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**Wang Yang Holdings Limited**  
**泓盈控股有限公司**

*(Incorporated in the Cayman Islands with limited liability)*

**(Stock code: 1735)**

**ANNUAL RESULTS ANNOUNCEMENT**  
**FOR THE YEAR ENDED 31 MARCH 2018**

**FINANCIAL HIGHLIGHTS**

- Revenue of the Group for the year ended 31 March 2018 amounted to approximately HK\$215.7 million (for the year ended 31 March 2017: approximately HK\$184.4 million).
- Profit attributable to the owners of the Company for the year ended 31 March 2018 amounted to approximately HK\$10.7 million (for the year ended 31 March 2017: approximately HK\$27.0 million).
- Basic and diluted earnings per share for the year ended 31 March 2018 amounted to approximately HK cents 5.40 (for the year ended 31 March 2017: approximately HK cents 13.61).
- The Directors of the Company do not recommend the payment of a final dividend for the year ended 31 March 2018 (2017: Nil).

The board (the “**Board**”) of directors (the “**Directors**”) of Wang Yang Holdings Limited (the “**Company**”) is pleased to present the audited consolidated financial results of the Company and its subsidiaries (collectively the “**Group**”) for the year ended 31 March 2018 (the “**Period**”) together with the comparative figures for the year ended 31 March 2017 (the “**Previous Period**”) as follows. These information should be read in conjunction with the prospectus of the Company dated 19 March 2018 (the “**Prospectus**”).

**CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER  
COMPREHENSIVE INCOME**

*For the year ended 31 March 2018*

	<i>Notes</i>	<b>2018</b> <b>HK\$'000</b>	2017 <i>HK\$'000</i>
Revenue	3	<b>215,692</b>	184,363
Direct costs		<b>(165,019)</b>	(135,106)
Gross profit		<b>50,673</b>	49,257
Other income and net gains	3	<b>138</b>	–
Administrative and other operating expenses		<b>(33,729)</b>	(16,774)
Operating profit		<b>17,082</b>	32,483
Finance costs		–	(3)
Profit before income tax	4	<b>17,082</b>	32,480
Income tax expense	5	<b>(6,354)</b>	(5,524)
Profit for the year		<b>10,728</b>	26,956
Other comprehensive expense			
<i>Items that may be reclassified to profit or loss:</i>			
— Change in fair value of available-for-sale financial asset		(5)	–
— Reclassification adjustment for gain included in the consolidated statement of profit or loss upon disposal of available-for-sale financial asset		<b>(31)</b>	–
Other comprehensive expense for the year, net of tax		<b>(36)</b>	–
Total comprehensive income for the year attributable to owners of the Company		<b>10,692</b>	26,956
Earnings per share attributable to owners of the Company			
— Basic and diluted earnings per share ( <i>HK cents</i> )	6	<b>5.40</b>	13.61

Details of dividends are disclosed in note 7.

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 March 2018

	<i>Notes</i>	<b>2018</b> <b>HK\$'000</b>	2017 <i>HK\$'000</i>
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment		<b>1,575</b>	2,368
Deposit and prepayment for life insurance policy		<b>2,909</b>	–
		<u><b>4,484</b></u>	<u>2,368</u>
<b>Current assets</b>			
Gross amounts due from customers for contract work		<b>35,953</b>	34,531
Trade and other receivables	8	<b>78,580</b>	73,991
Available-for-sale financial asset		<b>2,971</b>	–
Tax recoverable		<b>464</b>	–
Cash and bank balances		<b>103,079</b>	27,557
		<u><b>221,047</b></u>	<u>136,079</u>
<b>Total assets</b>		<u><b>225,531</b></u>	<u>138,447</u>
<b>EQUITY</b>			
<b>Capital and reserves</b>			
Share capital		<b>2,640</b>	11,010
Reserves		<b>184,513</b>	74,535
<b>Total equity</b>		<u><b>187,153</b></u>	<u>85,545</u>
<b>LIABILITIES</b>			
<b>Non-current liabilities</b>			
Liabilities for long service payments		<b>562</b>	589
Deferred tax liabilities		<b>15</b>	88
		<u><b>577</b></u>	<u>677</u>

	<i>Notes</i>	<b>2018</b> <b>HK\$'000</b>	2017 <i>HK\$'000</i>
<b>Current liabilities</b>			
Gross amounts due to customers for contract work		<b>38</b>	2,504
Trade and other payables	9	<b>35,766</b>	31,719
Loan from a related party		–	1,600
Dividend payable		–	15,000
Finance lease liabilities		–	18
Current income tax liabilities		<b>1,997</b>	1,384
		<u><b>37,801</b></u>	<u>52,225</u>
<b>Total liabilities</b>		<u><b>38,378</b></u>	<u>52,902</u>
<b>Total equity and liabilities</b>		<u><b>225,531</b></u>	<u>138,447</u>
<b>Net current assets</b>		<u><b>183,246</b></u>	<u>83,854</u>
<b>Total assets less current liabilities</b>		<u><b>187,730</b></u>	<u>86,222</u>

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### 1. GENERAL INFORMATION AND BASIS OF PRESENTATION OF THE CONSOLIDATED FINANCIAL STATEMENTS

The Company was incorporated in the Cayman Islands on 29 March 2017 as an exempted company with limited liability under the Companies Law of the Cayman Islands and its shares have been listed on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) with effect from 29 March 2018.

The addresses of the Company is PO Box 1350, Clifton House, 75 Fort Street, Grand Cayman, KY1-1108, Cayman Islands and the Company’s principal place of business is Offices E & F, 7th Floor, King Palace Plaza, No. 55 King Yip Street, Kwun Tong, Kowloon, Hong Kong. The Company is an investment holding company. The Group is principally engaged in the business of foundation works and superstructure building works in Hong Kong.

Prior to the corporate reorganisation undertaken in preparation for the listing of the Company’s shares on the Stock Exchange (the “**Reorganisation**”), the group entities were under the control of Ms. Tsui Kwok Ying (“**Ms. KY Tsui**”), Mr. Ng Chi Bun Benjamin (“**Mr. Benjamin Ng**”) and Ms. Ng Chung Yan May (“**Ms. May Ng**”). Through the Reorganisation, the Company became the holding company of the companies now comprising the Group on 8 March 2018. Accordingly, for the purpose of the preparation of the consolidated financial statements of the Group, the Company has been considered as the holding company of the companies now comprising the Group throughout the years presented. The Group comprising the Company and its subsidiaries resulting from the Reorganisation is regarded as a continuing entity. The Group was under the control of Ms. KY Tsui, Mr. Benjamin Ng and Ms. May Ng prior to and after the Reorganisation.

The consolidated financial statements has been prepared as if the Company had been the holding company of the Group throughout the years presented in accordance with Accounting Guideline 5 “Merger Accounting for Common Control Combinations” issued by the Hong Kong Institute of Certified Public Accountants (“**HKICPA**”). The consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the years presented, which include the results, changes in equity and cash flows of the companies now comprising the Group, have been prepared to present as if the current group structure had been in existence throughout the years presented, or since their respective dates of incorporation where this is a shorter period. The consolidation statement of financial position as at 31 March 2017 has been prepared to present the assets and liabilities of the companies comprising the Group as if the current group structure had been in existence at that date taking into account the respective date of incorporation, where applicable.

The consolidated financial statements are presented in Hong Kong dollars (“**HK\$**”), unless otherwise stated.

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies applied in the preparation of these consolidated financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

### 2.1 Basis of presentation

The principal accounting policies applied in the preparation of the consolidated financial statements which are in accordance with the HKFRSs issued by the HKICPA are set out below. In addition, the consolidated financial statements includes applicable disclosures required by the Rules Governing the Listing of Securities on the Main Board of the Stock Exchange and with the disclosure requirements of the Hong Kong Companies Ordinance (Cap 622). The consolidated financial statements has been prepared under the historical cost convention, except as otherwise stated in the accounting policies below.

The preparation of financial statements in conformity with HKFRSs requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies.

#### 2.1.1 Changes in accounting policy and disclosures

(a) *New and amended standards adopted by the Group*

Amendments to HKAS 7	Disclosure Initiative
Amendments to HKAS 12	Recognition of Deferred Tax Assets for Unrealised Losses
Amendments to HKFRS 12	As part of the Annual Improvements to HKFRSs 2014–2016 Cycle

Except as described below, the application of the amendments to HKFRSs in the current year has had no material impact on the Group's financial performance and positions for the current and prior years and on the disclosures set out in these consolidated financial statements.

#### Amendments to HKAS 7 Disclosure Initiative

The Group has applied these amendments for the first time in the current year. The amendments require an entity to provide disclosures that enable user of financial statements to evaluate changes in liabilities arising from financing activities, including both cash and non-cash changes. In addition, the amendments also require disclosures on changes in financial assets if cash flows from those financial assets were, or future cash flows will be, included in cash flows from financing activities.

Specifically, the amendments require the following to be disclosed: (i) changes from financing cash flows; (ii) changes arising from obtaining or losing of subsidiaries or other businesses; (iii) the effect of changes in foreign exchange rates; (iv) changes in fair value; and (v) other changes.

(b) *New and amended standards not yet adopted*

The following new standards and amendments to standards relevant to the Group's operations have been issued and are effective for the financial year beginning 1 January 2018 or after and have not been early adopted.

HKFRS 9	Financial Instruments <sup>1</sup>
HKFRS 15	Revenue from Contract with Customers <sup>1</sup>
HKFRS 16	Leases <sup>2</sup>
HKFRS 17	Insurance Contract <sup>4</sup>
HK(IFRIC) — Int 22	Foreign Currency Transactions an Advance Consideration <sup>1</sup>
HK (IFRIC) — Int 23	Uncertainty over Income Tax Treatments <sup>2</sup>
Amendments to HKFRS 2	Classification and Measurement of Share-Based Payment Transactions <sup>1</sup>
Amendments to HKFRS 4	Applying HKFRS 9 Financial Instruments with HKFRS 4 Insurance Contracts <sup>1</sup>
Amendments to HKFRS 9	Prepayment Features with Negative Compensation <sup>2</sup>
Amendments to HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture <sup>3</sup>
Amendments to HKFRS 15	Clarification to HKFRS 15 Revenue from Contracts with Customers <sup>1</sup>
Amendments to HKAS 19	Plan Amendment, Curtailment or Settlement <sup>2</sup>
Amendments to HKAS 28	Long-term Interests in Associates and Joint Ventures <sup>2</sup>
Amendments to HKAS 28	As part of the Annual Improvements to HKFRSs 2014–2016 Cycle <sup>1</sup>
Amendments to HKAS 40	Transfers of Investment Property <sup>1</sup>
Amendments to HKFRSs	Annual Improvement to HKFRSs 2015–2017 Cycle <sup>2</sup>

<sup>1</sup> Effective for annual periods beginning on or after 1 January 2018.

<sup>2</sup> Effective for annual periods beginning on or after 1 January 2019.

<sup>3</sup> Effective for annual periods beginning on or after a date to be determined.

<sup>4</sup> Effective for annual periods beginning on or after 1 January 2021.

### 3. REVENUE, OTHER INCOME AND NET GAINS AND SEGMENT INFORMATION

Revenue, which is also the Group's turnover, represents construction contract receipts in the ordinary course of business. Revenue and other income recognised during the years are as follows:

	<b>2018</b> <i>HK\$'000</i>	2017 <i>HK\$'000</i>
<b>Revenue</b>		
Business of foundation works and superstructure building works	<u>215,692</u>	<u>184,363</u>
<b>Other income and net gains</b>		
Interest income	115	–
Loss on disposal of property, plant and equipment	(8)	–
Fair value gain on available-for-sale financial asset (transfer from equity on disposal)	<u>31</u>	–
	<u>138</u>	–

The chief operating decision-maker has been identified as the board of directors of the Company. The board of directors regards the Group's business as a single operating segment and reviews consolidated financial statements accordingly. Also, the Group only engages its business in Hong Kong. Therefore, no segment information is presented.

#### Geographical information

The Company is domiciled in the Cayman Islands with the Group's operations located in Hong Kong. All of the Group's revenue from external customers during the years are derived from Hong Kong, the place of domicile of the Group's operating subsidiaries. All the non-current assets of the Group are located in Hong Kong. Accordingly, no geographical information is presented.

#### Information about major customers

Revenue from customers contributing over 10% of the total revenue of the Group are as follows:

	<b>2018</b> <i>HK\$'000</i>	2017 <i>HK\$'000</i>
Customer I	N/A <sup>1</sup>	39,785
Customer II	44,037	N/A <sup>1</sup>
Customer III	30,014	39,549
Customer IV	<u>27,141</u>	<u>N/A<sup>1</sup></u>

<sup>1</sup> The corresponding revenue did not contribute over 10% of the total revenue of the Group.

#### 4. PROFIT BEFORE INCOME TAX

	2018 <i>HK\$'000</i>	2017 <i>HK\$'000</i>
Profit before taxation has been arrived at after charging:		
Included in direct costs:		
Depreciation of owned assets	1,513	942
Depreciation of assets under finance leases	21	49
Staff costs, including directors' emoluments	13,228	9,187
Operating lease rental in respect of		
— equipment and machinery	1,108	721
— others	32	29
Included in administrative and other operating expenses:		
Auditors' remuneration	770	150
Depreciation of owned assets	97	99
Listing expenses	18,866	2,643
Operating lease rental in respect of		
— office premise	599	599
— director's quarter (included in director's emoluments)	294	437
Staff costs, including directors' emoluments	9,530	10,483

#### 5. INCOME TAX EXPENSE

For the years ended 31 March 2018 and 2017, Hong Kong profits tax has been provided at the rate of 16.5% on the estimated assessable profits arising in or derived from Hong Kong for the years.

	2018 <i>HK\$'000</i>	2017 <i>HK\$'000</i>
Hong Kong profits tax		
Current income tax	6,427	5,627
Deferred income tax	(73)	(103)
Income tax expense	6,354	5,524

#### 6. EARNINGS PER SHARE

The calculation of the basic earnings per share of the year ended 31 March 2018 is based on the profit for the year of approximately HK\$10,728,000 (2017: approximately HK\$26,956,000) and the weighted average number of ordinary shares in issue during the year ended 31 March 2018 of approximately 198,542,000 (2017: 198,000,000) on the assumption that the Reorganisation as defined in notes 1, had been completed on 1 April 2016. No diluted earnings per share is presented for both years as there was no potential ordinary share outstanding.

## 7. DIVIDENDS

The Directors do not recommend the payment of final dividend for the year ended 31 March 2018. No dividend has been declared or paid by the Company since its date of incorporation. During the year ended 31 March 2017, Wise Trend Engineering Limited, a subsidiary of the Company, declared interim dividends to its then equity holders amounting to HK\$15,000,000 before Reorganisation.

## 8. TRADE AND OTHER RECEIVABLES

	<b>2018</b> <i>HK\$'000</i>	2017 <i>HK\$'000</i>
Trade receivables	<b>34,454</b>	33,212
Retention receivables	<b>31,878</b>	27,007
Other receivables, deposits and prepayments	<b>12,248</b>	13,772
	<b>78,580</b>	73,991

Notes:

- (a) Trade receivables are past due when a counterparty has failed to make a payment when contractually due. The credit period granted to customers is 14 to 30 days from the date of issue of the payment certificate by the customer's consultant or architect or the invoice date. Trade receivables are denominated in HK\$.
- (b) The ageing analysis of the trade receivables based on payment certificate date/invoice date is as follows:

	<b>2018</b> <i>HK\$'000</i>	2017 <i>HK\$'000</i>
0-30 days	<b>17,420</b>	23,588
31-60 days	<b>4,301</b>	3,297
61-90 days	–	403
Over 90 days	<b>12,733</b>	5,924
	<b>34,454</b>	33,212

Trade receivables of approximately HK\$17,420,000 (2017: HK\$23,588,000) as at 31 March 2018 were not yet past due and approximately HK\$17,034,000 (2017: HK\$9,624,000) as at 31 March 2018 were past due but not impaired. These relate to trade receivables from a number of independent customers of whom there is no recent history of default and no provision has therefore been made.

Age of trade receivables that are past due but not impaired:

	<b>2018</b> <i>HK\$'000</i>	2017 <i>HK\$'000</i>
Overdue by:		
1-30 days	<b>4,301</b>	3,297
31-60 days	–	403
61-90 days	–	1,805
Over 90 days	<b>12,733</b>	4,119
	<b>17,034</b>	9,624

- (c) Retention receivables were not past due as at 31 March 2018 and 2017, and were settled in accordance with the terms of respective contract.
- (d) The other classes within trade and other receivables do not contain impaired assets. The Group does not hold any collateral as security.
- (e) The carrying amounts of trade and other receivables approximate to their fair values as at 31 March 2018 and 2017.

## 9. TRADE AND OTHER PAYABLES

	<b>2018</b> <i>HK\$'000</i>	2017 <i>HK\$'000</i>
Trade payables	<b>14,665</b>	27,959
Accruals and other payables	<b>20,685</b>	3,760
Deposits received	<b>416</b>	–
	<u><b>35,766</b></u>	<u>31,719</u>

### Notes:

- (a) Payment terms granted by suppliers are generally 7 to 90 days from the invoice date of the relevant purchases.

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

	<b>2018</b> <i>HK\$'000</i>	2017 <i>HK\$'000</i>
0–30 days	<b>12,195</b>	16,312
31–60 days	<b>1,537</b>	1,551
61–90 days	<b>633</b>	22
Over 90 days	<b>300</b>	10,074
	<u><b>14,665</b></u>	<u>27,959</u>

- (b) All trade and other payables are denominated in HK\$.
- (c) The carrying amounts of trade and other payables approximate to their fair values as at 31 March 2018 and 2017.

## MANAGEMENT DISCUSSION AND ANALYSIS

### BUSINESS REVIEW

The Group is a contractor in Hong Kong undertaking (i) foundation works which include piling works, excavation and lateral support works, and pile cap construction; (ii) superstructure works which include building works in relation to the parts of the structure above the ground level; and (iii) other construction works such as demolition works, site formation works, ground investigation works, minor works, hoarding works, A&A works and fitting-out works. All revenue for the Period was derived from the contracts of the construction works.

Our shares (the “**Shares**”) were listed on the Main Board of the Stock Exchange (the “**Listing**”) on 29 March 2018 (the “**Listing Date**”) when 66,000,000 ordinary shares (comprising a public offer of 33,000,000 shares and placing of 33,000,000 shares) had been offered for subscription, at an offer price of HK\$1.5 per Share.

As at 31 March 2018, we had 18 contracts on hand (including contracts in progress and contracts which are yet to commence) with a total original contract value of approximately HK\$724.8 million. As at 31 March 2017, we had 16 contracts on hand with a total original contract value of HK\$522.5 million.

The general outlook for the industry is that growth is to be continually supported by the Hong Kong Government’s investment in infrastructure and housing construction projects. Though the construction industry will remain under intensified competition coupled with tight labour supply and increased costs of labour and raw materials, the Group is still confident in maintaining our competitiveness and remains positive for the future.

### FINANCIAL REVIEW

#### Revenue

The revenue of the Group for the Period amounted to approximately HK\$215.7 million, i.e. about 17.0% more than that of approximately HK\$184.4 million for the Previous Period. Such growth was mainly attributable to (i) 13 projects newly awarded and contributed revenue of approximately HK\$49.1 million to the Group for the Period; and (ii) a higher amount of recognized revenue from 2 residential development projects in Kowloon Tong for the Period (HK\$42.2 million) when compared with the amount of recognized revenue of the same projects for the Previous Period (HK\$12.1 million), which was due to the actual works progress under the relevant contracts as certified by the customers.

#### Gross Profit and Gross Profit Margin

The gross profit of the Group for the Period amounted to approximately HK\$50.7 million, representing a slight increase of approximately 2.9% as compared to the Previous Period of approximately HK\$49.3 million. The slight increase in the gross profit was mainly due to the increase in revenue for the Period as discussed above. The Group’s gross profit margin for the Period was approximately 23.5%, showing a slight decrease as compared with approximately 26.7% for the Previous Period. The decrease in gross profit margin was mainly attributable to

the increase in the use of subcontractors in performing the works for the Period. The Directors consider that a profit markup is generally factored in the fees charged by subcontractors, and, as a result, the more substantial use of subcontractors in performing the works led to relatively lower gross profit margins.

### **Other Income and net gains**

Other income and net gains mainly comprises interest income from life insurance policies and fair value gain on available-for-sale financial asset (transfer from equity on disposal). During the Period, other income and net gains amounted to approximately HK\$138,000 (2017: nil).

### **Administrative and Other Operating Expenses**

The administrative and other operating expenses of the Group has increased from HK\$16.8 million for the Previous Period to HK\$33.7 million for the Period, representing an increase of approximately 100.6%. Such increase was mainly due to the increase in the recognition of the Listing expenses for the Period (HK\$18.9 million) as compared to that in the Previous Period (HK\$2.6 million).

### **Income Tax Expense**

Income tax expense increased by approximately 15.0% from approximately HK\$5.5 million for the Previous Period to approximately HK\$6.4 million for the Period. Despite the decrease in the net profit before tax for the Period, we recorded an increase in income tax expense primarily because of the tax effect of the non-deductible Listing expenses incurred for the Period.

### **Net Profit**

As a result of the aforesaid and in particular the recognition of Listing expenses during the Period and the tax effect of the non-deductible Listing expenses as explained above, our net profit for the year decreased from HK\$27.0 million for the Previous Period to approximately HK\$10.7 million for the Period, representing a decrease of approximately 60.2%.

## **LIQUIDITY, FINANCIAL RESOURCES AND CAPITAL STRUCTURE**

The Group has funded the liquidity for the Period and capital requirements primarily through capital contributions from shareholders, cash inflow generated from operating activities as well as the proceeds received from Listing on the Listing Date.

As at 31 March 2018, the Group had cash and bank balances of HK\$103.1 million (31 March 2017: HK\$27.6 million). The increase was mainly due to the net proceeds received from the Listing.

As at 31 March 2018, the share capital and equity attributable to owners of the Company amounted to HK\$2.6 million and HK\$184.5 million (31 March 2017: approximately HK\$11.0 million and HK\$74.5 million respectively).

The current ratio increased from 2.6 times as at 31 March 2017 to 5.8 times as at 31 March 2018 mainly due to the increase in cash and bank balances from net proceeds received from the Listing.

### **Foreign Exchange Risk**

The Group mainly operates in Hong Kong. All operating transactions and revenue were settled in Hong Kong dollars and the Group's assets and liabilities are denominated in Hong Kong dollars. With nearly no portion of monetary transactions and assets denominated in foreign currencies, the Group did not engage in any derivatives agreement and did not commit to any financial instrument to hedge its foreign exchange exposure during the Period as well as during the Previous Period.

### **Gearing ratio**

Gearing ratio is calculated by dividing all debts by total equity at the period-end date and expressed as a percentage. Debts are defined to include payables incurred not in the ordinary course of business. The gearing ratio of the Group as at 31 March 2018 is nil (as at 31 March 2017: 1.9%).

### **Significant investment, Material Acquisitions and Disposal of Subsidiaries and Associates Companies**

Apart from the reorganization in relation to the Listing (as set out under the section headed "History and Development" and the paragraph headed "Corporate Reorganisation" in Appendix IV to the Prospectus), there was no significant investment held, material acquisitions or disposals of subsidiaries and affiliated companies by the Group during the Period. Save for the business plan as disclosed in the Prospectus, there was no plan for material investments or capital assets as at 31 March 2018.

### **EMPLOYEES**

The Group had 43 employees (including full-time and casual employees who are paid on a daily basis) as at 31 March 2018 (31 March 2017: 34). Total staff costs included directors' emoluments for the Period amounted to approximately HK\$22.8 million (Previous Period: approximately HK\$19.7 million), salaries, wages and other staff benefits, contributions and retirement schemes, provisions for staff long service payment and untaken paid leave. In order to attract and retain high quality staff and to enable smooth operation within the Group, the Group offers competitive remuneration package that is based on overall market condition and individual employee experience and performance, as well as the performance of the Group. The remuneration policy and package of the Group's employees are periodically reviewed. Apart from mandatory provident fund and job training programs, salaries increment and discretionary bonuses may be awarded to employment according to the assessment of individual performance and market situation. The emoluments of the Directors and senior management have been and will be reviewed by the remuneration committee of the Company which was established on 13 March 2018, taking into account of the Company's operating results, market competitiveness, individual performance and achievement, and approved by the Board.

## **CAPITAL COMMITMENTS**

The Group had no capital commitments as at 31 March 2018 (2017: nil).

## **COMPARISON OF BUSINESS OBJECTIVES WITH ACTUAL BUSINESS PROGRESS AND USE OF PROCEEDS**

As the Listing Date (29 March 2018) is close to the financial year end date (31 March 2018), the Company has not yet utilised the proceeds from the Listing as planned as of 31 March 2018 and there has not yet been material business progress as of 31 March 2018 in implementing the business objectives set out in the Prospectus and up to the date of this announcement.

## **DIVIDEND**

The Board does not recommend the payment of a final dividend for the Period (2017: Nil).

## **PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S LISTED SECURITIES**

Save that the Shares have been listed on the Main Board of the Stock Exchange since the Listing Date, no purchase, sale or redemption of the Company's listed securities was made by the Company or any of its subsidiaries from the Listing Date to up to the date of this announcement.

## **EVENTS AFTER THE REPORTING PERIOD**

The Directors confirm that there is no significant event has taken place after the Period to up to the date of this announcement.

## **CORPORATE GOVERNANCE CODE**

The Company has applied the principles of the applicable code provisions (the "**Code Provisions**") as set out under the Corporate Governance (the "**CG Code**") contained in Appendix 14 to the Listing Rules. As the Shares were not listed on the Main Board of the Stock Exchange until 29 March 2018, the CG code provisions were not applicable to the Company before the Listing Date. To the best of the knowledge of the Board, the Company has complied with the CG code since the Listing Date and up to the date of this announcement. The Directors will periodically review on the Company's corporate governance policies and will propose any amendment, if necessary, to ensure compliance with the Code Provisions from time to time.

## **COMPLIANCE WITH THE MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS**

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Companies (the "**Model Code**") contained in Appendix 10 to the Listing Rules as a code of conduct of the Company for Directors' securities transactions. In response to specific enquires by the Company, all Directors have confirmed that they have complied with the requirements set out in the Model Code since the Listing Date and up to the date of this announcement.

## **SHARE OPTION SCHEME**

The Company has adopted a share option scheme (the “**Share Option Scheme**”) on 13 March 2018. The principal terms of the Share Option Scheme are summarized in Appendix IV to the Prospectus. The main purpose of the Share Option Scheme is to attract and retain the best available personnel, to provide incentive to employees (full-time and part-time), directors, consultants, advisers, distributors, contractors, suppliers, agents, customers, business partners and service providers of our Group and to promote the success of the business of our Group. No share option has been granted, exercised, cancelled or lapsed under the Share Option Scheme since its adoption on 13 March 2018 and up to the date of this announcement, and there is no outstanding share option as at 31 March 2018.

## **COMPETING INTERESTS**

The Directors confirm that none of the Controlling Shareholders or the Directors or their respective close associates (as defined in the Listing Rules) is interested in a business apart from the Group’s business which competes or is likely to compete, directly or indirectly, with the Group’s business during the Period and up to the date of this announcement, and that is required to be disclosed pursuant to Rule 8.10 of the Listing Rules.

## **COMPLIANCE ADVISER’S INTERESTS**

As notified by the Company’s compliance adviser, Grande Capital Limited (the “**Compliance Adviser**”), as at 31 March 2018, except for the compliance adviser agreement entered into between the Company and the Compliance Adviser dated 28 February 2018, the Compliance Adviser nor its directors, employees or close associates had any interests in relation to the Company, which is required to be notified to the Company pursuant to the Listing Rules.

## **AUDIT COMMITTEE REVIEW**

The Company established an Audit Committee on 13 March 2018 in accordance with Rule 3.21 of the Listing Rules with terms of reference aligned with the provision of the CG Code. The Audit Committee consists of three independent non-executive Directors, namely, Mr. Yau Chung Hang, Mr. Pong Kam Keung and Mr. Lo Ki Chiu. Currently, Mr. Yau Chung Hang is the chairperson of the Audit Committee.

The Group’s consolidated annual financial statements for the Period have been reviewed and approved by the Audit Committee. The Audit Committee was of the opinion that the preparation of such results complied with the applicable accounting standards and requirements as well as the Listing Rules and that adequate disclosures have been made.

## **SUFFICIENCY OF PUBLIC FLOAT**

Based on the information that is publicly available to the Company and within the knowledge of the Directors, the Directors confirmed that the Company has maintained a sufficiency amount of public float for its Shares as required under the Listing Rules from the Listing Date to up to the date of this announcement.

## **ANNUAL GENERAL MEETING**

The notice of the annual general meeting will be published in the Company's website and despatched to the shareholders of the Company in the manner as required by the Listing Rules in due course.

## **PUBLICATION OF ANNUAL RESULTS AND ANNUAL REPORT**

This results announcement is published on the website of the Stock Exchange at **www.hkexnews.hk** and the Company's website at **www.wangyang.com.hk**. The annual report of the Company for the Period containing all information required by the Listing Rules will be dispatched to shareholders and will also be published on the websites of both the Stock Exchange and the Company in due course.

By Order of the Board  
**Wang Yang Holdings Limited**  
**Tsui Kwok Ying**  
*Chairman and non-executive Director*

Hong Kong, 29 June 2018

*As at the date of this announcement, the Board comprises Mr. Ng Chi Bun Benjamin and Ms. Ng Chung Yan May as executive Directors; Ms. Tsui Kwok Ying (Chairman) as non-executive Director and Mr. Yau Chung Hang, Mr. Pong Kam Keung and Mr. Lo Ki Chiu as independent non-executive Directors.*