requirements with available bank and cash balances, and bank credit facilities.

TREASURY POLICY

The Group has adopted a prudent financial management approach towards its treasury policies and thus maintained a healthy liquidity position throughout the current period. The Group strives to reduce exposure to credit risk by performing ongoing credit assessments and evaluations of the financial status of its customers. To manage liquidity risk, the Board closely monitors the Group's liquidity position to ensure that the liquidity structure of the Group's assets, liabilities and other commitments can meet its funding requirements from time to time.

MANAGEMENT DISCUSSION AND ANALYSIS

CAPITAL STRUCTURE

The shares of the Company were listed on GEM of the Stock Exchange on 17 September 2018. There has been no change in the capital structure of the Company since then. The share capital of the Company only comprises of ordinary shares.

As at the date of this report, the Company's authorised share capital was HK\$15,000,000 divided into 1,500,000,000 shares at par value of HK\$0.01 each and the number of its ordinary shares in issue was 1,152,000,000 (after issue of consideration shares of 192,000,000 new shares under general mandate on 22 July 2021).

COMMITMENTS

As at 30 September 2021, the Group did not have any capital commitments.

FUTURE PLANS FOR MATERIAL INVESTMENTS AND CAPITAL ASSETS

As at 30 September 2021, save for the business plans set out in the Prospectus, the Group did not have other plans for material investments and capital assets.

MATERIAL ACQUISITIONS AND DISPOSALS OF SUBSIDIARIES AND ASSOCIATES

On 22 July 2021, the Company issued 192,000,000 new ordinary shares for the acquisition of 23.4% issued share capital of OPS Holdings Limited. The closing share price of the Company's shares at the date of issue was HK\$0.128 per share.

CONTINGENT LIABILITIES

The Group did not have any significant contingent liabilities as at 30 September 2021 (31 March 2021: nil).

EXPOSURE TO EXCHANGE RATE FLUCTUATION

The Group's revenue generating operations are mainly transacted in Hong Kong dollars. In addition, the Group bank balances are mainly denominated in Hong Kong dollars. The Directors consider the impact of foreign exchange exposure to the Group is minimal.

MANAGEMENT DISCUSSION AND ANALYSIS

CHARGE OF GROUP'S ASSETS

The Group did not have any pledged assets as at 30 September 2021 (31 March 2021: nil).

EVENTS AFTER THE REPORTING PERIOD

As at the date of this report, there was no significant event relating to the business or financial performance of the Group that come to the attention of the Directors after 30 September 2021.

EMPLOYEES AND REMUNERATION POLICIES

As at 30 September 2021, the Group employed a total of 135 employees (30 September 2020: 144 employees). The staff costs, including Directors' emoluments, of the Group were approximately HK\$26.1 million for the six months ended 30 September 2021 (30 September 2020: approximately HK\$24.8 million). Remuneration is mainly determined with reference to market trends, the Group's operating results and the performance, qualification and experience of individual employee. The remuneration packages mainly comprise basic salaries, medical coverage, overtime allowance, travelling allowance and discretionary bonuses based on individual performance, which are offered to employees as recognition of and reward for their contribution.

MANAGEMENT DISCUSSION AND ANALYSIS

COMPARISON BETWEEN BUSINESS OBJECTIVES AND ACTUAL BUSINESS PROGRESS

The following is a comparison between the Group's business plans as set out in the Prospectus and the Group's actual business progress as at 30 September 2021:

Business Objective and Strategy	Principal Business plan and activity as stated in the Prospectus	Actual business progress up to 30 September 2021
Support and expand our structural and geotechnical engineering team	<ul style="list-style-type: none">• Retain the new staff employed• Maintenance of computers and software for additional staff	<ul style="list-style-type: none">• The Group recruited fifteen new junior to senior level engineering staff and draftsman trainees to handle new projects in the area of structural engineering. Taking into account of the new recruitment in 2018, 2019, 2020 and 2021, the Group has incurred staff costs of approximately HK\$7.2 million as at 30 September 2021 after the listing of the Company's shares on GEM of the Stock Exchange on 17 September 2018 (the "Listing").• As at 30 September 2021, the Group has purchased new computers and software for new staff employed in the amount of approximately HK\$0.6 million.
Grow and develop our civil engineering team	<ul style="list-style-type: none">• Retain the new staff employed	<ul style="list-style-type: none">• The Group recruited thirteen new junior to senior level engineering staff to handle new projects in the area of civil engineering. Taking into account the new recruits in 2018, 2019, 2020 and 2021, the Group has incurred staff costs of approximately HK\$3.7 million as at 30 September 2021 after the Listing.

MANAGEMENT DISCUSSION AND ANALYSIS

COMPARISON BETWEEN BUSINESS OBJECTIVES AND ACTUAL BUSINESS PROGRESS (CONTINUED)

Business Objective and Strategy	Principal Business plan and activity as stated in the Prospectus	Actual business progress up to 30 September 2021
Expand our office infrastructure and building information modelling (the "BIM") upgrade	<ul style="list-style-type: none">• Retain the new staff employed• Upgrade computers and software for existing staff• Minor renovation for office upgrade	<ul style="list-style-type: none">• The Group has recruited one BIM experienced engineer and upgraded computer equipment and server infrastructure.• As at 30 September 2021, the Group has purchased two sets of BIM software licenses and computer equipment amounting to approximately HK\$51,500.• As at 30 September 2021, the Group has paid approximately HK\$45,000 to sponsor its engineering staff to attend BIM training courses held by third parties.• The Group postponed the plan to rent additional office space due to the current outbreak of COVID-19 in Hong Kong.
Support and expand our material engineering and building repairs area of service	<ul style="list-style-type: none">• Retain the new staff employed	<ul style="list-style-type: none">• The Group has recruited one new junior engineering staff to handle new projects in the area of material engineering. The Group has incurred staff cost of approximately HK\$0.1 million as at 30 September 2021 after the Listing.
Acquisition of or investment in companies in construction and property development industry	<ul style="list-style-type: none">• Explore business opportunities for acquisition or investment	<ul style="list-style-type: none">• As at 30 September 2021, the Group has not invested any companies in construction and property development industry. The Group is seeking suitable business projects or companies for investment.

MANAGEMENT DISCUSSION AND ANALYSIS

USE OF PROCEEDS

The shares of the Company were successfully listed on GEM of the Stock Exchange on 17 September 2018. The net proceeds received by the Company from the issue of 288,000,000 ordinary shares by way of share offer at a price of HK\$0.20 per share on 17 September 2018 was approximately HK\$26.9 million (after deduction of listing expenses). Up to 30 September 2021, we utilised the net proceeds in accordance with the designated uses set out in the Prospectus and the announcement of the Company dated 5 March 2021 in relation to the change in use of proceeds as follows:

Business strategies	Revised allocation of the total net proceeds designated in the announcement dated on 5 March 2021 HK\$' million	Actual usage of net proceeds up to 30 September 2021 HK\$' million	Unutilised net proceeds as at 30 September 2021 HK\$' million	Expected timeline for utilising the unutilised net proceeds
Support and expand our structural and geotechnical engineering team	7.9	7.9	—	Not applicable
Grow and develop our civil engineering team	7.9	3.7	4.2	On or before 31 March 2022
Expand our office infrastructure and BIM upgrade	5.2	0.7	4.5	On or before 31 March 2022
Support and expand our material engineering and building repairs area of service	0.1	0.1	—	Not applicable
General working capital	1.2	1.2	—	Not applicable
Acquisition of or investment in companies in construction and property development industry	4.6	—	4.6	On or before 31 March 2022
	26.9	13.6	13.3	

The unutilised balance of net proceeds of each designated uses set out above is expected to be fully utilised by 31 March 2022. Please refer to the announcements of the Company dated 28 August 2020 and 5 March 2021 for the details of the delay in the use of the net proceeds and change in the use of proceeds, respectively.

MANAGEMENT DISCUSSION AND ANALYSIS

PRINCIPAL RISKS AND UNCERTAINTIES

The business operations and results of the Group may be affected by various factors, some of which are external causes and some are inherent to the business. The Board is aware that the Group is exposed to various risks and the principal risks and uncertainties facing the Group are summarized below:

- The Group relies heavily on professional staff, in particular, management team, in operating the business;
- The Group determines the tender price based on, among other things, the estimated time and costs involved in a project, which may deviate from the actual time and costs involved;
- Service fee may not be paid in full due to clients' projects not being completed as originally planned; and
- The Group is exposed to the credit risk of trade receivables and may experience increasing balance of such receivables and longer trade receivables' turnover days.

For other risks and uncertainties facing the Group, please refer to the section headed "Risk Factors" in the Prospectus. Material principal risks and uncertainties affecting the Group are substantially unchanged from those disclosed in the Prospectus. The Directors will monitor, assess and respond to the above risk on a timely manner.

MANAGEMENT DISCUSSION AND ANALYSIS

DISCLOSURE OF INTERESTS

A. Directors' and Chief Executive's Interests and Short Positions in the Shares, Underlying Shares and Debentures of the Company and the Associated Corporation

As at 30 September 2021, interests and short positions of the Directors and chief executive of the Company in the shares, underlying shares and debentures of the Company and any of its associated corporation (within the meaning of Part XV of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) (the "SFO")) which were required (i) 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 in which they were taken or deemed to have under such provisions of the SFO), or (ii) pursuant to Section 352 of the SFO, to be entered in the register referred to therein, or (iii) pursuant to 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 Position in the Company's shares

Name of Directors	Capacity/Nature of interest	Number and class of shares	Approximate percentage of shareholding in the total issued share capital of the Company ^(Note 2)
Dr. Chan Yin Nin ("Dr. Chan") ^(Note 1)	Interest in controlled corporation	394,072,000 ordinary shares	34.21%
Mr. Kwong Po Lam ("Mr. Kwong") ^(Note 1)	Interest in controlled corporation	394,072,000 ordinary shares	34.21%

MANAGEMENT DISCUSSION AND ANALYSIS

Notes:

- (1) Manning Properties Limited is owned as to approximately 68.2% by Dr. Chan and approximately 31.8% by Mr. Kwong, which in turn holds approximately 34.21% of the total share capital of the Company. Dr. Chan and Mr. Kwong, as the Concerted Group, restrict their ability to exercise direct control over the Company by holding their interests through Manning Properties Limited, a common investment holding company, and as a result Dr. Chan and Mr. Kwong are presumed to be a group of controlling shareholders pursuant to the Guidance Letter HKEx-GL89-16 issued in November 2016. Accordingly, Dr. Chan and Mr. Kwong are deemed to be interested in the 394,072,000 shares held by Manning Properties Limited.
- (2) Based on the number of issued share of 1,152,000,000 shares as at 30 September 2021.

(ii) Interests in shares of the associated corporation of the Company

Name of Directors	Name of associated corporation	Capacity/Nature of interest	Number of shares held in the associated corporation	Approximate percentage of shareholding in the associated corporation
Dr. Chan	Manning Properties Limited	Beneficial owner	7,500 ordinary shares	68.2%
Mr. Kwong	Manning Properties Limited	Beneficial owner	3,500 ordinary shares	31.8%

Note: Manning Properties Limited is owned as to approximately 68.2% by Dr. Chan and approximately 31.8% by Mr. Kwong, which in turn holds 394,072,000 shares of the Company, representing approximately 34.21% of the total share capital of the Company.

Save as disclosed above, as at 30 September 2021, none of the Directors or chief executive of the Company had any interests or short positions 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) as recorded in the register required to be kept under Section 352 of the SFO or as otherwise notified to the Company and the Stock Exchange pursuant to Rules 5.46 to 5.67 of the GEM Listing Rules.

MANAGEMENT DISCUSSION AND ANALYSIS

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

As at 30 September 2021, interests and short positions of the person (other than the Directors or chief executive of the Company) in the shares and underlying shares of the Company which were required to be recorded in the register required to be kept under Section 336 of the SFO were as follows:

Name	Capacity/Nature of interest	Number and class of shares	Long/short position	Approximate percentage of shareholding in the total issued share capital of the Company <i>(Note 6)</i>
Manning Properties Limited <i>(Note 1)</i>	Beneficial owner	394,072,000 ordinary shares	Long	34.21%
Ms. Julia Gower Chan <i>(Note 2)</i>	Interest of spouse	394,072,000 ordinary shares	Long	34.21%
Ms. Leung Kwai Ping <i>(Note 3)</i>	Interest of spouse	394,072,000 ordinary shares	Long	34.21%
Alpha Generator Limited <i>(Note 4)</i>	Beneficial owner	192,000,000 ordinary shares	Long	16.67%
Rich Merchant Limited <i>(Note 4)</i>	Nominee for another person	192,000,000 ordinary shares	Long	16.67%
Mr. Tang Ho Wai Howard <i>(Note 5)</i>	Nominee for another person	192,000,000 ordinary shares	Long	16.67%

MANAGEMENT DISCUSSION AND ANALYSIS

Notes:

- (1) Manning Properties Limited is owned as to approximately 68.2% by Dr. Chan and approximately 31.8% by Mr. Kwong, which in turn holds approximately 34.21% of the total share capital of the Company. As the Concerted Group, Dr. Chan and Mr. Kwong restrict their ability to exercise direct control over the Company by holding their interests through Manning Properties Limited, a common investment holding company, and as a result Dr. Chan and Mr. Kwong are presumed to be a group of controlling shareholders pursuant to the Guidance Letter HKEx-GL89-16 issued in November 2016. Accordingly, Dr. Chan and Mr. Kwong are deemed to be interested in the 394,072,000 shares held by Manning Properties Limited.
- (2) Ms. Julia Gower Chan is the spouse of Dr. Chan. By virtue of the SFO, Ms. Julia Gower Chan is deemed to be interested in the shares of the Company interested by Dr. Chan.
- (3) Ms. Leung Kwai Ping is the spouse of Mr. Kwong. By virtue of the SFO, Ms. Leung Kwai Ping is deemed to be interested in the shares of the Company interested by Mr. Kwong.
- (4) Upon the completion of acquisition of 23.4% issued share capital of OPS Holdings Limited on 22 July 2021, 192,000,000 new ordinary shares, representing approximately 16.67% of the issued share capital of the Company (as enlarged by the completion of issue of the consideration shares), have been duly allotted and issued as fully paid to Rich Merchant Limited (as nominee for Alpha Generator Limited, the vendor of OPS Holdings Limited) on 22 July 2021. Alpha Generator Limited, a company incorporated in the BVI with limited liability, is a beneficial owner of the company's shares, which in turn holds approximately 16.67% of the total share capital of the Company.
- (5) Rich Merchant Limited (as nominee for Alpha Generator Limited) is a company incorporated in Samoa and is wholly-owned by Mr. Tang Ho Wai Howard.
- (6) Based on the number of issued share of 1,152,000,000 shares as at 30 September 2021.

Save as disclosed above, as at 30 September 2021, so far as is known to the Directors, no person, other than the Directors and chief executive of the Company whose interests are set out in the section "Directors' and Chief Executive's Interests and Short Positions in the Shares, Underlying Shares and Debentures of the Company and the Associated Corporation" above, had notified the Company of an interest or short position in the shares or underlying shares of the Company that was required to be recorded in the register required to be kept by the Company pursuant to Section 336 of the SFO.

MANAGEMENT DISCUSSION AND ANALYSIS

COMPETING AND CONFLICTS OF INTERESTS

The Directors are not aware of any business or interest of the Directors or the controlling shareholders of the Company or any of their respective close associates (as defined in the GEM Listing Rules) that compete or may compete with the business of the Group and any other conflicts of interest which any such person has or may have with the Group during the six months ended 30 September 2021.

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 30 September 2021.

CORPORATE GOVERNANCE CODE

During the six months ended 30 September 2021 and up to the date of this report, the Company has complied with the applicable code provisions of the Corporate Governance Code (the "CG Code") as set out in Appendix 15 to the GEM Listing Rules with an exception of deviation from code provision A.1.8 as explained below:

Under code provision A.1.8, an issuer should arrange appropriate insurance cover in respect of legal action against its directors. The Board has not arranged an insurance cover in respect of Directors' liability as the Board considers that the industry, business and financial situation of the Company are currently stable, and the Company has established sufficient internal control system. The Board will review the need for the insurance cover from time to time.

The Directors will continue to review its corporate governance practices in order to enhance its corporate governance standard, to comply with the increasingly tightened regulatory requirements from time to time, and to meet the rising expectation of shareholders and other stakeholders of the Company.

MANAGEMENT DISCUSSION AND ANALYSIS

DIRECTORS' SECURITIES TRANSACTIONS

The Company has adopted a code of conduct regarding securities transactions by the Directors on terms no less exacting than the required standards of dealings set out in Rules 5.46 to 5.67 of the GEM Listing Rules. The Company had made specific enquiries of all the Directors and the Company was not aware of any non-compliance with the required standard of dealings and the Company's code of conduct regarding securities transactions by the Directors during the six months ended 30 September 2021.

DIVIDEND

The Board does not recommend the payment of an interim dividend for the six months ended 30 September 2021.

SHARE OPTION SCHEME

The Company adopted a share option scheme on 27 August 2018 (the "Scheme"). The terms of the Scheme are in accordance with the provisions of Chapter 23 of the GEM Listing Rules.

No share options has been granted during the six months ended 30 September 2021 and there were no share options outstanding as at 30 September 2021.

MANAGEMENT DISCUSSION AND ANALYSIS

AUDIT COMMITTEE

The Company established an audit committee (the “Audit Committee”) on 27 August 2018 with its written terms of reference in compliance with the GEM Listing Rules and in accordance with the provisions set out in the CG Code which is available on the websites of the Stock Exchange and the Company. The primary duties of the Audit Committee are to make recommendations to the Board on the appointment, reappointment and removal of the external auditor, to review and monitor the external auditor’s independence and objectivity and the effectiveness of the audit process in accordance with applicable standards, and to monitor the integrity of the Company’s annual report and accounts, interim report and quarterly reports before submission to the Board. The Audit Committee currently consists of three members, namely Ms. Chu Moune Tsi, Stella, Mr. Choy Wai Shek, Raymond and Mr. Sze Kyran, all being independent non-executive Directors. Ms. Chu Moune Tsi, Stella currently serves as the chairman of the Audit Committee. The Audit Committee has reviewed the unaudited condensed consolidated financial statements of the Group for the six months ended 30 September 2021.

By order of the Board
WAC Holdings Limited
Dr. Chan Yin Nin
Chairman

Hong Kong, 9 November 2021

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